An evaluation of search engine web advertising
in Changcheng Company of China

A study submitted in partial fulfillment
of the requirements for the degree of
Master of Science in Information Management

at

THE UNIVERSITY OF SHEFFIELD

by

ZHENYI ZHAO

September, 2008
Abstract

Background. Search engine web advertising becomes more and more popular in recent years in China. However, it is a new area for small and medium enterprises in China. And it indicates the current situations and problems about search engine web advertising of Changcheng Company in China.

Aims. The research is aimed to evaluate the effect of different search engines for Changcheng Company to do search engine web advertising; to understand the development of search engine web advertising in Changcheng Company; also to analyze the results of evaluation of search engine web advertising and to find out further marketing strategies of Changcheng Company for improving.

Methods. A case study of Changcheng Company is used in this research, and the case study contains data collection, interviews and questionnaires. Three interviews are carried out with the staffs of Changcheng Company. And 80 questionnaires are distributed to the customers of Changcheng Company, and 70 questionnaires are returned. The respondent rate of questionnaires is 87.5%.

Results. Firstly, from the interviews, it finds the visiting rate of different major search engines of Changcheng Company, it indicates that Baidu and Google obtain the highest visiting rate, and 3721 also has some visiting rate, Sina and Sohu only have few. Secondly, through analyzing the visiting rate of different parts of the site of Changcheng Company, it indicates that the home page is visited by users more than other parts. Furthermore, from the interviews, it analyzes the results of evaluation of search engine web advertising. From the questionnaire, it shows business to business customers (92.8%) and the business to consumer customers (7.2%) make up the proportion among the sample. And it also analyzes the feedback and attitude of these customers toward to Changceng Company from the questionnaire.
Conclusion. It summarizes the purpose and main findings of this research. Additionally, it outlines the limitations and gives the recommendations for this research.
Acknowledgements

Firstly, I would like to sincerely thank my dissertation supervisor, Dr. Jonathan Foster, for his great help, guidance and support during the research. His help is important to me and I am most grateful to him.

Secondly, I would like to thank all the staffs of Changcheng Company, without their contribution, it is impossible to finish this research. And I especially want to thank the general manager of Changcheng Company; he gives me grate help to do the research in Changcheng Company.

Thirdly, I would like to thank all the respondents of the questionnaires. Without their corporation and permission, the respondents’ rate would be low.

Finally, I would like to thank my parents for their financial support and encouragement rough the research. Besides this, I also want to thank my friends to help me during the interviews and questionnaires.
Contents

Chapter 1: Introduction ............................................................................................................. 1

1.1 Research background ....................................................................................................... 1

1.2 Statement of problems .................................................................................................... 2

1.3 Research aims and objectives: ........................................................................................ 4

1.3.1 Research aims .............................................................................................................. 4

1.3.2 Research objectives .................................................................................................... 4

1.4 E-business of Changcheng Company ............................................................................. 5

1.5 Organization of Dissertation ......................................................................................... 6

Chapter 2: Literature review ................................................................................................. 8

2.1 What is e-business? ........................................................................................................ 8

2.2 What are the distinct categories of e-business? ............................................................. 9

2.3 Categories of e-business in China ............................................................................... 9

2.4 Marketing communication .......................................................................................... 10

2.5 Current situation of online marketing in China .......................................................... 11

2.6 Search engines and search engine web advertising ..................................................... 12

2.6.1 Search engines and web advertising ......................................................................... 12

2.6.2 Categories of search engines ................................................................................ 12

2.6.3 Search engine web advertising .............................................................................. 13

2.7 Search engine web advertising in China ................................................................... 14

2.8 Characters of search engine web advertising in China ............................................. 15

2.9 Common search engine web advertising in China ..................................................... 16

2.10 Guanxi and customer relationship management in doing the e-business in China .... 17

2.11 Evaluation method and evaluation criteria of search engine web advertising .......... 18

2.11.1 Evaluation of visiting rate of users ....................................................................... 18

2.11.2 Evaluation of customer rate stability ..................................................................... 18

2.11.3 Web Statistic ......................................................................................................... 19

2.12 Evaluation criteria of search engine web advertising .............................................. 19

Chapter 3: Research Methodology ....................................................................................... 21
3.1 Introduction ............................................................................................................. 21
3.2 Case study ............................................................................................................. 21
   3.2.1 Background of Company ............................................................................... 23
   3.2.2 Data collection ............................................................................................... 24
   3.2.3 Interview design ............................................................................................. 24
   3.2.4 Questionnaire design ..................................................................................... 26
3.3 Data analysis ......................................................................................................... 27
3.4 Ethical Issues ........................................................................................................ 27
3.5 Limitations ........................................................................................................... 27
Chapter 4: Analysis ..................................................................................................... 29
   4.1 Introduction ......................................................................................................... 29
   4.2 Findings from interviews .................................................................................... 29
      4.2.1 Why Changcheng Company use search engine web advertising to do e-business
           ......................................................................................................................... 30
      4.2.2 Which search engines does the Changcheng Company choose? ................. 31
      4.2.3 Evaluation of search engine web advertising ............................................... 31
      4.2.4 Evaluation of the behavior of visitors ............................................................. 33
      4.2.5 Evaluation of the visiting rate distribution of a day ..................................... 34
      4.2.6 Categories of customers of Changcheng Company .................................... 35
      4.2.7 The current business strategy of Changcheng Company ............................... 36
      4.2.8 AdSense of Google ...................................................................................... 37
      4.2.9 Useful of web advertising .......................................................................... 37
   4.3 Findings from questionnaire .............................................................................. 37
      4.3.1 Sample composition of questionnaire ......................................................... 37
      4.3.2 Awareness of Changcheng Company ............................................................ 39
      4.3.3 Feedback and attitude of customers toward Changcheng Company ......... 41
      4.3.4 Reason for using search engine web advertising ....................................... 42
      4.3.5 Reason for choose Changcheng Company .................................................. 43
Chapter 5: Discussions ............................................................................................... 45
   5.1 Advantages and disadvantages of search engines for the search engine web
advertising of Changcheng Company ............................................................. 45

5.2 The gaps between the practice and theory of search engine web advertising of Changcheng Company ............................................................. 49

5.3 Compare Changcheng Company to the evaluation criteria .................. 50

Chapter 6: Conclusions ........................................................................... 53

6.1 Summarizes of the dissertation .......................................................... 53

6.2 Limitations ......................................................................................... 56

6.3 Recommendations ............................................................................. 57

   6.3.1 Recommendations for Changcheng Company ............................. 57

   6.3.2 Recommendations for small and medium enterprises .................. 58

   6.3.3 Recommendations for further research ...................................... 58

References ............................................................................................. 60

Appendix I: Questions for interviews ...................................................... 66

Appendix II: Questions for questionnaire .............................................. 72
List of figures

Figure 1 .............................................................................................................. 32
Figure 2 .............................................................................................................. 33
Figure 3 .............................................................................................................. 34
Figure 4 .............................................................................................................. 38
Figure 5 .............................................................................................................. 38
Figure 6 .............................................................................................................. 39
Figure 7 .............................................................................................................. 40
Figure 8 .............................................................................................................. 40
Figure 9 .............................................................................................................. 41
Figure 10 ........................................................................................................... 42
Figure 11 .......................................................................................................... 44
Chapter 1: Introduction

This chapter intends to outline the importance of search engine web advertising with the development of Internet and e-business. Moreover, it states the current situation and problems of search engine web advertising in China. Followed it mentions the aims, scope and objectives of this dissertation clearly.

1.1 Research background

With the rapid development of World Wide Web, research stated that “online information is growing at the rate of 7.3 million web pages per day” (Castells, 2001:90), it indicated that the world today was a world of information based on Internet, so the economic through the Internet became more popular than ever before. E-business provided the enterprises to the opportunity to make their products more marketable all over the world (Davies et al, 2001). Almeida et al (206) and Schmid et al (2001) stated that e-business made a great change to do business for organizations. In recent years, a great number of small and medium enterprises use search engine web advertisement to do e-business in China, search engine is relative a new technology in recent years, and it also becomes more and more popular for small and medium enterprises to do web advertisement to promote e-business marketing in China now. At the mean time, the information from search engine web advertising made the same effect to internet users as other advertisement. Such as banner advertisement of websites, products advertisement of Email.

Chinese search engines are developing for more than ten years. Since April 1994, the Chinese science and physical school connected to internet, search engines experienced three revolutions, from portal websites to professional ordinary search engines to professional personal search engines (Xiao, 2004). There are several search engines for small and medium enterprises to use search engines to do web advertising in China.
Firstly, portal websites as Sina and Sohu, are very popular and important search engines in this area. These websites actually are complexity websites which contains information platform, news, entertainments, online advertisement, and online marketing platform and so on. The classic search engine of Sohu is “Sogou”, and the represent search engine of Sina is “Aiwen”. The target customers of them are aged from 25 to 35, which specific on young and entertainment also include some business. And Sina more focuses on personality products, such as Blog and Knowledge man.

These portal websites such as Sohu and Sina are not related to business search very much, however Baidu and Google are more professional and represented, and the model of them become main e-business model in China. The website design of Google are brief and easy looking, they take key word search as searching technique and operate search engine optimization. Furthermore, they use Spider and page rank these technologies to improve the search based on previous technology.

These search engines use different ways to do the web advertising, they have their own advantages and disadvantages, and they domain certain marketing about web advertising in China. And with the rapid development of Internet, search engines are more and more important for enterprises as the bridge between companies and customers, and more and more enterprises choose search engine web advertising as the way to do e-business.

1.2 Statement of problems
Since Match 2001 the first search engine web advertisement emerged, search engine web advertising has been used widely to do e-business in Changcheng Company in China, and it also has became an important way to extend companies’ brand. At present, search engine web advertising is a new academic research topic in the e-business area in Changcheng Company, and the search engine web advertising is in the primary stage of Changcheng Company, and it is needed to be improved and
Search engine web advertising is one type of the e-business, and it is also an important Internet business. With the increase of computers and Internet, people cannot live without Internet, therefore more and more daily things are put on the Internet, such as newspaper and magazines. As a result, information searching becomes necessary, and this stimulates the development of search engines. And business men combine the business with search engines, so search engine web advertising emerges. According to the research, the search engine users were 970 million in 2005, it was 87.4% of the whole Internet users, this was 7.4% more than in 2004, and 23.6% more than in 2002(iResearch, 2005). This research indicated that there were big space and potential for Changcheng Company to do e-business based on search engine web advertising.

