

USAGE OF INTERNET SERVICES IN STRATEGIC MARKETING

In the 21st century information technologies have a decisive influence on business development. The most important changes are already taking place in the development of marketing activities on the Internet and will be increasingly linked to the emergence of a global information system in the future. According to some estimates, by 2014 – the beginning of hostilities in Ukraine, most small, medium and large enterprises have been using online marketing. The Internet is used not only by computer information technology professionals, but also by a growing number of sectors of society. Commercial users of the Network – are the fastest growing part of the users of the “world wide web” (World Wide Web – WWW). The number of companies developing Internet strategies to support business is constantly increasing and this has a significant positive impact on business development.

Keywords: marketing, online marketing, business, computer information systems and information technologies, Internet.

ВИКОРИСТАННЯ ІНТЕРНЕТ-ПОСЛУГ У СТРАТЕГІЧНОМУ МАРКЕТИНГУ

У ХХІ столітті інформаційні технології мають визначальний вплив на розвиток бізнесу. Найбільш важливі зміни вже відбуваються в розвитку маркетингової діяльності в Інтернеті і в майбутньому все тісніше будуть пов'язані з появою глобальної інформаційної системи. За деякими оцінками, до 2014 р. – початку воєнних дій, в Україні більшість малих, середніх та великих підприємств використовували онлайн маркетинг. В Інтернеті працюють не лише фахівці у сфері комп'ютерних інформаційних технологій, але і все ширші верстви суспільства. Комерційні користувачі Мережі – це найшвидше зростаюча частина користувачів «всесвітньої павутини» (World Wide Web – WWW). Постійно збільшується кількість компаній, що розробляють Інтернет-стратегії для підтримки бізнесу і це суттєво позитивно впливає на розвиток бізнесу.

Ключові слова: маркетинг, онлайн маркетинг, бізнес, комп'ютерні інформаційні системи та інформаційні технології, Інтернет

A characteristic feature of the modern economy is the acceleration of business processes caused by the increase in the volume of knowledge and innovations in all sectors of production, increase in the intensity of information flows, formation of an alternative communication environment and the fragmentation of communication channels. The use of computer equipment, programs, databases, telecommunications and networks allows the integration of all available information sources and the transition from a set of disparate data to information systems for marketing activities designed to support marketing management decisions.

At the same time, the modern stage of business development can be called the information era. The use of information systems and information technologies in the conditions of intensive development of market relations is becoming one of the most important elements of effective management and marketing. Companies are increasingly using modern information systems and technologies to monitor the increasing external and internal flows of information, implement it for the analysis, forecasting, management decision-making. Widely known «recipe for making a good decision: 90% of information and 10% of inspiration»¹. However information systems and technologies alone cannot be the main tool in achieving corporate goals. Only those companies that have clearly defined corporate and competitive strategy and have an idea of their own information needs can succeed.

The purpose of the article is to determine the role of the global system of Internet in marketing activities and to find the main directions of using Internet services in the marketing strategy of the enterprises.

The use of Internet services in marketing has many areas, in particular: the maintenance of business relations; market research; online shopping; selling via the Internet; advertising of goods on the Internet; service and after-sale service. In this article we will focus on the first two directions. First, we should consider some of the advantages of using the Internet in marketing activities and peculiarities of restrictions in case of its absence:

– sustainable competitive advantage cannot be solely derived from the access to the Internet or from developing a website. As the number of companies is constantly increasing, acquiring the necessary knowledge, skills and technology to connect to the WWW, a competitive advantage cannot be achieved only through the use of standard ways where this technology is evolving. The simple use of a business tool that everyone owns does not imply any clear competitive advantage for the company. It seems surprising if the company does not have a phone and Fax. However, the appearance of these, now familiar to us tools in business also occurred gradually. Today, the same situation is with the Internet. At first, it was believed that the Internet was destroying certain advantages available to individual companies by disseminating additional information about them and disclosing this information to competitors. However, it is now clear that as the number of enterprises that develop websites

¹ Алёшкин С.А.. Методы повышения эффективности внедрения корпоративных информационных систем, компания «Ламинфо». URL: http://www.iteam.ru/publications/it/section_53/article_1869/

increases, the lack of access to the Internet creates a competing disadvantage (inconvenience) for those enterprises that do not use it;

