VILNIUS GEDIMINAS TECHNICAL UNIVERSITY

FACULTY OF BUSINESS MANAGEMENT

DEPARTMENT OF BUSINESS TECHNOLOGIES

Justina Kajėnaitė

E-SHOP PROMOTION MODEL

Master's degree thesis

Business management study programme, state code 621N10004

International business specialisation

Business study area

Vilnius, 2012

VILNIAUS GEDIMINO TECHNIKOS UNIVERSITETAS

VERSLO VADYBOS FAKULTETAS

VERSLO TECHNOLOGIJŲ KATEDRA

Justina Kajėnaitė

ELEKTRONINĖS PARDUOTUVĖS POPULIARINIMO MODELIS

E-SHOP PROMOTION MODEL

Baigiamasis magistro darbas

Verslo vadybos studijų programa, valstybinis kodas 621N10004

Tarpautinio verslo specializacija

Verslo studijų krytpis

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VILNIUS GEDIMINAS TECHNICAL UNIVERSITY

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Head of Department

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(Date)

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Consultant _____ _____ _____
(Title, Name, Surname)   (Signatare)   (Date)

Consultant _____ _____ _____
(Title, Name, Surname)   (Signature)   (Date)

Vilnius, 2012

VILNIAUS GEDIMINO TECHNIKOS UNIVERSITETAS
VERSLO VADYBOS FAKULTETAS
VERSLO TECHNOLOGIJŲ KATEDRA

TVIRTINU
Katedros vedėjas

_____
(Parašas)
doc. dr. Vida Davidavičienė
(Vardas, pavardė)

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(Data)

Justina Kajėnaitė

ELEKTRONINĖS PARDUOTUVĖS POPULIARINIMO MODELIS

E-SHOP PROMOTION MODEL

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Vilnius, 2012

VILNIAUS GEDIMINO TECHNIKOS UNIVERSITETAS
VERSLO VADYBOS FAKULTETAS
VERSLO TECHNOLOGIJŲ KATEDRA

Verslo studijų kryptis

Verslo vadybos studijų programa, valstybinis kodas 621N10004

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doc. dr. Vida Davidavičienė
(Vardas, pavardė)

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(Data)
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BAIGIAMOJO MAGISTRO DARBO UŽDUOTIS

………....................Nr. ....
Vilnius

Studentui (ei) Justinai Kajėnaitei

Baigiamojo darbo tema: Elektroninės parduotuvės populiarinimo modelis

patvirtinta 2010 m. lapkričio mėn. 3 d. dekano potvarkiu Nr. 478 vv

Baigiamojo darbo užbaigimo terminas 2011 m. gruodžio mėn. 29 d.

BAIGIAMOJO DARBO UŽDUOTIS:

Magistriniame darbe turi būti išanalizuota internetinio marketingo mokslinė literatūra, nustatytos internetinio marketingo priemonės bei technikos. Taip pat išanalizuoti populiarinimo modeliai, kuriuos siūlo kiti autoriai. Atlikus literatūros analizę turi būti atlikti empyriniai tyrimai, skirti ištirti kaip internetinės rinkodaros priemonės veikia vartotojus. Remiantis atlikta literatūros analize bei atliktais empyriniais tyrimais suformuoti e. parduotuvės populiarinimo modelį.

Baigiamojo darbo rengimo konsultantai: ....
(Moksl. laipsnis/pedag. vardas, vardas, pavardė)

Vadovas   ....   doc. dr. Vida Davidavičienė
              (Parašas)   (Moksl. laipsnis, vardas, pavardė)

Užduotį gavau

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Justina Kajėnaitė

2010 – 10 – 22

VILNIUS GEDIMINAS TECHNICAL UNIVERSITY
FACULTY OF BUSINESS MANAGEMENT
DEPARTMENT OF BUSINESS TECHNOLOGIES

Business study area

Business management study programme, state code 621N10004

International business specialisation

APPROVED BY
Head of Department

_____
(signature)
doc. dr. Vida Davidavičienė
(Name, Surname)

_____
(date)

OBJECTIVES FOR MASTER THESIS
………..............No. ....
Vilnius

For student Justina Kajėnaitė

Thesis title: E-shop promotion model

Approved on 3 November, 2010 by Dean's decree No. 478 vv

The work has to be completed by 29 December, 2011

THE OBJECTIVES:

In master thesis followed tasks should be done: theoretical aspects analysis of Internet marketing, to identify Internet marketing tools and techniques and analysis of selection models. Additionally, empirical research and identify practice of e-shop advertising should be carried out. Concerning theoretical and empirical research results e-shop advertising model should be formed.

Consultants of the thesis: ....
(Title, Name, Surname)

Academic Supervisor

....   assoc. prof. dr. Vida Davidavičienė
(signature)   (Title, Name, Surname)

Objectives accepted as a guidance for my thesis work

…………………………………..
(Student's signature)

Justina Kajėnaitė

2010 – 10 – 22

VILNIAUS GEDIMINO TECHNIKOS UNIVERSITETAS
VERSLO VADYBOS FAKULTETAS
VERSLO TECHNOLOGIJŲ KATEDRA

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<tr><td>Tarptautinio verslo specializacija</td><td>_____
(Parašas)
doc. dr. Vida Davidavičienė
(Vardas, pavardė)</td></tr>
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(Data)

PAŽYMA
APIE BAIGIAMĄJĮ MAGISTRO DARBĄ
……..................Nr. ....
Vilnius

Studentas (ė)……….Justina Kajėnaitė………………………………………………………………………….

Studento (ės) studijų svertinis įvertinimų vidurkis …………………………………………...…... balo.

Baigiamojo darbo tema: Elektroninės parduotuvės populiarinimo modelis…………………………………………….

Baigiamasis darbas peržiūrėtas ir studentui (ei)…………..Justinai Kajėnaitei………………………………

leidžiama ginti šį baigiamąjį darbą magistro laipsnio suteikimo komisijoje.

Katedros vedėjas   ....…............   doc. dr. Vida Davidavičienė
                          (Parašas)   (Moksl. laipsnis, vardas pavardė)

VADOVO ATSILIEPIMAS
APIE BAIGIAMĄJĮ MAGISTRO DARBĄ

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Vadovas   ....…….............   doc. dr. Vida Davidavičienė
                 (Parašas)   (Moksl. laipsnis/pedag. vardas, vardas, pavardė)

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(Studijų programa, akademinė grupė)

BAIGIAMOJO DARBO (PROJEKTO)
SĄŽININGUMO DEKLARACIJA

2011 m. gruodžio 29d.

(Data)

Patvirtinu, kad mano baigiamasis darbas (projektas) tema
ELEKTRONINĖS PARDUOTUVĖS POPULIARINIMO MODELIS

patvirtintas 20 10 m. Lapkričio 3 d. dekano potvarkiu Nr. 478vv , yra savarankiškai parašytas. Šiame darbe (projekte) pateikta medžiaga nėra plagijuota. Tiesiogiai ar netiesiogiai panaudotos kitų šaltinių citatos pažymėtos literatūros nuorodose.

Parenkant ir įvertinant medžiagą bei rengiant baigiamąjį darbą (projektą), mane konsultavo mokslininkai ir specialistai:

Mano darbo (projekto) vadovas   doc. dr. Vida Davidavičienė

Kitų asmenų indėlio į parengtą baigiamąjį darbą (projektą) nėra. Jokių įstatymų nenumatytų piniginių sumų už šį darbą niekam nesu mokėjęs(-usi).

JUSTINA KAJĖNAITĖ

(Parašas)   (Vardas ir pavardė)

VILNIUS GEDIMINAS TECHNICAL UNIVERSITY

Justina Kajėnaitė, 20064495
(Student's given name, family name, certificate number)

Business Management
(Faculty)

Business Management, TVFmu-10
(Study programme, academic group no.)

**DECLARATION OF AUTHORSHIP
IN THE FINAL DEGREE PROJECT**

2011   December   29
(Date)

I declare that my Final Degree Project entitled E-SHOP PROMOTION MODEL is entirely my own work. The title was confirmed on 3 November, 2010   by Faculty Dean's order
(Date)

No.   478vv   . I have clearly signalled the presence of quoted or paraphrased material and referenced all sources.

I have acknowledged appropriately any assistance I have received by the following professionals/advisers: doc. dr. Vida Davidavičienė

The academic supervisor of my Final Degree Project is doc. dr. Vida Davidavičienė   .

No contribution of any other person was obtained, nor did I buy my Final Degree Project.

JUSTINA KAJĖNAITĖ

(Signature)   (Given name, family name)

Vilniaus Gedimino technikos universitetas	ISBN ISSN
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Verslo vadybos studijų programos baigiamasis magistro darbas

Pavadinimas **Elektroninės parduotuvės populiarinimo modelis**

Autorius **Justina Kajėnaitė**   Vadovas **doc. dr. Vida Davidavičienė**

Kalba

☐ lietuvių

☒ užsienio

Anotacija

    Baigiamajame magistro darbe, analizuojamos reklamos Internete priemonės ir technikos, Internetinių pirkėjų profilis ir jų eglesio Internete ypatumai. Taip pat teoriniai Internetinės svetainės kokybės modeliai ir pirkėjų motyvai, skatinantys juos priimti pirkimo Internete sprendimą. Atliktas tyrimas, siekiant išsiaiškinti vartotojų eglsena Internete bei jų poržiūri į Internetinės reklamos priemones. Atliktas papildomas tyrimas siekiant išsiaiškinti kurios Internetinio puslapio turinio dalys bei rekamos priemonės skatina vartotojus priimti sprendimą apsipirkri Internete.

    Išanalizavus mokslinę literatūrą ir atlikus empyrinius tyrimus, suformuotas moteriškų drabužių Internetinės parduotuvės populiarinimo modelis. Populiarinimo modelis yra skirtas efektyvesniam internetinės parduotuvės populiarinimui, naujų klientų pritrauktimui bei esamų klientų lojalumo didinimui.

    Darbą sudaro šios dalys: įvadas, 3 dalys, išvados ir literatūros sąrašas.

    Darbo apimtis – 77 p. teksto be priedų, 19 iliustr., 5 lent., 87 bibliografinis šaltinis.

Prasminiai žodžiai: elektroninė prekyba, Internetinė reklama, rinkodara Internete, elektroninė parduotuvė, populiarinimo modelis, vartotojų eglsena.

Final paper of masters **Business management** studies

Title **E-shop promotion model**

Author: **Justina Kajėnaitė**   Supervisor: **assoc. prof. dr. Vida Davidavičienė**

Language

[ ] lithuanian

[X] foreign (English)

Annotation

In the Master Thesis, different Internet advertising tools and techniques, e-shoppers profile and their behavior on the Internet are analyzed. Furthermore, the theoretical models of website quality and consumers intentions to shop are identified. The empirical research was carried out in order to clarify consumer behavior on the Internet and their attitude to Internet advertising tools. Second research was carried out in order to identify which Internet advertising tools and content parts of website makes intentions for consumers to make a purchase decision on e-shop.

Scientific literature and empirical research enabled to form women clothing e-shop advertising model. This model is designed to better e-shop advertising on the Internet, new customers attraction and current customers loyalty increase.

The Final Master Thesis consists of the following parts: introduction, 3 parts, conclusions and references

The Final Master Thesis consists of 77 pages of text without supplements, 19 illustrations, 5 tables and 87 literature sources.

Content

Content of figures

Content of tables

Introduction

Relevance of topic. The Internet has modified many phases of life. In latest decade the development of Internet has led to a dynamic growth in online shopping. Internet trading provides a new opportunity for retail businesses to conduct their business-to-business interplay and business-to-consumer interplay. Companies invest money on their commercial websites, because of huge amount of competitors in retailing market. Today, Internet shopping, web browsing and the usage of e-mail are the most popular activities. The appearance of the Internet as an electronic marketplace is deeply effecting marketing decisions. Understanding how Internet retailing is operated and designed, as well as evaluating the service from the consumers' perspective can develop the customer loyalty that drives profitability. However, gaining customer loyalty is not an easy activity for firms and it can require a great deal of the firm's resources for this to be achieved. Consumers' behavioral contemplations are determined by different irritants in the Internet environment and by the consumers' emotional responses. Traditional sales and traditional marketing methods such as advertising in various press journal no longer provide the same return on investment that was once achieved by most anyone in business. Today online advertising is widely thought to be much better placed than main media advertising especially if company needs to survive any recessions.

Problem. Trend of business-to-consumer e-shopping activities requires that Internet businesses understand which elements stimulates consumers to complete their purchases. Many studies investigated what is website quality. Moreover, many studies also investigated the relationship between different advertising tools or techniques and consumers behavior. Furthermore, have been plenty studies of Internet shopping attitudes and behavior in last years. Most of them have tried to identify elements influencing or contributing to Internet shopping attitudes and behavior. However, less studies were done incase to create promotion models for Internet retailing websites. Because of the fact that consumers interact with websites to shop for products and services and because they have easy choices in selecting online stores, website characteristics are crucial components of the online shopping environment. In addition to this, there are so many ways to promote and advertise online shops, but there are no clear model how to select appropriate means measures.

Object of this work: e-shop advertising

Aim of this work – to form e-shop advertising model

Tasks:

1. Analyze theoretical aspects of Internet marketing, to identify Internet marketing tools and techniques, analyze selection models.
2. Run empirical research and identify practice of e-shop advertising.
3. To form e-shop advertising model concerning theoretical and empirical research results.

Study Methods: Scientific literature analysis and synthesis, statistical data analysis, primary data collection, survey.

The structure of Master Thesis. The structure of master thesis consist of introduction, 3 parts and conclusions. In the first part the literature analysis of e-commerce, e-commerce global situation, e-marketing, online advertising tools and e-shoppers profile is made. In the second part the empirical research of Internet marketing tools evaluation is carried out. Additionally in the second part the concept model of e-shop advertising is formed and second empirical research to verify the conceptual e-shop advertising model is carried out. In the third part the final e-shop promotion model is formed.

1. E-marketing of e-commerce

1.1 E-commerce

Firstly, it is needed to define what electronic commerce is. There are many definitions of electronic commerce (e-commerce). Here are some definitions for better understanding what e-commerce is:

- *E-commerce* embraces all the ways of transacting business via electronic data. (Hindle *et al.* 2008)

- *E-commerce* is that part of e-business concerned with retail and wholesale purchases and sales. E-commerce also includes servicing customers and collaborating with business partners. (Burke *et al. 2005-2008)*

- E-commerce processes the flow of information through planning, design, manufacture, sales, order processing, distribution, and quality in an e-business. (Bloomsbury Business Library - Business and Management Dictionary *et al.* 2007)

- E-commerce is the conduct of business on the Internet, including the electronic purchasing and selling of goods and services, servicing customers, and communications with business partners. Also known as electronic business (Bloomsbury Business Library - Business and Management Dictionary *et al.* 2007)

- E-commerce - the exchange of goods, information products, or services via an electronic medium such as the Internet. Originally limited to buying and selling, it has evolved to include such functions as customer service, marketing, and advertising. Also known as electronic commerce web commerce. (Bloomsbury Business Library - Business and Management Dictionary *et al.* 2007)

- E-commerce is the practice of selling goods or services over the Internet or World Wide Web. Additionally it refers to conducting business online (this can include customer service functions, sales, marketing, advertising and more) (Essential Finance *et al.* 2003)

E-business means initiating, arranging, and carrying out electronic business processes. In other words, exchanging services with the help of public or private communication networks, including the Internet, in order to achieve added value (Meier, Stormer *et al.* 2009). E-commerce is a part of e-business because e-business includes many types of online activities, such as communications, manufacturing, processing, and the online buying and selling of goods and services, which is known as e-commerce (Burke *et al.* 2005-2008).

According to Euromonitor International (2007), e-commerce services are divided into two groups – pre-transactional and transactional services:

– Pre-transactional services mainly include the provision of trade-related information, such as information on potential business partners and business opportunities.

– Transactional services include online shops electronic services linking small suppliers with large companies, government procurement systems on the Internet, and supporting services (e.g. electronic payment).

1.1.1 E-commerce models

For starting e-commerce it is important to set what parties will be involved in business transactions. What is more, for preparing the e-shop advertising model it is important to know for which e-commerce model e-shop advertsing model should be created. Because of different parties are involved in business, and marketing tools should be selected by e-commerce model. There are 4 main e-commerce models for business *(Source:* E-commerce models):

1. *Business – to – Business (B2B) model*. Business entities take part as buyer and seller in this model. All transactions are made between various companies. It includes trading various goods, manufacturing, wholesale, professional services dealings. It is possible that this model is between virtual companies, when business proceeds only through the Internet. B2B segment has characteristics as huge financial transactions, great scope for reducing product search costs and transaction costs.
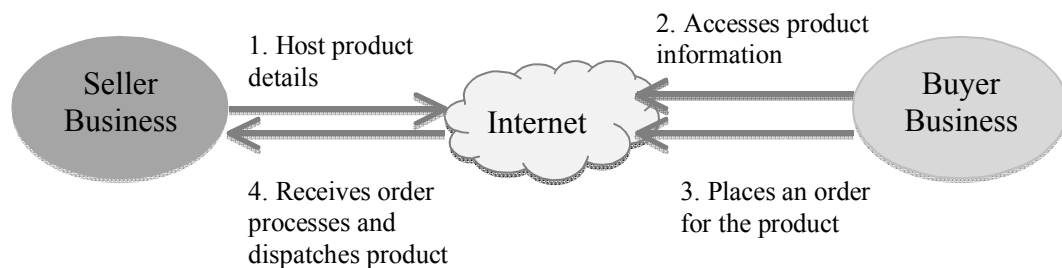

Figure 1.1 Business – to – Business Model (E-commerce models)

2. *Business – to – Consumer (B2C) model*. Business entity and consumer (it can be and individual) participate in this model. Consumers over the Internet find products or services business organizations offers and buy it. Websites, where this e-commerce model is implemented, have online catalogs, where consumer can find all information about the products or services. Travel, insurance services, online banking are an examples of B2C model (E-commerce models).
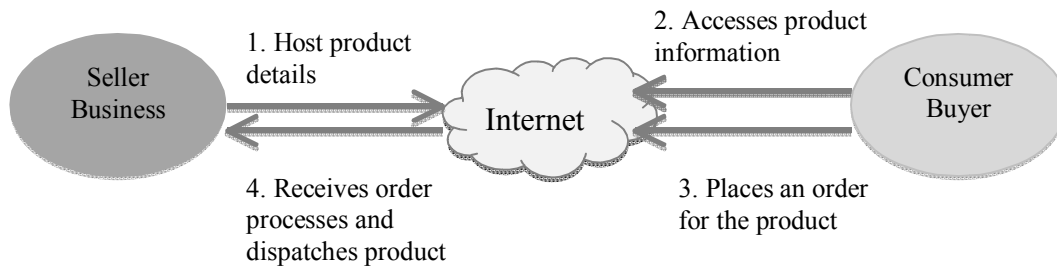
Figure 1.2 Business – to – Consumer Model (E-commerce models)

Large firms are more likely to be involved in electronic commerce, either B2C or B2B, than smaller firms. In Canada, for example, in 2005, online transactions accounted for 57.0% of all purchases and 16.0% of all selling in large companies as compared to 29.0% and 7.0% for small companies, respectively. Although customers tend to be most aware of online shopping, B2C e-commerce is actually not a major distribution channel for most industries. It only accounts for 2.0-3.0% of total retail sales in most countries (for example, 3.1% of retail sales in the UK in 2006). However, B2C e-commerce (also referred to as online retail or "e-tailing") has recorded robust growth in recent years and has become a major diver of retail growth in many countries. Between 2000 and 2006, the number of online buyers worldwide has risen from 88 million to 240 million. Over the same period, global online shopping expenditure has risen from 63.2 billion Unites Stated dollars to 217.9 billion Unites Stated dollars, representing a massive 177.6% increase in real terms (Euromonitor International *et al.* 2007).

