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## ВПЛИВ ФІНАНСОВОЇ ДОЛАРИЗАЦІЇ НА БАНКІВСЬКУ СИСТЕМУ УКРАЇНИ

*Головною метою цього дослідження є оцінка впливу фінансової доларизації на прибутковість банківської системи в Україні, а також виявлення банків з найвищим рівнем кредитної та депозитної доларизації. Для проведення кластерного аналізу використано вибірку з комерційних банків України. У результаті виділено чотири основні групи банків за такими критеріями: прибутковість, рівень кредитної і депозитної доларизації. Також за допомогою побудованої регресії виявлено основні чинники фінансової доларизації в банківській системі. За допомогою багатофакторного регресійного аналізу оцінено вплив доларизації на прибутковість банку за останні тринадцять років. У дослідженні оцінено основні ризики банківського сектору, пов'язані зі зміною рівня доларизації.*

**Ключові слова:** кредитна та депозитна доларизація, прибутковість, банківські активи і пасиви, чиста валютна позиція, чисті валютні активи, зовнішній борг банку.

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## DEVELOPMENT OF INTERNET MARKETING IN UKRAINE

*The article is directed on analyzing the development of Internet marketing in Ukraine. This research paper presents a short overview of the subject's history. The work evaluates basic tendencies of Internet marketing in the world and shows main figures connected to its current condition in Ukraine. The most popular types of Ukrainian Internet marketing are detached and analyzed. The article also provides a discussion section covering future perspective and role of Internet marketing in Ukrainian business and global economy.*

**Keywords:** internet marketing, online advertising, web marketing, Ukrainian advertising market.

**Relevance of research.** The Internet has been spread over different spheres of modern life and plays a big role in it. Marketing is not exclusion in this tendency. Almost all traditional methods of marketing were transferred to the Internet [7, p. 163]. On one hand, it is considered as a special service provided by private companies on promoting web sites for Internet search engines in Ukraine. On the

other hand, it is an independent part of marketing that plays a great role in today's business [12, p. 42]. This fact makes the subject one of the most important parts of modern business development. Therefore, for scientists and marketers it is of vital importance to research this field.

**Analysis of latest researches.** Internet marketing has been extensively studied during the last years. In Ukraine there are many researches dedicated to the subject, especially published by Serhii Ilyashenko, Evgen Golubkov and Inna Boichuk. All the works put an emphasis on fast development of Internet technologies, its distribution among common users and rapid formation of different communication channels. However, they are directed on general overview of the Internet role in marketing. In this research paper the dominant method of investigation is synthesis. Based on competent researches, famous authoritative marketing blogs, and books current situation on the market of Internet promotion is estimated. In addition to this, statistical data about world and Ukrainian advertising market is analyzed.

This work's **purpose** is to define theoretical framework of Internet marketing formation and to study its current level of the development in Ukraine step-by-step. The first step of investigation is an analysis of the different marketing tools in the Internet as a method of business development. After that establishment process of the subject during recent years is evaluated. The following step of this research is estimating the current trends and value of the market of Internet advertising in Ukraine. In particular, the most popular online services are found and analyzed from the Internet marketing standpoint. Finally, the author's view on the future of Internet marketing is proposed as a subject for discussion and further investigations.

**Main body.** Internet marketing is a relatively new field of study. It has developed together with Internet spreading among common users. Ukraine is a part of world Internet marketing system. Undoubtedly, there are some reasons that slow down the development of it in our country. Internet penetration among users in Ukraine is not as high as in USA or European countries. In addition to this, Ukrainian copyright and law regulations are not developed enough. Finally, the market of online payments is not secure from different crimes or manipulations. Nevertheless, the influence of Internet marketing on Ukrainian everyday life is high enough and is getting bigger rapidly [9, p. 65].

The beginning of Internet marketing is connected to first banner sale that took place by *HotWired* in 1994. During the following years companies started selling banners in big amounts. Different types of

banners were created and, in addition to this, video content was used as an online advertisement [1]. After that private firms realized that the Internet is a powerful tool not only of advertising, but of complete marketing strategy. Other directions of web promoting campaigns developed (e-mail, display, search engine, social media, referral or affiliate, content, video and viral marketing) [4]. Not only different types of online advertising grew, but also different business and revenue models. Internet marketing gives advertisers other opportunities comparing to traditional one [3]. Possibly because of this digital marketing has become very popular today and transformed into an independent part of business development. Nowadays, advertisements in the Internet take the second place after television advertising among all media advertisements. The value of Internet media advertising market in 2012 was 594 million hryvnias in Ukraine [11]. In 2013 was forecasted to exceed 1 billion hryvnias due to the complete statistics of the first 6 months [10]. It is approximately 1000 times smaller than in USA; however, its annual growth is quite impressive – more than 100 % [6, p. 13]. It is interesting to notice that only Internet advertising market grew by 20 % even during the years (2008–2009) of deep financial crisis in the world comparing to other types of advertising [11]. Today Ukrainian Internet marketing is completely presented with all its features and specifications despite that it is only emerging.

