

## ROLA DIGITAL MARKETINGU W STRATEGII OMNİKALNEJ

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**Streszczenie.** W dzisiejszym społeczeństwie penetracja Internetu stale rośnie, obejmując coraz większą liczbę odbiorców. Internet stworzył nową przestrzeń wirtualną z dalszą koncentracją na jego przestrzeni różnych grup docelowych. Wraz ze wzrostem liczby użytkowników Internetu, rośnie świadomość marek o niezbędności wykorzystania Internetu jako nowego kanału reklamy wśród tradycyjnych mediów w celu prowadzenia komunikacji z ich docelowymi odbiorcami. W tym artykule autorzy przejrzyli cechy prowadzenia digital-aktywności przez marki w kontekście strategii omnikalnej i zbadali sposoby zwiększenia synergicznej interakcji digital z innymi kanałami reklamowymi.

**Słowa kluczowe:** digital marketing, digital strategia, reklama internetowa, środowisko krosskanalne, grupa docelowa.

## THE ROLE OF DIGITAL MARKETING IN OMNICHANNEL STRATEGY

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**Abstract.** The article deals with developing digital marketing strategy by brands running marketing communication in different channels. Special attention is given to increasing the effectiveness of combining digital channel with TV. It is noted that using digital helps to build effective reach of TA that cannot be covered by TV. The author emphasizes that is important to use effective channel split for digital activity. Recommendations on implementation digital marketing in media strategy are developed.

**Keywords:** digital marketing, digital strategy, internet advertising, cross-channel planning, target audience reach.

## РОЛЬ ДІДЖИТАЛ-МАРКЕТИНГУ В ОМНІКАНАЛЬНІЙ СТРАТЕГІЇ

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**Анотація.** У сучасному суспільстві проникнення Інтернету постійно зростає, охоплюючи все більшу частину його аудиторії. Інтернет створив новий віртуальний простір з подальшою концентрацією на його просторах різних цільових груп. Зі збільшенням кількості інтернет користувачів відбувається укріплення розуміння брендами необхідності використання Інтернету як нового рекламного каналу серед традиційних медіа для ведення комунікації зі своєю цільовою аудиторією. У даній статті автори розглянули особливості ведення діджитал-активності брендами в контексті омніканальної стратегії та дослідили шляхи підвищення синергетичної взаємодії діджитал з іншими рекламними каналами.

**Ключові слова:** діджитал маркетинг, діджитал стратегія, інтернет реклама, кросс-каналне серидовище, цільова аудиторія.

**Statement of the problem in general form and it's connection with important scientific or practical tasks.** In nowadays world the number of information flows is constantly increasing and covering audiences both in real and virtual environment. Advertising channels as newspapers, OOH advertising and even television are retreating, giving way to the Internet. This trend is due to the rapid growth in the number of Internet users with following accumulation of different target audiences on its recourses. As a result, implementation of new methods of brand promotion to TA through the Internet as a part of complex marketing strategy becomes not only an opportunity but also the requirement of present day.

Recently advertiser's interest to internet technologies has been increasing. On practice it appears in increase in SOV of digital in overall advertising budget. Despite the attention paid to internet advertising by many business areas, there were not still comprehensive surveys on increasing the effectiveness of digital marketing strategy of a company. Current works show the positions of different authors on some business tasks in the area of digital, however there is no enough studies on developing digital in omnichannel environment.

**Analysis of the latest research and publications, which initiated the solution of this problem and on which the author relies.** Some topics of this article were discussed in the paper written by Uspenskiy I.V., where he described the goals and specifics of digital marketing channels. Internet marketing and advertising instruments became a part of the studies of following authors: Ian Dodson, Simon Kingston, Ilyashenko Sergey and other.

**Highlighting the previously unresolved parts of the general problem to which the article is devoted.** Effective marketing strategy has a great impact on success of marketing activity of the company. It is not only important to develop effective strategies for each media channel but is also needed to improve them by ensuring their synergy. Analysis of studies on internet marketing showed that this topic is not still

explored and the surveys on increasing the effectiveness of digital marketing strategy in omnichannel environment are still needed.

