

## ECONOMIC APPEAL OF INTERNET MARKETING

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**Abstract:** The article discusses the benefits and types of Internet advertizing. The author analyzes the two most popular kind of online marketing: contextual advertizing and advertizing in social media. Tells about their pluses and a minus, the degree of relevance and efficiency of the market these services. After consideration the author comes to conclusions that the Internet marketing develops fast rates. Online gets into all areas of human activity. In this situation, the contextual advertizing has leading positions, but as this sphere quickly changes, and it is possible that in the future a new direction as advertizing in social media will come to the forefront.

**Аннотация:** В статье рассматриваются преимущества и разновидности интернет рекламы. Автор анализирует два самых популярных вида он-лайн маркетинга: контекстная реклама и реклама в социальных медиа. Рассказывает об их плюсах и минусах, степени востребованности и эффективности на рынке данных услуг. После рассмотрения автор приходит к выводам, что интернет маркетинг развивается довольно быстрыми темпами. Он-лайн проникает во все сферы деятельности человека. В данной ситуации, контекстная реклама имеет ведущие позиции, но так как данная сфера быстро меняется, в будущем, возможно, что такое новое направление как реклама в социальных медиа выйдет на первый план.

**Keywords:** Internet advertizing, efficiency of investment, promotional offer, economic appeal, contextual advertizing, search engines, cost per visitor (CPV), cost per click (CPC), Search Engine Optimization, Social Media Optimization, click-through rate.

**Ключевые слова:** интернет реклама, эффективность инвестиций, рекламное предложение, экономическая привлекательность, контекстная реклама, поисковые системы, средняя стоимость одного клика, стоимость клика, поисковое продвижение сайта, оптимизация сайта под социальные медиа, коэффициент кликабельности.

After crisis of 2008 the market of advertizing underwent changes. At many advertizing companies recession was traced. At that time the Internet was becoming more and more popular. Total number of users grew and in this regard, there were new platforms for advertisers in the online space. Certainly, this type of promotion was in great demand, as had a number of advantages over traditional, especially in the established economic situation.

One of its main advantages is ability to track the efficiency of investments into the Internet marketing. If the advertizing is placed in the Internet, the customer can easily see its relevance. There are programs helping to get information about how many users watched a promotional offer and how many it interested. Advantage of Internet advertizing is its mobility. The customer can make necessary changes in the course of campaign: change external appearance, expand or narrow circle of users to whom it will be shown, and many other things. And do not forget, that online advertizing needs smaller capital investments than, for example, advertizing on television. Provided that efficiency of these types is approximately equal.<sup>1</sup>

Appeal the Internet marketing grows every year. When there is a desire to place the advertizing in the Internet, the question arises - what a way of advance to choose. I would like to talk about two of the most interesting types of Internet advertizing: contextual advertizing and marketing in social media.

The contextual advertizing is a text message, which is shown at a set of keywords in search programs. Thus, the advertizing message is seen as an answer to the question. It helps the user to find the necessary goods or service. The growing popularity of contextual advertizing depends on the popularity of search engines. Some providers of this type of advertizing:

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<sup>1</sup> Makarov. (2010). "Internet advertizing - competent investments into marketing". "Business strategy" No. 51.

- Yandex (for advertisers) and the Yandex Advertising Network (for site owners)
- Google AdWords (for advertisers) and Google AdSense (for website owners)

The main positive difference from a media advertising, where the customer pays for the number of displays (CPV), a contextual advertising payment is for a kind of activity of the user (CPC). (CPV (cost per visitor) – is the average cost is one click. CPC (cost per click) calculated the cost per click, or the maximum price an advertiser pays for a click on your advertising. The price for a click depends on many factors: search word phrase; geographical location of the person who is doing search; time of day in which it is prospected, etc.)<sup>2</sup>

The contextual advertising interacts with search advance. SEO – Search Engine Optimization is a set of measures for a raise the site positions in search engines results pages for users' queries. Search engine promotion depends on many factors, such as: search engines and their users. Changes of these factors could be caused by activity recession in holidays, weekends, etc. SEO traces all these changes more precisely and quicker reacts to them. Therefore many consultants advise not to save and use symbiosis of a contextual advertising and SEO.