In order to understand the realities of Ukrainian Internet marketing it is strongly recommended to analyze different cases of this sphere. There are 19,7 billion active Internet users older than 15 years old in the country [8]. That means that the Internet has been spread over 50 % of adult population. The most popular web site in Ukraine is *google.com.ua* – local branch of world's largest online searching portal. That underlines the importance of search engine marketing for companies that are looking for new clients via the Internet. When common users search for information in the Internet the real business solution is to show the most relevant page in appeared results and convert them into clients. The second place is taken by the social network *vk.com* [8]. From the marketing point of view it is a great opportunity to communicate with company's clients through this network and to organize advertising campaigns. A brand that is not presented with an individual page in this network could be hardly found today. The most popular Ukrainian web site is media portal *ex.ua* according to the web information company *Alexa*. *Ex.ua* is a big platform for video marketing, and many Ukrainian companies are using it for advertising own goods, promoting services or

announcing important events instead of traditional TV-advertisements. Its functions are completely the same; it is easier to track; number of views is extremely high while prices are much lower.

A company that does advertising through the Internet can evaluate its effectiveness through different online services according to the main goals. They could be very different starting with the most popular – increasing in sales. Nevertheless, a lot of firms use Internet marketing also for non-material goals (increasing brand awareness, communicating with clients, organizing charity activities or fun contests). A benchmark of effective usage of Internet marketing was Barak Obama digital pre-election campaign. With the help of talented team current president of the U.S. used social media networks for viral spreading of his messages among the followers. It is interesting to notice that his celebratory tweet have become the most retweeted Twitter post ever: it has 809 900 retweets [2]. Unfortunately, Ukrainian companies and organizations do not use social media or other tools of Internet marketing to the same extent; however, the presence of national brands in the Internet is growing rapidly.

Internet marketing is a very wide sphere, but the main point is that it is one of the most prospective and fast-growing directions of marketing. Despite the fact that the level of the development of Internet technologies in Ukraine is not very high comparing to other countries, the future of business development is under Internet marketing. It is important to notice that it has a lot comparative advantages comparing to classic methods of advertising. One of them is cost-effectiveness, as it could be organized by small, medium or large business in different scales. As the Internet is an integral part of life, online marketing has a very wide reach in different countries. It is important to notice that only online

advertising campaigns give an opportunity to enable targeting according to customer's age, location, interests or preferences. In addition to this, promotion through the Internet is quite easy to manage and evaluate with the help of different online tools. Moreover, Internet services are available twenty-four-hour, so the problems with time zones or rush hours are absent [5].

**Conclusion.** Internet marketing is an independent part of business development today. It dates back to 1994 when the first online advertising picture was sold. During the last time it has transformed into a set of powerful tools of online promoting campaigns. It is presented in e-mail, display, search engine, social media, affiliate or referral, content, video and viral marketing. Nowadays it has penetrated inside every country that is covered with Internet connection, and Ukraine is one of them. In fact, the market of Internet advertising is growing steadily. The most popular web sites in Ukraine (*google.com.ua*, *vk.com* and *ex.ua*) are big online platforms not only for entertainment, but for application of digital marketing campaigns. The majority of scientists connects the future of business only with the Internet, however, there are opposite views on this issue. The idea is that the Internet is only an intermediary between real sector and consumer seems to be more realistic. Nevertheless, Internet marketing tools will likely replace classic marketing approach within next years. The Internet gives a lot of opportunities for customers to make their life easier, and that is why all the tensions of marketing specialists will be directed on fighting for these customers through global networks. This topic is a relatively new in Ukraine and future researches should concentrate on investigating Internet marketing as an independent part of business development, on its specifications and advantages comparing to other promotion tools.

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## РОЗВИТОК ІНТЕРНЕТ-МАРКЕТИНГУ В УКРАЇНІ

*Статтю присвячено аналізу розвитку інтернет-маркетингу в Україні, зокрема досліджується його історія, оцінюються сучасні світові тенденції і статистичні дані, пов'язані з поточним станом ринку в Україні. Наведено та проаналізовано найбільш популярні інструменти інтернет-маркетингу національного ринку. Стаття започатковує поле для дискусій щодо майбутнього розвитку об'єкта дослідження, а також пропонує авторське бачення подальшої ролі інтернет-маркетингу для розвитку бізнесу в глобальному середовищі.*

**Ключові слова:** інтернет-маркетинг, онлайн-реклама, веб-маркетинг, ринок реклами в Україні.

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## RISKS OF IMPLEMENTING INFLATION TARGETING IN UKRAINE

*The concept of “inflation targeting” is investigated. The potential risks of implementation inflation targeting in Ukraine, their background and possible ways to overcome them is determined and analyzed.*

**Keywords:** inflation, inflation targeting, Consumer Price Index.

Providing the monetary unit stability is an important prerequisite for the economic development of any country. In accordance with the Constitution and law “On the National Bank of Ukraine”, the main function of NBU is to provide stability of the currency. However, the statistics shows that the consumer price index (CPI), which is the main indicator of inflation in Ukraine varies significantly and substantially and exceeds rates in Europe. For example, inflation in Ukraine for 12 months in 2011 was 4,6 % contrary to the EU inflation index, which was on average 2,6 % and kept the same level until today [7]. Producer Price Index during the period from 2009 to 2011 was 12,3, 9,1, 4,6 [7].

As international experience shows, government can use one of the monetary policies to provide the monetary unit stability. This policy is known as inflation targeting (IT). This fact substantiates the relevance of the subject of this study.

A significant contribution to the development of the principles of inflation control was made by lots of leading Ukrainian and foreign scientists. Among them are H. Munkiv, J. Sachs, R. Dornbusch, K. McConnell, S. Brue, P. Samuyelson, A. Illarionov, S. Korablin, V. Besedin, A. Galchynsky, A. Gritsenko, S. Moiseev, B. Bernanke, V. Geets, K. Larionov, V. Lytvitskyj, S. Panchnshyn, M. Savluk, V. Mishenko, V. Shevchuk and others. Despite the