3. *Consumer – to – Consumer (C2C) model.* In this model consumer buys directly from another consumer. Usually classifieds websites can be assigned to this e-commerce model, because consumers can publish advertising of products they want to sell or to buy. One more example of C2C model is online auctions.
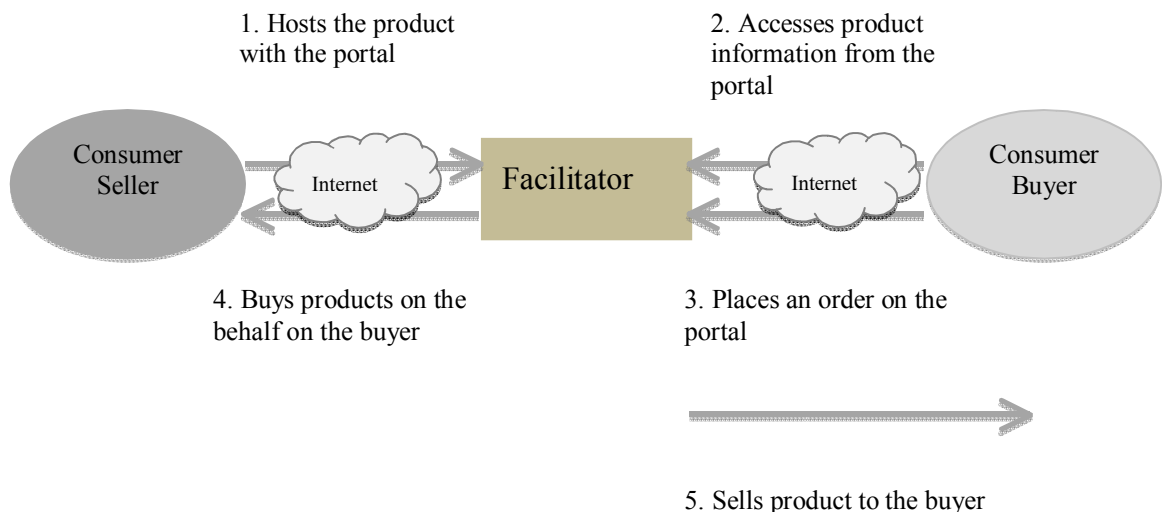

Figure 1.3 Consumer – to – Consumer Model (E-commerce models)

4.   *Consumer – to – Business (C2B) model.* Transactions between consumers and business entities are involved in this e-commerce model. The main difference from B2C model and C2B is that consumer and the buyer change places. It can be concluded the consumer is the seller and the business is the buyer.
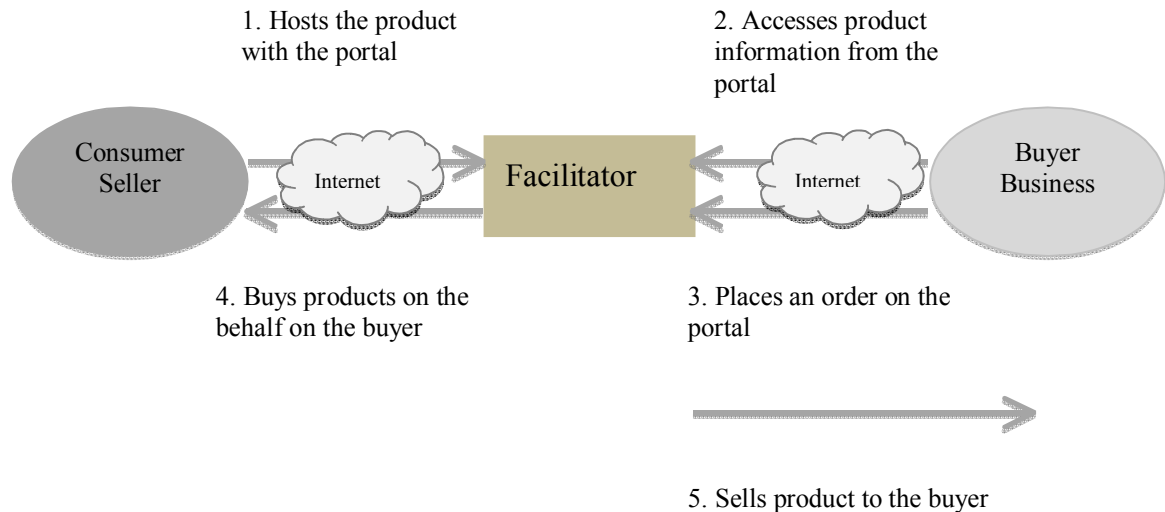

1. Hosts the product with the portal

2. Accesses product information from the portal

4. Buys products on the behalf on the buyer

3. Places an order on the portal

5. Sells product to the buyer

Figure 1.4 Consumer – to – Business Model (E-commerce models)

E-governance are called transactions that involve government. There are five basic e-governance models (E-commerce models):

1.   Government – to – Government (G2G) model. This model involves transactions between 2 governments. For example, if the American government wants to by oil from the Arabian government, the transaction involved are categorized in the G2G model.

2.   Government – to – Consumer (G2C) model. In this model, the government transacts with an individual consumer. For example, a government can enforce laws pertaining to tax payments on individual consumers over the Internet by using the G2C model.

3.   Consumer – to – Government (C2G) model. In this model, an individual consumer interacts with the government. For example, a consumer can pay his income tax or house tax online. The transactions involved in this case are C2G transactions.

4.   Government – to – Business (G2B) model. This model involves transactions between a government and business organizations. For example, the government plans to build a fly over. For this, the government requests for tenders from various contractors. Government can do this over the Internet by using the G2B model.

5.   Business – to – Government (B2G) model. In this model, the business houses transact with the government over the Internet. For example, similar to an individual consumer, business houses can also pay their taxes on the Internet.

It is important to mention, that not all literature sources e-commerce models defines as B2C, B2B and etc. A literature source was found that shows different e-commerce models. The difference

is that these models can be combined with all models mentioned above and these models shows where the money and the goods flow in general terms. It is usual, that companies mix these models and when their e-commerce model can be called as hybrid. There are more e-commerce models that can be assigned to B2C e-commerce models. These models can be called sub-models, because they explain relationships and transactions between business and consumer, and different configurations for the flow of goods and money. Another e-commerce models or sub-models are (E-commerce/e-shop: learning resources):

1. *Private Office Model*. These kinds of websites are only visible to the clients. The customers are provided with a use ID and password. This model is best suited to service businesses with high-value products. It also works well for collaborative projects or transactions or for services or markets with complex security arrangements (E-commerce/e-shop: learning resources).
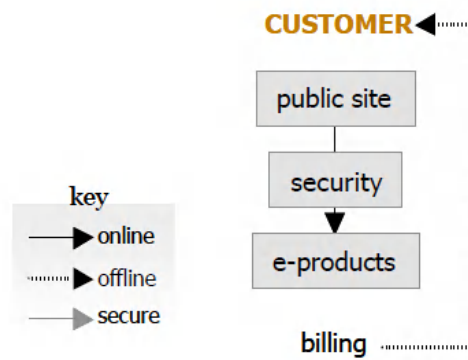

Figure 1.5 Private Office Model (E-commerce/e-shop: learning resources)

2. *Shop Model*. This is the familiar e-shop. The basic core is a catalogue. Customers search and browse the catalogue choose items, which are added to a virtual basket or trolley. The "shopping" is moved to the checkout area which is a secure area. Payment can be verified and funds transferred, while the customer is online. It is suitable for shippable and downloadable products and low human intervention means a potential cost saving but also potential risk. What is perhaps not obvious is that most successful sites are supported by:

   – Innovative online processes e.g. record of previous transactions, targeted sale on entry, accounts maintenance, "1click" to system for subsequent orders.

   – High quality offline processes, such as customer service, delivery speed, telesales, and cross-selling programs.

   – Integration of business processes with the shop front and back ends (E-commerce/e-shop: learning resources).
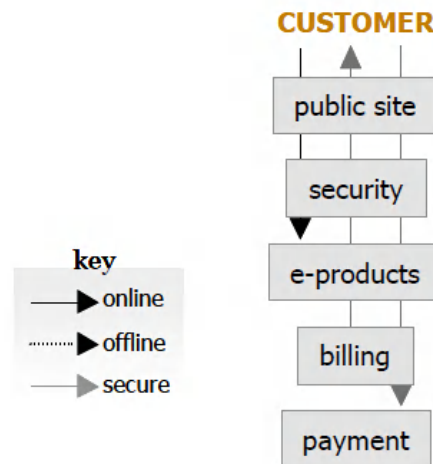
Figure 1.6 Shop Model (E-commerce/e-shop: learning resources)

3. *Membership Model.* The membership model is about creating communities that are of commercial interest to the business. Superficially the membership model seems to have no obvious business value. Actually it is a very creative marketing strategy where all parties can benefit. Companies can often afford to give away expertise in specialist areas e.g. online newsletter on antique clocks, posting facility for the active knitting community. For the business, self-selecting buyers come to the business. It can be so rewarding to create a community that it is all too easy to loose site of the commercial goals. It is therefore important to plan the commercial activity before designing the membership system (E-commerce/e-shop: learning resources).
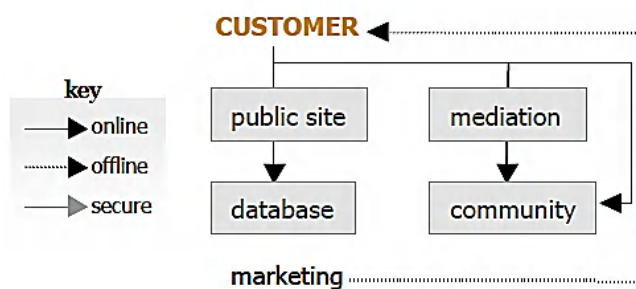
Figure 1.7 Membership Model (E-commerce/e-shop: learning resources)

4. *Market Portal Model.* The market portal connects the suppliers and buyers and adds features or functions, which makes it possible for the two groups to do business. Both the groups are customers for the portal, which is best suited to agencies and dealerships or new Internet businesses. Portals are aggressive, they cut out the middle layers and create the phenomena of disinter mediation where even small businesses and star-ups can overtake the competition by becoming the domain source of goods or services in a specific market sector.

Figure 1.8 Market Portal Model (E-commerce/e-shop: learning resources)

The most popular e-commerce models are described above and company before starting e-business should figure out what business model it wants to do. The e-commerce models depend on business entities that are involved in business. B2C is one of the most popular e-commerce models that will be applied in this work.

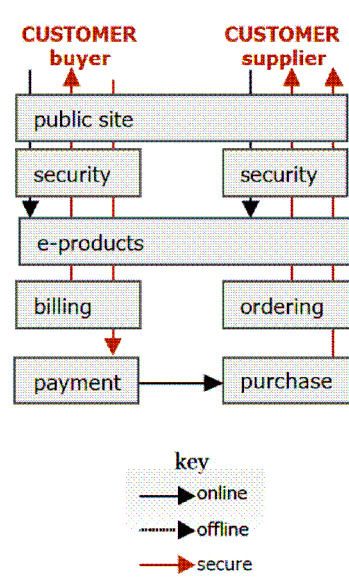## 1.1.2 Global situation of e-commerce and Internet retailing

The Internet technology and increasing number of Internet users leaded that business goes online. Business competition increasing not only between traditional retailers, but also between traditional retailers and Internet retailers, and between Internet retailers. Despite the fact that Internet retailing is increasing every year, traditional retailing is still in the main place. As Euromonitor International (2007) state, B2C has recorded robust growth in 2007 and has become a major diver of retail growth in many countries. That can be affected, because the number of online buyers increased in the World in 152 millions in the period of 2000-2006 (Euromonitor International *et al.* 2007). This fact leaded the increase of money expenditure for online purchases.

In 2007 the highest expansion of online retailing was in developing countries. The leader in this expansion was UK. In period of 2002 – 2006 this country made 33% growth per year. In the World travel sector showed the highest expansion in all Internet shopping. Consumers use Internet to plan, buy their holidays or business trips and they compare trips prices. Internet search engines help them here. Another factor, why travel sector increased so much is because it is service, not physical product, and people do not need to touch it. For Internet purchases e-shoppers use various credit cards, mediating services (ex. PayPal), mobile payment systems, e-banking money transfer systems, but the most popular method is credit cards.

In developing countries companies use e-commerce to find new business partners and expand it. However, exporters from developing countries conducting business over the Internet often run into new legal and security problems. For example, they often lack security measures to ensure that data and systems are secure and reliable to protect their customers and their own business. For poorer countries that do not have good technical skills it is more difficult to compete with other countries. Conducting online shopping in developing countries is also difficult because of a lack of credit cards by shoppers in those countries. Meanwhile, an adequate legal framework does not protect online consumers (Euromonitor International *et al.* 2007).

2007 year for Baltic countries shown growth of Internet usage. More than half population in all three countries (Lithuania, Latvia, Estonia) had Internet. This influenced economic and e-commerce also. For e-commerce it was important, because Internet usage change consumer habits, intentions to shop online, creating lucrative commercial opportunities. Euromonitor International B (2008) states that Baltic consumers were particularly enthusiastic users of Internet banking. For example, in Estonia, 90% of banking transactions were conducted electronically in 2006. However, e-commerce remains underdeveloped in the Baltic's owing to the persistence of traditional buying habits, the limited range of products offered by online stores, and perceived security risks (Euromonitor International B *et al.* 2008). What is more, in 2007 the competition between Internet providers was increasing and today it can be seen that this competition lead to lower Internet prices. Lower Internet prices positively affect the number of Internet users.

In 2008 the largest number of Internet users was in Asia Pacific region. More than 40% of all the World users were based here. In the other places were Europe (21,3 %), North America (18,8%), Latin America (10,5 %), Africa (8,6 %) and Australia (1,3 %) (Euromonitor International A *et al.* 2009). Brazil, Russia, India and China had the highest number of Internet users. China outrunned USA with Internet users in 2008, but the same year the penetration of Internet was higher in more developed countries like Germany, France, UK, USA, Spain, Italy, Japan. The consumer demand for lower prices remains in 2008. Additionally, easier and higher Internet access lead people to find information and have access to information more easily. Expanded Internet usage helped for business also to enlarge their customers' databases and improve its productivity. On the other hand, cyber-criminality has become a multi-million dollar global industry, as hackers increasingly prey on banks, consumers and businesses across borders. This can undermine confidence in the Internet and have adverse effects (or even damage) individuals and companies doing business online (Euromonitor International A *et al.* 2009).

In 2009 all worlds economic had downturn that affected sales. Consumers were looking for lower prices, comparing different retail channels. In this period non-store retailing showed very small growth. Internet retailing helped for this ratio, because Internet retailing took the big part of

non-store retailing and prices were an important factor to purchase decision-making. This situation was, because the big part of all consumers wanted to save money. The same year, in UK, the growth of Internet retailing was in rural areas, because of lower delivery costs, offered by retailers (Euromonitor International B *et al.* 2009). According to Euromonitor International B (2009), in established markets, like the UK and USA, large-scale e-commerce and multi-channel retailers are likely to leverage their buying power in an attempt to undercut prices available at competitors. This point becomes increasingly important as large-scale companies utilize their marketing budgets to promote their e-commerce sites and offer money-off promotions and discounted delivery charges as a way to tempt consumers online. In the USA, searches for on-line coupons have more than doubled since the beginning of the recession in the country, with on-line aggregators bringing together the best deals for consumers looking for an easy way to garner the best prices (Euromonitor International B *et al.* 2009). More over, the same review mention that in this period price comparison website usage was growing. This fact also leads the future growth of Internet retailing.

Online shopping tendency in 2010 is showed in Nielsen (2010) Consumer report. The consumer survey, made in 2010 first quarter showed, that books are in the first place and clothing is in the second place of products on the Internet. Further go airline ticket, electronic, tours, hotels, cosmetics, event tickets, computer hardware, videos, games, DVDs, groceries and Music. Also 1/3 of all survey respondents, mentioned that they primarily do their Internet shopping at retailers that have only online presence (such as Amazon.com), 20% of respondents prefer Internet shopping in websites that have traditional stores and only 16% had never done shopping online (Nielsen *et al.* 2010). These numbers shows the growth of Internet retailing and the usage of it. Consumers do not stop shopping online. The culture differences and technological differences are important for shopping habits. In North America about half people prefer purchases from online store, in Latin America the same number prefer shopping in traditional stores. About half of Internet users in Middle East, Africa and Pakistan had never shopped online (Nielsen *et al.* 2010). The same survey found that in Asia Pacific region China and Korea prefer to do online shopping. 95% of them told that they are planning to make purchase in next 6 month. Nielsen (2010) survey results also show, that Koreans and Chinese usually buy books online, like all other world. The second place in Korea goes to cosmetics and the third place – to clothing, accessories and shoes. In China the second place of online purchase goes to clothes and electronic. Other countries in this region do online purchases for event tickets, videos, DVDs, games that can not be downloaded, travels, hotel booking, airline tickets. In India people usually buys on the Internet music that can not be downloaded (Nielsen *et al.* 2010).

Analysing Europe situation, Nielsen (2010) survey found that about 80% of Europeans are planning to do online purchase in next six month. This shows that Internet shopping is popular in

Europe countries. Europeans usually buy books, clothes and shoes. Books are the most popular product for online purchase in Austria. Clothes and shoes are the most popular products in Czech Republic and Germany. All other Europe countries prefer Internet purchase for vacations, event tickets, DVDs, games and electronic equipment. In North America people usually buys books, clothes, airline tickets the same like in other regions. Comparing Canada and USA, in USA Internet shopping is more popular, because more people who have never done online purchase is in Canada. Addition to this, reviews websites are popular and important in this region, because more than 40 % of respondents in each country told they visit this kind of website when they are making decision to purchase cars, travels, consumer electronics, software. In North America the most popular websites are: Google, Yahho! And Facebook (Nielsen Nielsen *et al.* 2010).

The most active online shoppers in Latin America region are Brazilians. According to Nielsen (2010) survey here the most popular online products are books, electronics, computers, DVDs and games. In the second place of online shipping activity are Columbians. Talking about Venezuelans popular online products, books are not in the first places. They would prefer to buy electronics and airline tickets on the Internet. Books, electronics tours and hotel reservations, event tickets and music, computers, clothing, videos, DVDs, games are the most popular online shopping products in Mexico (Nielsen *et al.* 2010). Brazil is the biggest market in Latin America and Internet commerce is growing here as the Internet usage is also growing. With a vast geographical market to cover, Brazil is experiencing some typical large emerging markets problems. Delivery companies have struggled to transport products sold via the Internet. As a result of e-commerce growth, delivery companies have witnessed problems in terms of lack of appropriate road and airport infrastructure as well as difficulty in hiring specialist workers. Additionally, deliveries to the growing numbers of lower and middle-income consumers who shop online are those presenting the greatest challenges and require a certain level of creativity from delivery companies (Euromonitor International B *et al.* 2011). Moreover, in Brazil it is growing the collective buying websites and clubs. New Internet retailers hope to succeed and get the maximum benefit from growing Brazilian market. According to Euromonitor International B (2011) the highest Internet retailing growth in Latin America was seen in Argentina and Venezuela. This growth was influenced by the growth of Internet users and the reason the consumers are looking for lower prices in e-shops. Addition to this, doing online shopping, Latin America residents save time and save their self from impulse purchases. However, despite the growth in online sales of supermarkets, Argentinean Internet users are still using Internet retail sites primarily to compare prices. The most successful Internet sites are those of store-based retailers, which already benefit from consumer confidence. Pure e-commerce companies have not yet found a successful way to reach consumers and depend mainly on word of mouth. Retailers need to look at how they can use online communities like Facebook and Twitter,

which are increasing their number of users significantly in Argentina (Euromonitor International B *et al.* 2011). Also Euromonitor International B (2011) forecast the highest growth of Internet retailing and e-commerce in Latin America region in period of 2010 –1015 because of increasing Internet users and improved infrastructure.

