

## SECTION 4. MARKETING AND LOGISTICS ACTIVITIES

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### **VIDEO ADVERTISEMENT AS A TOOL FOR PROMOTION OF GOODS AND SERVICES ON THE INTERNET**

***Summary.** The article includes the researching of a video advertisement as a tool for promoting goods and services on the Internet. The focus is on video advertisement, which is placed on YouTube and Instagram. The study clarified the features of video advertisement as the main element of communication between consumers and the company. Moreover, the features, advantages and disadvantages of video advertisement have been studied. The guaranties of success of the using of video advertisement for promoting in the internet were analysed, as well as the advantages of its placement on YouTube and Instagram platforms were identified. Aspects of the impact of video advertisement from bloggers and their impact on subscribers in general have been studied.*

**Introduction.** Nowadays the Internet plays an important role in modern marketing. The Internet provides companies with a wide range of opportunities to promote products and services. The online advertising industry is a huge mechanism for earning money, and video advertisement occupies one of the main positions in it. The use of video advertisement to promote the Internet is a promising area of advertising in today's world. Despite the fact that the history of video advertisement is not as long as other types of advertising and has less than 25 years, due to its advantages, it has become very popular in the market economy of different countries.

Currently, the interest of entrepreneurs in video advertisement exceeds the interest in TV advertising, which had been leading for many years and did not have any competitors. This is due to the fact that every second person has access to the Internet and television is becoming less popular. A large percentage of potential consumers have the opportunity to receive some information about the company's products or services on the Internet without waiting for an advertising break on TV, which gives rise to the using of Internet advertisement as a means of promotion, which in turn requires researching and new ways to attract consumers attention.

**Analysis of previous research.** To date, there is a huge selection of literature concerning online advertising and its types, but highly professional work on video advertisement, which would fully reveal its essence and all the features are not so much. Many scientists were engaged in research of video advertising as a tool of internet marketing [1; 8]. The authors analysed and determined the classification, features and benefits of the main formats of video advertising, as well as the characteristics of its main varieties [1]. Some articles of researches include information about the world's most famous video holding, which is also the most successful platform for

broadcasting video ads of the brand on the Internet [4; 6]. In particular, the specifics of video blogs as the basis of content on YouTube are described and the reasons for their popularity analysed [4]. The problem of the perception of video advertising by consumers and the reasons for the effectiveness of advertising on YouTube are in the focus of researches as well as the methods of brand promotion on YouTube and recommendations for the development of content of the channel [6].

In the context of modernity, the article «Features of the influence of bloggers and peacekeepers in the network» becomes topical [5]. The emergence and development of blogs from the point of view of their past and present are the main problems to discuss in the article. The author researches the features of personal blogs as an advertisement tool and presents the real successful examples. The article deals with the unpleasant aspects of blogging, which are of great value. The necessary information for writing this scientific paper was collected thanks to the analysis of the scientific works mentioned above.

**Setting objectives.** The relevance of the study is due to the fact that at the present stage of development of the Internet advertising industry, the use of video advertisement is very popular nowadays, so the study of trends in modern video advertisement and analysis of methods of effective promotion on the Internet is important. The article was aimed 1) to study and analyse the types of video advertisement; identifying the features, advantages and disadvantages of it; 2) to identify features and prospects of placing video advertisement on various platforms such as YouTube and Instagram.

**Results of the research.** Nowadays, video advertisement is improving and strengthening its position as a tool for promoting goods and services via the Internet. Today, video advertisement has become more promising and affordable than it some years ago, despite the fact that it is still quite expensive.

It is a wide range of opportunities, increased impact on users, the ability to quickly make changes to the advertising campaign that gives Internet advertising in general and video advertisement in particular an advantage in the eyes of advertisers over other types of advertising. It is also worth noting that some areas of business invest large funds in online advertising, so it can be argued that video advertising is currently a priority means of promoting the company and attracting potential buyers and business partners. Perhaps the type of advertisement described above will be the most in-demand for a long term.

Video advertisement is a type of online advertising, which involves showing a commercial video, based on the demonstration of visual images for Internet users on various thematic web sites such as YouTube, Instagram and others. The main purpose of video advertisement is to promote the sale of goods and services of the company, create a good image and increase its visibility in the market [9]. Unlike traditional television advertisement, video advertisement on the Internet has a number of advantages that make it more popular.

The biggest advantage of video advertisement is the ability to interact with the audience, build a dialogue between users and the company. It is not available for television and other types of traditional advertisement, so they are not so popular now.

It is important to note that video advertisement is broadcast on sites that have a large audience, such as the social media Instagram, which has more than 1 billion active users. Video advertisement is also broadcast on various video hostings, but the most trending to promote any product today is YouTube. The video hosting has millions of channels with video content on various topics and has more than 2.3 billion users [1]. And the number of monthly views of video content exceeds 6 billion. TV viewing ratings have never reached such numbers and may will not. Thanks to this, we can be sure that posting video ads on YouTube is a more cost-effective solution [8].

