

## ONLINE ADVERTISING – AN INFORMATIONAL & COMMUNICATION SPACE FOR THE ENTERPRISE

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*ABSTRACT: The informational society is the result of the most spectacular environmental change due to the role of information in society, which obliges the companies that use online advertising to digitalize their information and individualize their market offers, their messages and means of communication.*

*Online advertising (Internet advertising) “has grown” and developed faster than any other means and the features of the Internet make it an almost ideal means of advertising compared to the other means of information, offering the opportunity of an advertising campaign on the Internet with multiple advantages for the different companies that use of “online advertising”.*

*This paper aims the reasons why companies adopt Internet advertising which exceeds the traditional media as well as the benefits and barriers of the integration of the new tools of the communication policy in Internet marketing because the future of the online communities belongs to the “smart mobs”, able to act in a focused way via the cyberspace relations network established among the consumers of the different companies through repeated contacts with this network.*

*Keywords: Internet, Web, integrated marketing communication, online advertising, marketing relationships*

*JEL Codes: M16, M31, M37, O33*

### Introduction

The beginning of the 21st century was deeply marked by the rush for information and the Internet opened new ways of communications, collaboration and coordination among consumers and business partners. The exponential proliferation of the Internet and the globalization of business have really revolutionized the way the informational society (a society based on knowledge and information) is perceived on the globe by the great mass of consumers and have brought about changes, the economies and the companies beginning to function as a whole. While, in the past, the firms would send standard messages using standard means of communication (e.g. reviews, newspapers, advertisements) without any individualization or interaction, today, the same firms can send individualized messages, and the clients themselves can individualize them and the companies can dialogue with much more numerous groups than in the past (Kotler, Ph, 2005).

In the opinion of P. Gilbert, the expression “Information and Communication Technologies” (ICT) links information and communication in one and the same move, establishing interactions in terms of “man-technology” system, which, associated in the expression “New Information and Communication Technologies” (NICT) accomplish two distinct functions in the enterprise (P. Gilbert, 2001 quoted in G. C. Stoica, 2013):

- information highlights the universe of data, resulting from a pertinent combination of information referring to facts/persons; information is meant to modify the perception of a situation and processing it is not inventing it; on the contrary, it involves gathering & transforming & storing & transmitting;

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- communication (may be it internal or external to the enterprise) belongs to the universe of people, within a process via several communication channels (vectors) permitting the exchange of information between the organization and one or several human subjects.

The development of the Internet market in Romania determined very different kinds of companies (production/services companies, publishing houses, tourist services providers, consulting firms, air transport companies, etc.) to create a presence for themselves in the virtual space, in order to be known and integrated in the Internet system, to make their offer known to their consumers/clients.

World Wide Web (Web or www, for short) as a virtual part of the Internet is a storage and reading system for the documents on the Internet, providing a virtual information space that has made the Internet accessible because people are interested in information. The pages of a site are multimedia documents in a hypertext system, which include texts, images (sometimes animated) by means of which an organization presents its competences and states its options in order to present real time information.

The transfer of the products and services from seller to buyer implies one /several electronic methods or environments supporting the firm's efforts of promoting and selling products and services on the Internet (Reedy J., Schullo S., 2004).

### **Literature review**

The dematerialization of information – an implicit result of the implementation of numerous ICT applications – has become a daily reality, to which information de-intermediation is associated (the users' accessing the information directly from the emitter and not by means of other organizations or/and people (Niculescu, O., Verboncu, I., 2008). The Web lifestyle changed the business frontiers and the Internet communications change all the demands that no so long ago used to explain spatial mobility and flexibility in the choice of the meeting places for consumer and seller.

The search for information concerning the product becomes, therefore, a source of benefits for the consumer who is ready to make efforts, sometimes important efforts, in order to acquire an information that is desired and useful and gives the opportunity of covering the time and space gap (the effort of going to the shop and the time lost while searching the product), which used to separate him once from his desired product.

The Internet communication impact will provide more spatial flexibility and mobility for the interaction between consumers/clients and seller, the soft applications reducing or even eliminating the time for moving in town or especially from town to town; thus, one can expect a change and a redimensioning of the classical area of commercial attraction of the shop, as the Internet has the ability of reuniting people situated in the most remote and different places, creating a flow of digital information. These geographic information systems give the producers or the goods distributors the possibility of managing personalized information and services for their Web visitors that accessed the company's web site several times, coupled with other categories of information such as data of the X-rayed trading structures (highlighted by means of a geographic information system). This can provide geo-marketing elements, such as integrated communication - an active & proactive answer of the organization to the challenges of the corporate environment in the dematerialized economy.