In Middle East, Africa and Pakistan more than 40 % of respondents told they have never done online purchase and they are not planning to do e-shopping in near future. These residents in this region, who are planning to make a purchase on the Internet, told that the most popular online shopping products here are also books, airline tickets, electronic such as TV's and cameras. In South Africa people mostly plan to buy event tickets and music, which can not be downloaded. In UAE people intend to buy clothes and travels. Clothing purchases are also planes in Pakistan, but here in the first place is computer hardware (Nielsen *et al.* 2010)

All in all, Internet retailing grows rapidly every year. Because of economic recession in 2008-2009, this growth slowed down a little bit, but not so much as traditional retailing. As Euromonitor International A (2011) stated, developing markets have been driving growth in 2010. Latin America and Asia Pacific achieved the highest growth rates in 2010, almost 25% in fixed currency year-on-year terms, while North America and Australasia the lowest. In historic terms over the review period Eastern Europe and Latin America performed the best, with Eastern Europe lagging behind in 2009 and 2010 due to strong overall contraction observed in these markets. At the same time, Asia Pacific benefited from the explosive growth of almost 90% observed within the Chinese Internet retailing in 2010. Internet retailing sales are concentrated within only a handful of countries. In 2010, the top 10 biggest online markets together accounted for 85% of global Internet sales and within those the difference between developed and developing could not be more pronounced (Euromonitor International A *et al.* 2011).

1.2 E-marketing and online advertising

E – marketing is product or business presentation to more than 200 million Internet users that are looking for information our services in the Internet. It is a process when website becomes effective business and sales growth environment (Berkley *et al.* 2006).

It is not possible to create a single theory of e – marketing, just as there is no single theory of marketing. At the same time, it may be that existing theories are sufficient for explaining e – commerce. In this section, it was approach of e – marketing theory from two perspectives. It will be discussed issues related to data quality (Zinkhan *et al.* 2005).

The Internet offers opportunities to collect information that was never available in the past. In the area of communications, companies have speculated about how consumers pay attention to

advertising messages. By studying patterns of click-stream data, it can be understood how consumers seek out information. If consumers want more information on a topic, they can click on the appropriate link. Some links may receive almost no attention, while others may be very popular. It can be also studied click-stream patterns to understand what sequence of behaviors (i.e. clicks) lead to desired outcomes (i.e. purchase, loyalty, registering for more information). The Internet also provides new measures for assessing communication effectiveness. The number of hits serves as a popularity measure or a measure of attention. The amount of time spent on a website tells us about consumer interest and involvement. If a website is designed to stimulate direct sales, then the marketer receives immediate feedback about success. Also, a website can be changed quite rapidly and at a low cost (in comparison with other media). Thus, it is possible to design communication experiments in real time and receive rapid feedback. If one approach isn't working, then a replacement strategy can be implemented within hours (Zinkhan *et al.* 2005).

Human resources are one of factors that determine successful e – marketing. There should be some people, who will supervise the website, because someone should react to the problems appear and solve them, also someone should answer all questions that becomes, only when website will be effective and will give some results and visitors will become customers. Here supervisors should react quickly, because 48-72 hours is standard time within all visitors questions should be answered. This is important to save clients. Special programs, where customers will receive automatic answer through email is not a solution in this place, because they can not answer specific questions or solve specific problems. Every customer waits personal problem solution. To successful business creating website obligate to work with a customers and make the best service for them (Berkley *et al.* 2007).

In e – marketing strategy company do business or advertising on the Internet. Internet by itself is a global network and business on this net doesn't have any special location. What is more, people today can buy sport, kitchen or other equipments at home. For this comfortable process, as a help, comes not only electronic shops, but also and TV shops. However, electronic business company can not control every process by itself, because it usually should have partnership with other to provide full service, for example, with delivery companies. Additional to this, Shneor and Flaten (2008) define four service electronic commerce strategies:

1. Web-presence. It is e-catalogues or other promotional websites with information about a company, contacts and its offers. This type of websites can have 2 forms. First is that these websites are globally oriented with information for all customers around the world. The second form is multi-domestic approach, built on a series of different websites are adjusted linguistically and content-wise to specific foreign markets.

2. Alliances with online agents and distributors are defined as commercial arrangements with online intermediaries including market makers, which provide various agency, distribution, reselling, retail and wholesale service.

3. Global Shop is defined as a transaction facilitating website which serves a global audience of clients indiscriminately.

4. Market-Specific Shop is defined as a transaction facilitating website which serves a national market specific audience of clients, incorporating various cultural, linguistic and environmental adaptations.

As web-based international inquiries and contacts pile up, and interaction with potential clients abroad intensifies the firm recognizes that it is able to extend its market reach through reliance on intermediaries, serving both as trust facilitators and content filtering, translation and dissemination mechanisms. Once sales volumes via online intermediaries grow to a critical level, the firm then explores the option of facilitating direct transactions via its own website, catering loyal customers as well as new ones, through one stop global shop (Shneor, Flaten *et al.* 2008).

Online advertising is one principle of e – marketing. Online advertising is advertising on the Internet. Online advertising encompasses adverts on search engine results pages (covered in the chapter on Pay Per Click advertising), adverts placed in emails and other ways in which advertisers use the Internet (Stokes *et al.* 2009). Alan Lim says that there is active participation between the consumers and sellers in the online environment. It is easier to sell and get their feedback on the product. In the end, the consumer engages with the brand, through the course of online advertising. Additionally, Lizz Shepherd state, a small business can be exposed to customers all over the world because of online advertising. Also, she names as an advantage that potential customers can click on link to learn more what is being advertised. This is something that TV commercials and newspaper ads can not provide. Target Audience is the most important advantage of online advertising according to Alan Lim. He says that in online advertising it is an ability to target potential customers and the ad will be shown only to those who might want to buy that precuts. This helps to save money and have maximum amount of benefits from ad. Desmond Mantor (2006) claims that online advertising is proving to be the most powerful and cost-effective tool to drive traffic to website. Online advertising provides maximum exposure to products than any other form of advertising (Mantor *et al.* 2006). Ib Serve as an advantage names low-cost and presentation to the market. If a product / service are aimed at the younger generation or the corporate world, Internet advertisements would be best because they are already hooked into the net, surfing websites (Serve *et al.* 2008).

Scope and additional costs are called as disadvantages of online advertising. Ib Serve (2008) think that a "limited" market that can be conquered, if companies only use the Internet for

advertising display. While more and more people every day use the technology and surfing the World Wide Web, there are quite a few consumers that are still use older forms of advertising to gather information on certain products and services. Fortunately Internet advertisers are changing quickly (Serve *et al.* 2008). Lizz Shepherd as a disadvantage marks out a consideration, because senior citizens are not online in the same numbers as younger generations. This is not successful advertising tool for products and services that are geared toward them if online advertising is the primary advertising method.

1.2.1 E-marketing types and techniques

Website is the hub of digital world – and perhaps the most important element in whole digital marketing strategy. Many digital marketing techniques are about generating traffic to website – but traffic in itself is worthless. To become valuable, traffic must be converted – and that is essentially what website should be: a conversion engine for the traffic being directed to it (Ruan, Jones *et al.* 2009). Usually Internet visitors are looking for entertainment, information and communication. To get few loyal customers company has just to satisfy one of these visitors needs. If a company is in small business, one of the simplest ways to renew website is create from 5 to 10 main pages and change them one in month. These main pages can be with general information and images or seasonal information and images like "Back to School", "Christmas Sale". This helps for company to make one year plans and save time thinking about how to renew website. It is needs just to ask website designer and creator to program these main pages to change automatically in set time period. The same can be done also with articles or success sorties if company published them on its website. In the main page of website, show only one or maximum two products and their description. All other products should be classified and placed in other websites pages. Websites structure should remain the same to avoid visitors and customer's dissatisfaction. There is a risk if company will renew its website to often. Internet users like websites that give them comfort and safety feeling and this can be done only by familiar for them website. If company's website will not be consistent, it is a risk to mislead visitors and customers, than will cause a lost of good place in search engine (Berkley *et al.* 2007).

Advertising can reach huge audiences with simple messages that resent opportunities allow receivers to understand what a product is, what its primary function is and how it relates to all other similar products. The main function of advertising is to communicate with specific audiences. Advertising can create competitive advantage by providing the communications necessary for target audiences to frame a product. Therefore, advertising can provide the means for differentiation and sustainable competitive advantage. It should be appreciated, however, that differentiation may be

determined by the quality of execution of the advertisements, rather than through the content of the messages (Fill *et al.* 2009). The are many Internet marketing tools and techniques, that can be grouped and separated into these categories: viral marketing, search engine marketing, online public relations marketing, e-mail marketing, interactive marketing and social media marketing.

Viral marketing (Word-of-Mouth marketing) is type of marketing where based online referrals are usually sent to people who are not actively seeking information and therefore "not a priori willing to pay attention to them" (Clarke and Flaherty *et al.* 2005). The term was originally defined as "net – work – enhanced word of mouth". Marketers have long believed that people who hear about a product or service from a trusted source are more likely to buy it than those who heard about it in other ways. Viral marketing is a communication strategy that uses ideas, slogans, catch phrases and icons to transmit a message about a product as widely as possible. Like viruses, such strategies take advantage of rapid multiplication to explode the message as widely as possible (Harris, Dennis *et al.* 2007).

Businesses with good WOM (word-of-mouth) reputations can expect to achieve the greatest success in today's fast-moving environment, as consumers put more faith in the opinions of others rather than classic forms of advertising. Companies are taking advantage of the power of on-line WOM by launching viral marketing campaigns, which if successful can prove a cheap and effective way of advertising. One of the key ways in which manufacturers have responded to the challenge of consumer advocacy has been to become involved in word-of-mouth (WOM), or viral marketing. WOM has a tremendous impact: it is claimed that a consumer tells an average of three people about a product or service they like, and 11 people about a product or service which they do not like. The success of viral marketing is often based upon the "cool factor". Subtly branded video-clips, images, interactive flash games, interesting stories or special offers are launched on the web in the hope that consumers will feel compelled to pass them on to like-minded friends and contacts, making them self-replicating. Piggybacking on-line communications, these advertisements thereby gain credibility from peer-to-peer endorsement. The best examples of these advertisements take on an almost cult status, becoming the focus of real world discussion and re-telling – meaning more kudos and publicity for the relevant brand/product/service. Mothers are strong target for WOM campaigns. Before the arrival of the Internet, they passed on their views and recommendations at social gatherings, mother and baby groups, children's parties or on school runs. Now there are a number of websites aimed at mothers, whom they can use to blog, post reviews, exchange tips and make brand recommendations, and these are highly influential. Some companies are capitalizing on the power of WOM among mothers. For example, McDonald's launched its "Moms' Quality Correspondents" program in 2007, in an attempt to engage mothers on a new level and to encourage viral marketing. A group of five "everyday moms" was selected among more than 4,000 entrants to

be taken on field trips to explore the food quality, safety and nutritional value of McDonald's menu items. The women then share what they learn with other mothers and interested parties through on-line journals, photos and videos (Euromonitor International *et al.* 2009).

Electronic word of mouth became very popular with the flourishing of the electronic social networks. The social networks are becoming the facto standard in today's communication between friends and are exchanging other communication tools such as: face-to-face, phone, mobile and even electronic mail. The need for electronic word – of – mouth is increasing in today's world, mainly as a result of higher demand for information (that is led by the increasingly complexity of the products and services offered) and from the other end, higher supply of information (with all the different available forms of communication, such as emails, SMSs, mobile social networks and others) (Gil-Or *et al.* 2010).

Viral marketing strategies can be classified according to the degree of requiring the customer's activity in forwarding the viral marketing message: low and high integration strategies. The former strategies include "Send this story to a friend" icons and can be used for web-hosted address books, calendars, list servers, newsgroup readers, and greeting card services. The latter strategies require the active participation of the customer in reaching new users who may have to download special programs (Clarke, Flaherty *et al.* 2005).

Search engine marketing. This form of online marketing seeks to promote websites by increasing their visibility in search engine results pages. Search engines – led by Google – have become increasingly powerful in recent years, as they not only represent a gateway to the Internet but are also incorporating a range of other services and functions that are considered useful, or even essential, by consumers. According to a study by comScore, there were 754 million unique searchers globally in August 2007, Asia- Pacific had the most searchers, followed by Europe and North America. Search engines are taking advantage of their growing power by investing increasing sums in consumer profiling, or data mining, through Internet behavior (Euromonitor International *et al.* 2009).

Search engine optimization (SEO). Part and parcel of the website is SEO, or the process of aligning content on website to what prospects are actively searching for, and presenting it in a manner that makes it accessible to both people and search engines. The organic or natural search results (the results in the middle of the search engine results page) are the place to be if companies want to increase targeted traffic to their website. Search engine optimization is so important, because search engines give website owners a prime opportunity to put their products, services or brands in front of a vast and ever-growing market of prospective customers at the precise time those customers are looking for them (Ruan, Jones *et al.* 2009). Harnessing the power of search engines to enable a business to stand out from its competitors is becoming increasingly central to effective

online marketing. Clearly if a prospective customer knows the exact web address they can find the business directly, but attention also needs to be paid to attracting visitors to the site who have searched for a relevant keyword. 14 % of website visitors find it via search engines, 21 % - by following links from another sites and 65 % - by direct navigation. Search engines use "link popularity" in locating and ranking sites. This term refers to both the number of other sites linking to the measured site and especially the importance and relevance of the linking sites. Improving link popularity raises a site in search engine rankings. Specialist companies now exist offering registration and ongoing optimization of rankings as the process becomes ever more complex (Harris, Dennis *et al.* 2007). Companies, that have small marketing budget should use targeted its funds for search engine optimization. Using this e-marketing tool finding right key words is important. It is good, if company can choose key words for free, but usually it costs and if a key word is more popular and more people type these key words in search engine, they are more expensive. Company should try to choose targeted key words. They can be not very popular, but companies' targeted client will use them. For example if company will choose key words like "real estate agents" it will pay many money for them, but there is small probability, that company will be found by target clients. If company sells real estate near the beach in San Diego, better to choose key words as "houses near beach in San Diego for sale". These key words will be cheaper and it is a probability that website will be visited by targeted visitor. Having stable key words will give for company better place in search engine. That is why company should not change its websites key words for longer time period (Berkley *et al.* 2007).

Pay-per-click search advertising (PPC) is an Internet advertising model used to direct traffic to websites, where advertisers pay the publisher (typically a website owner) when the ad is clicked. With search engines, advertisers typically bid on keyword phrases relevant to their target market. Depending on companies' business and what keywords it wants to rank for, this can be an extremely effective way of generating search engine traffic quickly. Although as the medium continues to gain in popularity more competitive keywords are becoming prohibitively expensive for smaller businesses (Ruan, Jones *et al.* 2009). Paid search marketing refers to the paid-for advertising that usually appears alongside, above and occasionally below the organic listings on the search engines results pages. These are usually labeled with something like "sponsored links" or "sponsored results" to make it clear to users what they are, in fact, paid-for ads and not part of the search engine's organic listing. It's no surprise that the three biggest players in the pay-per-click arena are the top three search engines: Google with AdWords, Yahoo! with Search Marketing and Microsoft Live with Search Advertising. (Ruan, Jones *et al.* 2009)

An Online Public Relations marketing is using online channels like *press releases, article syndication and blogs* to create a positive perception of brand and/or position as an authority in

particular field. Just like their offline equivalent, online press releases are a way of getting prominent, *newsworthy stories* about product, brand or company out in front of as many eyeballs as possible. In many ways they are similar to the standard press releases companies would submit to offline media contacts to announce significant developments and/or news in their business. A company or corporate blog is both quick and easy to set up. It offers a platform that company can use to communicate and interact with consumers on a much more personal level than company can on a corporate website. Company blogs are typically written by an individual or a team of people, and offer a convenient way to publish news, announcements and helpful articles relating to companies products and services, comment on industry developments and offer customers a bit of insight into the culture of companies and the personalities behind it (Ruan, Jones *et al.* 2009).

Targeted ad should be included into some targeted articles that are published for example in news website. For example, one pharmacy company included antidepressants medicines advertising in published articles about depression and its symptoms. More and more people are looking for information in the Internet before they buy a product or service. Article with hidden product advertising inside is a way to give more information about products for customers. Good article in a website will help to make exchanges with other websites. Exchanging articles with other websites, banners, coupons, and various discounts - is a way to introduce new product to the market. Companies can offer to website visitors or customers something for free and declare it in companies website. Everyone likes getting some gifts or products for free. That is why this word "free" is in the most search word in the Internet. Give to customers something for free and information about a company will spread like a virus. Not every company can always and for each customer give free "gifts", but it can give free gift for every 10th customer, of if customer spends exact sum on money. These gifts can be discount coupons for next purchase, tickets to cinema, free lunch and etc. (Berkley *et al.* 2007).

E-mail marketing is one of the most powerful elements in digital marketing toolbox. It lets company to communicate easily with its customers on a personal level through a universally accepted digital medium. Choosing the right approach for e-mail marketing communications is a key. Unsophisticated mass-marketing techniques, or anything that smacks of e-mail spam, are likely to be ignored. The simplest form for it is e-mail sent to a customer list that usually contains a sales pitch and a "call to action". This could be as simple as encouraging the customer to click on a web link embedded in the e-mail (Ruan, Jones *et al.* 2009). E-mail still comprises the most common usage of the Internet, despite the growth of spam and "phishing" (fraudulent messages claiming to come from consumers bank asking his for password details) (Harris, Dennis *et al.* 2007). To successful email marketing company firstly have get permission to from customers or visitors to send them newsletters. An e-mail list of newsletters subscribers, company should make by itself,

because if it buys this list, it means company will send a spam. Sending spam for Internet users will not help to company to achieve good company's name.   Creating e-mail to subscribers, company should think about it like about improving service quality to customers. For creating company's own customers e-mail list needs time, but in the end this list will be with target customers who really are interested in products that company offers. Golden rule is not to share created e-mail list with other companies. If one company cooperates with other and wants to promote both company's products and services, just insert additional advertising info about other company's product/service into the ad, but do not give e-mail list to it. Gifts for becoming a newsletter subscriber of a website just will improve a subscriber list. For example companies can offer a discount or coupon for becoming a newsletter subscriber. All subscribers' needs encouragement to stay registered in newsletters subscribers list and it can be not only free gifts. Clients success stories, interview with specialists, statistic, news, clients reviews, advices how to use a product can be involved into the e-mail advertising message.   In newsletter should not be included company's history, news or information "About us". For customers are not interested what happens inside a company. They want to know what is good for them and they need to see value. Only interesting content can attract customer to read newsletter. Newsletters should be short: maximum 1000 words and 5 paragraphs. People always save their time and they like to get the essential information. Company need decide how often and at what time it will send newsletters to customers. Sending newsletters everyday can be annoying to customers and they will ask to remove them from subscribers list. To get the correct time to send newsletters ask customers when they are filling a form to become subscriber. When company can categorize customers and make different subscribers lists (Berkley *et al.* 2007).

