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THE ADVERTISING IN ENTERPRISES MARKETING COMMUNICATIONS ACTIVITY IN THE INTERNET

The communication activities of enterprises are becoming a priority direction in the marketing development in the context of Internet technologies implementation. The development, daily and comprehensive dissemination of Internet technologies make changes of technological and substantive nature in all enterprise management areas. Therefore, it is important to consider the impact of Internet technologies usage on advertising. Advertising products of enterprises on the Internet has features, which are the subject of deep and comprehensive researches by scientists and practitioners from Ukraine, Europe, Japan, and the USA. Summarizing, the study of domestic and foreign experiences is significant and relevant.

Key words. Marketing communications, advertising, contextual advertising, Internet advertising, mobile device, Internet technologies.

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Statement of the problem in general form and it's connection with important scientific or practical tasks. Вагомим інструментом маркетингової комунікаційної діяльності є реклама. The advertising is a significant tool of marketing communications. This refers to the production of consumer goods, capital goods and objects of labor. The current stage of economic development is characterized by the implementation of the Internet technologies and the Internet marketing into the enterprises and institutions management system. Scientists study the practical results and summarize the effects of these processes on public life and the formation of new relationships between market participants. On this basis, new marketing methodological and methodical principles are formed.

The impact of Internet technologies on global economic processes is comprehensive. The Internet technologies have accelerated, simplified and modified the exchange of goods and services, information and all accompanying processes. The Internet has also influenced marketing. Today, the Internet covers all areas of traditional marketing: product, pricing, communications and sales. In 2019, retail e-commerce sales worldwide amounted to 3.53 trillion US dollars and e-retail revenues are projected to grow to 6.54 trillion US dollars in 2022. Online shopping is one of the most popular online activities worldwide [1].

Key differences in sales include: geographical expansion of the sales market, direct contact with the consumer and reduction of transaction costs. These elements of the Internet marketing complex have strong development in the whole world and in Ukraine in particular. According to the global statistical companies researches, the online shopping market in 2021 will be almost 2.5 trillion dollars (18% of the world retail market). In Ukraine, in 2017, the e-commerce market reached 50 billion hryvnias, which was about 8,5%.

There is also a tendency to use Internet marketing as a channel of communication with clients. This is the evidence of the rapid investments growth in online advertising, which began in 2006 and did not slow down to the present. It is worth noting that 2018 was the first year that investment in Internet advertising in the world exceeded investment in television advertising by 40 billion dollars and amounted to 227 billion dollars. The use of Internet technologies in marketing is an irreversible trend of modern life.

Analysis of the latest research and publications, which initiated the solution of this problem and on which the author relies. Internet marketing is a modern type of traditional marketing that covers all aspects of marketing. Therefore, e-marketing can be understood as the definition of human needs and desires, and the creation, promotion and delivery of a particular product with using Internet technology. Advertising occupies one of the leading places in the enterprises and institutions marketing communication activities. The subject of domestic and foreign scientists' studies is the effective methods of advertising usage in modern conditions. Among the foreign scientists – Ph. Kotler, J. Lamben, F. Kovashi, M. Stevens, R. Besta. The domestic scientists who have studied these problems: M. Oklander, O. Yashkina, I. Pedko, M. Chaikovska, O. Shafaliuk, O. Romanenko, A. Natorina [2–8].

Highlighting the previously unresolved parts of the general problem to which the article is devoted. An important stage in the formation of the marketing communication process is the choice of influence means in the system producer-consumer: personal sales, sales promotion, service, advertising and others. Each of them has positive and negative characteristics, but to give preference to one or more of them should be considered, taking into account the objectives and goals that are formed, subject to the overall enterprise marketing strategy. Therefore, modern technologies of online advertising require a more thorough study.

Formulation of the purpose of the article (statement of the problem). The aim of the article is to generalize methodological and methodical approaches to the problems of the effective advertising use as a tool of marketing communications in modern conditions with using Internet technologies.

Statement of the main material of the research with full justification of the scientific results obtained. The communication policy in the marketing mix enterprises system is a system of decisions, plans, programs and actions that the manufacturer takes and implements to inform, present and promote products / services on the market, and to offer them with the help of communication measures and tools that ensure the economic formation of stable demand, sales and profit.

