“Theoretical approaches to the definition of Internet marketing: Ukrainian dimension”

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Abstract

Despite the rapid growth rate, the scientific base and theoretical development of Internet marketing in Ukraine requires scientific justification and additional research. This paper highlights the problems associated with the unclear position among scientists and experts in defining the concept of "Internet marketing" because the concept is quite new and practically unexplored, consists of two words, each of which has its meaningful content.

The paper aims, based on the analysis of conceptual theoretical approaches of scientists and marketers, to formulate the conceptual definition of "Internet marketing," considering modern features of Internet marketing activity.

The research considers the basic theoretical and practical definitions of "Internet marketing" in accordance with the conceptual and categorical approaches. According to the supporters of the descriptive approach, the definition of Internet marketing characterizes, as part of e-commerce, the set of Internet marketing tools, while ignoring the relationship with traditional marketing. Supporters of the conservative approach consider Internet marketing as an integral part of traditional marketing and do not pay due attention to the technical capabilities and limitations of the Internet.

To form a comprehensive definition of Internet marketing, which would take into account all aspects of Internet marketing, this paper considers the Internet marketing features, according to the "6I" Internet marketing model of McDonald and Wilson, supplemented by characteristics of the modern conditions of the Ukrainian Internet market, like reactivity, dynamic pricing, innovation, complexity of implementation, and others.

Keywords

Internet marketing, theoretical approach, empirical approach, etymological approach, definition, Internet marketing features

JEL Classification

M15, M31, L86

INTRODUCTION

Digital technologies are constantly changing and actively evolving, so marketing professionals need to take these trends into practice. Consumer expectations have never been higher than those that dominate today. The growing rich digital marketing environment is challenging for marketers when it comes to engaging with consumers and attracting their attention. According to a study by the Internet Association of Ukraine, the number of Internet users in 2019 in Ukraine increased by 8%. Thus, today, 22.96 million Ukrainians, or 71%, regularly use the World Wide Web, compared to 63% at the end of 2018. The majority of users are Ukrainians aged from 25 to 44 years (Ukrinform, 2019).

As the Internet as a communication medium is constantly progressing and becoming more complicated, and at the same time the possibili-
ties of promotion of the company in the virtual space are expanding, there is a need for a new direction of the general marketing structure, which would be engaged in describing the peculiarities of achieving the marketing goals on the Internet – Internet marketing.

Internet marketing is a new innovative field of social activity, the relevant area of this scientific knowledge is still emerging, so analyzing this phenomenon, it is expedient to consider not only the definitions of Internet marketing provided by scientists in the monographs and researches but also the definition, given by practitioners – Internet marketers of well-known web companies. It is especially important to identify conceptual directions and to trace the mutual impact of scientific and practical views on this problem.

1. THEORETICAL BACKGROUND

Research of theoretical bases of Internet marketing activity was reflected in the works of Barabanova (2017), Boichuk and Muzyka (2010), Butorina (2020), Virin (2009), Illiashenko (2011), Kotler, Jain, and Meissency (2003), Malovychko (2014), Mozhova (2013), Pleskach (2004), Petryk (2004), Kholmogorov (2002), Uspsenskiy (2003), Yurasov (2003), and others. The analysis of scientific works showed a lack of a unified approach to defining the concept of “Internet marketing.” Besides, many authors in the scientific works about Internet marketing avoid giving a definition, considering the essence of the phenomenon intuitively understandable (Kegler, Dowling, Taylor, & Testerman, 2003).

Thus, Wilson (2003) is one of the most respected experts in the world in the field of Internet marketing and e-commerce, author of more than two hundred articles on e-commerce and Internet marketing development, despite the fact that even the title of the book contains the concept of “Internet marketing,” does not give its definition (Gayduk, 2009, p. 29). Some of the authors who deal with the problems of Internet marketing adhere to the same principle. For example, Litovchenko (2008), in tutorial “Internet Marketing” does not define the concept, or Kholmogorov (2002), which is probably a consequence of the influence of ideas and views of other authors. The lack of knowledge about this phenomenon and the novelty of this sphere has led to the fact that at present there is no conventional way of writing the term – “internet Marketing” (Yurasov, 2003, p. 280) or “Internet Marketing” (Danko, Zavialova, Diakonova et al., 2003, p. 18). The term “Internet marketing” first appeared in literature, which is characterized by a certain conceptual distinction of existence, along with Internet marketing of its close synonyms: “web marketing,” “electronic marketing,” “cyber marketing” (Kotler, 2001). Thus, Ukrainian and foreign experts use a number of terms when writing articles and in search of information about a given field of scientific knowledge (Table 1).