Emails subject line is very important, because many valuable offers are not read because of incorrect subject line. Berkley (2007) offers few rules how to create the right email subject:

1. It should be short and clear. Maximum 10 words, but the best is when it consists of 5 words, because many email programs allow to customers to see not more than 5 – 6 words.

2. Emphasize the benefits to recipient. Potential clients should clearly see what benefit they will get if they will read a newsletter. The best phrases are "save money", "earn money" are very effective.

3. Give a question. Question can attract customer's curiosity and desire to get more information. What is more, question in the subject line will look like colleague message.

4. Address message to person. Never send emails to unrevealed recipient, because it shows that message is a spam. In sender line always company should write to whom it sends email. It can be company or person's name.

5. Pay attention to becoming celebrations. Letter that reminds about coming celebrations is also very effective. Like "Advices how prepare to school", or "Save money for Christmas".

6. Do not use word "FREE". The same rule valid and for other words like "Buy it now". Most companies email programs reject emails with such subject lines and recognize it like a spam.

Interactive marketing. Interactive advertising gives an ability to track the customer or potential lead in some manner that required a response them to click through and arrive at the site, information or product. The main interactive marketing tools are given below.

Banner advertisements. These are the dominant form of paid-for interactive online communications. 55 % of all web ads are banner ads, which are responsible for 96 % of all Internet ad awareness. Banner ads are linked to keywords submitted a searcher into a search engine. The ad should therefore be strategically positioned to catch the optimum, or ever greatest, traffic flow. Therefore, banners are said to signpost, whereas media-rich content provides action. The aim of banner ads is to attract and stimulate interest, but the problem is that click-through rates are very low, at just 0.18 %. Click-through rates can be improved when online ads are integrated with a sales promotion device that is deigned to reward the behavior. Special offers, competitions ant other incentives can increase rates by as much as 10 %. However, it should always be remembered that incentives cost money, and these costs should be considered when analyzing the overall return from a banner-based campaign (Fill *et al.* 2009). Banners function in a similar manner to conventional promotional billboards and printed ads. The promoter tries to address prospective customers with an attractive promotional surface. However, traditional means of promotion do not offer the interactive and link possibilities associated with banner advertising. A banner can be provided with a link to an offer or can be deposited with a purchase order form. The classical banner consists of a graphic design (in GIF or JPEG format), a promotional text-based message, and a hyperlink that is activated by clicking on the banner. Animated banners are increasingly being used to attract the attentions of Internet users. Though reaction rates to banner advertisements are generally not high, rates of just a few percent are still a success (Meier, Stormer *et al.* 2009). The standard banner size is 468x60 cm and there has been a recent addition, the super-sized banner. There are also formats available such as skyscraper (12×600 cm) and buttons (120×60 cm) (Harris, Dennis *et al.* 2007). It is not recommended to buy a banner for those companies that have small marketing budget. It is effective only for big companies and only as companies name advertising, but these clicks give little benefit. If company decides to buy a banner, it should do it in specific website, where it can find its target audience. Advertising is cheaper if it is placed in correct place. Maybe these places can have fewer visitors, but it is bigger probability they will click on the banner. For example if company advertises a trip, do it in the specific travel websites rather than in news websites. Banners should interfere with website content. When published article suits with banner advertising is the best time and place to attract correct audience. For small companies that have limited marketing budget is better go "deeper" in the website to put their ad, because in this case they will really find their customers.

Rich media ads. The essential difference between regular and rich media banner ads is that the latter allow for significantly more detailed and enhances messages to be accessed by the target audience. Rich media ads closely resemble offline ads and this helps to move online ads from a largely informational perspective to one that is much more emotional. This suggests that rich media are more likely to deliver stronger branding messages than in the past, which of course would negate the behavioral advantage inherent in this interactive environment. Streaming video and other more visitors-engaging material, such a flash or shockwave, provide depth and interest for users. It is accepted that media-rich banner ads are highly effective, if only because the medium is said to be the message (Fill *et al.* 2009).

"Pop-up" advertisements open in a new, smaller window. Consumers will see a pop-up straight away, but they will probably become aware of a pop-under after they close a browser window (Stokes *et al.* 2009). This ads can be extremely annoying to website users, and indeed many companies offer free software which blocks unwanted pop-up messages. Research by Dynamic Logic (December 2004) suggested that interstitials (which are displayed between loading pages) are less intrusive than superstitions (Harris, Dennis *et al.* 2007). "Pop-up" advertisements also can be called as micro sites. This type of sites is normally product or promotion – specific, and is often run as a joint promotion with other advertisers. Creating a separate site company avoids the difficulty of directing traffic to either of the joint partners' sites. Micro sites are much less expensive to set up than a traditional site and are particularly adept at building awareness, as click-troughs to micro sites, are higher than through just banners (Fill *et al.* 2009).

Widgets. A relatively recent addition to the array of interactive marketing communications media is the widget. It is a stand-alone application that enables users to interact with the owner of the widget. The application can provide functionality such as a calculator or real-time information, as in travel updates or weather forecasts. Widgets sit on a desktop, are relatively cheap to develop and manage and ideally are distributed virally. The real benefit of widgets is that they provide a way to advertising brand, delivering online public relations or even driving direct response sales via affiliate marketing. Widgets have a real potential as sponsored entities on benefit from social networking sites (Gil-Or *et al.* 2010).

Podcasting. Podcasting emerged as a major new form of communication in 2005 and has grown significantly since then. This is mainly because of the huge growth in the adoption of MP3 players and the desire for fresh, up-to-date or different content. Podcasting is a process whereby audio content is delivered over the Internet to iPods, MP3 players and computers, on demand. A pod cast is a collection of files located at a feed address, which people can subscribe to by submitting the address to an aggregator (Gil-Or *et al.* 2010).

Wallpaper advert. This advert changes the background of the webpage being viewed. Usually, it is not possible to click through this advert (Stokes *et al.* 2009).

Floating advert. This advert appears in a layer over the content, but is not in a separate window. Usually, the user can close this advert. These are sometimes referred to as Shoshkeles, a proprietary technology. Floating adverts are created with DHTML or Flash, and float in a layer above a site's content for a few seconds. Often, the animation ends by disappearing into a banner ad on the page (Stokes *et al.* 2009).

Map advertising. This is advertising placed within the online mapping solutions available, such as Google Maps (Stokes *et al.* 2009).

Co-branding refers to an arrangement in which companies display each other's content on their websites or carry out joint promotions. There need to be appropriate synergies generated by such reciprocal arrangements in order for both companies to benefit. Examples include the budget airline www.ryanair.com and the car rental company www.hertz.com whereby both companies provide customers with related, but not competing, services (Harris, Dennis *et al.* 2007). Partnership between companies is useful for small business. This partnership gives benefits when both companies' hives different services or produces and sells different products, but the target audience is the same. The main thing is that customers like companies' partnership and it helps to choose the right product from millions other products. Many researches proved this fact. If unknown brand goes to partnership with well-known brand it helps to unknown bran to improve its recognition, but it does not mean it helps to improve sales. Brands cooperation and common advertising require time and efforts, but if everything is done well, it can give a great success (Berkley *et al.* 2007). Before going to partnership with other companies answer to these questions (Berkley *et al.* 2007):

1. What do company wants to say to customer when it goes to partnership with other company? Why they will feel more sophisticated? Can they achieve more? Will they look modern?

2. What indications have both brands and what have both target audience? Does these companies offer something / like novelty? Creates and appreciate luxury? Is reliable? Try to save company's style, because company want to save its clients and attract new.

3. What benefit will get a client because of companies partnership? Will it help to save money and time? Try to show it to a customer during the promotion campaign.

4. Is this partnership to client's wealth? Is companies target to give the best solution to clients? It should be.

5. Are both brands equal? Partnership should be done under the same rules. In another way it will fail.

6. Will it be easy to clients to see the benefits from the partnership?

7. Will this partnership attract more new customers or just will remain old customers?

Social Media marketing. Through *blogs, wikis, social bookmarking, online discussions, social networks, peer review sites* and other online media, companies have the potential to foster a much more productive and meaningful relationship with customers, to gain powerful insight into their perceptions of products, services and brand, and allow them to contribute and collaborate in businesses in ways that were never possible before. "Social media" is the umbrella term for web-based software and services that allow users to come together online and exchange, discuss, communicate and participate in any form of social interaction. That interaction can encompass text, audio, images, video and other media, individually or in any combination. One thing is certain: customers are already talking to each other online. They're talking about company's industry, competition, a company, company's brand and other topics that are relevant to what company do. Effective social media marketing is about leaving the sledgehammer approach to product promotion at home (Ruan, Jones *et al.* 2009). Social networking is a relatively new marketing opportunity, but one that can potentially offer highly targeted advertising to niche social groups based on profile information they volunteer through sites like Bebo, Facebook, MySpace and others (Ruan, Jones *et al.* 2009).

88% of marketers said that they are using social media as a part of their marketing media mix while three-quarters of those were just starting to do it within the last few months. Companies in all sizes are attracted to the social media. Still there is a difference between companies with large marketing budgets that are using the social media in combination with traditional marketing tools (such as advertisement, public relations and sales promotion tools), and companies with smaller marketing budgets that are using the social media as their primary marketing too. In addition to that, most social networks provide an opportunity for companies and brands to maintain a "social network" entity. This entity can help a company keep ongoing "social" relationships with the social network users. Marketing in the network should leverage these capabilities in order to maintain a much more conversational, bi-directional or even multidirectional communication between the companies and the network members. Building these social connections will change the marketing approach to be one that is based on building relationships, rapport and trust between a company and the consumers and as a result creates a much more transparent relationships (from both a company and potential/existing customers perspectives) (Gil-Or *et al.* 2010).

Blogs became increasingly widespread over the review period, and are proving a powerful marketing tool, able to catch emerging consumer trends and pass corporate messages on to the masses. All three focus on technology, gadgets and digital applications, which inevitably feature strongly amongst more dedicated Internet users. There were 70 million blogs in 2007, double the number recorded in 2006. The largest share of these – 37% – were Japanese language blogs, with

only about one third of all blogs written in English. In many developed markets, the number of blogs has risen more slowly than was initially predicted, due to the huge success of social networking, which has taken over as a more popular medium for making opinions known. Whether or not a brand has launched a social media strategy, more likely than not, it is already present in the blogosphere. Four in five bloggers post brand or product reviews, with 37% posting them frequently. 90% of bloggers say they post about the brands, music, movies and books that they love (or hate) (Euromonitor International *et al.* 2009).

On-line review or opinion forums have become an indispensable component of chat rooms, blogs, portals, e-shops and recommendation sites. Review forums are especially important in the travel industry, where TripAdvisor set the precedent for a range of travel-related communities. On-line review or opinion forums are large-scale Internet-based "word-of-mouse" communities, where individuals share information or opinions on companies, products, services and even world events. These reviews can be a valuable tool for companies and for consumers. Review forums have become increasingly important in Asia over the past few years, and are an indispensable component of chat rooms, web logs, portals and recommendation sites. A site heavily used by Asian consumers, called Shoplette, simply allows shoppers to share with others what they have bought recently, giving them details of where they bought the product and how much it cost, hence helping spread the word on the latest products and styles (Euromonitor International *et al.* 2009).

On-line price comparison sites (also known as *shopping comparison* sites or *price engines*) allow on-line consumers to see lists of prices for specific products. Most price comparison services do not sell products themselves, but source prices from retailers and allow users to click on a link to these retailers. Comparison sites work in various ways. They can collect data directly from merchants or through a data feed file. Some third-party businesses provide consolidation of data feeds so that comparison sites do not have to import from many different merchants. Affiliate networks, such as LinkShare and Commission Junction, aggregate data feeds from many merchants and provide them to the price comparison sites. This enables price comparison sites to monetize the products contained in the feeds by earning commissions on click-through traffic. An alternative approach is for the comparison site to trawl the Internet for prices. This entails scanning retail webpages to retrieve prices, instead of relying on the retailers to supply them. Typically, a combination of these two approaches is used. . Price comparison sites typically do not charge users anything to use the site. Instead, they receive revenues through payments from retailers that are listed on the site. Depending on the particular business model of the comparison shopping site, retailers may pay a flat fee to be included on the site, or pay a fee each time a user clicks through to the retailer website, or pay every time a user completes a specified action – for example, when they buy something or register with their e-mail address. Comparison shopping sites obtain large product

data feeds covering many different retailers from affiliate networks, such as LinkShare and Commission Junction. There are also companies that specialize in data feed consolidation for price comparison, and they charge users for accessing this data. When products from these feeds are displayed on their sites they earn money each time a visitor clicks through to the seller's site and buys something. Search results may be sorted by the amount of payment received from the merchants listed on the website (Euromonitor International *et al.* 2009).

Shock Strategy. Advertising strategy may also be considered in terms of the overall response. A target audience might give on receipt of particular messages. Some organizations choose a consistent theme for their campaigns, one that is often unrelated to their products or services. One such strategy is the use of shock advertising. The main reason for using a shock advertising strategy is to secure an audience's attention and achieve a longer-lasting impact than through traditional messages and attention – getting devices. The surprise element of these advertisements secures attention, which is followed by an attempt to work out why an individual has been surprised. This usually takes the form of cognitive engagement and message elaboration in order that the message is understood. Through this process a shocking message can be retained and behavior influenced (Fill *et al.* 2009).
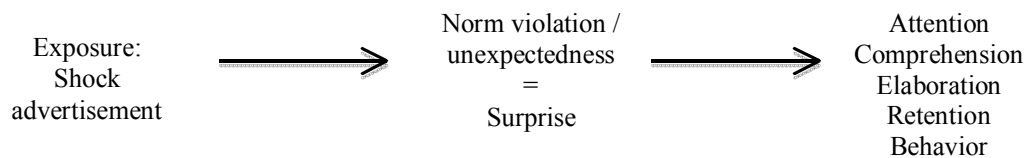
| Exposure: Shock advertisement | → | Norm violation / unexpectedness = Surprise | → | Attention Comprehension Elaboration Retention Behavior |

Figure 1.9 A preliminary model of consumer reactions to shock appeals. (Fill *et al.* 2009)

1.2.2 Theoretical analysis of e-marketing tools

Carolynn McMahan (2009) carried out a research to find out the differences between men and women in relation to interactivity and Internet advertising. 80 USA college students were involved in this research (40 men and 40 women). The interactivity was measured comparing women and men behavior in 3 types of interactive features as McMillan (2002) identified:

− Human – to – Human. It is features that allow two-way communication between organizations and users and other users. For example it is e-mail links, such as "contact us" or "send and e card", online chats, instant messaging.

− Human – to – Computer. Features that allow for navigation control, customization and manipulation of content and transaction capabilities. For example it is hyperlinks, search functions, e-commerce functions, downloading videos, listening to music, playing games,

manipulating products (e.g. creating a product by customizing of colors and features), registering.

- Human – to – Content. Features that allow for addition of content the website, to be viewed by others. In example it is Web logging, Web debating, online discussion boards, posting photos, wish lists.

Table 1.1 shows different websites' tools usage by gender.

Table 1.1 Website tools usage by gender (made by Author)

Website features	Men	Women
Human – to – Human	Communicates with organization via live chat option, got a question link, ask the shopping assistant e-mail link, talk to us e-mail link.	Communicates with organization via live chat option, talk to us link or contact us link.
Human – to – Computer	Don't visit corporate communication hyperlinks.	Visit corporate communication hyperlinks (job offers, news, promotional information).
	Visits statistic and other hyperlinks	Engage in activities that provide additional technical information about the product.
	Play games	Don't play games
	Downloading wallpapers	Downloading songs and wallpapers
	Watch streaming videos and commercials	Watch running videos
	Play games on websites	Don't play games on websites
Human – to – Content	Change content by changing language and customize	Don't change content by changing language and don't customize

What is more, this research findings indicates that women and men differ in their usage and time spend on various types of interactive features available on corporate website, especially human – to computer interactions (men spend more time), but time spend shopping is not significant different (McMillan *et al.* 2002). Addition to this McMillan (2002) states that marketers and advertisers should customize their Internet advertising and the online shopping experience to appeal to the different activities preferred by men and women. What different gender preferences in corporate websites is shown in Table 1.1, it can be concluded that marketers should start customizing and personalizing online shopping experiences by gender, perhaps by designing features on websites that cater to women's needs. However, it does not show participant division by Internet users behavior when they are surfing the e-shop websites with intense to make a purchase. Simon (2001) has approved the fact that female response to site design features and compared with men, women are much more interested in websites that provide more information. Also he approved another fact, that women strongly preferred sites with minimal graphics. Women reported that they prefer to use pull-down menus than have to click through several levels of sub-pages. In contrast, males reacted positively to sites with animated objects and extensive graphical content (Hupfer, Detlor *et al.* 2009).

Moreover, it was analyzed the consumer behavior in traditional 2D style e-shops. Anne-Cecile Jeandrain (2001) carried out a research to find how consumers react to realistic virtual shop. The study was carried out in Belgian University where participated 20 postgraduate students. It is important to mention, that no one participant had experienced shopping in 3D virtual mall or shop before. After about 5 minutes of experimentation, all participants were divided into 2 groups: *utilitarian* and *experiential*. The differences between these groups are that utilitarian group very quickly found the limit of realistic immersion and experiential group was very enthusiastic about this environment (Jeandrain *et al.* 2001). It was noticed that experiential group prefer shop for CD's or books rather than for clothes. More differences that were found by Jeandrain (2001) are showed in Table 1.2.

Table 1.2 Behavior differences between utilitarian and experiential customer groups

	Utilitarian group	Experiential group
Groups differences	Realism is not attractive and don't like shopping in realistic stores	Like to do shopping in virtual store
	Shopping is a boring task and it is a lost of time	Like shopping
	A task is to do shopping quickly and efficiently as possible.	Don't make a shopping list
	Do shopping only to find uncommon products (that couldn't be found in traditional store)	They are used to buying at home

In the summary of Jeandrain's (2001) research it was said that consumers preferences for shop in site style depends on their group membership (utilitarian or experiential), but everybody wants to replicate a real world behavior in the virtual one. Additional to this, 3D realistic virtual store is a competitive advantaged, because in a market there are only few of them. Electronic Internet shop usually everyone see as a 2D website with a virtual catalog and with a cart where customers "put" their goods they want to purchase. 3D virtual retail stores or shops can give a real shopping experience for customers, because they can walk through the store and explore what goods they can find. It is like an entertainment and satisfies customers as Jones (1999) say emotional style of buying. These 3D shops have very realistic design and that's why consumers are loyal for virtual stores. They come back to stores website again and experience shopping satisfy. Although Jeandrain's (2001) study analyzes consumer behavior when they do shopping in realistic virtual stores and divided all shoppers into 2 groups, but it was not studied the customers Internet using experiences connection to consumers behavior on the Internet.