The role of marketing communication activities in the management of industrial enterprises is constantly growing, which is due to the following: constant creation of new products; intensification of competition for the consumer in limited resources conditions; expanding the range of production services; increasing requirements for consumer properties and quality of industrial products / services; the desire of manufacturers to reduce commercial risks in the new products development and launching; the desire of consumers to find the best manufacturer and its products; the formation of sustainable, stable economic relations between producers and consumers who trust each other, which is also attractive to new customers and helps to attract them to business partnerships.

Marketing communications is a necessary component of the enterprises management of sales and material and technical support (Fig. 1).

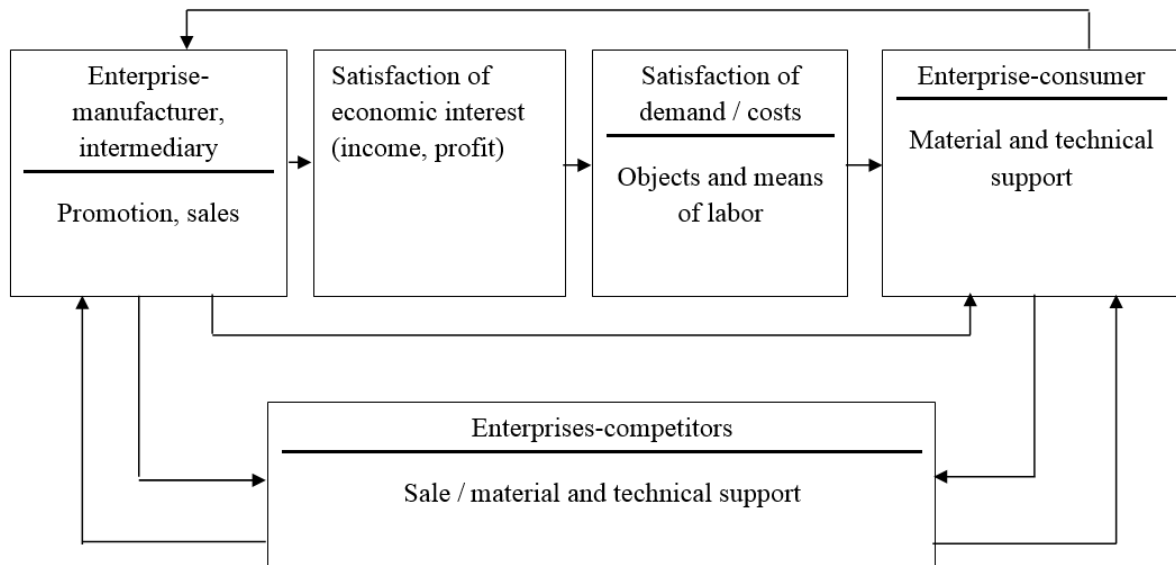


Fig. 1. The components of the marketing communication process of sales management

There are two levels of communication in the industrial enterprises:

- 1) the level of general marketing communication;
- 2) marketing communications at the level of departments and other structural divisions.

The purposes of industrial communication are subordinated and formed, first of all, for realization of the enterprise purposes – the strategic purposes, corporate image of the enterprise, change in the share of the strategic management zone, production of innovative products, secondly – to remind about products, inform about changes in sales and pricing policy, organization of distribution channels, expansion of the production services range, thirdly – to expand production cooperation, establish partnerships to meet consumer demand for goods and services.

Today, advertising remains an effective and widespread enterprises communication means. The priority areas of its use are given in Table 1.

Defining the features of the promotion system in the industrial market, it should be noted that advertising plays a slightly less significant role compared to the risks for end users. This is due to the specifics of the industrial market, where personal contacts are more often used. Advertising often plays a supporting role in personal sales. In the consumer market advertising has the function of supporting information. The budget for industrial goods advertising is much smaller than that used for consumer goods advertising. In general, the role of advertising in the marketing communications system is too significant. Advertising promotes economic growth, because without it mass production is impossible, which provides jobs, leads to lower prices for goods.

