

## THE EFFECTIVENESS OF ONLINE ADVERTISING OF COMPANIES IN POLAND

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**Abstract:** Over a span of the recent years the internet has become one of the main channels of marketing communication. Online advertising is ever-present in advertising campaigns of both large and small companies. The main goal of this article is to present the results of assessment of online advertising effectiveness in small and medium-sized companies that operate on the Polish and Italian market. The results may be useful for foreign enterprises for the comparison or implementation. The main goal was achieved through the exploratory research and analysis of the following research problems: assessment of the effectiveness of settlement models of online advertising campaigns, assessment of the selection of tools for measuring the effectiveness of online advertising campaigns, analysing factors affecting the effectiveness of graphic advertising and the assessment of the effectiveness of online advertising.

**Key words:** online advertising, effectiveness

### Introduction

Over a span of the recent years the internet has become one of the main channels of marketing communication. Online advertising is ever-present in advertising campaigns of both large and small companies (Jelonek and Stepniak, 2014), (Ledford, 2008). The word „internet” is purposefully written in a lowercase letter as it is treated as a communication media, much like traditional media, i.e. radio, press and television (Calcott and Weller, 2012; Giziur, 2011).

The main goal of this article is to present the results of assessment of online advertising effectiveness in small and medium-sized companies that operate on the Polish and Italian market. The main goal was achieved through the research and its analysis in the field of the following research areas (Wilcox et al., 2014; Kryński, 2014): assessment of the effectiveness of settlement models of online advertising campaigns carried out by analysed companies, assessment of selection of tools for measuring the effectiveness of online advertising campaigns carried out by both small and medium-sized companies operating on a Polish and Italian market. Additionally, the assessment of choosing the most effective locations that allow broadcasting of advertisements was carried out, as well as the analysis of factors affecting the effectiveness of graphic advertising of the analysed companies. The research was carried out in the framework of statutory research conducted in the Department of Marketing of Lublin University of Technology.

Online advertising campaigns can be executed on the basis of different settlement models. Campaign settlement models can be divided into three main groups,

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such as: impression models (FF, CPM), effectiveness models (CPC, CPA, CPS, CPV, CPL and others) and hybrid models – CPM+CPC, CPM+CPS, and others. The oldest and the simplest impression model of campaign settling is the FF model (flat fee). The cost of marketing campaign in this model depends on two factors, i.e. the advertisement size and the impression time. The advertiser pays the publisher a specific sum for the impression time of one advertising unit (e.g. 1 month), regardless of the number of generated advertisement views during that period. Therefore, reaching the target recipients is guaranteed only by the number of persons that visit the advertising contractor's website (Rzemieniak, 2015).

### **The Analyses of the Effectiveness of Online Advertising of Small and Medium-Sized Companies on a Polish Market**

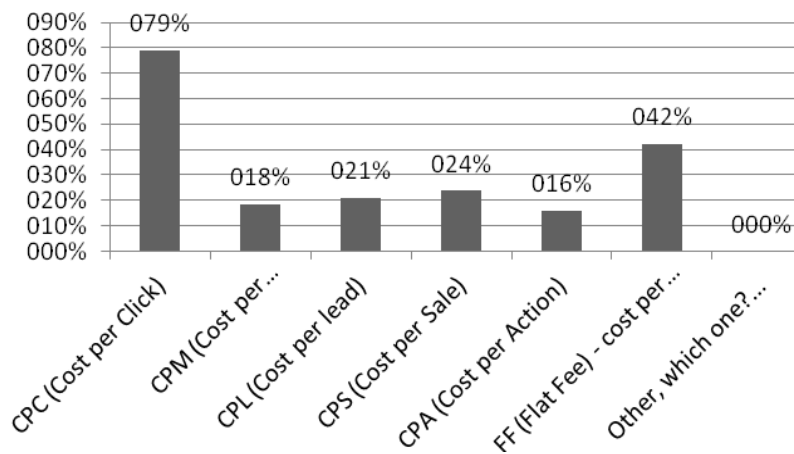
Research that has been carried out is explorative and aimed at providing explanation of the research problems. The research survey method with the use of survey data collection technique was adopted (Geddes, 2010; Herzberg, 2011). The questionnaire was designed using the platform that allows to create and distribute surveys in electronic form (Rzemieniak, 2014). The research survey was carried out with the use of IT techniques. As anticipated, 50 small and medium-sized companies participated in the research. The group of respondents consisted of employees from marketing departments or similar departments (connected with market functions), low/mid/high level executives and company owners. The non-probabilistic method was used in the selection of the research sample. This method allowed to gain the most representative sample of the whole population (Kryński, 2014; Rzemieniak, 2014).