However, because search engine web advertising is a new topic in China in recent years, and search engines are not played fully function in the companies in China, there are many problems and defects needed to be improved. This is because the lack of direction of search engine web advertising to cause the blindness of search engine web advertising in practice. And there are three main reasons that search engine web advertising cannot develop very well in China at present. At first, in China, the environment of search engine web advertising is not mature now; people are not familiar with the conception of search engine web advertising. And at present the main way to do the search engine web advertising of the enterprises in China is purchase the advertisements of search engines or search engine optimization, and they do not really have the concept of search engine web advertising. Besides this, in China, the main users of search engine web advertising are small and medium enterprises but not the large enterprises. Secondly, the practice of using search engine web advertising in enterprises not fit with the theory. The staffs of enterprises lack fully understand about the search engine web advertising, and can not dig the real value of search engine web advertising. Thirdly, traditional business mostly relied on
Guanxi, however search engine web advertising is a totally new a business type which break down the traditional business rules. Therefore Changcheng Company can not use search engine web advertising fully to extend their business, and they also can not get the expected goals.

1.3 Research aims and objectives:

1.3.1 Research aims

This research focuses on the current situation, and do systematic analyzes research on search engine web advertising according to lots of literature and theory knowledge and a case study. This dissertation contains two main parts; the first is to do systemic theories about the development, characteristics and current online marketing, kinds and conception of search engine web advertising. Then take Changcheng Company as a case study to analyze the results of evaluation of search engine web advertising for Changcheng Company.

This research analyzes the results of evaluation of several search engines to do search engine web advertising of Changcheng Company, and tries to bring forward search engine combinations which fit the Changcheng Company of China, hope to make some significance and provide some recommendations, and bring certain improvement for Changcheng Company.

1.3.2 Research objectives

The objectives of this research are focus on what the business value of doing search engine web advertising for Changcheng Company of China. And the research objectives are stated in the following list:

1. To evaluate the effect of different search engines to do search engine web advertising for Changcheng Company.
2. To find the customers feedback and attitude toward search engine web advertising in Changcheng Company.
3. To analyze the results of evaluation of search engine web advertising in
Changcheng Company.

4. To find out further marketing strategies of Changcheng Company for improving.

1.4 E-business of Changcheng Company

Changcheng Company is a small and medium enterprise which built in Wenzhou Zhejiang. It mainly produces diversity and high quality zippers, and it domains certain market around Zhejiang and Shanghai province. And now it already uses search engine web advertising to extend its market and brand. Before using search engine web advertising, they have not used other ways to do e-business. Because the time they decided to do e-business, search engine web advertising emerged and became more and more popular.

Changcheng Company began to do e-business from 2003. And at that time, Internet was popular in China, and with the development of Internet, some companies of this industry already had started e-business. Besides this, at that time, the competition was acute in this industry, and the off-line market was saturation as more competitors entered. All these reasons made Changcheng Company felt that do e-business was very emergency and significant for them.

Changcheng Company considered putting the banner advertisement on the popular website directly at first; however the investigation of marketing department proved this way was not useful and helpful for this industry. Because the visitors of these websites most for searching news or entertainment, not particular for business. The customers who want the products prefer to use professional search engines to search the information. Furthermore, Baidu and Google are more and more popular in China, and later, Baidu is the name of search in China.

So Changcheng Company uses four main search engines to do search engine web advertising. They are Google, Baidu, 3721 and Sina.
The most widely used search engine web advertising by Google is Search engine Optimization, it enables enterprises’ websites to show in the top 10 in Google’s search results page, and this lead to nearly 100% chance to be visited. And its marketing domain is 40.13%, it means that if a enterprise could be shown in the top 10 of Google’s search results, there is 100% chance for 40.13% target customers to visit the enterprise’s websites (Cai, 2006).

Baidu adopts key words price competing rank, it means according to pre-pay for every visit time, the higher the pre-pay price per time, the higher the enterprise’s website rank (Wang, 2003).

Sina perceives fixed rank, according to the different key words and different ranks the enterprises want, the fee is different (Wang, 2003). However, CNNIC (2005) indicated that the search engine web advertising only domain 5.19% of Chinese search engine web advertising market and the rate of return on investment was much lower than Google.

3721: 3721 was established in 1998, and it focuses on Chinese sites services. Users could use 3721 to search for information about internet sites by not remembering the name of IP, and could put in the Chinese words and obtain the information directly. 3721 have covered more than 90% internet users, and is used by over 300million people per day; it is one of the most Chinese search engines in China (Feng, 2004).

1.5 Organization of Dissertation
This dissertation mainly contains six chapters:
Chapter 1 (Introduction): This chapter intends to present the importance of search engine web advertising with the development of Internet and e-business. And followed it states the current situation and problems of search engine web advertising in China. Furthermore, aims, scope and objectives of this dissertation have been mentioned clearly. Besides, it introduces the Changcheng Company which is taken as
a case study in this dissertation.

Chapter2 (Literature Review) This chapter contains four main sections. First is about the e-business definition and theory. This is aim to understand the definition and theoretical knowledge of e-business. Second is about the current online marketing and marketing communication of search engine web advertising in China. Third is about characters and categories of search engines web advertising in China. And finally is about the evaluation method and evaluation criteria of search engine web advertising.

Chapter 3 (Research Methodology): This chapter discusses the research methodology which used in the research. To explain the process of the research design, and to describe the approach, strategies and techniques had been used during the research.

Chapter 4 (Analysis) This chapter presents the research results and analysis of the research.

Chapter 5 (Discussion) This chapter discusses the findings deeply, and to compare and contrast the results with the previous relative research and literature review.

Chapter 6 (Conclusions): This chapter presents a short summary of the purpose of the dissertation and the key findings and results of the research from the case study. Moreover, it gives the limitation that happened during the research and some further recommendations for Changcheng Company and small and medium enterprises of China, furthermore further research and development are also given.
Chapter 2: Literature review

There are main four sections in the literature review. Firstly it presents the e-business definition and theory. This is aimed to understand the definition and theoretical knowledge of e-business. Secondly, it indicates about the current online marketing and marketing communication of search engine web advertising in China. Thirdly, it is about the characters and categories of search engines web advertising in China. Furthermore, it shows the evaluation methods and evaluation criteria of search engine web advertising for Changcheng Company.

2.1 What is e-business?

E-business is a very important and popular research topic in recent years, and what is the definition of e-business? Many researchers have defined the definition. Rayport and Jaworski (2003:2) pointed out that

“E-commerce can be defined as technology-mediated exchanges between parties (individuals or organizations) as well as electronically base intra- or inter-organizational activities that facilitate such changes.”

From this point, it could see that e-business is defined as an electronic tool for exchange to do business. However recent research indicated that e-business was a process which used Internet, World Wide Web and other information technologies to buy and sell goods and services electronically (Kalakota and Whinston, 1997). This definition defines e-business as an electronically trading process. And from these two definitions about e-business, it could see that e-business could make buying and selling products and services electronically, however, this definition is not general.

Besides this, other researchers defines the e-business that it is a using internet, networks, and other electronic technologies to buy and sell products and services and transactions electronically (Laudon and Laudon, 2007).
However, another definition of e-business is clearest and more general, it is as followed:

“... The computerized buying and selling of goods and services between individuals or companies. The computerization spans the entire purchase process including product information and specifications, sales transactions, confirmation of the delivery of goods and services, either digital goods (information software, publication, video, audio) or physical goods and customer service.” (Gaetner and Smith, 2001:347).

It is more likely the current definition of e-business from this definition. And it indicates that the e-business is not only included buying and selling online by computer, it is also included pre and after process to support.

2.2 What are the distinct categories of e-business?

There are four categories of electronic commerce: business to business, business to consumer, consumer to consumer and consumer to business (Rayport and Jaworski, 2000).

Business to business commerce contains purchasing and procurement, inventory management, supplier management, and service and support. And Business to consumer is the exchanges between business and consumers. The transaction of business to consumer is like the business to business. However, in business to consumer, all the customer-facing activities includes sales activities, consumers search, frequently asked questions, service and support are specifically tracked. Consumer to consumer is the exchange among consumers. Consumer to business is the group that customers could concentrate to form and present themselves as a buyer group to business to consumer (Rayport and Jaworski, 2000).

2.3 Categories of e-business in China

According to Saidi (2007), it demonstrated that there were three main categories of e-business in China: Business to business, business to consumers and consumers to
consumers. Jin (2007) indicated that business to business was the most important and focused e-business category. Companies could use Internet or other net to find the best partners for trading. However, e-liang (2008) suggested that the business amount of it was large and therefore it needed more complicated hardware environment. And it rapidly developed based on the Electronic Data Interchange. The research showed that in business to consumer form, consumers could use Internet directly to participant in the commerce; it was like the e-business retailer (Feng, 2004). And (Li and Zhang, 2000) demonstrated that consumer to consumer form was just the business trading between consumers.

(Sun, 2006) also indicated that business to business was the main subject of e-business. The data from Saidi (2007) showed that the business transactions of business to business domain 91.3% of the whole e-business transactions, and the business transactions of business to consumers domain 6.4% of the whole business transactions, and the business transactions of consumer to consumer only domain 2.3% of the whole business transactions. From the date, it could see that business to business is significant for e-business industry.

2.4 Marketing communication
A great number of companies became to seek for more promotional tools of strategic tools during 1980s. And they started to move to the process of integrated marketing communications. And they began to ask for their agencies to combine different promotional tools. And the companies also began to look new tools not belonged to traditional advertising (Black, 2001). Traditional advertising was used by newspaper owners as a necessary and manageable support cost. However, it bears the whole system of mass marketing communication (Drew, 2003). It seems that new advertising tools become popular and important in the process of marketing communication than ever before.
Marketing communication has become significant in a company’s promotional mix as the large impact of internet (Adegoke, 2004). Marketing communication always links with branding. And it refers to all the points of contact that the company has with its customers. Reyport and Jaworski (2001) suggested that the marketing strategies of marketing communication are categorized into four: (1) personalized online communications. (2) General online approaches. (3) Traditional mass marketing (4) direct communications.

Furthermore, Jayport and Jaworski (2003) also indicated that Banner advertisement was the general online approaches, and these advertisement could be showed by different manners of impressions, leads, sales, click-throughs, e-Mail, viral marketing, sponsorship and exclusive partner agreements, affiliate programs, partnerships, innovative customers acquisition, providing information and leverage the customer base (Jayport and Jaworski, 2003:171). And it categorized personalized online communications into 5 kinds, they contained permission marketing, personalized recommendations, personalized advertisements and personalized WebPages and personalized e-commerce stores (Jayport and Jaworski, 2003:178). Moreover, direct communications could be classified into three forms: sales reps, direct marketing and telemarketing (Jayport and Jaworski, 2003:182).

