

ADVERTISING AND PROMOTION ON THE INTERNET

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Abstract. *Intense development of information technology which marked last decades of 20th century and especially the beginning of a new millennium, has brought significant changes in every aspect of human existence. These changes have brought intense development also to marketing, which gained new, sophisticated instruments for achieving its goals through IT solutions. Traditional marketing mix and especially promotion got an effective tool in Internet, one of the most important phenomenons of modern living, and web sites elevated marketing communications on a much higher level, giving it a completely new dimension. All this has brought a new, higher quality to all aspects of human life, which would be unthinkable without the achievements of modern technologies in a contemporary world.*

Key Words: *marketing mix, website, online promotion, marketing communication.*

INTRODUCTION

IT revolution that occurred during last decades of 20th century and continued through the beginning of the new millennium, has changed the world in all aspects. Information technology development and the Internet phenomenon have brought new quality of human life and work. Among scientific disciplines that have developed most under the influence of changes in the IT sector, significant place belongs to marketing. One of the greatest authors in marketing, Kotler, believes that the intense technological progress and the use of Internet have made so-called "new economy", which will outdate many marketing strategies, like mass marketing for example. At the same time, the need for the development of new strategies is being born, which will adapt better to the modern environment and growing demands of the world market [5, p. 128]. As the most significant technology of the new millennium on the global level, there is a strong belief that the

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Internet has brought a revolutionary contribution to economy. This contribution can be seen in a simple and fast access to unlimited number of all kinds of informations from different domains, their manipulation by all users of global net and linkage of all subjects on global market, from manufacturer to consumer. Communication of all subjects on the market has been accelerated and facilitated by the Internet, because no matter where they are, everyone is just one click away from the rest of the world. Never before in the history of mankind such closeness was achieved, which shows probably the biggest contribution that Internet, as the new technology, has brought to the world.

Hundreds of new web sites are being created every day in the world, which, combined with on-line promotion techniques make the essence of change in marketing communication. The goal of this paper is to point out the advantages of modern on-line promotion techniques, especially web sites, which will be shown on the example of ProCredit Bank a.d. Beograd web site.

1. THE IMPACT OF THE INTERNET ON ADVERTISING AND PROMOTION

Advertising is a form of promotion and promotion is one of the most important elements of marketing mix. The goal of advertising is to maintain a communication process with customers, in which customers get information about product, its characteristics, price and terms of sale. That communication process is being achieved through mass media and the more success it has, the more significant factor of consumption advertising is.

Until the Internet phenomenon and the expansion of information technologies, the potential of marketing communication through traditional promotion mix was limited. Evolution and growth of Internet made a significant quality difference in marketing communication, resulting in an increased use of term "on-line communication". Web site stands out as the most popular form of Internet usage for promotional purposes. Companies from all around the world understood the necessity of creating their own web sites, in order to achieve and maintain competitive advantage on the modern on-line market, by following latest trends and creating new strategies [7, p. 11]. Modern on-line promotion mix has significantly improved communication with customers by using web sites and at the same time improved traditional instruments of promotion mix, by applying sophisticated Internet technology. Web promotion, as an interactive, multimedia tool, enabled much faster and better two-way communication between users and market, as well as with entire surroundings, and promoters got a powerful instrument to achieve their promotional goals.

The most significant advantages of modern Internet promotion compared to traditional promotion shown on Figure 1 are:

- *quick access to information and their instant availability* (information is non-stop available on the Internet, and access to information is very simple – with one click of a mouse, user gets access to any web site and all its contents, anytime, 24 hours a day)
- *interactive communication* (basic advantage of on-line promotion, compared to traditional promotion through classic media such as television, radio, press)
- *multimedia* (users have images, sounds, text, video at their disposition, which gives them unlimited possibilities in terms of creativity)
- *limitless space* (anyone, from any place in the world, can have access to global net, provided that basic technical conditions exist)

- *low advertising costs* (advertising costs on the Internet are significantly lower than costs in traditional media, especially comparing to television, which is considered one of the most expensive media)
- *feedback* (feedback is much faster and more reliable in on-line communications, than with traditional media).