Advertising is a means of maintaining competition, but on the other hand, it creates barriers for new firms to enter the market. Advertising expands markets for new products, it helps companies increase sales and reduces the risk of marketing strategy implementing. Advertising provides consumers with information, it is one of the means for controlling the quality of goods, provides incentives to improve the quality of life. But, on the other hand, advertising often provides useless information that misleads customers. Sometimes advertising differentiates goods by emphasizing the slight differences in them.

Table 1 – Priority areas for the advertising usage

Advertising means	Priority in the possible use of advertising for certain goods and services
Advertising in the press	Almost all types of goods, industrial products and services: popular editions are mainly used for advertising consumer goods and services; specialized editions – for advertising industrial goods and services
Print advertising	For almost all types of goods - industrial goods and services, consumer goods
Advertising on the radio	For goods and services of mass demand. It is effective as an additional event at the same time as fairs and exhibitions
Advertising on television	For goods in mass demand with large sales and sometimes - for industrial products
Advertising in the Internet	For industrial products and services, for goods in mass demand in wholesale trade, and as a form of direct marketing
Film and video advertising	For almost all products. Short advertising videos on TV are used for consumer goods; advertising-technical and advertising-image films – for advertising industrial goods and services
Direct mail advertising	Mainly for industrial products and services with a narrow target audience
Exhibitions and fairs	For all types of goods and products. Mass-market goods mainly advertise at industry-wide fairs, exhibitions and sales exhibitions, at industry and specialized exhibitions – industrial goods and services
Advertising souvenirs	Expensive souvenirs – for advertising industrial products (services); inexpensive souvenirs with symbols are produced in large quantities for advertising goods in mass demand
Outdoor advertising	For goods of mass demand, and for goods of industrial purpose – image firms advertising

Advertising is not a means of compensating for the low quality goods. On the contrary, it is a means of promoting new products, high quality products. In order for advertising to give a competitive image, it must be informative and real. Low-quality advertising, of course, can bring the company short-term success, but in the future it can only damage the company image. Effective advertising management includes professional skills and knowledge.

Marketing communication activity has become relevant and, as experience shows, quite effective in the process of forming relations between producers and consumers. In the Internet, it has some differences from the traditional one. This is manifested in:

- general specific features of Internet communications;
- communication tools;
- payment or placement of communications;
- opportunities to assess the effectiveness of communication.

So consider the features of communication in the Internet environment.

1) Interactivity of messages. In the Internet there is an opportunity to involve the consumer in the interaction. The following actions can be considered as interaction: registration, subscription to a page on social networks, following a link, liking or sharing, commenting etc.

2) Multimedia of communication messages. In the Internet it is possible to place a huge number of different formats of advertising appeals: video and images, with text support or additional 3D effects, interactive or sound support.

3) Clear identification of the target audience. Placing advertising messages in the Internet is an opportunity to target it for each individual consumer. At the same time, the advertising message can be adjusted not only by gender, territorial characteristics, but also by interests that are formed through Internet history, geolocation, etc. It is also possible to customize the advertising message for a specific segment of the target audience.

Marketing in the Internet environment has specific characteristics, among which: globality, more information support, a high level of flexibility and a low level of investment, as well as the ability to build long-term relationships with consumers.

Contextual advertising. The main content of this type of placement is that the user sees ads that relate to search engine queries. This type of placement will be effective provided that the purpose of advertising is to go to the company's website and perform a certain action (transaction). The Table 2 shows the main advantages and disadvantages of this type of advertising.

Table 2 – The main advantages and disadvantages of contextual advertising

Advantages	Disadvantages
appropriate messages for the target audience (if the “semantic core” is correctly set)	effectiveness for the purpose of “pushing” – it is impossible to build knowledge or commitment to the brand
high level of users perception of this advertising type	budget uncertainty associated with the placement pricing system
modern advertising networks are platforms for the implementation and display of contextual advertising; they have a wide range of advertising settings	

Banner advertising. The main concept of the tool is to place advertising messages in the field defined for them on partner sites. The format of such banners can be different: video, animated, static, interactive games, etc. It is important to define the purposes that the advertiser sets for himself when choosing the placement format. After all, banner advertising works not only on site conversions and subsequent transactions, but also on creating and adjusting brand knowledge. The choice of accommodation payment system will be based on this.

