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School of Business
Master in Strategy, Innovation and Sustainability

GRADUATE SCHOOL OF MANAGEMENT
St. Petersburg State University
Master in Information Technologies and Innovation Management

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**SEARCH ADVERTISING FOR SMALL FINNISH TOURISM COMPANY
IN RUSSIAN INTERNET – EXPERIMENTAL STUDY: GOOGLE
ADWORDS VERSUS YANDEX.DIRECT**

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Lappeenranta – Saint-Petersburg
2014

ABSTRACT

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Title: Search advertising for small Finnish tourism company in Russian Internet – Experimental study: Google AdWords versus Yandex.Direct

Faculty: LUT, School of Business
Graduate School of Management, St. Petersburg State University

Master's programme: Master's Degree in Strategy, Innovation and Sustainability

Year: 2014

Master's Thesis: Lappeenranta University of Technology
Graduate School of Management
79 pages, 15 figures, 3 tables, 2 appendices

Examiners: Prof. Paavo Ritala
Prof. Sergey Yablonsky

Keywords: Search advertising, Google, Yandex, Tourism SME, Russia

Yandex is the dominant search engine in Russia, followed by the world leader Google. This study focuses on the performance differences between the two in search advertising in the context of tourism, by running two identical campaigns and measuring the KPI's, such as CPA (cost-per-action), on both campaigns. Search engine advertising is a new and fast changing form of advertising, which should be studied frequently in order to keep up with the changes. Research was done as an experimental study in cooperation with a Finnish tourism company and the data is gathered from the clickstream and not from questionnaires, which is recommended method by the literature. The results of the study suggests that Yandex.Direct performed better in the selected niche and that the individual campaign planning for Yandex.Direct and Google AdWords is an important part of the optimization of search advertising in Russia.

АННОТАЦИЯ

Автор:	Юсси Пирхонен
Название:	Поисковая реклама в России для малой финской туристической компании - экспериментальное исследование на примере Яндекс.Директ и Google AdWords
Факультет:	LUT, Школа бизнеса
Специальность:	Выпускник Школы менеджмента СПбГУ Информационные технологии и инновационный менеджмент
Магистерская программа:	Университет Технологий Лааппеенранты / Выпускник Школы менеджмента 76 страниц, 15 иллюстраций, 3 таблицы и 2 приложения
Год:	2014
Научные руководители:	проф. Пааво Ритала проф. Сергей Яблонский
Ключевые слова:	Поисковая реклама, Google, Яндекс, туризм в малом и среднем бизнесе, Россия

Яндекс – ведущий поисковик России, за которым следует мировой лидер Google. Исследование сконцентрировано на изучении разницы в результатах двух поисковых рекламных кампаний в сфере туризма. Кампании проводились по аналогичным принципам и с единой оценкой KPI. Использовалась оценка CPA (плата за действие) в обоих случаях.

Поисковая реклама – новая и быстроменяющаяся форма рекламы, которая должна постоянно исследоваться, чтобы поддерживалась эффективность. Исследование было сделано в рамках экспериментального изучения проблемы в сотрудничестве с финской туристической компании. Данные получены через историю посещений, а не из опросных листов, которые рекомендуются в учебной литературе. Результаты исследования показали, что Яндекс.Директ был эффективнее в выбранной нише. Так же результаты исследования показали, что индивидуальные кампании в Яндекс.Директе и Google AdWords являются важной составной частью оптимизации поисковой рекламы в России.

ACKNOWLEDGEMENTS

This master's thesis process has been a ride with ups and downs. The topic was shaping already on the second week of my master studies, so I truly researched the topic of my passion. On the other hand, combination of entrepreneurship and master's thesis process was sometimes challenging combination, but when all the emails and phones were shut down, then it was actually possible to write this thesis.

However, without the guidance from the professors Paavo Ritala and Sergey Yablonsky, this master's thesis would not be what it is now. Thank you. Also, special thanks to professor Vladimir Gorovoy, who also shared his time in order to help me with the process. MITIM friends have also earned my gratitude for the peer-support (especially Joonas for the great tips). Finally, but not the least, I want to thank Nina, my family, friends, business partners and clients for the support and understanding of my long days and non-answered phone calls!

Kiitos!

Jussi Pirhonen
Pori, Finland
May 20th, 2014

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TERMS & ABBREVIATIONS

B2B – Business to Business

B2C – Business to Consumer

CPA – Cost per action

CPC – Cost-per-click

CPM – Cost-per-mille (thousand advertisement impressions)

ICT – Information and communication technology

KPI – Key performance indicator

PPC – Price-Per-Click

ROI – Return on investment

RUNET – Russian Internet

SEA – Search engine advertising

SEM – Search engine marketing

SEO – Search engine optimization

SERP – Search engine result page

spam – Unsolicited bulk messages

SME – Small and medium sized enterprise

URL – Uniform resource locator (also known as web address)

1 INTRODUCTION

Travel and tourism industry is information intensive, as tourism is by nature a service, rather than a product. Therefore, it cannot be touched or tested concretely, but it still is paid beforehand. That is why Internet is often used to plan and book holidays (Pesonen & Palo-oja, 2010), as Internet offers easily accessed information about products and services. Internet is just one example how tourism industry is changing along with technology, but it has changed the scene rapidly (Buhalis, 1998; O'Connor, 1999; Smith & Jenner, 1998). The change is offering possibilities (and challenges) especially to smaller companies in the tourism industry. As Kim (2004) stated that, the internet is dramatically changing the tourism sales and information distribution.

Tourism management and marketing belong together (Goeldner & Ritchie, 2009), and tourism sector is highly influenced by the rise of Internet (Buhalis, 2003; O'Connor, 1999). For example Buhalis (1998) stated that there is a change in potential tourists towards more independent and sophisticated usage of different tools in arranging their trips, as for example search engines. Search engines are a good source of information, which makes it also a good platform for advertising (Turban, King, Lee, Liang & Turban, 2009). Advertising is the main source of income for search engines like Google, and among others, tourism sector is utilizing this advertising channel. Already in 2005, it was stated that search engines have become the battleground for tourism companies and organization of attracting potential visitors (Xiang & Fesenmaier, 2005). Especially for tourism SME's, Internet has opened a channel to compete with larger enterprises (Main, 2001). Search advertising is to most dominant form of online advertising (Greene, 2008) and the major advantage is the creation of a better fit between the potential customers' needs and the message of the advertisement (Chan, Wu & Xie, 2011), which makes it ideal for tourism advertising and a timely topic for a research.

1.1 Research gap & Research objectives

Search advertising is a one of the newest form of advertising, and academic research has increased interest towards it. The majority of the theoretical literature focuses on bidding strategy and optimal mechanism design of search websites. (Chan et al., 2011) Ghose and Yang (2009) studied the relationship between click-through rates, conversion rates, cost-per-click and ad ranks using a simultaneous equations model. Edelman, Ostrovsky and Schwarz (2007) investigated the auction mechanism to sell advertisements used by search engines. Thomas, Shaw and Page (2011, 972-973) highlights the differences between tourism in different areas: *“small tour operators in Australia and restaurants in India may belong to ‘tourism’ but factors explaining their role, development and behaviour will be marked by difference more than similarity.”* Pesonen (2011) stated that, there are a great number of tourism SME’s in Finland, but there are not many studies on how the companies utilize the Internet for marketing. Furthermore, the view of online tourism domain changes on daily basis in academic studies, which poses challenges for search engine marketing in tourism (Fesenmaier, Xiang, Pan & Law, 2010).

Search advertising has been research by academics, but search advertising is changing constantly and different geographical areas cannot be treated as one. In the case of Finland, there is a lack of understanding in tourism SME’s digital marketing utilization. This research aims to fill the understanding of how tourism SME’s could utilize search advertising optimised way in the Russian context. Furthermore, Pesonen (2013) concludes in his literature review on ICTs and market segmentation in tourism by stating that clickstream analysis could provide especially for researchers a new ways to collect data as often online and e-mail questionnaires are used in tourism research. Pesonen also mentions that many companies are already using analytical software (such as Google Analytics and Yandex.Metrika) in their websites, which is why it is

important for researchers to work closely with companies. This research is focusing on clickstream and working closely with an established company.

It is not known by the author that there would be comparative researchers done of advertising performance between Google and Yandex: this research aims to begin to fill this gap. The tourism aspect is added to the research do to managerial need of the case company Fishinglandia Ltd.

The main research objective of this study is to investigate the two main search advertising platforms in the terms of optimizing the SME's campaign to Russian context. Secondary objectives of the study include comparing the key performance indicator (KPIs), such as average length of a visit, in order to find differences in performance of the two search engines.

The study has one main research question: *How to optimize search advertising for small and medium sized enterprise in the context of Russian market?*

1.2 Definitions

Following chapter introduces important concepts and their definitions, which are used in this research. Concepts are introduced mainly by combining three sources: Google, Yandex and Chaffey, Ellis.Chadwick, Mayer & Johnston (2009). Furthermore, for the sake of clarity, search advertising is introduced also practically.

Bounce rate:

Chaffey et al. (2009, 670) – *Proportion of visitors to a page or site that exit after visiting a single page only, usually expressed as a percentage.*

Google – *Bounce rate is the percentage of single-page sessions (i.e. sessions in which the person left your site from the entrance page without interacting with the page). (Google 1)*

Yandex: *Bounce rate – a visit with one page view will be counted as a bounce. Accurate bounce rate – any visits to your site lasting less than 15 seconds are registered as bounces. (Yandex 1)*

In conclusion, bounce rate is a percentage of visits, that leave a website after a single-page. Yandex enables the possibility to calculate also an “accurate” bounce rate, which is tied to time, not number of visited pages. Concerning the bounce rate, Plaza (2011) found a correlation between bounce rate and duration of the visit: the less the bounce rate, the greater the duration of the visit.

Cost per action (CPA):

Chaffey et al. (2009, 673) – *The cost of acquiring a new customer or achieving a sale. Typically limited to cost per sale for new customers. May also refer to other outcomes such as cost-per-quota or enquiry.*

Cost per action indicates the cost of wanted action, for example when every tenth visitors makes a purchase (the wanted action) and acquiring each visitor to the website cost 2 €, which means that 20 € has to be spend in order to get wanted action: CPA is 20 €.

Click-through rate (CTR):

Chaffey et al. (2009, 671) – *Click-through rate: Expressed as a percentage of total ad impressions, and refers to the proportion of users viewing an advertisement who click on it. It is calculated as the number of click-throughs divided by the number of ad impressions.*

Google – *Clickthrough rate: A ratio showing how often people which see your ad end up clicking it. CTR can be used ti gauge well your keywords*

and ads performing. CTR = Click on your ads / Impressions (ad views).
(Google 2)

Yandex – Click-Through Rate: relation of the number of clicks on an ad block to the number of its displays expressed in percentage. In other words, this is a coefficient of efficiency of an ad, (which measures its attractiveness to a user)... (Yandex 2).

Each of the definitions used slightly different form of the term, but concluded to the same formula: number of click to advertisement / number of advertisement views (or impressions) = CTR. This research will use the Chaffey et al. terminology: Click-through rate (CTR).

Cost-per-click (CPC):

Chaffey et al. (2009, 673) – The cost of each click from a referring site to a destination site, typically from a search engine in pay-per-click search marketing.

Google – Cost-per-click (CPC) bidding means that you pay for each click on your ads. (Google 3)

Yandex – a sum of money taken off advertiser's account for a click on his ad. (Yandex 2)

Each click to an advertisement has a cost, and CPC is the indicator of this cost.

Impressions:

Yandex – showing of an ad to a user on the web page. (Yandex 2)

Google – An impression is counted each time your ad is shown on a search result page or other site on the Google Network. (Google 4)

Impressions are simply the amount showings of an advertisement to the visitors. It is important to note, that impression does not automatically mean that the visitor has actually seen or read the advertisement, as the case can be that visitor has just ignored the advertisement.

Average length of a visit:

Yandex – *The average time (in the format "HH:MM:SS") users spent on your site. This is calculated as the difference in time between the first and last registered page view during the same visit.* (Description can be found from Yandex.Metrika statistics, where each metric has an small introduction.)

Google – *Average session duration is: total duration of all sessions (in seconds) / number of sessions.* (Google 5)

Google and Yandex uses different terminology on average length of the visit. In this research, *average length of a visit* is the used term.

Search advertising:

Search advertising is often referred as sponsored advertisements, sponsored links, paid search results or price-per-click (PPC). In this study, term search advertising is used.

The figure displays two search engine results pages. The left page is from Yandex, showing search results for 'купить велосипед'. It includes organic search results and sponsored links. The right page is from Google, showing search results for 'computers'. It includes sponsored links at the top, organic search results in the middle, and sponsored links at the bottom. Red circles highlight the terms 'велосипеды' and 'компьютеры' in the organic results. Arrows point to the 'Sponsored Links' and 'Organic Search Results' sections on both pages.

Figure 1. Placements of advertisements in Yandex & Google.

Search advertising is advertisements done in the search engine along with search results (organic results). The usual places for search advertisements are above the organic results and the right hand side of the results (see figure 1), also sometimes underneath of the organic results.