Consumer's behavior on the Internet depends on their experience of using the Internet. Micael Dahlen (2002) carried out a research in Sweden, where he collected data in tree different

studies of Swedish Internet users. In United Stated and Sweden information search and entertainment are the main Internet usage areas and in his research Dahlen (2002) found experienced Internet users behavior differences comparing to less experienced Internet users. The main differenced between experienced and inexperienced users are (Dahlen *et al.* 2002):

- Experienced users have shorter Web sessions;

- Experienced users visit fewer new websites;

- Experienced users use the Web more for practical and routine uses;

- Experienced users have lower ad awareness;

- Experienced users respond less to Web ads:

  o Click less on banner ads;

  o Exhibit a smaller change in brand attitude in response to banner ad impressions.

Dahlen (2002) findings of consumer Internet experience and consumer behavior on the Internet are important for marketers, because many e-shops do adverting on virtual reality. According to this, if experienced web users have lower ad awareness, it links to a difficulty for e-shop to reach new customers if they are not new Internet users. This research shows that Internet users experience level is important for creating advertising. It can be said that experience levels influence the Internet ad effectiveness. It is more difficult to attract experienced users for new websites, but the advantage is that experienced users are loyal for websites, because they less visit of them. As research shows, less experienced users are more easily attracted, the Internet marketing should be focused for them. The different results comparing to Dahlen (2002) study was found about Internet users experience and Internet usages time and ad awareness. One study found that there is no difference if client is experienced user or not, another study fount that experienced users are less aware to banner ads. The research of consumer's dependence on banner advertising awareness and their Internet usage experience level was carried out by Xavier Dreze and Francois-Xavier Husherr (2003) and they found that:

- Internet users avoid looking at banner ads;

- If more time users have spent on the Internet, they do not less pay attention to banner ads;

- Advertising effectiveness increases with frequency of exposure;

- Larger banner ads is not more effective than smaller banner ads

- Animated banners are not more effective than static ones;

- The effectiveness of a banner ad depends on its message.

What is more, very weak support was founded to these hypothesis (Dreze, Husherr *et al.* 2003):

- Banner ads that are laid-out vertically sometimes is more effective than banner ads that are laid-out horizontally.
- Banner ads that contract with their environment will be more effective than ads that do not.

As this research found, users notice the banner ad without looking at it. It does not intend on banner ad, but the advertising message is important. It is better if banner ad is laid-out vertically and it not important if it is static or animated. Additionally, Shelly Rodgers (2002) cried out a research in USA to have better understanding about banners. He carried out Internet motive in ad processing research. Two studies at the different participants groups were carried out. First study was carried out for undergraduate journalism and advertising students, and the second one for non-student adults. 12 different ads was taken from the Internet and shown for participants. What is more, each banner ad showed four motives as: shopping, communication, research and surf. This research found that Internet motives moderate, or interact with banner type to influence cognitive responses. Research shows that communication motive interact with a surfing banner to influence cognitive attitude the ad and ability to persuade for the student sample, and intent to click for non-student sample. Shopping motive interacted with surfing and shopping banners for students, and researching and communicating banners for non-student participants, to influence cognitive responses. Also shopping motive interacted with the research banner to influence attitude toward ad and ability to persuade. The same influences (attitude toward ad and ability to persuade) is for surf motive and surf banner. It is important to mention, that non-students participants did not show any interactions between the matching motive and manner type (Rodgers *et al.* 2002). After the research author concluded, that ads which complement the user's motive may have more success at being noticed and click on that ads that do not and advertising effectiveness can be improved to the extent that Internet ads are matched with the motives of the Internet user.

Different authors study banner advertising from different sides (banner size, intentions to click on the banner, banner position, banner animation and others). However, no one of previous analyzed authors did not study banners interactivity such as banners with pull down menus. The research of banner advertisement with pull down menus was done by Mark Brown (2002. For this research two web pages were created and identical banner advertisings were shown for participants, but one with pull down menu, another without this kind of menu. Randomly web pages with one or another banner ad was sent to participants. The research found that comparing banner advertisement with and without pull-down menus, banners that contain pull down menus has (Brown *et al.* 2002):

- Significantly higher attention responses;
- Significantly higher novelty responses;
- Significantly higher linking responses;

- Significantly higher persuasion responses;
- Significantly higher click-through rates.

Banner advertising interactivity with pull down menus study was carried out. For creating an e-shop promotion model is critical to analyze interactive rich media and users behavior. For this subject Ginger Rosenkrans (2009) carried out a study where two hypothesis about interactive rich media and consumer behavior were supported:

- An interactive rich media ad earns a significantly higher click-through rate than non-interactive rich media;
- In an interactive rich media ad, rollovers should generate a significantly greater level of interactivity than click-troughs (CTRs).

The interactive rich media ad thus encouraged higher levels of interactivity, which led to greater users involvement that greater interactivity can generate more user involvement. These Rosenkrans (2009) findings also supports Liu and Shrum's (2002) results and indicate that greater interactivity can generate more user involvement. Addition to this, embedded ads (300×250 pixels) within an article attract 56% of study participants, better than half-page ads (368×850 pixels) next to the news articles, skyscrapers ads (160×800 pixels) placed on the upper left portion of the page, standard banner ads (468×60 pixels) at the bottom or top, and small banner ads (184×90 pixels) in the right column. The 300×250 pixel ad is becoming one of the most popular sizes, especially for the delivery of rich media ads Rosenkrans (2009).

Other research, tested the effect of an interactive blog, as a form of electronic Word of Mouth (eWOM), on attitudes toward the website, political candidates and intentions to vote, was carried out in USA by Thorson and Rodgers (2006). Here participated 69 undergraduate students and for this research two websites were created. In one website all information was written in first person and had a hyperlink where visitors could leave a feedback for candidate (high interactivity website), and in another website information was written in third form and did not have a hyperlink for feedback (low interactivity website). The results show that 26 % of participants left a feedback in high interactivity website. Also the research found that high interactivity and high perceived interactivity yield more favorable attitudes toward the website, impressions of the candidate and voting intentions (Thorson, Rodgers *et al.* 2006).

Addition to this, feedbacks can be placed in forums websites are treated as word-of-mouth tool. To have better understanding how word-of-mouth influences a consumer behavior and make addition to Thorson and Rodgers (2006) study, Fong and Burton (2006) research were analyzed. Their research was carried out analyzing word-of-mouth and consumer behavior in discussion boards in China and USA. 3 discussion boards websites in USA and 3 in China. The large majority of respondents were male (more than 70 % in each country). Discussion boards are more visited by

USA participants comparing with Chinese, but for decision making discussion boards are more important to Chinese people comparing to USA. It is important to mention, that the difference for importance of forums website was not significant. All research foundations are shown in Table 1.3 (Fong, Burton *et al.* 2006).

Table 1.3. Fongs' and Burtons' (2006) research's of consumer behavior differences in China and USA results.

FACTS	USA	CHINA
Male respondents	82,2 %	77,2 %
Female respondents	17,8 %	22,8 %
Respondents average age	45-54 year	25-34 years
Discussion boards visits per week (average)	5,53 visits	3,79 visits
Discussion boards importance for purchase decision making average (scale was from 1 "not important" to 7 "very important")	5,75	5,37
Information in discussion boards is important to purchase decision making (scale from 5 to 7)	86 %	91,8 %
Respondents had requested a recommendation at some time in discussion board	81,5 %	84,2 %
Respondents have ever given recommendations abut particular brand or product on a discussion board	72,6 %	33,3 %

As it can be seen from Fong and Burton (2006) research, to get information and recommendations about the products is better to look in USA discussion boards, because they are more likely to give information than Chinese people. What is more, discussion boards and other users recommendations are very important for all users and it supports that word of mouth is a cheap advertising tool not only in traditional but also in Internet advertising strategy. What is more, the study shows that users behavior is more or less the same in different continents and countries (China and USA). The mane difference is visits per week and recommendations giving for other users. It was found, that information seeking and recommendations giving percentage depends on participants age (Chinese participants were younger than USA).

Furthermore, analyzing word-of-mouth, Reichheld (1996) found the element that correlated most with company growth was the willingness of customers to recommend a company or brand. He argued that consumers who recommend products to their friends incurred certain risks. If consumers' friends act on their recommendation and try a product, the consumer may subsequently lose credibility if their friends were unsatisfied with the product. Although there is no face-to-face interaction on discussion boards, this social risk is still relevant in an online context, because participants engaging in product recommendations still need to maintain credibility so that others will take their opinions seriously on the discussion board (Fong, Burton *et al.* 2006).

Ainsworth Anthony Bailey (2005) carried out a consumer awareness and use of product review website study that can complement previous studies about word-of mouth and consumer

behavior. Consumer awareness of product review websites according this study is shown in Figure 1.10.

Level of awarenes among consumer of product review Websites existence
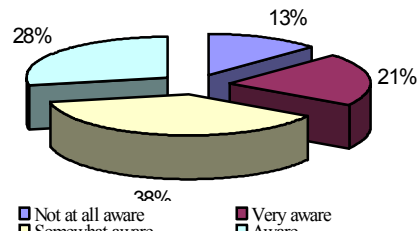
13%

21%

28%

38%

☐ Not at all aware   ■ Very aware
☐ Somewhat aware   ☐ Aware

Figure 1.10 Level of awareness among consumer of product review Websites existence (made by Author)

What is more, study participants had to determine what sources create awareness of product review websites and they could choose from these options: word-of-mouth from friend, family member, other person, surfing the Internet, Internet search, news report / story, chat rooms / discussion forums, company communication and other. 66 % of all participants said, they become aware of website while surfing the Internet. Word-of-mouth is in a second place and was marked buy 34 % of all participants. Other options did not play the major role in creating awareness (Bailey *et al.* 2005).

The fact that product reviews are important for purchase decision-making was mentioned in Fong and Burton (2006) research. Additionally, Ainsworth Anthony Bailey (2005) research found that 62 % of all participants had visited product review websites before they purchased a product. The major motives to visit product review website is shown in Figure 1.11.
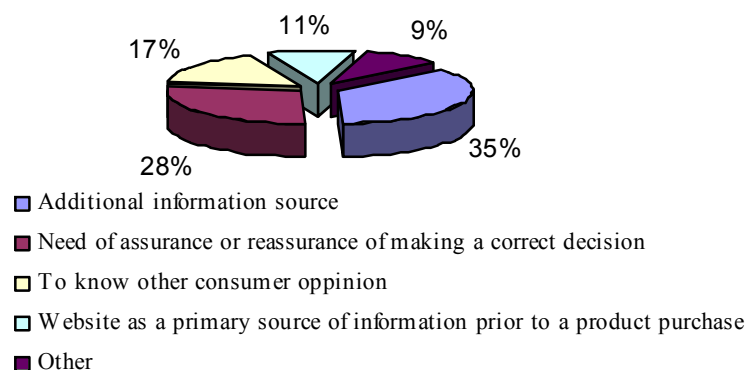
11%   9%

17%

35%

28%

☐ Additional information source
■ Need of assurance or reassurance of making a correct decision
☐ To know other consumer oppinion
☐ Website as a primary source of information prior to a product purchase
■ Other

Figure 1.11 Major motivating factors to use product review websites (made by Author)

Addition to this, 19 % of participants wanted to provide a feedback about the product. Usually these feedbacks are extreme satisfaction or extreme dissatisfaction. The percentages of

people who provide a feedback increase if they bought a product and want to tell their opinion. Mean ranks for high e-opinion leadership respondents were significantly higher than those for low e-opinion leadership respondents and e-opinion leadership significantly affected (Bailey *et al.* 2005):

- awareness of product review websites: with high e-opinion leadership respondents being more likely to be aware of these websites than low e-opinion leadership respondents;
- whether respondents had ever visited a product review website;
- whether respondents had ever visited a product review website prior to a product purchase;
- perceptions of these sites' influence on consumer decision making;
- provision of feedback at product review websites.

Online social networking communities are digital networks in which users feel an intrinsic connection to other members (Wellman, Gulia *et al.* 1999). Also, Boyd and Ellison (2007) define online social networking sites as web-based services that allow individual users to:

- construct a public or semi-public profile within a bounded system,
- articulate a list of other users with whom they share a connection, and
- view and traverse their list of connections and those made by others within the system.

The better and more comprehensive research investigate how social characteristics, as group intention and social identity of online communities may influence members' responses to advertising was done in China by Fue Zeng, Li Huang and Wenyu Dou (2009). In this study 327 participants were involved at the age from 22 to 31 years and the study found:

- social identity related positively to group intentions to accept advertising in online social networking communities;
- group benefit norms relate positively to group intentions to accept advertising in online social networking communities;
- social identity relates positively to perceived ad relevance in online social networking communities;
- group intentions to accept advertising in online social networking communities relates positively to perceived ad relevance in community sites;
- group intentions to accept advertising in online social networking communities relates positively to perceived ad value in community sites;
- perceived ad relevance relates positively to perceived ad value;
- perceived ad relevance relates positively to behavioral intentions to accept advertising in online social networking communities;

- perceived ad value relates positively to behavioral intentions to advertising in online social networking communities.
- group benefit norms do not relate positively to perceived ad relevance in online social networking communities

Group intention and social identity affect community members' group to accept advertising in online communities, which could lead to more positive behavioral responses to advertising (Zeng, Huang, Dou *et al.* 2009).

Usually it is not enough to use one Internet marketing tool to get the best results. Better results can be achieved, when two or more Internet advertising tools are merged. Oren Gil-Or (2010) carried out an experiment to improve new restaurants' demand to create social community and use word-of-mouth. In order to start the distribution of the restaurant page virally, an invitation in Facebook website to become a fan of the new restaurants page has been sent to 20 friends. During the following few weeks there were two other actions that were taken (Gil-Or *et al.* 2010):

- a message to the existing restaurant members was sent, in which they were told that the members of the group will get special offers from time to time and they were asked to invite their friend to join the group and enjoy these benefits;
- a special coupon was offered exclusively to the group members where they got an offer to get a free glass of wine and an appetizer while dining in the restaurant. The coupon was used in order to attract more Facebook users and give them a reason to become a fan of the new restaurant Facebook page.

These actions attracted 12 new members and were repeated again after one-month period. It is important to mention, coupons were added to restaurants' Facebook page and additional new coupon was sent to all restaurants group members. After these actions in one-month period the restaurants' Facebook group page had 80 potential members. To have this amount of group members there were 12 branches and 4 of them went deeper (7 members in deep). It can be concluded that the viral message was transferred six times from the first sender of the message (Gil-Or *et al.* 2010).

E-mail marketing is a popular advertising tool and a research of e-mail marketing was carried out by Andre Bonfrer and Xavier Dreze (2006). The results of research found e-mails open rate (number of opens / number sent) is thus 18.1% and the click-through rate (number of clicks/number of opens) is 8.7%. The unconditional click rate (number of clicks/number sent) is about 1.6%. These ratios can show if a chosen advertising via e-mail campaign is successful (Bonfrer, Dreze *et al.* 2006):

- the more successful campaigns are the ones that have both high open rates and high click-through rates

- if the results show low open rates, but high click rates. This is probably an indication that the execution is good, but either they are targeted at the wrong audience, or the subject line used in the email failed to attract interest. The firm might improve the campaign by testing different target groups and or different subject lines.

- if the results show high open rates but have low click-through rates. This is probably an indication that these campaigns have broad appeal but are poorly executed. The firm might be able to move these campaigns to the upper right quadrant by using better creative.

- if the results show that campaigns ratios are under perform on both opens and clicks; improving these campaigns would require improving both the targeting and the content. If this cannot be done, it may be best to drop the campaign altogether.

After these findings, authors recommend to send 2,000 emails, and wait less than two hours to produce estimates of how the campaign will perform after three weeks. In two hours, fewer than a hundred opens and fewer than ten clicks are typically observed. The key to successful prediction of the ultimate results of an email campaign based on few data points lies in using the information (Bonfrer, Dreze *et al.* 2006).
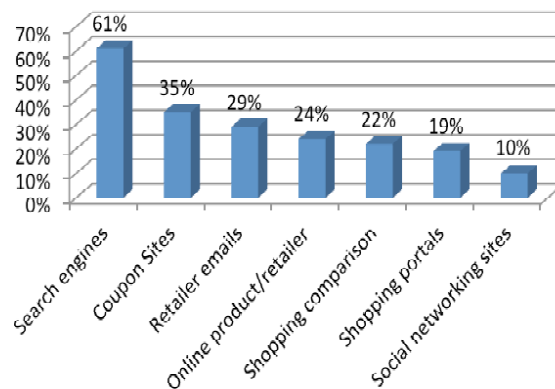

Figure 1.12 Which information sources consumers use prior to purchase the product? Apparel (Arbesman *et al.* 2010)

After this literature review it is useful to mention Debra Miller Arbesman (2010) survey results. Her survey found that search engine is the leader in Internet marketing tools when people want to shop online (see Figure 1.12). On the other hand, search engine tool is in the last place when consumers are looking for information before making an apparel purchase decision. Emails from retailer are more effective and influences consumer more here (see Figure 1.13). Retail websites here is in second place and confirms the fact that website design and information placed in websites are important to consumers to make a purchase decision.
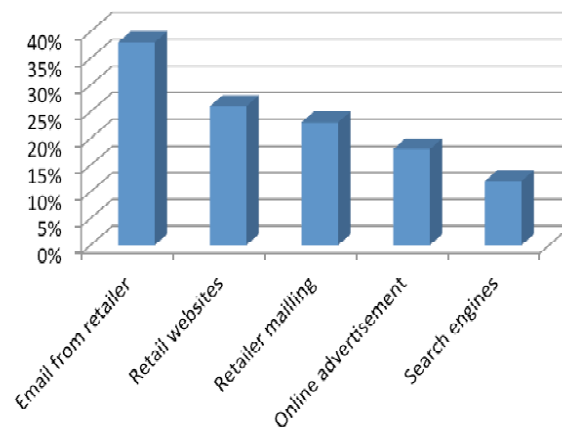
Figure 1.13. How frequently consumers use the following tools when shopping online? (Arbesman *et al.* 2010)

This survey results are important for decision making when company needs to choose marketing tools in case to attract new and share information with current customers. Company should make a search engine optimization ant try to make website be in the first search engine results page. A way to promote e-shop is advertising in coupon websites, where e-shop offers for consumers to get product with high discount. Moreover, it helps to attract new customers. Due to the fact, people usually are looking in the Internet for discounts and lower prices, coupon websites can be one of the ways to promote e-shop ant make first sales. E-mail marketing is important for company not only to achieve its customers, but also to spread the information. Addition to this, e-mail marketing is tools are important for customers, because most of find information about the products in retailers' e-mails. These Debra Miller Arbesman (2010) survey results can make influence for creating conceptual model of how to promote e-shop.

1.2.3 E-commerce profile

Online shopping or Internet shopping is the process when Internet users make purchases of goods or services on the Internet. In the World there are two basic types of shoppers: online and offline. Online shoppers are these, who do purchase goods or services on the Internet. Offline shoppers are people who do not buy goods or services via Internet and prefer traditional stores. Tan, Marshall and Capner (2005) found that shoppers make the same purchase decisions purchasing publicly consumed products online and offline, but they make different decisions when they purchase privately consumed products. It can be concluded shoppers purchasing privately consumed products in private will make different purchase decisions from those who purchase the same items in a public environment. Four customer segments of online and offline shoppers was found by Rohm and Swaminathan (2004):

  − *convenience shoppers* like the convenience of the Internet and are, accordingly, heavy

users of online shopping.

- *store-oriented shoppers* want immediate product possession and they like the social experience of the physical stores. Accordingly, they score the lowest on online shopping.
- *variety seekers* like to try new brands, new products, and new stores and do shop online fairly frequently.
- b*alanced buyers* score moderate on all four factors and are heavy online shoppers.