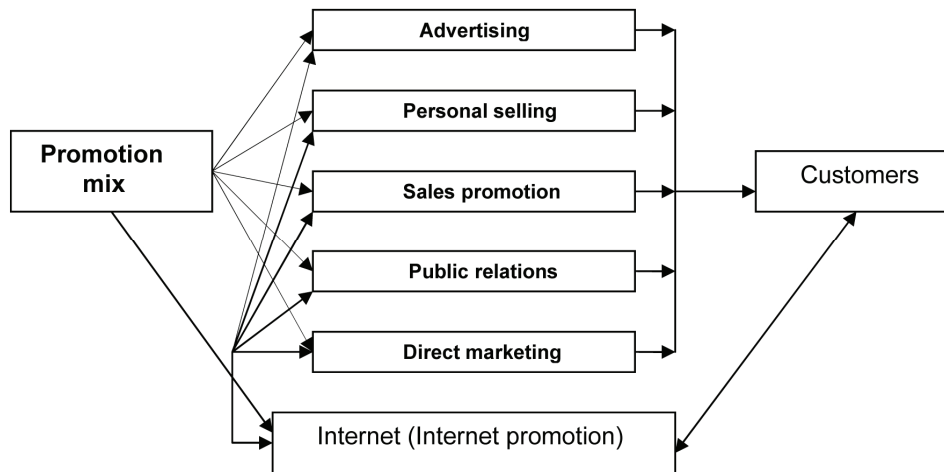


Fig. 1. Online promotion mix [9, p. 10]

Promotion on the Internet has certain deficiencies and its use is followed by many risks. For example, attacks and invasion of sites, e-mail spamming, credit and debit cards frauds, and sometimes, large amount of information on web site can cause indifference and disinterest of users. Realistic expectations for the future, in accordance with further development of information technologies, predict elimination of these deficiencies.

Most significant services offered by the Internet for achieving promotion on web are e-mail and web sites. E-mail, as a form of communication carried out on the Internet has significant potential for value creation and modern communication in modern-day conditions, and users prefer to use it because of its speed, relevance and personalization [11, p. 499]. E-mail is similar to traditional direct mail with individual customer, but with much higher percentage of response and lower costs, which makes it very popular for frequent communication – percentage of response via e-mail is 80%, compared to 2% response with direct mail [10, p. 182]. E-mail can be used to send different content to a large number of recipients at the same time (images, text, links), instantly and without any costs and make direct contact with customers and potential customers. Even powerful Internet promotional services for companies are web sites - because of the multimedia aspect they have, they are considered to be very sophisticated and efficient means of communication [9, p. 231]. It should be emphasized that only the most creative web sites, with most interesting content for different audience, have the power to attract a large number of visitors, and make them interested enough to visit that site again. To get expected results from a web presentation, corresponding budget needs to be invested, in accordance with the defined role of a web presentation in communication program. High costs of adjustment are necessary to provide exclusivity and

personalization of web site, so that every visitor gets the impression that the web site is dedicated to him or her. Technological capabilities allow adjustment and personalization of content according to gathered data about specific visitor. Dialogue is enabled with high interactivity of web site, as well as creation of customers' needs and the expansion of their impact within the company, which can be reflected on modification of certain products and services. Thus, through its own web site, company learns about customer demands, responds to them, including them into the process of value creation [11, p. 499] Total income of Google in 2005. was 6,14 billion USD, and 98% of income was executed through GSP auctions – mechanism which charges usage of key words through search service [4, p. 242-259]. For this reason, it is necessary for employees working on creation and design of concept and site content, to have a high level of creativity and imagination, as well as technical capacity for optimal realization of these tasks.