2.5 current situation of online marketing in China
According to iResearch(2007), it showed that the scale of online marketing was 1 billion dollars, and it was increased 44% than 2005. And it even arrived at 1.4 billion dollars in 2007, 38% more than in 2006. And (Xiao, 2004) predicted the online market could achieve 4 billion dollars in 2010 with the rapid development of online market of China. And from the data analysis of iAdTracker( 2005), it indicated that there were 3418 web advertising companies in 2005, and it was 6.6% more than in 2004. And iResearch (2006) showed that there were 3640 web advertising companies in China, and it was 6.4% more than in 2005. According to the research of CNNIC ( 2004) suggested that 43.2% users thought that web advertising was the best way to
do advertisement, and followed were television advertisement, opened advertisement, magazine advertisement and media advertisement. It could see that online marketing was very popular and there were large potential market of it.

2.6 Search engines and search engine web advertising

2.6.1 Search engines and web advertising

On the Internet, the most widely used tool for information retrieval is search engines. It is undoubted that without search engines, information retrieval based on the Internet would fall apart. Search engines use software which continuously goes to web pages to produce the database to generate a database of websites and pages automatically (Cooke, 2001).

Because of the significance of search engines for Internet, people like to search information, goods and service on the Internet by search engines. Therefore search engines e-business (web advertising) emerges. Web advertising contains impersonal commercial content paid for by sponsors, designed for audiences, delivered by video, print, and audio (Briggs and Hollis, 1997:11), and its ranges from corporate logos, banners, pop-up messages, e-mail messages and text-based hyperlinks to official web sites (Briggs and Hollis, 1997).

And the research also indicates that a great number of proportions of the money were spent on television, however the money for these companies would be spent on web advertising in the future (Korgaonkar, Silverblatt and O’Leary, 2001). It seems that search engine web advertising would be important in the future.

2.6.2 Categories of search engines

Oppenheim al et. (2000) categorized search engines into four types; they were robots, directories, meta-search engines and software tools. However other research showed the way simply that the search engines contained robots, directories, meta-search engines, geographic particular sources and focus special sources (Jenkins al et.,
In China, it categorized search engines into two kinds: full text search engine and classified catalog search engine (Cai, 2006).

**Full text search engines:** these search engines are the search engines that established sites database by obtaining information from other sites. The information obtained is categorized into two types: one is regularly search that search engines used spider program at set intervals (such as Google, it was usually 28 day) search for internet site with IP address ranges. And another is submitting site search, that is the owner of sites submit the sites to search engines initiatively, and with certain intervals (from 2 days to months) send spider program to the sites to scan the sites and save the information into database, in order to be searched for users (Jiang, 2003).

**Classified catalog search engine:** compare to full text search engines, classified catalog search engines are so different. At first, full text search engines could search internet sites initially, however classified catalog search engines totally depends on hand operation. Furthermore, full text search engines always can be successful when obtain internet sites unless illegal, however, classified search engines should put the internet’s sites in the most suitable catalog. Moreover, classified catalog search engines should fill with sites’ information manually and had diversity limitation (Xiao, 2004).

And (Feng, 2004) indicated that there was a trend of a combination of full text search engines and classified search engines in China.

**2.6.3 Search engine web advertising**

Search engines have different client base with other commercial database products/vendors such as Ovid, Lexis-Nexis and others. However, client are not grateful to pay for a retrieval service on the Web, and the search engine company started to experiment with an advertising model and sold advertising “based on the number of hits or people who visited their site.” (Moxley, et al., 2004:16). It
suggested that search engine web advertising emerged for making revenues.

In recent years, more and more companies prefer to use web advertising for their products or services. Web advertising seems to be more important than previous vehicles, and Gallagher et al. (2001) indicated that web advertising would be as effective as advertising in more traditional media. And other research also suggested that web advertising would increase stable and perhaps would be more effective in brand union than TV or publishing advertisement (Briggs and Hollis, 1997). Besides this, consumers have more choice with web advertising, so they could see how much commercial content they like to view, when they would like to view, and they also can collect pricing and product design information, explore promotions, arrange delivery and receive post purchase support (Korgaonkar and Wolin, 2002). And the research showed that search engine web advertising access to so much information for a great number of people in democratizing, and maybe it is much more than any other information retrieval tools before them, such as television advertising, magazine and newspaper advertising, and radio advertising (Moxley, et al., 2004).

2.7 Search engine web advertising in China

The A.C Nielsen pointed out that expenditures of advertising were up to 11.2 billion US dollars in 2001 in China (China Contact, 2002). The Chinese Internet users were more than 94 million by January 2005 (CNNIC, 2005), and in 1997 the Internet users climbed to more than 600 million (CNNIC, 1997). This dramatic increase stimulated the Chinese government to promote economic growth by the Internet; as a result, the Internet had increasingly occupied marketers and advertisers (Maddox and Gong, 2005).

Since the first web advertising by search engine in 2001, web advertising has been widely used in the small and medium enterprises in China and it also become important tools to extend company’s brand. Gong and Maddox (2005) stated that more than half of the Internet users had positive attitude to web advertising 66% of
the Internet users thought web advertising were more” forward-thinking” in China. However, with the development of web advertising in China, problems emerged continuously, according to iResearch(2005), 85% Internet visitors would like to select their request websites in the previous 10 pages, and when the enterprises’ advertisements showed behind the third pages, the chance to be visited was less than 4%. This is the main reason that a great number of small and medium enterprises cannot perceive good profits although establishing search engine web advertising websites. And there is also little research about the specific strategies for small and medium enterprises to do web advertising by search engines.

2.8 Characters of search engine web advertising in China

Zhao (2005) indicated that search engine web advertising was one type of the e-business, and compared to other kinds of e-business, it had its own characters in China.

Feng(2004) concluded the characters of search engine web advertising into six kinds:

1. The effects of search engine web advertising were showed by the increasing site visiting rate not sales increasing. (CNNIC, 2004) indicated that search engine web advertising as a way of e-business, the main purpose of it was to promote visiting rate, and increasing visiting rate was the core content of search engine web advertising.

2. Search engine web advertising could achieve high level position. iResearch (2005) suggested that the main characters of search engine web advertising was that it could accurately analyzed and high level posited toward users, and paid high attention to these search engine web advertising information can enhance the purpose.

3. Search engine web engines have close relationships with enterprises’ sites. (Jiang, 2003; Wang, 2003) suggested that search engine web advertising was a tool to popularize enterprises’ sites, therefore it based on the sites of enterprises. The enterprises’ sites designed specialization directly affected the achievements of search engine web advertising.
4. Search engine web advertising should adapt to the changing environment and development of internet.

5. Search engine web advertising is domain by users in the whole process. (Zhang, 2005) showed that in the information searching process, users chose types of search engines and decided what information to search. It could reduce troubles for users.

6. Search engine web advertising only plays the role of guide action. What search engines search is the index of enterprises sites’ information; they are always his simple introduction of sites. (Mambula, 2002) indicated that search engine web advertising just a guide for these companies, in order to attract the customers to pay attention on the companies’ sites.

2.9 Common search engine web advertising in China

(Schmid, 2002) indicated that web advertising had become significant and attract more and more enterprises. However with the rapid development of web advertising, the way to do web advertising becomes diversity, and companies should change their way to adjust these changing environment. (Turkle,2005) also showed that it was important for enterprises to change their marketing position, business strategies and marketing communication approaches to adjust the changing environment. And for search engine web advertising, it was important to change their combinations of search engines (Xiao, 2004).

(Zhang, 2006) concluded four most popular search engines of search engine web advertising in China:

Google: The most widely used search engine web advertising by Google is Search engine Optimize, it enables enterprises’ websites to show in the top 10 in Google’s search results page, and this lead to nearly 100% chance to be visited. And its marketing domain is 40.13%, it means that if a enterprise could be shown in the top 10 of Google’s search results, there is 100% chance for 40.13% target customers to visit the enterprise’s websites (Cai, 2006).
Baidu: Baidu adopts price competing rank, it means according to pre-pay for every visit time, the higher the pre-pay price per time, the higher the company’s website rank (Wang, 2003).

Sina: Sina perceive fixed rank, according to the different key words and different ranks the enterprises want, the fee is different (Wang, 2003). However CNNIC (2005) indicated that the search engine web advertising only domain 5.19% of Chinese search engine web advertising market and the rate of return on investment is much lower than Google.

3721: 3721 was establishing in 1998, and it focused on Chinese sites services. Users could use 3721 to search for information about internet sites by not remembering the name of IP, and could put in the Chinese words and obtain the information directly. 3721 have covered more than 90% internet users, and is used by over 300million people per day; it is one of the most Chinese search engines in China (Feng, 2004).

2.10 Guanxi and customer relationship management in doing the e-business in China

Guanxi is definite as the particular relationship between two networks to make the business more easily (Buttery and Wong, 1999). It is useful and helpful to do business with Guanxi in China. Moreover, the only way to get things done was Guanxi since 1949 in China (José Tomás Gómez, 1998). However, with the rapid development of internet, the traditional businesses are replaced by e-business, and Guanxi will become a problem for enterprises. China is trying to change the way to do business and get away from the Guanxi system (Fan, 2002). However, as the e-business emerges, and traditional businesses are replaced, Customer Relationship Management becomes an important fact for e-business. Customer Relationship Management

“is an integration framework and a business strategy, not product. Putting Customer Relationship into practice requires development a set of integrated applications to address all aspects of your
front-office needs, including automating customer service, field service, sales, and marketing.” (Kalakota and Robinson, 2001:53).

However, it is totally different between Guanxi and Customer Relationship Management. Guanxi is used to get the scarce resources and information which only can be obtained by this way (Davies et al., 1995; Su et al., 2003). And Customer Relationship Management is established for serving customers and makes them more satisfied and it is more focused on information and management (Couldwell, 1999).

Guanxi and Customer Relationship Management refer the gap between traditional business and e-business; it needs to be focused on.

2.11 Evaluation method and evaluation criteria of search engine web advertising
Search engine web advertising achievement evaluation is one of the most important things in the process of e-business. It could find out where the visiting rate from by analyzing the data of internet sites’ visiting (Motes, 2004). And it is suitable for several of search engines, such as entry search engines and search engine optimize. And from the evaluation, it could reflect the effect of search engine web advertising of search engines (Cai, 2006).

2.11.1 Evaluation of visiting rate of users
(Rinne, 2002) indicated that promoted communication with users was not equal to obtained the target customers, such as the customers refused to corporate with the companies for several reasons. Therefore it is a very important fact to evaluate the behavior of users, and wish to track and analyze through evaluating the visiting rate of users, in order to improve the business strategies (Razi, 2004).

2.11.2 Evaluation of customer rate stability
Customer rate is the basic of the enterprises, and it needs the customers in order for lasting development of enterprises (Guay and Ettwein, 1998). Thus it is significant
for enterprises to evaluate the customer rate stability of search engine web advertising. In other words, it is to check whether the visiting rate change within the period. (Sun, 2006) indicated that the enterprises should pay high attention if the visiting rate changed too much. And it should analyze the reasons and adopt measures for improving.

