

## REMARKS ABOUT ONLINE ADVERTISING - A QUALITATIVE RESEARCH AMONG ROMANIAN PROFESSIONALS

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**Abstract:** *In the online environment, the users have more control regarding what they want to see and this affects the advertising they are exposed to (due to the profiles created by the websites they have visited). Organizations can personalize the advertising campaigns designed at a higher level, to better meet the needs of the consumers. This paper offers an in-depth view about online advertising from 12 Romanian experts, who represent companies or digital advertising agencies and who employ this tool in order to promote themselves or to develop campaigns for their clients. The empirical research undertaken has a qualitative nature, semi-structured detailed interviews with the professionals have taken place in February-March 2015, in Bucharest. Online advertising was mostly defined by the specialists as being dynamic; and some of the attributes that characterizes this domain are measurability and personalization. Clear objectives settled, correct targeting of users, a well-established strategy and planning are the key elements that would lead to a successful online advertising campaign. The Romanian agencies offer integrated online advertising services, from research and market analysis to implementation and results' assessment of the campaigns. The formats they have been using are: search, display, video, social media advertising, affiliated marketing and sponsorship. Most of the representatives interviewed suggest that their companies' offers might / will change due to the dynamics of the medium. Online advertising helps the other online marketing tools perform better and develop the online presence of the companies. All the respondents have confirmed that following the introduction and great use of smartphones, their companies have adjusted the online advertising campaigns to better target the potential customers that use mobile devices. Most of the companies that invest in online advertising campaigns come from sectors such as: retail, telecom, FMCG and banking. Most of the experts have a positive attitude towards the future of online advertising in Romania and predict its future development.*

**Keywords:** online advertising; qualitative research; Romanian professionals.

**JEL classification:** M31; M37.

### 1. Introduction

The present paper presents a detailed overview regarding online advertising from the point of view of 12 Romanian representatives of digital advertising agencies, after a short review of the scientific literature on the topic, since online advertising has older roots (1994) and many researchers have discussed it and its dimensions (Robinson, Wysocka and Hand, 2007; Song, et al. 2011; Taylor, 2011).

Advertising is an extremely important communicational vector for the organization in the context of the promotional activity developed by the organizations (Popescu, 2003: 19-20). It can be defined as "any paid form of communication about an organization and its products and services by an identified and typically paid sponsor" (Brown, 2007: 21). The only major problem that appears is the high amount of messages that the companies want to transmit and the large number of consumers to whom the organizations want their messages to be transmitted to. Consumers are exposed to advertising through their TV

sets, radios, newspapers, magazines, mailboxes, computers etc. and represents a prominent feature of economic life (Bagwell, 2005: 3).

Online advertising can be defined as a form of promotion that uses the internet in order to deliver marketing messages in order to attract customers (Meyers and Gerstman, 2001). Online advertising offers a better match-making vehicle than the traditional advertising in terms of efficiency in delivering certain messages to certain users who have certain characteristics and needs.

For companies, the Internet and the online marketing tools represent efficient and interactive tools for obtaining information from users. In the communication process, these online tools offer the companies the possibility to develop a more dynamic relationship with their clients, to better know their behavior and their needs and to offer them the products and services that want. All the data offered by the Internet about the clients can be used by the organization in order to improve the communication between the company and the clients, for an improved user-experience, such as personalization (messages, advertisements etc.) and customized offers (Mogos, 2015: 279), that can lead to trust and loyalty increase towards the organization and its products / services (Galbreath, 2002)

The structure of online communications help the agencies and advertising networks obtain more data about the users than it is possible through traditional mediums, offering a substantial decrease in costs in what concerns the selection of target audience of organizational and commercial communications (Goldfarb, 2014: 116). The better personalization of advertising campaigns, so that the ads appear to those persons who are more likely to be interested in the products or services advertised, show that online advertising is much more efficient in what concerns targeting, and that the messages can / should be delivered to those users that are mostly likely to do the action wanted by the company (Evans, 2009: 43).

## 2. Research Methodology

The present qualitative research has an exploratory character and has the purpose to encompass the views and remarks of experts, related to the Romanian online advertising market. *In-depth interviews* were carried out among 12 *online marketing specialists*, the majority of them being Marketing Managers (or similar management positions) at Romanian advertising agencies, such as: Leo Burnett, Ogilvy & Mather Romania, Godmother, 2Parale (two representatives), Webdigital, White Image, Catalyst, Incandescent Marketing, Brand Conversations, Digital Ink and the Online Division Manager from Gerroma SA. The professionals have experience in the field of online advertising for 5 to 14 years.

The chosen *investigation method* was the selective survey, the *research technique* was the explorative interrogation, and the *research instrument* was the semi structured detailed interview, based on a conversation guide (Pop, 2001: 86-87; Cătoiu et al., 2002: 207). The interviews took place in February and March 2015, in Romania - Bucharest, in Romanian (all the quotes from the interview included below were translated very rigorously into English by the author).