Technical literature dealing with web sites creation, states that a well designed web site should fulfill these demands [6, p. 613]:

- **context** (schedule and design)
- **content** (text, images, sound and recordings shown on site)
- **community** (communication between users enabled by site)
- **adjustment** (site capability to adjust to different users and enable personalisation by users)
- **communication** (communication enabled by web site toward users and vice versa)
- **connectivity** (to which extent is site connected with other sites)
- **trade** (site's ability to enable trade)

The conclusion from all these remarks is that making a synergy from all the specified elements can be very complex and demanding task, which requires the very best web designers and marketing experts. Considering the intense competition on the global market and the increasing number of web sites with different content, it can be achieved only with further development of information technologies and investment of more and more funds into this development, which will ultimately result in achievement of communication and promotional goals of the company.

In the second part of this paper, the example of Internet promotion and advertising will be shown, on the web site of ProCredit Bank a.d. Beograd, which will explain how this bank promotes its products and services to its clients and potential clients via Internet.

2. CHARACTERISTICS OF ADVERTISING AND PROMOTION OF BANKS ON THE INTERNET

2.1. Advertising and promotion of bank on web site

All banks that are registered and have the licence to work in Serbia have a web site, and that fact alone says enough about the importance of Internet technology in modern banking industry. Although it is considered the most significant service of Internet promotion, web site itself does not make a promotion strategy, but just a necessary condition to begin with the Internet promotion in the first place. Basic role of a bank web site is to promote products and services it has to offer to clients, as well as all the other business activities of the bank, in the way which will be acceptable to wide audience – visitors of a bank web site want to get information about the bank and its products they are interested in, quickly and easy. If the web site is designed as an attractive combination of different content such as text, animation, sound, graphics and video, it

will make visitors want to see it again, and certain interactive features of site will deepen the audience's interest, make a stronger communication and form trust and affection [1, p. 155-163]. These are the advantages brought by Internet technology to marketing communication, that can add value for all participants in the communication process, especially for customers. Although personal selling has a significant impact in forming long-term, mutually beneficial relationships with clients, the use of Internet did not diminish the role and importance of personal selling, on the contrary, it increased its efficiency and effectivity. In a well designed program of integrated marketing communications, Internet and personal selling are complementary features of promotion, which combined together lead to sale increase [2, p. 510]. In the case of banks and their clients, visitors of bank web sites will search the site looking for the products and services they are interested in, and then they will go to the bank whose offer they find most favorable. In the bank, they will meet the front office staff, and those front line employees will continue marketing communication with potential clients through personal selling. If this communication results in establishing a business relationship, e-mail as a form of communication carried out via Internet can have significant potential in further relationship forming. E-mail provides exceptional selectivity regarding choice of receivers and message adjustment and it can be very important for sending specific information to valuable clients, who prefer the use of e-mail for its speed, relevance and personalization. Benefits for banks using this form of communication are low costs and instant responses from a large number of clients, that can be measured immediately [3, p. 9-17].

Significant elements of web sites which can be used for presentation of bank products and services to site visitors are *links*, *banners*, *search windows*, etc.

Links are web site elements which connect certain contents of pages that can be parts of that specific site currently visited by user, or some other web site. Thus, links can be internal and external. Links differ from plain text with their ability to open different contents of pages or sites to users with one click of a mouse. Sublinks are links which depict and explain some theme or topic more specific and in more details. For example, if a visitor of a bank web site clicks on any link featuring different social categories such as *legal entities*, *private individuals*, *entrepreneurs*, *farmers*, many sublinks will open, depicting products and services offered by bank to that specific category of clients – payments, documentary business, accounts, savings, cards, loans, overdraft, etc.

Banners have been one of the most common and most practical features of web advertising since the beginning of Internet development and it remained the case to the present day – banners are parts of web pages depicting advertising message with the intention to attract visitor's attention to certain content offered by advertisers. [12, p. 42]. They can be static, dynamic, interactive, in a form of text, image, animation, video, and because of their visual content, they increase the value of presentation and are considered a very important element of every web site. They are also called image links, because they are usually in a form of small, rectangular windows, consisting of text and images, and can be internal, as well as external, depending whether they link contents on the same or some other web site.