Social networks can be considered as a tool of communication in the following areas:

1) Creating a profile or group that communicates with its customers without any monetary costs. This option can work under two conditions: if the content of the page attracts the most customers or the page already has a certain number of interested users. The tools that are used for free include: regular publications and stories, contests or raffles, etc.

2) In most cases, you need a budget to communicate with customers on social networks. The need for this is to increase the number of subscribers to the page, which may be for them by the organic issuance of publications in the news line, in communication with the audience that do not follow the Facebook and Instagram pages. If we talk about formats, social networks offer a variety of advertising formats that are periodically updated – a static display (banner), stories, videos, carousel and more. Some formats work best for clicks and conversions, some – to build knowledge about a brand or company.

The advantages of placing advertising messages on social networks include:

– a large amount of information about users of social networks;

- the ability to attract and create a powerful community;
- the convenience of advertising messages;
- the ability to conduct free BrandLift research on Facebook for advertising campaigns covering about 1 million users;
- advertising on social networks is less different from content, and therefore it is better perceived by customers
- narrow target.

The negative features of advertising on social networks include the fact that the settings for advertising messages for Instagram and Facebook are due to the information from the profile on Facebook, although most Instagram users do not have a Facebook page and remain outside of the advertisement influence.

Advertising in mobile applications. The use of mobile applications has a very high growth rate. Most mobile applications are free, so many developers include the ability to advertise in the program. They can have a different format (static banner, video, etc.).

The advantages of this tool include the fact that the consumer cannot miss the majority of advertising calls and the fact that consumers are not annoyed by ads (viewing for bonuses from the application), but the negative aspects include targeting by narrow characteristics that are collected by the application.

Youtube offers several major video ad formats:

- pre-roll – video up to 6 seconds, which is shown before watching the desired video, and which cannot be missed;
- all-roll – video of various lengths, which is shown at any time while watching a video;
- advertising-link to a page or video, which is placed above the search results of the video platform.

– Typically, all videos contain links to the advertiser or partner site, and the accompanying text should be optimized for search engine trends. This type of advertising is often designed to generate knowledge about the product. The main advantages of this tool include:

- the audience that uses the video platform Youtube is wider than in other social networks;
- the video format is the most comprehensive for the presentation of information;
- if the user likes the content of the channel, then Youtube allows him to subscribe to it;
- if the budget is above two hundred thousand hryvnias, it is possible to conduct BrandLift research to measure the impact of advertising and learn about the brand attitude.

At the same time, video advertising on YouTube is one of the most expensive tools, which often interferes or annoys users who view content.

In addition to the listed tools, it is possible to use direct marketing (emails, pop-up messages, push banners, teasers, newsletters, etc.).

In summary, we should say that it should be used video advertising or formats that contain comprehensive information, if the purpose is to build knowledge about the brand. If the purpose is to temporarily increase sales or conversions, it is better to use the contextual advertising or displays.

Different payment models are used depending on the purpose of the campaign and an individual tool (Table 3).

Provided that the purpose of the advertising campaign is to increase brand awareness, it is worth use the CPM and CPV models: they automate displays to maximize coverage, viewing duration, or frequency. It should be noted that for CPM tools it is better to choose short advertising materials, and for CPV – long. Table 3 – Payment models for advertising in the Internet

Table 3 – Models of payment for advertising on the Internet

Purpose	Raising brand awareness (long-term)	Increase conversions (short-term)
Key KPIs	Coverage and Frequency	Number of Transactions
Payment models	CPT (Cost per Thousand) or CPM (Cost per mile) – pay per thousand impressions	CPA (cost per action) – payment per certain action (providing contact information, purchasing a product, installing an application, downloading a file)
	CPV (cost per view) – pay per view publication	CPC (Cost per click) – pay per click

Source: created by the authors

This helps to optimize the campaign performance (quality and cost). If the purpose of the campaign is certain actions, then it is worth using CPA or CPC. It should be noted that during the campaign various tools can be configured accordingly, each of which can be saved in accordance with the payment model that works better.

