

Mobile devices in terms of search engine marketing

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Abstract: The aim of the article is to describe specific aspects of Search Engine Marketing as an important tool of marketing communication. In assessing the direction of the issue the article summarizes the theoretical background of Search Engine Marketing, Pay Per Click advertising and Search Engine Optimization. The article also focuses its attention on the Internet advertising market on a global scale and the issue of Internet search engines use. Moreover, the article describes the current state of online search devices use. Our aim is to evaluate and demonstrate the possibilities this form of promotion can bring to regional governments while pointing out the pitfalls of the issue.

Keywords: SEM; PPC; SEO; Google; mobile devices

JEL Classification: M30; M31

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1. Introduction

Under the influence of the rapid development of information and communication technologies, especially in the online environment, the Internet marketing tools gradually enhance. Moreover, it can be even stated that entirely new marketing techniques and forms of addressing target groups emerge. The main reason for declining advertising spending in the traditional media in the recent years is obvious - the rapid development of the online environment offers marketers new and more effective means of performance measurement of their marketing campaigns.

Currently one of the most important forms of Internet marketing is advertising in the environment of online search services - Search Engine Marketing. This method, the essence of which is to acquire customers through search engines, combines tools like advertising model Pay Per Click which can be characterized as a paid form of Internet advertising. Pay Per Click is Internet advertising within which a business pays for the amount of clicks on the business' website. This category also features Search Engine Optimization whose aim is through a modification of the very structure of a website and its proper content to get to the top place in search results of the on-line search engines.

2. Literature review

The concept of Search Engine Marketing (SEM) is one of the components of e-marketing. This tool of online advertising is according to Haligan and Shah (2014) an effective form of promotion and increases targeted traffic (consisting of target groups or other variables) to web pages. SEM can be broken down into the two basic components - Pay Per Click (PPC) advertising and Search Engine Optimization (SEO). The authors also point out that, unlike media users such as bloggers or social networks users, users who search for something usually have a clear goal, whether it's finding product information or other information. When a search query is related to activities carried out by a company, the company wants to be found through search results.

Search results from online search services can be according to Fishkin and Høgenhaven (2013) divided into organic and paid. Since showing up at a position on the first page of organic search results is a lengthy and difficult process, many companies are trying to eliminate the time loss by paying for ads in the search results. Tonkin, Cutroni and Whitmore (2010) state that marketing activities based on the use of paid advertising in search engines is defined as Search Engine Marketing (SEM). This method focuses on buying ads that are then displayed in search results. Using paid ads is more effective when searching for products through search engines. In addition, authors add that paid advertising on search engines should consume a significant portion of the marketing budget of businesses (Panda 2013).

The effectiveness of Internet advertising is decreasing due to competition in the field. This situation is mainly caused by price increases and an increasing number of advertising spaces in one place (i.e. Internet users are now "resistant" to ads) (Rozhoň 2009). According to Parker (2013) PPC advertising addresses this situation. PPC is displayed only to people who are looking for information via search engines or when viewing content - users are displayed ads related to their interest. PPC is currently the most used method of online advertising and an effective online tool designed to promote products and services to on-line consumers. The operation of this advertising is according to Mitchell (2012) based on a simple system. When a user searches for key words in addition to natural results he/she is also displayed an advertising that relates to searched key words. This kind of advertising is referred to as advertising in search results. In contrast, there exists a content network and ads are displayed within it. The content network displays ads to users when browsing websites. These ads are associated with a given topic of the page. An advertiser pays nothing for the ad until a user clicks on the displayed ad. It can be said that advertisers pay for a visitor and not for people who only see ads. According to Janouch (2010) benefits of PPC can be summarized as follows: payment only for visitors, very precise targeting, a high level of control over managed campaigns, easy to evaluate benefits.

Adams (2015) adds that search engine optimization represents a set of principles, tools and techniques that assist with placing the organic content in search engines. If the business wants to be successful in SEO, it must gain trust. Scott (2013) states that marketing using search engines is remarkable due to the fact that unlike other media, such as television or radio, it does not rely on techniques that are irritating for the target audience. According to Charley (2011) the term SEO (Search Engine Optimization) can be defined as a technical discipline that serves to improve the position of web pages in the search results of Internet search engines. We agree with Horňáková (2011) that key feature of optimizing are keywords. Horňáková (2011) states that these are activities aimed at optimizing web pages

to achieve the best position in the search results when a user types a keyword. If a web page is well optimized, its link may not only appear on the first page of search results, but more importantly at the forefront. Such position is related to more traffic and ultimately the revenues.

3. The current state of the issue

Online search engines have become in the last decade an integral part of marketing strategies and activities of many businesses around the world, from the smallest businesses to corporations. Development of marketing activities in this area goes hand in hand with the growing interest of users. The importance of this marketing tool was confirmed by a survey conducted by the agency Jato and Oresiri (2013) on a sample of 282 respondents studying at the Adeyemi College of Education, Ondo. The results of this survey showed that 29.43 % of respondents use search engines several times a day, 11.35 % of respondents use them at least once a day. Most students use either one or two search engines. The survey results further showed that 62.41 % of respondents use search engines to obtain most of the information. It should be noted that 11.35 % of respondents said they use search engine to obtain all the information.

