

OPTIMIZATION OF THE BANK INCOME AND ADVERTISING EXPENSES OF DEPOSITS

The relevance of researching costs spent on online advertising as an important institutional factor in ensuring the competitiveness of banks in the new economic conditions, is justified by strengthening of the role of such advertising in the marketing communications caused by its benefits, the possibility of rapid replacement of the content of advertising messages, a focus on well-defined target group, combined optical and acoustic forms of information, two-way communication between the advertiser and the consumer. The author studied how various types of advertising tools orient customers on a service, influence the promotion of banking products, and in the sphere of accounting and control over advertising expenditures- the structure of costs, depending on the period of life of a promotional tool in the banking market has been studied.

Keywords: information technology, marketing communications, advertising, income, promotion of bank products.

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ОПТИМІЗАЦІЯ БАНКІВСЬКОГО ДОХОДУ І ВИТРАТ НА РЕКЛАМУ ДЕПОЗИТІВ

Актуальність дослідження витрат на інтернет-рекламу, як важливого інституційного чинника забезпечення конкуренто-спроможності банків в нових умовах господарювання обґрунтована посиленням ролі такої реклами в системі маркетингових комунікацій, обумовлена її перевагами, можливістю швидкої заміни змісту рекламних звернень, орієнтацією на певну цільову групу, поєднанням оптичної і акустичної форм надання інформації, двостороннім зв'язком між рекламодавцем і споживачем. Авторами проведено вивчення як на практиці різні види рекламного інструментарію орієнтують клієнтів на послугу, діють на просування банківського продукту, а в площині обліку і контролю вивчена структура витрат на рекламу залежно від

періоду життя рекламного інструменту на банківському ринку.

Ключові слова: інформаційні технології, маркетингові комунікації, реклама, доход, просування банківських продуктів.

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ОПТИМИЗАЦИЯ БАНКОВСКОГО ДОХОДА И ЗАТРАТ НА РЕКЛАМУ ДЕПОЗИТОВ

Актуальность исследования затрат на интернет-рекламу, как важного институционального фактора обеспечения конкурентоспособности банков в новых условиях ведения хозяйства обоснована усилением роли такой рекламы в системе маркетинговых коммуникаций, обусловленной ее преимуществами, возможностью быстрой замены содержания рекламных обращений, ориентацией на четко определенную целевую группу, совмещением оптической и акустической форм представления информации, двусторонней связью между рекламодателем и потребителем. Авторами проведено изучение как на практике различные виды рекламного инструментария ориентируют клиентов на услугу, действуют на продвижение банковского продукта, а в плоскости учета и контроля расходов на рекламу изучена структура затрат в зависимости от периода жизни рекламного инструмента на банковском рынке.

Ключевые слова: информационные технологии, маркетинговые коммуникации, реклама, доход, продвижение банковских продуктов.

Statement of a problem: In Ukrainian economy, as a result of globalization, there is a transformation which allows the society to create new industries in the traditionally conservative areas of life. So Internet advertising is detached as a separate sub-sector. Its volume is constantly growing, promotional items are modified, transformed and, accordingly, expenses for promotional events are increasing, the systematic research of the costs spent on certain types of Internet advertising is necessary. The purpose of this article is to analyse the influence of different types of advertising on the processes of promoting banking products, improving practical approaches of accounting Internet advertisement costs in today's competitive market mechanism for ordering advertising tools

Analysis of the last researches and publications: Questions assessing the effectiveness of the use of media in order to generate additional revenue by business entities are detailed in the works of Ukrainian scientists [7, p45], [8, p92]. The main aspects of the bank's deposit capital formation are deeply analysed in [9, p167]. An important task of accounting practices is to identify, to show professionally, to control the dynamics of the cost. Ukrainian national accounting system was formed under the conditions of absence of market institutional environment, which is reflected in science. Ukrainian researchers interpret differently the notion of spending. Some scientists while defining the concept of "expenses" see it as an economic category [10, p29], [11, p25]. The second part of scientists view it as an element of accounting. [12, P 33], [13, P. 37],[14, P. 41]; [15, P.28], [16, P.43] Other authors define the concept of expenses both as an economic category and as an element of accounting. [17, P.56]. Some researchers believe that costs are assets (or economic resources, funds, property, etc.), which are used partially or completely. [12, P. 29];[10, P 33];[11, P.37], [17,P. 16].

