SECTION V
MARKETING AND TOURISM

WEB MARKETING AND SME PERFORMANCE IN ALBANIA

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Abstract

This article deals with contribution of web marketing to overall SMEs' effectiveness and hypothesizes that web marketing has an impact on SMEs' effectiveness.

An analysis of the data in the sample of the Albanian SME-s is used to address the research question regarding the relationship between two concepts. This research will confirm the positive or negative relationship between dependent variable web marketing and the independent variable SMEs' effectiveness.

This article also deals with one of the problems for web marketing practice – its value, or more specifically, the contribution of web marketing to overall SME effectiveness. Some SMEs invest significant expenditure in web marketing.

Often web marketing professionals want to prove how much value web marketing has to an organization, for example how much web marketing increases profits, contribute to market share, and support customer satisfaction. This article attempts to examine the effect of web marketing on SMEs' effectiveness in Albania. So the research question is: "Can web marketing have an impact and improve SMEs' effectiveness in Albania?"

Research into measures of web marketing and SMEs' effectiveness and their relationship reflects this important issue. In this article, we question the possibility of linking web marketing activities to overall SME' effectiveness.

Key Words*: Web marketing, SMEs, effectiveness, Albania*

Introduction

The need for measuring and evaluating web marketing effectiveness in SME-s has grown in the recent years. The goal of web marketing is to help an organization to achieve its business objectives goal. Getting a clear understanding of an organization's business goals is the first step of web marketing activities to set measurable objectives for a communication program. If web marketing developers don't understand business goals, they can't achieve SMEs' effectiveness. Difficulties in link web marketing to company's effectiveness can be found in the position of web marketing managers in the SMEs, because web marketing managers don't take part in setting SMEs' objectives.

Purpose of the research

The main thrust of the paper concerns web marketing factors affecting the company's effectiveness, which can be viewed as factors related to managing and implementing web marketing.

Hypothesis

The dominant proposition of this paper is that web marketing may be playing a greater role in terms of emphasis at corporate performance and effectiveness. Empirical evidence supporting this enhanced role at SMEs' effectiveness level will be presented. Accordingly, we make the following research hypothesis:

H: There is an association and positive relationship between web marketing and SMEs' effectiveness in Albania

Variables

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For the purposes of our research, the following measures for constructs were developed, drawing from the conceptual work in web marketing and SMEs' effectiveness context.

Web Marketing description

The web marketing scale captures the following statements: the primary function of web marketing is to increase the company's reputation. Web marketing construct consists of interval scale questions. Answers were given on a Likert-scale format (7= I strongly agree and 1= I strongly disagree).

SMEs' effectiveness description

SMEs' effectiveness construct can be operationalized in different ways. Many authors are agreeing that web marketing has an impact on SMEs' effectiveness. We used a multi-item measure of eleven items to investigate the SMEs' effectiveness along financial, market and other types of SMEs' effectiveness. This variable was composed of three types of SMEs' effectiveness: market, financial and other type; we calculated the mean score for each type of SMEs' effectiveness as a sum of all mean scores averages. SMEs' effectiveness construct consists of interval scale questions. Answers were given on a Likert-scale format (7= I strongly agree and 1= I strongly disagree).

Data gathering

The main research instrument for empirical investigation, e.g. a questionnaire, was developed on the derived theoretical basis. The covering letters with questionnaires were mailed to the SMEs' directors, marketing directors of 150 Albanian SMEs. We choose the convenience sample. The survey was conducted in October, 2022. A total of 102 useful responses were received and that gave the response rate of 61 %. The results present in this article are related to the sample of 92 respondents. The collected empirical data were processed with Statistical Package for the Social Sciences (SPSS), where the emphasis was given to descriptive statistical analysis.

The relevant data of the SMEs were provided mainly by marketing directors (32 % of cases), followed by SMEs' directors with 28 %, members of top managers (18 %), business consultants (10 %) and head executives (6 %).

The SMEs' included in the sample are distributed according to industries as follows. 40,0 % of respondents belong to production oriented SMEs, 30 % of respondents belong to service oriented SMEs and 30 % were trade oriented SMEs.