There are different performance metrics, depending on the purpose of the campaign and the individual tool. They can be divided into two groups of advertising indicators in the Internet environment:

- 1) Valuable – (CPA, CPV, CPM, CPC) during the advertising campaign allow to effectively use the budget;
- 2) Quality (frequency coverage, target audience reach, frequency, displays), VTR (share between those who watched the full video and those who were shown it), CTR (share between those who clicked on ads and who were shown).

The last two indicators are the most qualitative indicators that show whether the advertising campaign is successful, or whether the target audience is interested, etc.

Consider the most commonly used marketing communication means in the Internet. As mentioned above, Internet advertising has a large number of tools and platforms that are active evidence of its development. This is not surprising, according to the investment in the Internet media in the world, which are shown in Fig. 2.

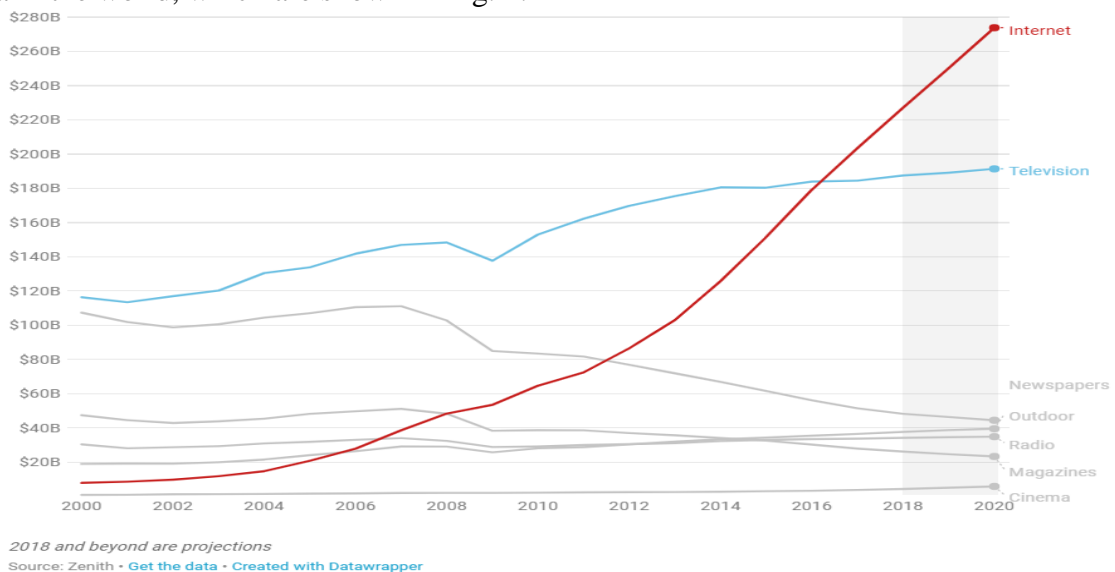


Figure 2. The dynamics of media investments according to the media channels [9]

The rapid growth of investment in the Internet advertising began in 2006 and still not slowing down. 2018 was the first year when the investment in the Internet advertising exceeded investment in television advertising by more than 40 billion dollars. They amounted to 227 billion dollars. It should be noted that investment in TV is not declining, and has a certain increase when the cost of outdoor advertising is reduced. The growth of investment in the Internet advertising is due to the growth of investment in advertising on mobile devices (online advertising on mobile devices in 2018 accounted for 60% of investment and 24% of total advertising investment).

If we talk about the structure of investment in Internet media, the first place is occupied by contextual advertising with an investment of about 94,7 billion, which is more than 41,4% of all investments in the Internet advertising. The second place in terms of investment in social networks – 25,5%. It is important to note that the growth of investment is observed in all tools, except for the Internet banner placement, which, most likely, got the classic banner advertising or push-up (Fig. 3).