1.3 Internet in Russia

The abbreviation used for Russian Internet is Runet. There is no precise definition of Runet, and there are variations for it. Commonly it refers to Internet material under the .ru domain. However, Runet should refer to all material made in Russian, Ukrainian, Belarusian and Kazan language. Material in all these languages on the Internet would mean at least 12 different domains (.am, .az, .by, .ge, .kg, .kz, .md, .ru, .su, .tj, .ua and .uz). (Dobrowolski, 2011.) This research, however, treats Runet as Internet in Russia in a geographical level.

In Russia the growth of Internet users in 2010 was one of the highest in the world with over 20 % of growth (Lebedev, 2010). Afterwards the growth has decelerated and in the autumn of 2012 the growth percentage was close to 10 % (Yandex, 2013 via POF) (see figure 2.).

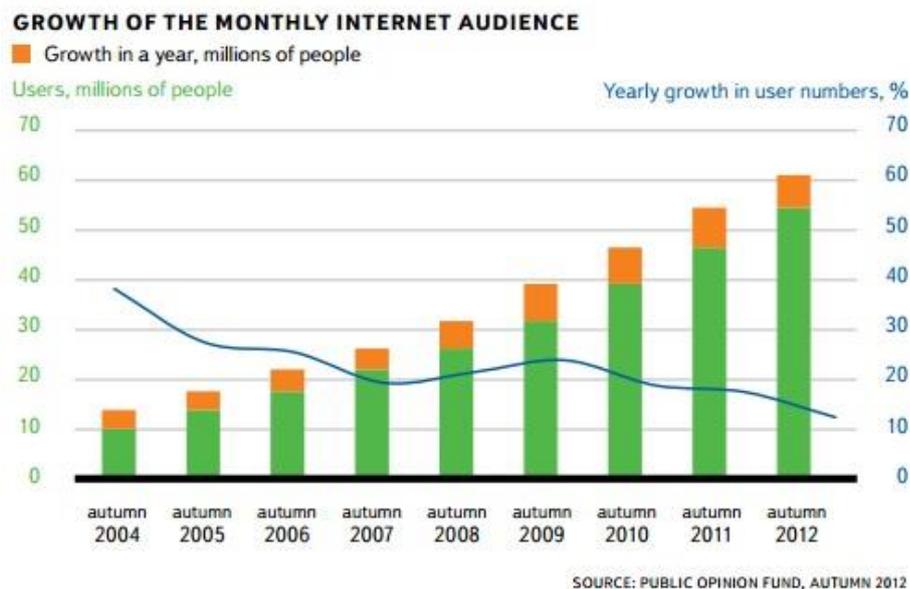


Figure 2. Growth of the Internet audience in Russia.

The data from Public Opinion Fund (POF) (autumn 2012) states that Russia has a monthly Internet audience of 61,2 million people. Data includes only over 18 years old users: meaning that monthly Internet audience is more than 52 % of Russia's adult population. Three-quarters of the users use Internet daily: for majority of users Internet has become part of regular everyday life. In bigger cities (more than 100 000 habitants) practically all users have internet access at home (94 %). (Yandex, 2013) For small tourism company these user figures indicates, that Internet is an excellent media for reaching the Russian tourists.

For search advertising growth of a mobile Internet is both a challenge and a possibility – advertisements have to be optimized for mobile, but it makes the localization to adverts possible. In case Russia, mobile Internet is booming. In 2012 usage of mobile Internet grew by 35 % (Yandex, 2013).

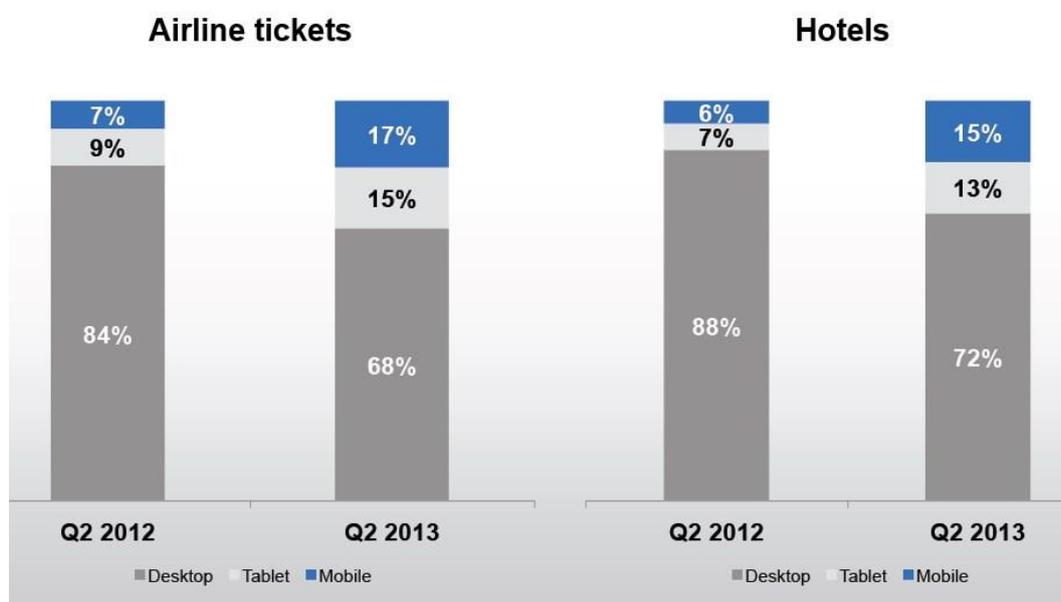


Figure 3. Trend towards mobile searches in Russia (Protsenko, 2013).

Figure 3 indicates from a clear trend in travel related searches in Russia. Flight tickets and airline ticket searches have more or less doubled in a year. Another highlight from Google Russia was that in 2013 travel

searches are using “multiple screens”/different devices while searching information of future holidays. (Protsenko, 2013)

Russia is one of the few countries, which is not dominated by Google. In February 2013 Yandex (“Russian Google”) was holding 61,9 % of the market share in Russia, while Google has 26,1 %. Yandex and Google are not the only search engines in Russia, but the market share of the other services is marginal: @mail.ru 8,6 % and Rambler 1,3 %. (Carey, 2014 via Liveinternet.ru) The importance of Yandex is highlighted when the reach is compared to Russian television channels: Yandex has a bigger reach of people than any TV channel in Russia (Carey, 2014). This is why for the Finnish SME tourism companies, Google and Yandex are the important players in search advertising in Runet.

1.4 Finnish Tourism SME & Search advertising

For small Finnish tourism company search advertising could be one of the easiest ways to reach the potential Russians tourists. Start of the campaign does not necessary require a massive budget and return on investment (ROI) relatively easy to calculate. Common barriers for the beginning are the language and the fear of technology. Agencies could be used, but for example in Finland, there are not too many agencies offering search advertising for Yandex especially. Hiring an agency is also a monetary question, as smaller companies tend to have tight budgets, as usually service providers in Finland are small companies.

1.5 Limitations of the study

Search engine marketing (SEM) is divided to two parts: search engine optimization (SEO) and search engine advertising (SEA). This study focuses on the search advertising part of SEA. The other part of SEA is display advertising, which is left out from the research.

Each search advertising project has its own features, for example, is it for business to business (B2B) or business to consumer (B2C). In this study there is no distinction between B2B and B2C.

This study researches only two search engines and their effectiveness to tourism SME's search advertising campaign. Situation in with market share of the search engines can change relatively quickly, which is why the results might be outdated relatively quickly. Furthermore, search advertising campaign is just a fraction of an effective digital marketing strategy, which has to be remembered while reading this research. The study does not dive into SEM as a whole nor digital marketing strategy; focus is only on search advertising, due the wideness of the topic.

Pricing of the search advertising is not addressed with detail, due to complexity of the mathematical pricing models. Besides, detailed pricing models are irrelevant from the point of view of singular SME: the basic understanding of pricing is enough. Furthermore, pricing algorithms of the search engines are not common knowledge, but well kept company secrets. When talking about professional companies implementing search advertising campaigns, then detailed pricing models become relevant. Due to irrelevance to SME, technical aspect of the topic is set to minimal.

Figures of the detailed information of the advertisements, the keywords or any analytical data cannot be published in this research, due to wish of the case company Fishinglandia Ltd. Such information is considered sensitive for the business.

This research is not written in a form of a guide, which is why detailed steps of implementing the campaigns are excluded from the study.

1.6 Outline of the research

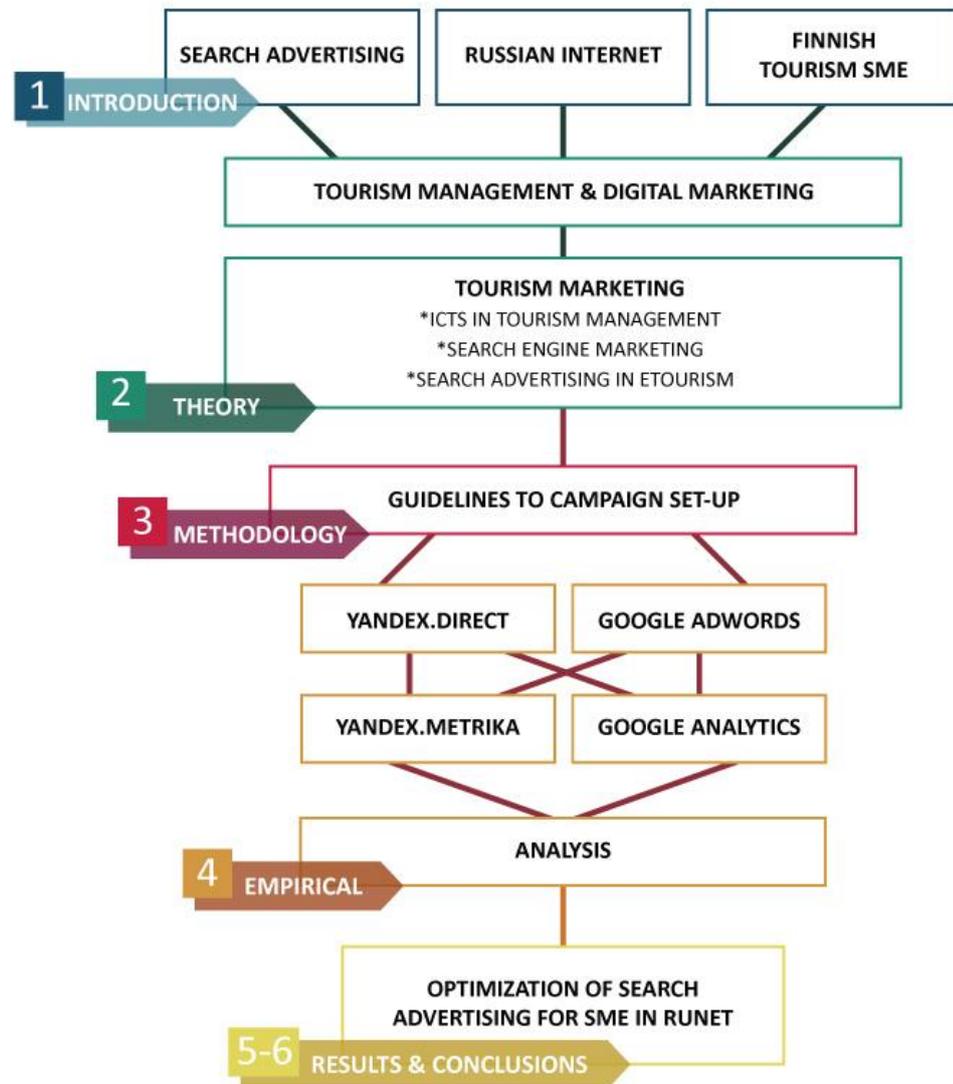


Figure 4. Framework of the Research.

Figure 4 presents the framework of the study starting from the introduction, which is already covered. Next part is theory, which will focus on matching tourism and digital marketing theory. Third part is methodology, where the research methods and implementations are introduced. Empirical part guides through the practical part of the research and finally results and conclusions sum up the research.

The company (Fishinglandia Ltd) utilized in the research is introduced in appendix 1.

2 THEORY

This chapter introduces the theory behind the research. Chapter is built around the theoretical framework, which will be introduced in the next chapter (2.1). From the big picture of the framework, chapters strips the framework into smaller pieces, and each piece will be discussed separately.