Now Ukrainian researchers are slowly beginning to build basic signs to identify the costs accounted for using the economic philosophy of Friedrich Hayek, whose studies involve changes which occurred in the twentieth century in society, in economy and costs of raw materials. and materials for production [18, P.37]. However the study of the essence of economic categories of expenditure can not be considered complete due to the fact that in the neoclassical model there is also "no correct definition of the cost of production" [19, p29].

Part of a common problem unresolved earlier: The need to study the impact of information market and advertising on the development of banking activity, is justified by the necessity of scientific understanding of the conditions and factors that determine the strengthening of the role of information and advertising services, as well as by the expediency of using the experience of various countries in the formation of banking information systems to improve the competitiveness of the banking institutions.

Article purpose: Study the most effective advertising channels at the time of decision-making.

Main materials of research: The existence of the bank directly depends on the availability of customers. Therefore, the key task of the bank is to attract more and more customers. To maintain its position in the

global market, banks use a variety of tools. Ukrainian banks have started to use the program (CRM - Customer Relationship Management), which allows you to record all the history of communication with customers - letters, phone calls, meetings; deliver e-mails; call customers in one click directly from his cards via Internet.

As a result of the global financial turmoil and instability of the national economy the consumer attaches increasing importance to financial stability of banks. This requires a careful choice of the development strategy of personalized customer relationships. Any mistakes made by advertising service under these conditions are costly to the bank. "The question is not, which tools constitute the marketing mix, but rather which tools are the most important "[1, p78]. Economic globalization has led to an increasing distrust of the younger generation of consumers to financial institutions [2, p14]. Young people, who are accustomed to the availability of information through the Internet and the easiness of handling funds on the accounts, can easily change their bank for convenience or as a result of poor quality of service. Every detail in advertising can affect the formation of preferences and consumer's emotional attachment to a particular bank.

One of the patriarchs of the advertising industry, the founder of advertising agency Ogilvy & Mather says: "The easiest way to gain new customers is to make a good advertisement" [3, p58].

Information and communication technologies have ensured the development of national financial markets and have determined the possibility of the formation of financial globalization, which in turn has affected the growth rate and the size of the market of banking services. In the context of economic integration of Ukraine into the EU, when the market is saturated with imported goods, competition is a powerful factor in the expansion of advertising. Participants of the advertising market are concerned about the profitability of the advertising budget, proper accounting of costs, evaluation of the effectiveness of advertising tools, the harmonious combination of advertising costs and the expected increase in revenue from the use of advertising. In this article we will look at the practical issues of cost allocation based on the type of advertising tools. To predict how much advertising costs contribute to the growth of income of the bank we can use the graph below (Figure1).

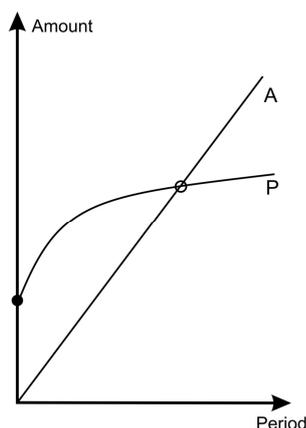


Figure 1. The ratio of the dynamics of advertising costs and income of the bank.

Advertising costs are shown in Figure 1 with the help of the curve marked with the letter **A**, the bank's income shows the line marked with the letter **P**. In this case we abstract from the fact that the bank's income depends on the economic, political and social factors, the rule of law, and even the weather conditions and suggest dependence of the income on the advertising costs.

To construct the curve, which characterizes the cost of advertising, consider the following formula

$$A_{(t)} = k \cdot t, \quad (1)$$

where: k - is an option indicating the percentage change in the cost of advertising,

t - duration of this option.

To construct a curve that characterizes the change in income as a result of the impact of the advertising factor the formula below is offered:

$$P_{(t)} = a_0 + a_1 \cdot t + a_2 \cdot t^2, \quad (2)$$

where: a -parameter showing the percentage change in income,

t - duration of the advertising factor.

The point of intersection of the lines in the figure shows the limits of the advertising costs effectiveness. We consider how the bank uses each type of promotional tools, whether they correspond to the wishes of the customers, and we will not dwell on the problems of the content, accuracy

and objectivity of information on earnings and seek no answers to the questions whether the bank is profitable or not.

