EFFECTIVNESS ESTIMATION OF ADVERTISING INTERNET CAMPAIGNS FOR SMALL BUSINESS BELARUSIAN COMPANIES

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An advertising Internet campaign is a system of advertising information traffic from the advertiser to the consumer. Such campaign is always well thought-out in line with the marketing strategy. General estimation of campaign effectiveness involves the estimation of each promotion channel. In Belarus, there are: search engine optimization, contextual advertising, media advertising, targeted advertising in social networks, e-mail marketing, social media marketing, etc.

Key indicators of advertising effectiveness in the Internet are: the traffic, the click cost, the conversion, the lead cost, the amount of leads, the budget, the conversion into purchases, the purchase cost, amount of purchases [1].

The most revealing indicators are the lead cost and the amount of leads. Therefore, actual promotion of the company on the Internet is usually divided into two global points - to attract traffic to a website and to do competent work with it.

Combination "traffic + conversion" assesses the involved traffic (formula 1):

$$\text{traffic} \times \text{conversion} = \text{amount of leads} \tag{1}$$

It is necessary to estimate the return on advertising investments for a complete picture. The indicator "lead cost" is responsible for that. You can invest a large budget in advertising and get a lot of leads, but revenues will be less than the costs. Therefore, it is important to calculate the payback rate ROI (formula 2):

$$\text{ROI} = (\text{revenue} - \text{cost price})/(\text{advertising costs}) \times 100\% = (\text{gross profit})/(\text{advertising costs}) \times 100\% \tag{2}$$

ROI (return on investment) is a financial measure, which means the return of money invested in business. Investment in advertising is considered cost-effective if advertising works on 300% payback [2].

Taking into consideration formula 2, you need to know several points to calculate the ROI: the margin, campaign expenses and income from ads. If you know the margin, it is possible to calculate the gross profit (formula 3):

$$\text{gross profit} = \text{income} \times \text{margin} \qquad (3)$$

The indicator ROI leads to a method for effectiveness estimation of an advertising campaign by the leads amount and cost. Let's evaluate the optimal lead cost L_3, if the required return on investment in the Internet promotion is 300% rate.

For the estimation of advertising campaign effectiveness it is necessary to know the following quantities: I - the turnover; GP - the margin; N_l- the amount of leads; N_p- the amount of purchases; f - average purchases frequency during a period.

Let's calculate the lead cost L_3 with the formula (formula 4):

$$\text{L\_3} = (\text{LTV} \times \text{CV\_2})/3 \qquad (4)$$

where LTV is an average check* GP*f, an average check $= I/N_p$, the conversion into purchases - $CV_2 = N_p/N_l$.

For example, you want to get a turnover of 10 000 rubles. In this case, you can count the amount of leads N (formula 5):

$$\text{N} = \text{I}/(\text{average check} \times \text{f} \times \text{CV\_2}) \qquad (5)$$

It is also possible to evaluate the advertising budget B, which is required to achieve the goal (formula 6):

$$B = N \times L_3 \qquad (6)$$

For example, the turnover I of digital technology online store amounted to 9 740 rubles with the amount of purchases in 442 for the year. Margin GP is 24%, and 442 purchases came from 507 website leads. Based on these data, the average check is 22 rubles. At the same time, only half of customers apply for repeat purchases over the next year, i.e. f is 1,5, and therefore, the LTV is 7,92 rubles.

Let's calculate the conversion into purchases: CV_2 is 87,2%. Finally, L_3 is 2,3 rubles. The amount of leads which is required to achieve the business goal depends on the purpose. For example, to get a month turnover of 2, 000 rubles you need to have 69 leads (N) per month. The budget (B) will be 159 rubles. Focusing on these indicators (L_3 and N), you can estimate the effectiveness of the campaign at any time.

Using these indicators for estimation of advertising campaign effectiveness, a marketing specialist can choose the most appropriate promotion channels on the Internet and achieve the best results at the lowest costs.

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EVENT MARKETING: A NEW APPROACH TO PRODUCT PROMOTION

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It's a common truth that the increasing competitive pressures brought on by globalization are forcing business professionals to find new ways to engage customers. In today's world of oversaturated markets one of the most efficient ways for companies to promote their products or services is to give preference to such phenomenon of modern marketing as event marketing. There are many definitions of event marketing. It is defined as the marketing discipline focused on face-to-face interaction via live events, trade shows and corporate meetings among other event types. Others define it as designing or developing a "live" themed activity, occasion, display, or exhibit (such as a sporting event, music festival, fair, or concert) to promote a product, cause or organization.

As a matter of fact, companies all over the world increasingly use event marketing to promote their production and attract as many customers as possible. This tendency can be explained in the following ways. Event marketing allows a company to cultivate and express its identity firsthand. Another significant reason businesses choose to participate in an event is to generate leads. Moreover, event marketing provides customer engagement and upsell by introducing them to products and services that could address their needs. And, finally, most people attend events to network and be educated. Both are powerful draws in their own ways.