ELECTRONIC TOOLS FOR COMPANY'S PRESENCE, IDENTIFICATION AND MARKETING IN E-ENVIRONMENT: THEORY AND PRACTICE

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Abstract

Today's turbulent economic environment requires new approaches in communication between company and its customers. Developments of Internet and information technologies have stimulated development of new communication tools, including social portals electronic marketplaces, E-commerce etc. E-commerce is based on free mutual exchange and consists of the technological base (infrastructure, software), range of information services. E-commerce and information exchange develops knowledge-based economy what is strategic priority of Latvia and the Baltic States. Also E-commerce is the tool for providing profitability of the organization by optimization of processes and decreasing costs. In last decade there were a lot of different developments in computer software for solving different needs of today's business. These tools are both – for fee or free of charge. At the same time the authors have found out that many companies doesn't use such tools, do not know about their existence and helpfulness, and even worth – does not have computer literacy at all.

Main conclusions of the research are that there exist free electronic tools which companies can use for the different processes and activities, because e-environment is a favorable environment for enterprises that do not have enough financial resources for marketing promotions and advertising. Electronic environment requires special knowledge and skills – "digital literacy" as navigation in it demands ability to work on computer using internet as well as other digital tools and instruments. E-environment calls for creative thinking and action. The entrepreneurs must be flexible and able to react to changes in e-market knowing that essentially e-environment is dynamic and interactive. Increasingly important is the education of generation of entrepreneurs and their ability to manage electronic tools.

Keywords: e-environment, electronic tools, communication, E-commerce.

Introduction

With the rapidly advancing technologies that are occurring in modern business, companies are required to be ready, and able to adapt within their ever-changing environment. It is true across all diverse industries that in order to stay competitive, companies must be able to utilize the various tools that technology has to offer. Technological factors have been of growing importance, particularly in recent years.

A major factor involved in these technology issues is the use of the Internet as a major issue to modern companies. The Internet has been rapidly growing since its inception and is now commonly used in all sectors of societies, in all corners of the globe. The Internet has quickly become one of the most valuable assets in modern technology, and as such, is developing as an integral part of modern commerce. As with past technologies, the Internet will have future technological advances develop from its own growth. (customessaymeister.com, 2009).

The Internet has lead to the birth and evolution of electronic commerce or E-commerce. E-commerce has now become a key component of many companies in the daily running of their business.

Simply defined, electronic commerce is a system of online shopping and information retrieval accessed through networks of personal computers. (Reedy, Schullo, Zimmerman, 2000). E-commerce challenges traditional organizational practices, and opens ups a vast array of issues that the companies must address. By focusing on the varying levels of a company, it soon become apparent the effects that E-commerce can have. An understanding of the implication E-commerce has on such organizational divisions can help businesses gain understanding hence plan for it's inevitable continuing evolution. In terms of marketing, the modern company must be critically aware of the development of E-commerce, and the implications that it entails. Now electronic communications tools are and will continue to be an important ingredient in the promotional mix (Reedy, Schullo, Zimmerman, 2000).

The Internet provides the necessary tools; easy operation and exchange of information; and therefore affects all diverse industries and companies. The Internet has become a useful tool for selling, buying and distributing goods and services globally in a rapidly growing supply chain. The potential market that the Internet provides has little or no restrictions by either geography or time, and therefore poses a huge impact on any company considering.

Objective of the paper is to analyze different electronic tools for solving companies' business needs and increasing effectiveness.

Research methodology: The authors employ well-established quantitative and qualitative methods of research: grouping, analysis, statistic method, etc.

The theoretical and methodological background of the research is formed by, scientific researches and publications, publications from mass media and professional literature; statistical information from legal institutions as well as information collected by authors during the survey.

Communication Theory

In business cooperation between the enterprise and the client is carried out thanks to communication process based on communication theories. The author of the present paper takes view that communication provides the enterprise with three main activities – *Presence*, *Identification* and *Marketing* in electronic environment.

Communication consists of transmitting information from one person to another. Communication is a learned skill. Speaking, listening and the ability to understand verbal and nonverbal meanings are skills in communication. Communication theories are the key to fully understanding the communication process. Communication is known as the sharing of information, thoughts, and ideas, communication technology can be thought of as the use of knowledge, tools, and skills for the purpose of facilitating communication and also making it easier, more economical, and more efficient.