Vijayasarathy and Jones (2000) in all shopper types also mentioned convenience shoppers, mall shopper (that are the same as store-oriented shoppers), but he distinguished more types:

- in-home shoppers prefer shopping in home, via mails or catalogues, or TV shops.
- economic shoppers prefer to look around and to find the best offer before they make a purchase decision.
- personalized shoppers prefer shopping in that places where they know the salesman.
- ethical shopper in case to support their community prefer to do shopping in their community's stores.
- enthusiastic shoppers who like shopping.

Additionally to this, Brown, Pope and Voges (2003) found the convenience, economic, community and personalizing shopper orientations, but he also added other orientations as:

- recreational shoppers are these who like in-home shopping if it is convenience and entertaining with chat rooms, various competitions and other tools. They also like product samples.
- involved shoppers like to be involved in most aspects of the shopping process. They do not attain the highest scores on the shopping enjoyment scale, but could be considered to generally enjoy the shopping process. For them personal service is important part of the shopping experience.
- apathetic, convenience-oriented shoppers are identified by low scores on multiple shopping orientations rather than by using a direct multi-item.

Because of increasing competition in traditional and virtual environments, in case to increase sales it is useful to know what kinds of shoppers are company's customers. Customer online purchase intention in the web-shopping environment will determine the strength of a consumer's intention to carry out a specified purchasing behavior via the Internet (Salisbury, Pearson, Pearson, Miller *et al.* 2001). The purchase intention is customers willing and intends to become involved in online transaction Pavlou (2003). Ling, Tan and Piew (2010) states that in order to trigger customer online purchase intention, web retailers have to explore the impact of shopping orientations on the customer online purchase intention. Vijayasarathy and Jones (2000) found that shoppers, who prefer shopping at home usually purchases goods or services also on the

Internet, not only via catalogs or mail. They have higher intention to Internet shopping comparing with customers, who prefer to do shopping in traditional stores.

Explanations why consumers do or do not shop online are sought in consumer characteristics (demographics and psychographics), consumer shopping motivations, and perceptions of attributes of internet retailers versus retailers that act as facilitators and barriers to shopping online versus offline. Among online shoppers, "*shopping lovers*" are competent computer users who find the Internet a novel and fun way to shop; "*adventuresome explorers*" are heavy Internet surfers for versatile uses and represent the heaviest online spending; "*suspicious learners*" are struggling with the Internet and find online shopping a frustrating task; and "*business users*" are heavy and proficient computer users who buy online to get the best prices (Mittal *et al.* 2005).

According to Euromonitor International A (2008), in 2008 consumers were seeking for lower prices in the Internet and Internet retailers' websites. Pricing is at the core of the online web retailer offer. Although consumers are wooed by attractive websites with added features, price always becomes a factor. The ease of price comparison tends to drag all of the top sites in a particular category into price competition. Consumers are often impressed by the low price of delivery, which is often much lower than a high street store will charge even for a local delivery. This is possible because the internet retailer can negotiate large discounts with national or international carriers on the basis of big volumes Euromonitor International A (2008). Moreover, customers enjoy that there is no working hours for Internet retailers and they can make purchase any time they want (24/7). Some UK customers, where happy because after internet purchase and receiving the products (for example clothes), customers can try all apparel and ask their friends of family members if they fit to them. They have enough time to think if they want to keep the products.

Addition to this, Euromonitor International A (2008) identified experienced customers' demands: first page ranking on product search in search engines (ex. Google), specialized e-shop (better to offer products of one niche (offer for example only books), rather than few niches products (example: clothes, books and electronics in one shop), privacy and security guarantee, accurate images and descriptions, accurate stock information (customers do not like to receive e-mail that recently ordered product is out of stock), delivery specifications, low precuts and delivery price and return policy (customers need to know it is easy to return product or receive refund). If Internet retailer can offer everything what experienced customer wants, it can easier compete with traditional retailer.

Further analyzing motives, financial risk motive is very important for consumers to become or not to become online shoppers (Forsyth, Shi *et al.* 2003; Garbarino, Strahilevitz *et al.* 2004; Hirst, Omar *et al.* 2007). This motive is important especially for women. Garbarino and Strahilevitz

(2004) found that women perceive online shopping as more hazardous than men do, and are more affected by word – of – mouth to fulfill a purchase and marketers might want to reduce women's perception of risk associated with online purchases, to increase their online purchasing. Hirst and Omar (2007) research supports Garbarino and Strahilevitz (2004) founding and state that the high level of perceived risk associated with online shopping is related to credit card fraud and online theft. Not only, but especially for women financial risk is one of the main factors that influences if a shopper will become online shopper or not.

Website design is important for both business entities (company and consumers). For company well designed website helps to keep customers and increases their loyalty. For this statement Wolfinbarger and Gilly's (2003) research identified that for satisfaction, reliability is the strongest determinant and for loyalty - it is website design (Mittal *et al.* 2005). The importance of website design revealed and Hupfer and Detlor (2009). He explains that lower female online shopping rate include their response to site design, lesser perceived emotional benefit, reduced opportunity for social interaction and the types of goods that are available for purchase. After these findings it can be supported that well designed website is important if companies target audience is women, because it not only increases their loyalty, but also increases women online shopping rate.

Not only financial risk, web design are important for online shopper. Gehrt (2007) distinguished brand, novelty, convenience, price, recreation, impulse purchase and quality as shopping motives. Ling, Tan and Piew (2010) analyzed impulse purchase, quality, brand, online trust and prior online purchase experience motivations and fount that:

- impulse purchase orientation is positively related to customer online purchase intention.
- quality orientation is positively related to customer online purchase intention.
- brand orientation is positively related to customer online purchase intention.
- online trust is positively related to the customer online purchase intention.
- prior online purchase experience is positively related to customer online purchase intention.

The importance of prior online purchase was supported and by Brown, Pope and Voges (2003). It can be concluded that Internet companies and e-shops should guarantee the customers reliable first contact and first sale to customers, because bad online purchase experience can lead online shopper to become an offline shopper again.

Eliasson, Holkko Lafourcade and Smajovic (2009) carried out a very comprehensive study of women online shopping behavior. For women, more than men, shopping is a social activity, and shopping through the web is done unaccompanied, which might increase women's discontent with the purchasing channel. By comparison, women apparel purchasers online perceived online shopping as having relative advantages, easier to use and relatively safe than women non-apparel

purchasers online (Hirst, Omar *et al.* 2007).   Some women in Eliasson, Holkko Lafourcade and Smajovic (2009) study mentioned, that it is as a fun and entertainment to shop on the Internet and it fun just to browse, but the main advantages that women see when they shop online are:

1. More convenient (44,57 %)
2. Save time (19,57 %)
3. Cheaper (14,13 %)
4. Store is not available where they live (14,13%)
5. Ease of comparing products between stores (4,35 %)
6. Broader supply (3,26 %)

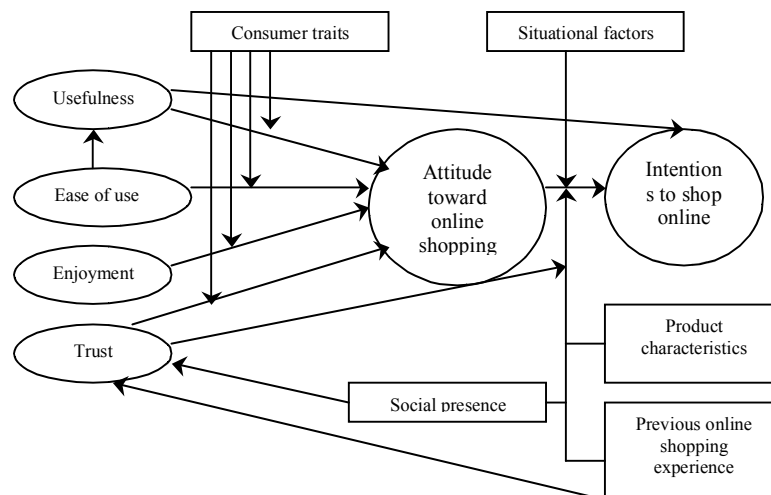These advantages why women become online shoppers can be named as Internet shopping motives.

Figure 1.14 The framework for women's intention to shop online. Based on the Framework of consumers' intention to shop online (Dellaert *et al.* 2004). Source Eliasson, Holkko Lafourcade and Smajovic (2009).

After Eliasson, Holkko Lafourcade and Smajovic (2009) research the modified framework for women's intention to shop model (see Figure 1.14). These women as online shoppers findings will help to form a women clothes e-shop advertising model.

1.3 Analysis of e-marketing models

Dr. Hsiu-Lan Wu found in his empirical study, that service quality makes influences to customers' behavior outcomes. Additionally, he found service quality is related to customer satisfaction and has impact on behavioral outcomes. Customer satisfaction also is related with perceived value (*Source:* Wu). According to Dr. Hsiu-Lan Wu customer behavioral outcomes model can be created. As it can be seen from the Figure 1.15, the service quality and customer

satisfaction makes impacts to customer behavioral outcomes. Perhaps customers do not always consume the best quality service and they might instead purchase on the basis of their assessment of the value of a service. Perceived value is the consequence of a mental weighing of perceived benefits versus sacrifices. Service quality has typically been modeled as the sole antecedent to customers satisfaction, and the notion of benefit-sacrifice trade-off in service evaluation has not received due attention. However, the role of perceived value in consumption contexts is important to investigate (*Source:* Wu). Perceived value is important to customer's satisfaction, but it does not make direct influence to customer behavioral outcomes.
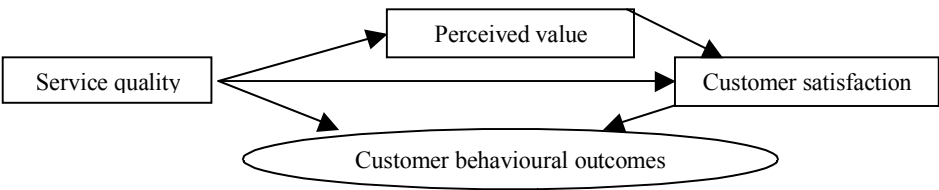

Figure 1.15 Customer behavioral outcomes according to Dr. Hsiu-Lan Wu foundings (made by Wu).

Service quality leads to website quality. Different authors suggestions how to measure website quality is shown in Table 1.4 As it is seen in the same table, the most important criteria for website quality are: website design, security, navigation, reliability, ease of use, empathy, merchandise, communication options, personalization, innovativeness, product delivery, speed, completeness, entertainment, product price, responsiveness and content.

Other criteria like: trust, purchase option, customer privacy protection, lower delivery costs, rapid delivery, timeliness in delivering products, range of payment methods, acceptation all range credit cards, customization, functionality, accuracy, relevancy, usefulness, response time, feedback on website, customer support, merchandise return policy, e-mail confirmation on customer order, promotion activities, customer service, information, transaction capability, telepresence, classification of needs, technical efficiency, efficiency, flexibility, access, easy search, easy to remember domain name and language and currency options - are less important to website quality and can be called as sub criteria.

Table 1.4 Different authors comparison of website quality criteria (made by Author)

Author / Dimensions	Ponirin, Scott & Heidt (2009)	Liu & Arnett (2000)	Nazeer and Stander (2009)	Wang and Huarng (2002)	Mich (2003)	Wolfinbarger & Gilly (2002, 2003)	Kim & Stoel (2004)	Zhang 2001	Zeithaml (2000)	Times authors mention
Easy to use	+	+	+		+					4
Navigation	+				+			+	+	4
Design	+		+		+	+	+	+	+	6
Trust	+		+						+	1
Empathy	+									3
Merchandise	+			+ (availability condition)	+ (availability)					3
Security	+	+			+	+		+		5
Product delivery	+			+						2
Purchase option	+									1
Communication options	+				+ (contact details)	+				3
Personalization	+							+	+	3
Customer privacy protection	+									1
Lower delivery cost	+									1
Rapid delivery	+									1
Timeliness in delivering products	+									1
Range of payment methods	+									1
Acceptation of full range credit cards	+									1
Reliability		+			+	+			+	4
Customization		+								1
Speed		+			+					2
Funcionality		+								1
Completeness		+	+							2
Accuracy		+								1
Relevancy		+								1
Usefulness			+							1
Response Time			+							1
Entertainment			+				+			2
Innovatiness			+		+		+			3
Feedback on the website				+						1
Product price				+				+		2
Customer support					+					1
Marchandise return policy				+						1
E-mail confirmagion on customer order				+						1
Promotion activities				+						1
Customer service						+				1
Information							+			1
Transaction capability							+			1
Responsiveness							+		+	2
Content					+			+		2
Telepresence								+		1
Classification of needs								+		1
Technical efficiency								+		1
Efficiency									+	1
Flexibility									+	1
Access									+	1
Easy search					+					1
Easy to rembemer domain name					+					1
Language and curency options					+					1

Some of these criteria can be combined, because some of them complement each other and can be suitable for few criteria not only for one. After combination, the main criteria are shown in Table 1.5. Additionally to these websites quality criteria, Eliasson, Holkko Lafourcade and

Smajovic (2009) modified framework for women's intention to shop and separated these factors influencing their intentions to shop: usefulness, ease of use, enjoyment and trust.

Table 1.5 Combination of website quality criteria (made by Author)

Criteria	Combined criterias:
Ease of use	Navigation, Speed, Communication options, Completeness, Entertainment, Purchase option, functionality, easy to remember domain name, language and currency options, easy search.
Empathy	Communication options, relevancy, usefulness, customer service, efficiency.
Merchandise	Product price, product availability and condition, Product delivery, Innovativeness (innovative product, new in market product), lower delivery costs, merchandise return policy.
Website design	Content, Completeness, Entertainment, Innovativeness (new innovative technologies realized in website), information.
Security	Reliability, Trust, customer privacy protection, merchandise return policy.
Responsiveness	Accuracy, response time, flexibility.
Personalization	E-mail confirmation on customer order, acceptation all range credit cards, customization, language and currency options, classification of needs.

Due to the fact that website quality criteria duplicate with factors influencing to shop, it can be concluded that a quality website is that makes influences consumers intentions to make purchase decision.

2. Concept of e-shop advertising model

2.1 Internet marketing tools evaluation

The survey was carried out to find out users opinion about e-marketing tools and how they evaluate them. 112 people responded to the survey, published on www.publika.lt, of that 61,11 % of respondents were females and 38,89% - males. The majority respondents were in the age group of 18-25 years old and most of them live in the city.

To analyze users, it is most relevant to distinguish what kind of websites they visit the most. Derived from the research, young people (88% of respondents are in the age of 18-25 years) were most receptive toward the informative websites (21%). Statistically social websites were the second most popular choice, yet the difference between the two was so minute, roughly 1%, that we can deem both informative and social platform based websites as "the most popular ones". The third place goes to entertaining websites like "Youtube.com". The results of the carried out surver show

that the main purpose of Internet use for young people usually is having fun, communicating and browsing for news, or information. What is more, an assumption can be made that if e-shop was primarily oriented for 18-25 years old users, it should be informative and have something that is amusing and interesting.

E-marketing has an endless amount of advertising tools and it is an overarching problem to choose the right one. In the research, we asked a question about what Internet advertising users notice. There were 11 options provided and users could choose 5 of them. The research shows that the most noticeable advertising tool is advertising messages in e-mail (16,76%). Video Ads, which are shown before users watch the video for example in Youtube.com or Delfi.Tv took second place (14,59%). An assumption can be made that users notice this kind of ads because they like to visit entertaining websites. Today some companies use interactive ads, which appear, in the center of website, when it loads. This kind of advertising is in the third "Most noticeable ads in the Internet" place (12,43%). Banner advertising and ads in Google share fourth place. The least noticeable kind of ads is advertising when it is offered to invite user's friends and provide an opportunity to win a prize.

The research shows that the most noticeable advertising tool is e-mail messages, but it doesn't necessarily mean that to advertise new e-shop effectively, a company has to use this tool. To choose the best one, it is necessary to know how users evaluate all these Internet advertising tools. It is important if company wants to use user-friendly advertising. How users evaluate different Internet advertising tools is shown in Figure 2.1. Figure 2.1 shows the tendency that most noticeable ads are the most annoying for users. Also the basic tendency is that most advertising tools are neutral for user's feelings and there are no ads that users like strongly. There is only one advertising type which users like and it's Newsletter that specific users subscribe to. Because of that, the main influence may be the factor that users choose this advertising vehicle by themselves. The most neutral advertising is banners. Derived from research, indications show that this kind of ad is not very provocative and noticeable. Advertising in articles and "share with friends" button advertising are assigned to viral marketing tool and users treat them as neutral for their feelings.

When it is known how different Internet advertisement treats users, it is useful to know what they don't like in ads. These results can explain how an effective ad should look, which in turn, wouldn't deflect users.
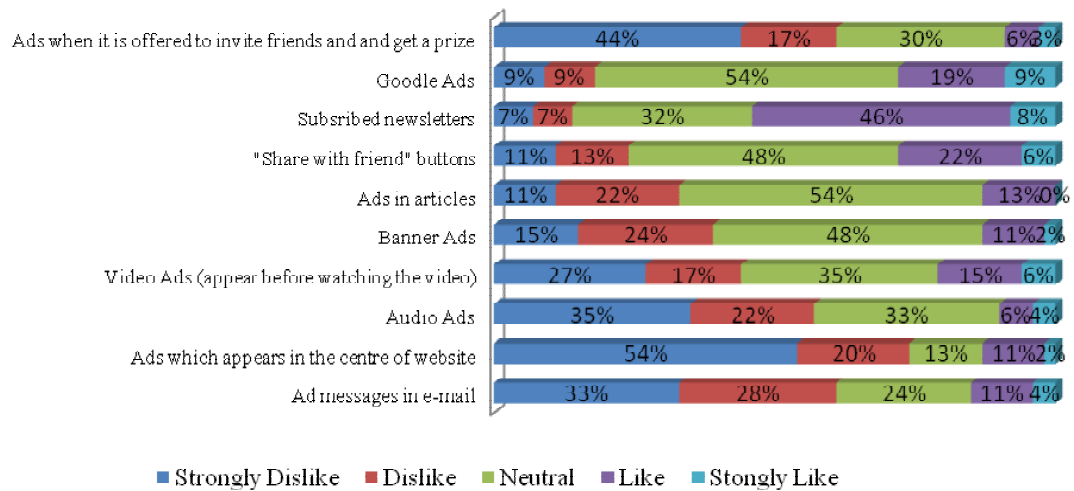
Figure 16 Internet marketing tools evaluation by users (made by Author).

The research shows that for 59 % of respondents, the enemy of an effective and attractive ad is false and lying information. Also, if a company wants to make an attractive ad it should avoid intricacy of information in company's advertisement as well. The research shows that users evaluate these features of advertisement as very poor. As research data reveals, the effective advertising should have these features: creativeness, unexpectedness, entertainment, informative content, good music/sound effects, jocosity, moving pictures and "share with friends" button. To connect all these features is really difficult and expensive task and only experts can create really attractive and successful advertisement.

2.2 Preliminary e-shop advertising model

The aim of this work is to create women's clothing e-shop advertising model. Here, the target audience is women from 20 to 35 years old. In Qualman (2010) article, it is shown that the largest adult age group in the world is people of the age of 20-24 years. In the World, this age women represent a population of 806.762.956 (Table 2.1).