2.1 Theoretical framework

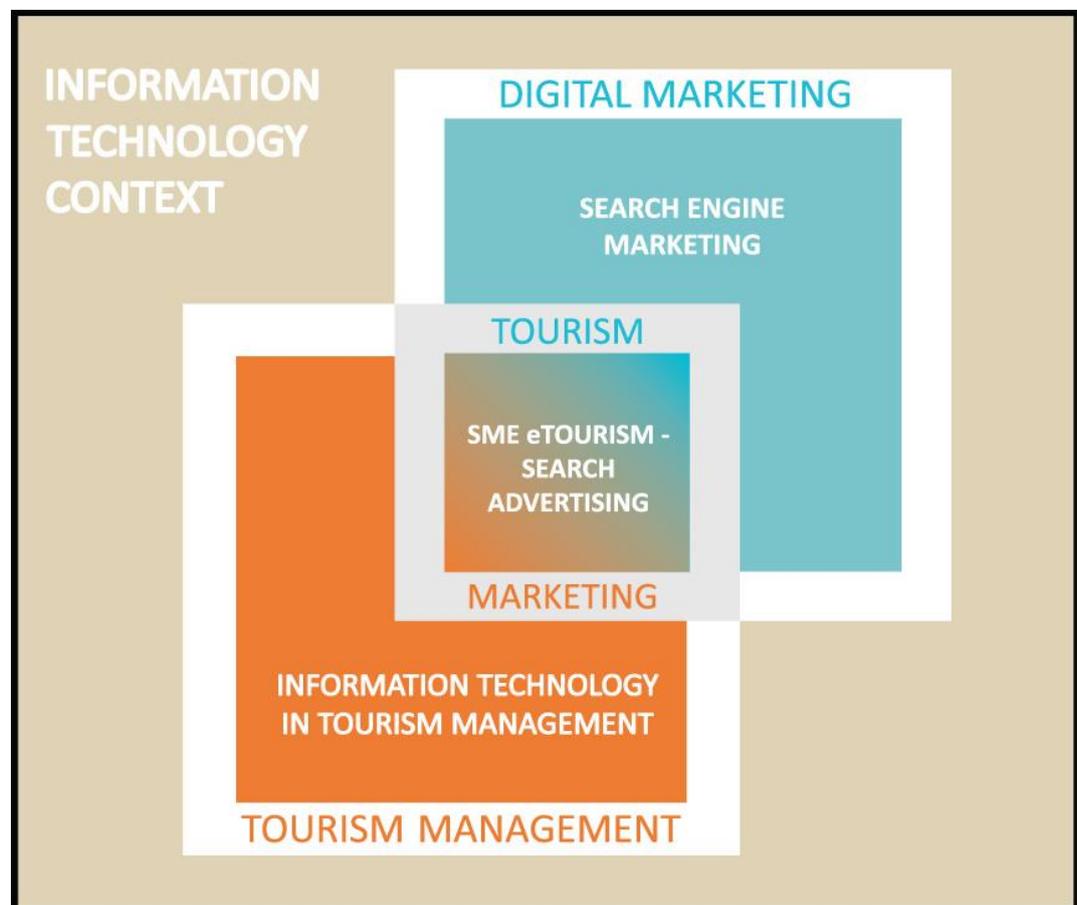


Figure 5. Theoretical framework of the research.

The Figure 5 illustrates the theoretical framework of the research. Theory has information technology context and it focuses in two aspects: Tourism management and digital marketing. Together the two aspects form tourism marketing, which is studied from three points of views: Information

technology in tourism management, Search engine marketing (SEM) and Search advertising for tourism SMEs. Each point is discussed in its own chapter.

The theoretical framework of the study bases firstly on the theoretical discussion that marketing is an evident part of tourism management (Goeldner & Ritchie, 2008). However, research focuses on the search advertising, which limits the marketing to digital marketing. The information technology context was chosen in order to get the necessary light technical aspect of search engines embedded to the research.

2.2 Tourism management & digital marketing

This chapter introduces only a brief introduction of tourism management and digital marketing in information technology context (see figure 6). The focus of this research is on the matching point of these concepts: tourism marketing, which is introduced in the next (2.3) chapter.



Figure 6. Visualization of the theory topic, 1.

2.2.1 Tourism management

The activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes. (World Tourism Organization, 1995, 1)

Above the definition of tourism that World Tourism Organization approved in 1991. Mill and Morris (1998) also argue that tourism is hard to describe: they place the definition of tourism in the context highlighting the link

between tourism, travel, recreation and leisure. This link is still “fuzzy”: all tourism involves travel, but all travel is not tourism.

Most management areas have been affected massively by the development of information and communication technologies (ICTs). Tourism sector is part of the trend and even some aspects of tourism have been changed completely as a result of the development of ICTs. (Pender, 2005) Furthermore, developments in ICT's have changed business practices and strategies as well as industry structures (Porter, 2001). Internet is changing the tourism industry structure by transforming the barriers to entry; minimizing switching costs, radically changing the distribution channels, improving the price transparency and competition, while enhancing production efficiency (Kim, Nam & Stimpert, 2004). From a customers' perspective, the Internet increased the bargaining power of buyers. They have instant access to information, understand the markets offers and conditions more clearly and are constantly affected by special offers (Buhalis & Law, 2008). Along with the development, tourists have become more independent rather than relying on the travel agencies: for example on information search (Morrison, Jing, O'Leary & Lipping, 2001). As Buhalis and Law (2008) state that, one of the most influential technology that has changed travelers' behavior, has been the Internet.

Page, Forer and Lawton (1999) have researched that small tourism enterprises tend to have high incidence of informal and often unsophisticated approaches to the business management. The small tourism sector can largely be associated with low barriers to entry, which can be also associated with the unsophisticated business management (Page et al. 1999).

2.2.2 Digital marketing

This subchapter will first discuss marketing in general, and then focus on digital marketing.

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (American Marketing Association, 2013)

Marketing is a philosophy of doing business, which basis its decision-making on customer- and market-based information. This philosophy reflects as shared values and beliefs of the importance of solving customers' problems and creating value to them. (Mohr, Sengupta & Slater, 2011.)

Marketing can be introduced in three levels of activities and decisions: strategic, functional and tactical. Strategic activities and decisions include questions on choosing the markets, customer segments, values of those customer segments and competition position. Functional activities and decisions encompass around the *marketing mix* or more familiarly the "4P's of marketing": product, price, promotion and place. Tactical activities and decisions involve the actual implementation of marketing actions. (Mohr et al., 2011.)

Internet marketing (or Digital marketing) is form of marketing, which can be simply defined as:

"Achieving marketing objectives through applying digital technologies."
(Chaffey et al., 2009, 9)

Terminology has developed over the time among researchers as Chaffey et al. has moved from term Internet marketing to using term digital

marketing. As Chaffey et al. (2009, 10) already in the fourth edition of the book *Internet Marketing – Strategy, Implementation and Practice* mentions:

“Digital marketing is yet another term similar to Internet marketing. We use it here because it is a term increasingly used by the specialist...”

The fifth edition of the book is called: *Digital Marketing – Strategy, Implementation and Practice* (Published in 2012). Alternative term e-marketing or electronic marketing is used for example by McDonald and Wilson (1999) and Chaffey and Smith (2008). In conclusion, digital marketing seems to be the correct term to use today.

Chaffey and Smith (2008) introduced a basic framework for understanding the typical goals of digital marketing based on 5 Ss (see figure 7).

Benefit	How benefit is delivered
1 SELL - Grow sales	Includes direct online sales and sales from offline channels influenced online. Achieved through wider distribution to customers you cannot readily service offline or perhaps through a wider product range than in-store, or lower prices compared to other channels
2 SERVE - Add value	Achieved through giving customers extra benefits online or inform product development through online dialogue and feedback
3 SPEAK - Get closer to customers	Creating a two-way dialogue through web interactions like forums and surveys and conducting online market research through formal surveys and informally monitoring chat room to learn about them
4 SAVE - Save costs	Achieved through online e-mail communications, sales and service transactions to reduce staff, print and postage costs. Saving also accrue through 'web self-service' where customers answer queries through online content
5 SIZZLE - Extend the brand online	Achieved through providing new propositions, new offers and new experiences online while at the same time appearing familiar

Figure 7. 5 Ss framework introducing typical goals in digital marketing. (Chaffey & Smith, 2008)

Figure 7 introduces the 5 Ss framework, which clearly introduces the benefits that digital marketing can offer. Nowadays some companies can operate purely on digital basis and sell, serve and speak to the customers online. Most certainly it is done because it is cheaper (save) than traditionally offline. For branding (sizzle) digital marketing offers opportunities for spreading the message effectively.

2.3 Tourism marketing (SME)

As Goeldner and Ritchie (2008) state that, one certain aspect of tourism management is marketing.

Tourism management and marketing are closely connected as Goeldner and Ritchie (2008) have stated. Typical challenge in tourism marketing is the fact that tourism products are intangible goods, which cannot be evaluated before the consumption. (Lewis & Chambers, 2000) Another challenge is often the



Figure 8. Visualization of the theory topic, 2.

seasonality and perishability. (Rao & Singhapakdi, 1997) When the competitiveness of the tourism industry added to the pile, it can be argued that successful marketing in tourism is crucial.

Academic research focusing on small tourism firms has developed much slower than it anticipated fifteen/twenty years ago (Thomas et al., 2011).

The big game changer for tourism SME has been the Internet. Furthermore, tourist industry is dominated by very small organizations, which makes the impact of Internet even stronger to the industry. (Gorica & Sevrani, 2012) Internet makes it possible to compete even with big players in the market, makes it easier to search niche customer segments, lowers costs et cetera. On the other hand, if SME has not been able to adapt with changing environment towards online, then competitors can have one important competitive advantage over them. Furthermore, it is important to note that digital marketing might not be important in all cases,

as Pesonen and Palo-oja (2010, 61-62) conclude their research: *“It was assumed in this study that Internet marketing and website design is important for all accommodation companies. In reality it might not be the case as different companies have different marketing strategies.”*

Case Finland

In case of Finland, there are great number of rural small and medium sized tourism companies. Still, the amount of studies devoted to research the Internet usage in marketing in those SMEs is minimal. Research done by Pesonen compared the usage of Facebook in SMEs and large enterprises in Finland’s tourist sector. Pesonen concluded that while large companies have clear Facebook strategies, small companies have joined Facebook, but do not utilize the possibilities there. (Pesonen, 2011)

Author participated Google Finland’s conference in Helsinki in April 2014, and the message from there was clear. Finnish companies are lacking behind in adaptation of web stores when comparing to other Nordic countries (Wahlroos, 2014).

For small Finnish tourism company SEM could be one of the easiest ways to reach potential Russians tourists, as for example, the case company Fishinglandia Ltd basis it’s business on SEM. Starting does not need a massive budget and return on investment (ROI) relatively easy to calculate. Common issues with SEM in Russia are the language and fear of technology.

2.3.1 Information technology in tourism management

During the last few decades, companies have been deeply affected by the information communication technologies (ICTs), which have reformed the way business is performed and changed the competition (Porter, 2001). Tourism and progress in technology have developed together for years (Poon, 1993; Sheldon, 1997). The Internet changed the best strategic and

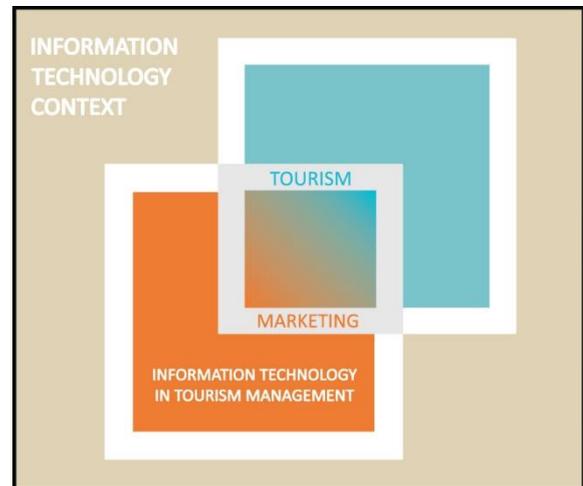


Figure 9. Visualization of the theory topic, 3.

operational practices at tourism industry dramatically (Buhalis, 2003; Emmer, Tauck, Wilkinson, & Moore, 1993; O'Connor, 1999). Behaviour of tourism consumers have changed dramatically through the Internet (Mills & Law, 2004). Travellers worldwide are increasingly using technologies for planning their travels, which have been possible through search engine developments, carrying capacity and speed of networks (Buhalis & Law, 2008). Customers started to by-pass the travel agencies as Internet made it possible to search information and to make room reservations independently online (Morrison et al., 2001). Internet applications proved their popularity and most tourism organizations have added Internet technologies as a part of their communication and marketing strategies. Development of Internet is one of the most influential technologies that affected travellers' behaviour. (Buhalis & Law, 2008)

The Internet changed the competition in the tourism field in favour of small and medium-sized tourism companies (Main, 2001). For the first time it was easy to connect directly to service providers, which lowered the power of intermediaries and increased especially the buyers bargaining power (Buhalis & Law, 2008). Furthermore, price comparison became easier than

ever through the Internet, which again was favourable for companies without intermediaries.

Understanding and profiling the customer became easier than before due to the Internet. Increasing profiling of the customer lead to more customized and personalized experiences with better interaction between customer and tourism organization (Buhalis & Law, 2008).

