

# PROMOTION OF COMPANY SERVICES IN THE INTERNET ENVIRONMENT (EXAMPLE OF CONFERMO SOLUTIONS LTD)

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**Abstract.** *Nowadays it is possible for entrepreneurs to use the Internet and IT in order to conduct marketing research, promote and advertise their products, assess the effectiveness of marketing activities etc. All this could be done at much lower costs and less time. Therefore, it is important to create a model for promoting competitive advantages that takes into account modern trends, and, based on this model, provide an appropriate set of marketing tools in the Internet environment. The aim of the research is to analyse the promotion of a company's services on the Internet based on the example of Confermo Solutions Ltd. Methods used in the research - monographic and a sociological research method – surveying. The research developed proposals for the promotion of a company's services in the Internet environment, the implementation of which could significantly increase the company's competitiveness in the market.*

**Keywords:** *IT company, promotion, service.*

**JEL code:** *M31, M37.*

## Introduction

The goal of any company is to develop as well as to increase its competitiveness; therefore, at the stage of company development, it is definitely important to secure the company's position in the market. Out of all the marketing tools available for increasing competitiveness, entrepreneurs should choose only those that are most adapted to their needs and specifics. The fast development of the Internet and IT in recent years has created a new operational marketing paradigm for entrepreneurs, namely companies are given opportunities that were previously unavailable to most of them. An increasing number of individuals also begin using social media.

The research aim is to analyse the promotion of a company's services on the Internet based on the example of Confermo Solutions Ltd.

To achieve the research aim, the authors have set the following specific research tasks: 1) to give insight into the theoretical aspects of marketing and the promotion of services by Confermo Solutions Ltd; 2) to examine and

analyse the results of a survey of users registered on the website of Confermo Solutions Ltd; 3) to draw conclusions and develop proposals for the promotion of a company's services in the Internet environment.

Research period: 2019-2020.

Hypothesis: given the large number of their users, social media have great potential for business, as each of the users could become part of an audience in one of the business industries which companies could focus on.

Research novelty: the proposals developed for the promotion of a company's services in the Internet environment.

The research employed findings on promotion of services in the Internet environment made by the following authors: J.Blythe (2004), E.Gaile-Sarkane (2005), S.D.Mērmans (2009), V.Praude, J.Šalkovska (2015) and L.Dareiko-Sinkeviča, A.Tainoļubova (2015).

### **Research results and discussion**

In order that a company can perform successfully and begin its operations, it, first of all, needs to examine the local market, identify the target audience, the priority area, disadvantages, benefits, competitors etc. After such an examination and analysis has been done, it is necessary to do strategic planning. Strategic planning is a management process for establishing whether the company's objectives, skills and resources comply with changing market opportunities. It aims to adapt the company's business, products, services and messages to achieve profits and growth (Kotlers, 2001). The authors believe that strategic planning is a compulsory activity for every business start-up to assess potential risks and increase the chance of creating a competitive company.

Market research, however, is the process of collecting, analysing and summarizing consumer information. Market research is most often associated with relatively high costs, both in terms of money and time, and it is sometimes more advantageous to begin a project without any prior research done (Blythe, 2004). Today it is often possible to conduct research quickly and at low cost, as much of the required information is either publicly available or could be found in the company's internal reports. By processing and analysing the data obtained, the facts are turned into useful information. Today market research is considerably facilitated by the Internet, yet it should be remembered that data and facts could only be used for planning after a careful analysis and interpretation.

Promoting a company's product is one of the most important steps in entrepreneurship, which means that the company has to make a lot of efforts to successfully bring the product to the market – to the relevant target market. Modern marketing requires more than creating a good product,

setting an attractive price and applying a proper approach (Mērmans, 2009). Companies need to communicate with their current and potential consumers as well as the general public. The main problem the companies face is not whether to communicate, but what to say, to whom to say and how often to say it. The mix of marketing communications includes advertising, sales promotion, public relations or publicity, personal sales, as well as direct marketing (Praude, Šalkovska, 2015a; Gaile-Sarkane, 2005). The Internet is a specific resource, and firms are integrating the technology into such marketing activities as sales force systems, channel management and support, sales force (Gabrielsson, Gabrielsoon, 2011), competitive intelligence, operational efficiency (e.g. online customer support). The style and price of the product too, the price and colour of its packaging, the behaviour and clothing of the seller, the appearance of the store – all this says a lot to the buyers. In fact, every contact with a brand gives an impression that could influence the consumer's perception of the company. Accordingly, the entire marketing mix needs to be integrated to regularly deliver messages and make strategic positioning (Praude, Šalkovska, 2015b).