As Communication is the base for what ever we do, we would not be able to do even the everyday things that we do on a daily basis. When it comes to the work world, whether it's a small family run company, or a giant corporation, communication is the only way to run a business smoothly. Without effective communication, messages can get mixed, and information can be skewed. Authors of the paper think that everyone should learn about these models and about effective ways to communicate, because it doesn't matter where you are, or what you are doing, communication is a constant part of everyone's lives.

Many authors and researchers divide communication by what they sometimes called "contexts" or "levels", but which more often represent institutional histories. There are many different views on every communication theory, but there are different views given by different Theorists regarding communication theory. Authors of the paper share two communication theory's models - Harold Lasswell communication model (see Figure 1) (Lasswell, 1948) and Wilbur Schramm (see Figure 2) (Schramm, 1954) communication model.

Harold Lasswell defines communication has "*who says what to whom in what channel effect*".

WHO (speaker) ► **WHAT** (message) ► **CHANNEL** (or medium) ► **WHOM** (audience) = **EFFECT** (with what effect)
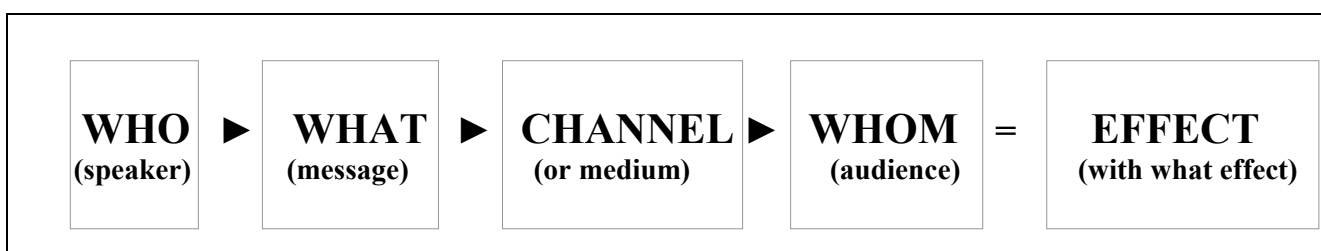
Figure 1. H. Lasswell communication model

The authors are aware that this is just one type of communication models. There is a lot of different communication models described in scientific and practical literature. Those models are enlarged with different parameters – noises created by the medium, channel, receiver etc., different noises made by wrong development of massage etc. At the same time the authors of the paper consider that just a few models contain most important part of communication and it is feedback. The authors of the article are sure that any communication is made just with one purpose – to receive any feedback or get reaction of the receiver what also can be named as feedback. Therefore the author's would like to emphasize that most attention in communication should be paid to the feedback received from it.

Wilbur Schramm (1954) was one of the first to alter the mathematical model of Shannon and Weaver. He conceived of decoding and encoding as activities maintained simultaneously by sender and receiver; he also made provisions for a two-way interchange of messages. Notice also the inclusion of an "interpreter" as an abstract representation of the problem of meaning (corporatecommunications.com, 2009).
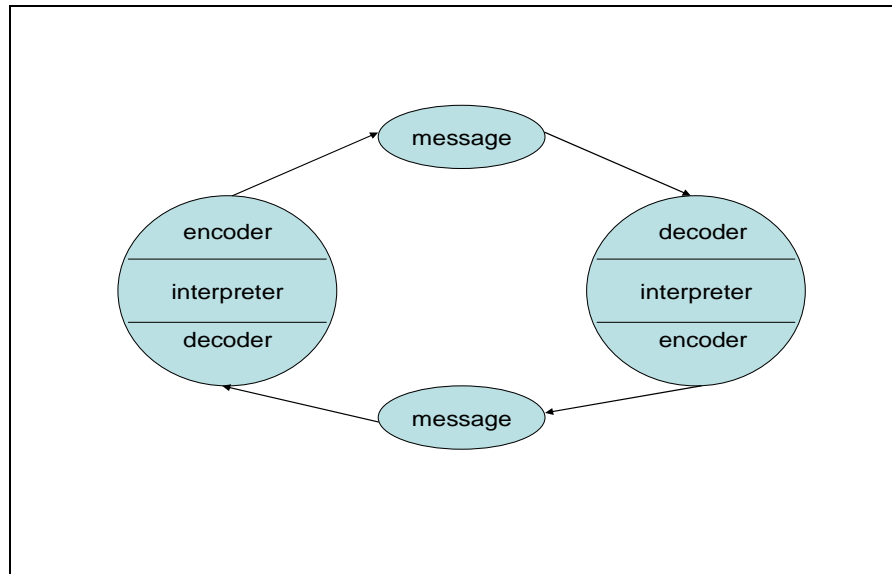
Figure 2. W. Schramm communication model

The authors support this scheme as it can also be applied to e-environment in communication between the client and the company. Despite the complicated structure of the communication, its importance in entrepreneurship increases. Each and every enterprise pays increased attention to the flow of information in the communication process with the clients and within the company. The communication must be continuous and uninterrupted, exhaustive and comprehensive. The communication in e-environment helps to secure company's presence, identification and marketing in electronic environment.