Table 2.1 Population in the World according women age group. Source: Qualman (2010).

Age group	Population
20-24	291.900.248
25-29	267.996.703
30-34	246.866.005
Total:	**806.762.956**

Furthermore, the main factors that influence purchase decision were identified as: price, enjoyment, usefulness, loyalty, trust, boarder supply, word-of-mouth, brand and quality (see Figure

2.2). These factors are important before creating a well-designed e-shop and model how to advertise it.
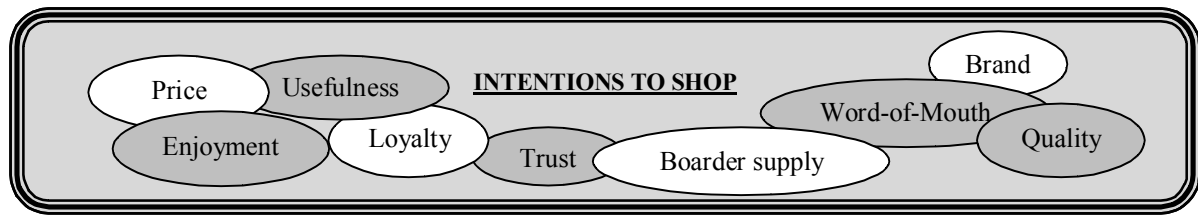

Figure 17 Factors influencing Internet users intentions to shop online (made by Author)

Traditional e-shops are created and designed in 2D dimensions. Technologically advanced companies, with high profitability, well-known brand and positive company's image, can create e-shop in 3D dimensions. 3D virtual e-shops are quite rare and this can help companies to achieve competitive advantage. 3D virtual e-shop can help consumers experience the real shopping feeling, as if they were walking through the shop, meeting and interacting with other people.

In the other hand, 3D virtual stores are accepted by only a part of consumers. If a company decided to create 3D e-shop and doesn't want to lose the customers who prefer shopping in 2D e-shops, the best solution would be to make an introductory website's page where consumer can choose shopping dimensions by clicking on 2D or 3D website option which in turn would navigate them to the respective e-shop dimension. This would help to personalize a website and the shopping experience as well. Important to be aware, that even if creating an e-shop which allows shopping in both, 2D and 3D dimensions, the content should be the same.

The main e-shop webpage should inform customers about promotions and new product offerings. If company decided to create 2D and 3D e-shops, in first website, there should be a possibility for customers to choose a website style in which they want to shop. In the first page customers also should have an opportunity to choose a language they use. There should be few languages (according to region to which e-shop is oriented to): English, Spanish, French, Russian, and Lithuanian. Languages were chosen, due to their popularity in the world and not only as native languages, but also as second languages. Lithuanian language is chosen if e-shop is based in Lithuania. The main language should be English, because it is the most popular language on the Internet. What is more, a login field also should be placed in first page.

According to literature analysis results and various different hypotheses supported, the model how to advertise women clothing e-shop was formed (Figure 2.3). The website should contain these tabs in 2D style and alike separate rooms in 3D style, where they can find information:

- *Shop*. Here, all goods should be categorized to make it easier to search for customers. What is more, expanded search by color, size, price, style and type of cloth should be added. All products must be with photos. Visual appearance of the product increases the consumers' need and determines purchase decision-making. Consumers usually look for nice and fashion apparel. Usually e-shops show simple, traditional photos. The option, which can provide a competitive advantage, is offering the ability to view a product from all angles that means, to rotate it in 360°. When a consumer looks up a certain product, additional products that suits with particular product can be shown in the same page's vertical line on the left page side. It can be called "Company offers to wear it with". Furthermore, this offers pictures not only of products, but how they would look if combined and worn with other products. Using this method, a company increases the possibility to sell more than one product. What is more, below all product detail info, it is recommended to insert a feedback board. By allowing customers to provide feedback, company increases other customers' trust and the positive feedbacks can be performed as word-of-mouth.

- *Ask a Fashion question*. Here should be a hyperlink, where customers can send a question to designer and designer can recommend for consumers how to dress and how to combine clothes, how to make a make-up and etc. Here a designer should recommend what clothes from company's e-shop consumer should buy to look stylish. That means designer recommends clothes only from particular e-shop. Because of a risk, that a designer will get too much questions, in website should be mentioned, that all customers can send questions and the most popular question per day will be answered. Per day designer should answer 1, most frequently asked question.

- *News*. In this part of website not only news, but also industry and sector related articles can be placed. As research suggests, placing the articles about fashion trends in a company's website can increase website visitor's attention. Also if these articles will be published on other websites with a company's website link, information and contacts, it will be a one of advertising tools. Also, companies' news about new collection can be repeated here.

- *Downloads*. In this part of website, company's stylish wallpapers that can be downloaded should be added. It is one more of advertising tool and a way to improve brand recognition. Widgets could be positioned here as well. It is recommended to create two types of widgets:
    - Clock, placed on computers desktop with company's name;
    - Weather forecast that shows today's weather, also placed on computers desktop, with company's name and photos, where a model is wearing clothes from e-shop according to what the weather is today.
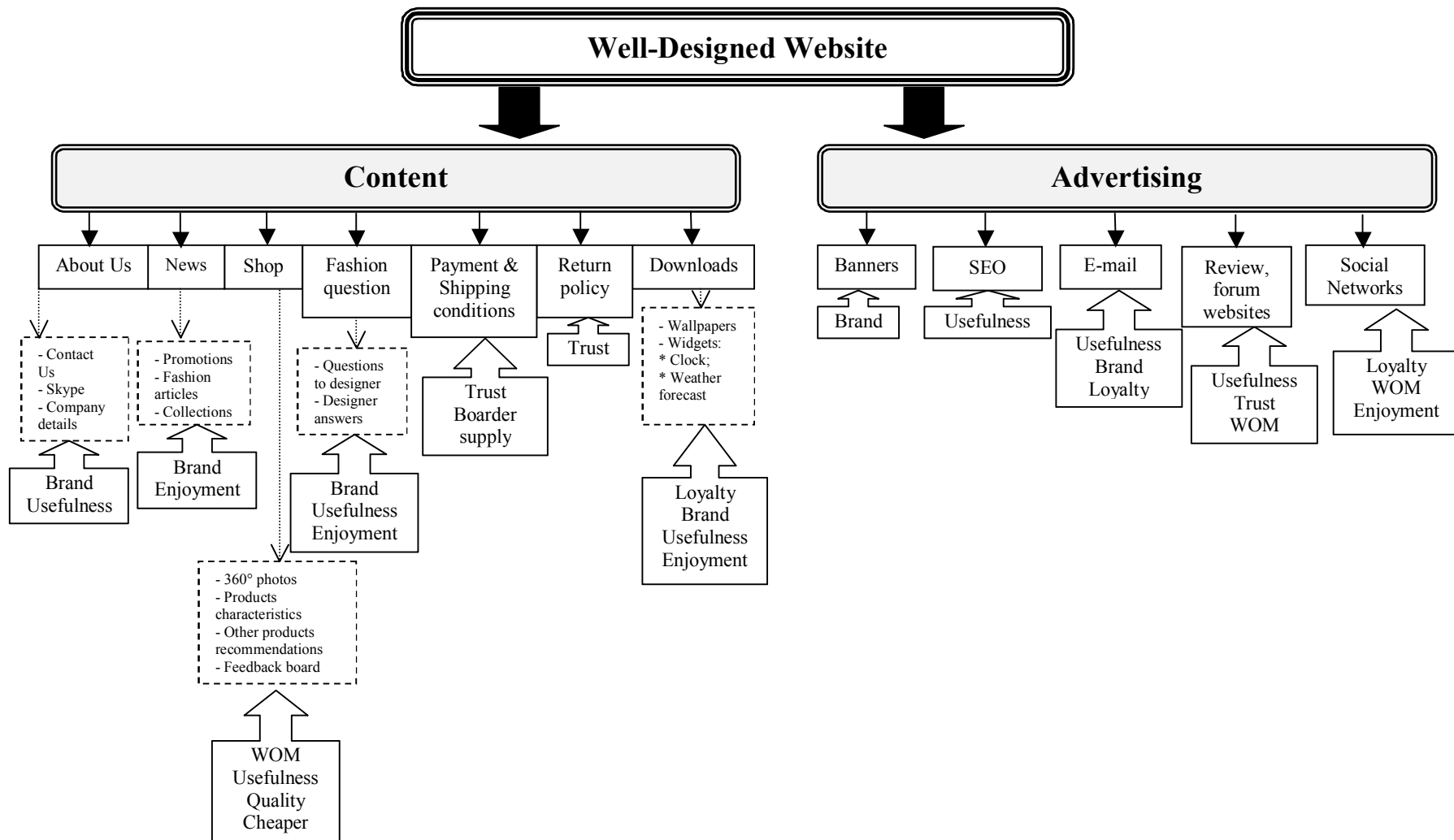
Figure 18 Conceptual model how to promote e-shop (made by Author)

- *Payment and Shipping conditions*. Payment and shipping details should be correctly and comprehensively written out in this part. Most common items covered in this part are the policies concerning payment options, shipping costs and shipping period. T more information consumers have - the more likely they will start to trust and will make a decision to buy.

- *Return Policy*. To avoid the consumer's fear of risk, clothing e-shop should persuade customers that buying from e-shop, consumers have the same rights as they have when they buy in a traditional shop. For customers it is easier to make a decision to buy apparel if they know, that they can return the goods and get their money back, or simply exchange it.

- *About Us*. Here, a company should write about its activities and all a company details. Contact Us hyperlink and Skype contacts should be placed, because consumers prefer to visit corporate communication links.

Additional advertising is needed for company to attract new customers and to become well known in virtual world. Because many people are looking up the information, before they make a purchase, via search engines, review (forum) websites it is recommended to use these tools.

SEO. Firstly, keywords must be set. When company has set its target audience, the best and usually the cheapest way is to choose keywords that suit only for this audience. This decision is because standard and the most popular keywords are the most expensive. Do not forget to use these keywords in company's website: in main page, articles, and other contents. It will help to improve website's popularity. If, a company has a bigger marketing budget it can utilize other companies that offer SEO services or Pay-per-click tools. Pay-per-click tools will help to achieve higher traffic more quickly. Company can use this advertising tool in search engine in the beginning stages of business. Nonetheless, the fact that SEO Internet users use information in search engines, shows that company can not avoid using this tool.

Banners. Banner ad does not have to be big. It is enough to create small banner ad and put it in the website, were company can find its target audience. It does not have to be placed in main various websites pages. Better to put this ad in a rubric of fashion. Banner ad should consist of: brand name and intriguing message, because advertising message is important and the success of an ad depends on it.

E-mail. E-mail marketing should be in a form of newsletters and used only for newsletters subscribers to avoid spamming. Company can offer some discounts or small gifts for those, who became subscriber or who invited for example 5 friends and all they became subscribers. Here customers will see value. In addition to this, with newsletter company can send promotions, new collections, but also informative articles about fashion. This can increase subscriber's interests. To

avoid spamming it is recommended not to send newsletters every day. The shortest time period is one time per week.

Forums and review websites. Because of the fact that online shoppers always are looking for information about the products, e-shop's quality and trust information on the Internet, company can start discussion about its products on forum websites as well. Additional to this, it can use review websites. In this way, customers will increase their trust on e-shop that can increase their intention to buy.

Due to the fact that this conceptual model was created regarding literature analysis, it will be appropriate to verify it using empirical research.

2.3 Verification of e-shop advertising model

The survey was carried out to evaluate the conceptual e-shop advertising model and which website content parts make the most influence to customer's intentions to shop. According to the website http://www.apklausos.lt/imties-dydis the sample size was counted. Due to the fact the model should be created in case to promote women clothes e-shop, the survey respondents were women. To count the sample size it was marked, that the probability is 95 % and the population is 1737300. The population data was taken from Lithuania statistic department. In the beginning of 2011, in Lithuania there were total of 1.737.300 women and 1.507.300 men. One more measure was needed to count the sample size. This measure is the value of mistake. It was chosen that mistake value could be 6. When all data was filled, the counter counted that it is needed to poll 267 respondents.

The survey questionnaire was created and preferred respondents were women, in case to get results of women intentions to shop online and analyze their behavior. 267 respondents participated in this survey. All of them were women. The survey was designed on the Internet website www.apklausa.lt and placed on Facebook social network. In one-month period the necessary sample size was reached. In survey description it was mentioned that target audience of this survey are women. The results showed it was useful to inform all respondents what is target audience of the survey, because all respondents were women.

In survey respondents had to mark with what factors associates them one or another e-shop websites content part. The results showed which content parts make the most influence to shopping online decision.

Loyalty. E-mail marketing and newsletter subscription shows customers loyalty (35,5 %). This shows that if a company has more subscribers, it has more loyal customers. Furthermore, word-of-mouth are important for customers, and the ability to write a feedback about the product

for customers also shows their loyalty 19,4 %. The same number of respondents marked that loyalty associates them with e-shop or company page in social network website, other people feedbacks in e-shop, promotions, product return policy, and Contact Us field. Each of these content parts was marked of by 16,1% respondents. It is important to mention, that content parts, such as widget download option do not have associations with loyalty for customers (0 %) and wallpaper download also does not mean customers loyalty (only 6,5 %).   The fact that word-of-mouth are important to customers were confirmed and that other customers reviews are important for each other is also confirmed. According to this, word-of-mouth factors can be mentioned in the model everywhere, where consumers can write and read feedbacks and reviews.

Brand. It was supported that ability to download a wallpaper from e-shop website for customers associates with brand (41,9 %). This is also a way to improve companies' brand knowledge between consumers and to attract them. Addition to this, it was supported that banner advertising helps to improve brand (35,5%). This result shows that banner adverting helps to advertise new e-shop and improve brand knowledge. 25,8 % of all respondents mentioned company or e-shop page in social network associates them with brand. The same (16,1 %) opinion respondents had about e-mail marketing (newsletters) and ability to find e-shop in search engine easily. In this category, widgets collected 0 % of respondents and it can be concluded they do not create brand knowledge for customers.

Quality. Analyzing quality factor that influences consumer's intentions to shop, the leader is detail product information (45,2 %) and the ability to watch the product in 360° type photos (38,7 %). Third place here goes to clarity of information about return policy. All of this shows, that right information, photos of product and company ability to change product or give consumers full refund, are the main quality factors. No less important are and these content parts (22,6 %):

– Other customer feedbacks, placed in the same page as all product info;

– Fashion question to designer and its answer;

– Detailed information about payment methods.

Enjoyment. Widget, placed in downloads content part are the leader here. 67,7 % of all respondents mentioned that widget associates them with enjoyment. Due to the fact, that enjoyment is one of the element of customers influencing them to shop, and customers would like to download widgets for enjoyment shows that it is a supported idea to create and place widgets in the website. Other products recommendations what products suits together takes second place here together with fashion articles between all website parts (41,9 % each). For 25, 8 % respondents stylish wallpaper and ability to watch products in 360° type photos also associates with enjoyment.

Price. Promotions (35,5 %) and detailed payment information (22,6) are the leaders for price factor that influences purchase intentions. This founding indicated that consumers are looking for

cheaper products on the e-shop. The strange fact is that banner advertising for 9,7 % of respondents also associates with price. Here can be a prediction that users usually see banner ads where low price is shown.

Boarder supply. As it was predicted in the model, detailed shipping information associates with boarder supply (38,7 %). The second main association with it is company detailed information (16,1 %). The presumption can be made companies informs clients about shipping location also in their information, about a company. If company does worldwide shipping it informs about it as an advantage in its detailed information.

Trust. The survey results show that in Lithuania people are afraid of choosing not suitable product and inability to change it or get refund. 35,5 % of all respondents marked, that for trust in e-shop, detailed information about product return policy is important. Also, 29 % marked here the ability to write a feedback in e-shop website about the products. It can be only predicted that if customers have negative experience with the product, they will write in feedback board, placed in the same page as product details, to inform other customer about their experience. Company details and profile, discussion in various websites about a company associates with trust for 25,8 % of respondents. It can be concluded, if in forums reviews are positive, when consumers increase their trust in e-shop and are likely they will make a purchase if they find a suitable product.

Usefulness. The biggest part of respondents (51,6 %) stated, that well optimized search engines are important for them, because when they can easily find e-shop in the Internet. This fact associates them with usefulness. Furthermore, for respondent's associates and information about new collections (41,9 %), "Skype" e-shop contacts (35 %) as the easy way to live communication with the seller. The same percentage (32.3 %) by survey respondents was marked and "Contact Us" field, promotions, fashion question and answer. Not far from website content parts are also fashion articles and product recommendations. 29 % respondents stated that these parts also associate them with usefulness.