### **Formulation of the purpose of the article (statement of the problem).**

The aim of this article is to analyze and identify all aspects of effective digital marketing implementation in omnichannel strategy. To achieve this aim there were the following tasks posed:

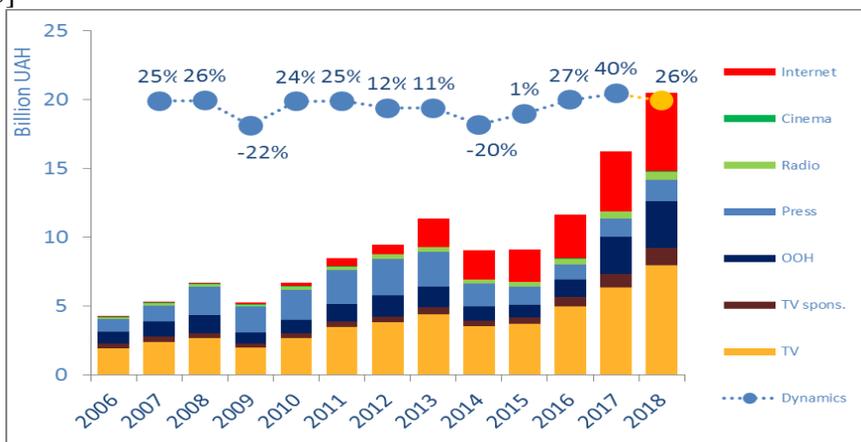
- to analyze the opportunities of different media channels for running communication with target audience and estimate their effectiveness;
- to develop the classification of digital advertising as the basis of preparing digital strategy;
- to define the ways of increasing the synergy between TV and digital and develop the recommendations on improving digital strategy.

**Statement of the main material of the research with full justification of the scientific results obtained.** Internet became an effective channel of running marketing communication with target audience. For instance, according to TNS research the current rate of Internet usage in Ukraine is about 72% that is nearly 22 million users. Average user spends almost 25 hours a month visiting Internet recourses from PC or notebooks. In general, there are nearly 19,3M internet users on PC, 10,5M mobile users and 2,6M users that goes to the Internet on tablet devices [4].

This statistic shows that Internet created virtual environment with wide range of recourses visited by different audiences in their purposes. Due to this feature a global integration of the Internet with business takes place. It means that advertisers have an opportunity to communicate with their target audiences using different internet marketing instruments.

Herewith, Internet is not only the one channel that can be used by brands in a purpose of running marketing communication with their target audiences. Depending on a company or a product, advertisers can also contact their audience through TV, out-of-home placements, press and other channels.

Picture 1 – Volumes and dynamics of growth of Ukrainian media market in 2006-2018 [5]



Picture 1 above shows the volumes of different media markets and their dynamics of growth from 2006 to 2018 in billion UAH.

According to analytical market overview by VRK (Ukrainian advertising coalition) TV market demonstrated 6% rise in demand in first six months 2018. The

number of brands also increased and reached the level of 2013 that was before the crisis. TV market is constantly growing but with falls after the crisis periods.

Press market mainly relates to increase in the number of special projects, where press is one of the main communicational platforms. Some brands also go into Press in order to build users loyalty, formulate brand's positioning or to deliver the idea. In addition, this channel is quite effective in some regions where users demonstrate high loyalty to regional publications.

Radio market shows lower rise rates than others. The most popular advertising segments are alcohol, entertainment and trade.

Active rise of Ukraine's out-of-home marker in 1H 2018 amounted 35%. But further rates may be lower due to plans of Kiev and Dnepr cities' Councils to reduce the number of big formats.

Regarding the market of Internet advertising, there are some difficulties in its estimation due to dynamic changes in internet technologies so researchers have troubles with tracking, counting and estimating all aspects of internet marketing activities. Besides that, there is no main metrology developed for such estimation, that is caused by the difficulties in data verification and receiving correct information on advertisers' activities.

Despite the rapid growth of Internet advertising market, according to TNS data the highest reach of users 12-65 living in cities with more than 50 k people across all media channels demonstrates OOH.

The Table 1 below shows the level of reach of different media channels in 2016-2017.

Table 1 – Media channels' audience reach [6]

Media channel	Reach 12-65 50k+, %	Δ 2016-2017 p., %
TV	91%	-2%
Internet	72%	+2,6%
Radio	56%	+12%
OOH	96%	+0,2%
Press	44%	-7%

This table shows that TV occupies the second place, covering 91% Ukrainian audience, while Internet is on the third place with 72% reach.

In the same time, media channels show different quality of personal contact that relies to the level of user's attention and trust. The Table 2 shows a quality of the contact of different media channels in percent measured from 1 to 100.

