

MARKETING STRATEGY IN THE DIGITAL SPACE

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Abstract. *The aim of the research is to determine the preconditions for integration the Ukrainian digital market into the EU's Digital Single Market. The article is devoted to the definition of preconditions integration of Ukraine into a single digital market EU in accordance with the realities of the domestic market digital integration priorities. The article is identified trends in the development of Ukrainian market of digital technologies, comparison of individual indicators it development of appropriate indicators of the EU countries, revealed the degree of difference between these principles and trends, directions outlined measures to solve the problem "digitalization" Ukraine and creation of favorable conditions for cooperation with the European Union in the field of information and communications technology and future integration into the EU single digital market. It also identified high priority digital media channels and reasonable "gap" priorities of digital media distribution channels, due to the level of ICT use in countries. The paper analyzed Internet Stats and Facebook Usage in Europe and the necessity for priorities of the digital media space, depending on the selected region of the distribution at the stage of development of a marketing strategy. The research employed the following methods: monographic and descriptive, analysis and synthesis, comparative analysis, and statistical analysis.*

Keywords: *digital space, globalization, marketing, media channels.*

Introduction

Modern marketing is constantly changing, moving from one condition to another. Scientists refer to digital marketing as the use of all possible forms of digital channels to promote the product, and the Internet, TV, radio, social media

are all tools of digital marketing (Daft, 2002; Doyle & Stern, 2006; Day, 2002; Cravens, 2008).

Digital marketing (interactive marketing) from the point of view of marketing communications involves the use of all possible forms of digital channels to promote the brand. Digital marketing is closely intertwined with Internet marketing, which is part of it, because it uses the same communication channel (Internet), and digital marketing involves using more communication networks, including gsm, gps, gprs, bluetooth, WiFi and the Internet, because it has already developed a number of techniques, allowing reaching the target audience even in the offline environment (the use of brindavana applications in computers and mobile phones, sms/mms, digital advertising displays on the streets, QR codes in posters and magazines, etc.), dragging them into the virtual world.

Digital marketing strategy can include email marketing, social media marketing, pay-per-click, display ads, blogs and search engine optimization.

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Digitalization of the economy and the "gap" of marketing priorities

2017 has already been cited as a 'year of change' by many marketers (Jeanes, 2017). Out of a list of 22 media and marketing trends measured on Marketing Priorities 2017, a new set of themes and priorities have emerged. These revolve around audience measurement, accountability, and personalised content, a rekindled focus on trust, and greater transparency and collaboration across the industry. The top 15 Marketing Priorities ranking by sector are available in Figure 1.

As it can be seen from Figure 1, the highest priority distribution marketing in 2017 was "Content marketing". It is worth noting the high priority digital media. The obtained results indicate the necessity of formation of a marketing strategy in the digital space and the corresponding directed evolution of digital marketing and the high priority of digital media (Kitchen & Proctor, 2015).