2.11.3 Web Statistic

(Yu, 2003) showed that the enterprises usually used Web Statistics 6.0 to evaluate the visiting rate and visiting source of search engine web advertising in China. And Web Statistic 6.0 always is used statistic data and chats to arrange and analyze, and display the evaluation.

2. 12 Evaluation criteria of search engine web advertising

Whether the search engine web advertising is successful should be measured by several criteria (Haskins and Kendrick, 2003). Feng (2004) suggested that there were four levels to evaluate whether search engine web advertising was successful in different stages. They were existing level, performance level, attention level and transition level.

(1). Existing level
It is the first level in doing search engine web advertising. In this level, the main criterion is to evaluate whether the company site is embodied by the main search engines.

(2). Performance level
The main purpose of this level is that the company site could obtain good page rank on these search engines.
(3). Attention level
The purpose of this level is about the criteria of whether the visiting rate of company site is high on these search engines. And the measure method is to use Web Statistic 6.0.

(4). Transition level
In this level, the criterion is to evaluate how many uses are transited into customers. This is a promoted of the three levels.
Chapter 3: Research Methodology

This chapter presents the research methodology which used in the research. To indicates the process of the research design, and to describe the approach, strategies and techniques which have been used during the research.

3.1 Introduction

This chapter sets out the research process used for this research. Mason (1996) indicated that research methodology was a strategy of inquiry which goes from the underlying philosophical assumptions to research design and data collection. The choice of research methodology would influence the way in which a researcher collects data, therefore it is significant to choose the methodology for the research.

There are different skills, assumptions and research practices implied into different research methods. Research methodology also can be identified into various ways as followed: Quantitative and Qualitative approaches or Inductive and Deductive approaches. And in this research qualitative approach is mainly used.

The purposes of this research are: 1. To evaluate the effect of different search engines to do search engine web advertising for Changcheng Company. 2. To find the customers feedback and attitude toward search engine web advertising in Changcheng Company. 3. To analyze the results of evaluation of the use of search engine web advertising in Changcheng Company. 4. To find out further marketing strategies of Changcheng Company for improving. Therefore, it uses a case study. And this case study is based on the Chnangcheng Limited Company.

3.2. Case study

This chapter presents a case study of Changcheng Company. Case study research is the most popular qualitative method (Alavi and Carlson, 1992; Orlikowski and Baroudi, 1991). Case study is a strategy of inquiry and also a methodology or a comprehensive research strategy (Denzin & Lincoln, 2005; Merriam, 1998; Yin,
And there also the research suggested that:

“Case study research is a qualitative approach in which the investigator explores a bounded system (a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information (eg. Observations, interviews, audiovisual material, and documents and reports), and reports a case description and case-based themes.”


From this, it could see that case study is a methodology that based on data collection from diversity information; so in this case, it chooses interviews and questionnaires to collect data.

This case study is aim to evaluate the effect of different search engine web advertising and to analyze the evaluation of the use of search engine web advertising for Changcheng Comapny of China. And find out further marketing strategy of Changcheng for improving. There are three sections involved in this case study: data collection, interviews and questionnaires. The interviews and questionnaires are contained in this case study in order to supply the qualitative data and quantitative data for the case to find the results, and then according to the results and discussions of the case study, it could extend to see the phenomenon of the general situation of small and medium enterprises in China.

There are six types of information to collect in the case study: documents, archival records, interviews, direct observations, participant-observations, and physical artifacts (Yin, 2003:68). It showed that interviews were an important way to collect information for the case study. Thus interview was adopted in this case study for data collection.

The questionnaire is carried out with the customers of Changcheng Company, in order to find out how the web advertising affects the customers’ behavior, and whether the web advertising attracts more customers. About the data analysis it uses
particular statistic software and excel to evaluate the click rate of different search engines web advertising information of ChangCheng Company; it is in order to evaluate the effect of different search engines web advertising for Changcheng Company. Questionnaire is a good way to conduct the research for data collection, and this is because it helps to reach out to a large number of respondents and collecting a wide range of data from different respondents, and in this case a great number of respondents should identify the research aims and objectives. The purpose of using questionnaire is that it could collect reliable data. However, using questionnaire also has its own disadvantages. Because the general low response rate caused by the personal reasons of respondents, and for the answers of the questionnaire, they are not very accurate because of the mood of respondents.

3.2.1 Background of Company
Changcheng Company is a small and medium enterprise which built in Wenzhou Zhejiang. It mainly produces diversity and high quality zippers, and it domains certain market around Zhejiang and Shanghai province. And now it has already used search engine web advertising to extend its market and brand. Before using search engine web advertising, they have not used other ways to do e-business. Because the time they decided to do e-business, search engine web advertising emerged and became more and more popular.

Changcheng Company began to do e-business from 2003. And at that time, internet was popular in China, and with the development of internet some companies of this industry already started e-business. Besides this, at that time, the competition was acute in this industry, and the off-line market was saturation as more competitors entered. All these reasons make Changcheng Company feel that do e-business is very emergency and significant for them.
3.2.2 *Data collection*

Data collection offers one more instance for assessing research design within each approach to inquiry (Crewswell, 2006).

In this research, in order to obtain the qualitative data of history, evaluation and achievement of search engine web advertising of Changcheng Company, and the quantitative data of feedback and attitude of customers of Changcheng Company. It uses interviews and questionnaires. It takes 3 days to do the interviews and 14 days to do the questionnaire. The interview is face to face and recorded the whole process. The questionnaires are administered by Mr. Zhang, who is the general manager of Changcheng Company. And because of the reason of distance, 80 questionnaires are distributed by email. And only 70 questionnaires were returned on August 8, which out of a total of number of 80 questionnaires sent out that went with the study, making the response rate to be at an 87.5 percent. This response rate almost could represent the response rate of Changcheng Company, because there are around 100 customers of Changcheng Company, and because of some customers are individual and are not kept in recorded, they can not be connected, 80 customers participant in this questionnaire.

3.2.3 *Interview design*

In this case study, three interviews are carried out with general manager, marketing manager, and one engineer of Changcheng Company. These interviews have been developed from a series of deep and open questions. And the interviews questions are designed according to the sample interview protocol (Creswell, 2006). All interviews ranges between 40 minutes to 1 hour. Hughes (2002) suggested that the transcripts were coded with concepts and transformed and simplified intent to make the display, analysis and comparison more easily. Therefore all interviews were recorded and transcribed in Chinese, and it is also translated into English version. The coding is in order to be helpful for the further analysis.
The purposes of conducting these three interviews are to collect qualitative data about the current situation, business strategies and the development of Changcheng Company. When doing the interviews, some ethical issues are paid attention to. These three interviews obtained permission before from the participants. And the permissions were obtained on 1st of July, and then the interviews began on 25th of July. One of the interviews with the general manager of Changcheng Company was conducted in the company from 3:00 pm to 4:00 pm on July 25, 2008. One interview with the marketing manager of Changcheng Company was carried out in the company from 3:00 pm to 4:00 pm on July 28, 2008. And the last one with engineer was conducted in the company from 3:00 pm to 4:00 pm on July 29. The interviews are carried out face to face, and the whole process is recorded, and transcripts. The questions of interview are mainly focus on these aspects:

1. The role of the interviewees in the Changcheng Company. These questions were intended to obtain the information about the responsibility of interviewees and the current operation of the Changcheng Company.
2. The reason to choose search engine web advertising as the way to do e—business. These questions were in order to collect the qualitative data about why use search engine web advertising for Changcheng Company.
3. The method to evaluate the achievements of search engine web advertising for the company. These questions were designed to know the way of evaluation.
4. The results of the evaluation of search engine web advertising. These questions were designed to obtain quantitative data about the results of evaluation.
5. The business strategies of the search engine web advertising of Changcheng Company. These questions were desiged to know the opinion of Changcheng Company of business strategies of search engine web advertising.
6. The future plan of Changcheng Company.

All these questions attempted to obtain the qualitative data for the research.
3.2.4 Questionnaire design

The questionnaire design is according to the form of Silverman (2006). 80 questionnaires were distributed to the customers of Changcheng Company randomly by email. The reason for choosing email to do questionnaire is that the customers were not specific on one city, they are in different cities, and a lot of them lived very long distance from Changcheng Company, therefore email is the best way to do the questionnaire. And before distributing the questionnaire, the permissions are obtained both from general manager and the customers of Changcheng Company on July 1. To make sure the findings validity and reliability, if the respondents do not fall under these categories, the questionnaire was not considered. There are 14 days to spend on questionnaire. To consider the customers of Changcheng Company actual opinions are necessary to all of them are required to choose the answers according to their initial first impressions.

There are two parts involved in this questionnaire in order to find out the feedback and attitude to the search engine web advertising of Changcheng Company. The first part is about the background of the customers. There are three questions in this part about the personal information of customers to categorize which kind of customers they are and whether they had the e-business experience before. And after that there are 11 questions which mainly focus on these aspects:

1. How do you become aware of Changcheng Company?
2. Will you consider trying to find more information about Changcheng Company Online by search engines?
3. Which website do you get the information of Changcheng Company?
4. Does information you get from these search engine web advertisements about Changcheng Company satisfied or not?
5. What information do you like to get in the Website of Changcheng Company?
6. What is the quality of the information you find in the website of Changcheng Company?
7. Why do you choose search engine web advertising to search for the information?
8. Which search engine web advertising do you think the most useful in finding the information?
9. What the reason make you choose Changcheng Company?
10. Do you think it is good to use search engine web advertising to do e-business for Changcheng Company?
11. Will you choose Changcheng Company again?

Question 1 and question 2 intend to find out whether they wanted to search for Changcheng potentially. Questions 4, 5, 6 and 7 and 9 are designed to find the feedback and attitude of customers for using Changcheng websites. Question

Participants of the questionnaire and interviews should keep anonymous through the whole research if necessary. Responses they afford must be untraceable and unidentifiable to the participants who provide them (Peterson, 2000). And the information of questionnaires and interviews is all kept in secret, as soon as the research finished, these questionnaires are destroyed.

3.3 Data analysis.
In this research, because the data was not complicated, it chooses Excel to do the data analysis. Therefore systematic analysis of the questionnaires uses Excel.

3.4 Ethical Issues
The permissions is obtained from the managers and customers of Changcheng Company in order to ensure that participation with the questionnaires and interviews are fully voluntary and promised to be anonymous and totally confidential.

3.5 Limitations
There are several limitations included in this research as the limitation existing in the interviews and questionnaires.

Firstly, the time and money is not enough administer to do more interviews and a
great number of questionnaires, so it might affects the validity and representation of the result.

Secondly, due to the area limitation, some customers are so long distanced and can not be connected easily.

Thirdly, some questions may have influenced the reliability of the findings because of their sensitivity.

Finally, the response rate of questionnaire is also a limitation in this research.
Chapter 4: Analysis

This chapter presents the findings from the research, and to analyze them deeply.

