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DIANA FAYVISHENKO

ORCID ID:0000-0001-7880-9801

e-mail: fayvishenko.ds@gmail.com

Kyiv National University of Trade and Economics

OKSANA MELNICHENKO

ORCID ID: 0000-0002-8550-8262

e-mail: o.melnichenko@knute.edu.ua;

Kyiv National University of Trade and Economics, Kyiv, Ukraine

KATERYNA BOGATYROVA

ORCID ID: 0000-0003-4749-1137

Kyiv National University of Trade and Economics

DEVELOPMENT TRENDS OF INTERNET ADVERTISING IN UKRAINE

The article considers the existing developments on the development of Internet advertising in Ukraine. The authors identified advantages and disadvantages of the development of Internet advertising in Ukraine, and studied the current trends.

The article presents the development of Internet advertising in Ukraine. The advantages and disadvantages of the development of Internet advertising in Ukraine are identified, effective channels of interaction with contractors and buyers via the Internet are identified, tools are presented and the main trends and directions of media advertising development are highlighted. The market of advertising and pre-advertising budgets in favor of Internet advertising is analyzed. Emphasis is placed on the existing expert assessments of trends in the Internet advertising market and emphasizes the growing role of non-standard media and advertising in complex advertising and communication campaigns on the Internet. The indicators are analyzed and the results of media advertising research are presented on the basis of cross-analysis of survey data of the most important advertising agencies and advertising holdings, sites and sales houses of Ukraine, where the research results are advertising dynamics other devices. The conclusion is made on the use of non-standard communications in the direction of creative approach, deep knowledge of consumer audiences in the field of advertising on the Internet, adaptation of the target audience to digital platforms, targeting and flexibility of Internet advertising. The summary of the relevance of the direction of redistribution of advertising budgets in favor of Internet advertising is analyzed and summed up.

Keywords: advertising, media advertising, trends of advertising on the Internet, tools of advertising on the Internet.

ФАЙВИШЕНКО Д. С., МЕЛЬНИЧЕНКО О. І., БОГАТИРЬОВА К. В.

Київський національний торговельно-економічний університет

ТЕНДЕНЦІЇ РОЗВИТКУ ІНТЕРНЕТ-РЕКЛАМИ В УКРАЇНІ

У статті представлено розвиток реклами у мережі Інтернет в Україні. Визначено переваги та недоліки розвитку Інтернет-реклами в Україні, виокремлено ефективні канали взаємодії з контрагентами та покупцями через мережу Інтернет, представлено інструменти та виокремлено основні тренди та напрями розвитку медійної реклами, надано функціональний зріз реклами в мережі Інтернет. Проаналізовано ринок реклами та представлено обсяг медійної реклами у мережі Інтернет. Акцентовано увагу на існуючі експертні оцінки тенденцій розвитку ринку Інтернет-реклами та підкреслено зростаючу роль нестандартних носіїв й розміщень реклами у комплексних рекламних та комунікаційних кампаніях в мережі Інтернет. Проведено аналіз показників та представлено результати досліджень обсягів медійної реклами на основі перехресного аналізу даних анкетування найбільш вагомих рекламних агенцій та рекламних холдингів, сайтів та сейлз-хаусів України, де саме результатами дослідження став показник динамічності реклами, збір даних про цільову аудиторію та адаптацію цих даних для інших пристроїв. Зроблено висновок щодо використання нестандартних комунікацій у напрямі креативного підходу, глибокого знання споживчої аудиторії у сфері просування реклами в мережі Інтернет, адаптації цільової аудиторії до цифрових майданчиків, можливість таргетингу та гнучкість Інтернет-реклами. Проаналізовано та підведено підсумок щодо актуальності напряму перерозподілу рекламних бюджетів на користь Інтернет-реклами.

Ключові слова: реклама, медійна реклама, тренди реклами в мережі Інтернет, інструменти реклами в мережі Інтернет.

The issue of profit maximization is really important for any organization. Every entrepreneur, manager, businessman is looking for options to make the products available to the largest number of buyers. The Internet can provide the best and cheapest information with descriptions of real goods, services, so it allows the company to attract a potential buyer.

A large number of people with different interests, who are at different stages of the buying cycle, use information from the Internet as a basis for making a purchase decision. Thus, a company that wants to operate successfully in the market can't ignore such important advertising platform as the Internet [6].

Information technologies are rapidly penetrating in all areas of business, so it is important to study Internet advertising. Today it is widely used in all companies, despite their sizes and specific activities, forms of ownership. Businesses use all available advertising tools to create effective channels of interaction with partners and buyers via the Internet.

Theoretical and practical aspects of advertising can be traced in the works of domestic and foreign authors including D. Ogivli, J. O'Toole, L. Barnett, S. Moriarty, O. V. Dubovyk [2], O. S. Evseitseva, D. D. Merkulova, T. V. Kuklinova, M. V. Malchyk, O. V. Martyniuk, T. Lukianets, G. Pocheptsova, E. Romat and others. However, it

should be noted that the advertising industry is in a changing environment. Recently, there have been significant changes in the socio-economic and political life of the country; their impact on the development of the domestic advertising market requires further study.