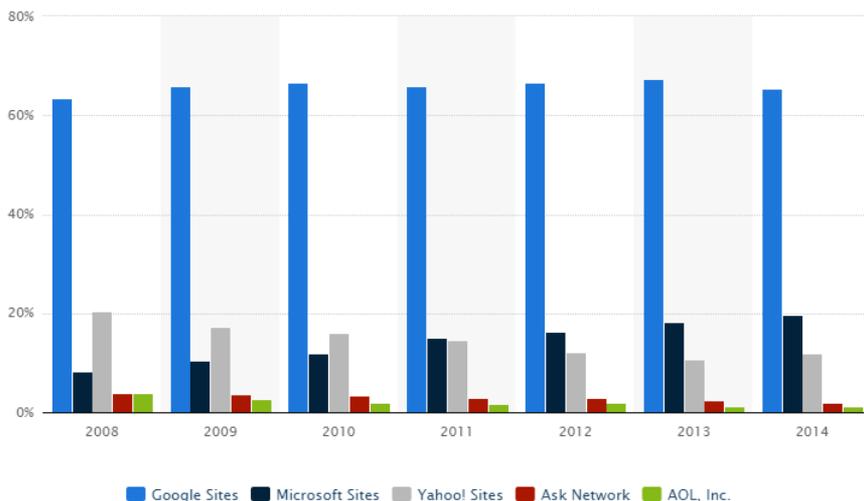


Figure 1. The market share of search engines in the US

An analysis conducted by the company ComScore (Statista 2015a) offers another view on the distribution of market share of Internet search engines and provides insight into the structure of the online search engines market in the United States. In December 2014 the market share of the search engine from Google represented 65.40 %. The second most popular search engine was from Microsoft with a share of 19.70 %. Yahoo! search engine accounted for 11.80 % (Figure 1). It is worth noting that when comparing the proportion of market share from 2010 to 2014, the search engine from Microsoft has recorded the highest increase in the share of all search services - 39.08 % increase, which is 7.70 percentage points. On the other hand, in the same period Yahoo! search engine declined by 35.60 %, representing a value of 4.20 percentage points.

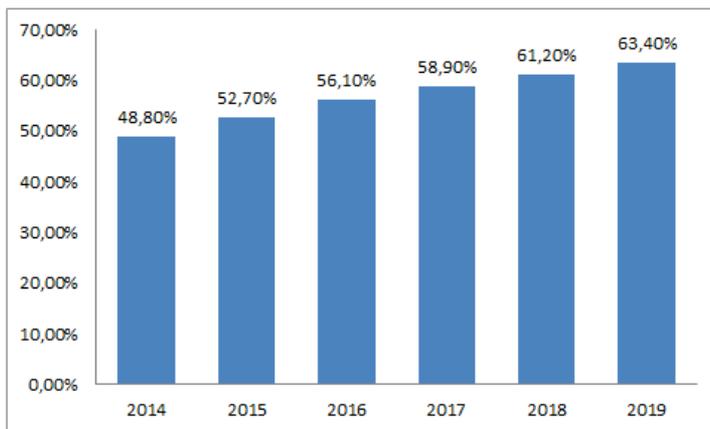


Figure 2. Mobile phone internet user penetration worldwide from 2014 to 2019

An interesting view on the worldwide usage of mobile phones to access the Internet is offered by the analysis conducted by the company eMarketer (Statista 2015b) published in the first half of 2015. The analysis states that 52,70 % of the global mobile phone population accessed the internet from their mobile phone. The results of the analysis forecast future development in this segment. The analysis estimates that the proportion of users using their mobile devices to access the Internet in 2019 will represent 63.40 % (Figure 2). It is also expected that this trend will only continue.