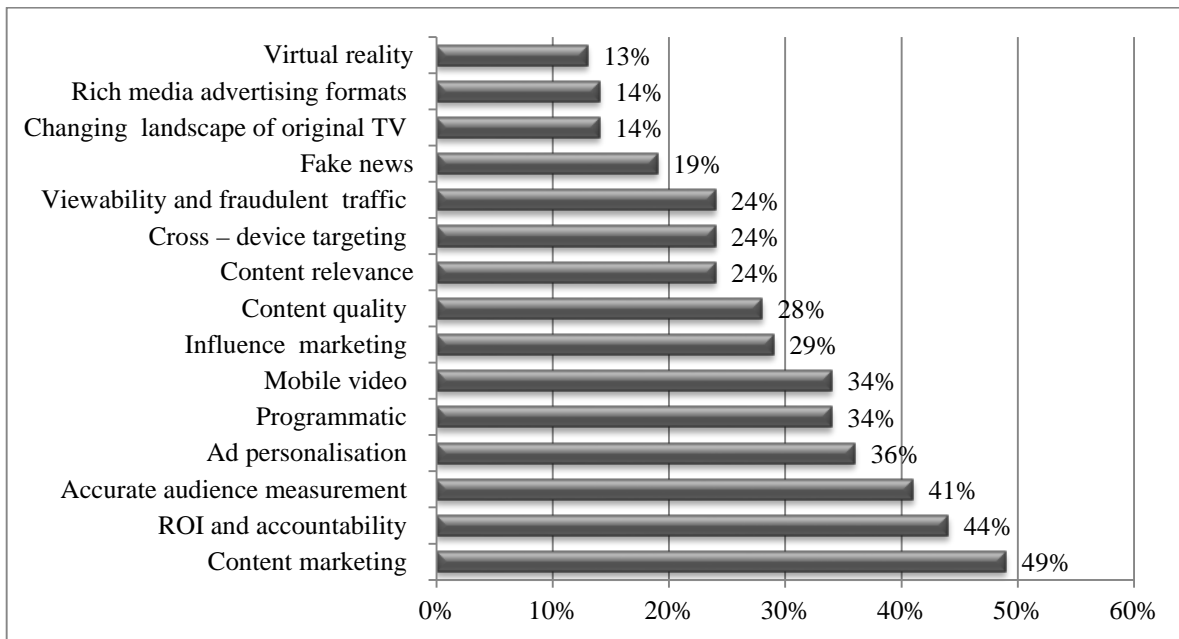


Figure 1 TOP 15 Global Marketing Priorities 2017 (Jeanes, 2017)

Digital media are targeted channels, allowing marketers to conduct ongoing, two-way personalized dialogue with each customer. Such dialogue, based on the use of data obtained as a result of past interactions with the customer to service the subsequent contacts, works like a neural network. In addition, digital media allow us to obtain analytical information about the behaviour of customers, their socio-demographic profile in real time, to establish a direct contact and to obtain feedback to improve and optimize this interaction. Digital media, except for the Internet, include: digital TV, radio, monitors, displays and other digital means of communication (Hushko, 2015).

Modern tools of digital marketing are integrated marketing communications in the digital field: promotion on blogs and social networks, specialized websites, viral advertising, PPC advertising, QR codes, social marketing, targeting, lead generation and other forms that bring together the tools of advertising, research on the target audience (Hushko, Mietule, Slyusarenko, & Sheludiakova, 2017; Kannan & Hongshuang, 2017). In fact, it is a large complex that, on the basis of digital technologies, use different types of marketing to promote the brand and product (Izmaylov, Yegorova, Maksymova, & Znotina, 2018).

Advantages of digital marketing are defined by the following factors (Fig.2).