Table 2 – Media channels' contact quality, % [6]

Media channel	Attention	Trust
TV	56,6	18,1
Internet	30,9	12
Cinema	15,2	4,2
OOH	34,4	8,8
Newspapers	20	16,1
Magazines	16,9	4,6

Among media channels, the highest quality of the contact is on TV. Basing on the level of Attention the second place is occupied by OOH and depending on Trust by Newspapers. Internet is on the third place by both indicators.

As media channels have different potential for grabbing user's attention and being trustworthy, it becomes important for brands to develop an effective split of channels in order to achieve marketing goals. Herewith, there should be defined the main and additional media channels. Such attitude allows to focus on the most effective channel for communication and additionally to get in touch with target audience through other channels.

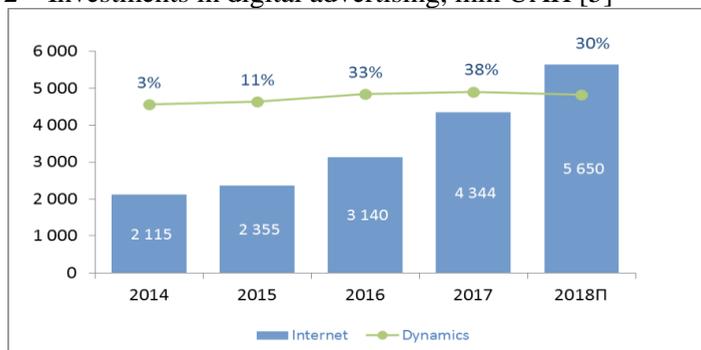
Even though OOH have the highest reach across all media – 96% (Table 2) and shows high potential for attracting user's attention, recently its potential has not been fully used by single brands due to price. So, TV becomes the main communication channel for most brands running reach campaigns where OOH in most cases is used only additionally to contact audience with bond to the place.

As it was previously mentioned, it is required to use the mix of channels in order to generate maximum TA reach and get effective cost per reach and ROI. However, no one channel can work on this so effectively as the combination of TV and Internet. In most cases it is caused by difficulties in communications with many sellers from other channels especially when they belong to different regions and high cost per reach. Regarding TV, almost whole inventory is focused between four main media groups: «Inter», «StarLightMedia», group «Ukraine» and «1+1». Internet traffic is available across local and foreign sellers and programmatic platforms that make it easy to start advertising campaign.

As a result, marketing strategy that is based on the mix of TV and Internet becomes the most effective not only because of eCPR, but also due to high contact quality and opportunities for planning and realization of strategies for these channels. Herewith, one of the main digital tasks in such strategy is building supplementary target audience reach to TV. Taking into account that TV becomes more and more expensive each year due to price inflation, media mix optimization by increasing digital budget drives ROI and incremental revenue. In order to achieve these goals, it is important to develop effective digital strategy that will work in synergy with TV.

Today companies start to understand high role of digital in media strategy and on practice it leads to increase in digital budgets. Picture 2 blow shows the dynamics of investments in digital from 2014 to 2018.

Picture 2 – Investments in digital advertising, mln UAH [5]



This data shows that digital investments are constantly increasing and there was average rise of investments for 33% each year starting from 2016. Total investments increased almost in three times starting from 2014.

To achieve the main goal of Digital in omnichannel strategy – building incremental TA reach to TV, there are different aspects of Digital that must be considered before running the communication. The Table 3 below shows the classification of digital advertising.

Table 3 – classification of digital advertising

№	Classification feature	Digital marketing components	Data source
1.	Digital channels	<ul style="list-style-type: none"> <li>• Display</li> <li>• Video</li> <li>• Mobile</li> <li>• Search</li> <li>• Social</li> <li>• E-mail</li> <li>• SEO</li> <li>• PR</li> <li>• Website</li> </ul>	The Interactive Advertising Bureau [7]
2.	Key performance indicators (KPI)	<ul style="list-style-type: none"> <li>• Impressions</li> <li>• Reach cookies</li> <li>• Reach real users</li> <li>• Frequency</li> <li>• Clicks</li> <li>• CTR</li> <li>• Price</li> <li>• Budget</li> <li>• Audience composition</li> <li>• Affinity</li> </ul>	Developed by author
3.	Payment form	<ul style="list-style-type: none"> <li>• CPM</li> <li>• CPC</li> <li>• CPV</li> <li>• CPR</li> <li>• CPA</li> </ul>	The Interactive Advertising Bureau [7]
4.	Type of materials	<ul style="list-style-type: none"> <li>• Banner (static, animated)</li> <li>• Video</li> <li>• Text</li> </ul>	Developed by author
5.	Type of targeting	<ul style="list-style-type: none"> <li>• Gender</li> <li>• Age</li> <li>• GEO</li> <li>• Time</li> <li>• Interests</li> <li>• Behavior</li> <li>• Remarketing</li> <li>• Devices etc</li> </ul>	The Interactive Advertising Bureau [7]

The information above shows that advertisers should considered a lot of aspects for running digital communication. Attention should be paid to mediaplanning that

focuses on choosing relevant digital channels and planning KPI for them by developing media plan. It is important to find out how to contact TA effectively using available targeting options. All such aspects of running digital communication and argumentation on them must be developed in digital strategy.