The increased demands of the clients, aware of the new services that the Internet provides, oblige the companies to focus on their clients, to provide them with the best service and to remove the processes that do not add value. In this sense, the virtual environment offers unprecedented opportunities/possibilities in favor of an efficient communication with the consumers/clients and other groups concerned.

The key factors that have led to the rethinking of the role of different communication instruments on the level of the advertising mix used by the client-oriented companies are considered to be: inefficiency of the classic media advertising (TV, radio, specialized reviews, etc.); unprecedented atomization of the demand, which determines a very well-targeted, interactive and

personalized communication; movement of the power from emitters to mediators; explosive increase in time of the forms of Internet communication; growing importance of the factors time and stress in the human existence (D. Tănăsescu et al, 2014).

Companies see the Internet access and its presence in their activity as musts for (G. Grosseck, 2006):

– searching and obtaining business information (a simple click and one has access to millions of web sites, resources for multimedia information, technical-scientific information or electronic commerce (fig. no. 1);

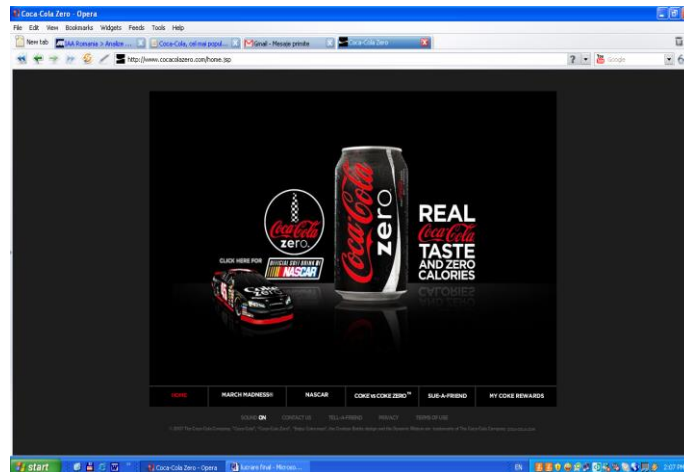


Figure no. 1- [www.cocacolazero.com](http://www.cocacolazero.com)

- increased sales and attracting new clients/new market segments by the provision of an instantaneous access to the potential clients to information on the products traded, because on a Web page there is no limit of word numbers and companies can use all the text they need to explain in full and in detail the advantages of the products traded by a company;
- communicating with the clients and other strategic business groups through the distribution of the so-called information “on demand” to the parties interested in any means of communication by sending information/offers to them (by mail the clients can be informed in a few seconds of the special offers the firm has at a certain point);
- supporting multinational companies (through the use of Satellite Telecommunications Network) as this attenuates the lack of communication between geographically remote branches that can, in this way, be informed in a fast and easy way on the changes of policy; distance training sessions can be provided to all the employees from all the company’s branches and, last but not least, the agents can have real time information on clients. This kind of information can be received very fast (it only takes the time to write the name of the client, press Enter and indicate the type of connection), and, in turn, each sales agent can introduce his information from the field into the firm’s database by a simple click (fig. 2).



Figure no. 2 - Consumer /customer database

Integrated Marketing Communication is a “transfunctional process that the companies use to create and maintain profitable relations with the clients and strategically interested parties, which control/influence all the messages sent to these groups, encouraging a dialogue meant to obtain an increase of the brand value “ (Duncan T., 2002, quoted in D. Tănăsescu et al., 2014) and allows an active and respectively proactive adaptation to the enterprise’s initiative of modifying its marketing offer through the use of “new media” in order to build its presence on the Internet (fig. no. 3).



**Figure no. 3 – Integrated marketing communication**

The integrated communication environment via the Internet creates new opportunities for business and consumers and the companies using the Internet in their integrated marketing communication get to implement PUSH advertising strategies (this refers to the method of transferring information to the client/consumer in a way in which he makes no effort to get it), while in the PULL type of communication, the consumers need to access the information, to search for it and to get it (G. Grosseck, 2006).