2.3.2 Search engine marketing (SEM)

Search Engine Marketing (SEM) is one of the most effective online advertising channels which let companies efficiently acquire new and reactivate existing customers at low acquisition costs. (Alby & Funk, 2010, 206)

SEM is based on consumer's search request, which is seen as a crucial stage in traditional consumer behaviour models (Howard and Sheth 1969; Engel, Kollatt & Blackwell, 1978). SEM is based on the assumption that consumers use search engines in order to gain pre-purchase information. (Smith & Chaffey, 2001) Search engines offer advertisements in

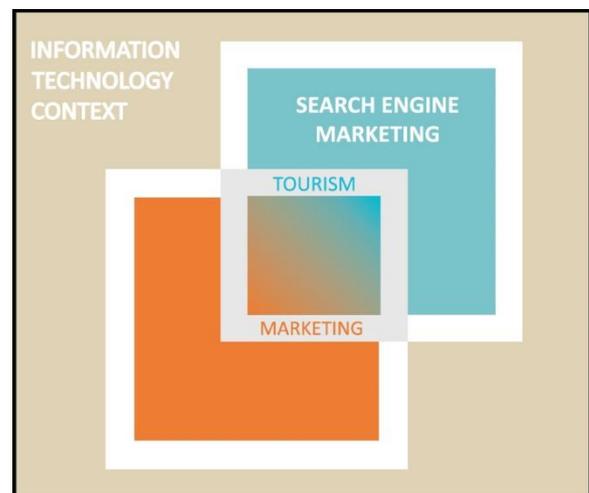


Figure 10. Visualization of the theory topic, 4.

search engine's results page (SERP), which is the basis of search engine's business model and revenue generation (Gauzente, 2009; Ghose & Yang, 2009). Advertisements in SERP does not always lead to click (and action), but Jansen's and Resnick's (2006) research have even shown that online audience see paid advertisements as relevant as organic SERP results. Although, Jansen et al. (2007) found out that 82 %

of online searchers tend to only consider organic links and ignore the search advertisements. Nevertheless, audience who clicked the search advertisements were rather satisfied as their expectations were fulfilled. Search advertisements were seen as relevant search results. Sponsored search results have been able to satisfy consumers' need for relevant search results and advertisers' need for potential traffic to websites (Ghose & Yang, 2009). When search advertising and banner advertising are compared, search advertising is a less aggressive and annoying way to reach potential customers (Gauzente, 2009; Ghose & Yang, 2009). Advertisements in the SERP are based on customers' own search queries, which is why search engine advertisements are not found that annoying. SEA is shifting the advertising towards targeted advertising. (Ghose & Yang, 2009) According to Kotler and Keller (2006) marketers have identified and profiled the diverse groups of buyers whose needs and preferences differ, and select one or two market segments to target, in order to do effective target marketing.

The other part of SEM is search engine optimization (SEO). SEO is an interesting subject that is not widely discussed in this study. SEO means practices that are done in order to get the website as high as possible in SERP (in organic results). As mentioned, SEO results are trusted more than search advertisements and as the clicks are not charged by the search engine, SEO is more tempting for the companies and it is often part of companies' concrete digital marketing strategies. However, SEO is a long-term process as search advertisements offer instant visibility. Furthermore, search advertising is much more transparent for marketers. Marketers are more or less able to influence the positions of the advertisements, as in SEO marketers can never be sure that their site will be listed on a certain position, as search engines do not disclose organic search ranking algorithms in detail. (Alby & Funk, 2010)

Search engine advertising mechanism

Every search engine is unique, but the basic mechanism behind the search advertising is similar. Search engines show advertisements linked to user-generated search queries (Ghose & Yang, 2009).

The most common pricing strategy in sponsored ads is Cost-per-click (CPC). Another option is Cost-per-mille (CPM), which means that each thousand impressions costs the agreed amount. CPM is more widely used in banner advertising and CPC in search advertising. Positions in search advertisements are given in a form of an auction: bigger the bid, higher the position. This is the basic rule of thumb, but not entirely true. The more detailed introduction of the positioning is introduced in “Bidding” subchapter (4.1.3).

Search process

One of the challenges in planning successful search advertising campaigns is to understand how the potential customer searches information. First question is of course offline or online. Even though digital marketing has widespread heavily, it is not always the best way of reach all segments efficiently.

Nowadays the natural place to start information search is a search engine. It is hard to define how searches themselves are done, but longer and more specific search terms are increasing. As Rutz and Bucklin (2009) pointed out, users may learn about a subject during the first search and then rephrase the search in order to dig deeper. In order to find out the search behaviour of the segment at hand, a keyword strategy should be formed. It will not be perfect from the beginning no matter how much research is done, as the keywords will develop over time and so should the keyword strategy.

Certainly, a search engine is not the only place to search information. Youtube has for example more and more product “testing” videos, which tells a lot more than descriptions and pictures from a manufacturer’s website (Löppönen, 2010). In conclusion, search advertising is not automatically the shortcut for success in reaching all the potential searchers.

2.4 Search advertising in eTourism (SME)

This chapter synthesises the theory and focuses on the core of this research. Furthermore, the metrics and analysis is introduced on it’s own chapter (2.5) in order to justify the used tactics in methodology extensively.

2.4.1 Tourism industry specific search advertising

eTourism is defined by Buhalis and Law (2008) as ICTs in tourism.

As Fesenmaier et al. (2010) stated that search engines have become a central piece of the digital marketing strategy of tourism enterprises. Successful advertising campaign needs an effective landing page.

Web design both in usability and functionality are important. According to Chu (2001), travellers expects informative, interactive and attractive websites. Kim and Lee (2004) have classified web service quality into six categories: ease of use, usefulness, information content, security,



Figure 11. Visualization of the theory topic, 5.

responsiveness and personalization. For ease of use, Matt Cutts, the head of Google’s Webspam team, points out that small things matter:

“.. by reducing the latency within your website, customers end up doing more things – more purchases, more browsing” (Cutts, 2011).

Speed of your website can be a game changer with basic rule: faster – more sales.

Fesenmaier, Xiang, Pan & Law (2010) introduced a general framework of the use of a search engine for travel planning (figure 12). This framework is proposed to describe the search engine usage to travel planning as a system with its antecedents and to certain outcomes and feedbacks.

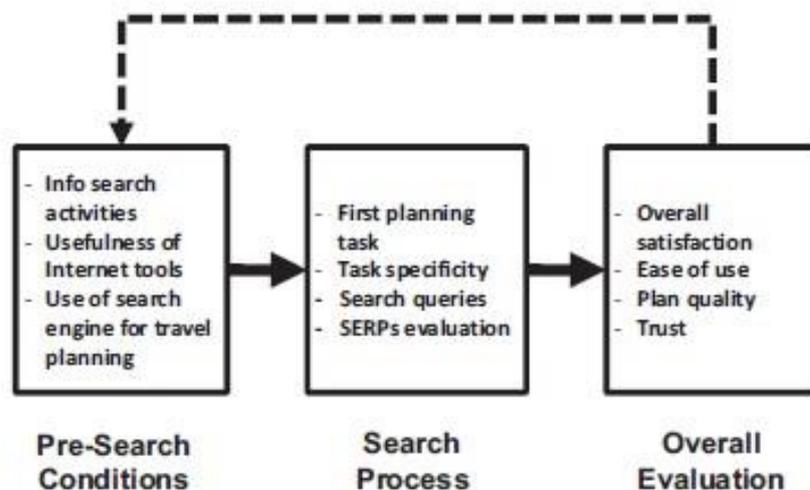


Figure 12. A general framework of the use of a search engine for travel planning. (Fesenmaier, Xiang, Pan & Law, 2010)

As it is shown in the figure 12, the first stage, Pre-Search Condition, is the foundation of the actual search process. Conditions include online information search activities, the usage of various travel-related tools (eg. flight price comparison websites) and the use of the search engine is seen useful in the information search process. Second stage, Search Process, describes the basic frames the traveler uses in order to guide the

respective search engines in the travelling planning. The frames affect the search query as well as the search engine results pages (SERPs) evaluation. Third stage, Overall Evaluation, focuses on search engines overall performance assessment in the travel planning process. Finally, the third stage provides feedback to the first stage, and affects future usage of a search engine in trip planning. (Fesenmaier et al., 2010)

As mentioned, Internet has changed travellers' behaviour dramatically (Buhalis & Law, 2008) and one huge issue in tourism marketing is the seasonality (Rao & Singhapakdi, 1997). Focus on search advertising is a suitable solution, but especially for smaller companies, the rapid increases in costs of search advertising (Chan et al., 2011) have made the managers to reconsider whether or not to invest in the search advertising (Elgin & Hof, 2005). In order for smaller tourism enterprises to decide, the returns of the investment needs to be understood. By setting goals and metrics, which analyse the performance of the website, are important also to tourism enterprises. Goals and metrics are discussed more in depth in chapter 2.5.

2.4.2 Country specifics

Pesonen and Palo-oja (2010) researched the differences in Finnish and European independent accommodation companies' websites. In general, the standard was a website with a basic and rich information and even a low level of interactivity. From the point view of a search advertising campaign it was interesting to see, that Finnish companies tend to lack features that encourage to interact. Encouraging towards interaction is an important feature in web design. Pesonen and Palo-oja (2010) conclude that there are indicators that Finnish accommodation companies are lagging behind the customers in the use of Internet as a medium. Interestingly, El-Gohary researched E-Marketing adoption and implementation in small tourism organization in Egypt and the conclusion of the research was:

.. it has been found that Egyptian small tourism organizations internal and external factors (such as: owner skills, the available resources of the organization, the organization organizational culture, E-Marketing adoption cost, size of the organization, ease of use, compatibility, competitive pressures, government influence, market trends, national infrastructure, and cultural orientation towards E-Marketing by the organization customers) have a significant positive impact on E-Marketing adoption. (El-Gohary, 2012, 1266).

Based on the El-Gohary's research results, small Finnish accommodation companies internal and external factors might be the reason for lagging use of the Internet as a medium.

2.5 Metrics and Analytics

"Tourism firms have to revolutionize their web analytics strategy with effective methods that can assist practitioners to evaluate their website performance and subsequently online marketing effectiveness." (Plaza, 2011, 481)

This chapter introduces the theoretical background of metrics and analytics, which are crucial, for example when building a search advertising campaign. Analysing is a highly important feature of all Internet marketing, which companies can easily forget about. How can the future be shaped if nothing has been learnt from the past? (Jones, 2008).

Web analytics offers the way to track the paths visitors take through the site, which is used to optimize the browsing and buying experience (Weber, 2009). In all campaigns it is crucial to monitor visitors response (Sweeney, MacLellan & Dorey, 2006) Gathered information can reveal information on search advertising and SEO efficiency, but also among others, the effectiveness of web site itself (Turban et al., 2009).

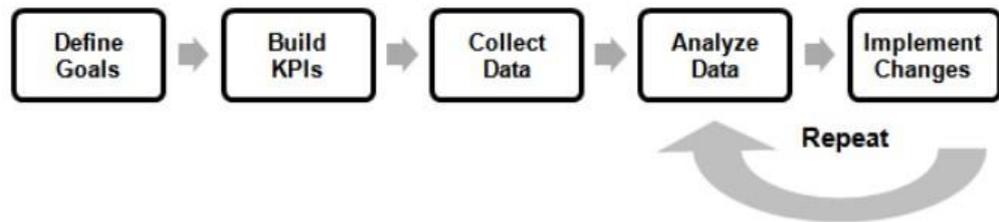


Figure 13. The web analytics process (Waisberg & Kaushik, 2009)

The process presented in the figure 13 enables to measure customer acquisition costs towards profits, to find out visitors behavior in the website and to optimize the site in order to improve its performance or profitability. (Waisberg & Kaushik, 2009) Next, the process is introduced step by step, based on Waisberg and Kaushik (2009).

Define Goals:

Each website/campaign has a goal: something that visitors are expected to do, for example buy a product. Goals are critical when identifying the metrics that help identifying the success of the website.

Build KPIs: (Key performance indicators (KPIs) are metrics used to evaluate the performance of a process and/or whether set goals are achieved (Chaffey et al., 2008, 680).)

Goal achievements are measured with key performance indicators (KPIs), which show how well the website/campaign is performing. KPIs are highly adjustable: each KPI should be based on company's objectives and interests. Good KPIs contains four attributes:

- I. Un-complex: KPIs should be understandable across the company, as management cannot base decision on it, if only web analyst understands the KPIs.
- II. Relevant: each business is unique and the KPIs should reflect on business models.
- III. Timely: great metrics are provided promptly so the management can make timely decisions.

- IV. Instantly useful: KPIs should offer insights instantly from the first look.

Collect data:

Data collection can be in different ways on capturing data, but what is important is to collect accurate data and store it safely. Collection of the data is a crucial part in the process.

Analyzing data:

Data should be transformed to insights, which will then be used to make decisions on the final stage of the process; implementing changes.

Segmentation is one of the key concepts of marketing management objectives (Kotler & Keller, 2006) and analyzed visitor data can offer valuable information on it. Bennett (1995, 165-166) define market segmentation as the “*process of subdividing a market into distinct subsets of customers that behave in the same way or have similar needs.*” Idea behind segmentation is to formulate homogenous groups based on given factors, for example, by travel behavior. The groups must differ from each other based on some given factor (Konu, 2010). If company can identify the correct segments, it can gain competitive advantage. (Pesonen, 2013) Segmentation is acknowledged as an important topic in development of a website (Perdue, 2001).

