ROMANIAN ORGANIZATIONS AND EVALUATION OF ONLINE MARKETING RESULTS

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Romanian organizations generally are concerned with their financial performances, but they should pay attention for monitoring their marketing results, and if they activate on the web their online marketing results, too. The article refers to the importance of using marketing metrics, both in the offline and online world, and of trying to find ways of combining these online and offline metrics to get a realistic image of their integrated marketing activities' performances.

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1. NECESSITY OF METRICS FOR MEASURING ONLINE MARKETING RESULTS

Romanian organizations generally are concerned with their financial performances. They use different methods, tools to asses their financial performances, their businesses' performances.

There is a need for Romanian organizations to become aware of the importance of planning, implementing the plans and evaluating the results of the implementation, the results of the different programs. This applies for all their activities, and of course also for their marketing activities and online marketing activities. Romanian organizations should pay more attention to monitor the results of their marketing activities and online marketing activities, too.

But why do organizations need marketing metrics?

Romanian organizations generally review their financial results, but they should also determine their marketing performances, by using marketing metrics that measure the contribution of customers to the organization's profits. Marketing managers should be also concerned about specific metrics that measure the contribution of the different particular marketing program elements to the profits.

Organizations use different metrics that indicate the performances of their activities, and try to find ways to create a balanced, healthy business. Through their marketing programs organizations can build and maintain an efficient organization, and therefore they need to use marketing metrics, in order to measure the performance of their marketing activities, both offline and online. Organizations set different targets, goals for their marketing activities. Marketing metrics measure their performances, so they provide important signals, feedback about the relationship between planned and obtained results. Organizations can get a realistic image about the existence of differences between the results of planned and implemented activities, actions, can identify the need of corrective actions, and can plan and implement corrective actions. Organizations cannot use any kind of metrics for this purpose, they need "good" metrics (appropriate metrics) to measure their performances.

But how can we characterize appropriate metrics?

Generally organizations use different metrics for different purposes. They should use appropriate metrics which help organizations to develop proper marketing strategies, strategic marketing activities, to set functional or departmental objectives, and to determine individual objectives for their employees. Appropriate metrics have several specific characteristics[388]: they should be easily measurable - the advantage of online metrics is that they could be easily captured and tracked on a nearly continuous basis; should be interpretable, in a unique way by all their interpreters; should be robust, they should apply equally well across different business units or products and over time; should be generally accepted - there exists a lack of defining some online units and those metrics which refer to them in a generally accepted way (for example the "Average Internet User" is not generally defined, and differences in definitions lead to differences in some measurements related to Internet users); should be linked to desired business outcomes. Metrics can measure directly a key business outcome, or can measure performance aspects linked to key outcomes.

In order to assess marketing performances marketing managers need financial, customer-based and implementation metrics. An organization's marketing performance is reflected by:[389]

a) financial metrics – which measure bottom-line results;

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388 Based on: Mohammed, Rafi A. – Fisher, Robert J. – Jaworski, Bernard J. – Paddison, Gordon J.: Internet Marketing. Building Advantage in a Networked Economy, McGraw-Hill, New York, 2004.

389 Based on: Mohammed, Rafi A. – Fisher, Robert J. – Jaworski, Bernard J. – Paddison, Gordon J.: Internet Marketing. Building Advantage in a Networked Economy, McGraw-Hill, New York, 2004.

b) customer-based metrics – which capture marketing's performance in building customer-based assets;

c) branding and implementation metrics – which assess how well each element of the marketing program performs in terms of building customer assets.

These metrics offer the marketing managers the possibility of understanding which the drivers of an organization's performance in the marketplace are.

Marketing managers should assess the current marketing performances of their organization, should compare current marketing performances with previous marketing performances of their organization, and should assess marketing performances relative to competitors' ones.

2. MEASURING PROCESS OF ONLINE MARKETING ACTIVITY

Everything done on the Internet can be quantified, can be monitored, can be measured, leave tracks, evidences. Romanian organizations should be aware of the importance of using methods for measuring the results of their online marketing activities.

Organizations can monitor and measure their marketing communication activity on the Web, can follow their messages sent to their potential and actual customers.