Users have the opportunity to express their views about the advertised product or service by writing a review in the comments or putting a like or dislike. This allows advertisers to evaluate

the successful of their videos. The successful of advertisement is analysed through the data collection on the number of video views, monitoring the audience profile on of geolocation, as well as the number of views over a period of time [3]. Gathering such information is necessary to understand the current situation and develop further brand strategy.

Personalisation, or in other words targeting, can also be attributed to the benefits of video advertisement. By advertising own products and services on television, the company can build the boundaries of the required audience of consumers by placing content on appropriate channels. Also, the time of ad display and the channel program play an important role. However, video advertisement on the Internet can be set up more correctly. Broadcasting video content to target audience of the company can be personalised by setting wide targeting settings, such as age, gender, geolocation, interests, etc. Any Internet site can track and provide all the necessary data about users and based on this, advertisers can make decisions about further advertising.

It is also worth noting that video advertisement on the Internet allows to make adjustments to the previously set parameters at any time as needed. As well as set up remarketing for those users who expressed interest in the ad, although it may not have been taken into account when setting targets.

Visibility and informativeness are extremely important aspects in the process of advertising. In most cases, it is difficult to convey all the important aspects of the advertised product through the text ad. What may not be easy to describe in the text form can always be interesting to show in a video. Visual demonstration of the product on video is always much more effective than its description in the article. It has also been proven that a moving image is more interesting to users than a static image on a poster or banner. Interestingly presented material helps attract the audience to visit the site.

Another advantage is complexity. Video advertisement include both visual and musical components that attract the appropriate receptors of people. Psychologically, video advertisement is more effective than a text or even visual ads. Due to the existence of a series of visual and musical associations the users who see such advertisement are more likely to remember something related to the company and the products being advertised [1].

Disadvantages of video advertisement include its cost and obtrusive. The level of obtrusive with video advertisement is progressing every year. To recoup their existence, many video hosting increase the number and duration of advertisement, which cannot help but irritate users. Innovations in video advertisement from different platforms have become double integrated ads, and in some cases triple in a row. Users have previously experienced discomfort due to the need to view at least one ad, but increasing its number causes more negative emotions. Due to the increasing number of obtrusive ads, people are increasingly resorting to the use of ad blockers, which contributes to the decline in viewings of video advertisement.

Inefficient CTR (click-through rate) is also an important issue. Most commercials video have a built-in link to the site, which is a button in the corner of the screen. By adding a link, advertisers rely on its effectiveness and consumer feedback. However, it is almost impossible to expect that a person will decide to stop watching an interesting video in order to go to the advertisers' website. That is why it is important to choose the right time to turn on advertisement. The best timings for advertisement can be considered the beginning and the end of the video, because in the beginning of watching the person did not have time to understand the content of the video, so he will be able to break away and return to it later. Placement ads at the end is also a good idea, because the main video has already been viewed and user can spend time to advertisement. It has been proven that video advertisement, which is randomly situated in the middle of the video, causes more negative emotions [7].

The main disadvantage of video advertisement is that it is quite expensive. Creating quality targeted video content requires effort and a lot of money. As well as the further placement of promotional videos on sites and video hostings such as YouTube or online cinemas, as well as

social networks like Instagram or Facebook. Therefore, it is important to choose the right platform for publishing video ads and agreement on a budget, when the company's advertising strategy is developing. Despite the disadvantages, the format of video adverts is very popular today, because it has proven its effectiveness (fig. 1).