- the demand for the company's products does not arise from the development of the website, not from the use of the Internet. Sometimes it is impossible to influence the level of consumer spending. This means that even with the long-term use of WWW or other Internet-related applications, you cannot expect an increase in annual revenue for all companies, although some of them do make some additional profit;
- marketing problems of the company can not be solved by means of Internet access. Thus, companies not engaged in export, can not become exporters all of a sudden, by developing and maintaining websites. The development of export-specific infrastructure within the company is quite expensive. In addition, export marketing includes a variety of macro and micro- restrictions related to planning and management, including standards for specific products (programs, products), target market pricing and competition factors, export currency and payment problems, customer support and service requirements, legal and regulatory restrictions etc. None of these problems can be solved only because of the availability of a web page or access to the Internet;
- the Internet can not «do the same thing that used to be done without the Internet, but much cheaper»²;
- of great importance is the problem of protecting the security of communication over the Internet. This restriction becomes even more important in cases where the Internet should become a serious stimulus to business development. Although scientists have suggested some solutions to this problem³, data protection (security) will remain a major issue for any company that wants to integrate the Internet into the business. As soon as there is a solution to the security problem, new ways of penetration and decoding of the transmitted data and protection of the latter are immediately developed – it is an unsolved problem for the enterprise.

Having analyzed the existing concepts of identification of strategic directions of Internet use in marketing, it is possible to distinguish six principal directions of its application: network communication; market information; purchase and sale through the Internet, advertising of goods on the Internet, service and after-sale service. To carry out the study, the possibilities of using Internet services by enterprises to improve the efficiency of marketing management were studied. The tools are available for practical application of Internet marketing include e-mail

² *Levin, Joy (2006)*. How Marketing Research Can Benefit A Small Business. URL: <https://smallbiztrends.com/2006/01/how-marketing-research-can-benefit-a-small-business.html>

³ *John A. Schibrowsky, James W. Peltier, Alexander Nill, (2007)*. The state of internet marketing research: A review of the literature and future research directions. *European Journal of Marketing*, Vol. 41 Issue: 7/8, P.722-733. URL: <https://doi.org/10.1108/03090560710752366>

and other forms of interactive communication; information search and search software; development of the website by the company.

Let's consider the main directions of Internet services that enterprises can use in their marketing activities in the following sequence.

Business communication support. In modern conditions of development of marketing relationships and production needs for timely delivery for successful marketing activities it is extremely important to have effective communication with customers (actual and potential), suppliers, agents and distributors. The Internet provides various tools to improve or provide communication with partners in the companies' network, including e-mail; electronic bulletin boards organized by network newsgroups (usenet); and mail registries in e-mail (listserv groups); relaying the conversation to the Internet (IRC – Internet Relay Chat); dialogue for multiple users (MUDDS – multi-user dialog service); video conferencing; voice mail corresponding to the e-mail⁴.

The following Internet services can be used for business communication:

- mailing lists («opt-in» e-mail marketing). There are many mailing lists on the Internet that cover a variety of topics. As a rule, people who are knowledgeable in this matter lead them, sending regular issues of mailing. Recipients of such e-mails have the right to cancel their subscription at any time. There are (for everyone) open mailings, closed (for a certain circle), free (existing due to the enthusiasm of the creators, sponsors, advertisers), paid mailings;
- discussion e-mails. They are created for the exchange of information, discussion of issues on certain topics. Marketer of the company can subscribe to and monitor all of the discussion e-mails that (do not) directly affect their business. By analyzing the published messages, you can find your potential partners and customers, contact them. In addition to promoting their own company, specialized discussion e-mails provide marketers with useful practical information and news;
- services for the acquisition of press materials, and the search for articles of interest to the client is also conducted online. The client indicates what he needs, and the results of daily searches are sent to his e-mail. It can be materials of clients, possible consumers, competitors, as well as general information;
- server newsletters. Interested site visitors are invited to subscribe to a special newsletter informing about the updates and placement of new material on it;
- advertising services on bulletin boards, which are grouped by topic and work by the principle of free newspaper ads;

⁴ Cave, Julie (2016). Digital Marketing Vs. Traditional Marketing: Which One Is Better? URL: <https://www.digitaldoughnut.com/articles/2016/july/digital-marketing-vs-traditional-marketing>

