

COMPREHENSIVE APPROACH TO ESTIMATION OF EFFICIENCY OF INTERNET ADVERTISING

INTEGRĒTĀS PIEEJAS IZMANTOŠANA INTERNETA REKLĀMAS EFEKTIVITĀTES NOVĒRTĒŠANĀ

Tatsiana Serada

Polotsk State University, t.serada@pdu.by, + 375 214536395,
Novopolotsk, Belarus

Abstract: For several years, the Internet as an advertising platform, leading in growth compared with any other media. This article examines key indicators of the effectiveness of advertising campaigns on the Internet. The study proposes a number of measures aimed at a more complete and accurate assessment of the effectiveness of online advertising in modern conditions of the global computer network.

Keywords: online advertising, the effectiveness of online advertising, communication effectiveness, economic efficiency, comprehensive approach.

Introduction

Modern entrepreneurs sufficiently aware of the indicators to measure the effectiveness of Internet advertising, but use them without the system, selecting specific indicators trying to form and evaluate the effectiveness of activities in the field of Internet marketing. When writing the article we used the following research methods: desk research as well as exploratory, observation, content analysis, comparison, classification. The aim of the study is the analysis and systematization of existing indicators objective evaluation of the effectiveness of Internet advertising. It has been assumed that the greater effectiveness of online advertising contributes to improving the entrepreneurship among entities that use it.

Rapidly developing information environment and a gradually declining effectiveness of traditional advertising to stimulate companies to search for alternative marketing solutions. The most promising, innovative direction in marketing today is advertising on the Internet, including advertising in search engines and social networks.

The advantages of Internet advertising, such as targeting advertising messages and the ability to automate many advertising impact, significantly reduce costs in the advertising campaign. The interactive advertising content creates a positive image of the company among consumers and the free access to the statistics used to evaluate the effectiveness of decisions.

A comprehensive approach in assessing the effectiveness of advertising on the Internet involves identifying the main stages of the process of communication between advertisers and Internet users, as well as the definition of a set of indicators, to the greatest extent characterize the economic and communicative effectiveness of Internet advertising on each of these stages. For advertising on the Internet has its own feature of assessing communicative (information) effectiveness.

The interaction of Internet users with advertising information can be divided into six stages, characterized by performance indicators that are presented in table 1.

Manage online marketing based on the presented indicators involves the calculation of the conversion rate at each stage of passing Internet traffic through promotional materials and Internet site of the advertiser.

CTB (Click-To-Buy ratio) – conversion rate – reflects the conversion of visitors into buyers. It is equal to the ratio of visiting hyperlink users who make a purchase (who left the order, coming to the "Contact" page, etc.) to the total number of visitors to the site on this hyperlink.

An indicator that helps to determine the effectiveness of an advertising campaign is CTI (Click-To-Interest). CTI shows the ratio of users who expressed interest in the advertised product, to their total (Malyshenko, 2015, p.51).

Table 1 – Stages and Indicators efficiency of interaction of Internet users with the advertising information

Stage	Indicators
Demonstration advertisements	<ul style="list-style-type: none"> - Ad Impression - Number of unique impressions - Intersecting audiences - The cost of advertising - Ad Frequency of advertising - CPM (cost per thousand Impression) - CPUI (cost per unique click).
Attracting attention	<ul style="list-style-type: none"> - Remembering - Memorization - Distinctness
Interest	<ul style="list-style-type: none"> - The number of clicks - The number of unique clicks - CTR (Click Touch Rate) - Frequency clicks - CPC (cost per unique click) - CPUC (cost per unique click)
Visit the website	<ul style="list-style-type: none"> - The number of UniqueUsers, UniqueVisitors - The number of visits - Frequency of visits - The number of new Internet users - The geographical distribution of users - Number of pages viewed - Viewing Depth - Site Directions - Duration of visit - CPUU (cost per unique user) - CPV (cost per visit)
Produced action	<ul style="list-style-type: none"> - Number of actions - The number of orders - Number of Sales - Volume of sales - Average purchase amount - Number of clients - Average Number of Sales per Customer - CPA (cost per action) - Order frequency - CPO (cost per order) - CPS (cost per sale) - CPCR (cost per customer)
Repeated action	<ul style="list-style-type: none"> - Number of repeat visits and actions

The measure of CTB is important not only targeting advertising, but also the attractiveness of the supply of goods or services. In the comprehensive promotion of the site to increase conversion advertising often resort to writing selling texts.

VTR (View-Through-Rate) is the subjective attractiveness of online advertising. It consists of advertising media and advertising messages and is estimated as a percentage of the number of hits and the number of impressions of the advertising message. This index is an estimate of the number of realized advertising contacts.

Cost per lead, often abbreviated as CPL, is an online advertising pricing model, where the advertiser pays for an explicit sign-up from a consumer interested in the advertiser's offer. It is also commonly called online lead generation.

Calculation of the efficiency of spent marketing costs are according to the ROI (Return on Investment) (Rzemieniak, 2015, p. 982).