4.1 Introduction

This chapter intends to analyze findings taken from case study that are contained by interviews and questionnaires. According to the findings of questionnaires and interviews, the main objective of this project to evaluate the search engine web advertising of Changcheng Company in China is found. And the main findings are analyzed deeply.

4.2 Findings from interviews

In this case, three interviews are carried out with three people of Changcheng Company, and they are engineer, marketing manager and general manager. The general manager is in charge of the whole business of Changcheng Company. He needs to check all the reports which include the data analysis from engineer and business plans and strategies from marketing department and then made the final decisions. Moreover, he needs to connect with the off-line customers and keep good relationship with them. The main responsibility of engineer is in charge of e-business website of the company, and their website generally uses for commerce and communicates with customers and maintains the operation of the website. Furthermore, engineer deals with the orders from internet and the feedback or complain from customers usually. This is very important for the company who just began to do e-business and has little experience. Besides, the engineer also needs to analyze and compare the visit rate and other data of the website in order to support the marketing department by doing reports, because the marketing department should make out the business plans and strategies for Changcheng Company based on these reports. The main job of marketing manager is to do marketing investigation and marketing evaluation for the company, and according to the investigation and evaluation to make out the business plans and strategies. Additionally, she also should make emergency changes of the business strategies if there were any
changing in the market.

4.2.1 Why Changcheng Company use search engine web advertising to do e-business

The general methods to obtain the date of the interviewees’ insight and experiences this are through open interviews (Stellitz et al, 2006).

According to the interview with general manager, Changcheng Company was established in 1984, and they began to do e-business from 2003. And before to do e-business, the popularity of Changcheng Company was very low in this industry, and there was hardly very little business with internet. At that time, the development of internet was dramatically, and some small and medium enterprises had already started to use internet to do e-business and e-commerce in this industry. Besides this, the competition became more and more accurate in the mean time, and the off-line zipper market also became saturation with the development of e-business. Therefore develop the on line market was significant for them, and Changcheng Company choose to do e-business to develop on line market.

There are several ways to do e-business to extend on line marketing, and finally Changcheng Company chooses search engine web advertising. The reasons are as followed: 1. At first, Changcheng Company considers using banner web advertising online directly. However, from the results of the investigation of marketing department, banner web advertising online is not suitable for Changcheng Company. Because banner advertising online is always put on the portal website, and the customers and visitors of these websites are mainly for the news and entertainment, and these websites are not professional and specific for the business companies like zipper industry. 2. Secondly, because of the limited of finance and human resource issues of Changcheng Company, the main purpose of them is to make sure to increase the website visiting rate and company popularity under the marketing budget. And since that time, Baidu and Google had become more and more popular in China, and Baidu even became the name of search later. Changcheng Company
thought that chose search engine web advertising was the best way and the fastest way to promote the popularity and increase the sales.

4.2.2 Which search engines does the Changcheng Company choose?
According to the interview with engineer of Changcheng Company, in order to consider making the company show up in the internet in short time and also guarantee the exposure rate, Changcheng Company chooses several search engines to do search engine web advertising. The search engines are mainly categorized into three types: search engine entry, search engine optimization and search engine rank.

For the search engine entry, Changcheng Company mainly choose 3721, sina and Sohu these three large websites of China. And from the comparison, it shows that 3721 could combine with web browser perfectly, by using 3721, visitors do not need to open any website, just by putting in the key word into the ID, and it could use the 3721 service to search. For this way, even the customers and visitors could search for the information without remember the internet sites. And it could lower the knowledge requirements of customers and widen the visit coverage. For the search engine optimization, firstly focus on the optimization of search engine technology, and at first make the spider programmer to find the site of Changcheng Company. It is critical for Changcheng. And this step should take one week.

4.2.3 Evaluation of search engine web advertising
Web Statistics 6.0 software is the professional software to record the source of visitor, and to compare visit rate from different search engines to know the distribution of different search engines.
From the evaluation of Web Statistics 6.0, it indicates that Changcheng Company mainly puts their attention on these search engines: Google, Baidu, 3721, Sohu and Sina. And the results of evaluation from Changcheng Company’ reports of 2007 are as followed:
(1) the visiting rate from 3721, Sohu and Sina domain certain, and out of them, the returns of investment of 3721 are the best, domain 11.2 percent.

(2) the visiting rate from Google and Baidu was much higher than the others, they domain 84.5 percent of the whole visiting rate.

(3) since the operation of search engine entry and search engine optimization, the information of Changcheng Company also emerges in other search engines, such as Yahoo. And according to the report that the general manager showed to us, it indicates that the purpose to use Google and Baidu for search engine optimization is very acute, and Changcheng would enhance this way to do search engine web advertising. And the figure 1 of the visiting rate of different search engines per day of 2007 from the report of Changcheng Company followed is the visiting rate of these search engines.

![visiting rate of search engines](image)

**Figure 1**

From the figure 1, it indicates that the visiting rate of Baidu is the highest, this maybe because Baidu is the most popular search engine in China, and it fits the use habit of Chinese users. Additionally, Google as one of the most popular search engines in China, the visiting rate is also very high. Furthermore, 3721 is also an important way for internet users to visit Changcheng Company. Moreover, beside Google, Baidu and 3721 these three websites, Sohu, Sina and Yahoo also have some visiting rate.
4.2.4 Evaluation of the behavior of visitors

It could achieve the information and valid and reliable data of real world through interview data (Stelltitz et al, 2006). The evaluation and analysis of visitors’ behavior of search engines could reflect the activity and affectivity of internet. And through this evaluation, Changcheng Company could know which part of their website is welcomed by the visitors, and which part of the website is not welcomed by the visitors, and according to this to analyze the reason of unwelcomed and find the way to improve. Figure 2 of page visiting rate of website from Changcheng Company’s report is as followed:

**Figure 2**

From the figure 2, it could see that the visiting rate of home page domain 38% of the website, products display domain 35%, evaluation reports domain 20%, industry standard domain 4%, customer service domain 2%, and contact us domain 1%. It shows that the exposure rate of home page of a website is higher than other parts of the website; therefore the visiting rate of home page is high. Products display also occupies a high visiting rate, and it indicates that potential customers would like to check the products of the Company at first, and it includes the quality, types, color and texture of products. They would make decision whether to choose this company by considering this. Furthermore, the evaluation reports domain 20%, it is neither low nor high, it could see that the customer wanted to check the authorized
certification and evaluation to make sure whether the products satisfy them, because there may be some fake products or cheating when did e-business in China, and it is significant to show the customers the authorized certification for products. Moreover, the customer service domain 2%, it suggests that the customers pay attention on the customer service. Customer relationship management is becoming more and more important in the e-business industry; it could enhance the reputation of the company and also could establish the royalty of customers. So Changcheng Company should make a lot of attention on it. And besides these, contact us domain 1%, it indicates that only 1% customers accepts the service that Changcheng Company supported, and they also wants to get more detail about the company. These purposes of these customers are very definite. It indicates that only 1% users are transited to customers, compare to the evaluation criteria level four (Feng, 2004), it does very badly.

4.2.5 Evaluation of the visiting rate distribution of a day

The evaluation of the visiting rate distribution of a day is in order to check the stability of the operation of website by analyzing the visiting rate during some times. Figure 3 of the visiting rate distribution from Cjamngngcheng Company’s report from 1st February of 2008 to 22nd February 0f 2008 is followed:

![visiting rate distribution]

**Figure 3**

From the figure 3, it could see that the visiting rate distribution of a day is changed periodically. From the week, on the whole, the visiting rate decreases from Monday to Friday, but the width is not large, however, the visiting rate of Saturday and
Sunday decreases obviously, and it flows regularly within the range as a whole. From the visiting rate of 24 hours a day, the visiting rate generally focuses on 8:00 am to 11:00pm, and the peak time is from 9:00am to 11:00am and from 2:00pm to 5:00 pm, this is because of the work habit of Chinese.

And from these analyzed data, it could see that the visiting rate of Changcheng Company always keeps relative stability. And the stability data also indicates that the customers from search engine web advertising maintain certain quantity. Furthermore, from the statistics of the visiting rate of 24 hours, it shows that the visiting rate usually focuses on from 8:00am to 11:00pm, and the peak times are specific on these two periods: 9:00am to 11:00am and 2:00pm to 5:00pm. And this period is the work time of Changcheng Company, and it matches with the purpose of customers, because during this time, the potential customers search for the website of Changcheng Company. Additionally, from the analyzed data, it suggests that the visiting rate is minimum from 0:00am to 7:00am, and it is relative with the work and rest time.

4.2.6 Categories of customers of Changcheng Company

This finding is related to the categories the distinct of e-business in the literature review. Changcheng Company categorizes customers into two different types: on-line customers and off line customers. Off line customers are always old customers and they have long and good corporation relationships with Changcheng Company before e-business emerged. They are the most important customers of Changcheng Company and have a lot of orders for the company. Another type was on-customers, in another word; it is e-business customers. And there are three types of e-business: Business to Business, Business to consumer, and consumer to consumer. For Changcheng Company, the main online business types are business to business and business to consumer. Online customers were mainly the customers’ relationship is established on the internet. They are almost virtual for Changcheng Company, after a period of time; some of them would become the royalty and long
relationship customers of Changcheng Company. Usually, the royalty and long relationship customers are business to business types and individual customers are hard to become the royalty customers of the company. The main target customers of Changcheng Company are online and offline royalty and long relationship customers.

4.2.7 *The current business strategy of Changcheng Company*

To extend the market and attract more customers, the marketing department spends most of their time on marketing investigation and evaluation. The current business strategy of Changcheng Company is that using different search engines for web advertising, and according to the advantages and disadvantages of these search engines to change the investment.

From the analyzed reports, Changcheng Company put most of their investment into Baidu and Google, the visiting rate of Baidu is the highest, however, Google have larger marketing and more professional technology in search engine area. Google and Baidu have their own advantages and disadvantages; Google is professional and world wide. And Google is the biggest search engine all over the world. Baidu is only focus on the customers of China. Therefore for Changcheng Company, it changes the investment according to different situations. Furthermore, 3721 have certain advantages in China, so Changcheng Company spends some investment on it, but not too much. Besides, Changcheng Company spends not very much investment on Sina and Sohu. Because the effects of these two search engine web advertising are not well according to the analyzed data and reports. Through the analysis and comparison, Changcheng Company chooses search engine entry for the short term to do search engine web advertising, and chooses search engine optimization to do medium and long term search engine web advertising.
4.2.8 AdSense of Google

AdSense is an advertising serving program of Google. Companies could put text, image and video advertisement on their websites through this program. And Google is in charge of these advertisements and also generate revenue from them. Changcheng Company does not use AdSense of Google now, and they will accord the achievement of search engine web advertising and the change of business strategies to decide whether to use AdSense in the future. They think although Google is popular in the search engine industry, it more focuses on international.