Communications is the vital important element for company's development

All companies communicate with their customers. Marketing communications usually are messages and related media used to communicate with a market. Many trends in business can be attributed to marketing communication. For example, the transition from customer service to customer relations, and the transition from human resources to human solutions is very good example of communication. Marketing communications is focused on product/produce/service as opposed to corporate communications where the focus of communications work is the company/enterprise itself. Marketing communications is primarily concerned with demand generation, product/produce/service positioning while corporate communications deal with issue management, mergers and acquisitions, litigation etc.

Integrated Marketing Communications is a term used to describe a holistic approach to marketing communication. It aims to ensure consistency of message and the complementary use of media. The concept includes online and offline marketing channels. Online marketing channels include any e-marketing campaigns or programs, from search engine optimization (SEO), pay-per-click, affiliate, e-mail, banner to latest web related channels for webinar, blog, micro-blogging, RSS, podcast, and Internet TV. Offline marketing channels are traditional print (newspaper, magazine), mail order, public relations, industry relations, billboard, radio, and television. A company develops its integrated marketing communication programme using all the elements of the marketing mix (product, price, place, and promotion). Integrated marketing communication is integration of all marketing tools, approaches, and resources within a company which maximizes impact on consumer mind and which results into maximum profit at minimum cost. Generally marketing starts from "Marketing Mix". Promotion is one element of Marketing Mix. Promotional activities include Advertising, sales promotion (sales and trades promotion), and personal selling activities. It also includes internet marketing, sponsorship marketing, direct marketing, database marketing and public relations. And integration of all these promotional tools along with other components of marketing mix to gain edge over competitor is called Integrated Marketing Communication.

Marketing communications has a mix - elements of the mix are blended in different quantities in a campaign. The marketing communications mix includes many different elements, and the following list is by

no means conclusive. It is recognized that there is some cross over between individual elements. Here are the key of the marketing communications mix.   (marketingteacher.com, 2009).

The Marketing Communication Mix:

- *Personal selling* - occurs where an individual salesperson sells a product, service or solution to a client. Personal selling involves a selling process that is summarized in the following Five Stage Personal Selling Process: Prospecting, Making first contact, the sales call, Objection handling, Closing the sale.
- *Sales promotion* is any initiative undertaken by an organization to promote an increase in sales, usage or trial of a product or service (i.e. initiatives that are not covered by the other elements of the marketing communications or promotions mix). Sales promotions are varied. Often they are original and creative, and hence a comprehensive list of all available techniques is virtually impossible (since original sales promotions are launched daily!). Here are some examples of popular sales promotions activities: Buy-One-Get-One-Free**,** Customer Relationship Management (CRM) incentives such as bonus points or money off coupons, New media -Websites and mobile phones that support a sales promotion, Merchandising additions such as dump bins, point-of-sale materials and product demonstrations, Free gifts, Discounted prices, Joint promotions between brands owned by a company, or with another company's brands, Free samples, Vouchers and coupons, Competitions and prize draws, Cause-related and fair-trade products that raise money for charities, and the less well off farmers and producers, are becoming more popular, Finance deals - for example, 0% finance over 3 years on selected vehicles
- *Public Relations* and publicity is a single, broad concept. It is broad since it contains so many elements, many of which will be outlined in this lesson. Public Relations (PR) are any purposeful communications between an organization and its publics that aim to generate goodwill. Publics, put simply, are its stakeholders. PR is proactive and future orientated, and has the goal of building and maintaining a positive perception of an organization in the mind of its publics.
- *Direct marketing.*
- *Trade Fairs and Exhibitions.*
- *Advertising* - There are two key categories of advertising, namely *'above-the-line'* and *'below-the-line.'* The definitions owe a lot to the historical development of advertising agencies and how they charge for their services. In a nutshell, 'above-the-line' is any work done involving media where a commission is taken by an advertising agency, and 'below-the-line' is work done for a client where a standard charge replaces commission. So TV advertising is 'above-the-line' since an agency would book commercial time on behalf of a client, but placing an advert in a series of local newspapers is 'below-the-line,' because newspapers tend to apply their own costing approach where no commission is taken by the agency i.e. instead the agency charges the client a *transparent* fee.
- *Sponsorship.*
- *Packaging.*
- *Merchandising (and point-of-sale).*
- *E-Marketing (and Internet promotions).*
- *Brands.* Branding is a strategy that is used by marketers. Pickton and Broderick (2001) describe branding as *Strategy to differentiate products and companies, and to build economic value for both the consumer and the brand owner.* Brand occupies space in the perception of the consumer, and is what results from the *totality of what the consumer takes into consideration before making a purchase decision* (Pickton & Broderick, 2001).