- – services for the creation of group transactions and communities. Such services are quite common abroad. There are four types of organizational relationships on the Internet ⁵:
 - a. confederations in which firms continue to compete with each other, but have some horizontal contractual cooperation such as joint advertising, transport sharing, joint purchases, joint ventures etc. The joint management provides resources for members of the Network to trade products and services on the Internet;
 - b. consolidation of teams (i.e. closed group agreements between supplier and buyer), where vertical cooperation is organized through a chain of added values, including joint research and formal networks of sellers and buyers;
 - c. agglomerative unions (i.e. trade associations), which imply mutually beneficial cooperation between members of the association, including industry pricing, agreements on industrial standards etc. Trade associations provide market information on their web pages for the members of the Union to use;
 - d. organic unions (community service groups) that represent «traditional» Network-type participation in the joint management. Product advertising by the members of the community on the Internet is carried out at reduced prices or free of charge (LinkNet).

Market research. Buying research reports on the work of the market can be quite expensive. To reduce costs, and in many cases to get it for free, much of the same information can be obtained from the WWW. The use of the Internet to collect market information is one of the most important ways in which enterprises can develop international and domestic markets⁶. Information search on the Internet is provided by software products of the world's largest manufacturers:

- software products of Netscape and Microsoft: e-mail (Microsoft Outlook); Internet Explorer (WWW viewer); Microsoft Internet Information Server – Web server integrated into Windows NT Server supports FTP, HTTP, Gopher, etc;
- Gopher – interrogative-search system that provides access to the hierarchical information stores on the Internet via Gopher the server through the direct protocol;
- Archie – a special Internet service to search for files on FTP servers;
- WAIS (Wide Area Information Server) – a system of quick contextual information search in 400 databases located on the Internet;

⁵ Poon, S. and Jovons, C. (1997). Internet-enabled international marketing: a small business perspective. *Journal of Marketing Management: Special Edition on Internationalization*. Vol. 13. No 1-3.

⁶ Washington, Richard (2013). 5 Ways Technology Has Changed Market Research. URL: <https://blog.marketresearch.com/blog-homepage/bid/339928/5-ways-technology-has-changed-market-research>

- Veronica (Very Easy Rodent-Oriented Net-wide Index to Computerized Archives) a network index of computerized archives, a database of names of almost all menu item on thousands of Gopher servers.

The amount of important marketing information available on the Web is too large to describe in detail in one article – it includes numerous interactive newspapers and magazines; an extensive list of countries and industries, market research reports; lists of suppliers, agents, distributors and government contacts in a large number of countries; agency agreements, joint ventures etc.

Usually there are two main ways to call and find the necessary information⁷:

- printing the keywords using one of the WWW search engines like InfoSeek (www.infoseek.com/), AltaVista (www.altavista.com/) or Magellan (www.magellan.com/). This can take a long time, because you will often need to review a lot of unnecessary information. It may be best to use search engines to find very specific information, or you need to be an experienced Internet user;
- an easier method is to contact one of the international business directories already available online, like Yahoo Business Directory (www.yahoo.com/), Excite (www.excite.com/) etc. In addition, you can use the well-known addresses of web pages containing information about the countries, their economic policies, reports on market analysis, industries, well-known companies and other useful information for the marketer.

International marketing resources in the Network can be grouped into the following areas:

a. Information on countries:

CIA World Fact Book (<http://www.odci.gov/cia/publications/factbook/index.html>). On this website you can find the following information about the countries: country history; geography (location, area, climate, seas, mountains, land resources and their use, natural resources); population (population, sex structure, birth rate, mortality rate, life expectancy, nationalities and ethnic groups that live in it, population education); mechanism of governance of the countries; economy (overview, GNP, GDP growth rates, including by industry, standard of living, inflation, employment, unemployment, budget, export, import), etc;

Country Libraries (<http://www.tradeport.org/ts/countries/>). In addition to a General overview of the countries, you can order reports on market research, analysis of industries, trade information, information about the investment climate and other marketing information.

⁷ Kierlanczyk, Kuba (2016). A Brief History of Market Research. URL: <https://www.keltonglobal.com/perspectives/a-brief-history-of-market-research/>

International Monetary Fund (<http://www.imf.org/external/pubind.htm>). This website highlights a series of economic issues, government reports, analysis of the political situation in various countries, and the publication of countries, including statistical ones.