The Internet is an evolving technology which has facilitated the development of new business relationships and opened up cross-border market opportunities for companies (Mathews et al., 2016). The development of communication and information technology is an important factor in influencing the development of the times (Badaruddin et al., 2017). Many businesses or business growing rapidly with the increasing media communication and information are more easily accessible by the public (Muda et al., 2017). Using the Internet as a strategic business tool, information age innovations become available also to small and medium enterprises (SMEs), giving them more opportunities to compete in today's fast-changing market. J.Wisner and W.Corney believe that the use of the Internet provide companies with additional opportunities to build an effective customer feedback system (Wisner, Corney, 2010). S.Atshaya and S.Rungta (2016) have said that digital marketing is often referred to as Internet marketing, online marketing or web marketing. With the increasing use of digital media, the term digital marketing and its impact has also grown. Digital marketing is one of the most convenient and effective ways of marketing these days, and with the development in technology, its technique and scope is also developing.

However, despite the widespread use of Internet resources in the business environment as a whole, the levels of Internet use still vary widely among SMEs.

Today not a single company can function normally without the World Wide Web and its tools. A well-designed website means, first of all, visibility because nothing is done today without computers and mobile devices. Via

the Internet, one can present not only the company but also sell the goods and services, and last but not least – always be in contact with the customers. Social media users can provide information about themselves (create an author's profile), distribute content on various topics, have a direct dialogue with other users, as well as follow the activities of friends and communities within the group (community) created. Accordingly, social media could be perceived not only as a communication platform but also as a kind of display of achievements. Since social media became popular, their users began using them for commercial purposes. The main purpose of banner advertising is to reach the target audience and attract consumers to the product offered by the company. The price of advertising depends on banner display frequency and placement time. The most popular type of advertising on the Internet is banner advertising, which represents advertising messages placed on a website, which are essentially similar to advertising in the media (Dareiko-Sinkeviča, Tainoļubova, 2015).

Confermo Solutions Ltd is a company founded by a student during a traineeship provided by the College of Business Administration; it produces a service comparison service, which includes a wide range of service comparison options for the consumer. Confermo Solutions Ltd is an intermediary that, on behalf of the consumer, finds the services needed, finds out the prices of the services and allows the consumer to choose and compare the services. The consumer him/herself does not have to spend several hours on social media, Internet browsers etc. to find a service provider and find out its prices based on individual needs. Today it could be observed that consumers themselves do not want to spend a lot of time and identify several service providers, explain their needs to each of them and find out the prices, so they choose what is most available – the first found on Google, the first recommended by acquaintances etc. Confermo Solutions Ltd finds and compares the services of its business partners and profits from the business partners (companies) if the consumer has chosen a service from the partner in particular. It has concluded a cooperation agreement with each partner, which stipulates a certain percentage of profit from the contract amount, which, in case of choice, is paid by the company, i.e. the cooperation partner.

The process of receiving a service from Confermo Solutions Ltd begins with the need of the consumer. Every day, consumers have a lot of needs and questions, for which solutions and the best offers are automatically sought. When entering the company's website, the consumer first registers by presenting his/her contact information (contact phone and e-mail for communication), and after the registration he/she can begin creating a request for his/her need, explicitly and specifically stating the need for the service. In case of insufficient information, the client is contacted and

clarifying questions are asked (details that significantly affect the price of the service). After acquiring complete information from the client, Confermo Solutions Ltd contacts its partners and sends information about the service requested in order to find out specific costs, depending on the individual requirements of the client. Since Confermo Solutions Ltd provides a wide spectrum of service comparison services, it is very likely that no cooperation agreements have been concluded with service providers in the field requested; in this case, Confermo Solutions Ltd sends the service providers specific consumer requests and a comment on concluding a cooperation agreement. Following this strategy, it has not been a problem to quickly conclude contracts with the providers of services requested. It has been observed that service providers are more likely to cooperate if sending them a specific customer request than if giving a vision that the services they offer will be requested.

Since today the promotion, visibility and positioning of a company's product are mostly based on the Internet platform and social media, Confermo Solutions Ltd has created the following profiles on:

- Facebook (Facebook webpage), with more than 500 users and regularly updated content, news, videos and other activities that help to promote the company;
- Instagram (Instagram webpage), which backs up all the articles and visual materials posted on Facebook;
- LinkedIn (LinkedIn webpage), which backs up all the articles and visual materials posted on Facebook.