The measuring process of the online marketing activities of an organization should follow several steps:[390]

1. Marketing objectives should be established. An organization can evaluate its online marketing activity, if it has set those realistic objectives which should be achieved through online marketing activity.

2. It must be correctly defined what is considered a marketing success for the organization, so the objectives should be transformed in quantified goals and success criteria, for example: the number of web page visitors, % of potential costumers who will probably buy the organization's products/services, number of appearances in different medias, number of online purchases, offline purchases generated by the use of Internet, number of read e-mail messages etc.

3. Standards for measuring and comparing online marketing results must be established.

4. Marketing performances must be measured and compared with planned results.

5. Results obtained by measuring online marketing performances must be processed, analyzed, and conclusions must be formulated based on the results of analyzing gathered data. These conclusions can be used and input data for those actions which must be initiated in order to improve online marketing activity of the organization.

6. Results must be sent in time for those managers who will make decisions based on the conclusions of analyzes.

3. RECOMMENDED METRICS FOR MEASURING ONLINE MARKETING RESULTS

Organizations can use different metrics to assess their websites, for example:[391]

> - visitor metrics (unidentified visitor, unique visitor, session visitor, tracked visitor, identified visitor);
> - exposure metrics (page exposures or page views, site exposures);
> - visit metrics (stickiness or visit duration time, raw visit depth or total webpages exposures per session, visit depth or total unique webpages exposure per session);
> - hit metrics (hits, qualified hits).

There exist software programs which can be used in order to indicate the number of the visitors in case of a website, how they behave during their visit on the website, which pages of the website have been visited, how long they have stayed on the website, etc.

Using online questionnaires organizations can gather information from their website visitors related to their opinion about the website, about the different elements of their websites, about their online publicity, about their image etc.

Through the number of purchases made online organizations can measure the effects of their online publicity, of their online marketing communications.

The results of online marketing activity can be measured offline, for example by collecting telephone numbers of the website visitors and calling them to ask about their opinions related to the website.

Online marketing results must be compared with those which could be obtained as a result of offline marketing activity, in order to assess its effectiveness and efficiency.

Organizations can analyse the efficiency of their website from two points of view: from marketing point of view and from commercial point of view. [392]

Analysis from the marketing point of view refers to checking the volume of traffic, the sales volume generated by a specific banner, the traffic volume due to a specific portal, what kind of products/services are purchased as a result of a specific banner posted on a website etc. Useful metrics for this purpose are: percentage of banner accessing, conversion rate (percent of visitors who became buyers), profit generated by investing in the specific banner. From

390 Janal, Daniel S.: Online Marketing Kézikönyv. [Online Marketing Handbook], Bagolyvár Könyvkiadó, Budapest, 1998, p. 153.-154.

391 Mohammed, Rafi A. – Fisher, Robert J. – Jaworski, Bernard J. – Paddison, Gordon J.: Internet Marketing. Building Advantage in a Networked Economy, McGraw-Hill, New York, 2004, p. 700.

392 Pleşea, Alexandru Doru: Magazinul virtual -analiza eficienţei comerciale. [Virtual Shop – analyzing the commercial efficiency], Revista de Comerţ, Nr. 10/2003., p. 41.

the commercial point of view the analyze of the online shop's efficiency covers four aspects: product variety (establish if the product range satisfies the expectations of the customers and at what degree), commercial suggestions (which refers to techniques for presenting and/or classifying products in order to increase motivation for purchasing, for example: cross-selling, promotions, recommendations), products/services searching mechanisms (which are the tools used by customers for finding the needed products/services), design characteristics of the website (which refers to: aspect of the background; design of medias used: films, images, text; typeface of characters used; dimensions, colours, placements of the different elements of the site).