Other useful elements of bank web sites that should be mentioned are search windows, used by visitors to quickly and easily find products and services they are interested in, as well as all kinds of calculators, very helpful tools for potential clients in the process of choosing a bank – they allow to all interested parties, even the ones without the knowledge of finance and banking, to calculate fees for all products and services they are interested in, fast and easy, whether they want to calculate fees on loans they want to take, or interest rates on their savings deposits, etc.

2.2. Web site of ProCredit Bank a.d. Beograd

ProCredit Bank Serbia was founded in April 2001. with initial intention to contribute the development of a country going through a transition process, through development of small and medium enterprises. Originally named Micro Finance Bank, after consolidation of ownership structure a few years later, it changed its name to ProCredit Bank as a part of ProCredit Holding, its parent company consisting of 21 ProCredit Banks based all over the world and founded by consulting company for financial development IPC from Frankfurt and one of the biggest German banks Commerzbank AG. In the structure of shareholders equity of ProCredit Bank Serbia, ProCredit Holding participates with 83,33%, or 60,5 million EUR, while Commerzbank AG has 16,67%, or 12,1 million EUR, which brings total equity to the sum of 72,6 million EUR [13].

Since the very beginning, ProCredit Bank in Serbia promoted mission and vision that indicated a strong commitment to establish long-term business relationships with clients and partners, as well as investment in the development of Serbia, as a country in transition, through the investment in form of loans to small and medium enterprises. Describing their mission on the bank web site, shareholders state that although they expect acceptable income from their investment, they are not primarily interested in short-term profit increase. Instead, they emphasize socially responsible banking concept and total social development orientation.

ProCredit Bank offers to clients a complete package of products and services, with a wide range of banking products, in accordance with strategy that positioning begins with product [16]. Also, in every business activity, the bank is being guided by established standards of corporate values, such as transparency, the culture of open communication, social responsibility and tolerance, service orientation, high professional standards and high level of personal dedication. All this can be achieved with highly educated and completely dedicated staff, whose absolute priority should be total satisfaction of clients in every moment.

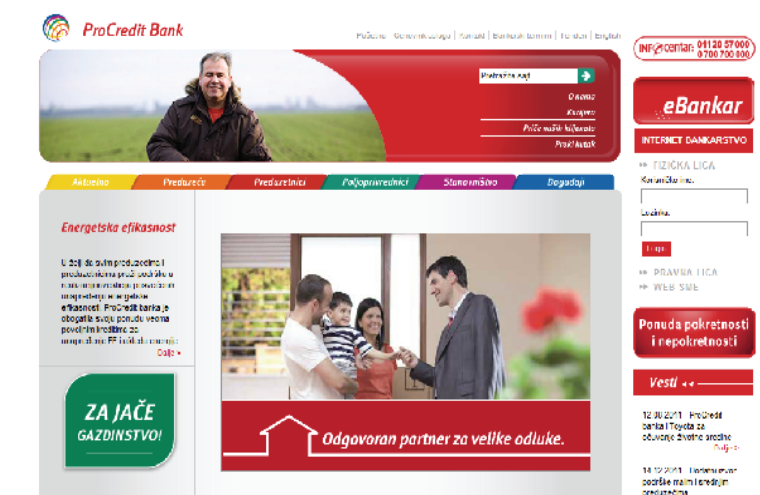


Fig. 2. Home page of web site Procredit Bank a.d. Beograd
(source <http://www.procreditbank.rs/pocetna.1.html>)

At first glance at the home page of ProCredit Bank web site, many links and banners can be seen, which are, as stated earlier, basic elements of every web site and their role is to bring visitors to the content they are interested in. Banners on ProCredit Bank web site are dynamic i interactive, and at the same time hyperlinks, which means that with one click on the banner, user opens further pages that show specific products, services, or other business activities of the bank, or gets the information at that same page. For example, click on banner **eBankar – Internet banking**, in upper right corner of web site home page, opens new page which offers following options:



Fig. 3. eBankar Procredit Bank

(source <http://www.procreditbank.rs/ebankar.621.html>)

Each of these options further offers sublinks which explain to clients in details how to use all the benefits and all the advantages of this form of banking.