Today, the Internet has become an essential part of the life of a common person, who lives in the media space and uses the Internet as a means of communication now. The development of the Internet in the world has led to the fact that all businesses are developing with the use of this powerful tool. The Internet allows you to get necessary information about cultural values, literary and electronic sources, goods, services; it also helps to find information about people, to make a virtual journey around the world. New technologies for protecting information on the Internet allow you to make purchases with online payment. Any individual can do it sitting at his personal computer. This technology is very effective because it does not require movement of people, the use of paper media and can be used at any convenient time for the consumer as online advertising.

The Internet space is becoming more and more attractive to advertisers every year. The growing trend of online advertising could be observed in a period of advertising budget cuts during the recent economic crisis. The Internet resource has such advantages as low cost of contacts, accurate targeting, powerful tools for monitoring and analyzing the results of the advertising campaign.

The Internet resource is in the stage of active development. There is a significant increase in the number of users, including the regions. The authors have analyzed economically active groups of the Internet audience: 97 % are men aged 18 to 24, 89 % aged 25 to 34; women are respectively 79 % and 81 %.

The transition from consuming information to creating their own information resources is one of the obvious trends among the Internet users. Traditional media, social networks and media blogs are becoming equally attractive sources of information.

Advertising on the Internet has several advantages over advertising in traditional media:

- 1) creating a presentation of a product or service at a high level at a low price;
- 2) the ability to receive statistics in real time and influence the consumer's reaction by changing the advertising message to achieve maximum effect;
- 3) ensuring direct contacts between the manufacturer and the consumer. Such interaction allows to continue active discussion of «pluses» and «minuses» of the advertised goods;
- 4) the ability to conduct an advertising campaign without the influence of competing brands (for example, you can buy 100 % of banner impressions on a dozen thematic Internet resources, which is almost impossible in traditional media);
- 5) creating and maintaining a progressive company image;
- 6) the ability to obtain preliminary information about potential consumers.

It is necessary to take into account some features of users' visits to various Internet resources in the case of advertising on the Internet.

The user's interaction with advertising is minimal on traditionally popular services including mail, weather and news sites, because the user focuses on checking mail, reading the weather forecasts or news. As a rule, people consider it compulsory procedures, so they leave the resource in some minutes. Therefore, the efficiency of banners is low. The impact of advertising is formed through the high attendance of such resources. One of the potential benefits of social networks is the association of users by interests, which can be effectively used by advertisers. Blogs or online diaries are used to place hidden advertising including viral advertising, product placement and others. At the same time, the blogger who places the ad should do it unobtrusively so that the readers do not lose confidence in him. However, it is possible to place direct advertising on blogs. If the audience trust and respect the blogger, such advertising will not be annoying and can attract the user.

There are various peer reviews of trends in the Internet advertising market. Money in advertising will follow its consumer, and consumers go to the Internet, especially in social networks. The share of expenses of leading advertisers on the Internet is growing rapidly. The role of non-standard advertising placements and complex campaigns on the Internet will increase. The index of trust in advertising channels is changing significantly; now TV and the Internet are leading by a large margin, although advertising in press has had a high level of trust so far. The price of SEO and contextual advertising is rising; the effectiveness of these types of advertising is falling. Multichannel promotion on the Internet will dominate, and SMM will become the third main channel. This will increase the role of quality strategies and tactics of integrated placement, as well as the role of creativity. As many people began to «live» on social networks, advertising agencies «listen» to the network before developing comprehensive online promotion programs now. Involvement in interaction (through interactivity) is the most widely used element of Internet strategies. The Internet is becoming a source of information for marketing decisions.

The redistribution of the advertising market and the growing share of online advertising is a global trend. The cost of online advertising in the world has doubled in less than five years, and more than half of the total cost of advertising account for digital channels [4]. Changes in the media landscape and behavior of target audiences force advertisers to adapt constantly their media strategies. The mass transition of target audiences to the Internet environment caused the flow of advertising budgets from traditional channels of advertising to digital, which led to a crisis in the print media, as most of them worked on the basis of «advertising» business model.

At the beginning of 2021, almost 60 % of the world's population used the Internet. This is 4.54 billion people, a 7 per cent increase over January 2020. According to the average Global Overview analysis, a person uses

the network for 6 hours and 43 minutes and 40% of the night mode. People spend more than half of their time online in smartphones (50.1 %). Smartphones account for 53 %, personal computers and laptops for 44 %, and tablets and other gadgets for 3 % of all web requests. The rise of Internet technology has influenced the emergence of new business lines, the transformation of existing ones. Bill Gates once said that if your business was not on the Internet, then your business would be out of business. This interest in new technologies significantly affects the development of the e-commerce market and has a positive impact on the growth of online shopping in Ukraine. Online purchases accounted for 40 % in 2019 [1]. The situation abroad is even more optimistic. According to the report of the E-Commerce Foundation, 72 % of Europeans, 82% of Americans and 61 % of Chinese shop online [4; 8].