Metrics are based on conversion rates used for measuring online marketing results and performances, especially for the evaluation of the virtual shop's global efficiency. The conversion rate of a virtual shop indicates the percent of the website visitors who made online purchases. In order to establish those factors, elements of the virtual shop which affect commercial performance there are used microconversion rates:[393]

- visit - accession rate – which shows how many of the positive impressions created by the webpage in which appears the product/service lead to the accession of the product's webpage;

- accession - placement in the shopping-basket rate – which shows how many accessions of the product's/service's webpage lead to placement of the product/service in the shopping-cart;

- placement in the shopping-cart - purchasing rate – which shows the percent of the products/services placed in the shopping-cart which were finally purchased online by buyers;

- visit - purchase rate – which shows the percentage of the accessions of the main webpage in which appears the product/service which lead to online purchase of that product/service.

Marketers should analyze these ratios to be able to make conclusions referring to the ways in which products/services should be presented on the Internet, and to use the obtained results for improving, optimising their online marketing.

Monitoring systematically the different phases of the purchasing process, the information obtained by measuring online marketing performances and efficiency, marketers can discover and eliminate those problems which could lead to abandon the online purchasing process by buyers, to attrition, etc.

4. PROBLEMS IN USING DATA AND METRICS FOR ONLINE MARKETING

Using the Internet Romanian organizations can easily gather information, data which can be easily stored in electronic format, they can use different software programs for this purpose and for data mining.

The problem is not the lack of information, because the Internet contains a great amount of information, the problem is whether Romanian organizations can find useful and relevant data for their marketing activities.

Another problem can be related to how Romanian organizations analyze and interpret metrics used for measuring online and offline marketing performances.

If Romanian organizations don't succeed to tie metrics to the desired business and marketing strategy, this can cause serious problems for them.

Also if they don't take in account the particularities of their industry or of their business when they define or choose metrics to measure marketing performances, both offline and online, organizations can face difficulties.

Organizational constraints, financial constraints and time constraints could lead to incorrect definition of metrics.

Organizations can have difficulties in defining and integrating metrics for their offline and online marketing activities.

If an organization activates both in the real and the virtual world it should measure the effects of the online activities upon offline performances and vice versa (for example online marketing can stimulate offline purchases, and offline marketing can stimulate online purchases), but this can be difficult to do.

CONCLUSIONS AND RECOMMENDATIONS

As a conclusion we can mention, that it is important for Romanian organizations to do systematically marketing research to get information about their customers, competitors and marketing environment, and to develop an efficient and effective marketing-mix in order to attract and maintain their customers.

The main challenges for the Romanian organizations can be summarized as follows: the changes generated by governmental reforms, European Union membership, changes of legal environment, reduced financial resources, needed improvements in management know-how, intensification of competition, global economic crisis etc.

The trends of the demographical, economical, cultural, social, legal, institutional, informational, technological segments of the marketing environment of Romanian organizations have impact on their offline and online marketing activities.

Based on their competencies and taking in view the mentioned challenges Romanian organizations should harvest the opportunities and avoid the threats, in order to be able to face the increasing competition.

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393 Pleşea, Alexandru Doru: Magazinul virtual – analiza eficienţei comerciale. [Virtual Shop – analyzing the commercial efficiency], Revista de Comerţ, Nr. 10/2003., p. 42.-43.

Developing appropriate marketing strategies and marketing plans, implementing them correctly are indispensable to achieve success on the market. Marketing strategies should be controlled and evaluated systematically. Marketing plans should have a measurement component, because organizations should measure their progress periodically, to be able to make the necessary adjustments, corrections.

To measure the effectiveness and efficiency of the marketing programs Romanian organizations should use a set of metrics to evaluate their website's performance, taking in view the scope of their activity, the characteristics and expects of their target market, characteristics of their marketing mix elements.

Because the online marketing environment changes rapidly, on the Internet organizations should make measurements on shorter periods of time (monthly, weekly, even daily etc.) to be able to implement the necessary interventions.

Organizations should use integrated customer metrics, financial metrics and marketing implementation metrics to evaluate their marketing performance.

If they have both offline and online marketing activities, they should use metrics to assess how they succeed to integrate their offline and online activities.

Marketing managers should:

- assess the current marketing performances of their organization;
- compare current marketing performances with previous performances of their organization;
- assess their marketing performances relative to competitors' ones.

Marketing managers should pay attention to marketing spendings in order to avoid poor financial performance.

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