4.2.9 Useful of web advertising

Before using search engine web advertising, Changcheng Company had not used other ways to do e-business. Because the time they decide to do e-business, search engine web advertising emerged, so they chose search engine web advertising. And the achievement of using search engine web advertising is positive, although at first the achievement was not obvious, after a long time through investigation and adjusting, it became better than ever before and the achievement is very well. After 2 years, appropriate business strategies according to marketing and websites evaluation were made, and they get great achievement.

4.3 Findings from questionnaire

This section based on the data collection from questionnaires.

4.3.1 Sample composition of questionnaire

The respondent rate of questionnaires is 87.5%. There are mainly around 100 customers of Changcheng Company and because the record reason, only 80 questionnaires are distributed to the customers of Changcheng Company and there are 70 valid completed questionnaires are returned. There are two sections of the questionnaire, the first section is to check the background of the customers, and the second section is to investigate the feedback and attitude toward search engine web advertising of Changcheng Company.
From the first section of the questionnaire, it shows that the business to business customers (92.8%) and the business to consumer customers (7.2%) make up the proportion among the sample. Furthermore, above them, 85.7% customers are the long term corporation relationship with Changcheng Company, and 14.3% are the short term corporation relationship with Changcheng Company. It indicates that the main customers of Changcheng Company are business to business long term corporation relationship customers. Additionally, the customers are composited by 40% local company, 50% long distance Company and 10% international company. From this, it could see that the main market of Changcheng Company is in China. However, in these companies, only 40% have the experience of doing e-business before. The following charts Figure 4, Figure 5 and Figure 6 shows the results:

![Customer Types](image1)

*Figure 4*

![Company Types](image2)

*Figure 5*
4.3.2 Awareness of Changcheng Company

42.5% customers become aware of Changcheng Company from on line information by search engine web advertising, and 45.8% know Changcheng Company from the introduction of friends, it is the Guanxi of China, and 11.7% become aware of Changcheng Company from other channels, such as banner advertisement offline and newspaper advertisement. Moreover, these customers know Changcheng Company from the banner advertisement offline and newspaper advertisement are almost the local customers, because of the finical limited, Changcheng Company only have the advertisement offline in the local places and newspapers. Furthermore, above the whole customers, 78.5% customers would like to consider trying to find more information about Changcheng Company online by search engines, the reason for not 100 percent customers would consider to do this is that some customers are individual customers, and they do not always want to corporate with Changcheng company. But some of them are royalty long corporation relationship with Changcheng Company, and they always have fixed order to Changceng, so they do not need to find more information online, staffs of Changcheng would tell them the updated products information. And above the 42.5% customers who become aware of Changcheng Company online, 50% customers get the information about the website of Changcheng Company from Baidu, and 28.5% get the information about the website of Changcheng Company from Google, and besides, 11.4% obtain the information about the website of Changcheng Company from 3721, and 10.1% get
the information about the website of Changcheng Company from Sohu, Sina and Yahoo. It indicates that Baidu is the famous and the most popular search engines for these customers, and 3721 also domain certain market, it also is one of the customers’ favorite search engines to search for business information. Additionally, there still are some customers like to use Sina, Sohu and Yahoo to search for information about Changcheng Company. The figure 7 and figure 8 show the proportion of customers and the proportion of source:

**Figure 7**

**Figure 8**
4.3.3 Feedback and attitude of customers toward Changcheng Company

Above the 42.5% customers who have already used search engine web advertising of Changcheng Company, 68.5% of them show that they satisfied with the search engine web advertising of Changcheng Company. And 14.2% of them say they are neither satisfied nor unsatisfied with the search engine web advertising of Changcheng Company. However there are still 17.3% customers showed that they are not very satisfied with the search engine web advertising of Changcheng Company. It indicates that Changcheng Company need to improve its search engine web advertising and company site. Furthermore, above the 42.5% customers who have already used search engine web advertising the 50% customers would like to get the information about the company, namely the home page. Besides, above the customer who have used search engines 35.7% customers would like to obtain the information about the products, and 14.3% customers would like to obtain the information about the price and contact information and so on. Moreover, the customers thought that mostly information that found from the site of Changcheng Company was updated timely and relevant well; however they wanted more comprehensive and sufficient information such as products prices and customer case study evaluation. Figure 9 shows the feedback and attitude of customers toward Changcheng Company:

![Feedback of Customers Chart](image)

**Figure 9**
4.3.4 Reason for using search engine web advertising

The reasons that 42.5% customers choose to use search engines: little information off line about the company; happen to see the information about the search engine web advertising of the company; prefer finding information through search engine web advertising to search for information; introduced by other customers. From the customer who already use search engine web advertising, it shows that 28.5% of them choose search engine web advertising because of the little information off line; and 21.5% of them choose search engines because of obtaining the information accidently; 35.7% of them choose search engine web advertising because of preferring finding information with search engines, and another 14.3% of them choose search engine web advertising because of introduced by other clients. Furthermore, above the 42.5% customers who already have used search engine web advertising, 92.85% of them think that it is very good and significant for Changcheng Company to do search engine web advertising. They think search engine web advertising could extend the online market and attract more customers, and also could enhance the communication between customers and the company, it is helpful to do customer relationship management. And other 7.15% of them do not think it is a good idea to do search engine web advertising, because they think it is a high investment and there may be no return for this. Figure 10 shows the proportion:

![attitude of customer toware search engine web advertising](image_url)

**Figure 10**
4.3.5 Reason for choose Changcheng Company

Above the above the 42.5% customers who already have used search engine web advertising for why they choose Changcheng Company: 14.28% customers choose Changcheng Company for the reasons that just try, these customers do not know the Changcheng Company before, and are also not very familiar with zipper industry and just want to have a try with this company. And 28.57% customers choose Changcheng Company for the reason of good search engine web advertising of Changcheng Company. These customers see the web advertisement on the search engines and were attracted by the advertisement. 21.42% customers choose Changcheng Company for the reason of good product quality of Changcheng Company. These customers paid high attention of product quality and were very satisfy with the product quality of Changcheng Company. 14.28% customers choose Changcheng Company because of good reputation of Changcheng Company, these customers were very satisfy with Changcheng Company, and would like to keep long corporation relationship very much. 21.48% customers choose Changcheng Company because of the good product price, and they think the product price of Changcheng Company is very reasonable and suitable for their choice. And above these customers, 74.28% of them shows that they would like to choose Changcheng Company again in the future, and 17.14% customers indicated that they are not sure whether to choose Changcheng Company again and would consider this depend on the situation. 8.58% customers have the opinion that they would not choose Changcheng Company again for two reasons: one was that they do not need the service of Changcheng Company again, and another reason is that they are not satisfied with the service and produce of Changcheng Company. However, Changcheng Company attracts most customers and it could see that search engine web advertising made great effect. Figure 11 shows the proportion:
Figure 11
Chapter 5: Discussions

There are so many findings found and analyzed from the research, therefore it would discuss the results from the research in this chapter. There are 3 aspects discussed in this chapter based on the findings of chapter 4. Firstly, as the different visiting rate of different search engines is found in the research and compare to current business strategies of Changcheng Company, it needs to discuss the disadvantage and advantage further in order to make Changcheng Company do better in the combination of search engines for search engine web advertising. Secondly, it should discuss the gaps between the practice and theory of search engine web advertising of Changcheng Company. And finally, it would based on the achievement of search engine web advertising of Changcheng Company, and compare to the criteria of evaluation of search engine web advertising and to check whether Changcheng company does successfully on search engine web advertising, and to find out the way for improving.

5.1 Advantages and disadvantages of search engines for the search engine web advertising of Changcheng Company

(Eid and Trueman, 2004) indicated that with the rapid development of web advertising, the way to do web advertising becomes diversity, and companies should change their way to adjust these changing environment. Therefore enterprises choose different search engines according to the environment and the situation of the enterprises. And different search engines have different advantages and disadvantages for doing search engine web advertising for different industries and different companies.
<table>
<thead>
<tr>
<th>Search engines</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Google of China</strong></td>
<td>Optimize the content, structure and outside link of the enterprises’ sites to improve searching and attract customers to promote the visiting rate of the enterprise sites. Google is the main key words advertising search engine in China. Because the high position level of key words advertising, Google could obtain extra advertising browse except key words advertising. And key words advertising is not conflict with sites optimization ranking.</td>
<td>There are a lot of bad search engine optimization, this would affect the regular operation of search engines, and affect the reputation and royalty of search engine optimization. Therefore, for search engine facilitator, search engine optimization has already become the behavior to ruin search engines, and could not be compared to other web advertising. It affects the search engine optimization of Google. (Cai, 2003).</td>
</tr>
<tr>
<td><strong>Baidu</strong></td>
<td>Baidu is the main search engine to do key words price competing ranking advertising. (Key word price competing ranking advertising is the way that the sites ranking place is according to the payment)</td>
<td>The visiting rate and the rank of company sites could increase, however this is not equal to the customer needs, and customers would not choose the company because of the high rank.</td>
</tr>
</tbody>
</table>
of key words (Zhang, 2006). Once the company use key words competing ranking search engine of Baidu, its company site would be showed on Sohu, Yahoo and 163 website at the same time. And could be viewed by users’ priority (Wang, 2003).

<table>
<thead>
<tr>
<th>3721</th>
<th>Establish database by abstracting information from searching internet sites. Users could search for any information by putting some words. And it could enable company sites emerge in the internet in short time and cost less (Feng, 2004).</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sina and Sohu</strong></td>
<td>They are popular websites in China. And use fixed ranking of sites to do search engine web advertising. Fixed ranking is according to the rate of return on investment and market share is low (CNNIC, 2005).</td>
</tr>
</tbody>
</table>

of sites. But from the short term aspects, it is positive for supplier and customer. However, once the information which is supplied by the competing rank not satisfied the users, the effect would be negative. And this rank place would affect the reputation of the company (Wang, 2003).
It is significant to choose accurate search engines if the enterprises wanted to be successful in the search engine web advertising. Furthermore, make use of the advantages and avoid the disadvantages is important to do search engine web advertising. And the business strategy of combinations of search engine is focused on by small and medium enterprises in China.