The goal of the research was to assess the effectiveness of online advertising of small and medium-sized companies operating on a Polish and Italian market. The main goal executed through several detailed goals (Rzemieniak, 2014) such as: assessing the effectiveness of the internet campaigns settlement, assessing the selection of tools for measuring the effectiveness of internet campaigns, assessing the designation of the most effective locations that allow advertisement transmission and analysing the factors that affect the effectiveness of graphic advertisements.

### **Results**

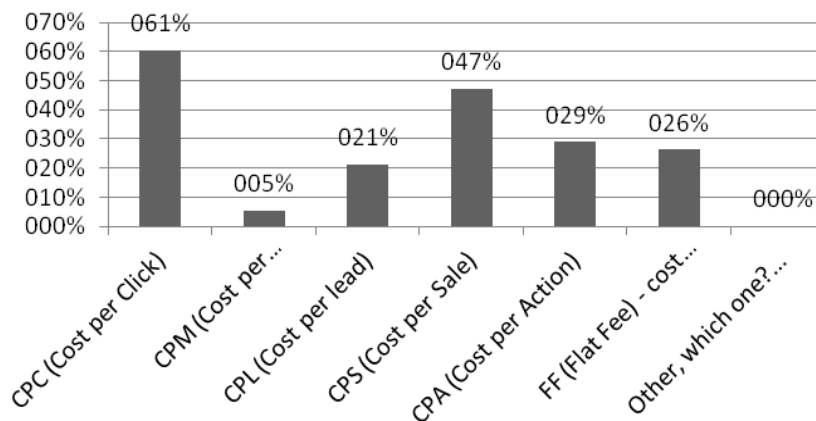
50 small and medium-sized companies operating on the Polish and Italian market participated in the research. The biggest group of respondents representing companies consisted of persons that held top positions in the company, such as: owner, chairman or director. Low/mid/high level executives also participated in the research and constituted 15% of all respondents. The research verified the percentage of respondents who run advertising campaigns via the internet. The vast majority (38 out of 50) declared that they run campaigns via the internet (Garnarcz-

Wójcicka, 2013). Respondents conducting online advertising campaigns were asked to select the campaign settlement model that they use the most often (Fig. 1).



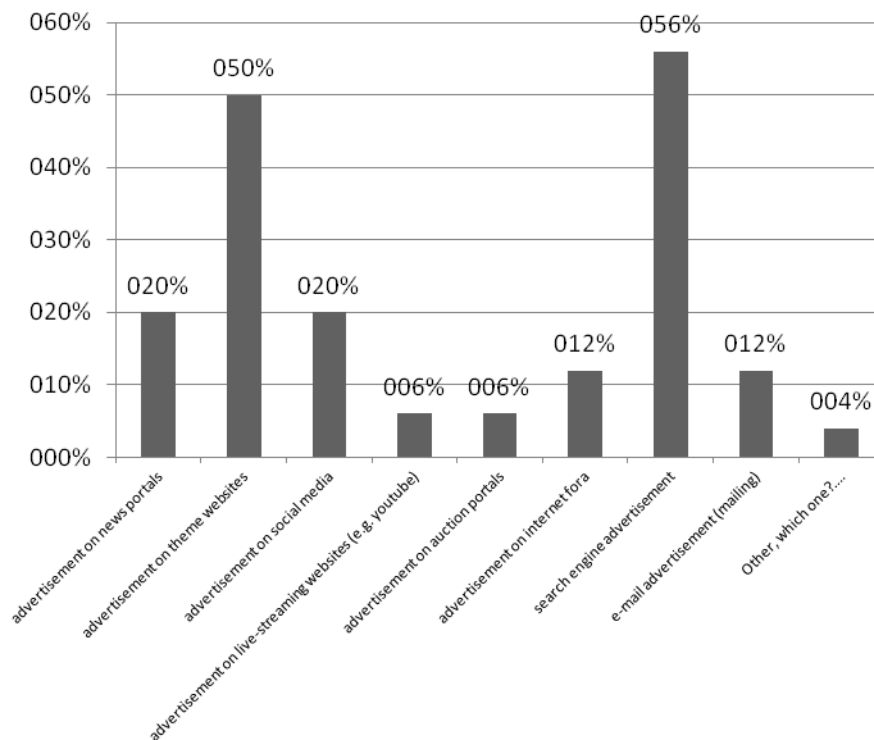
**Figure 1. The types of used online campaign settlement models** (Author's own analysis on the basis of Rzemieniak, 2014 and Kryński, 2014)