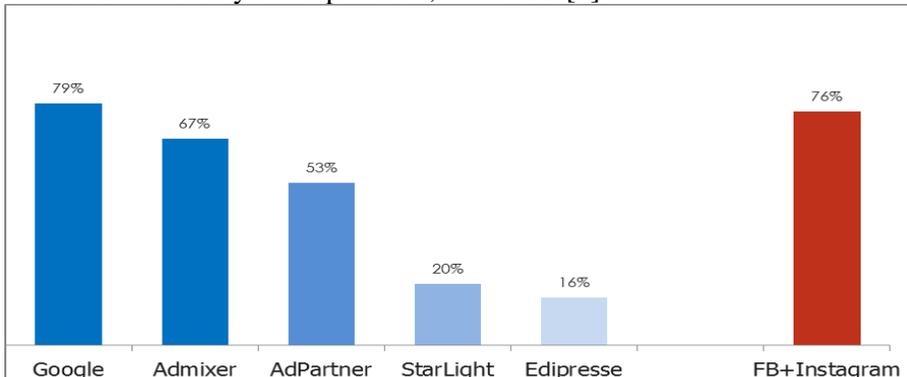
In order to build effective incremental reach through digital, the strategy has to focus on quality and quantity. On the one hand it is important to use the websites with high target audience composition and highly-viewable formats, on the other hand it means that online advertising should be carried out thorough the channels and on the websites with high reach potential and low cost per reach. Media planning helps to combine quality and quantity and includes estimation of the indicators and developing the argumentation that confirms usage of different internet marketing instruments in media split.

According to the researches people percept 45% information visually, 36% auditory and 19% kinesthetically. So both video and audio contact is the best way to make people perceive 81% information. And this can be made through TV and digital, but not in any other advertising channels with such results. In the same time, TV and Digital offer to make such contact in different formats that increases overall effectiveness of advertising by ensuring synergy [8].

To meet the criteria of visibility and audibility it's important to pay much attention in digital strategy to the usage of video format. According to IAB formats classification there are three main types of video placements: in-stream, content-roll and video banner. In-stream advertising helps to display ads through video player on the websites with video content. In-stream placement includes pre-roll, mid-roll, pause-roll and post-roll. In-stream is the most effective type of video placement due to high VTR and viewability, where pre-roll plays important role on this. Content-roll is a type of video placement when video is placed in the content of the website. This placement has lower rates than in-stream, but it's cheaper. Video banner is the cheapest type of video placement and used to show video instead of banner through banner placement. To make advertising effective it is important to consider in-stream as the main type of placement with focus on pre-roll. Depending on budget, content-rolls can also be added to the plan as an additional placement that will work on decreasing cost per reach.

There are local and foreign suppliers that provide inventory for video advertising. Picture 3 below shows reach potential of video sellers.

Picture 3 – Monthly reach potential, TA 18-35 [4]



Gemius overnight data shows that almost 80% video inventory of TA 18-35 is focused on YouTube. Herewith, YouTube offers many targeting options despite other

publishers, so it should be used as the main resource of video inventory in the media plan. Admixer as local seller has access to 67% of this audience. Adpartner is on the third place with 53%. Starlight and Edipresse also offer enough inventory for video advertising. Advertiser can also go into social networks or use them as additional placements in the media plan to decrease eCPR. However social networks demonstrate lower viewability rate due to available formats.

According to the researches 56% of internet users skip video ads [9]. As a result, video that is used on TV in most cases is not effective in Digital. Effective media strategy has to contain different attitudes for creating video content for TV and for Digital. In Digital in order to deliver the idea and get high VTR it is important to follow the next recommendations for preparing video:

- video for digital activity should be short – often up to 15 seconds;
- it has also to be attractive, dynamic and interesting for target audience to grab users' attention on website's page;
- it has to contain the main information in the first part in order to deliver it to more users as they may skip;
- it has to be device friendly - additional vertical version of video must be prepared for mobile phones as their users consume content with mobile phone almost in vertical position.