The authors of the paper pay particular attention to the functioning of a company in e-environment and possibilities that the newly founded and existing companies get from using the elements of "marketing mix". Knowing the four "marketing mix" elements the authors suggests their grouping of electronic tools (see table 1).

Table 1. E-environment tools for Marketing communication

Marketing Mix element	E-tools	Description
Personal selling	- E-mails - E-brochures - SPAM	Different kinds of messages sent to customers via email. Free of charge. In case if company hasn't graphic designer, it needs finances to outsource specialist for message preparation.
Sales promotion	- Ebay.com - Amazon.com	Company may sell products on special conditions.
Public Relations	- Press releases, also for media agencies (Leta.lv, Bns.lv, Wordpress.com, etc.) - Blogs - Twitter.com	Free of charge. Company can communicate with customers and express their views, follow the consumers ' opinion on company brand, products etc.
Trade fairs and Exhibitions.	- company's web page - Flickr.com, Twitpic.com - Youtube.com - Alibaba.com etc.	Most of tools are free of charge; company's website can be created using free possibilities, for example, Google tools.
Advertising	- Google AdWords - Social internet networks (facebook.com, linkedin.com, draugiem.lv, friendster.com, etc.) - Announcement networks (Ss.lv, Reklama.lv, etc.)	Most of the tools are free of charge or for symbolic payment; therefore, in most of pay services you have to pay only for clicks.
Sponsorship.	- Banners in partner's internet resources - Special sponsorships portals (Ziedot.lv, Redcross.org, Forgenow.org, etc.)	Depends of purposes – may be free of charge and may be for remuneration.
Brands and Branding	- Wikipedia.com - Flickr.com - Company's web page	Company's brand and product descriptions, pictures in Internet.

The majority of tools the companies may use not investing huge resources. The needed funds for marketing communication in the first stage is the work time of employees invested in marketing activities and further maintenance of the end product.

Further on the paper's authors offer e-tools that can be used by clients to get information on the existence of the company and its identification (see table 2.).

Table 2. E-tools for company's presence application and identification in e-environment

Name of activity	E-tools	Description
Presence and Identification	Different kind of Social Internet Business networks (linkedin.com, myspace.com, linkedin.com, wordpress.com, twitter.com, facebook.com, etc.)	Main goal – company's profile existence in as many Internet sites with high rating as possible. The creation and maintenance of profiles in majority of cases is free of charge.
Identification	- Free e-mail tool: Mail.google.com etc.	Possibility free of charge to create mail with company's name, for example: name@companyname.lv
Identification	- Google.com, Yahoo.com, Aol.com, Zl.lv, Europages.com, etc. - Google/analytics, etc.	Customers can identify company in different search engines, in informational portals. Company's information in portal depends on its policy – it can be free or partly free of charge or only for money.

Social networks in business can be used to perform such aims as: mutual communication; communication and contact with partners, customers, potential customers; the new business contacts foundation; advertising of company's services and products. It is possible to create a profile of company using social networks. For example, by putting in the links to the blog of the company or it leads to informative description of product and services, or leads to home page or other sites that contain information about firm and/or its products and services. It is possible to insert an advertisement for vacancies that are available or look for new employees in social networks. The advantage of social portals of business is the gathering of many professionals in different areas of work. Businessmen can give or receive consultations on

different spheres (taxes, juridical, financial and other spheres) by founding these boundaries. It is essential to take in account the opinion of an expert. Due to the dynamic electronic environment, the process of communication is rapid and with reflexive bound.

To sum up, in the opinion of author of the paper, the benefits of participation in social networks of business gives the possibility to find contacts, evaluate efficiency of interpersonal communication, to evaluate the results of communication and reflexive bound and also to evaluate the expenses of advertising in social networks.