How effective different advertising media for different types of banking products are, we have studied based on the results of advertising activity of one of the system banks in Ukraine. This is a public joint-stock association "Imeksbank", which occupies the 16th place in the rating of Ukrainian banks in terms of deposits of individuals [4]. For comparison, we have taken one and the same product, the same advertising idea of that bank. Deposits of individuals were taken as examples of advertised products. Taking into account that promotional products for all vehicles listed in the table were prepared by employees of the bank, we can assume that they are all made at the same high level of quality. Effects of different types of advertising on motivation of customer demand has been recorded by employees of the bank within two months by surveying every individual who comes to the bank for deposits and the results were published by the author of this article [5, P. 87]. The results have shown that the bank received the highest feedback from advertising on the Internet.

Getting to the bank's website, customers feel that they are involved in a dialogue with their financial institution. Despite the fact that television has the highest coverage of the Ukrainian audience, the potential customer does not have time to analyse the television news, while you can safely consider and examine in detail Internet messages. Each potential consumer of banking products considers the key to success in the relationship with the financial institution the opportunity to make a decision on the basis of a thorough analysis of the situation.

Internet banking allows individuals to operate their account from anywhere, at any time, neglecting geographical constraints.

Strengthening the role of Internet advertising in the system of marketing communications is due to: the ability to replace the content of advertising appeal quickly, focus on clearly defined target groups, combined optical and acoustic forms of information, two-way communication between the advertiser and the consumer creates a special need to improve cost accounting for this type of advertising tool. Bank orders online advertising hoping that his proposal will be seen by millions of people. The bank advertisement may be sent by email to all customers or to local newspapers. According to the calculations of «Cisco IBSG» in 2015 the number of Internet-connected devices will reach 15 billion, and by

2020- 40 billion [6, p77]. Therefore, we will consider only advertising on the Internet, which is more structured and focused on a particular consumer.

Management of the bank is concerned about cost-benefit of the advertising budget, accounting and taxation, however it isn't possible now to get specific answers to all of these questions. Internet allows you to turn it into a global interactive advertising, through which advertisers can count on the fact that millions of people will see its products.

During the presentation of the problem the overall state of the advertising on the Internet should be considered and banks are obliged to take it into account when developing appropriate strategies for increasing the level of business in the market. To analyse cost of advertising on the Internet we need to find out first what these promotional materials are. In this area, the following members of the advertising market can be distinguished: an advertiser, producer of advertisements, distributor of advertising and the consumer.

Advertising on the Internet is distributed on banners, contextual advertising and video advertising. Until recently, the banners held the largest share in the Internet advertising. They are gradually superseded by contextual advertising, which can be directed on the target audience, a particular region, the specific interests of Internet users. Costs of contextual advertising are more convenient to handle, which allows you to control the budget and accurately determine what, when and how the investment was spent. Video advertising is more dialogic and emotional, offers the possibility of the relationship between the advertiser and the consumer. The main sites where we can advertise are: promo-sites, portals and corporate websites. The site may have an account, which displays information stored on a computer, a set of data necessary for users' identification and their orders.

Note that the principles of advertising activity on the Internet, which provide a high income to the bank, have not yet been adequately addressed in the literature.

Significant contribution to the study of the accounting aspect of the marketing costs on the Internet has been made by Ukrainian scientists. In the paper by T. Bochulia [20, P. 22] this theme is well developed. In this paper by N. Gura [21, P.274] the procedure for accounting for advertising costs is described in detail.

At the same time, the existing methodology may only be partially

used for the search of new methods of analysis and evaluation of the effectiveness of bank advertising policy. Accordingly, the formulation of the problem of improving accounting costs is justified by the need for scientific understanding of the conditions and factors that determine the accuracy of the calculations of expenditures on Internet advertising.

The cost of advertising on the Internet is not a subject to the new accounting reflection; therefore, first of all we need to find out what these promotional materials are. While distributing on the Internet the ownership of the advertising is not referred to the client of the bank and, of course, it affects the features of its accounting. Advertising on the Internet cannot be considered as a benefit and it cannot be used for their needs. For advertisers there costs are associated with economic activity.

Site requires certain expenses for its acquisition (development). For advertisers advertising spending is an increase in liabilities that result in a decrease in equity. This suggests that they should be classified as operating costs (cost of sales). If the bank orders advertisement of a specialist organization and copyrights become the property of the customer, Web site is reflected in the tax and accounting report as an intangible asset, followed by depreciation. In tax accounting costs of the company for the acquisition or the creation of a web - site is not included in the expenses accounted for the tax and is the subject to amortization as an intangible asset. Placing a site on the Internet (so-called hosting) and maintenance (service) - administration, performing backups, creating new links, performing security checks, deployment of new information and other materials, etc. - are the current costs of supporting the work of the site, the bank's costs on advertising on the Internet for certain types of advertising of the product are shown in [22, p.85]. From these data we can determine the effect of the conditions of promotional products life cycle on the Internet on the composition and structure of costs.