The volume of Internet advertising in Ukraine amounted to UAH 13.5 billion in 2020, a 7 per cent increase compared with 2019. The share of online Internet advertising amounted to UAH 6.6 billion, search advertising was UAH 6.9 billion in this volume. The indicators and results of research on the volume of media advertising were based on cross-analysis of survey data of the largest advertising agencies and advertising holdings, sites and sales houses of Ukraine including Dentsu Ukraine, Razom Group, Sigma, Havas Digital, Resolution (Optimum Media Ukraine), TMGU, Ad Work, NCG DIEVO, Media Head, NEOS Digital, Netpeak, WebPromo, ADINDEX, Mix Digital, PRO digital agency [12].

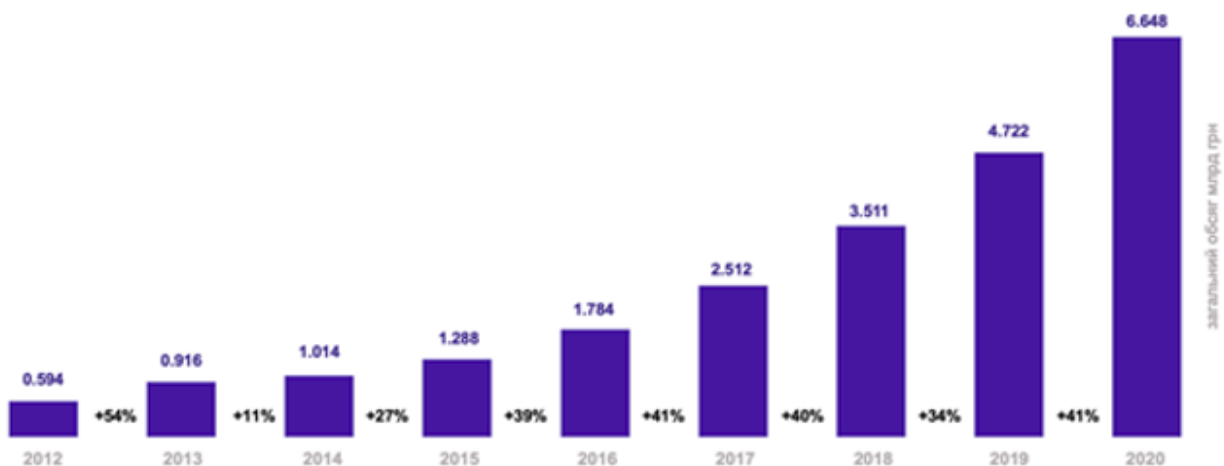


Fig. 1. The volume of the Internet advertising media market the total amount of UAH billion

These results indicate the performance of the main functions of advertising on the Internet, focusing at:

- expanding the audience of the website, social network pages, generation of leads;
- improving brand awareness;
- expansion of new sales channels;
- search for new contractors (clients, partners);
- increase in sales;
- establishing feedback with customers;
- formation of the consumer loyalty to the product, website, company;
- information about new products.

There is a huge segment of Internet users in Ukraine, whom advertisers can «reach» only on mobile devices; this is 39 % of unique users according to Gemius Ukraine [9].

Mobile advertising will outpace TV and desktop Internet advertising in terms of budget share. The cost of mobile advertising is rising in price at the moment. Therefore, 52 % of Ukrainian users spend more than half of their time in the Internet on mobile devices, 21 % and 27% of them use computers and TV.

According to the Advertising Index report, Facebook increased price per thousand impressions (CPM) by 65 % in the annual comparison and reached \$ 6.33 in the second quarter of 2021. The average CTR of advertising on Facebook was 1.29 %. Therefore, technological local players in the mobile market have their advantages – the average CTR of the banner «horizontal bar» at the bottom of the screen in the Ukrainian mobile advertising network UaMobile.

The segment of Internet advertising is developing most dynamically in the advertising market in Ukraine. It showed growth of 24 % in 2020 despite the crisis. This growth is due to changes in media consumption (online time of the consumers is growing from year to year and the advertisers are moving to digital platforms for the target audience) and the possibility of targeted advertising campaign and its regulation, which in the case of traditional media is difficult to do. In addition, price growth in this segment is slower compared to the OOH and television. The biggest advertisers on the Internet are e-commerce, betting and mobile operators.

The study demonstrates that the advertising market is very dynamic. The results indicate that there is a growth in this segment and there are many prospects ahead. It should be noted that the market of Internet advertising

in Ukraine is still considered weak. The authors conclude that the ability to identify the user on all his devices, to enrich the data on age and interests and show him advertising will be a big breakthrough.

Thus, the trend of modern Internet advertising is the active development of non-standard communications. An experienced consumer is a difficult task for an advertiser. As a rule, he does not respond to standard advertising, so marketers and advertisers look for new approaches to attract the attention of the audience. The use of any non-standard communications requires a subtle creative approach, deep knowledge of the consumer audience, so the researchers consider that such communications will be used in the future of advertising on the Internet. The transfer of the target audience to digital platforms, the target ability and the flexibility of online advertising have contributed to the redistribution of advertising budgets in favor of digital.

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