Usage of social networks as a communication channel gives such a possibilities like: creation of brand fan groups and communities; receive critics and react on it. Using social networks as selling channels, it gives a chance for: virtual "direct selling" (selling the product or services to focus group in area of socialization, for example, selling insurance, tickets, bank services, software, trips, information etc.) Providing the fastest selling time (on conditions, that consumer took a decision relying on entries of networkers), it provides higher level of customer service.

Authors of the paper also recommend some e-tool's examples, which company can use also for free for different activities:

- Communication and collaboration platforms (BaseCamp, Google, Wave, etc.), that provides communication, administration of processes, accounting, data exchange (creating a virtual working group);
- Communication tools (Skype, MSN, etc.), that provides mutual online communication, also voice and visual and document sending etc.
- Common applications (GoogleDoc's etc.) give the possibility to create virtual office and records that are available for common use independently from user's location (Battelle J., 2005).

Considering, the authors of the paper makes a conclusion, that starting a business or developing the ongoing one, the e – environment offers a wide range of possibilities in many areas, what are necessary for business – as for internal processes and activities, so for the communication with the external environment. E-tools are mostly free of charge, only time and ability to work in electronic environment is needed.

For the company it is of utmost importance to be represented in as many internet sites as possible. The sites should have high ratings as only in this case the search engines will identify the company. Before the placing the information on the internet site the authors suggest to check its rating. It can be done free of charge at http://www.internetworldstats.com. The authors suggest updating the information about the company regularly and making a schedule for frequency of updating, priorities and responsible persons. It is important as electronic environment is dynamic and interactive environment where 24/7 all year round support information exchange and updating, Google search engines identify twitter every 15 minutes. Google/analytics helps the company to identify its home page visitors and their customs, free Google tools allow the information on the web page be most available to the customers.

E-tools used in Latvian companies

The authors carried out a research on December 2009 – January 2010 with the aim to confirm importance of communications via Internet for companies. The target group comprised people in the age group from 25 to 63 years (managers and employees of different companies), both genders; total number of respondents was 136. A questionnaire had 10 questions.

According to the research results 87 people were at the age group 25-32 year olds. This was a group with a special interest as they are influenced very much by the Internet. The research confirmed that this group use the Internet every day and cannot imagine their life without it. 98% of respondents have profiles in different social networks. At the same time only 44% of all respondents use social networking for getting information of other social network users about company or its products. All respondents use one or several e-tools for different purposes – communication, advertising, sale etc. 83% of respondents have company's web page. 66 % of respondents under age of 32 would like to use free e-tools frequently or regularly. 82% of respondents in age from 39 to 63 have doubts or they are not sure of the usefulness and effectiveness of free e–tools or they have never used them. 97% of respondents in age from 26 to 35 years old would use free e-tools for such activities: personnel recruitment, sales, advertising, compiling an up-to-date client contacts database, market research, marketing activities. More than 90% of respondents in the age of 39 – 63 years admitted that they have a lack of knowledge to work in e-environment, but 97% of respondents in the age of 25 – 32 years and 91% of 33 – 39 years old claim that the feel free in working with e – tools. Most popular social network between respondents (respondents were from Latvia) is local social internet network

draugiem.lv (it's very close to word popular network facebook.com). 33% of respondents use it every day. The second place is facebook.com; this network use 24% of respondents. Another popular social internet network is one.lv, this portal use 21% of respondents.

According to TNS Latvia information, three most popular intrnet resources in year 2009 between age groups 17 – 74 years old are Google, inbox.lv and draugiem.lv. Unchanged stayed three the most popular internet resources in focus group „latvieši", these are Goggle.lv, Draugiem.lv and Inbox.lv. Small changes are observable in interner resource focus group „cittautieši", there the Goggle.lv and Inbox.lv take first two positions, but on the third position is the advertising portal SS.lv. (see table 3.) (TNS Latvia, 2009).

Table 3. Top of Latvian most popular Internet resource's in summer 2009

Rating	Internet resource's name	Description
1	Google	
2	Inbox.lv (Russian and Latvian languages)	Free of charge mail portal
3	Draugiem.lv	Biggest Latvian social network
4	Delfi.lv (Russian and Latvian languages)	Latvian News portal
5	Ss.lv	Latvian Advertisement portal
6	Tvnet.lv (Russian and Latvian languages)	Latvian News portal
7	Youtube.com	
8	One.lv	Free of charge mail portal and social network (mostly used by Russian speaking people)
9	1188.lv	Latvian Information portal
10	Reklama.lv	Latvian Advertisement portal