In the present paper only a part of the results obtained from the interviews are being presented, the ones related to the following objectives established:

- O1. Determine the specialists' opinions and / or definitions of online advertising.
- O2. Identify the first three attributes associated with online advertising by the Romanian experts.
- O3. Identify the most important elements that contribute to a successful online advertising campaign.
- O4. Determine the offer of online advertising services offered by the Romanian companies and sector of activity where online advertising campaigns apply the best.
- O5. Identify the specialists' opinions regarding the future of online advertising in Romania.

### 3. Main Results

In order to determine the specialists' opinion regarding online advertising (O1), the respondents were asked how they would define the domain. It can be noticed the fact that seven of the respondents have used the word "dynamic" in order to define online advertising; one of the experts called it "chameleonic". Other definitions given by the practitioners include: "the sum of activities, methods, strategies and channels, all of them correlated to reach business objectives, no matter the services or products offered", "online advertising is seen as an extension of traditional advertising – the perception is due to the interactive formats available in the online environment, as compared to the classical (e.g. tv, radio etc.) and can create a pleasant experience with the user, if the formats are implemented correctly; it does not create trends, but it is an environment of tools, diffusion and support" or "online advertising is innovating and continuously changing; it is also a domain that asks for all the resources a marketer has: research, design, projection, analysis, creativity, implementation, tracking, improvement and repetition". In the scientific literature, the effectiveness of online advertising campaigns is often discussed (Baltas, 2003; Breuer and Brettel, 2012).

Asked about the first three attributes the professionals associate online advertising with (O2), the majority of the respondents have mentioned "measurability" and "personalization". Also mentioned by at least two specialists, other characteristics of online advertising are: "flexible / adaptable", "efficient", "performant", "creative", "optimized" and "scalable". Some of the attributes mentioned only by one respondent include: "cheap", "controllable", "complex", "of the future", but also "superficial".

In order to identify what elements lead to a successful online advertising campaign (O3), the specialists were asked to mention at least three things. "Setting clear and measurable objectives" and "targeting (the ads and messages should appear only to those persons interested, they should be personalized according to the online behavior)" were mentioned the most, by the professionals. The "strategy (has to be an integrated one)", "planning (should be realistic, taking into consideration the reality's unpredictability)" and "return on investment (and a constant analysis of the results)" were also mentioned by at least two of the respondents. One of the respondents mentioned "the offer" as being an important element that would contribute to the success of the online advertising campaign: "the offer should be relevant and personalized, it should anticipate as well as possible, the needs of the consumer, because without such an offer, the campaign cannot have results". "The budget" is also important "even though the online is seen as a cheap environment, a successful campaign should have a budget for the online media to deliver results". Attention to the "implementation of the campaign, as it can have a positive impact", "optimized landing page – it should include a simple message that will drive the consumer to do a single simple action" and "tracking" were also mentioned by the specialists.

Most of the professionals interviewed confirmed that the companies they represent offer integrated online advertising services (O4) and the Manager of an important digital agency highlights that "the offer is correlated with the demand on the market and is continuously changing, because even though there are the same channels, the strategies are changing, new attributes appear, new technologies and other aspects that we need to take into consideration in order to remain competitive on the market". The agencies offer full services, from research and market analysis, development of online advertising strategies, designing and testing, implementation, tracking, optimization and improvement to results' analysis. The online advertising formats mentioned to be used by the interviewed companies (for promoting themselves or their clients) are: *Search advertising* (Google AdWords, Bing, YouTube), *Display advertising* (Google Display ads, used either for remarketing purposes or different conventional or unconventional display formats used for performance or for brand awareness), *Social Media advertising* (the most mentioned was Facebook Ads, followed by YouTube and LinkedIn Ads), *Video advertising* (YouTube ads, either pre-, mid-, end-roll, site skins or live streaming), *Affiliate marketing* (two of the

respondents work at one of the biggest affiliation networks from Romania, some of the other specialists mentioned that they design affiliate marketing campaigns for their clients), and one of the experts mentioned that they use a *Sponsorship* advertising format (IAB, 2014: 23), advertorials, for their clients. One professional mentioned that *“the tendency is for the online to generate the trend and diffuse in offline; if until now, at the end of the spots, we used to put www at the end, now we are thinking the spots for online and the concept is promoted also offline”*.