The biggest group of respondents (80%) declared that the CPC (Cost per Click) settlement model is the most often used in online campaigns. The second most often declared campaign settlement model is the Flat Fee model (fee for impression time) used by over 46% of respondents. The respondents used effectiveness models such as CPA, CPL and CPS much less frequently (average level of declared usage is 20%). In subsequent step, respondents were asked to select the campaign settlement models that they regard as the most effective (Fig. 2).



**Figure 2. The most effective models of online campaign settlement, as viewed by the respondents** (Author's own analysis on the basis of Rzemieniak, 2014 and Kryński, 2014)

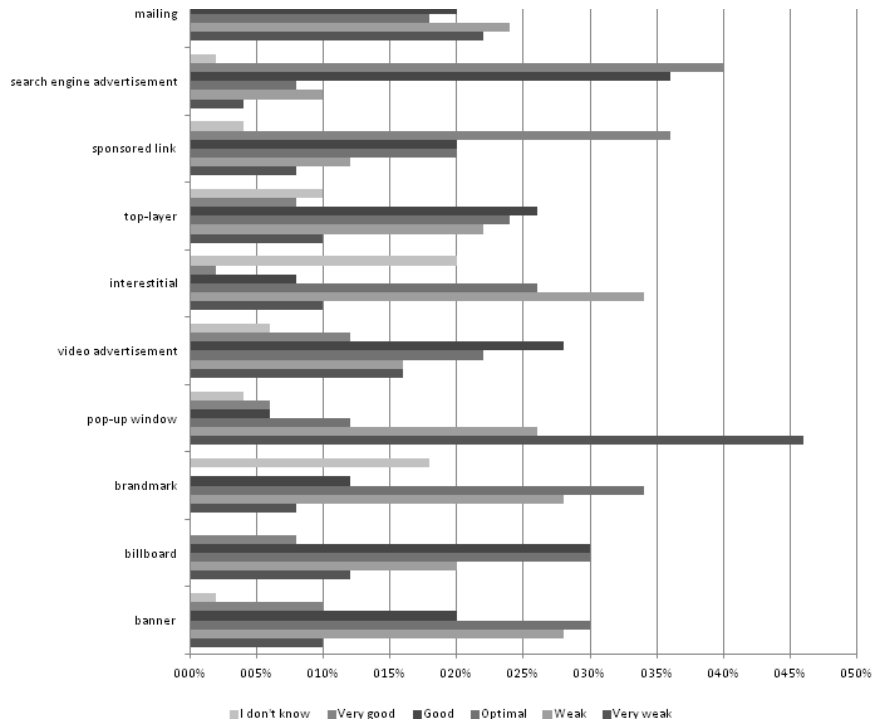
The respondents claimed that the CPC model was the most effective model of online campaign settlement (60% of indications). It was followed by the CPS effectiveness model (indicated by over 47% of the respondents). The Flat Fee model was selected only by 26%. According to the respondents, the least effective settlement model was the CPM model (Scott, 2013).



**Figure. 3. The most effective types of online advertisements, as viewed by respondents**  
(Author's own analysis on the basis of Rzemieniak, 2014 and Kryński, 2014)

According to the majority of the respondents (28 out of 50), the most effective type of online advertising is the search engine advertisement (Fig. 3). Nowadays, the search engines have become the primary tool for searching for information on the internet. Therefore, the search engine advertising offers the possibility of accessing large and well-adjusted group of recipients. Another most effective advertising location are websites connected strictly with the theme of a given advertisement, as indicated by 50% of the respondents. News portal and social media advertisements were also considered. Thanks to the development of mobile technologies, the social media have currently become an indispensable element of life of millions of people around the globe and therefore offer the possibility of accessing a large group of recipients. Only 12% of the respondents considered advertising on internet fora or e-mail advertisement effective.