2.6 Summary and critical analysis

Tourism management and digital marketing are rooted together, as Pesonen and Palo-oja (2010) stated. Finnish companies are behind other countries in encouraging to interaction and small companies lack behind in Facebook utilization (Pesonen, 2011). As Finland is often thought to be one of the leading ICT countries, it can be argued, that smaller tourism companies in general, are not using the full potential of digital marketing. As Page et al. (1999) stated that, small tourism enterprises are not utilizing

sophisticated management in their practices. Issues in deciding the usage of SEM can be troublesome due to the pricing of SEM: costs in SEO are complicated to justify as there is no guarantee on results and search advertising is getting more and more expensive.

Consumer search request is the beauty behind the search advertising and that is why it can be highly efficient if it is used correctly. Even if Jansen et al. (2007) stated that 82 % of online searchers are only considering the organic links, there is still room for search advertising. Furthermore, study done 7 years ago in this field is old, so the percentage can be different nowadays. Fact is though, that the amount of Internet users has sky rocketed since 2007, which would make the 18 % a huge potential.

Search advertising campaign is just a fraction of a successful digital marketing strategy. As Jansen et al. (2007) points out, many search engine users skip the search advertisements, which means that companies should include SEO in their digital marketing strategies as well. Löppönen (2010) pointed out the importance of Youtube as a source of information, which means that search advertising and SEO would not even cover together the strategy for all searches, not to mention the whole digital marketing strategy.

Metrics as goals and KPIs are case sensitive as each business is unique, even for companies that seem to be in the same business, the metrics necessarily are not. Kaushik (2007) uses the example of Best Buy and Circuit City, two electronics powerhouses. It seems that both companies could use similar web metrics in measuring, as they can be considered as competitors. The truth is that almost everything is different: business models, priorities and how the web is used as a multi-channel portfolio. In conclusion, due to uniqueness of each business, it is hard to define “absolute metrics” for SME tourism company specifically. The goals and metrics of this experiment are relatively universal, and certainly, suitable for various firms in tourism sector.

3 METHODOLOGY

This chapter will discuss the methodology of the research. It introduces the research's methods and implementation. First, the research design is introduced.

3.1 Research design

This research concentrates on understanding and interpretation of the search advertising campaigns in Russia with SME tourism aspect. Furthermore, the role of the researcher is to experience the subject, it can be stated based on Carson, Gilmore, Perry and Gronhaug (2001) that in terms of metatheory this research is interpretivist. In terms of general methodology, this research is mono method research: experiences from experiment. Experience on the subject is gained through experimental study, where advertising services Yandex.Direct and Google AdWords are compared with a single-country, Russia, aspect.

In order to present research's methodology more clearly, Saunders', Lewis' and Thornhill's (2009) research onion was created. It summarizes visually the different layers of this research (Figure 14).

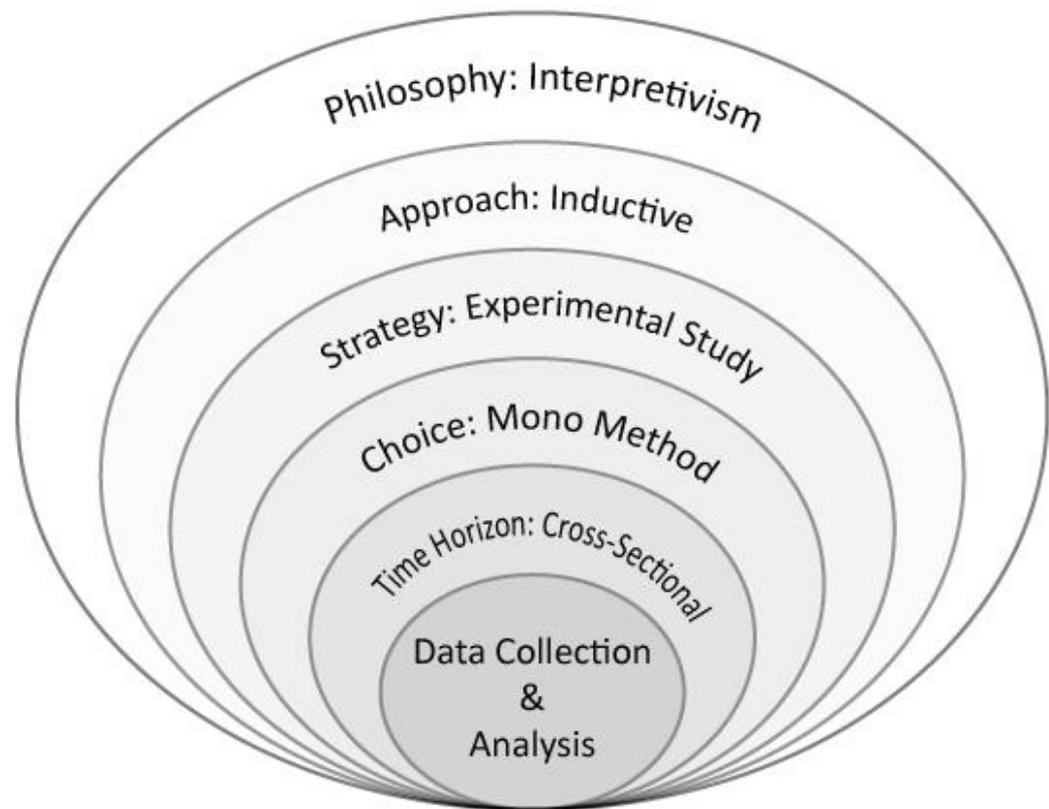


Figure 14. Research onion of this master's thesis study.

Almost all of the layers of the onion in figure 14 was introduced earlier, only approach, time horizon and techniques and procedures (data collection & analysis) layers were left without introduction. Next those layers are covered more in detail.

Qualitative studies are combined with inductive approaches and quantitative studies go along with deductive approaches (Saunders et al., 2009). This study seeks evidence via testing in order to get to the conclusion, which makes the study inductive. Time horizon of this study is cross-sectional as there is no long period of time that the research is implemented, which would have been the requirement for longitudinal study. Techniques and procedures used in the research are data collection and analysis. This layer is introduced more in detail in the chapter (3.3).

3.2 Experimental study

Theory is something nobody believes, except the person who made it. An experiment is something everybody believes, except the person who made it. Albert Einstein (Aikat, Jeffay & Donelson, 2013, 69)

In experimental research, the researcher maintains control over the factors of the experiment that may affect the result. With this, the researcher attempts to predict or determine what may occur. (Key, J. P. 1997)

The problem and the hypothesis of this experimental study are linked with the aim of the study and research question. The problem is the lack of understanding the optimization between Yandex and Google in search advertising in Russian Internet for small Finnish tourism companies. The hypothesis for this research is: *Yandex suits better for search advertising in Russia.* Hypothesis is based on the common assumption, which is drawn from the Russian market share figures.

3.2.1 Experimental design elements, conditions and relations

This subchapter introduces the elements, conditions and relations of the consequences in the study.

Russian Internet users who use Yandex or Google for searching “*cottage holiday in Finland*” related searches are the selected sample to the study. For non experimental factors and for their control, following were identified:

1. Reaction time of the advertising services is different – Yandex is handling changes slower (mainly due to manual checking), which is why there will not be changes in the campaign prices nor the advertising. This way advertisements are similar and possibly the visibility is the same (excluding the start, when Google launches quicker).

2. Issues in the server – From previous experience Fishinglandia Ltd stated that their Russian servers have been down once in a while. If servers go down, advertisements are still shown, and certainly there will not be actions as the whole website is down. Due to differences in reaction time, no changes are done if servers go down. Situation is equal for both. Google and Yandex quickly informs of such inconvenience, which makes it possible afterwards to note in the analysis of the results. In a case of a major crash, experiment will be redone.
3. Hackers/spammers/robots or such will send inquiries – All such inquiries are excluded from the results.
4. Phone calls and direct emails are difficult to measure – For Yandex, phone calls are traceable, but from Google, it is still difficult in Russia. Phone calls are excluded from the results. Also direct emails (email address copied from the website and then send from email client) are excluded from results, as they are not traceable.
5. Technical differences – Like reaction time, advertising platforms can have technical differences, which can affect the visibility. These differences are considered as features and part of the fact that these are two different services. Still, campaigns are built as similarly as possible, and for example the reaction time difference is minimized, as mentioned in the second factor.

Measurement technique is introduced in chapter 3.3 and practically in chapter 4.2 and validity is discussed in next subchapter (3.2.2). Pilot of the study was done before the actual start of the campaign. Pilot revealed issues in keywords and settings of the services, which were fixed before the experiment. Furthermore, the pilot showed that the selected bid was set in an appropriate level and clear trends were possible, to get straight from the pilot. The actual campaigns were launched at the same time and lasted till the budget was used/reached to agreed level, which made the duration different for the campaigns.

3.2.2 Validity

This subchapter focuses on the *internal- and external validity* of the research.

As mentioned in the previous subchapter, Fishinglandia Ltd had faced server crashes, which can distort the results, and in the worst case jeopardize completely the internal validity. If another advertising service has a huge peak in visitors and the website is down for a long period of time, the research results are not valid. In this case, the experiment has to be repeated. If the website is down for short period of time without any peaks, the study is still valid and twists are minor. All possible crashes will be reported in the results.

Some visitors might end up on the website through search advertisement and consider for couple of days and then go directly to the website and fill the contact form. In this case, Google AdWords would give credit to search advertisement and not calculate the form-filling source as a direct landing. Yandex.Metrika gives credit also, but does not offer such historical paths for analysis. The only inquiries, which will not be recorded, could be the ones, which come after the campaigns run out of money/credits: inquiries received afterwards will not be analysed. This could tweak the results cosmetically, but this enables better control for the experiment once the end date of the experiment is clear.

Participants for this experiment are “chosen” at random, as the researcher has no control on who is clicking the advertisements. This increases the validity of the experiment as the researcher cannot influence the sample of the research. Furthermore, participants are not aware of their participation to the research, so the experiment does not affect the users behaviour in any way, which again, increases the validity of this research.

Findings of this research can be generalized, but not widely: this study does reveal how the optimization in search advertising should be done in general in Runet, but it is crucial to remember that each search advertising campaign is unique, and the results of this research might not be valid in some specific niche. Research is truly valid only in for a smaller companies, as bigger ones use search advertising differently. Due to large advertising budgets, bigger organizations can for example, use search advertising purely as a branding tool. However, it is important to remember the Internet is a rapidly changing environment: if the figures presented in the introduction have changed dramatically, there is a great chance that this research is not valid anymore.

3.3 Data collection and analysis

Data for this research is gained through the experiment. Similar search advertising campaigns are set up for small Finnish tourism company (Fishinglandia Ltd) on both services: Yandex.Direct and Google AdWords. The campaigns are as identical as possible within the limits set by the difference between the services. The campaigns are run and the data is gathered with both Google Analytics and Yandex.Metrika services. Gathered data will reveal the differences of the effectiveness the two advertising services provides.

The data from the analytical services is compared to the received offer requests (inquiries). All offer requests come automatically as a copy to the researcher, which makes it possible to control the data from analytical software manually and exclude all spam (unsolicited bulk messages) offer requests. Other sources than search advertising is also leading to offer requests (for example a visitor entering the website from a social media website might send an inquiry). Those inquiries are separated from the ones from search advertising. Manual analysis of the inquiries makes it possible also to recognise double inquiries, which is excluded. Fishinglandia has reported that earlier it has received double inquiries in

some cases. For example, the travel dates have been changed and it is informed through the form. In this case, inquiries will be calculated as one inquiry.

3.4 Implementation of search advertising campaign

The search advertising campaign is implemented in six steps:

1. Keywords

First the keyword strategy is done. Slightly simplified: when the chosen keyword/term is searched in a search engine and the advertisement is shown. Choice of the correct keywords is an important part of the successful campaign. From Finnish SME tourism company's point of view, the keywords have to be specific and maybe even geo-optimized in order to get potential clicks/visitors to the website. On the other hand, too specific keywords can narrow the traffic too much (too few visitors) and too wide keywords can attract non-potential traffic, which still costs money. In this case, keyword strategy has to be aligned with geo-targeting – the rule of thumb for Finnish tourism companies: the bigger the advertising area, the more specific keywords. Luckily, along the campaign those keywords can be changed/new ones can be tested. Furthermore, the pricing strategy should be included to keyword strategy with geo-targeting decisions, as all of those are closely related and truly dependent on each other. In short, the starting point of pricing strategy can be as simple as the pricing is based on an estimate: set the keywords in order from the most lucrative to the least important and start bidding from the top of the list.

2. Advertisements

Writing a good advertising text is hard and when there are only 200 marks available, then it is very challenging. KISS (keep it short & simple) is a very good rule of thumb when writing advertisements for search advertising campaigns. Again, luckily, advertisements can be changed and the best ones will stand out from the analysis. Then the best ones can be tested

again, with minor fixes on them. The advertisements have to be among Google AdWords' limitations: title 25 marks, first line 35 marks and second line 35 marks. Yandex.Direct offers a little bit more room for creativity in advertisements: title 33 marks and text 75 marks without line restrictions.