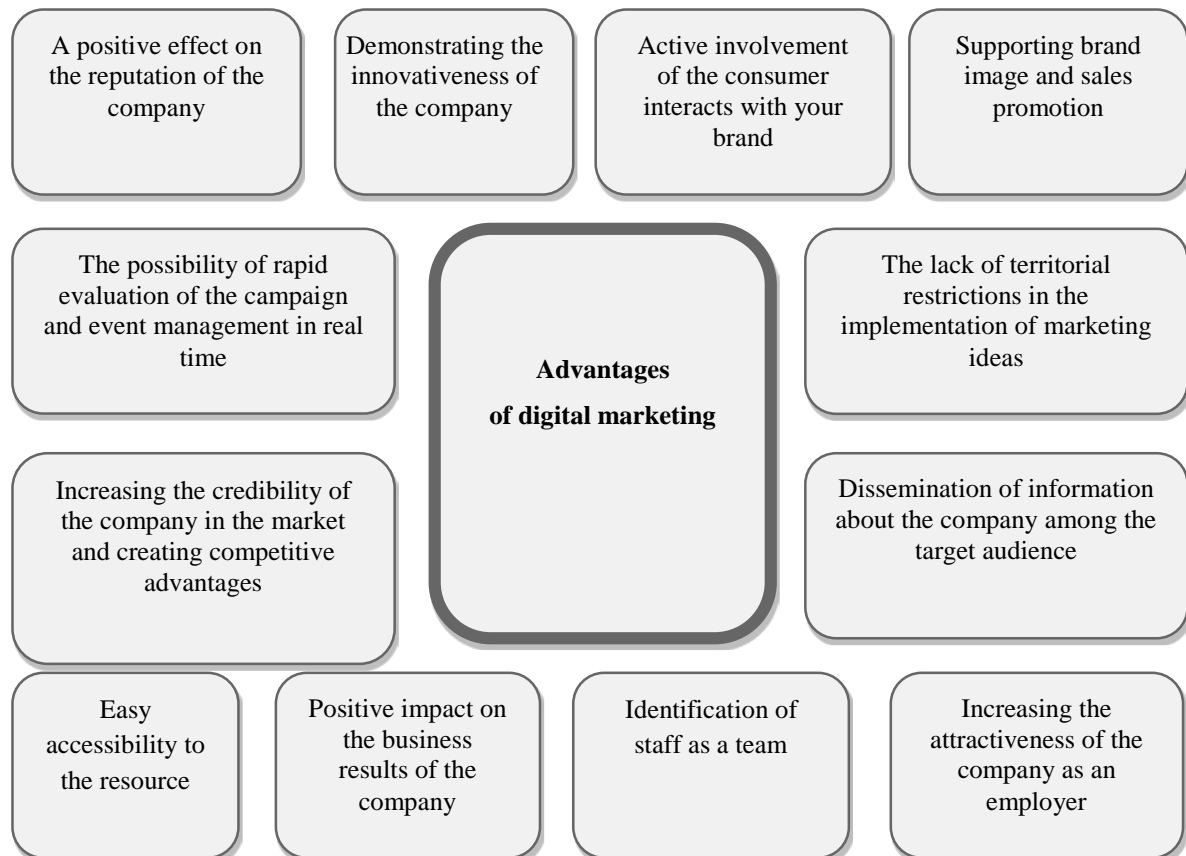


Figure 2 **Advantages of digital marketing** (developed by authors on basis (Koriniev, Kulishov, Odiyaylo, Oliynyk, & Sazonets, 2011)

So, the digitalization of the economy has opened new opportunities for the business. The use of digital marketing media is spreading massively and rapidly in the media space. It is expected that the cost of advertising in digital communications to double by 2020, according to estimates by eMarketer (Facebook Advertising, 2018).

This growth is largely due to the explosive reactions to the appearance of advertising in social networks, as consumers and brands have changed, which led to the creation of a completely new environment of super actual and ultra personified interactions. The dynamic promotion of products in Facebook is becoming the fastest growing source of income for all industries.

Familiarization with a review, comment or view on certain brands in social networks can directly impact the purchasing behaviour, so that you can now make a purchase directly on a social network. According to the forecasts of the advertising Agency Zenith Optimedia, global spending on advertising on social networks will represent 20% of total online advertising in 2019, reaching \$50 billion (Zenith Media, 2018).

According to estimates by research firm eMarketer, the net revenue of Facebook in the segment of digital advertising increased in 2017 by 35% to \$36.29 billion (Facebook Advertising, 2018).

The question arises: how must advertisers and marketers focus their investments on these new social channels?

So, according to Randall Beard, President of Nielsen Expanded Verticals, "...about a third of the campaigns on the Internet are useless - they do not promote brand recognition and do not lead to sales growth...", and "...today, content consumption and engagement with brands to a greater extent than ever rests in the hands of potential buyers. This means that without an understanding of the principles that resonate with advertising, you will never achieve increase in awareness and reinforce branding" (Global trust in advertising, 2015).

Nielsen carried out a global survey of trust in advertising among 30,000 online respondents in 60 countries to reflect the perception of the consumers regarding 19 sources of information and types of advertising. The results of the study shed light on the formats of communication that best resonated with consumers, as well as pointed to those who had yet to gain the attention of the audience. In addition, the consumers expressed their points of view on how these channels of communication stimulated their desire to buy (Consumer Confidence Index, 2016).

The value of digital advertising in today's environment and especially its ability to expand audience increase. However, the dynamic and rapid development of marketing opportunities in the digital space outstripped the willingness of companies to use digital tools to increase demand for their products.

The tricky part of digital marketing is the continued support of the evolution of the digital world. The very digital space is rapidly evolving, which complicates the use of digital marketing. Professionals need to constantly acquire new knowledge and competence for capricious, changeable digital content.