In addition to the social media webpages, a webpage has also been created for the service comparison platform (Confermo Solutions Ltd website). Today it could be observed that many companies do not have websites and sell their products only via social media (such as Facebook). Judging by the experience, seeing the reactions of other consumers and listening to their opinions, one can find that it is more difficult for this kind of company to enter the market, as it is more difficult for the company to gain consumer trust. Today's consumer prefers companies having professional websites where information is updated, contacts are available, etc. In addition, the website also should have an automatic e-mail sending function, which ensures efficient service delivery and communication between the consumer and the service provider. This function sends e-mails with the customer's and the service provider's contacts to each other for faster communication and better service. A very important and useful feature is that as soon as Confermo Solutions Ltd adds a new offer for a consumer, the consumer receives a message to the registered e-mail address, which states that a new offer has been added for him/her and that it could be viewed after logging on to the personalized Confermo Solutions Ltd website.

Initially, a pilot project was carried out for several months to test how the service would work. In total, Confermo Solutions Ltd has signed more than 30 cooperation agreements in less than two months, mostly based on consumer requests. After getting practical experience, Confermo Solutions Ltd has realized that it is more convenient and effective to send a company a specific customer request, a presentation about Confermo Solutions Ltd and an offer to enter into a cooperation agreement.

To better understand the current situation at Confermo Solutions Ltd and the operation of its tools for promoting a company's product, a survey was done and the users registered on the company's official website were questioned. In two months, 74 users had registered on the company's website, to whom a questionnaire was sent via e-mail with a request to rate the company's service. Out of the 74 users, 52 respondents took part in the survey, and their answers were further examined and analysed. According to the survey data, most of the registered users were men. Of the respondents, 65.4% were men, while 34.6% were women. The distribution of the respondents allows us to conclude that mostly men were those who compared services and tried to understand the real market situation and prices. The age distribution of the respondents revealed that young individuals aged between 18 and 25 dominated; they represented exactly half or 50% of the respondents, while 28.8% were aged 25 to 40, 13.4% were consumers over 40 years of age and the remaining 7.7% were children and adolescents under 18 years of age. A question on age was included in the survey so that the company would be able to understand which age group to target for its service in the future. According to the answers, the modern generation that used the Internet and social media the most daily were also those that were the most active users of the company's services. The initial strategy aimed at and the target market for the promotion of the service was the capital of Latvia – Riga –, as more than half, i.e. 53.8% were the residents of Riga in particular. Besides, the fact that another 21.2% were residents of Pieriga region is definitely noteworthy. Examining the distribution of the respondents by region reveals that: 9.6% of the respondents were from Vidzeme, 7.7% from Zemgale, 5.8% from Latgale and only 1.9% from Kurzeme. For Confermo Solutions Ltd, the main product promotion tool was Facebook, as the majority, i.e. 59.6%, of the respondents found out about the company on the Facebook platform. All entries on the company's Facebook webpage were duplicated on Instagram, which was the next source, from which 13.5% respondents were obtained. However, 11.5% of the respondents have listened to the recommendations of friends, relatives or acquaintances and thus also learned about Confermo Solutions Ltd. This group of the respondents is difficult to analyse, yet their number, if providing friendly and effective experience for each consumer and client, should

definitely grow in line with the quality of the service provided. LinkedIn is a professional social medium where the company only backs up all the materials posted on Facebook (just like on Instagram). The survey data showed that 9.6% respondents were obtained from this social medium; in the opinion of the authors, it is a very good medium because it costs nothing, yet it is also able to promote the company's product and help to gain visibility. According to the respondents, advertising portals were the least effective. The authors believe that today advertisement portals are full of information, and it is very difficult for the consumer to navigate through them, but anyway the percentage of the respondents obtained from the advertisement portals was 5.8%. The question "Why did you register on [www.confermo.lv](http://www.confermo.lv)?" was asked in the questionnaire. According to the answers of the respondents, most respondents or 42.3% had registered for the purpose of receiving a comparison of services. This percentage of the respondents was very high, and it could be concluded that most understand the service and register for the purpose of using the service provided by the company. The second largest percentage was those who wanted to get acquainted with the service and find out about it (28.8%). However, a quarter or 25% of the respondents wanted to try the service, and the remaining 3.8% had registered by mistake, which means that they did not understand the idea of the service or registered without any need and purpose. The answers to the question "Is the Confermo Solutions Ltd comparison service clearly stated and understood?" allow us to conclude that the majority, which was 82.7%, had understood the idea, necessity and nature of the service, while 17.3% wished to learn more about the nature of the service provided by Confermo Solutions Ltd, which should definitely be taken into account in its future service promotion activities. The respondents were asked a question "Would you recommend the use of our service to relatives, friends, colleagues and acquaintances?" According to the answers, most of the respondents were unanimous and would like to recommend the service provided by Confermo Solutions Ltd to their friends, relatives, colleagues, acquaintances etc. Of the respondents, 88.5% said they would be happy to take advantage of this service, while the remaining 11.5% disagreed. In the opinion of the authors, one can never get a 100% affirmative answer to such a question; therefore, it is a very positive result because about 9 in 10 consumers are going to recommend the service to their acquaintances. This indicates that consumers are satisfied with the service.