3. Landing page

Search is an acquisition channel, so it's your site's job to turn visitors into customers. (Muir, N. 2009, 30)

After clicking the advertisement, the visitor lands on the *landing page*. In an ideal case, the landing page is specifically build for the campaign to “welcome” visitors to the website, but often traffic is directed to the home page. The purpose of the landing page is to guide them to an action (for example: purchase, inquiry, moving to another page et cetera.).

4. Building

Campaign building is not a complicated task if the campaign is well planned. Before setting up the campaign in the services the keywords, advertisements, pricing strategy and geo-targeting should to be ready.

The campaign structures of these two services differ. In Google AdWords it is possible to build advertising groups, where are certain advertisings and keywords. In Yandex.Direct on the other hand, there is no advertising groups. Different advertisements can be targeted to many keyword sets. During the set-up, fine-tuning is necessary for the strategies. For example, the pricing of certain keywords can be hard to estimate beforehand. Furthermore, the services offers an estimate how well the advertisement will work with the selected pricing, which will help in tweaking the pricing strategy. Furthermore, both services have very sophisticated suggestion systems, for example for possible keywords, which can twist the keyword strategy.

Both services naturally have their own interfaces and here the differences of the services pop-up. For example, in Google AdWords radius geo-targeting can be used, while in Yandex.Direct it is not possible.

5. Run

Running the campaign is closely related to analysing: KPIs, for example, bounce rate, will quickly tell the effectiveness of the keywords/the whole campaign/website. The beauty in search advertising campaigns are that changes can be done quickly. If compared to offline advertising, for example, it can be very hard and costly to change posters during the advertising campaigns.

Changes done during the campaigns would reveal differences in the two services. For example, as Yandex tend to do more human moderation than Google, it could have an effect on the time how quickly changes take affect. In this experiment there will not be any changes done to the campaigns.

6. Analyse

Google's and Yandex's analytical programs needs to be "installed" into the website in order to gather data. In practise it means adding little strings of readymade code into the website. For specific analysis, little set up can be made in the analysing programs and to the code.

The analysis tools have been set up for automatic calculation of CPA, which will immediately reveal the most lucrative option of the services. The prices of the keywords and the number of impressions are also easy to collect from the data.

Problems in the analysis affects the direct phone calls and emails. Calculating phone calls reliably is still problematic with both services. Rather, the number is typed personally to the mobile phone. Sadly, Google's solution for calculation of mobile conversion is not launched yet

in Finland. Yandex, however, has a solution, which basically works on the idea that special phone numbers are set to the website, from which the phone calls can be measured. Email addresses on the other hand are problematic, because email is often copied from the website and sent for example by Gmail, which makes the tracking challenging. The only reliable source from the research's point of view is a contact form, which is used in this research exclusively.

4 EMPIRICAL PART: GOOGLE VERSUS YANDEX

In this chapter, the empirical data collection approach is introduced. The approach is an experimental study: a real campaign is made for Fishinglandia Ltd, where both Yandex and Google's services were utilized. In practise, there are two campaigns, one in each service/platform: Yandex.Direct and Google AdWords.

4.1 Campaign overview

Research utilized Fishinglandia Ltd's new website www.cottagelandia.ru, which is a Finnish cottage rental portal for Russians. Deeper introduction to Fishinglandia Ltd and to the case website can be found from appendix 1.

The campaign is divided into 10 themes, which are formed based on selected topics. This means that each theme has a topic (for example VIP), and keywords, advertisements and landing pages are focusing upon that topic. In practise this means, that if one is searching "VIP Villa" and another "Cottage for weekend", they are seeing different types of advertisements and are landing on different types of landing pages, but still to the same website: cottagelandia.ru. The themes can be found from appendix 2.

The web analytics process is planned based on the Waisbergs and Kaushiks (2009) model.

Next, Keywords & Advertisements (4.1.1), Landing page (4.1.2) and Bidding (4.1.3) are introduce.

4.1.1 Keywords & Advertisements

Each theme has topic related keywords, which are specific. For each topic, there are three versions of advertisements, which are coded with nationality:

1. Overly happy/extrovert (“American”) – advertisement is not necessarily including keywords in to the advertisement itself, but rather a catchy or selling phrases.
2. Neutral (“Finnish”) – advertisements are build over the keyword and tries to give a clear message.
3. Demanding (“German”) – advertisement follows the Finnish style, but change the form into demanding form with exclamation marks. German is the only style where exclamation marks are used. AdWords does not allow exclamation marks to the title of the advertisement and Yandex.Direct does.

With Google AdWords it is possible to track which advertisement gains the most impressions. Once AdWords understands which advertisement collect the most clicks and actions, it will be shown the most often. Yandex.Direct does not support advertisement groups, which is why data as such cannot be gathered. Still, it is possible to gather Yandex’s and Google’s CTR and impressions data, which can be compared along with the impressions percentage gained from AdWords to the advertisement style (to the “nationality”). With the analysis of data set, it can be speculated what the advertisement style should be utilized. The analyses process is introduced in own subchapter (4.2.10).

Part of the keywords are set to the system with “specific” settings. This means that the advertisement is shown only, when the keyword is typed exactly. For example, if the setting is set on: keyword is “*Rybalka v Finljandi*” and Russian Internet users are searching “*Rybalka*” –

advertisement is not shown. By default setting, the advertisement would have been shown.

4.1.2 Landing page

The goal of the landing page in this case is to lead visitors towards an action: cottage inquiry. It can be done via contact form, phone or email. From the company's point of view, a contact form is the best option. A contact form is the easiest to process: all required information clearly laid out. As emails often lack information and phone calls are very time consuming. In practise, this means that contact forms have to be visible and easy to access from the landing page.

4.1.3 Bidding

Bidding strategy in this campaign is to get high positions. It is good to remember, that for example Google shows only the two highest advertisement placements in mobile (Google Partners 1, 2013).

Bidding keywords is done a little differently in Google and Yandex. Google uses money (example: bid for term "*Rybalka v Finlandiy*" could be 1 €), as for Yandex bidding is done via tokens (1 token equals to 30 roubles). In order to compare the expenses in these services, the value of token is calculated from the exchange rate (euro->rouble) of the day when the money is transferred to Yandex's service.

Bidding will be kept similar in both campaigns. This is not an optimal situation for the company, but it is crucial for the research. The only exclusion to similar bids are the services own "price optimizer" tools, which are embedded into the service. Yandex calls it *Autobroker* and describes it as the following: "*a mechanism that automatically optimizes cost per click for advertiser's benefit to reduce his costs.*" (Yandex 2). Autobroker is all the time trying to have a discount for customer. Google on the other hand

calls its tool as *Enhanced CPC*. The biggest difference between the tools is that Autobroker only lowers the bid, as Enhanced CPC raises (maximum 30 %) or lowers the bid (can lower even more than 30 %) based on the likelihood of the conversion (action) (Google Partners 2, 2013). “Action” means the goal, which is set to the campaign: if the goal is reached, action occurs. In this case, the goal was to get a cottage inquiry.

A bid is just one of the variables in advertisement positioning algorithms that Google and Yandex use. Both companies use their own algorithms. The simplified universal formula in advertisement rank calculation is bid multiplied by *quality score*. (Booth, 2014) Quality score depends on a lot of parameters, which basically aim to calculate the relevancy between the advertisement and the search query (Yandex, 2014).

4.2 Data & Analysis

This chapter discusses the data and analysis procedures of the experiment and then the goals of the website are introduced. Each chosen KPI is introduced and justified in their own subchapters. First, the visitor’s path is introduced as a funnel, which defines the goals of the website.

4.2.1 Funnel

Analysis follows the funnel (see Figure 15.), which presents the path how Internet surfer becomes a client through the campaign.



Figure 15. Visitors path possibilities in the campaign presented as a funnel.

Figure 15 presents the stages of the campaign from the visitors point of view. Next, the stages of the path are introduced briefly:

1. Internet surfer types matching keyword in the search engine. Internet surfer becomes potential client and “enters” the funnel.
2. Search engine loads the SERP (search engine results page), which is showing also the advertisement of the campaign. The potential client can choose to either click the advertisement of the campaign or any other link in the results page or search again or leave the

- page. If the potential client decided to choose to click the advertisement, the potential client moves to next stage.
3. The potential client lands to a landing page. From the landing page the potential client can either: leave the page or to do one of the following.
 4. Action possibilities:
 - 4.1 Goal 1: Fill the cottage inquiry form in the website – goal reached. From the research’s point of view the potential client became a client (calculated as one action in CPA).
 - 4.2 Goal 2: Browse through the cottage possibilities (which are matching the keyword used in the search (step 1.)). From browsing, the potential client can either leave the page, or do one of the following actions:
 - 4.2.1 Goal 1: Fill the cottage inquiry form in the website – goal reached. From the research’s point of view the potential client became a client (calculated as one action in CPA).
 - 4.2.2 Goal 2: Make a phone call inquiry/email inquiry, which cannot be measured, goal reached, but from the point of view of this research the potential client did not become a client.
 - 4.3 Goal 3: Make a phone call inquiry/email inquiry, which cannot be measured, goal reached, but from the point of view of this research, the potential client did not become a client.

The main goal of the website is the fourth stage of the tunnel: make an inquiry, browse the website (long visits) and contacting via phone or email. The actions, which are calculated, are the sent inquiries. As mentioned, the third goal, contacting via phone or email is not measured in this experiment due to technical challenges. Moreover, there are secondary goals: 1.) moving to www.fishinglandia.ru or www.suomilandia.ru, which are websites of Fishinglandia Ltd, 2.) understanding the issues on the

website and 3.) brand Cottagelandia as a direct connection to Finnish cottage owners.

4.2.2 KPI 1 – Impressions

Impressions (introduced in chapter 1.1) is a valid KPI for the case website (www.cottagelandia.ru). The website is new and the branding of “Cottagelandia” to the Russians is one of the goals of Fishinglandia Ltd, which is why impressions are indisputably one of the KPIs.

In this research impressions are shown as percentage: the service, which collect less impressions, gets a value of 100 % and it is used as comparative to the service which gathered more impressions. For example: service A gets 1000 impressions and service B 3500 impressions. A is valued as 100 % and B as 350 %. Impressions are introduced following the wish of Fishinglandia Ltd.

4.2.3 KPI 2 – Click-through rate (CTR)

CTR (introduced in chapter 1.1) offers instant insight if advertisement is working properly. CTR is one of the variables to affect the positioning among the advertisements (Booth, 2014), which is why every company should be interested in it, in order to optimize the future advertising campaigns.

4.2.4 KPI 3 – Cost-per-click (CPC)

The campaign is run on CPC principle and bidding is similar in both services. The main aim of the research is to understand the optimization of search advertising campaign and price is certainly a big deal breaker in it, which is why CPC has to be one of the KPIs. Moreover, as CPC is a cost indicator also in other forms of advertising, as for example in banner advertising, CPC can be used as a basis for comparing different

advertising channels. As Fishinglandia Ltd is Internet driven, comparing the CPC between the medias is crucial, and that is why CPC is one of the KPIs.

4.2.5 KPI 4 – Bounce rate

Waisberg and Kaushik (2009) uses bounce rate as an example of a great KPI, which meets all the preceding criteria for a KPI. Bounce rate (introduced in chapter 1.1) is un-complex, it immediately identifies which pages underperform and it is timely as it is easily accessed from most of the web analytical software. The percentage figure indicates the need of action (for example; <30 %, normal, no need of action and >70 %, huge problem, there is an issue with the website and something has to be done. (Waisberg & Kaushik, 2009) For this experiment, the Yandex's accurate bounce rate is utilized.

4.2.6 KPI 5 – Cost per action (CPA)

It is still interesting to calculate *cost per action* (CPA) (web inquiry leading from search advertisements equals to one action) for both to give direction on how each campaign performed.

Calculating CPA is relatively simple, as the formula of ROI is used as a basis of it in this case. Underneath the formula used to calculate CPA in this research:

$$CPA = \frac{(Theoretical\ gain\ for\ Investment - Cost\ of\ Investment)}{Cost\ of\ Investment}$$

Cost of Investment (M) is fixed and it is same for both services ($M_{Yandex} = M_{Google}$). Theoretical gain for investment is got when fixed value of inquiry (R) is multiplied by the amount of inquiries ($X_{Search\ engine}$). In order to

calculate a fixed value for inquiry (R), the medium value of a deal (commission from reservation) is calculated/estimated and then it is multiplied by the average closing rate the sales personnel has. For example, if average value of the sale is 100 € and closing rate is 25 %, then the fixed value for inquiry would be 25 €. If there is 1000 inquiries, it makes the theoretical gain for investment to 25 000 €. The formula for the calculation is simply:

$$\textit{Theoretical gain for Investment}_{Search\ engine} = R * X_{Search\ engine}$$

All needed information for filling the CPA formula is gathered for comparison of two services. It is simply done by comparing the CPA values of both campaigns:

$$CPA_{Yandex} = \frac{(R * X_{Yandex} - M_{Yandex})}{M_{Yandex}}$$

$$CPA_{Google} = \frac{(R * X_{Google} - M_{Google})}{M_{Google}}$$

The crucial variable in the formula is the real amounts of inquiries (" X_{Yandex} " and " X_{Google} "), because otherwise the formulas are identical. Certainly, it can be that those variables are equal ($X_{Yandex} = X_{Google}$), which means the CPA for both services is equal ($CPA_{Yandex} = CPA_{Google}$).