According to the statistics (see Figure 3) most popular searching engine in the world is Google. The same situation in Latvia, but other popular world's search engines, like Yahoo, AOL not popular between Latvian Internet users (netapplications.com, 2010).
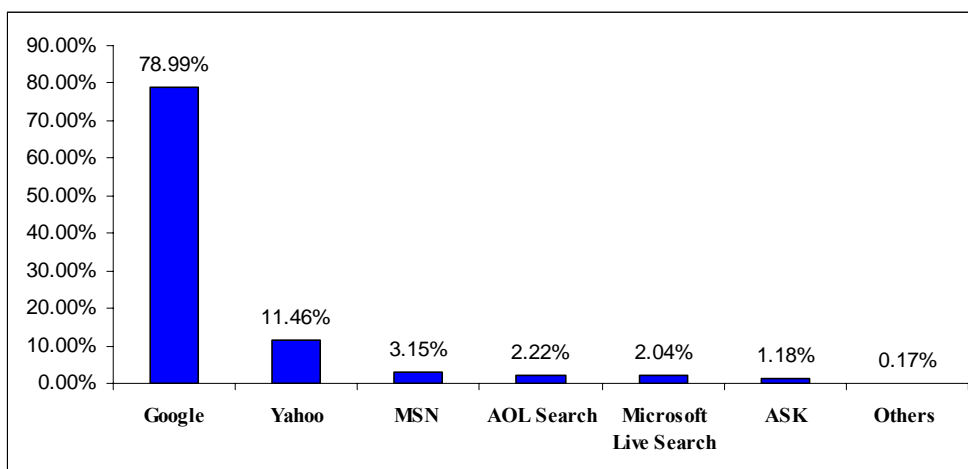

Figure 3. Top Global Search Engines – December 2008

One of most popular Social network in the world nowadays is Twitter. According to Nielsen Online Twitter unique audience dramatically growing, for example on March 2008 it was 520 thousand Twitter users, on March 2009 it was 13858 thousand users. One year's growth is 2565%.

According to the Latvian Twitter statistic's source Itwitter.lv (itwitter.lv/statistika, 2010) there is 1847 Twitter account's users. 172 of them are the company's accounts. 56% of Latvian Twitter users are men, 43% are women. Latvian Twitters are of the age 16-18 years old are 11%, 19-21 years old 19%, 22-30 years old are 48%, and 30-40 years old are 14%. Most part of Twitters is located in Riga – 70%.

According to the authors' viewpoint, Twitter popularity in Latvia will grow extremely like it was in the word practice. Twitter is very easy for use and users can get feedback immediately. By authors opinion one of the main problem why Latvian companies are not active in using different networks for communication and company's promotion is problem with a creation of new information - news and messages. Twitter is well known tool for communication, because it needs only 140 symbols to publish company's announcement for communication.

Conclusions

In electronic environment exist many free of charge electronic tools. Companies can use those tools for the different purposes and activities, because e-environment is a favorable environment for enterprises that do not have enough financial resources for marketing promotions and advertising. The most popular e – tools between Latvian enterprises are the social portals, but unfortunately the companies do not use wide range of these portals for business. Authors are suggesting to use more of e – tools in business processes, because, it they are available easily and can be used in most fields of the everyday activities. It would be easy to start to use one or two internet sites and later increase their amount. It is important to upload new information about company, products and services, because e – environment is dynamic and the processes of communication are rapid. Businessmen have to take in account, that communication process is a mutual process and they have to be ready to react to critics from customers to brand or to company. That is the one of essential reasons, why employees what works in e-environment need to have skills and ability to working with different e-tools.

Main conclusions of research are:

- In electronic environment Latvian companies use different electronic tools, most active people age from 25 till 38 years old.
- Unfortunately, small number of companies using electronic tools regularly for company's and its products promotion, sale etc in e-environment.
- Serious problem is the oldest generation need to growth their digital literacy, because nowadays they are heads of companies or have key position in companies.

Research Electronic environment requires special knowledge and skills as navigation in it demands ability to work on computer using internet as well as other digital tools and instruments. E-environment calls for creative thinking and action. The entrepreneurs must be flexible and able to react to changes in e-market knowing that essentially e-environment is dynamic and interactive. Increasingly important is the education of and generation of entrepreneurs and their ability to manage electronic tools.

Authors of the paper recommend using different e-tools; many of them are free of charge, regularly to implement different activities in e-environment: sale, marketing, human resources, advertising etc.

However, the field of research is very wide and this paper presents just an insight in the large scope of questions what should be analyzed in the future researches.

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