The last question of the survey was: "How would you rate our service?" The answer options were given, and the respondent had to choose a rating from 1 (very bad) to 5 (very good). Most of them, 59.6%, rated the Confermo Solutions Ltd service as excellent. A quarter or 25% rated it as good, yet noticed some shortcoming. About 5.8% rated the service as average.

However, 3.8% believed that the service provided needed to be enhanced and, according to 1.9% of the respondents, the service was very poor.

### **Conclusions and proposals**

1. Confermo Solutions Ltd should use Facebook Pixels in its Facebook webpage, which allows determining whether the consumer has: filled in a questionnaire, viewed a particular article, made a purchase or spent a longer time on the website. Proper use of this tool allows the company to identify the target audience faster, as well as contributes to the profitability of the advertising budget by showing advertisements to those who might really be interested in the service. This marketing tool is available today for free, and the only resource a company needs to invest in it is the time spent while analysing the results and understanding the habits of the target customers.
2. Since the social medium Facebook in particular makes the largest contribution to Confermo Solutions Ltd, it is definitely necessary to use Facebook Ads or the advertising manager platform offered by Facebook. When selecting an advertising audience, the company only needs to create interesting content and visual materials that would attract the target customers and direct them to the website, so that they require a comparison of services. The more accurately an advertisement is targeted, the better results the company can achieve.
3. Google AdWords is a platform for advertising on the Google website. Today it is one of the most popular advertising tools and undoubtedly takes its place in the sales strategies of many companies. The Google search engine is used by over 90% of Internet users throughout Latvia, and AdWords offers to choose exact keywords, which, when typed, show a company's service. Each company should choose the words and phrases that are most relevant to the service provided, so that when the consumer searches, they appear as one of the first options. The service comparison service provided by Confermo Solutions Ltd has to be able to identify which services are more in demand and choose keywords accordingly.
4. SEO optimization is a set of operations performed inside and outside the website to improve the position of the website (ranking in the list of search results found) in the search results and get more visitors who search for a company's services by using the Google search engine. Despite many search engines available in the market, such as Bing, Yahoo or others, Google is the market leader in searching for information on the Internet. For many years, Google has made significant investments in improving its algorithms and informing website developers and stakeholders about SEO – the methodology and recommendations that



website owners should follow to help users to find this website more successfully. The Confermo Solutions Ltd website should list all the services being compared so that the tool can read them and offer the company's website if a consumer searches for that service on Google. This tool only requires investment in the website, as it requires regularly updating the content, texts and images, as well as positioning the company on related websites of other companies. There are no direct financial costs for this tool.

5. Since the Confermo Solutions Ltd website has introduced consumer registration and the company has access to customer contact information, the authors recommend that the company regularly interviews its registered customers. This would contribute to the company's understanding of its customers, their satisfaction and the company's service as such. No financial investment is required for such an operation, only regular time should be invested in interviewing customers and analysing the answers provided by them.
6. The authors recommend that the Confermo Solutions Ltd website is translated and made available in Russian, as well as on social media to create content in Russian as well by turning on Facebook, so that the text appears in the language of Facebook, which would help Russian speakers to get familiarized with the service as well as use it, understanding the details. In Latvia, companies should be positioned in both Russian and Latvian, as the percentage of Russian speakers in Latvia is very high.
7. Examining and analysing the articles posted so far on the social media webpages of Confermo Solutions Ltd, the authors conclude that the regularity and content of the articles are of high quality, and it is definitely necessary to continue this practice. However, analysing the statistics of these articles, it could be observed that the articles mentioning cooperation partners are exactly those that reach the most consumers and receive consumer responses; therefore, the authors urge Confermo Solutions Ltd to place more emphasis on this type of publicity materials.
8. The Chamber of Commerce and Industry of Latvia is the largest business association in Latvia, with more than 2500 members – micro, small, medium and large enterprises, associations, city entrepreneur clubs, and other business associations – representing all the regions and industries. The Chamber represents the interests of entrepreneurs as well as provides services aimed at having excellent companies in Latvia, in an excellent business environment. Its main areas of activity are the business environment, business competitiveness and exports. The authors recommend that Confermo Solutions Ltd joins the Chamber as a member, which would definitely help the company to promote its service, gain more visibility and, regularly attending training sessions and seminars,

become more competent.

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