4.2.7 KPI 6 – Average length of a visit

Average length of a visit (introduced in chapter 1.1) is an important KPI to show for example when selling advertisement space from the website. As Bhat, Bevans and Sengupta (2002) state that duration of visits is almost as crucial performance measure as a number of visitors, as there is mere exposure to the possible advertisements (Briggs & Hollis, 1997; Flores 2001) and it gives more time for visitor to consider and complete the wanted action (eg. purchase) (Bucklin & Sismeiro, 2003). Moreover, Moe

and Fader (2004) state that enhanced visitor interest helps to generate repeat visits, which leads to better long term sales. Furthermore, an average length of a visit indicates how well the website has succeeded in offering interesting content for the visitors. When the website is concerning tourism, it is justifiable to argue, that visitors with longer visits are more potential customers, as they show more interest.

4.2.8 KPI 7 – Return on investment (ROI)

The case website is not an ecommerce site, which makes the ROI calculation slightly more challenging. The ROI depends more on the other variables (website, sales personnel, et cetera) than the search advertising campaign and it calculates only the short term profit, but still it is calculated in order to show the instant effect of each campaign.

ROI basis on the formula:

$$ROI = \frac{(Gain\ for\ Investment - Cost\ of\ Investment)}{Cost\ of\ Investment}$$

ROI calculations basis only on the actual sales and does not take into account, for example value of customer moving to another site of Fishinglandia Ltd, where it possibly leads to sales. Moreover, only the commission can to be taken into account, as Fishinglandia's revenue is not the amount of sales, but the commission percentage (K) from the sales. The sales and the inquiries are matched manually from the sales data given by Fishinglandia Ltd. With help of analytical software, the closing inquiries are matched to the source of the traffic, which makes the identification of the campaign also possible. This means, that for example, ' $Sales_{Yandex}$ ' is the amount of closed sales which were based on the inquiries from Yandex's campaign. Due to the wish of Fishinglandia Ltd, the sales data will not be published with this research paper. With this information the formula of ROI is formed:

$$ROI_{Yandex} = \frac{(Sales_{Yandex} * K - M_{Yandex})}{M_{Yandex}}$$

$$ROI_{Google} = \frac{(Sales_{Google} * K - M_{Google})}{M_{Google}}$$

4.2.9 KPI 8 – Lifetime value

With all online metrics available, one an important metric is easily overlooked – the lifetime value. Along the shift from product-centered thinking to customer-centered thinking, customer lifetime value has been used as a key marketing asset metric. The traditional search advertising metrics focuses on an immediate performance from the search advertising campaigns, and the future purchases of this client are not referred to search advertising. (Chan et al. 2011)

In this research, the lifetime value was estimated by Fishinglandia Ltd. Estimation is based on the previous experience on how big percentage of the customers rebooks, calls/sends an email specifically for thanking for the service and saying that they will use the service again, or/and has provably recommended the service to a friend. According to Fishinglandia Ltd, 40 % of their customers are provably doing so. Most of them is covered by calls or emails thanking for the service, which is why it is hard to estimate the monetary lifetime value, due to short experience the company has. As Fishinglandia Ltd could not give an estimate of the monetary value, this KPI could not be included to the results.

4.2.10 Advertisement comparison

Advertisements are coded with a nationality based on the style of the advertisement: American, Finnish and German. There are five different variables: impression percentage from AdWords, CTR Yandex, impressions Yandex, CTR Google and impressions Google. The comparison will of the advertisement styles will be done simply by giving points to the most efficient advertisement style per each variable gets one point. In case of a draw, each gets one point. The results will look like a following:

	Variable 1	Variable 2	Variable 3	Variable 4	Variable 5
American	x				x
Finnish		x	x	x	
German				x	

Table 1. Example of advertisement comparison table.

As seen from the example (table 1), American style would get 2 points, Finnish style 3 points and German style 1 point. This results would mean, that the Finnish style would be the best style of advertising. The method is simple and does not take into account the real values, but it does show the overall picture of what kind of advertisement suits the best for the search engine and to Russian searchers.

As Yandex does not support advertisement groups and impression percentage among each of the three advertisements of the themes, the data is based only on Googles data, which means that the services cannot be directly compared. However, this analysis gives an overview of how the search advertisements should be formed in general in the context of Russia and tourism SME.

4.3 Reliability & Credibility

Stake (1995) stated that, the experimental data collection and analysis methods are known to hide some details. For this research some parts are truly left out as Fishinglandia Ltd perceives them as company secrets. However, left out information is only keywords and sums of money, which are still the same for both campaigns: results would be the same with or without this values. Conducting research with a case company can lead to hidden details due to company's wish, but that is the nature of very practical research. In short: not all details are revealed in this research paper, but it does not lead to significant reliability nor credibility loss.

Digital marketing is one of the fastest changing form of marketing, which is why this research can get old quickly. Along the time, the reliability of this study decreases, as most of the studies in this field.

These campaigns would had done very differently, if this has not been also an academic experiment. The amount of variations how these campaigns could had run is almost endless: changes is certain bids, advertisements, timing et cetera. When conducting search advertising campaign in practise, all kind of changes are done all along. This means, that the study is reliable and credible academically, but in practise it can be used only as an indication and not as a guideline.

For experimental study, control is highly important in order to get valid results. For these campaigns the researcher had full control over the campaigns and was the only person who had access to the campaign settings. Furthermore, researcher was the only one with full access to analytical data both from Yandex.Metrika and Google Analytics. It can be stated, that the campaigns of the experiment were fully in the control of the researcher.

5 RESULTS

This chapter introduces the results of the research. First, the secondary goal of the research was to compare the KPIs, and also to compare the performance of different advertisements styles (chapter 5.1). These results lead to the main objective of the study (chapter 5.2), where the optimization of search advertising is discussed. Finally, the main objectives of the study raised an interesting and highly important question when discussing the search advertising optimization in Runet, which is discussed in the chapter 5.3.

The main result of the study: in general and from practical point of view, Yandex.Direct fits better for search advertising for Finnish tourism SME. The set hypothesis (*Yandex suits better for search advertising in Russia*) is true.

5.1 Secondary objectives of the study

The secondary objective of the study was to directly compare the two main search advertising services in Russia through the introduced KPIs. Table 1 shows the results of the campaign. The results are adjusted according to the costs to match each other perfectly. Table 2 clearly indicates that Yandex performed better in this campaign. Next, each section is introduced and analysed, starting from the impressions.

KPI		
Impressions	489,89 %	100 %
CTR	1,05 %	4,36 %
CPC (% lower than bid)	34 %	30 %
Accurate bounce rate	16,4 %	53,0 %
CPA (value of action = 1)	0,75	2,64
Average length of a visit	4 min 14 sec	1 min 24 sec
ROI	-74,6 %	-100 %
	Yandex	Google
Search Engine		

Table 2. Summary of the results of the campaigns.

As it can be seen from the table 2, Yandex crushed Google in terms of impressions: almost 4 times the amount of impressions. This supports the fact, that Yandex is used more to the search of “*cottage holiday in Finland*” related terms than Google. The higher amount of searches often means the higher competition or just bigger offering. Click-through rate (CTR) supports this claim, as Yandex has much lower percentage than Google. Moreover, the cost-per-click (CPC) is lower in Yandex, which indicates from lower rankings in advertisements. However, it is crucial to remember that the advertisements were designed to be universal, which means that longer advertisements can be used in Yandex.Direct. With longer texts in advertisements, it is easier to make appealing advertisements, which certainly can have an affect to the CTR. In conclusion, Yandex.Direct seems to have more competition.

As mentioned, CTR was better in AdWords, but the accurate bounce rate is dramatically high (see table 1). This means in practise that the visitors from Google’s advertisements clicked with better percentage, but for some

reason left the website very quickly. As mentioned earlier, Yandex enables the calculation of accurate bounce rate, which was used in this research. One explanation of the high bounce rate is the website's performance with mobile devices: website is too heavy (slow) for mobile devices. This finding is crucial for the company and it was not detected before the campaigns. Another notable fact for higher CTR for AdWords is the fact that Yandex gathered more impressions.

When analysing the CPC, it is crucial to remember that bid is not the only variable when calculating the cost of the click (see subchapter 4.1.3). However, Yandex's average CPC is 6,67 % cheaper than Google's. For both services the bid was the same, and both performed well below the bid. For Google, the average CPC was 30 % lower than the bid, and for Yandex, the average CPC was 34 % lower than the bid (table 2). Yandex is cheaper in terms of CPC, which automatically means, that Yandex gathered more clicks than Google. Furthermore, it could be even argued that Yandex's *Autobroker* is more price sensitive than Google's *Enhanced CPC*, which is justifiable as the *Autobroker* can only lower the bids and the *Enhanced CPC* can also increase the bid.

Yandex.Direct outperformed Google AdWords in the terms of CPA. The value of each action was set to 1. Cost of action for Yandex was 0,75 as for Google 2,64. The difference is clear and it can be stated that Google's campaign was not successful while Yandex reached a decent result. However, it is important to remember the reasons behind Google's unsuccessful campaign: it was not the campaign, it was the high bounce rate due to website issues with mobile version of the website.

Average length of a visit had a dramatic difference for Yandex's favour. More than three times longer average length of a visit from Yandex means: 3 times longer exposure to (possible) advertisements (Briggs & Hollis, 1997), 3 times more time to consider and complete the inquiry form (Bucklin & Sismeiro, 2003) and better possibilities for long term sales (Moe

& Fader, 2004). In terms of value: visit from Yandex.Direct was 3 times more valuable.

If only the short-term sales figures would be analysed, the campaigns would have been catastrophes. ROI figures are so negative; campaigns did not bring back the investment immediately through bookings. Google's campaign wasted all the advertising money, and Yandex's campaign lead to sales, but the commissions did not cover the costs of the campaign.

The secondary goals of the website were tougher to calculate, but there were clear trends. For example, visits from cottagelandia.ru to fishinglandia.ru boosted during the campaign. Furthermore, the mobile version issue of the cottagelandia.ru was realized due to the campaign. Slow mobile site also damages the brand of Cottagelandia. The search advertising campaigns upside towards branding is hard to calculate/estimate in monetary terms, but certainly the visibility did boost during the campaign. The feedback, which Fishinglandia Ltd gathered during the campaign, indicates that the branding message is the same as customers experience the service, which is an important and valuable information gained along with the campaign.

5.2 Main objectives of the study

Optimizing the search advertising for SME in the Russian context is always unique for each case in order to reach the maximum results, but this experimental study offered a basic understanding for the beginning of this optimization process. Yandex is clearly performing better, and with a lower CPC, or in more universal terms, Yandex is cheaper. However, in the light of CTR it seems that Yandex has more competition. This argument follows the basic rule of supply and demand rule in economics: the more visitors, the more advertisers. Google and Yandex have to be thought as "different markets", as the pricing and size of the "market" are different. The big questions are: who are those people in those markets?

Does it make sense to go to a smaller and more expensive market? In the light of the results of this experiment, no it does not. However, these results does not tell the segments in the markets, which would be interesting as, when correct segments are identified, it can mean competitive advantage (Pesonen, 2013). As said in the beginning, each case of search advertising is unique.

Optimization of the advertisement texts for both services separately is crucial. Some advertisements used in Google would not utilize the full potential in Yandex. This automatically means, that if SME wants to build a campaign for both services, the campaigns would not be identical and the setting up the campaigns would be more laborious, as copy pasting cannot be used. As Chan et al. (2011) said, the rapid increases in the costs of search advertising is already raising the question whether or not use search advertising at all, and for a Finnish tourism SME the other question is: which one to use or should both be used? Almost all results flags in Yandex's favour. As said, SME's especially have limited resources in the sense of time, money and skills, and setting up both campaigns would be double the work. Moreover, Google AdWords is in many cases the more familiar one, as often Google is the platform for domestic search advertising in Finland, which makes it faster to use. Next, the results of the advertising comparison are introduced (see detailed results from appendix 2).

Advertisement style	Total points
American style	8
Finnish style	30
German style	14

Table 3. Advertisement comparison results.

Table 3 shows the results of the advertisement comparison. The full table of the results can be found from appendix 2, where also the differences

between the styles of the advertisements are shown. The impression figures are censored due to the wish of Fishinglandia Ltd. The results indicate that the advertisements build in “Finnish style” performed clearly the best. Finnish style stand for neutral versions of advertisements, which focuses to the keyword and to a clear message. In practical terms this means that, advertisements should be clear and to the point. One reason for the success can be the fact, that search engines are giving better quality points to those advertisements that have keywords in them.