<table>
<thead>
<tr>
<th>Definition</th>
<th>Prevalence of Russian and Ukrainian definitions, %</th>
<th>Prevalence of English definitions, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet marketing</td>
<td>73.1</td>
<td>30.8</td>
</tr>
<tr>
<td>Online marketing</td>
<td>9.1</td>
<td>27.6</td>
</tr>
<tr>
<td>Electronic marketing</td>
<td>10.2</td>
<td>5.6</td>
</tr>
<tr>
<td>Web-marketing</td>
<td>2.1</td>
<td>10.6</td>
</tr>
<tr>
<td>Digital marketing</td>
<td>4.2</td>
<td>22.8</td>
</tr>
<tr>
<td>Cyber marketing</td>
<td>1.3</td>
<td>2.6</td>
</tr>
</tbody>
</table>

According to Yandex (n.d.), the often used by Ukrainian and Russian term is “Internet Marketing.” According to Google (n.d.), there are about three terms used in the English-language Internet with the same frequency – online marketing, internet marketing, and digital marketing. Based on the analysis of the scientific works, one can conclude that all the terms include Internet marketing, but some, including e-marketing, involve the use of other e-tools, such as SMS and telephone help desk services.

The scientific works of researchers and marketers enable to distinguish two approaches to defining this term:
1) empirical (descriptive, methodological), which emphasizes the practical approach to marketing, the innovation of the Internet market, special unique tools, and mechanisms of seller-buyer interaction;

2) etymological (conservative, traditional), which focuses on the concept of connecting

the term with traditional marketing, its functions, and principles.

Systematization of theoretical and practical definitions for the term “Internet marketing” according to the selected conceptual approaches is given in Table 2.

**Table 2. The selected conceptual approaches of scientists and marketers to defining “Internet marketing” (IM)**

<table>
<thead>
<tr>
<th>Author Author’s position</th>
<th>Source: Authors’ compilation.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Empirical approach</strong></td>
<td></td>
</tr>
<tr>
<td>Barabanova (2017) IM is a marketing activity of subjects in the electronic market using the Internet tools and formation of new business models</td>
<td></td>
</tr>
<tr>
<td>Butorina (2020) IT is a profit-driven business based on digital technology and the benefits they bring</td>
<td></td>
</tr>
<tr>
<td>Virin (2009) IM is about building marketing communications over the Internet. This is not a completely independent sphere, but simply a marketing tool that has its special properties. Internet marketing is a tool that solves part of the marketing tasks of a company and no more (p. 12)</td>
<td></td>
</tr>
<tr>
<td>Dik, Luzhetskyi, and Rodionov (2005) IM is a necessary set of measures for researching such a specific market, which is the network market of the Internet, for the effective promotion and sale of goods (services) using the latest technologies of Internet marketing (p. 221)</td>
<td></td>
</tr>
<tr>
<td>Kalynych (2010) IM is the marketing activity of the entities in the electronic market. Internet marketing has a specificity, which is, first and foremost, the emergence of new marketing campaign tools (p. 305)</td>
<td></td>
</tr>
<tr>
<td>Eley and Tilley (2009) IM is an online advertising activity, including email marketing (p. 21)</td>
<td></td>
</tr>
<tr>
<td>Kapinus (2012) IM is a set of marketing activities based on the use of Internet technologies, computer information technologies, digital technologies and electronic communications networks, and aimed at meeting the needs and desires of consumers</td>
<td></td>
</tr>
<tr>
<td>Kotler, Jain, and Meissency (2003) IM is the practice of using all aspects of online advertising to get feedback from an audience that includes both creative and technical aspects of the Internet, including design, development, advertising and marketing (p. 58)</td>
<td></td>
</tr>
<tr>
<td>Mozhova (2013) IM is a process of using modern information Internet technologies during marketing research, product development, pricing, bringing to the consumer and introduction of new approaches to stimulate sales to maximize customer satisfaction through innovative organization of material and information exchange</td>
<td></td>
</tr>
<tr>
<td>Rayport and Jaworski (2002) IM is an activity within and between organizations based on electronic technologies and facilitates this exchange</td>
<td></td>
</tr>
<tr>
<td>Kholmogorov (2002) IM is a set of special methods that allow website owners to promote their site on the Internet, promote their company brand, and thus generate additional revenue (p. 17)</td>
<td></td>
</tr>
<tr>
<td>Yurasov (2003) IM is a collection of e-commerce techniques designed to increase the cost-effectiveness of websites and include online advertising and other forms of visitor engagement; methods of retaining visitors to the site; securing the purchase of goods or services offered on the site, if any; or performing other activities (registration, news subscription, etc.); methods for creating a persistent audience for your site and / or network community (community) (p. 280)</td>
<td></td>
</tr>
<tr>
<td>Yarlykov (2006) IM is the promotion of products and services in the seller’s market with the help of Internet technologies using special tools (Internet marketing tools)</td>
<td></td>
</tr>
<tr>
<td>Search engine marketing (2020) IM is a set of activities aimed at increasing the rank of a resource on the network, increasing attendance and, as a consequence, attracting new customers and growing the company … Internet marketing – (and in particular, search engine promotion) is also a professional analysis and research of the market situation (network – competitors’ activities, general state of the industry, supply and demand trends), assessment of the possibility of using the Internet environment to promote specific products or services, determine the current position of the Internet project and its prospects</td>
<td></td>
</tr>
<tr>
<td>LuxSite (2019) IM is a sophisticated system of tools that let you talk about your product or service, as well as engage users who no longer trust traditional advertising approaches</td>
<td></td>
</tr>
</tbody>
</table>
Table 2 (cont.). The selected conceptual approaches of scientists and marketers to defining “Internet marketing” (IM)

