

# ONLINE ADVERTISING - A WAY TO SUCCESS IN BUSINESS

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**Abstract**—In recent years, online advertising has experienced a spectacular development, both in Romania and especially abroad, which is why it has become undoubtedly a complex reality of our society. The research undertaken for this paper shows that online advertising as a marketing tool, has played a vital role for companies in Romania who have understood the benefits and identified the features of the Internet consumers and therefore are able to successfully overcome the crisis period. Online advertising is one of the most dynamic sectors of the future, in which companies are willing to invest more and more.

**Keywords**—advertising market, online advertising, online consumers.

## I. INTRODUCTION

**A**DVERTISING is undoubtedly a complex reality of our society. Whether it is classic commercials on TV or radio, print magazines, billboards or banners on the internet, advertising has become a highly dynamic phenomenon and has become more and more widespread in recent decades.

To be able to deal with a public tired and bored of hundreds of advertising messages they are bombarded every day, advertising tends to become increasingly aggressive and put more unusual forms, which is determined by the emergence and development of new communication technologies. Despite this phenomenon, the role of advertising remains always the same, namely to generate implicit attitudes and behaviours of the target audience for a good, service, brand and / or organization by increasing their awareness [1].

In recent years, online advertising has experienced a spectacular development, both in Romania and especially abroad, so this is the reason why this paper deals with this issue.

A precise and comprehensive definition of Internet advertising has not yet been established. Since the information transmitted aims to induce changes in attitudes and behaviour, we can say that online advertising is an activity of the media through which an organization forwards in the virtual environment to a general or specific audience information about her products, services, or brands in exchange of costs (space or time) [2].

The first act of online advertising company belongs to the American company AT & T, which placed the first banner ad in the world in 1994 on [www.hotwired.com](http://www.hotwired.com), also then making its appearance the first commercial browser, Netscape Navigator. Since then the Internet advertising "increased" and grew faster than any other, forming an industry independent with its own standards and the investment of billions of dollars [2], [3].

The research undertaken for this paper shows that online advertising as a marketing tool has been instrumental to the success of businesses in Romania, even in times of crisis fulfilling a dual role:

- 1) to make the goods and services popular and nevertheless the company by generating attitudes, specific behaviours or lifestyles of consumers;
- 2) generating sales and increasing turnover of the companies.

Due to these factors, online advertising is one of the most dynamic sectors of the future, in which the companies are willing to invest more and more.

## II. ONLINE ADVERTISING VS CLASSICAL ADVERTISING

Online advertising takes a variety of forms and categories, and the most successful online promotional methods as being the display advertising, contextual advertising or publicity made known by search engine advertising through networking, social and viral marketing and email advertising directly.

Banners are one of the most powerful online marketing tools because they are exposed to high audience. If they are placed on popular websites with high traffic, they can attract substantial public categories to the product they are promoting.

Advertising through social networks, also known as "viral marketing" is a method of promoting due to which the advertising message is transmitted from one person to another without the direct intervention of who is making the promotion. The term "viral marketing" was first used by the capitalist Steve Jurvetson in 1997 to describe the marketing strategy of the free email service of those from Hotmail, comparing it to how the virus spreads via email, multiplying on many levels. The term is also known as "buzz marketing" (marketing rumor), "word- of- mouth" (word of mouth marketing) or "word of mouse"

The main reasons why more and more companies adopt online advertising to the detriment of traditional advertising are:

- 1) TV audience has migrated and continues to migrate to the Internet;
- 2) The Internet is the medium of communication with the fastest growth in history;
- 3) demographic characteristics of Internet users are almost ideal for any advertising;
- 4) effectiveness of banner ads on the web is much higher than in traditional media;
- 5) significantly lower cost compared to traditional advertising;
- 6) public audience is young, dynamic, and open to novelty;
- 7) the opportunity to closely monitor provided by the advertising systems.

Also, the author Gabriela Grossek states that the main advantages of advertising online versus the traditional are the following [2]:

- 1) targeting: the ability to include a specified target audience (especially during office hours) active (the most desirable advertising segment);
- 2) monitoring: obtain valuable information shortly after the launch campaign about the target audience and even to generate online sales, where can be obtained instantly direct indications on the effectiveness of an advertising campaign;
- 3) location of a large number of various information (text, graphics, sound, video, special effects);
- 4) visibility: adverts can be seen 365 days a year at any time and from any computer connected to the Internet;
- 5) high degree of interactivity: the ability of companies to enter into direct contact with potential customers; In addition, the consumer has access to the product, is able to study it, to test it, and if it agrees, to acquire;
- 6) limitless creative opportunities (combining text, sound, image, movement);
- 7) relatively low cost (compared to TV spot, TV expenditures are equivalent to one year of on-line banners);
- 8) flexibility directions media (ads in banners), medium addressable (emails) and interactive (real-time chats) can change at any time the original plan, adapting it permanently;
- 9) measurability of campaigns allows continuous optimizing advertising budget of each agency by focusing only on the most popular sites;
- 10) online advertising alone allows immediate feedback of the effectiveness of the campaign and changes in real time.