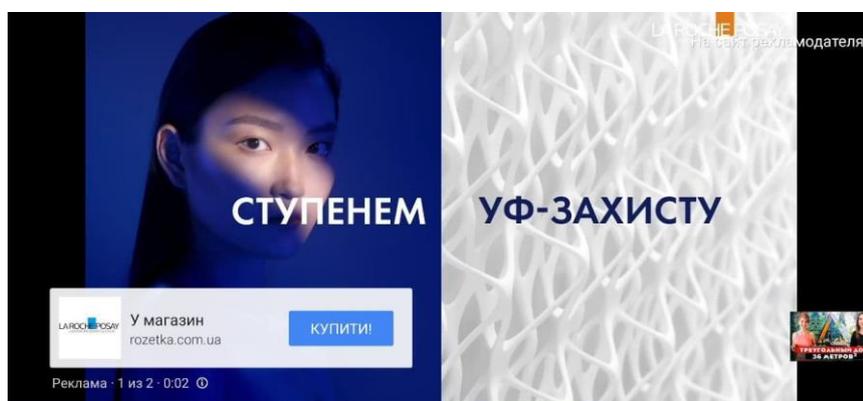


Fig. 1. Example of a built-in video ad on YouTube

The key role in the competition for the attention of consumers in the field of video advertisement is given to video hosting and social networks. Today YouTube is the most popular video hosting service in the world, accounting for almost a third of all Internet users. For ease of use, the site interface has been translated into many languages and localised in more than 88 countries [4]. YouTube is an effective tool for advertising due to the fact that include the many channels with different themes. However, this video hosting was originally conceived as a project for acquaintance. It was assumed that people would get acquainted through the videos they shot and taught. However, it was later decided not to limit his theme only to acquaintances, and everything grew into what we have now – a platform with open politics and the opportunity to express own opinions. This distinguishes it apart from television and makes YouTube unique.

As for advertisement, most companies and brands create their own YouTube channels, place ads inside videos, and collaborate with video bloggers. Of all these options the last one is the most effective. YouTube is full of a variety of channels and video content, but most users often come for watching interesting author's video blogs rather than on commercial brand projects. However, this does not mean that the commercial project will not be successful. The company may well create its own YouTube channel to host unique thematic content that will promote their brands and products and allow them to communicate with the target audience. During the growing popularity of YouTube, many companies began to create their own channels, which are now no less successful than author's blogs.

However, study found that people trust bloggers more than company representatives, which leads to the logical conclusion that blogging advertising will work more effectively. Nevertheless, from a financial perspective advertisement from bloggers, especially well-known ones, will be an expensive deal.

Instagram is also an effective promotion tool. The specifics of creating video ads for Instagram are slightly different from YouTube. Such advertisement must meet certain criteria: 1) be understandable to the user without sound, because it is disabled by default and most users do not turn it on while watching the video; 2) contains flashy headlines, because users have the ability to skip ads right away unlike YouTube; 3) be short-lived and reflect the most important things.

A popular format for Instagram advertisement today is a «Stories» (Fig.2). Stories is an Instagram option that allows users to publish visual content that can include videos and photos with text and notes. Unlike regular posts the «Stories» time is limited because they are deleted after a certain amount of time. The ad is shown to users only between watching the usual (non-

commercial) «Stories», when a person is particularly enthusiastic, and disappears after 24 hours. This feature is a big plus because it reduces toxicity and perception of potential consumers. Such advertisement is not obtrusive and is often perceived as entertainment, which attracts attention of the audience [2].

It is worth noting that it's more likely that advertisement in «Stories» will be more effective if it is promoted by a well-known blogger (Fig.3). Today, bloggers have a great impact on the audience, not only for children and adolescents, but also for adults.

Bloggers can act as opinion leaders for their subscribers, adjust their perceptions and impose them the products and services of brands that they may not even need. Many people become so addicted to social networks and video hostings that they spend almost all their free time on them every day. Such people constantly monitor the Instagram pages or watch videos on YouTube from favourite bloggers [5].



Fig. 2. Example of advertisement on Instagram in «Stories»



Fig. 3. Example of advertisement on Instagram from a blogger

People who are influenced by their idols are more willing to buy what bloggers advise them in contrast to the brand team of experts. The YouTube channels and Instagram pages of such bloggers are a great business platform for internet promotion. It has been proven that in 23% of cases, advertisement from bloggers leads to a search for a product in the store or to a decision to buy product based on the results of watching video ads on YouTube or Instagram [6].

More often this is due to the fact that advertisement is presented in native form. That is, it seems that the mention of the product in the video is non-commercial and the blogger simply recommends those products and services that he likes. This format of advertising is very popular, and many advertisers consider it the most effective. There is no doubt that there are those who realise that this is prepaid advertising, but they still buy as they trust the choice of blogger.

**Conclusions.** We can conclude that video advertisement today is an effective and perspective tool for promoting goods and services on the Internet. YouTube and Instagram have proven to be the best platforms for broadcasting video advertisement thanks to the opportunities they provide to advertisers. Their obvious advantages over others make it possible to say that this

format of advertising will not soon lose popularity. The undoubted advantage of video advertisement on YouTube is the numerous options for forms of advertising videos as well as methods of placement, targeting and flexibility of promotion. The advantage of Instagram is the availability of unusual solutions for advertising and audience loyalty.

The analysis revealed that creating and maintaining the own YouTube channel and Instagram page will be as good PR move as collaborating with well-known bloggers. However, advertising through bloggers will be more effective. Proper use of video advertisement as a tool for business promotion, and informed choice of the web-based platform will solve any commercial and image issues as well as expand the field of potential consumers. Due to the correct use of video advertisement, evaluation of its effectiveness for a particular product and the correct distribution of financial resources the company's advertising strategy can be very successful.

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