Therefore, with the development of the digital world, digital marketing must evolve along with it. As a consequence, the digital marketing world is extremely complex and will continue to become more sophisticated in the future. However, with each new addition to the digital world arise limitless marketing opportunities (Kramer, 2012).

A prominent place of trust among consumers is online channels of digital advertising. These tools allow you to build communication with a potential customer in a bilateral direction.

Therefore, in recent years companies were increasing spending on digital advertising (Measuring Digital Skills, 2014; Measuring the Information Society, 2017).

This might be caused by the improving tools for audience measurement and the fact that advertisers feel more confident in this relatively new market. TV is among those enjoying considerable popularity.

As can be seen from the presented diagrams (Fig. 3, 4), digital advertising represents significant consumer credibility and many advantages, including targeted campaigns, the possibility of optimizing on-the-go and great creative freedom. But a complete rejection of television advertising in favour of digital media is an advance. Consequently, the highest return today can provide the right balance between offline and online channels.

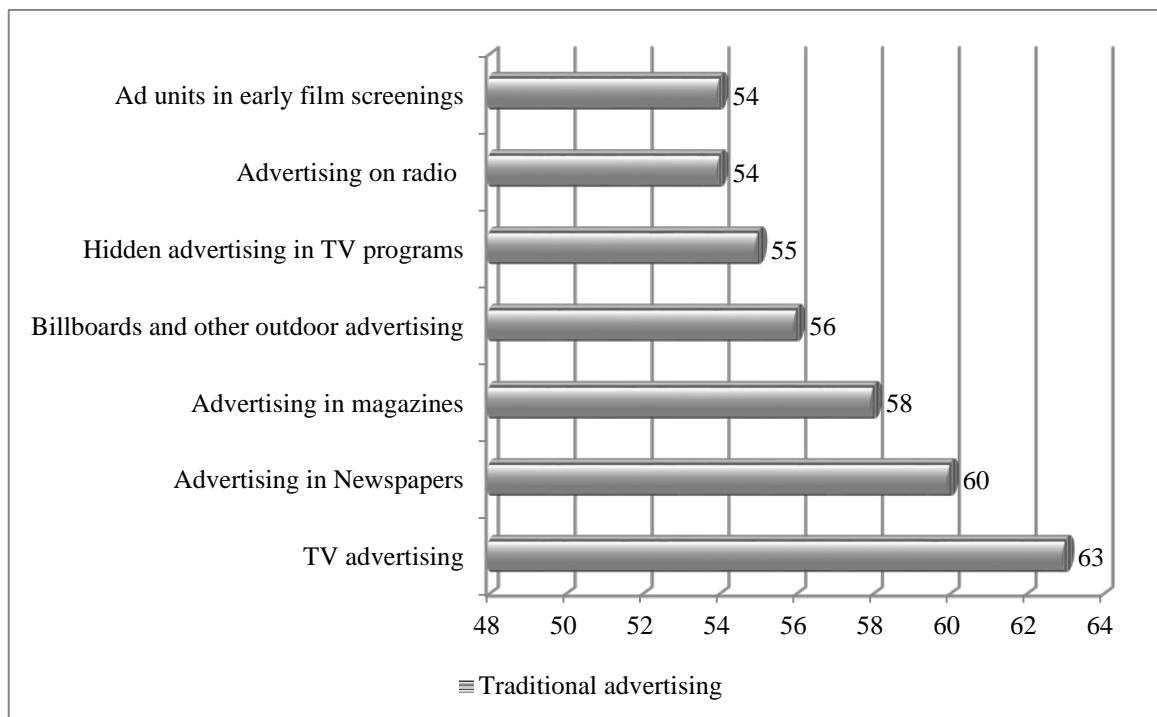


Figure 3 The level of confidence in the traditional advertising formats in the world (Consumer Confidence Index, 2016)