The respondents were also asked to assess the effectiveness of selected forms of online advertising. They assessed 10 different types of online advertisements using a 1-5 scale (Fig. 4)



**Figure 4. The most effective types of online advertisements, as viewed by the respondents** (Author's own analysis on the basis of Rzemieniak, 2014 and Kryński, 2014)

The majority of the respondents consider search engine advertising to be the most effective type of online advertising. According to the 76% of the respondents, the effectiveness of this form of internet advertisement is good (36%) and very good (40%). Only 14% of the respondents claim that the effectiveness of this type of advertising is weak (10%) or very weak (4%).

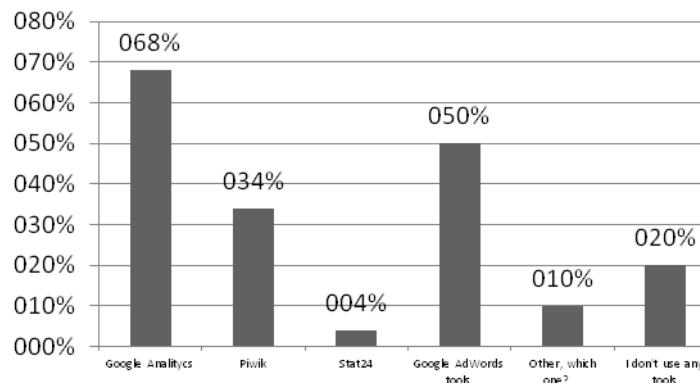
Another appreciated type of online advertising was sponsored links advertisement. A total of 56% of the respondents consider this type of advertising to be very good (18 respondents) or good (10 respondents). According to every fifth respondent, effectiveness of this type of advertisement is optimal. Every fifth respondent also claims that this form is weak (6 respondents) or very weak (4 respondents).

The weakest type of advertisements in terms of effectiveness is pop-up windows. Only 12% view effectiveness of these advertisements as very good (6%) or good (6%).

Other advertisements that were considered to be not very effective were interstitial ads. 44% indicated that they are weak or very weak effectiveness and only 10% of the respondents consider them very good or good. Every fifth respondent could not assess the effectiveness of this type of advertisement.

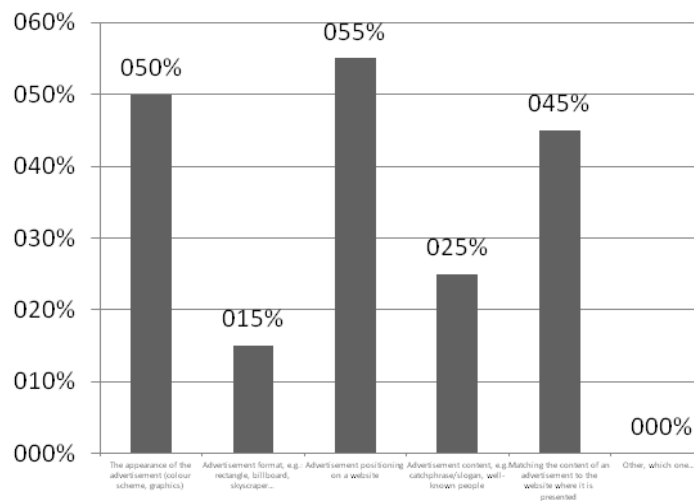
As viewed by 34% of the respondents, the brandmark advertisement has an optimal effectiveness and only 12% regards this type of advertisement as good. 36% consider this type of advertisement weak or very weak and every fifth respondent could not assess the effectiveness of this type of advertisement. Almost every third respondent thinks that the effectiveness of banners is optimal. A total of 38% claim that this type of advertising is weak (28%) or very weak (10%).

Similarly to the advertisement in a form of a banner, the respondents also assessed the effectiveness of advertising in a form of a billboard. Every third respondent considers the effectiveness of a billboard to be optimal and 38% of the respondents consider it to be good or very good. Only 32% thinks that effectiveness of advertisement in this form is weak or very weak. According to 40% of the respondents, the effectiveness of video advertisements is very good or good, and 34% consider it to be weak or very weak. Only 22% regard this type of advertisement as satisfactory. The opinions of the respondents regarding the effectiveness of advertisement in a form of mailing were controversial. A total of 44% of the respondents think that the effectiveness of mailing is weak (24%) or very weak (20%) and 34% think that is good (20%) or very good (14%). 18% of the respondents consider the effectiveness of this form of advertising to be optimal. The last type of advertisement assessed by the respondents was top-layer type ad. According to 36% of the respondents, its effectiveness was very good or good, and 24% assessed it as optimal. Only every third respondent claims that the effectiveness of this form of advertisement is weak or very weak. The respondents were also asked to indicate the tools used for measuring the effectiveness of online advertising campaigns (Seitel, 2011) – Figure 5.