According to the evaluation of the visiting rate of different search engines of search engine web advertising in Changcheng Company, a new strategy could be made for Changcheng Company. And for search engine web advertising, it is important to change their combinations of search engines (Motes, 2004). At the beginning of search engine web advertising of the enterprises, the first choice is search engine optimization (Turkle, 2005). And enterprises spend more investment on sites optimization, and according to the report of iResearch(2006), the optimization of Google is better than Baidu and Google has more professional technology and wider market, thus it is better for Changcheng Company to spend a little more in Google than Baidu. Moreover, key word price competing rank is also an important way to do search engine web advertising. And Baidu is good at it in China. Therefor in this area, Changcheng Company should spend more investment on Baidu than others. Additionally, Baidu and Google both have their own advantages. Google has clear advantages on professional and universality. And Baidu has a great number of users in China. Besides this, Yahoo also has key word price competing rank. And for Changcheng Company, it could both invest on Google and Baidu equally, and if the funds are permitted, Changcheng Comnpay could spend a few investments on Yahoo
to extend the market and attract more customers. Moreover, 3721 has large advantages in search engine entry. Sina and Sohu are not good at search engine web advertising, and the rate of return on investment is low, therefore it is no need to spend the investment on them for Changcheng Company. Although it is not as popular as before, it has its own particular advantages in China, therefore, Changcheng could spend some on 3721, but not much. And on the whole, because of the funds limitations, the Changcheng Company should pay attention on Google and Baidu, and spend the most investment on them, and reduce other investments, such as Sina and Sohu. Furthermore, it could try some investment on other popular search engines, such as MSN.

5.2 The gaps between the practice and theory of search engine web advertising of Changcheng Company

(CNNIC, 2004) indicated that search engine web advertising as a way of e-business, the main purpose of it was to promote visiting rate, and increasing visiting rate is the core content of search engine web advertising. And from the findings, it could see that visiting rate of home page domain 38% of the website, products display domain 35%, evaluation reports domain 20%, industry standard domain 4%, customer service domain 2%, and contact us domain 1%. This indicates that very few visiting users could become the final customers of Changcheng Company. It is a big problem for Changcheng Company, how to translate the visiting users to customers is the main gap between the practice and theory of search engine web advertising of Changcheng. It also refers Guanxi problem of China, Guanxi is definite as the particular relationship between two networks to make the business more easily (Buttery and Wong, 1999). It is useful and helpful to do business with Guanxi in China. However, e-business is established on virtual online world, it is hard to find Guanxi online; it is very different with traditional business. Instead, customer relationship replaced Guanxi in doing e-business.
For Changcheng Company, it is significant to emphasize on the customer relationship management and customer service of the site. This is in order to attract the visiting users translate to final customers and keep the old customer online.

Furthermore, Search engine web engines have close relationships with enterprises’ sites (Feng, 2004). (Sun, 2006, Wang, 2005) suggested that search engine web advertising was a tool to popularize enterprises’ sites, therefore it based on the sites of enterprises. And back to the visiting rate of Changcheng Company’s site, it could see that Changcheng should improve the design of sites to attract more customers and make search engine web advertising more effectively. Additionally, Search engine web advertising should adapt to the changing environment and development of internet (Feng2004). It is also a gap between practice and theory of search engine web advertising for Changcheng Company. Changcheng Company should according to the environment and their evaluation of the search engine web advertising to change the business strategies. Chinese small and medium enterprises, take Changcheng for example usually do not like to change business strategies and move away the Guanxi, because they do not like to take a risk.

5.3 Compare Changcheng Company to the evaluation criteria

From the literature review, it could see that there are four evaluation criteria for evaluating whether search engine web advertising successful in different stages. As Feng (2004) showed that the four criteria of evaluation were four levels, they were existing level, performance level, and attention level and transition level. These four levels are the four criteria of evaluation of search engine web advertising in four stages. For Changcheng Company, it fits some criteria well; however, it fits some not very well.

Firstly, the existing level is to evaluate whether the company site is embodied by the main search engines. And for Changcheng Company, from the findings, it could see that the visiting rate from 3721, Sohu and Sina domain certain, and 3721 are the best,
domain 11.2 percent. The visiting rate from Google and Baidu was much higher, they domain 84.5 percent of the whole visiting rate. Changcheng Company also emerges in other search engines, such as Yahoo. It indicates the site of Changcheng Company is embodied by these main search engines and the visiting rate is not bad, for it is embodied in Google, Baidu, 3721, Sina, Sohu and Yahoo these main search engines. However, in order to fit this criterion perfectly, Changcheng Company should be embodied by more search engine. But because of the financial limitations, Changcheng Company would like to put the investment into the high visiting rate search engines.

Secondly, the performance level is to evaluate whether the company site obtain good rank on these search engines. For this, Changcheng Company does not very well, one thing is because of the business strategies, the current business strategies of Changcheng Company is to increase the popularity of the company and establish good relationship with customers, and to attract more customers. For another thing, it is because of the financial limitations, Changcheng Company does have enough money to invest into the place rank.

Thirdly, attention level is to evaluate whether the visiting rate of company site is high on these search engines. And the measure method is to use Web Statistic 6.0. And Changcheng Company used Web Statistic 6.0 to evaluate the visiting rate. In this level, there was server visiting rate for Changcheng Company. However, it is not high, and for this level, it needs specific technologies to promote the visiting rate of company site, and the engineers of Changcheng Company should pay attention on it.

Finally, transition level is to evaluate how many users transit into customers. From the finding, Changcheng Company should make large improvement in this level, because there are only 1% search engine web advertising users are transited into customers, and it is very low for Changcheng Company. Therefore Changcheng Company should improve the strategies of choosing search engines, and also should
pay attention on the website design to attract more customers. Changcheng Company should accord the 7C framework (Rayport and Jaworski, 2003) to design the customer interface.
Chapter 6: Conclusions

This chapter presents a short summary of the purpose of the dissertation and the key findings and results of the investigation from the case study. Moreover, it gives the limitation that happened during the research and some further recommendation about further research and development are also given.

6.1 Summarizes of the dissertation

This dissertation has mainly listed the issues of search engine web advertising in Changcheng Company of China. The main purposes of this dissertation are: 1. To evaluate the effect of different search engines to do search engine web advertising for Changcheng Company. 2. To find the customers feedback and attitude toward search engine web advertising in Changcheng Company. 3. To analyze the results of the evaluation of search engine web advertising in Changcheng Company. 4. To find out further marketing strategies of Changcheng Company for improving.

And in the literature review, it does previous research on these aspects: the definition of e-business; the distinct categories of e-business; the categories of e-business in China; Marketing communication of e-business; current situation of online marketing in China; definitions of search engines; categories of search engines; search engine web advertising; characters of search engine web advertising in China; common search engine web advertising in China; Guanxi and customer relationship management in doing the e-business in China; evaluation method and evaluation criteria.

In this research, it uses methodology of case study, and there are three sections in this case study, they are interviews, questionnaires and data collections. Three interviews are carried out with manager, marketing manager, and one engineer of Changcheng Company. These interviews have been developed from a series of deep and open questions. And the interviews questions are designed according to the sample interview protocol (Creswell, 2006). Qualitative data about the history, business
strategies and the development of Changcheng Company are collected by conducting these three interviews. The questionnaire design is according to the form of Silverman (2006). There is totally 80 questionnaires to be distributed by email and 70 are returned. Email distribution could solve the problems of the customers are not specific on one city, they are in different cities, and a lot of them lived very long distance from Changcheng Company, both quantitative and qualitative data are collect from the questionnaire.

According to the literature review, and through interviews and questionnaires, it could present the findings from these aspects:
Firstly, from the interviews, it could see that the purpose of Changcheng Company to use search engine web advertising to do e-business. With the dramatically development of internet, some small and medium enterprises began to do e-business in zipper industry. And the competition became more and more accurate in the mean time, and the off-line zipper market also became saturation with the development of e-business. Therefore develop the on line market was significant for them, and Changcheng Company choose to do e-business to develop on line market. And from the ways of e-business, Changcheng choose search engine web advertising to do e-business. However, the company should face to the problems of Guanxi and Customer Relationship Management.

Secondly, in doing search engine web advertising, Changcheng Company chooses search engines of 3721, Baidu, Google, Sohu and Sina. And the evaluations of the visiting of these search genies are: the visiting rate of Baidu is the highest, this maybe because Baidu is the most popular search engine in China, and it fits the style of Chinese users. Additionally, Google as one of the most popular search engines in China, the visiting rate is also very high. Furthermore, 3721 is also an important way for internet users to visit Changcheng Company. Moreover, beside Google, Baidu and 3721 these three websites, Sohu, Sina and Yahoo also have some visiting rate. And to extend the market and attract more customers, the marketing department
spends most of their time on marketing investigation and evaluation. The current business strategy of Changcheng Company is that uses different search engines for web advertising. And from the findings, it analyzes the advantages and disadvantage of these different search engines, and suggests that Changcheng Company should invest more funds on Baidu and Google, and should reduced the investment on Sina and Sohu. It is related the problem of combinations of different search engines.

Furthermore, from the questionnaire by customers, it could see that business to business customers (92.8%) and the business to customer customers (7.2%) make up the proportion among the sample. Moreover, 85.7% customers are the long term corporation relationship with Changcheng Company, and 14.3% were the short term corporation relationship with Changcheng Company. Additionally, the customers are composited by 40% local company, 50% long distance Company and 10% international company. 42.5% customers become aware of Changcheng Company from on line information by search engine web advertising, and 45.8% know Changcheng Company from the introduction of friends, and 11.7% became aware of Changcheng Company from other channels, such as banner advertisement and newspaper advertisement. Above the 42.5% customers who already have used search engine web advertising, 68.5% customers of them show that they satisfied with the search engine web advertising of Changcheng Company. And 14.2% of them say they are neither satisfied nor unsatisfied with the search engine web advertising of Changcheng Company. However there are still 17.3% customers of them show that they are not very satisfied with the search engine web advertising of Changcheng Company.

Finally, from the 70 questionnaires, above the 42.5% customers who already have used search engine web advertising, it shows that 28.5% customers choose search engine web advertising because of the little information off line; and 21.5% customers choose search engines because of obtaining the information accidently; 35.7% customers choose search engine web advertising because of preferring finding
information with search engines, and another 14.3% choose search engine web advertising because of introduced by other clients. And 74.28% customers show that they would like to choose Changcheng Company again in the future and 17.14% customers indicates that they were not sure whether to choose Changcheng Company again and would consider this depend on the situation. 8.58% customers had the opinion that they would not choose Changcheng Company again.

6.2 Limitations
There are several limitations included in this research as the limitation existing in any research. Firstly, it is the number of the case study, there was only one case study in this research because of the time and the permission of the company. However Hughes (2000) suggested that use diversity case studies could be more validity and reliability for the research, and also could provide more information and data. Therefore in this research, the finding could only be compared the case study with the literature review.

Secondly, the time and money is not enough administer to do a great number of questionnaires, so it may affect the validity and representation of the result. As the time limit only 14 days to do the questionnaire. Moreover, because of the time limited, there are only three interview carried out, and the information about Changcheng Company is limited and not rich. Therefore with more time, more interviews could be conducted which would provide richer data that would be more in depth for conclusive analyses to be made.