In addition to the cost of advertising, which is known to the company, all of these indicators require statistical information on the number of clicks on ads on various advertising platforms, statistical data about the path of each visitor while browsing the site and information about the results of the review (the interest of visitors, amount of sales or orders). Such information can be obtained through special software companies providing advertising platforms, the owners of corporate web-sites or online stores.

One of the indisputable advantages of Internet is that it can be virtually free, if not free test campaign on a specific part of your target audience. You can also experiment with ad banners of different sizes. The Internet is the ideal means of testing advertising appeals and slogans based on the target market, to assess the appeal of promotional offers and to determine the type of advertising appeal that can attract people, who will as a result purchase your product.

There are several problems that make the process of evaluating the effectiveness of advertising more difficult and less accurate, leading to a lack of necessary information for planning of advertising campaigns, cost management, development of promotion strategy and other areas of the company. They can be briefly formulated in the following way:

- insufficient accuracy of information obtained from the statistics of visits to the site due to technical peculiarities of the data gathering process.
- qualitative nature of some of the indicators;
- the approximate character of the results of online advertising for shops and service providers that do not sell goods and services via the Internet.

Given that most of the problems of evaluating the effectiveness of Internet advertising associated with the features of technological tools used for data collection and analysis, we can offer the following activities to overcome them.

To estimate the number of impressions, clicks and number of visitors should use a combination of server and client monitoring and statistics of the publishers with the aim of obtaining the most accurate data by calculating the average value according to these three sources.

User interest can be measured by analyzing the behavior of users when browsing the site (number of pages viewed, the order and duration of the viewing session, which can be obtained through detailed statistical analysis of the advertised website).

For the evaluation of communicative effect, you can use a short questionnaire to determine how the customer learned about the product or service. Another possible method is to provide clients with on-site special promotional codes entitling them to discounts and serve individual client ID.

The decision of each individual to decide, whether it suits work his or her advertising campaign or not, but one thing is true: the effectiveness of Internet advertising can always be improved. This is achieved in two ways:

1. to make changes to the advertising to obtain more orders, calls, and clients;
2. save money by turning off the least influential sources of advertising.

Web Analytics is a useful tool to effectively track the exposure, response and overall efficiency of Internet advertising for the collection and systematic data analysis. Comprehensive analysis of Internet traffic allows reducing the consumption of marketing budget of an organization to conduct split testing and determine the most effective, from the point of view of the ratio of costs and benefits, sources of traffic.

Conclusions and suggestions

Comprehensive approach to assess the effectiveness of online advertising gives you the opportunity to more fully reflect the degree of economic and communicative impact on consumers, to identify the strengths and weaknesses of ongoing advertising campaigns, to improve business performance through an integrated analysis of the results of advertising campaigns on the Internet and use this data when planning and carrying out the subsequent advertising campaigns.

Thus, the approach to evaluating the effectiveness of Internet advertising must be comprehensive and systemic in nature. The choice of a single indicator of performance evaluation, without taking into account other indicators leads to a decision maker, distorted information. Effective Internet advertising provides is sufficient for the client's return on investment. To monitor the effectiveness of Internet advertising – the dream of anyone who pays money for it.

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Kopsavilkums

Vispotenciālākais inovatīvā mārketinga virziens mūsdienās ir reklāma internetā, tostarp reklamēšanās meklētājprogrammās un sociālajos tīklos. Interneta lietotāju mijiedarbību ar reklāmas informāciju var iedalīt sešos posmos, kurus raksturo reklāmas ietekmes efektivitātes rādītāji: reklāmas demonstrācija, uzmanības piesaiste, interese, tīmekļa vietnes apmeklējums, kas darbojas pēc atgriezeniskās saites.

Mūsdienu uzņēmēji ir pietiekoši informēti par veidiem kā noteikt interneta reklāmas efektivitātes rādītājus, taču, izmanto tos bez sistēmas un, izvēloties tikai atsevišķus rādītājus, nosaka interneta mārketinga nozares efektivitāti. Šāds efektivitātes vērtēšanas process visu sarežģī: neprecīza informācijas ieguve no tīmekļa vietnes (sakarā ar datu ieguves tehniskajām īpatnībām); dažādu rādītāju kvalitatīvais raksturs, aptuvenie rezultāti, kas iegūti no reklāmām tīmeklī, reklamējot preces, kuras netiek pārdotas izmantojot tīmekļa vietnes u.c. Tas noved pie nepieciešamās informācijas trūkuma reklāmas kampaņas budžeta plānošanas procesā, izmaksu pārvaldībā, attīstības veicināšanas stratēģijā.

Integrēta pieeja ļaus pilnīgāk atspoguļot ekonomiskās un komunikācijas ietekmes pakāpi uz patērētājiem, tādējādi ļaujot novērtēt tiešsaistes reklāmas efektivitāti, noteikt stiprās un vājās puses pašreizējām reklāmas kampaņām, ļaus uzlabot uzņēmumu darbību. Izmantojot informāciju, kas iegūta ar integrēto interneta reklāmas kampaņu rezultātu analīzi, var plānot un veicināt turpmākās reklāmas kampaņas.