**Figure 5. Tools used for measuring the effectiveness of online advertising campaigns**  
(Author's own analysis on the basis of Rzemieniak, 2014 and Kryński, 2014)

The majority of respondents (68%) used Google Analytics statistics for measuring the effectiveness of online advertising campaign. The second most often used tool, indicated by 25 out of 50 respondents, is Google Adwords. One fifth of the respondents declared that they did not use any tools for measuring the effectiveness of a campaign. The respondents also shared their views on the matter of using graphic advertisements in their campaigns. The vast majority of the respondents (40 out of 50 analysed transport companies) use graphic advertisements in their campaigns. However, 10 respondents do not use such a form of online advertising. The respondents were also asked to indicate factors that had the biggest impact on the effectiveness of graphic advertisements (Miller, 2012). Each of them could select up to 2 answers and write their own if they selected the answer “other” (Fig. 6).



**Figure 6. Factors affecting the effectiveness of online advertisements** (Author's own analysis on the basis of Rzemieniak, 2014 and Kryński, 2014)

The majority of the respondents (22 out of 40) claimed that the most important factor that affects the effectiveness of graphic advertisements is advertisement positioning on a website (impression location). It is followed by the appearance of an advertisement, e.g. its colour scheme or graphic elements – this factor was indicated by 50% of the respondents. Another important factor was matching the content of the advertisement to the website where it is presented. This factor was indicated by 45% of the respondents. The least significant factor was the format of an advertisement.

### Discussion

The goal of the presented research was to assess the online advertising effectiveness in small and medium-sized companies that operate on the Polish and Italian market. The main goal of this paper was achieved through the analysis of the following

research problems: assessment of the effectiveness of settlement models of online advertising campaigns, assessment of the selection of tools for measuring the effectiveness of online advertising campaigns, assessment of selecting the most effective locations that allow advertisement impressions, the analysis of factors affecting the effectiveness of graphic advertising and the assessment of the effectiveness of online advertising due to the positioning of the advertising unit on a website. A few recommendations for the online advertisement practice can be formulated on the basis of the carried out research. If we assume that the main goals of the marketer include brand management and increasing sales, then the perfect way to achieve this goal is, among others, generating traffic at the company's website. Advertisement in the PPC search engines generates good results. Very good results are also achieved by the SEO, i.e. search engine optimization. Nowadays, the social media constitute the essential support for the actions in the framework of online advertising.

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### SKUTECZNOŚĆ REKLAMY ONLINE FIRM W POLSCE

**Streszczenie:** Na przełomie kilku ostatnich lat, internet stał się jednym z głównych kanałów komunikacji marketingowej. Reklama internetowa zagościła już na stałe w kampaniach reklamowych zarówno dużych jak i małych przedsiębiorstw. Głównym celem artykułu jest prezentacja wyników oceny skuteczności reklam realizowanych za pośrednictwem internetu w małych i średnich przedsiębiorstwach. Wyniki mogą być przydatne również dla podmiotów zagranicznych, czy to celem porównania czy też wdrożenia. Cel opracowania został zrealizowany poprzez badania eksploracyjne i analizę następujących problemów badawczych: oceny efektywności modeli rozliczeń kampanii realizowanych w internecie, oceny wyboru narzędzi do pomiaru efektywności kampanii internetowych, zbadanie czynników wpływających na skuteczność reklamy graficznej, a także oceny skuteczności reklamy internetowej.

**Słowa kluczowe:** reklama internetowa, efektywność

### 公司網上廣告的有效性在波蘭

**摘要：**在近幾年，互聯網已經成為營銷傳播的主要渠道之一的跨度。在線廣告是永遠存在於大公司和小公司的廣告活動。本文的主要目的是展示網絡廣告效果的評估結果中，波蘭的廣告意大利市場上經營小型和中型公司。其結果可能是為國外企業進行比較或實現有益的。其主要目標是通過探索性研究和後續研究的問題分析實現：在線廣告活動沉降模型的有效性進行評估，評估工具的選擇的衡量在線廣告活動的成效，分析了影響效力的因素平面廣告和在線廣告的效果進行評估。

**關鍵詞：**網絡廣告，成效