Thirdly, due to the area limitation, some customers are so long distanced and can not be connected easily. And there are hundreds of customers of Changcheng Company in China, however the research only chooses 80 customers, and it might weaken the comprehensiveness of primary data collection. Further more, this research is carried out individually; the questions of questionnaire and interview are not designed professionally. Therefore, there are many shortcomings in the questionnaire and
interviews; which may also affect the findings of this research. In order to make the results more accurate, more professional questions should be included in further research. Besides this, some questions may have influenced the reliability of the findings because of their sensitivity.

Finally, the response rate of questionnaire is also a limitation in this research, there are around 100 customers of Changcheng Company, however, because the customer record problems of Changcheng Company, it only chooses 80 customers for sample in this research, and there are only 70 questionnaire back, therefore the results would be affected.

6.3 Recommendations

This dissertation presents the evaluation of search engine web advertising of China. And it also discusses the current situation and problems of search engine web advertising of Changcheng Company in China. From the evaluation of Changcheng Company, it could give the recommendations to it and other small and medium enterprises as well. Moreover, recommendations for further study are also given.

6.3.1 Recommendations for Changcheng Company

Review the findings from case study, there are several recommendations for Changcheng Company. Firstly, Changcheng Company should according to the visiting rate of different search engines, and compare their advantages and disadvantages, to choose the best combinations of search engines. Additionally, because of the difference between traditional business and e-business, Changcheng Company should also consider the problems of Guanxi and Customer Relationship Management. As the e-business replaces the traditional business, Guanxi is not used frequent as before, and Customer Relationship Management becomes more and more important than ever before. Therefore, Changcheng Company should focuses on Customer Relationship Management in order to establish good relationship with customers. Furthermore, compare to the four levels of criteria of search engine web
advertising, Changcheng Company should make large improvement in transition level, because there are only 1% search engine web advertising users are transited into customers, and it is very low for Changcheng Company. Therefore Changcheng Company should improve the strategies of choosing search engines and customer relationship, and also should pay attention on the website design to attract more customers. Changcheng Company should accord the 7C framework (Rayport and Jaworski, 2003) to improve the customer interface.

6.3.2 Recommendations for small and medium enterprises

From the case study of Changcheng Company, it could see if the small and medium enterprises want to do search engine web advertising, they should choose good business strategies, good search engines, design good company sites, do well in marketing investigations and established good customer relationship management. They could according to the advantages and disadvantages to choose the search engines to do search engine web advertising, and also should based on the evaluation criteria of search engine web advertising to improve their visiting rate and website interface design. It is significant for them.

6.3.3 Recommendations for further research

There are several limitations in this research, and some recommendations should be given for future research. Firstly, more case studies should be researched to compare with Changcheng Company, it could choose more companies which also do search engine web advertising, including successful and unsuccessful case. It would be useful for Changcheng Company to find the better way to do search engine web advertising.

Secondly, more staff of the Changcheng Company should be interviewed, more general questions should be asked from the staff in order to know the situation and problems of Changcheng Company more deeply.
Thirdly, this research is conducted in Changcheng Company, and a large research which includes the whole small and medium enterprises could be conducted. And finally, a large sample of customers could be carried out, and more depth and professional questions should be designed.

Word count: 15,337
References


China Contact (2002), *Advertising in China: A Market Analysis*, Access Asia Ltd, Beijing,


iResearch(2005). *The online marketing of search engines*.


Policy. V12, N2, pp191-204.


Saidi (2007). The marketing domain of e-business in China. [online]
http://www.chinavalue.net/Article/Archive/2008/7/30/127985.html
[Accessed August 1st 08].

Schmid, B., Stanoevska-Slabeva, K. and Tscharmer, V (2001). Towards the e-society:


Wang, B. 2003. Low budget search engine marketing under the environment of
charged. Internet Journal.


Appendix I: Questions for interviews

Interview for engineer

1. What the role do you play in this company, for example, what do you do for this company, and what rage do you have to manage?

2. Which search engines does your company use for doing search engine web advertising, and why do you choose them?

3. What is the visit rate of these search engines this year, and compare to previous years, what is the change?

4. What could be seen about customer behavior from the website?

5. How the visit rate distribution during a day?

6. How do you evaluate the achievements of doing search engine web advertising, what methods do you use to measure?

7. What is the result of the evaluation?

8. Does your company use Adsense of Google? (Yes-9, No-10)

9. How do you think about Adesense?

10. Will you consider using Adsense?
Interview for general manager

This interview intends to find out the history and achievement of search engine web advertising of Changcheng Company.

1. What role do you play in this company?

2. When did your company begin to use search engine web advertising to do e-business?

3. Why do you choose search engine web advertising to do e-business?

4. Before using search engine web advertising, what did your company use to do e-business? Was it worked well?

5. Compare to previous way of e-business, after using the search engine web advertising, is the business better than ever before?

6. Which search engines does your company specific to use?

7. Through using search engine web advertising, what should be improved in the future?

8. What are the current and future business strategies of your company?

9. Do you want to spend more investment on search engine web advertising in the future?
**Interview for marketing manager**

1. What role do you play in this company?

2. Who are your customers, how do you categorize them?

3. How does your company attract customers?

4. How do you extend the market of your company, what strategies do you use, what channels are used to communicate?

5. Does the search engines web advertising help to attract the customer and extend the market of your company?

6. What is the marketing target of your company in the future?

7. What is your market strategy of doing search engine web advertising?
采访工程师

1. 你在公司的主要职责是什么，能具体说说吗，平时你一般需要管理写什么？

2. 关于搜索引擎营销，你们公司都采取哪种搜索引擎，可以跟我们说说为什么要采取这些搜索引擎来进行搜索引擎营销吗？

3. 跟去年相比，你们公司网站今年的访问量增加了吗，有什么变化？

4. 从你们公司网站的数据来看，可以谈谈客户在进行搜索时的主要行为吗？

5. 在一天中，你们公司网站的流量是怎么分布的？

6. 你们是怎样测评你们公司搜索引擎所取得的成绩，用什么方法来测评？

7. 测评的结果是什么？

8. 你们有没有用过 GOOGLE 的 Adsense？（有-9，没有-10）

没有。

9. 你觉得 Adsense 怎么样？

10. 在以后，你会考虑用 Adsense 吗？
采访总经理

1. 你在公司的主要职责是什么?

2. 你们公司什么时候开始使用搜索引擎营销进行电子商务?

3. 为什么你们会想用搜索引擎营销去做电子商务?

4. 在使用搜索引擎营销前，你们公司用什么方式来做电子商务，效果怎么样?

5. 跟过去相比，在使用搜索引擎营销之后，你们公司的业绩有所增长和改善吗?

6. 你们主要是使用那些搜索引擎?

7. 通过使用搜索引擎营销，你觉得在以后还有什么事需要改善的吗?

8. 你们公司现在和以后的商务战略是什么?

9. 在以后，你会投入更多的资金在搜索引擎营销上吗?
采访市场部经理

1. 你在公司的主要职责是什么？

2. 你们的目标客户是谁，你们是怎么区分的？

3. 你们公司是怎样吸引客户的？

4. 你们是怎样扩大市场，你们是用什么战略，什么渠道交流的？

5. 搜索引擎营销有助于你们扩大市场和吸引客户吗？

6. 你们的市场目标是什么？

7. 你们在实行搜索引擎营销时的战略是什么？
Appendix II: Questions for questionnaire

Part A: Background of customers:

1. What type of your relationship with Changcheng Company?
   A. B-to-B   B. B-to-C.

2. What is the kind of your company?

3. Do you have the experience of e-business before?
   A. Yes.   B. No.

Part B:

1. How do you become aware of Changcheng Company?
   A. Online information (to 3) B. Information from friends (to 2) C. Others, please specify__________________________

2. Will you consider trying to find more information about Changcheng Company Online by search engines?
   A. Yes.   B. No.
3. Which website do you get the information of Changcheng Company?
A. Google B. Baidu C. Sina D. Sohu E. Others, please specify_____________________

4. Does information you get from these search engine web advertisements about Changcheng Company satisfied or not?

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very satisfied</td>
<td>Satisfied</td>
<td>Neither satisfy nor unsatisfied</td>
<td>Not very satisfied</td>
<td>Not satisfied at all.</td>
</tr>
</tbody>
</table>

5. What information do you like to get in the Website of Changcheng Company? (you could choose more than one option)
A. Products B. Price C. Contact information D. Company information

6. What is the quality of the information you find in the website of Changcheng Company? (you could choose more than one option)

7. Why do you choose search engine web advertising to search for the information?
A. Little information off-line B. Happen to get C. Prefer finding information with search engines D. Introduced by other clients

8. Which search engine web advertising do you think the most useful in finding the information?
A. Google  B. Baidu  C. Sina  D. Sohu  E. Others, please specify

9. What are the reasons that make you choose Changcheng Company? (you can choose more than one option)

10. Do you think it is good to use search engine web advertising to do e-business for Changcheng Company?
    A. Yes.  B. Neutral.  C. No.
    Why

11. Will you choose Changcheng Company again?
    A. Yes.  B. No.  C. Not sure.
    Reasons:
调查问卷：
A 部分： 客户背景：

1. 你跟长城公司是什么类型的商务关系？
   A. 商务和商务   B. 商务和个人

2. 你们公司是什么类型的？
   A. 本地公司   B. 远距离公司   C. 网络公司   D. 国际公司

3. 你有过网上商务的经验吗？
   A. 有       B. 没有

B 部分：

1. 你是怎么知道长城公司的？
   A. 通过网上信息   B. 朋友介绍   C. 别的途径，
   请举例：  

2. 你会考虑在网上找更多关于长城公司的资料吗？
   A. 会       B. 不会

3. 你从哪个搜索引擎上找到长城公司的？
   A. 谷歌   B. 百度   C. 新浪   D. 搜狐   E. 其它，
   请举例： 

4. 你对搜索引擎上所搜到的信息满意吗？

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>非常满意</td>
<td>满意</td>
<td>一般</td>
<td>不是很满意</td>
<td>非常不满意</td>
</tr>
</tbody>
</table>

75
5. 你从长城公司的网站上一般搜索什么信息？
   A. 产品    B. 价格    C. 联系信息    D. 公司信息

6. 你觉得从长城公司网站上找得信息质量怎么样？(可多选)
   A. 更新速度快    B. 综合性    C. 相关性强    D. 充足

7. 你为什么选择搜索引擎营销？（可多选）
   A. 网下资料少    B. 碰巧看见    C. 喜欢上网搜索    D. 朋友介绍

8. 你觉得哪个搜索引擎最有用？
   A. 谷歌    B. 新浪    C. 搜狐    D. 其它
   请举例：________________________________________

9. 你为什么选择长城公司？
   A. 只是试试    B. 朋友介绍    C. 好的搜索引擎营销    D. 信誉好    E. 产品质量好    F. 价格好

10. 你觉得长城公司进行搜索引擎营销好吗？
    A. 好    B. 不好
    为什么：________________________________________

11. 你还会选择长城公司吗？
    A. 会    B. 不会
    为什么：________________________________________