Research instrument

Both the constructs, web marketing factors and SMEs' effectiveness were measured on the Likert scale. The respondents had to indicate their agreement with the statements on the 7-point Likert (1 strongly disagree to 7 strongly agree) scales.

Results

One of the objectives of the paper is concerned about the correlation between different statement of web marketing and SMEs effectiveness exists. Accordingly, we make the hypothesis as follows:

Null hypothesis H0: There is no correlation between web marketing and SMEs effectiveness.

Alternative hypothesis H1: There is a correlation between web marketing and SMEs effectiveness.

We assume that, in addition to web marketing impact on the SMEs' effectiveness, other unexplained effects which are not the subject of this research may have and impact on SMEs' effectiveness. Many authors have studied the impact of different constructs on SMEs' effectiveness. However, we can conclude that the percentage of explained variance (12%) of web marketing in SMEs' effectiveness is high if excluding other influences.

Although the empirical results do not provide a high level of support to the conclusion, we believe that the positive relationship between web marketing and its SMEs' effectiveness can be still accepted on the basis of the available data.

We argued and documented empirically that the web marketing had a significant impact on SMEs' effectiveness in the sample of Albanian SMEs. Additionally, each company may choose to have a unique web marketing strategy but it should consider its unique characteristics when developing successful web marketing programs. We identified these characteristics as web marketing factors which can affect the SMEs' effectiveness.

There may be a concern that used measures for web marketing will not represent the whole spectrum of web marketing activity. The absence of validity and reliability of tested concept in the literature, we have been viewed and measured web marketing concept as the management function that establishes and maintains a mutually beneficial relationship between an SME and its publics. A qualitative research with web marketing professionals and academicians would be helpful to develop a theoretical framework for finding the most effective measure for web marketing concept.

The article provides a perspective of how to analyze the factors affecting the overall SMEs' effectiveness. The guidelines that emerge from this approach should be particularly relevant for web marketing managers in industry.

Some background on digital marketing

Digital ads are a pull. The user is in control, and interactivity with digital ads is important. Users are more likely to interact with rich media ads because they have animation, video, sound, and interactive options that appeal to them. Advertisers can use this technology to convey emotion within their ad messaging. As an advertiser, your goal is to motivate users to purchase your product. Here are some pointers to consider when you're measuring your progress.

The agency and client should agree on the goals and set key performance indicators (KPIs) before a campaign begins. KPIs are metric building blocks that allow you to gauge the effectiveness of your campaign. How else can you determine if your ads are successful or not?

However, before you can set KPIs you'll need to understand the basic building blocks these metrics come from. In order to measure the effectiveness of rich media advertising we usually look at two components -- media metrics and web metrics (site traffic referred by online media). This is based on the assumption that a user click routes you to a client's website.

Raw media metrics are usually provided through your ad server (Dart, EyeWonder, or Pointroll) and include rich media impressions, rich media interactions, delivered traffic, actions, and leads. Raw web metrics (site traffic referred by online media) are usually provided by either Google Analytics or Omniture and include visits, single page visits, page views, visits shorter than one minute, visits longer than 10 minutes, online sales from new customers, and order value from new customers.

When analyzing display web marketing, begin by looking at rich media impressions. These impressions, which are passive, tell you how many people are exposed to your rich media ads. When a rich media ad is served, it is counted as a rich media impression.

Since you have a rich media ad, take a look at rich media interactions. They tell you how many users played with your ad -- from mousing over it, to playing with the ad buttons. The rich media interaction rate equals interactions divided by impressions. According to Dart, the 2009 industry average was 2.54 percent.

The purpose of someone seeing your ad is to entice them to visit your website. In order to visit your website, a customer interaction such as a click is usually needed. The click sends a customer to a company website. Once a customer arrives at the designated website, it is considered delivered traffic. Delivered traffic can be defined as a user click that results in a website visit after exposure to an ad.

How is your ad performing? Is the ad getting customers to visit your site? A quick media metric to use is delivered traffic rate (DTR). DTR is total delivered traffic divided by impressions served. If your DTR is 2 percent or more, you have been effective at getting people to your website. A 2 percent DTR indicates the robustness of your ad and is a general rule of thumb.