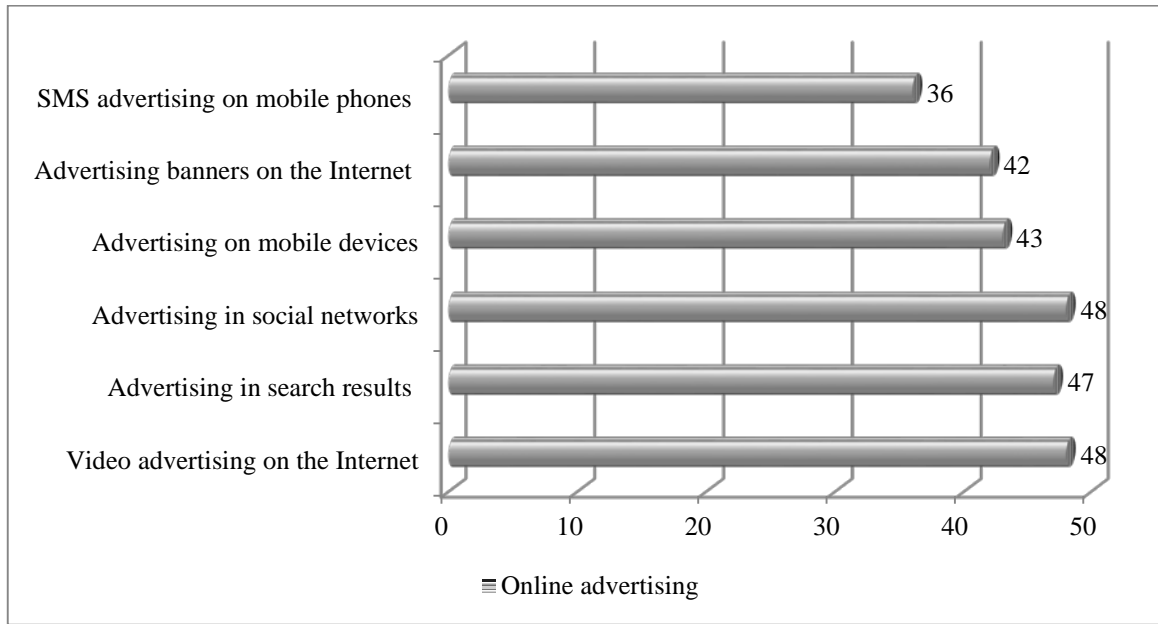


Figure 4 *The level of confidence in digital advertising formats in the world (Consumer Confidence Index, 2016)*

The results of the study raise the problem of choosing efficient online distribution channels for the marketing strategy.

In 2017, if we analyse the Ukrainian digital space, the priority of selection of a media space, is mainly located in the traditional space. The media activity of Ukrainians is different from that in the world by the predominance of traditional media channels (Fig. 5).