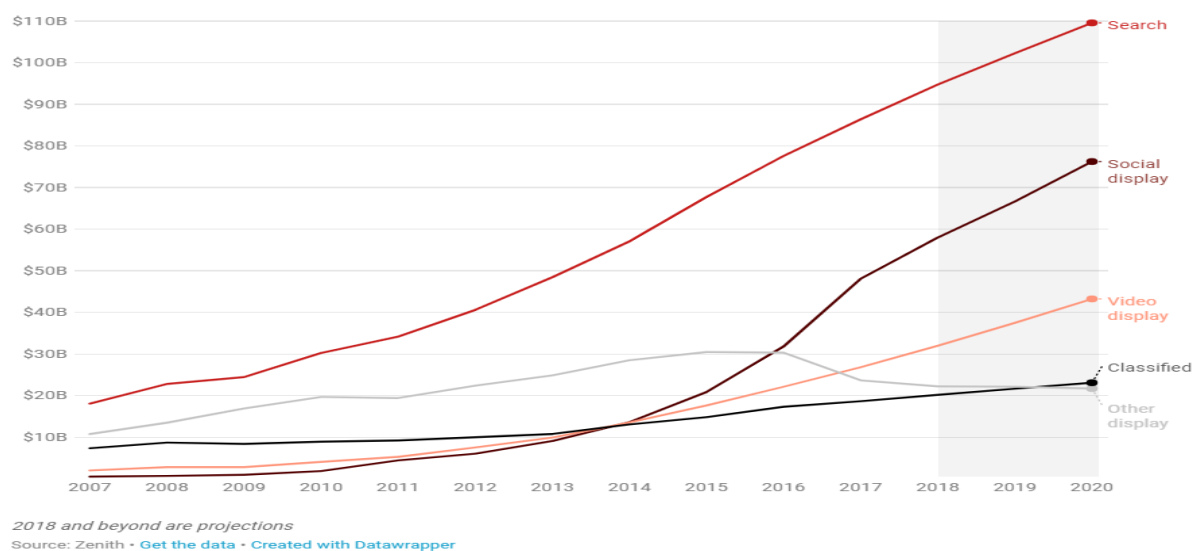


Figure 3. The amount of investment according to the type of the Internet advertising [9]

The Ukrainian Internet Association conducted the study of the media advertising market, and according to the study, the investment in the Internet advertising in Ukraine in 2017 amounted to 2,51 billion hryvnias, which is 40% higher than the same indicator for 2016 in hryvnia terms. At the same time, according to the All-Ukrainian Advertising Coalition, the growth of investment in the television advertising in 2017 amounted to 29%, the radio advertising – 20%, the press – 18%. Therefore, in terms of investment growth, the Internet advertising is ahead of other tools of the Ukrainian advertising media market [10–13].

Conclusions from this research and prospects for further developments in this area. The Internet marketing has the following purposes:

- 1) to identify ways to improve the product based on comments or online consumer research;
- 2) to attract a new audience;
- 3) to increase product margins by reducing costs;
- 4) to increase sales through the synergistic effect of offline and online channels. The Internet marketing is very different from its traditional form of communication and promotion.

The peculiarity of communication as an element of the marketing mix in the Internet environment is in specific tools, as well as methods for determining the effectiveness of communication forms, methods for determining the effectiveness, payment methods and qualitative characteristics of interaction with customers.

Further development of the Internet marketing in Ukraine will be manifested in the direction of omnichannel, attracting artificial intelligence in the study of consumer behavior in the Internet and in increasing the online purchases share.

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Реклама в маркетинговій комунікаційній діяльності підприємств в Інтернет.

Комунікаційна діяльність підприємств стає пріоритетним напрямом розвитку маркетингу в умовах впровадження інтернет-технологій. Розвиток, повсякденне і всебічне поширення Інтернет-технологій вносять зміни технологічного і змістовного характеру в усі сфери управління діяльністю підприємств. Тому актуально розглянути вплив застосування інтернет технологій на рекламу. Рекламування продукції підприємств в інтернет-середовищі носить особливості, що є насущним предметом глибокого і всебічного дослідження, яким займаються науковці і практики України, Європи, Японії, США. Дослідження вітчизняного і зарубіжного досвіду, узагальнюючи, є значним і актуальним.

Ключові слова: маркетингові комунікації, реклама, контекстна реклама, інтернет-реклама, мобільний пристрій, інтернет-технології.

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