Specific types of costs, typical for each period of the life cycle, differ greatly depending on the type of the advertisement product. So the costs of developing a promotional product, sketches, brand image, text, tables and graphics for the site, payment of workers engaged in product development for animation are three times higher than the costs for films, six times higher - for contextual advertising and thirty times higher - for banners. During the production costs for the purchase of materials for the manufacture of an advertising product, debugging site, depreciation of fixed

assets and non-current assets for movies are twice higher than similar costs for animation, seven times - for contextual advertising and thirty-seven times - for banners. For the period of distribution of Internet advertising costs to pay for hosting, updating the web site designer, compensation of employees, who distribute promotional products look completely different. For banners they are 20% higher than the content, and twenty times higher than for films and animation. This difference is due to the fact that placing the site on the Internet (so-called hosting) and maintenance (service) - administration, performing backups, creating new links, performing security checks, the placement of new information materials, that is, the current cost of maintaining the operation of the site has the largest volume for banners. Unlike other kinds of promotional products, Internet advertising has practically no waste disposal costs and labour costs of employees engaged in the recycling of products.

This causes the need for an analysis of specific types of costs typical to each particular period of the life cycle of an advertising product.

Conclusions and prospects of further research: Reforms of the banking sector in Ukraine changed the traditional way of doing this business. Now the customer has become the most important link, and focus on customer satisfaction is the main goal of Ukrainian banks. We have begun to actively introduce new advertising technology based on open information capabilities and the use of advanced tools of advertising. One of the promising directions of development of advertising banking products have become Internet technologies that allow customers to establish a close and trusting relationships, reduce business risks and improve the quality of banking services. We have established that various promotional tools do not equally affect the preferences and expectations of customers regarding service and banking product demand. Cost structure of advertising on the Internet is significantly different from other types of advertising. First of all, there are no disposal costs of advertising on the Internet.

Practical approaches to cost accounting of online advertising are far behind the level of its organization in other sub-sectors of marketing communications and the growth of this market scale. In order to improve cost accounting the main phases of the cycle of contact of an advertising tool with the consumer, the difference between sites of online advertising and other sites is shown, as well as the difference between cost accounting for the acquisition or creation of sites and cost accounting directly for

advertising.

Cost structure of advertising on the Internet is significantly different from other types of advertising. First of all, there are no disposal costs of advertising on the Internet. Costs for developing sketches, brand image, the purchase of materials for the production of advertising, debugging site, pay for hosting, updating the web site design, depreciation of fixed assets, compensation of employees for a variety of promotional products differ a lot depending on the specific period of the life cycle.

The results of this study allow us to use the most effective advertising channels at the time of decision-making. While ordering promotional products customer can not only consider the issues of increasing sales, but at the same time, using the results of our study, determine for each period of online advertising life cycle certain manufacturers, based on the maximum effect of investment.

In our opinion it will be promising for further research to identify the characteristics of the cost of advertising on the Internet, scientific understanding of factors causing such significant differences that will improve the process of accounting and taxation, and to fully identify the net effect of cash invested in different types of advertising tools.

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МАРКЕТИНГОВА СКЛАДОВА В ЗАБЕЗПЕЧЕННІ КОНКУРЕНТОСПРОМОЖНОСТІ ПРОДУКЦІЇ НА РИНКУ ПРОМИСЛОВИХ ПОКУПЦІВ

В статті обґрунтовано роль маркетингової складової у забезпеченні конкурентоспроможності продукції. З використанням методології системного аналізу визначено цілі, завдання та складові маркетингової програми хлібоприймальних підприємств. Узагальнено характеристики маркетингового середовища хлібоприймальних підприємств як підприємств, що діють на ринку промислових покупців. Систематизовано специфічні характеристики ринку зерна. Визначено склад вихідної інформації для прогнозування обсягу послуг хлібоприймальних підприємств. З використанням методу угруповань виділено сегменти клієнтів, які відрізняються за низкою ознак. Визначено особливості конкуренції на ринку послуг хлібоприймальних підприємств. Доведено переважно ціновий характер конкуренції на цьому ринку. Запропоновано низку