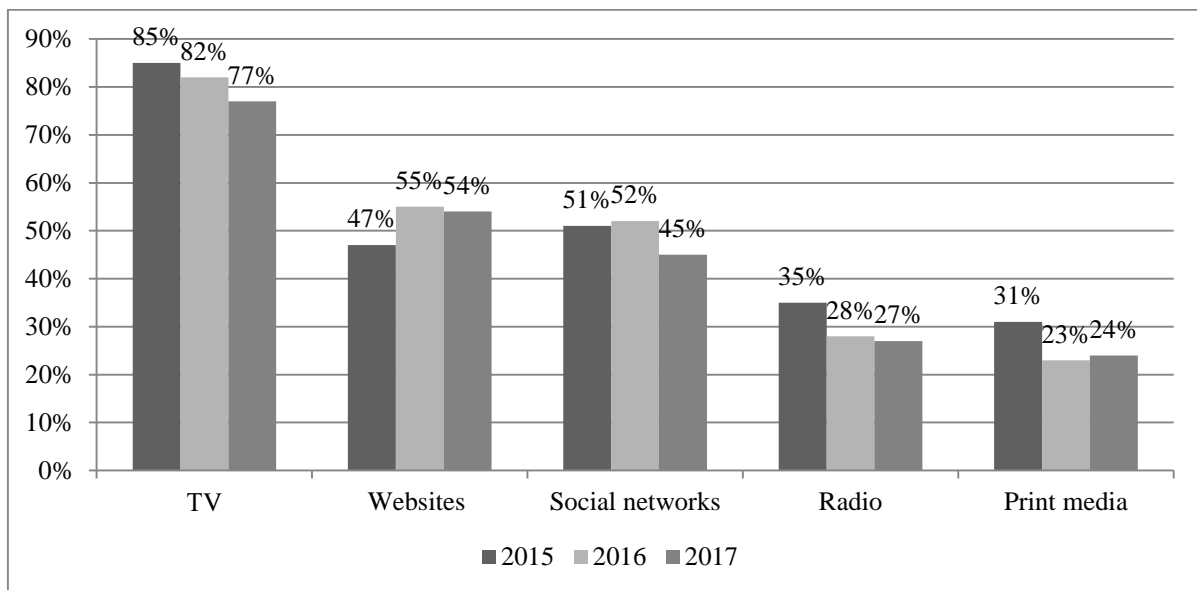


Figure 5 *Media activity of consumers: Ukraine 2015 – 2017 (The attitude of the population towards the media and the consumption of various types of the mass media in Ukraine, 2017)*

Trust in the Ukrainian media relates to both traditional and modern means (Fig. 6).

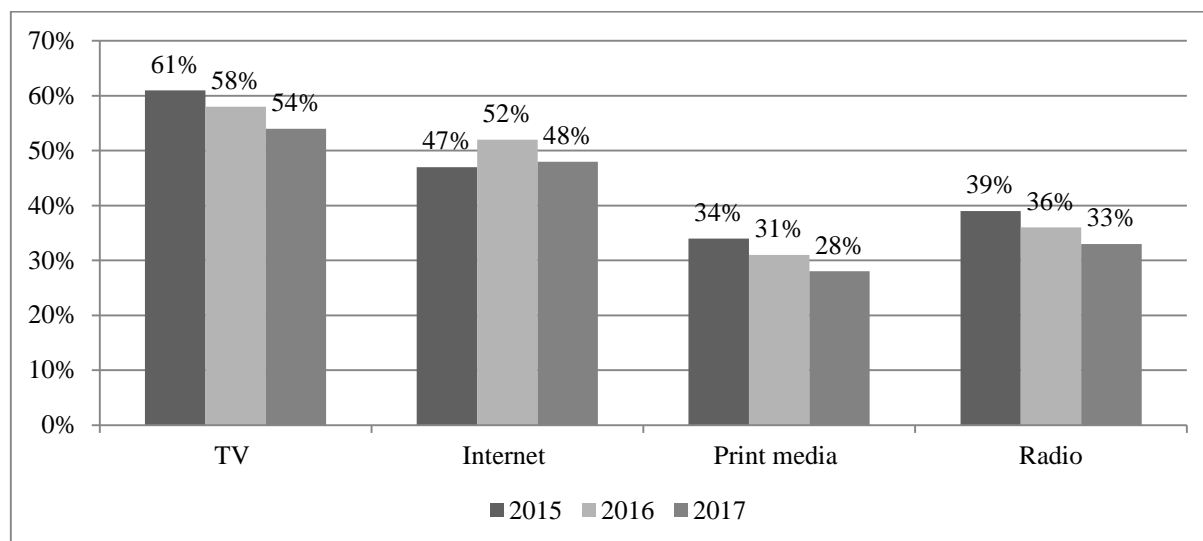


Figure 6 The credibility of the mass media: Ukraine 2015 – 2017 (The attitude of the population towards the media and the consumption of various types of mass media in Ukraine in 2017)

TV though remains the main source of news, however, continues to lose the audience (last year the share of those who used the TV was down 5% at 77%). Also there is a drop for the social networks, last year the use fell by 7%-points to 45 %.

This "gap" in the priorities of global and Ukrainian media distribution channels is due to the level of ICT usage in the state, which is due to the low percentage of Internet users in the country.