World Bank (the name of the bank given in the English and American media – International Bank for Reconstruction and Development) (www.worldbank.org). The world Bank publishes information on the most important economic, social and natural resources of over 200 countries and territories. World development indicators, published annually, contain about 600 indicators covering population, GDP, purchasing power parities, rate of growth for economic statistics, including the growth of production in the context of individual sectors, consumption, trade, investment, and also social and demographic statistics, for example, education of the population.

World Economic Indicators (World Bank publications) – (<http://www.worldbank.org/html/ieydd/wdipdf.htm>). Information is provided in English, German, French, Russian, including the annual report of the World Bank, including topics in the following areas:

- lending by regions (Africa, East Asia and the Pacific, South Asia, Eastern Europe and Central Asia, middle East and North Africa, Latin America and the Caribbean);
- lending by sectors (agriculture, education, energy, environment, finance, industry, mining, health, social protection, telecommunications, transport, water and sanitation);
- activities of the International Development Association (IDA);
- initiatives to address the excessive debt of poor countries;
- financial and operational indicators.

Tables issued annually provide the most detailed collection of economic data and socio-economic indicators calculated by the World Bank. Standardized data presented for use by many countries makes it ideal for international comparisons. The tables provide estimates of the countries that the World Bank uses to analyze economic and social trends in the countries that are developing, in which the Bank's borrowers are interested. Income data from the Organisation for economic co-operation and development (OECD) is based on reports from OECD and IMF.

b. Industry resources:

Information about the industry in which the company competes is very useful in assessing the performance of the company. Thus, in the study of the competitive position of Nike, it is necessary to collect data on the size of the market for sports shoes, the largest manufacturers and their respective market shares, trends and prospects for

the development of this specific industry. In addition to the general short summary of the industry in individual countries presented in the previous section, it is necessary to allocate marketing industry resources in the Network by the following addresses:

Company Research Instructional Web Site (<http://iws.ohiolink.edu/companies/indexindustryresearch>).

Center for Industrial Research and Service (<http://www.ciras.iastate.edu/>).

Industry Data and Market Research (<http://www.ipc.org/html/navbar.htm/>).

Information in Science, Industry and Business (<http://www.nypl.org/research/sibl/index.html/>).

Most of the information related to industry analysis is paid. However, brief reviews of specific industries and some data on trends and prospects are available on the Internet.

c. Trade data:

World trade organization (<http://www.wto.org>). The site provides information on the countries of origin of individual goods, sanitary and phytosanitary standards, warranty periods and services, subsidies and compensation, anti-dumping agreements, trade facilitation offers, as well as information on the agreement on trade in services and intellectual property;

Imex Exchange (<http://www.imex.com/>). Information on trade associations, market leaders, goods sold, services, global markets is presented in the context of individual countries⁸;

Dolphin Marketing International Trade Links Page (<http://www.ahhh!merkury.saic.com/dolphin/tradelink.html/>);

Market Access Sector and Trade Barriers Database (<http://mkaccdb.eu.int/>).

Information on the general characteristics of trade policy can be searched by country, sector and economic indicators. Information on tariff barriers (customs tariffs, customs duties, quotas) and non-tariff barriers (registration, documentation, taxes and fees, import licenses, import bans, standards and other technical requirements) is highlighted separately.

d. Information on the companies:

Strategic Partners of Annual Report Gallery (<http://www.reportgallery.com/>). On this site you can find the annual reports of well-known companies in Japan, Korea, Great Britain, South Africa;

Company research guide (<http://iws.ohiolink.edu/companies/indexcompanyresearch.htm>). Company search is possible if the following information is known: the full name of the company; the address of the headquarters of the company/corporation; the form of ownership of the company.

⁸ The Internet and International Marketing. URL: <https://sloanreview.mit.edu/article/the-internet-and-international-marketing/>

e. International marketing:

International Business Resources on the WWW (<http://ciber.bus.Msu.edu/bus-res.htm/>). The site is maintained by Michigan State University. All information is classified by type of information and region, in particular general and specific information on countries in Europe, North America, Central and South America, Africa, Asia and Oceania. Another useful feature of the site is the search for the necessary information by keywords;

The Global Export Marketing Information System (Internet Resources for Exporters) www.exportusa.com/resources.html).