Central place on the home page of ProCredit Bank web site occupy links dealing with basic groups of bank products and social categories which are potential consumers of these products. Thus, links dedicated to companies, private individuals, farmers, entrepreneurs and activities regarding each of these categories can be seen. Each group offers many sublinks whose task is to explain to customers and potential customers that visit bank web site certain features of products and services, as well as terms and conditions of their usage. For example, if a private individual is interested in certain products intended to satisfy some needs of private individuals sector, one click on that link opens sublinks for a complete offer of products for that particular sector: accounts, national and international payments, overdraft, savings, loans, credit and debit cards, as well as the price list for every product and service offered by the bank to the private individuals sector. If they are further interested in credit or debit cards and then click on that sublink, they will see the offer of all cards which ProCredit Bank has to offer to private individuals:



Fig. 4. Debit and credit cards offered by ProCredit Bank

(source http://www.procreditbank.rs/stanovnistvo/platne_kartice.225.html)

Each of these cards has its sublink, explaining in details terms and conditions of their use. Like this, all the other products and services that are offered by the bank are explained by their links and sublinks, for every social category and all groups of clients.

In a lower part of a bank web site homepage, there is a banner for the service that gained a great popularity amongst the clients of the bank, which allows them to access all kinds of forms for on-line applications:

Podnesite zahtev putem online formulara



This is exactly a form of service that can bring a significant competitive advantage to every bank in banking industry today, in the market with intense competition and battle for clients, who don't have the time during their busy day to come to the bank and then wait in line to be served. Click on this banner opens links to on-line forms for all products offered to sectors of private individuals, farmers and entrepreneurs. Clients chose the products they are interested in and according to this, they fill out a corresponding form. All the on-line forms contain calculators, which are very helpful to all clients who can very easy and quickly calculate interest rates on loans and credit cards, overdraft, or interest rates on their deposits and savings, as well as any other banking fee. According to data they get on the bank web site, clients will decide if the offer is acceptable or not. If not, they will keep looking on other bank's web sites, for the products and services they are interested in and terms and conditions for their use. This is one of the examples of on-line forms, for agricultural loans:

Online form - Farmers

Name and lastname	<input type="text"/>
Name of the company (if there is one)	<input type="text"/>
Municipality	<input type="text" value="..."/>
Place	<input type="text" value="..."/>
Zip code	<input type="text" value="..."/>
Dominant activity	<input type="text" value="..."/>
Company identification number	<input type="text"/>
Number of registered agricultural farm	<input type="text"/>
eMail	<input type="text"/>
Mobile phone	<input type="text"/>
Landline phone	<input type="text"/>
Fax	<input type="text"/>
Type of service	<input checked="" type="checkbox"/> Loans <input type="checkbox"/> Documentary business <input type="checkbox"/> Other services
Loan services	
Application for loan service	<input type="text" value="..."/>

Remark:

(source <http://www.procreditbank.rs/forme/poljoprivrednici.php>)