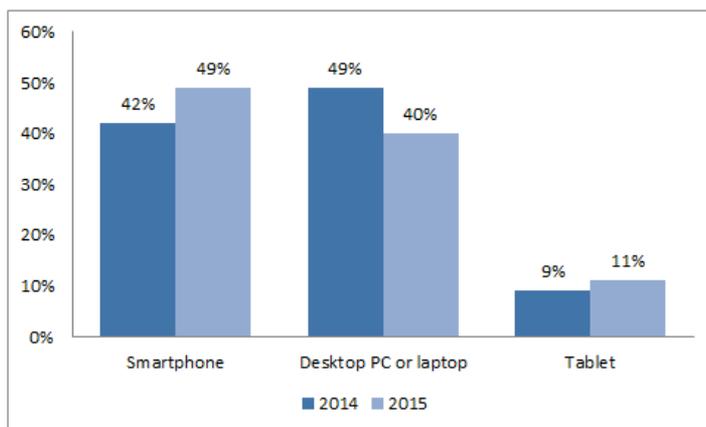


Figure 3. Devices most commonly used for Internet surfing in the US

The results of surveys focused on devices through which users use search engines suggest a shift from traditional PCs and laptops to mobile devices. This is confirmed by the analysis conducted by Statista (2015c). In March 2015 Statista published the analysis focused on the most frequently used devices for online searches. Results of the analysis are based on the responses of 2,147 respondents aged over 18 years living in the United States. The results (Figure 3) show that 49 % of users accessed search engines in 2015 through mobile devices – smartphones. Mobile devices are followed by traditional PCs and laptops with 40 % share and tablets, as a category of mobile devices, with 11 %. When speaking about the analysis (Statista 2015c), it should be noted that in 2014 the segment

was dominated by PCs and laptops with a share of 49 %. This segment declined in 2015 by 18.36 % to 40 % share. On the other hand, the share of the smartphones segment increased by 16.66 % to 49 % share over the same period. Tablets recorded the highest increase of 22 % over the same period.

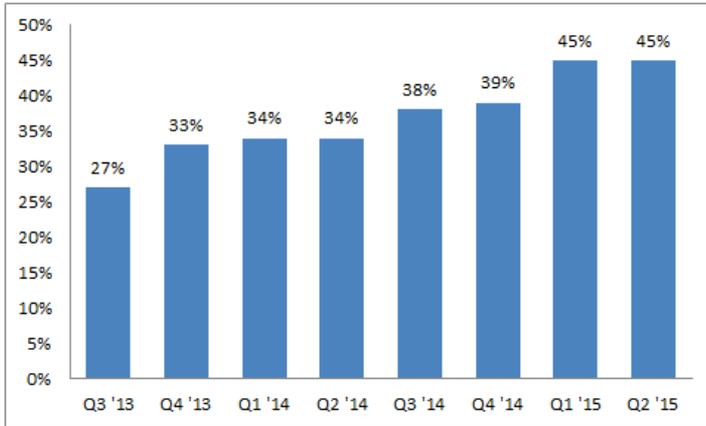


Figure 4. The share of organic visits from mobile-optimized online search engines in the US

The trend of using mobile devices to access the Internet is confirmed also by the company RKG (Statista 2015d). RKG analyzed the share of mobile devices (tablets and smartphones) on the organic visits to websites through search results. Based on the analysis mobile devices (2Q 2015) represents 45 % share. This fact is thus deemed as significant. Therefore it can be stated that the share of mobile devices increased by 66.67 % from 27 % to 45 % during the reported period Q3 2013 - Q2 2015. In our opinion it is possible to expect growth of this segment due to the growing popularity of smartphones and mobile devices in general (Figure 4).

An interesting view on the issue of mobile devices and online search engines is offered by the analysis conducted by Nielsen (Statista 2015e) in 2015, which, inter alia, focused on the reasons why users use mobile devices for online searching. The results of the analysis showed that 62 % of respondents consider online searching on mobile devices as "most convenient way to search." 53 % of respondents agreed that it is "quickest way to search." Interestingly enough, 17 % always use their mobile device for this type of search (Figure 5).

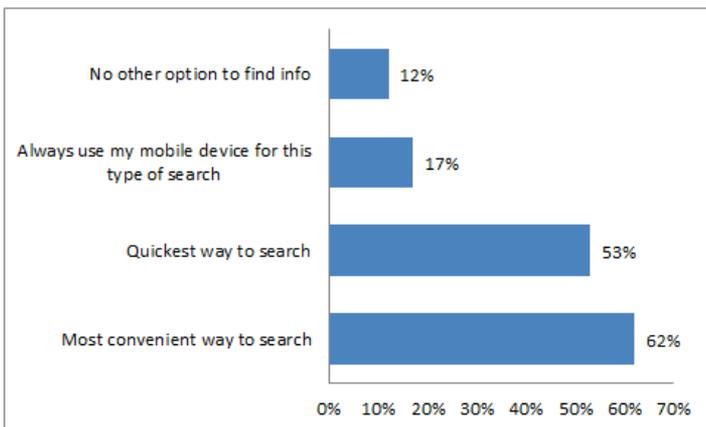


Figure 5. Reasons for U.S. smartphone users to access mobile search

4. Conclusions

Marketing activities carried out within the Internet search engines nowadays constitute an important part of marketing strategies of marketers. This is documented by the undeniable popularity and growth of the use of such services. We argue that the issue of SEM, specifically Paid search segment dominated by PPC advertising is an integral part of the Internet marketing. In the light of changing user habits regarding the use of devices for accessing the Internet, we have to emphasize that the future of search services lies in mobile devices such as smart phones and tablets. This issue is a relatively young area of knowledge that goes hand in hand with technological development. We can already see the efforts to favor mobile-friendly websites in search results. It will be interesting to see how the search engines adapt to the popularity of mobile devices, both on the part of the actual search quality and user comfort.

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