All the advantages presented above demonstrate that advertising on the Internet, although it appeared in a short time has come to rival traditional media (TV, radio,

print, outdoor, cinema). In countries such as Sweden, Germany and even Poland this new medium has a 10% share of the total amount spent on advertising and in many countries, the share exceeds the radio, out-door advertising and cinemas.

### III. TYPES OF ONLINE CONSUMERS

In literature [4], [5] there are three factors that influence the consumer's behaviour: attitude towards technology, income and motivation to use the technology. Based on these characteristics, different classes may be defined for the consumer line.

A classification performed by the Romanian author Mihai Orzan, would be the following [6]:

- 1) Cyber buyers are represented by professionals who spend more time online, who are focused mostly on places where they conduct their business. The functions that are most often occupied by them, as that of engineers, technicians and scientists, but more and more executives and managers are with them during virtual space exploration. The decisions that need to take this category of users are often complex decisions that require a large amount of data collection sources which are very difficult to find, in a very short time. Online technology allows this, and often, an important business has as a the starting point this communicational support;
- 2) Cyber consumers from households are enslaved to commercial online services on the Internet. This group is the "gold mine" that trade and service industry of entertainment and leisure hopes to exploit. Marketers and online service providers must find ways to make it more attractive to buy online than in the local hypermarket.
- 3) Cyber navigators are users who use online technology to expand the horizons of knowledge in order to test their skills and for that, of course, it is funny. This market segment typically consists of young people with initiative of avant-garde. If a site looks good, it is explored, if not, they move on. It is a pretentious demographic segment, but it is appealing to marketers because these young people are impulsive and impressionable. They will not be reluctant to buy through the Internet, if there is something they like or are interested in.

Regardless of the category they belong to internet users present the following characteristics [2]:

- 1) they do not have ready-made strategy : if at first they use search engines to familiarize themselves with the virtual world after a while they give them up as search results turn out to be too expensive in relation to the investment of time and attention to what are offered ;

- 2) orientation problems: generally they prefer to learn new addresses of sites from family and friends, which then rapidly assess, knowing what they are looking (they are picky)
- 3) choose the path of minimum resistance: if given a choice, will be limited to visiting sites of reputable companies offline;
- 4) objecting to the information presented (especially the wrong one);
- 5) delay in using appropriate strategies: regular visits to 6-7 sites (e.g., a portal, 3-4 Practical information websites and 2 sites related to their professional passions and interests);
- 6) are sensitive to temporal aspects: Web browsing is done according to a procedure and it is a process that is rigid and repetitive;
- 7) emotionally involved in the search operation: not venturing far from what is familiar to them, and discovering new virtual address will be done according to the "small bites" strategy: they will not read a page from top to bottom, but will breeze over as much information as possible in order to have a bird's eye view on the site, and afterwards they will decide whether it is worth coming back or not.

#### IV. THE ANALYSIS OF ROMANIA'S ONLINE ADVERTISING MARKET DURING CRISIS

Companies in Romania who understood the benefits of online advertising and correctly identified the characteristics of Internet consumers have been able to successfully overcome the crisis period.

Through online advertising companies in Romania aimed to achieve certain objectives which dealt with :

- 1) the image of the organization: good picture of the organization is based on two key elements , knowledge organization , goods, services and its brands respectively as favorable perception associated with it. Actions of online advertising

can track in terms of this objective, the creating or improving awareness or formation , respectively , changing consumer attitudes , as essential prerequisites favorable image of the organization. The problems associated with the organization's image need to be addressed differently in relation to the intended target : thus, if it is aimed the overall target subject, in the foreground appears the increasing awareness among consumers while if it is aimed specific target, in the first - plane formation occurs favorable consumer attitudes ;

- 2) sales organization: it is a complex object , through the efforts involved and the difficulty of achieving its assuming convincing consumers to act in the desired direction by the organization - buying the advertised product , participating in marketing events announced , providing identification , profile transaction required etc

All these goals form the operational content of the concept of conversion - from a simple consumer of the organization receiving the advertising message in an actual client or at least in its potential client . If online advertising actions are targeting a global target, the conversion can be achieved when a strong need for the advertised product is generated to the consumer. However , when these actions are aimed to a specific target , the conversion may be performed if the consumer will be offered concrete, efficient solutions, accessible immediately as he needs .