Some of the most important links on the homepage for clients and potential clients are **pricelists of products and services** of ProCredit Bank, divided in two major categories, legal entities pricelists and private individuals pricelists, in which the complete offer and all fees of ProCredit Bank can be seen. Besides that, another very useful link on the homepage is the link which opens **banking terms** page – a very simple explanation for visitors of the bank web site of the most frequently mentioned banking terms, understandable also to users without the knowledge of banking and finance. For all clients or potential clients interested in ownership structure, credibility and integrity of this financial institution, one of the central links in upper part of homepage **About us**, gives all informations about the vision and mission, corporative values, management and organization structure of the bank, shareholders, terms and conditions of all business activities, branch network and ATMs, while sublink **financial reports** gives insight to all financial documents, following complete business activity of the bank since day one till today, in chronological order, including annual reports, balance sheets and income statements, cashflow reports, audit reports and statistics etc. Since clients have always been the center of attention of all ProCredit Bank activities, **client stories** can be found on bank web site – reports that follow business success of some clients, who started their business with the help of ProCredit Bank loans or some other products and services. Also, ProCredit Bank invests significant resources in advertising and promotion of social responsibility, especially among young people and children, in a very interesting way – using its mascot Proki, who's task is to communicate to a wide audience the significance of environment preservation.



Fig. 5. Proki corner (source http://www.procreditbank.rs/proki_kutak/prokijeve_saveti.150.html)

Other elements on the homepage that should be mentioned are search windows, used by visitors and potential clients as a shortcut to content they are interested in, as well as exchange rates, reference rate, real estate offer, latest news, info center phone numbers, and contact e-mail.

CONCLUSION

Traditional promotion mix based marketing communication on standard instruments, such as advertising, personal selling, sales promotion, direct marketing, public relations. The end of old and beginning of a new millennium brought an intense development of information technologies, which used Internet and Internet promotion to introduce new, sophisticated on-line promotion mix, based on the achievements of modern technologies. Web site became key element and extremely powerful tool for Internet promotion, with main goal to attract as many potential customers as possible, with its on-line promotion techniques, such as Internet advertising (communicating of advertising messages to Internet users via web sites, e-mail and ad supporting programs), e-mail marketing (sending of advertising material and other different company information via e-mail), viral marketing (communicating messages from person to person), marketing searches, affiliative marketing (program used to advertise products and services on other sites), discussion group marketing, blog marketing (web sites in a form of journal) etc. All these on-line promotion techniques are constantly developing, bringing new solutions to advertisers, customers and potential customers, while at the same time developing new instruments and strategies.

Every bank in modern banking industry has a web site. That fact alone says enough about the importance of information technology and especially Internet for business results and success of banks today. Regardless of the fact that long-term mutually beneficial relationships with clients are built in direct contact with employees through personal selling (especially trust and affection), it is almost inconceivable to organize promotion of products and services without the use of instruments of modern information technologies. Benefits for clients from these achievements are obvious – it was shown on the example of ProCredit Bank how much easier it is to communicate with a bank today, for all social categories, through possibilities brought by modern technologies, enabling users to carry out all the necessary transactions with bank, from the comfort of their own home, which was inconceivable till a few years ago.

Regardless of the activity of enterprises, there is no doubt that all of them can accomplish their marketing communication goals much faster and in a more efficient way, in a dynamic environment and turbulent market conditions, by applying modern on-line promotion mix models, which should result in achieving main economic goal of every enterprise – profitability.

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EKONOMSKA PROPAGANDA I PROMOCIJA NA INTERNETU

Ana Stojković

Snažan razvoj informacionih tehnologija koji je obeležio poslednje decenije dvadesetog veka i naročito početak novog milenijuma doneo je značajne promene u gotovo svim aspektima života. Ove promene donele su intenzivan razvoj i marketingu, koji je u IT servisima dobio nove, sofisticirane instrumente za postizanje svojih ciljeva. Tradicionalni marketing miks, a naročito promocija, u internetu kao jednom od najznačajnijih fenomena savremenog doba, dobija izuzetno efikasno promotivno sredstvo, a web sajt tržišno komuniciranje podiže na znatno viši nivo, dajući mu potpuno nove dimenzije. Sve ovo donelo je kvalitativno nove poglede na život, kao i na sve oblike ljudskog organizovanja i rada, što je za rezultat imalo podizanje ukupnog kvaliteta života ljudi na nivo koji bi bez dostignuća savremenih tehnologija bio nezamisliv.

Ključne reči: marketing miks, web okruženje, online promotivni miks, tržišno komuniciranje.