### **The PUSH and PULL effect of Internet advertising**

Conceptually, on-line advertising characterizes an activity of direct communication by means of which the organization transmits, to a general or specific audience, information on its products or trademarks, the events in which it is involved, or on itself (Grosseck, G., 2006).

Its efficacy, appreciated as being higher by comparison to the “traditional” one, is determined by several factors such as: the better quality of the target aimed at (in point of the education level, revenue size and of the interest in technical and technological matters), the better selectivity (determined by the dynamics of the specialized web sites, significantly higher compared to the traditional communication environments – press, radio, television), the faster and more precise evaluation of the efficiency of the online advertising actions, permitting the realization of adequate and prompt adaptations.

The success of online advertising generally depends on the good knowledge of the advertising domain and of the knowledge of the features of the Internet as a means of communication.

Reasons for which companies adopt online advertising (Grosseck, G., 2006):

- the TV audience migrated and continued to migrate towards the Internet;
- Online Publishers Association (OPA) confirms the impact of the Internet on our daily life. 45.6% of the people aged between 18 and 54 use the internet and not the television as their first option when it comes to information, 34.6% choose television and the radio and the printed press share 3.2% of the subjects;

- the Internet is the communication environment with the fastest growth in history. In 1999, only 1000 companies used the Internet, while today it is present in over 35,000, with a growth rate of 10% per month. The Internet is present in over 200 countries, connecting over 30,000 networks and using over 2,000 economic applications;
- the demographic features of the internauts are almost ideal for any advertising environment. The efficiency of the web advertising banners is higher than that of the traditional environments. The most common elements of web advertising are banners, interstitial advertising (transitional banners), considered an alternative to banners, or contextual and also unconventional methods of establishing connections to sites.

The advantages of Internet advertising in Romania compared to the traditional advertising:

- targeting: the possibility of reaching a determined audience (especially during work / - active hours, the most desired advertising segment);
- monitoring: obtaining information on the public targeted shortly after having launched -the campaign and generating online sales, in which case one can obtain instantaneously indications on the efficiency of the advertising campaign;
- diversity of information provided to customers (text, graphics, sound, video, special effects);
- advertising visibility: it is very high, as the advertising can practically be seen at any moment and from any place by the internauts;
- high interactivity: it allows the companies to get directly in touch with the potential customers and the consumers can study, test and eventually buy the product;
- unlimited creative opportunities and relatively low cost by comparison to television, for example, where the cost of an advertising spot is equivalent to that of a year's banners;
- flexibility in the direction media, addressees - e-mails and chats;
- online advertising is the only advertising allowing for an immediate feed-back on the efficiency of a promotional campaign and real time changes. It contributes to the image of the advertized trademark.

In online advertising, interactivity with the consumer is the most important link, allowing the passage from mass advertising to a very precise selection of the target-group and ending by individual, personalized communication.

Despite its incontestable advantages, the Internet and online advertising produce as well a series of inconveniences and disadvantages (Grosseck, G., 2006):

- incompatibility of many products with Internet advertising;
- the buyers can't choose the product live. There are many products that the buyers would like to "try" before buying, and online shopping does not allow one to try a perfume, a costume or a car;
- despite its significant growth during the last few years, and its high speed of extension worldwide, the online population is nevertheless quite limited (fig. no.4);

## Previzioni

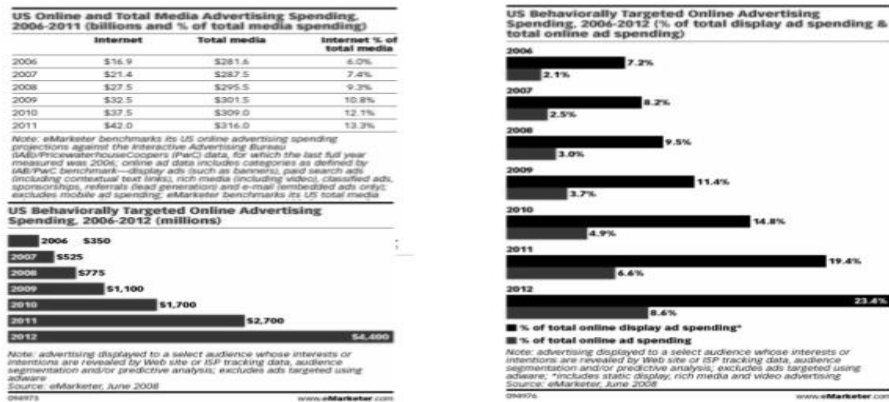


Figure no. 4 - Media Advertising Spends Trends of Total Media Online Spending in 2012