According to a study by PricewaterhouseCoopers for the IAB (Interactive Advertising Bureau) Romania, in the first six months of 2012, the online advertising market grew by about 7 % compared to the same period in 2011, reaching around 46.6 million lei.

In the second half of 2011, investments in online advertising market were of 48 million lei , up by 10% in comparison with January to July 2011 and more than 9% over the 2nd semester of 2010 (Fig.1).

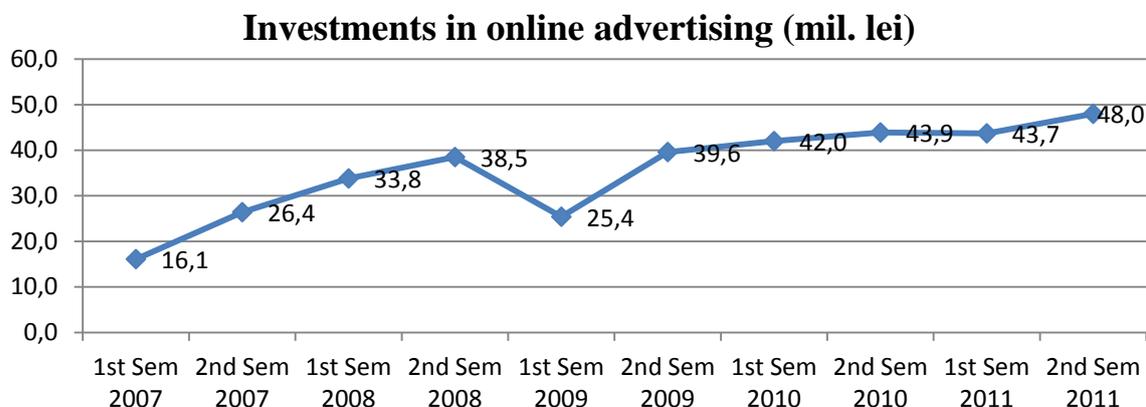


Fig.1 Investments in Romanian Online advertising 2007-2011

In the study conducted by Pricewaterhouse Coopers 1,500 sites representatives responded in Romania and the

information is not audited. The first edition of this study was in 2007.

The largest investors in online advertising in 2011 were telecommunications companies, the financial sector and automotive industry players. The telecom operators have invested about 2.41 million euros in internet promotion, players from the financial and banking area around 2.39 million, and the automotive field 1.9 million (Table I). Most income (3.91 million lei) came from the telecommunications sector, followed by auto (3.34 million lei), finance (2.82 million lei), food (2.14 million lei), beverages (2.01 million lei), online retail (1.93 million lei) and the entertainment and media (1.73 million lei)

TABLE I.  
 THE MAIN FIELDS IN WHICH ONLINE ADVERTISING WAS  
 INVESTED

Fields	Investments (mil.lei)	Investments (mil.euro)
Telecommunications	10.25	2.49
Finance	10.15	2.39
Auto	8.24	1.94
Food	5.10	1.20
Beverages	4.74	1.12
Online retail	3.58	0.84
Cosmetics	3.39	0.80
Entertainment and media	3.19	0.75
Retail	2.52	0.59
Pharmaceutics	2.39	0.56

Source: Cristina Negreanu, Wall-Street, May 28th 2012[7]

## V. CONCLUSIONS

Although the Internet penetrated hard in Romania, now it is indispensable. Whether we use it to inform, to communicate, to shop or just for fun, the Internet has become indispensable both for the young and older people. And because advertising is the mainstay in everyone's lives, it could not ignore the online environment, the environment which fit it like a glove, which is why online advertising has experienced an explosive growth in recent years, reaching to rival traditional media.

Internet advertising was launched together with banners, representing the best known, the most visible,

the most troublesome for some, the most controversial, but also the most effective form of online advertising.

The banner is the advantage of vast opportunities of targeting, optimization, detailed statistics; it eliminates duplication in communication, but it is the disadvantage of having high costs for start-ups.

Due to the many advantages it offers, online advertising is becoming increasingly popular and more companies applied it in any field.

Thus, the main reasons why companies adopt online advertising are:

- 1) TV audience has migrated and continues to migrate to the Internet;
- 2) The Internet is the medium of communication with the fastest growth in history;
- 3) demographic characteristics of Internet users are almost ideal for any advertising;
- 4) Efficiency banner advertising on the Web is more effective than the traditional media.

Online advertising as a marketing tool has been essential to the success of businesses in Romania, even during the crisis, generating sales and increasing turnover of companies.

Just as important as retention strategy is targeting users. Many companies invest huge amounts to increase traffic to their site, but look how important and difficult it is to keep users. Consumers need to be motivated to return on its website.

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