The Digital Account Manager of an important advertising agency from Romania was the only one mentioning that their company's online advertising offer will not change in the next three years. The great majority (11 out of 12) of professionals interviewed mentioned that their companies' offer might or will surely change because of the dynamics of the online environment: *“we have to constantly adjust our online advertising services, by taking into consideration three main factors that influence our offer: the change in consumers' preferences; growing requirements from our clients for a certain type of campaign / service; and the decrease in results (clicks, leads, reach) brought by one of the online advertising channels”*. The agencies might / will modify their online advertising services offer in the future, also because of the development in the area of media services, more than in media planning and buying; or because they not yet offer services such as: web development, content writing, SEO (search engine optimization) and they want to respond to their clients who search for partners that offer integrated online marketing solutions.

Online advertising is an important online communication tool that can be used together with the other online tools, such as: website, email marketing campaigns, newsletter, blog, social media marketing, portals / forums or infomediars and instant messaging (Pop and Acatrinei, 2011: 123). Most of the interviewed specialists mentioned that their companies use the online advertising as an online marketing tool for their business, because of the high conversion rates they return (both in awareness and in results), because they are efficient and because most of their target is present online and by an online advertising campaign they get to a higher percent of their target, also, in most cases, consumers take the buying decision online. One of the respondents mentioned that: *“an account on social networks can better grow or be maintained with online advertising campaigns”*, which is a very good example of how companies can use several online marketing tools to develop their online presence.

The specialists were also asked whether there existed changes regarding the development of online advertising campaigns following the introduction and growing use of smartphones. All of them responded affirmatively and the Pay per Click Marketing Manager of one of the agencies interviewed detailed that: *“the mobile traffic has reached 20% and one of the main modifications needed is the adaptation of the website for mobile devices. Little sales are done from mobile, but the information process is done also from mobile, reason why the mobile advertising campaigns are a necessity. We have mobile dedicated campaigns for almost all our clients that run desktop / laptop campaigns. Essentially, the main objective is to reach the potential clients no matter the device they use”*. Another expert mentioned that they have optimized their campaigns for all the devices right from the beginning, others have developed special applications for Android and iOS.

Online advertising can be used by companies or organizations from all domains, in all fields of activity. In Romania, according to the practitioners' expertise, the sectors that invest more in online advertising are: retail, telecom, FMCG (fast moving consumer goods) and banking, as well as: IT&C (information technology and communications) and fashion. Some other domains, from which our respondents have clients from, are: automotive, pharmaceutical and HORECA (hotel, restaurant and cafe) industries.

9 out of 12 professionals had a positive attitude and response when asked about the future of online advertising in Romania (O5). *“Since the Romanian users spend more and*

*more time online, of course the investments in online advertising are going to grow*", was one of the reasons of the positive attitude. One of the professionals stated that *"the market will grow due to the great influence of important players, such as: Google, Facebook and Yahoo, and the local publishers will grow very little in the next five years"*. The Performance and Media Director of one important multinational advertising agency from the ones interviewed, estimates that *"it will grow, since the level of advertising in Romania is very close to the one from West (1-2 years back)"*. A Digital strategist also reinforces that *"the market share of online advertising, as compared to conventional instruments, is continuously growing"* and advises that *"a big data layer added to online advertising would provide the most efficient tool for targeting, monitoring and optimization"*. Even though his positive attitude, a respondent hopes that it will be a *"good grow, not a negative one, with spam and aggressiveness"*. The more reluctant opinions included arguments such as: *"online advertising is still unstructured and there is excessive focus on cost and low concern about return on investment; also, except some big companies, generally decision and execution people lack know-how in this changing environment"*. Another argument that draws attention consists in designing integrated campaigns (online with offline and public relations) because *"online advertising campaigns alone will not produce the wanted result"*. The Managing partner of one of the advertising agencies, feels the need for *"existence of some standards, with sanctions / penalties for disobedience"*.

#### **4. Conclusions**

The report of the Interactive Advertising Bureau (IAB, 2014: 4) confirms that in 2013, the revenues from online advertising in the United States of America has reached \$42,78 bn., recording an increase of 17% from 2012. Thus, online advertising has become an important source of revenue for the companies that have an online presence and develop promotion campaigns in this environment.

The paper brings an innovative view upon online advertising from the point of view of 12 Romanian practitioners, experts in this field, who develop online advertising campaigns, both for their companies / agencies and for their clients. They offer insight information on what characterizes online advertising, which are the elements that would transform an online advertising campaign into a successful one, the range of services offered and the factors that influence its modification, arguments on why online advertising is used together with the other online marketing tools available by the companies, sectors that employ it the most, as well as their view about the future of the Romanian online advertising.

The semi-structured interview included not online the aspects mentioned above, but also several detailed questions related specifically to online advertising formats. The analysis of those questions is the subject of a different scientific paper, entitled: *"A Qualitative Research Regarding the Online Advertising Formats Used by Romanian Companies"*.

Future directions of research may include a survey among Romanian consumers with the purpose of identifying their view on how the companies are employing online advertising and find similarities / dissimilarities between their point of view and the professionals' point of view.

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