- high technical level required by this environment of communication because very many people do not trust the new technology or have no interest in the Internet and all that is related to it as they are not familiar with work on a computer or do not have a computer at home or at work;
- lack of unitary standards for measuring traffic on the sites hosting advertising messages;
- many Internet users developed the phenomenon called “banner blindness”, ignoring the banners in the Web pages;
- reticence of certain advertising agencies regarding the Internet, and their preference for sending their customer budgets to classic advertising media, to which one can add an insufficient development of the online payment systems;
- although an increasingly higher attention goes to online advertising, however a great part of the great companies’ advertising budget is still spent on TV advertisements.

In Romania, the distribution of the Internet and of the computers is uneven, the population in the countryside having access to a lower extent to the new technology; consequently, the young from the rural area (who are also targeted by these companies) risk not being reached by this kind of advertising.

Internet advertising has intensified very much lately and the banner, the handiest advertising method, can be found in great numbers on all the web pages, and the Internet navigators have come to ignore it; for this reason, the advertisements need to be placed very carefully there where it will be impossible to ignore them. Otherwise, it will only be a waste of money.

The pop-up, pop-under forms of publicity annoy the consumer, the sites run slowly, the sounds starting by themselves are elements that the company should pay attention to and should avoid, as the visitors of the page may get irritated and avoid the respective site in the future.

The traditional environments such as publications, television, and radio are push environments, transmitting information on a one-way street, from the company to the customer, and including no feed-back elements. At the same time, the main types of on-line advertising based on a site are the banners and the search engines and so their advertising function constitutes a complementary source of revenues if site space is “lent” for publicity; yet, we should mention that the pages with information on the company’s products may run more slowly and the physical diminution of the area dedicated to information on itself can “alter” the company’s image.

The Coca-Cola company promoted in parallel on TV, in press and on the Internet, where the company is present more and more; an evidence in this sense is the fact that the main Coca-Cola

brands: Sprite, Fanta, Schweppes, Burn benefit of web sites: [www.sprite.ro](http://www.sprite.ro); [www.fanta.ro](http://www.fanta.ro); [www.schhh.ro](http://www.schhh.ro); [www.burn.ro](http://www.burn.ro); [www.coca-cola.ro](http://www.coca-cola.ro).

“For our brands we use an advertising mix including TV, radio press, outdoor, Internet” as declared the marketing director of Coca-Cola Romania (<http://www.hoopla.ro/arICTol/coca-cola-antre-online-ai-tv/84/>).

According to the "Leading Brands by Romanian Internet Users" study made by Gemius, in collaboration with Evensys, Coca-Cola is the most popular brand online (with 35% notoriety) due to the promotion it enjoyed in time. The promotion by all methods was one of the priorities of the Coca-Cola management.

Offline advertising offers a very large array of communication media: newspapers, magazines, brochures, calendars, fliers, samples, catalogues, posters, radio, television, cinema and Coca-Cola is using very many of them to reach its customers, given their assured capacity of reaching the targeted groups - Coca-Cola gets into the consumers' houses by means of the television (according to the declarations of the company, it is the preferred advertising means), of the advertisements from magazines and newspapers and greets them everywhere in the streets, in the metros and bus stations with posters and panels;

Sometimes, for products such as Coca-Cola, a classic advertising is preferred as it allows the consumer to try the product as a new refreshing drink cannot be promoted only online, as this does not allow the consumer to try the product by the following reasons:

- a TV commercial presented at rush hours may cost up to €3500. Coca-Cola is one of the greatest investors in publicity, yet this may also be the consequence of the fact that Coca-Cola is mainly promoted by television, which is also the most expensive communication environment;
- the decrease of the audience of some TV channels leads to the increase of the price of the TV commercials, and so, although Coca-Cola is increasing its budget for TV commercials, more money will buy the same quantity of TV commercials;
- the consumers are invaded by advertisements and tend to ignore them – daily, every consumer is invaded by hundreds of advertisements from the moment he wakes up and turns on the radio, the TV or reads the newspaper. For this reason, in time, he has learnt to ignore advertisements. Although the target-public that can be reached through the use of a multitude of classic means of communication is very large, the immunity this public has acquired to commercials makes their efficiency to decrease a lot;
- in order to measure the efficiency of the publicity carried out by means of the television, of the press, of the radio and outdoor, it is necessary to carry out marketing studies before launching the advertising campaign and after having finished it. This involves high costs and does not allow one to adjust the campaign while it is being carried out, but only to improve the following campaign, taking into account the results obtained by the company.