The level of ICT development in the country can be assessed according to the General utilization of computer technology and telecommunications. The parameters for the development of the information society are determined by a comparative analysis of the indices of the IDI (ICT Development Index) for Ukraine and Europe. In 2016 Ukraine ranked in 78th position in the IDI, and in 2017 it lost 1 position and ranked 79th (out of 176 countries) in the ranking of countries. Leading positions in this ranking belonged to Iceland, Korea, Switzerland, Denmark and the UK. Ukraine was behind Thailand (78th position), but ahead of China (80th position) (Measuring the Information Society 2017 report, 2017).

A comparative analysis of the number of Internet users and Facebook in the leading countries of Europe are given in Table 1.

Table 1 TOP 30 Internet Stats and Facebook usage in Europe*

Country	Population 2017	Internet users, 2017	Facebook	% Internet users	% Facebook	Rank, Internet users	Rank, Facebook
Austria	8592400	7273168	3600000	84.65	49.50	16	23
Belarus	9458535	6725018	840000	71.10	12.49	24	29
Belgium	11443830	10060745	6500000	87.91	64.61	10	11
Bulgaria	7045259	4213065	3300000	59.80	78.33	29	3
Croatia	4209815	3133485	1800000	74.43	57.44	21	18
Cyprus	1187575	901369	800000	75.90	88.75	19	2
Czech Republic	10555130	9323428	4600000	88.33	49.34	9	24
Denmark	5711837	5534770	3700000	96.90	66.85	2	9
Finland	5541274	5125678	2700000	92.50	52.68	6	20
France	64938716	56367330	33000000	86.80	58.54	12	14
Germany	80636124	72290285	31000000	89.65	42.88	7	27
Greece	10892931	7525926	5000000	69.09	66.44	26	10
Hungary	9787905	7874733	5300000	80.45	67.30	17	7
Italy	59797978	51836798	30000000	86.69	57.87	13	16
Latvia	1944565	1663739	720000	85.56	43.28	14	26
Netherlands	17032845	16143879	10000000	94.78	61.94	3	13
Norway	5330800	5311892	3400000	99.65	64.01	1	12
Poland	38563573	28267099	14000000	73.30	49.53	22	22
Portugal	10264797	7430762	5800000	72.39	78.05	23	4
Romania	19237513	12082186	8400000	62.81	69.52	28	6
Russia	143375006	109552842	12000000	76.41	10.95	18	30
Serbia	8776940	5885816	3400000	67.06	57.77	27	17
Slovakia	5432157	4629641	2400000	85.23	51.84	15	21
Slovenia	2071252	1563795	910000	75.50	58.19	20	15
Spain	46070146	40148353	23000000	87.15	57.29	11	19
Sweden	9920624	9216226	6200000	92.90	67.27	5	8
Switzerland	8454083	7558796	3700000	89.41	48.95	8	25
Turkey	80417526	56000000	56000000	69.64	100.00	25	1
Ukraine	44405055	23303773	5600000	52.48	24.03	30	28
United Kingdom	65511098	62091419	44000000	94.78	70.86	4	5
TOTAL EUROPE	822710362	659634487	343273740	80.18	52.04	*	*

* authors calculations based on Internet Usage in Europe, 2017

As can be seen from the analysis, Ukraine occupies the 30th place among the leading European countries by number of Internet users and 28th – the number of users of Facebook. Illustrative is the comparison with Latvia, where the percentage of Internet users is significantly higher than in Ukraine (14th position).

However, despite this, the percentage of Facebook users in Latvia has not reached a high level (26th position). Opposite results were obtained from the analysis of Internet Stats and Facebook Usage in Portugal. In this country, an average share of the population used the Internet (72.39%), while a high share used Facebook (4th position). This shows the need of taking account of the priorities of the digital media space, depending on the selected region of the distribution.

The groups of countries, according to the level of Internet users, represent the high, medium and low levels of use of the digital media space by the population of the countries (Table 2).