Advertising on TV and Digital has to start in the same time to make them work in synergy. If digital activity starts later it would lead to decrease in incremental reach to TV. There may also be three additional attitudes used to increase the effectiveness of Digital strategy.

1. The first attitude is based on storytelling, when advertisers re-reach the same audience with different creatives delivering the story.

2. The second attitude is based on combination of long and short video versions, when advertising starts with short 6 seconds video to tease the audience. Then the main 15 seconds video is displayed to deliver the main message and to effectively work on incremental TV reach. And advertising finishes with short 6 sec video to echo the previous activity by delivering the follow-up message. There may also be used combination only of one 6 seconds and one 15 seconds videos.

3. The third attitude is based on the research that nearly 30% TV viewers move their attention from TV to other activities including mobile phones in first 2,5 seconds after TV advertising starts. According to this attitude digital activity may be combined with TV in real time through special services that will make the Ad displayed on users' mobile phones in the same time or after another ad is displayed on TV. Getintent is one of the biggest platforms that offer such kind of advertising.

Building digital strategy it is also needed to plan frequency. Frequency helps to control how many times the ad will be displayed to each unique user. Table 4 shows the connection between frequency and adrecall.

Table 4 – Influence of frequency on adrecall [3]

<b>Weekly frequency</b>	<b>AdRecall index</b>
1	1x
2	1.7x
3-5	2.2x
6+	2.7x

Average frequency 1-3 is the most effective in terms of adrecall and eCPR. Increasing frequency above 3 leads to ineffective budget spend. Running communication through different digital placements it is important to consider their intersection as it may increase overall frequency of the campaign. However there is no service that makes it available to define the level of intersection between placements, so on practice it can be estimated basing on the results of previous activities that can be measured.

As it was previously mentioned YouTube offers wide range of targeting options for placing video content and should be considered as the main inventory source in digital plan. Herewith, YouTube also allows carrying out Brand lift as an additional service for measuring the effectiveness of digital campaign. Brand lift helps to find out how advertising leads to increase in adrecall, brand awaraness, brand favorability or purchase intent metrics. This is a survey that compares the rates of these metrics across the audience that the ads were showed to with the metrics of the audience that has not seen advertising. As higher this correlation is as advertising is more effective. This option is free for advertisers and helps to get results that may be used for improving digital strategy.

#### **Conclusions from this research and prospects for further developments in this area.**

The recommendations on implementation of digital strategy in omnichannel environment developed by the authors have important practical value for the companies running digital activity, especially those that in parallel communicate through other channels.

Media channels' reach and their effectiveness in terms of grubbing user's attention and being trustworthy were analyzed in order to define the attitude to building the media split. Herewith, basing on the results of the researches on how people perceive information and on opportunities on planning and running the campaign, it was stated that TV and Internet are the best channels to deliver the message both visually and audibly.

Digital advertising classification that includes the types of digital channels, KPIs, targeting options and other instruments was developed in order to show the range of aspects that must be taken into consideration while developing digital strategy.

It was defined that video can be placed on the website in one of the following formats: in-stream, content-roll, video banner. Herewith, in-stream placement includes pre-roll, mid-roll, pause-roll and post-roll. And in-stream is the most effective type of video placement due to high VTR and viewability, where pre-roll plays important role on this. Content-roll and video banner may be used as additional placements in order to decrease eCPR.

YouTube should be considered as the main source of traffic for video activity due to available targeting options. But the placements on the websites of local sellers like Admixer, Adpartner, Starlight, Edipresse and in social networks may also be additionally used. In some cases banners can also be added to the plan in order to decrease overall CPR.

Video content of the ads has direct impact on their effectiveness. There must be special versions of video prepared for digital instead of TV video. It is important to use attractive short versions – often up to 15 seconds with the main information in the first part. Video must be device friendly.

Running digital campaigns there may be used some strategies on increasing their effectiveness. They are: storytelling, when we deliver the story to the user; the second strategy start with tease, than the main message and ends with follow-up; the third strategy considers real time activity when the user sees the video in the internet in the same time when it is displayed on TV to him.

Preparing the digital plan it is important to take into account frequency and intersection as they influence adrecall and effective budget spend.

Finally, this study may be used as a basis for further researches regarding estimation the practical role of digital marketing in omnichannel strategy.

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