Into the Top 10 of 2013 realized by Interbrand/Omnicom, the companies present are IBM, Microsoft, Samsung and Intel, from the area of technology, and companies such as General Electric, McDonalds, Toyota and this is the first such top in which Coca Cola is no longer leader. In exchange, while in 2011 Apple was on the 8th place, on the 2nd (in 2012) after Cola, now it goes to the first position, followed by Google ([www.biz.ro](http://www.biz.ro))

The Interbrand study sets the value of the Apple brand at \$98.3 billion, and that of the Coca Cola brand is \$79.2 billion. It should be mentioned that, nevertheless, Coca-Cola continues to have the highest number of links on Facebook, namely 73.2 million, because, we should not forget that, today, Coca-Cola is so popular that it is estimated that 1.5 billion Coca-Cola are used every day.

## **Conclusions**

In the modern immaterial economy where the companies are carrying out their activity, NICT eliminates the geographic constraints and makes it possible to communicate almost instantaneously anywhere in the world, with millions of potential consumers and/or clients.

As the global economy develops, we witness the emergence of an informational market that is rather a new work environment (many-to-many), developing in a world based on a solid informational infrastructure and which means communication. Internet Marketing is the process of building and keeping the relations with the customers by means of the online activities that facilitate the exchange of information, products/services in order to obtain the satisfaction of the clients, which becomes a source of performance for the customer-oriented companies, which build themselves a presence in the virtual space on the Internet.

The opportunities provided by the Internet as a market, and in relation to which one can evaluate and use it, according to A. Angehrn, highlight four coordinates delineating four “virtual spaces” (Grosseck, G., 2006):

- an informational space –complete information, provided via the Internet on the companies’ offer. The information “comes” towards the client; it is exact and relevant.
- the advantage for the client consists in the fact that he obtains relatively rapidly exactly the product that he wants, he can pay online and higher sales have lower costs. A not at all negligible advantage for the company is that the firms that chose to have a presence on the Internet assure the possibility of an “actual integration with back office applications” through applications assuring the data processing inside the firm (ex. sales registration, credit management, cashing recording). On the Internet, the clients demand information and dialogue, so that the package no longer has the same meaning as in the real world, as the web design elements create a favorable environment for selling by means of color and design;
- a communicational space – the Internet offers a new means of direct communication with the consumers, it creates the bases of some long-term marketing relations;
- a transactional space – the Internet is used in e-commerce and for online sales, covering the information exchanges, the trades in goods and services, and the ways of communication have as their common feature the processing of information, including text, sound and image;
- a distributional space – the Internet is a strategic alternative to the firm’s traditional delivery activity.

The companies’ presence on the web and trading on the web assures an increased competitiveness for the firm, while the “place” on the Web offers unlimited marketing and sales possibilities, while the Internet becomes the most modern means of advertising. The Internet is considered a free, equal, interactive environment, where all the forms of communication are possible, being called “the fourth form of media”, providing an alternative to mass communication (Grosseck, G., 2006).

In the modern service economy, for a company the promotion (component of the marketing mix) represents a systemic relation between a business and its market, just as a client-oriented marketing vision implemented on the level of the company puts together ideas, information/messages, shapes and colors to communicate and stimulate a favorable perception from the different target-public categories on its offer of products proposed to the market.

In order to benefit of a maximal efficiency of the advertising activities, an organization’s challenge is to know to implement independent and coherent advertising strategies, which shall be limited only by the company’s resources and competences.

Internet Marketing allows the offline advertising activities to be integrated in the rest of the company’s marketing program, while a “Web - online advertising” campaign needs to be supported



as well by other types of communication (public relations, event communication techniques (ex. virtual fairs), virtual communities, etc.

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