*Table 2 Groups of Internet usage in Europe**

Group	% Internet users	Rank, Internet users	Country
High 99.65 – 87.91% (11.74%)	99.65	1	Norway
	96.90	2	Denmark
	94.78	3	Netherlands
	94.78	4	United Kingdom
	92.90	5	Sweden
	92.50	6	Finland
	89.65	7	Germany
	89.41	8	Switzerland
	88.33	9	Czech Republic
	87.91	10	Belgium
Medium 87.15 – 75.50 % (11.65%)	87.15	11	Spain
	86.80	12	France
	86.69	13	Italy
	85.56	14	Latvia
	85.23	15	Slovakia
	84.65	16	Austria
	80.45	17	Hungary
	76.41	18	Russia
	75.90	19	Cyprus
	75.50	20	Slovenia
Low 74.43 – 52.48% (21.95%)	74.43	21	Croatia
	73.30	22	Poland
	72.39	23	Portugal
	71.10	24	Belarus
	69.64	25	Turkey
	69.09	26	Greece
	67.06	27	Serbia
	62.81	28	Romania
	59.80	29	Bulgaria
	52.48	30	Ukraine

* authors calculations based on Internet Usage in Europe, 2017

The obtained results indicate a significant gap in the level of Internet use between the groups of countries. The high level of use of the digital media space is specific to developed countries of the European Union. The gap between the first and second groups of countries is almost 12%. The second group of countries, according to the level of Internet users, includes the countries with developed economic systems (Spain, France, Latvia, Slovenia, etc.). Countries with unstable or emerging economies, such as Poland, Portugal, Belarus, Turkey, Greece, Serbia, Romania, Bulgaria, Ukraine, have low Internet usage (in the range in 87.15 - 52.48%).

So the modern digital marketing should take into account the digital divide between countries at the stage of strategy development. Because the optimal ratio of the use of online and offline marketing for different regions would be different in the "gap" level of ICT development in countries.

Considering the conducted researches, it is possible to outline the general stages in the development of the marketing strategy in the digital space to disseminate information in different regions:

I. Research – audience targeting:

- generation Z (15 to 20 years);
- generation Y (21 to 34 years);
- generation X (35 to 49);
- generation, Baby boomers (50 to 64 years);
- the silent generation (65 years old).

II. Components – the choice of components of strategies depending on the region:

- Content marketing;
- Viral marketing;
- Online ads (Facebook, Google AdWords);
- Blog, STA, press releases;
- PPC advertisement (pay per click);
- An online video;
- RAM Rossi;
- Mobile marketing;
- Social MEDIA (Facebook, twitter, LinkedIn, Instagram, Google plus, Pinterest).

III. Marketing actions – the choice of the package of measures “marketing mix“, which determine the positioning of the product in the market:

- Product;
- Price;
- Promotion;
- Place.

IV. Evaluation of the effectiveness of the implementation of the marketing strategy in the digital space.

V. Agenda for future research (*A Digital Agenda for Europe, 2010*).

Conclusions and Suggestions

Nowadays more than a third of the entire planet has received the Internet access. Judging by the fact that people spend so much time in the digital world, marketers must work in this world so effectively as in traditional media.

As new digital devices and technologies evolve, future research needs to focus on how firms can use these developments to create a sustainable competitive advantage, gain market share and increase customer equity and brand equity.

Formation of the strategy of promoting the company and product through digital channels is the main objective of digital marketing that involves the active presence of the company on social networks, media, using the viral video for attracting the attention of millions of people and achieving the maximum result in the optimal way, that is, saving money, avoiding unnecessary inefficiencies.

Summary

Digital marketing as the use of all possible forms of digital channels to promote the product, and the Internet, TV, radio, social media are all tools of digital marketing.

Digitalization of the economy and the "gap" of marketing priorities. TOP 15 Global Marketing Priorities 2017. Advantages of digital marketing. The level of confidence in the traditional advertising formats in the world. The level of confidence in digital advertising formats in the world. Media activity of consumers in Ukraine. The credibility of the mass media in Ukraine. A comparative analysis of the number of Internet users and Facebook in the leading countries of Europe. The groups of countries, according to the level of Internet users. The general stages in the development of the marketing strategy in the digital space to disseminate information in different regions:

I. Research – audience targeting.

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III. Marketing actions – the choice of the package of measures “marketing mix“, which determine the positioning of the product in the market.

IV. Evaluation of the effectiveness of the implementation of the marketing strategy in the digital space.

V. Agenda for future research.

Formation of the strategy of promoting the company and product through digital channels.

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