Equally in the survey, consumers were asked to mention 5 main factors, which influence their intentions to shop online. In the first place is trust. It shows that security is critical for consumers, and they are afraid of being deceived. Because of this fact, every website, especially e-shop that asks customers to provide them with their data, need to guaranty consumers' safety, show and prove that e-shop is trustworthy. Also product brand is important for customers. Well-known brands for customers mean quality, price and trust in product. Nowadays it is easy to create website, but to create quality website with easy navigation and well design website it is not so easy. Website's navigation is important for customers, because no one wants to have troubles with finding the product in e-shop. Also the survey supported the fact that word-of-mouth are powerful tool for online purchase decisions and that recommendations are important. This proves the idea to

have a feedback board on the website. Usefulness is just as important as the other factors. If customers see the usefulness of e-shop, of buying in the exact e-shop, then it becomes easier for them to make a purchase decision. All results are shown in Figure 2.4.
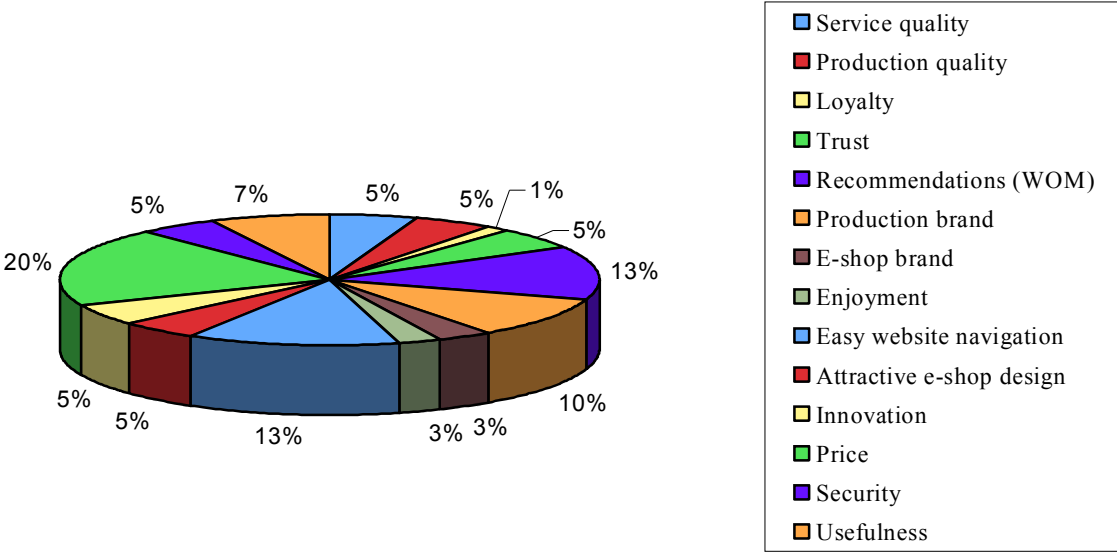

Figure 19 5 main factors that make intentions to shop online (made by Author)

Analyzing e-shoppers, the fact was supported, that after successful and pleasant previous purchase consumers will return to the same e-shop and will make a purchase in the future. Addition to this, 80,6 % of respondents will recommend the e-shop for others and for 67,7 % of respondents is important other consumers reviews, recommendations and feedbacks. Important to mention that no one marked, that they will not recommend e-shop for others after successful purchase and that other consumers recommendations are not important for them.
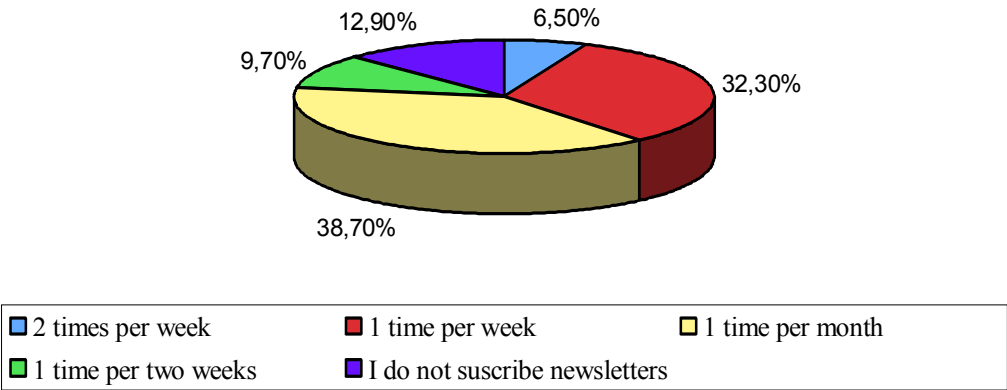

Figure 20 How usually consumers want to get newsletters they have subscribed? (made by Author)

When survey respondents were asked to answer if they read newsletters they had subscribed, 64,5 % of them told they do this sometimes. Only 16 % always read subscribed newsletters (see Figure 2.5). Regarding to this fact, the information was found that some people would like to get newsletters once per months (38,7 %) or once per week (32,3%). To have user friendly and

deflecting e-mail marketing campaign, an option with ability to choose how often customers want to get news could be placed.
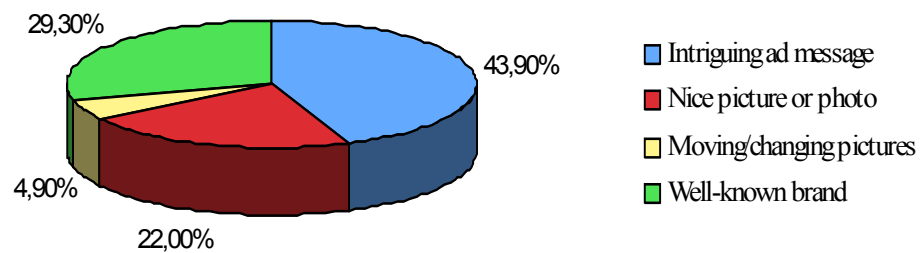

Figure 216 Factors that motivate consumers to click on banner ad (made by Author)

To find out if banner ad can be the way to promote new e-shop, 51,6% of respondents mentioned that banner advertising helps them to know about new e-shops. And intriguing banner ad message, nice picture or photo and brand name intend users to click on it (see Figure 2.6). These research findings were implemented into concept model of e-shop advertising and they were used to form the final e-shop advertising model.

3. E-shop promotion model

After the analysis of academic literature and the evaluation of the conceptual e-shop advertising model, the women clothes e-shop advertising model was created (see Figure 3.1). An e-shop website should contain the following characteristics: easy navigation, reasonable loading speed and attractive appearance. In addition, customers should be able to view website's content in one of the following languages: English, Spanish, French, Russian, Lithuanian, as well as choose the currency in which product prices are displayed: euros, dollars or litas. It is worth mentioning that the euro and the dollar are the most popular business transaction currencies, while, litas would serve as a local currency if an e-shop would be located in Lithuania. The possibility to choose a particular language and currency would help to personalize the website and increase attractiveness for each customer. The website should also include option to create a shopping cart together with individual login field, where each customer could view his personal data and purchase history. All these features are essential for e-shop websites despite its dimensions (2D or 3D). Without these features, the website's content and information displayed must gain customer trust and incentivize them to shop. The model evaluation research identified what factors in the website's content
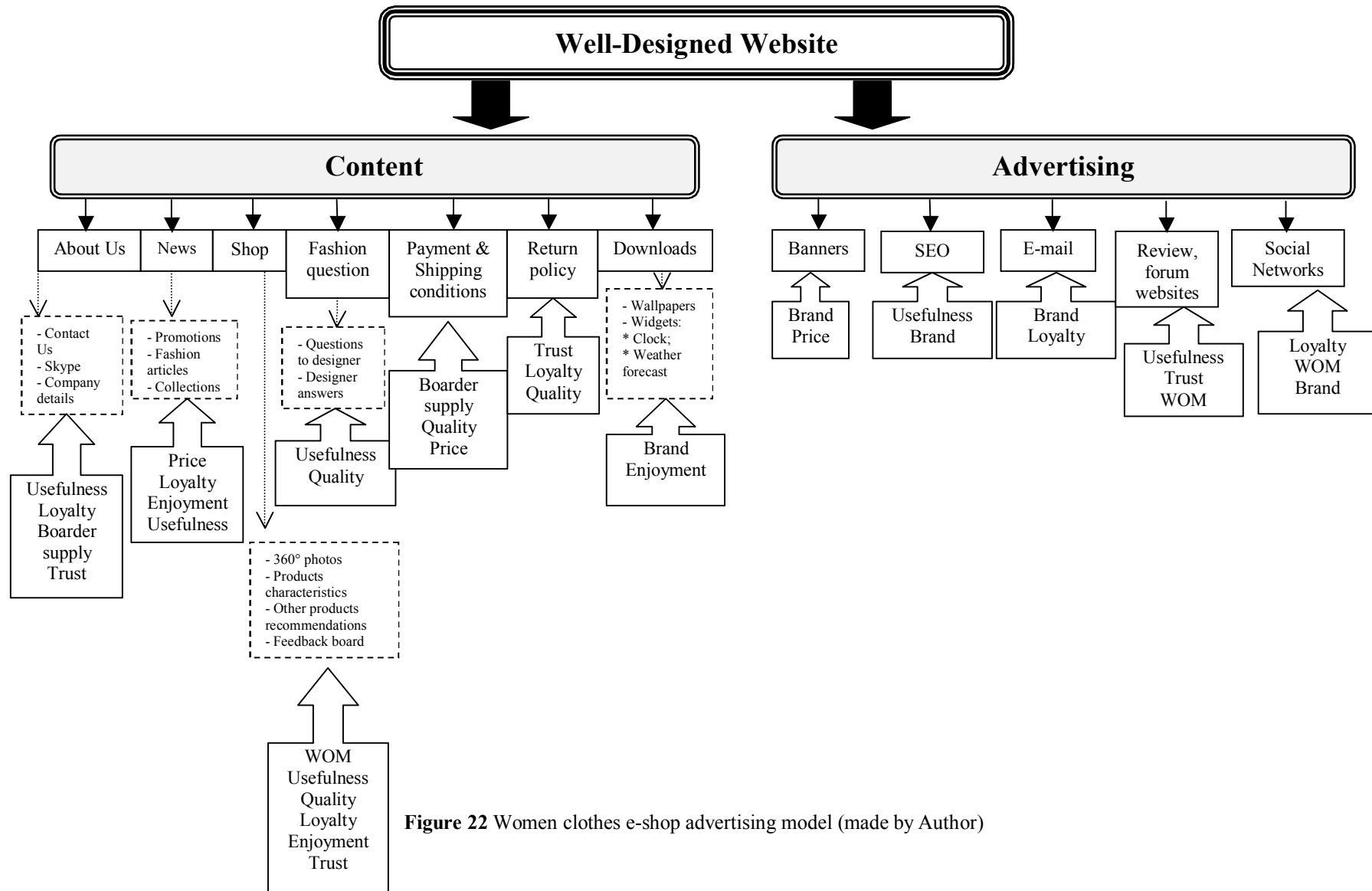
Figure 22 Women clothes e-shop advertising model (made by Author)

influence consumers to shop online, however, there some differences from the first conceptual model.

"About Us". The first model discussed only two factors (brand and usefulness), while the model evaluation research indicated that other features such as "contact us", "Skype contact", detailed company information and presentation. These additional features associate website users with loyalty, boarder supply, trust and usefulness. However, as the research findings suggest, this part of the content does not associate with brand.

"News". Similarly as in "About Us" part, there is no brand factor, which would influence one's purchase decisions. Information in this part associates with such factors as: price, loyalty, enjoyment and usefulness, mainly, because the part contains of information about promotions, collections and fashion articles. Consumers associate promotion information with price, competitiveness (in terms of lowest price) and loyalty, while, information about collections and fashion articles are associated with usefulness. The findings suggest that e-shop should renew information about product constantly in order to incentive customers to shop. Additionally, fashion articles stimulate enjoyment factor. The findings support the idea that some information could stimulate more than one factor. For example, some consumers would associate fashion articles with usefulness, the others – with enjoyment, while the third ones with both factors. All in all, e-shop could attract higher number of consumers due to multi-factor information that incentive consumers to shop through various factors.

"Shop". This part of the content consists of 360° photos, product characteristics and details, other recommendations and feedback board, where consumers can read feedback from buyers as well as provide their own feedback. The model evaluation research supported the fact feedback board is important as word-of-mouth tool. Additionally, users tend to look for information about the products or companies on the Internet, while, possibility to use feedback system save user's time. What is more, feedback board stimulates customer loyalty, trust and quality. The findings also identify similar multi-factor stimulation. Additionally, the research indicates that consumers associate all these sub content parts with usefulness and quality. No evidence indicate any association with price factor, however, close linkage with customer loyalty, enjoyment and trust factors were found. Enjoyment was stimulated by 360° photos and other recommendations of particular product. The quality factor was enhanced by the possibility to check the product at the 360° angle as well as detailed product information.

"Fashion question". Consumers associate the possibility to ask a fashion question and receive an answer from designer with usefulness and quality. The findings by the model evaluation research do not support brand and enjoyment factors that would incentive consumers to shop,

mainly because only few e-shops have its own designer that could answer questions. Nevertheless, this attribute would help e-shop to improve quality and usefulness.

"Payment and shipping conditions". The model evaluation research suggests that costumers do not associate this part of the content with higher trust. However, detailed payment and shipping conditions increase consumers' understanding of quality and price. Thus, it is implied that customers extremely cautious about shipping price, where cheap shipping price could be addition factor that affects the purchase decision-making. Nevertheless, boarder supply is the most important attribute that influence one's purchase decision-making.

"Return policy". The possibility to return/change product or get a full refund increases customer trust. The findings of the model evaluation research suggest that this part of the content is important and triggers customer association with trust. Whereas, additional findings suggest that customers also associate this part with quality and loyalty.

"Downloads". This part of the content allow consumer to download additional information and features of e-shop such as wallpapers and widgets. Firstly, it is assumed that this part associates with brand, enjoyment, loyalty and usefulness The results from the model evaluation research indicate that only brand and enjoyment factors are supported, while, no evidence suggest any support for loyalty and usefulness. It could be employed as a tool to increase brand knowledge as well as entertain customers by providing them with stylish wallpapers or widgets with weather forecasts and recommendation of clothes according to the forecast.

Along with the academic literature review and the model evaluation research, one may conclude all content parts discussed above are important not only for design, but also for influencing customers decision making.

In order to promote an e-shop and to attract new consumers, the design and the content of the website are not sufficient, hence, a company should start advertising campaign on the internet. There are many online advertising tools and techniques, but new company tends to have limited capital resources that could be used for advertisement purposes. Thus, this study selected tools such as banners, search engine optimization, e-mail marketing, forums/review websites and social networks.

"Banners". The model evaluation research support the banner advertisement is being heavily influenced by the strength of the brand. In addition, the findings suggest that consumers associate banner advertising with price. The price interface could be hidden in intriguing banner ad message that also motivates consumers to click on banner ad. The research found out that the most important motives for clicking on banner ad are: intriguing ad message, nice picture or photo and well-know brand. The combination of all these attributes could influence higher click-through rates. Additionally, this banner advertisement should be placed in other websites pages with similar

context. It is not necessary to place banner ad in the first pages of various portals, because the advertisement plots are expensive and it is more difficult to find target audience. The main task is to create an attractive banner ad with intriguing ad message and place it on websites that are visited by e-shop target consumers, because the effectiveness of the banner ad depends on its message. In addition, there is no need to create large banner ad, because experienced internet users pay less attention to banner ads and avoid them, thus, small banner ad has the same efficiency as large ones. It is recommended to place vertically laid out ad and it is not necessary to make consumers click on animates banner. There are no difference in click-through rate of banner advertisement despite is the animation in place or not. However, it is recommended to create banner ad with pull-down menus, because it leads to higher consumer attention and higher click-through rate.

"Search engine optimization". Well-optimized search engine indicates that consumers can easily find e-shop, what associates with usefulness and brand. It is worth mentioning that it is recommended to choose keywords that can be used only by target audience. By using key words, a company will encounter lower costs. Additionally, it is recommended to repeat chosen keywords on the website, because it is easier to memorize and find the website through the search engine. In general, companies tend to hire specialist for web design, thus, search engine optimization should be created by the specialist as well.

"E-mail". For email marketing it is recommended to use newsletters only for subscribers. In this case company emails will not be treated as a spam. Consumers do not think that e-mail marketing is useful, but for them it associates with loyalty and brand. It can be concluded that e-mail marketing is one of the tools to improve knowledge of the brand. The model evaluation research found out that biggest part of consumers prefers to get newsletters once per month. In this case company could avoid its newsletters become undesirable. To gain consumers interest, a company could insert an extract from its newest fashion article with link into e-shop website for further reading and inform consumers about newest promotions. Additionally, newsletter could include product list with special offers to newsletters subscribers. In order to obtain more newsletters subscribers, e-shop should offer something valuable, for example: 10 litas (euros or dollars) discount for first purchase if consumer becomes a subscriber of newsletters.

"Review and forum websites". Due to the fact that consumers search for information about the product, e-shop, before they make actual purchase decision, it is recommended to share information or "first" feedback about an e-shop ant its production in review and forum websites. A company should discuss the first entry in the forum, but rather impersonate customer and write a number of additional feedback. It is worth mentioning that feedback should not sound like an advertisement and all review/forum entries should be under the same username. Moreover it is better if more than one feedback is written in the same review and forum website. Additionally,

there are journalists, who can write a positive article in review websites about e-shop for additional fee. All these actions could increase consumers' trust. It is easier for consumers to make a purchase decision when they can find more information on the Internet about particular e-shop and read other consumers reviews. In addition, consumers associate feedback on review/forum website not only with trust, but also with usefulness.

"Social networks". Due to the strength and popularity of social networks, it is recommended for e-shops to create its page on social network website. Consumers associate social networks with loyalty and brand, however no association with enjoyment was found. Regarding the fact, that social networks can be a perfect place for word-of-mouth marketing, a company could employ different promotion strategies, for instance, if a user invites 10 his friends and publish e-shop advertising message on his walls, then this consumer will get a discount for the first purchase, or a gift. Moreover, here company can notify various competitions, for example "best Halloween costume" or "best summer style". Page in social networks can be called as unofficial zone, where company and consumers can communicate easier and company can build its community.

To sum up, the women clothes e-shop advertising model consists of two parts: website content and advertising tools. Both parts are essential and both should be utilized in order to incentive consumer to shop on one's e-shop.

Conclusions

Scientific literature analysis leads to conclusion that:

- Marketers should choose different online advertising tools considering gender, Internet usage experience, age, dependence on the group (utilitarian or experiential) and behavior on the Internet of targeted audience. The conclusion could be drawn that marketers should firstly identify the target audience before choosing the right Internet advertising tools and techniques.

- In case of a banner advertisement, the message is essential, while there are no evidences that the size, animation and position have larger impact on click-through rates. However, banner ads with pull down menus influences higher click-through rates. The marketer should closely evaluate banner advertisement findings to gain benefit to full extend.

- Group intention and social identity affect community members' group to accept advertising in online communities, whereas, word-of-mouth has a significant effect on consumer' purchase decisions. According to these notions, this research conclude that a company's page on social networks is an internet advertising tool, which helps a company not only to communicate with wide audience, but also works as a word-of-mouth tool.

- Fourthly, the trust and financial risk has significant importance to customers' purchase decisions, resulting in that service quality leads to website quality. The most important criteria for website quality are: website design, security, navigation, easy of use, empathy, merchandise, communication options, personalization, innovativeness, product delivery, speed, completeness, entertainment, product price, responsiveness and content. It is concluded that the higher website quality and service is, the more successful a promotion campaign and the higher customer loyalty.

Empirical research enabled to conclude that:

- Internet users of age group between 18 – 25 years tend to use browse through informative and social websites. E-mail marketing, video ads and interactive banner ads that appear in the center of website are the most useful advertising tools for users of age group between 18 – 25 years. The findings help to choose the right advertising tool and show where these tools could be published if target audience is of age group between 18 – 25 years.

- The most noticeable ads are the most annoying ads for users, except e-mail marketing. Consumers like to receive newsletters only if they have subscribed for them. Additionally, advertising should not give false information. The effective ad should consist of: creativeness, unexpectedness, entertainment, correct information, jocosity, moving pictures and "share with friend" button. Moreover, 64,5 % of respondents read newsletters for which they had subscribed

only sometimes and according to results, it is recommended to send newsletters for consumers once a month. Regarding these results, the conclusion could be drawn that a company should create informative and attractive newsletters. Additionally, the findings suggest the importance of newsletters and how often they should be sending to consumers, in order not avoid spamming.

- The main factors for purchase decision-making are: recommendations (WOM), price, easy website navigation, production brand and usefulness.

- For 51,6 % respondents banner advertisement helps to acknowledge about news e-shops. Mostly an intriguing banner ad message influences respondents to click on a banner ad. These findings supplement theoretical findings that help to create effective banner ad.

Literature analysis and empirical researched enabled to form e-shop promotion model, which is a complex of quality website and Internet advertising tools. This model shows how it affects factors influencing consumers purchase decision-making. It was found that:

- An e-shop content part should consist of these sections: "About Us", "News", "Shop", "Fashion Question", "Payment and Shipping conditions", "Return Policy" and "Downloads". Additionally, all content parts satisfy multi-factors that intensive consumer to shop online. Information places in "About Us", "Shop" and "Return Policy" content parts, increase consumer's trust of an e-shop. These content parts are essential to enhance customer trust and influence purchase decision-making.

- Downloadable e-shop wallpapers and widgets together with 360° photos of particular products increase consumer's enjoyment.

- "About Us", "News", "Shop" and "Return policy" influence a loyalty factor. Additionally, e-mail advertising and e-shop page in social network also influence loyalty factor.

- Five online advertising tools were chosen for e-shop advertising model: banner advertising, search engine optimization, e-mail marketing, review and forum websites and social network. These advertising tools are essential for e-shop because all of them increase e-shop brand recognition.

- Consumers associate a search engine optimization and review/forum website with usefulness. Moreover, "About Us", "News", "Fashion question" affects usefulness factor. It is worth mentioning that usefulness factor influences purchase decision-making, thus, a company should target some part of a content to promote usefulness factor.

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