A good web metric to look at is bounce rate. It lets you know if the user experience is a good one that encourages engagement and future visits, or if visitors are bouncing off your website after viewing one page. The bounce rate can be calculated by looking at single page visits and dividing that by total visits.

Other good metrics (which can be either media or web metrics, depending on how your client's site is tagged) include actions and leads. An action is a way a customer can express interest in a product or service on your website. A lead is usually a customer whose interest in a product or service is expressed by electronically submitting personal contact information.

The unofficial relationship between actions and leads is 6-to-1. In other words, every six actions should net you one lead.

Action rate and lead rate determine how well customers are interacting with a website. Action rate is defined as total actions divided by delivered traffic. The action rate speaks to the robustness of a site. The higher your action rate, the more people interact with your site. The lead rate can be defined as leads divided by delivered traffic. It allows you to see the relationship between leads and delivered traffic. It is a funnel effect. A customer cannot submit a lead unless they are at a website. A customer arrives at a website as delivered traffic. The final metrics to look at are cost-per-action and cost-per-lead. Cost-per-action is total cost divided by total actions. Cost-per-lead is total cost divided by total leads. These metrics let you know how much each action and lead cost. They both vary by vertical.

If the agency and client agree that the goal of a new campaign is to drive qualified traffic to the client's website and increase online sales, two KPIs to look at include committed visitor share (calculated by dividing the number of visits lasting longer than 10 minutes by visits) and the average online sales from new customers.

By setting modest goals and putting KPIs in place at the beginning of a campaign, an agency protects itself from unreasonable client expectations. A client and agency might initially agree that the goal of a campaign is to drive qualified traffic to the client's website. However, once the campaign is over, the client might change its mind and say it really wanted the campaign to drive online sales. When an agency looks at online sales, it's unlikely that the sales will be robust.

If an agency has put a benchmark in place at the beginning of a campaign, it can go back to the client and say that the benchmark was the purpose of the campaign, that the agency delivered on that purpose, and that the creative was geared toward driving qualified traffic. However, if the client wants to increase online sales, a new campaign needs to be set up with that purpose.

By understanding media metrics such as impressions, delivered traffic rate, action rate, and lead rate, along with web metrics such as bounce rate, you can build KPIs that determine how successful your ads are and avoid distasteful conversations with clients.

Understand Web Traffics – Hits, Pageviews,

There are various of terms when it comes to calculation of web traffics. Some statistics give you report in terms of daily and monthly unique visitors; some provides more – Pageviews, Hits, etc. You could have heard webmasters claiming their sites to have more than 1 million hits a month. But how big is 1 million hits, does that means they have 1 million visitors every month? Here’s a brief explanations for those who are confuse how figures in these web statistic terms are generated.

Measuring traffics in hits usually returns you a proudly large number. Hits is also known as request and it’s the total number of files loaded when a single page is requested from the web server. So how hits are calculated? Picture this – a single web page with 20 images

(transparent.gif, header-background.gif, etc)is loaded, that's 20 hits for starters. The web page has 10 photos (jammie.jpg, group-photo.jpg, etc), that's another 10 hits. if you add up the CSS files, Javascript files and all the external files, each time a web page is loaded, it can easily build up more than 50 hits. If you clear cache, reload the page, another 50+ hits again.

Hits are rarely used to to judge a website's traffic nowadays as they are not really accurate. The numbers are big and certainly cool, but generally useless.

Pageviews is a calculation of how many times a page is viewed. Say a visitor lands on your main page, that's 1 pageview. Same visitor clicks to About Us page, that's another pageview. By dividing total pageviews with total unique visitors, you can get an idea how many pageviews each visitor generates.

Impression is more or less a marketing term, normally calculated in bulk of 1000. It counts how many times a element (image, text, video) appears on a web page. If a advertisement network is paying $3/CPM (Cost Per Thousand Impressions), that means you are getting paid $3 when the banner appears 1000 times on your web page. Here's 21 ad networks that pays you based on CPM ads.

Visits is normally equivalent to unique visitors. Think of it as the number of different people (different IP) that visits your web page. Visits or unique visitors are the most essential numbers of all, when it comes to determine the traffic of a specific site.

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