Then, we will pay attention to rather new concept "Advertising in Social Media". Over time social networks grow in the Internet, we are already seeing a symbiosis of functions which they provide: forum, photo album, diary, possibility of the calculation of music and video, file exchange, and so on. The main opportunity is creation of communities directly in social networks. Certainly, advertisers can not miss a place, where going to a lot of people who also share the same interests. The best-known representatives of the social networks in Russia are: VKontakte (vk.com), Facebook (facebook.com), Schoolmates (odnoklassniki.ru). They are great advertising medium. In any of these networks you can create a group, which will be located the information of your company. Depending on the created context and number of the attracted people we receive a constant traffic on your page. Because of low cost this type of advertising is very attractive.<sup>3</sup>

Besides to promoting sites using sites assistants, there is a SMO method. Site optimization under social media (SMO, Social media optimization) — a package of measures, directed on attraction on a site of visitors from social media. Today, Social Media Optimization was divided into two main areas: the change of the resource (SMO) and Website promotion and popularization of social media resources – blogs, forums, network societies (SMM). SMM (Social Media Marketing) – is the effective and most perspective tool for attraction of a large number of visitors on a site and direct to attract new customers, and also formation of positive image of the company. In turn, Social Media Optimization means optimization for social media, namely purely technical actions which are directed on transformation of a site and its content for the simplest use.

Having considered two types of Internet - marketing we can draw some conclusions. In spite of the fact that popularity of social networks grows, the promotion using SMO has some difficulties:

- 1 . It is impossible to achieve accurate segmentation of audience in social media;
- 2 . On social networks as well as in real life there are rules and punishments. They act as clubs for the elite therefore to get there to own content can be difficult.
- 3 . In work with SMO you should not forget about careful studying of a state of affairs on social networks. It is necessary to monitor resource trends constantly. What articles are in demand and what are not read. Just do not forget that it is necessary to support the frequency of the posts as rare positions will not be able to bring a big traffic to your site.

What it is possible to tell about a contextual advertising? Participants of business are interested in stable return of investments enclosed in advertising and predictable result. If we consider contextual advertising, in these conditions, it is necessary to pay attention to CTR factor (click-through rate) is responsible for a ratio of quantity of clicks to advertisement displays. Return of investments depends on increase in coefficient of CTR. It is normalized and has the constant parameter if the coefficient grows. But this only happens after a certain period of time. If to combine contextual advertising with search promotion, it is possible to receive more predicted result. First of all, the search offer has good positive dynamics of return of investments. It is connected with the fact that, it is not itself advertising for the user and therefore has higher factor of trust. And secondly, it was already said above, that SEO has dependence on bigger quantity of the facts. That allows it to better track changes in the market.

<sup>2</sup> Gordon Freeman. (2011). "Price markup of clicks and displays. What is CTR, CPM, CPV, CPC? ". Javascript-Blogi

<sup>3</sup> Baranov, "The forecast of return of investments into the Internet – marketing", Moscow, RIOR of 2010.

Separately, contextual advertizing and search engine optimization have the various nuances influencing on stability and predictability of investments, but their "symbiosis" gives a good predicted result at a minimum of financial investments.

Thus, it is possible to observe that Internet advertizing has at this time is well positioned in the market of marketing services. It is quite developed area which has got into life of almost each person. Having correlated all pluses and minuses by consideration of two most popular types the Internet - advertizing, it can be concluded that the contextual advertizing in combination with search promotion has big efficiency for campaigns. But you should not forget that social communities do not cease to grow and be popularized. Therefore it is better to place the advertizing offers both in the form of contextual advertizing and in social media. It will allow campaigns to receive the good review of a situation in the market and to attract the greatest number of clients.

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