This experiment showed clearly, that without a great landing page (or website as a whole), the campaign will not be optimal. Furthermore, website has an effect to the “quality score”, which again affects to positioning and pricing of the advertisement. For example, the conclusion for Google’s campaign is that the website itself was the problem of the campaign. If the high bounce rate could be decreased dramatically, it would lead also to better cost per action. Advertisement is for attracting visitors to enter a website and afterwards, it is all about the website to do the actual results.

5.3 Segments behind Yandex and Google

In order to answer the research question of this study more extensively and precisely, the users segments behind each search engine should be identified. As Buhalis & Law (2007) stated that search behaviour has a remarkable relationship with lifestyle and demographic characteristics. Notes from Fishinglandia Ltd: the average age of the customer behind the closed deals from this experimental study seems to be higher than the average age of the customers in general. Most of those deals came from Yandex’s search advertisements. Also, the time on site for visitors from Yandex is much higher, not to mention the accurate bounce rates, where Yandex got 16,4 % and Google 53 %. As the website, landing pages et cetera were the same it seems that the visitors from each search engine are very different in nature as they behave completely different in the

same situation. What was the difference between the searchers, this experiment does not give a straight answer, but some speculation is introduced in the discussion section (chapter 6.1).

For a successful and optimized search advertising campaign tourism SME should first of all understand their customers segments and have a proper website. Afterwards, if there is an understanding between the user segments of Yandex and Google, the advertiser knows which service to prefer.

6 CONCLUSIONS

The final chapter of the research discusses the results and findings. Additionally, it considers the limitation of the research and makes recommendations for further research. First however, the summarized results: Yandex performed clearly better in all other measured KPIs, except Google had a better CTR. Search advertising campaigns has to be planned specifically for the selected service, as an universal campaign does not use the full potential or all of the features each service has to offer. For example, in this research the campaigns were similar in both Google and Yandex, which is why advertisements had to be planned for Google AdWords, due to stricter mark limitations. This automatically means, that competitors in Yandex could have had longer and more flexible advertisement texts, which can affect to Yandex's CTR. Furthermore, it is important to include all possible keywords to the advertisement text and to be clear with the advertisement message.

6.1 Discussion

Each search advertising campaign is unique as each advertisers' needs and goals vary. This research offers a theoretical foundation to practical campaigns, but it should not be understood as a guideline for search advertising campaign to tourism SME in Runet due to two main reasons:

- This study did not dig into user profiles of Yandex and Google
- Bid strategy should be adjusted for each keyword-advertisement-search engine trio individually

6.1.1 Theoretical implications

This research was done in cooperation with a Finnish tourism SME and the company's analytical software and website's clickstream were utilized in order to gather data, as the research did not use questionnaires. According to Pesonen (2013) this kind of academic research is not

common, but it is recommended. This research can be used as a benchmark to similar researches in the future. Moreover, academic comparison of Google AdWords and Yandex.Direct are rare, or at least the author could not find any. Researches done in Russian are not searched due to insufficient Russian skills of the author.

Search marketing is constantly changing, which creates challenges also to the academics to keep up with the changes, as Fesenmaier et al. (2010) also stated that the view of online tourism domain changes on a daily basis on academic research, and these changes poses challenges for search engine marketing in tourism. This research is bringing fresh knowledge in order to keep up with the changes and ease the challenges in search engine marketing in tourism.

There is a great number of tourism SME's in Finland, but there is no understanding academically of their Internet utilization in their marketing (Pesonen, 2011). This research gives an overview of how the search advertising should be optimized for the future comparative researches, which focuses on how the search advertising is actually done in the Finnish tourism SMEs.

6.1.2 Managerial implications

Search advertising campaigns can offer not only pure sales, but also other kinds of information. In this experiment, the search advertisements boosted the amount of visitors dramatically, as the website was new. The visitor boost revealed highly valuable information of the speed problem of the website with mobile devices. The difference to other websites is minimal or it was even faster than the others, but it was seen clearly, that a visitor clicking the advertisement will not wait such long loading times. This is just an example of information, which can pop out as a "side product" of a search advertising campaign. Moreover, it is important to remember

when calculating the ROI of search advertising campaign that, the lifetime value is something that does not automatically show in the results.

Both services have their own advantages and minuses. This study tried to make both service alike, which again does not fully use all the capabilities of these services. Concrete example is the advertising building. The fact that Yandex.Direct is way more flexible on building advertisements (more characters and without line limitation) ended up to be a crucial feature. As a comparison: writing Russian is lengthier than writing in English. Creation of a good advertisements in Russian can become an issue with Google AdWords, especially for non-native Russian speaker, as for example small Finnish tourism enterprises. Furthermore, the importance of the keywords in the advertisements seems to increase the efficiency of the advertisement in both services. As it was mentioned, the keywords (search terms) are getting longer, which is again why Yandex would be a better choice, due the flexibility in advertisements.

Understanding the user groups and segments of each search engine would clear the picture in search advertising optimization. Certainly, there is no absolute division, which would solve the issue totally. This research did not focus on the segments behind search engines, but with some rough generalisation can be stated that the visitors from Yandex were older than the visitors from Google. Claim is based on the fact, that Google gathered roughly double the mobile users than Yandex. It can simply mean that Google is more used on mobile than Yandex, but it is justifiable to say that young have penetrated faster to mobile Internet than older. However, the conclusion is that understanding better the users behind the search engines would ease the search advertising campaign process.

Although the results themselves cannot necessarily be used as a guideline in practise, the research shows clearly that small tourism companies in Finland has to be familiar with Yandex, if one wishes to have a successful search advertising campaign in Russia. Furthermore, the Internet has

spread to Russia so widely (Yandex, 2013), that it is a great targeted mass media for Finnish tourism SME's to reach the potential customers in Russia.

6.2 Limitations

The main limitation of this research relate to its generalizability (external validity), as the investigation was only made for one company and one time. However, practically it is hard to convince a small case company for a second round, if it is indisputable fact that the advertising money is not spent optimally in the experiment. For the practical reasons most parts of the sensitive data was not published in this research, which of course is understandable, but certainly limits the study.

As already mentioned, search advertising should be optimized case sensitively, which is a limitation for this study. Small tourism companies can have a product/service for a very special niche of people, and contacting this niche search advertising can be a highly effective tool. In that case, search advertising optimization according to this study might be misleading, but as said, it is case sensitive.

The biggest fall back of the results is the fast changing scene of digital marketing. For example, during this research Google and Yandex announced cooperation in display advertising (Display advertising was excluded from the research from the very beginning.). Such cooperation in search advertising would make this research unnecessary. Such a dramatical change to search advertising seems unlikely, but changes in the advertising services are constant, which again reflect to the results. And again, if all small Finnish tourism companies would start using only another service, it would increase the competition in the bidding in that service and it could leave the another service full of cheap opportunities.

6.3 Suggestions for future research

In the final chapter, suggestions for further research are provided. Purpose of this study was to reveal the overall optimized way to do search advertising in Russia from a specific niches point of view: small Finnish tourism companies. First of all, the results could differ dramatically with a different niche. If there were studies on different niches, and all of them would be analysed, then deeper understanding of the user profiles could be formed and the truly interesting question might reveal: the difference between Russian Yandex and Google user.

Another suggestion is to repeat the study, but without limitations. All features of the both services are in use and the campaigns are optimised independently with the needs of the current competition in the SERP. Research would be highly practical and it would require earlier experience of both services (and from the niche it would be done). Study as such would reveal the real nature of both services and niches competition, especially if the diary of the changes in the campaigns would be kept in detail.

Third suggestion focuses on mobile search advertising. Even though this research gained plenty of traffic through mobile devices and as it was found out that, the website was not suitable enough for a mobile. This research did not dig deep on the mobile search advertising and how the optimization should be done when focusing on mobile advertising. Increasingly the browsing is done via mobile devices, which increases the relevancy of such research.

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APPENDICES

APPENDIX 1

Fishinglandia Ltd was founded in 2011, and since it has been slowly developing its activities. Fishinglandia has not been the main project of the owners, which is why development has been slow. In summer 2013 the development activated. By the owners Fishinglandia is seen “as a project” and the company has a very flexible start-up culture, as the company does not, for example, have a CEO.

Fishinglandia is a company in between tourists and tourism service providers. Goal of the company is to help mainly Finnish service providers to reach potential tourists (at the moment Russians). Company is digital driven as all activities are online. All personnel is Finnish, but Russian language is mastered in the company.

At the moment Fishinglandia has four websites online: fishinglandia.ru is focused on fishing tourism, cottagelandia.ru is focused on cottage-rentals, suomilandia.ru is an information source of Finland to Russians and fishinglandia.fi which is used for marketing to service providers. There are more websites under development, all focusing on tourism.

For Fishinglandia, there are two kinds of customers: Russians (who actually get the service for free) and Finnish service providers, who pay for the clients. Third segment of customers, which is soon embedded to the portfolio, are advertisers, who are paying for the advertising space from the websites.

The case website, cottagelandia.ru, is a new website and it is still updated almost daily basis. The whole business is based on an excellent online visibility (especially SEO) and revenue (at the moment) is done through commissions from the service bookings (commission is received from the service provider, which makes the service free for the tourist).

APPENDIX 2 - 1/2

THEMES and STYLES Topic/style	From AdWords Impression %	Yandex Impressions	Yandex CTR	Google Impressions	Google CTR	Points
RENT						
"AMERICAN STYLE" Easy Cottage Rental	4,77 %	x	6,57 %	x	1,70 %	0
"FINNISH STYLE" Rent Cottage in Finland	83,29 %	x	2,05 %	x	6,46 %	3
"GERMAN STYLE" Rent Cottage in Finland!	11,94 %	x	6,95 %	x	4,39 %	2
WEEKEND/SHORT PERIOD						
"AMERICAN STYLE" Enjoy Cottage Weekend	5,56 %	x	0,70 %	x	0 %	1
"FINNISH STYLE" Weekend in Finland	77,78 %	x	1,17 %	x	0 %	5
"GERMAN STYLE" Rent Cottage for Weekend!	16,67 %	x	0,60 %	x	0 %	1
CHEAP/PRICE SENSITIVE						
"AMERICAN STYLE" No Commissions to you	17,34 %	x	6,25 %	x	4,21 %	1
"FINNISH STYLE" Cheap Cottage Finland	25,73 %	x	5,80 %	x	4,96 %	1
"GERMAN STYLE" Rent Cheap Cottage!	56,93 %	x	0 %	x	6,73 %	3
WITH FISHING						
"AMERICAN STYLE" Fishermans Cottage	6,67 %	x	13,04 %	x	10 %	2
"FINNISH STYLE" Fishing Cottage Finland	56,67 %	x	2,14 %	x	1,18 %	3
"GERMAN STYLE" Rent Fishing Cottage!	36,67 %	x	0 %	x	0 %	0
VIP						
"AMERICAN STYLE" Wish a Cottage in Finland	42 %	x	0 %	x	7,41 %	2
"FINNISH STYLE" VIP Cottage Finland	54 %	x	50 %	x	4,76 %	2
"GERMAN STYLE" Rent VIP Cottage!	4 %	x	1,39 %	x	0 %	1
NEUTRAL						
"AMERICAN STYLE" Easy Cottage Rental	16,78 %	x	2,02 %	x	1,60 %	0
"FINNISH STYLE" Rent Cottage in Finland	4,45 %	x	5,18 %	x	1,86 %	3
"GERMAN STYLE" Rent Cottage in Finland!	66,02 %	x	0,75 %	x	1,25 %	2
ÅLAND						
"AMERICAN STYLE" Exiting Åland Cottages	21,82 %	x	1,95 %	x	0 %	0
"FINNISH STYLE" Åland Cottage Finland	68,79 %	x	1,58 %	x	3,08 %	4
"GERMAN STYLE" Rent Åland Cottage!	6,06 %	x	2,19 %	x	0 %	1

APPENDIX 2 - 2/2

SUMMER

"AMERICAN STYLE" Cottage summer is coming	15 %	x	1,71 %	x	2,94 %	1
"FINNISH STYLE" Summer Cottage Finland	77 %	x	0,62 %	x	4,17 %	4
"GERMAN STYLE" Rent Summer Cottage!	8 %	x	0,99 %	x	3,15 %	0

VILLA

"AMERICAN STYLE" Villa for enjoyers	23,77 %	x	0 %	x	0 %	0
"FINNISH STYLE" Rent Villa Finland	27,87 %	x	8,77 %	x	2,94 %	2
"GERMAN STYLE" Rent Villa Finland!	48,36 %	x	2,19 %	x	0 %	3

CLOSE TO BORDER

"AMERICAN STYLE" Cottage near by	28,24 %	x	0 %	x	5,88 %	1
"FINNISH STYLE" Near border Cottage Finland	63,46 %	x	2,97 %	x	4,19 %	3
"GERMAN STYLE" Rent near border Cottage!	7,31 %	x	5,56 %	x	4,55 %	1

	Total Points
"American style"	8
"Finnish style"	30
"German style"	14