The two sites offer an opportunity for companies that have not previously exported to take the first steps in the internationalization process to select the most appropriate markets for specific products. Most likely these sites can be attributed to educational⁹;

Euromonitor (www.euromonitor.com/). The Euro monitor, which is headquartered in London, is an important source of data on international markets, focusing mainly on consumer markets. All information on consumption, total and per capita, is published in two dimensions: for the European market and for other countries of the world.

f. Marketing companies: here are the websites of some of the leading market research firms that offer useful paid and free information from their market surveys; you can also order a market survey that is of interest to marketers:

Gather group (<http://www.gather.com/>). The site provides information about the company, its products and services, search system in the context of marketing research conducted by the company earlier;

Global Business Advisory Services (<http://www.findsvp.com/>). Here you can receive orders for special research, search for the necessary information (information catalog contains more than 200 publications), there is a list of clients of the company, a brief overview of the markets of individual countries and an overview (with the possibility of buying) of analytical data on industry markets;

Nielsen company (<http://www.nielsen.com/>). All marketing research on this website is divided into two groups: global research and media research. The first group lists the countries in which the company has been operating, as well as the main areas of research, which it has conducted previously: retail and wholesale trade evaluation, consumer panels, consumer behavior research, management decision support, modeling and analysis. The second group lists some of the major media, the examination

⁹ Godin, Seth (2018). This Is Marketing: You Can't Be Seen Until You Learn to See. URL: https://www.amazon.com/gp/product/0525540830/ref=as_li_tl?ie=UTF8&tag=technotesting-20&camp=1789&creative=9325&linkCode=as2&creativeASIN=0525540830&linkId=7459f366ce93cd58a6f5dd35f6a8b832

of which, you can order: television, an independent radio station, cable system and advertising agencies.

All sites provide access to a fairly large number of reports on research work on the foreign market and other services useful to the enterprise – you just need to know the addresses of web pages that are of interest to the marketer. However, without knowledge of the addresses of the necessary sites, there may be some problems, because modern search engines are far from perfect. Now there are companies that provide online services for collecting materials and search for articles that interest the client is also conducted online. The clients indicate what they needs, and the results of daily searches are sent to their e-mails. These may be materials about the company, its customers, potential consumers, competitors, as well as general information. Of course, the Internet can not find all the interesting information for you but the amount of information that can be found is extensive. The main advantage of collecting secondary information online is the convenience and efficiency of accessing it, due to the very essence of the Internet.

It is also necessary to focus on Internet research based on primary information. At present there are two main types of such studies on the Internet: implicit and explicit.

The first approach, also called observation filtering, is based on neural network technology. «For some time, we study which pages of the server a particular visitor views, which buttons are most often chosen (for example, the user chooses a certain genre of music or literature at each visit, most often buys a certain type of goods, etc.), and based on this conclusions are made about the interests of users. This observation is made implicitly, consumers may or may not know that research is being conducted.¹⁰» An example of the use of the implicit approach is a bookstore «Ozone» (www.o3.ru), where a special program tracks all the actions of visitors. Therefore, when ordering a book, you can see links to those books that are most often bought by visitors of the site when buying the book you are interested in.

Filtering through collaboration is the essence of the second approach. Users of the research task indicate their advantages, make ratings of various parts of the content of the site, products or services. Subsequently, a special program compares the interests of respondents and other users and identifies common advantages. All matches are recorded so that they can be used with other products.

Thus, the main directions of the use of Internet services indicate that the individual functional marketing systems of enterprises should take into account changes in information technology and personal relationships. On the other hand, Internet service providers should also offer projects which destinies would be formed not only within the Network, but also would be related to the main strategies that companies use in their activities. That is, all participants

¹⁰ Райбман М. Измерения аудитории Интернет: Доклад на конференции «Интернет-маркетинг'99». URL: www.citforum.ru

in the market of Internet services should consider the activities on the Internet as part of the marketing strategy of the enterprise.

In general, we can say that the use of the Internet today concerns almost all aspects of marketing activities of many enterprises, and its role is constantly increasing. The basis of this use are both traditional marketing tools that are becoming more effective on the Network, and new opportunities provided by the Internet.

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