<table>
<thead>
<tr>
<th>Author (Year)</th>
<th>Author’s position</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Etymological approach</td>
<td></td>
</tr>
<tr>
<td>Boichuk and Muzyka (2010)</td>
<td>IM is a process that addresses the needs of consumers through the use of Internet technologies and the management of marketing tools through the performance of specific functions (p.169)</td>
</tr>
<tr>
<td>Gayduk (2009)</td>
<td>IM is the theory and practice of using company Internet tools – website, Internet advertising opportunities, mechanism of market research (buyers and competitors), creation and adjustment of consumer preferences with the use of the Internet – for maximum profit (p. 32)</td>
</tr>
<tr>
<td>Vavrysh and Savchuk (2011)</td>
<td>IM is a new type of marketing that incorporates traditional elements (product, distribution, promotion, marketing research) implemented with the help of Internet tools in a remote, interactive mode, and therefore provides the opportunity to accelerate, reduce and improve the quality of all marketing processes (p. 236)</td>
</tr>
<tr>
<td>Vella and Kester (2008)</td>
<td>IM is the use of the Internet and other forms of electronic communication to communicate with target markets in the most cost-effective ways (p. 21)</td>
</tr>
<tr>
<td>Illashenko (2011)</td>
<td>IM is a new type of marketing that involves the use of traditional and innovative tools and technologies on the Internet to identify and customer satisfaction through exchange for profit and other benefits to the manufacturer (p. 65)</td>
</tr>
<tr>
<td>Malovychko (2014)</td>
<td>IM is the use of enterprise marketing tools on the Internet to effectively realize its marketing potential in order to achieve goals and profit (p.105)</td>
</tr>
<tr>
<td>Pankrukhin (2005)</td>
<td>IM is a complex of philosophy, strategies and tools marketing and information interaction in computer networks, providing the opportunity to explore the market, effectively structured information environment, promote, buy and sell products, ideas and services (p. 471)</td>
</tr>
<tr>
<td>Petryk (2004)</td>
<td>IM is the theory and methodology of organizing marketing activities in the Internet (p. 40)</td>
</tr>
<tr>
<td>Pleskach (2004)</td>
<td>IM is a social and managerial process aimed at customer satisfaction on the Internet when creating a supply and exchange of goods services using information and communication technologies (p. 192)</td>
</tr>
<tr>
<td>Smith and Chaffey (2005)</td>
<td>IM is to achieve marketing goals through digital technology</td>
</tr>
<tr>
<td>Uspenskiy (2003)</td>
<td>IM is the theory and methodology of marketing organization in the hypermedia environment of the Internet (p. 26)</td>
</tr>
<tr>
<td>Strauss and Frost (2013)</td>
<td>IM is the use of electronic data to plan and implement the concept of promoting ideas, products and services for the purpose of sharing that achieve individual and organizational goals</td>
</tr>
<tr>
<td>Fellenshtein and Wood (2000)</td>
<td>IM is a transactional, pre-Transactional and post-transactional activity carried out by the buyer and seller through the Internet and who have a clear desire to buy or sell</td>
</tr>
<tr>
<td>Tsarev and Kantarovych (2002)</td>
<td>IM is a necessary set of measures for researching such a specific market, such as the online Internet market, for the effective promotion and sale of goods (services) using modern Internet technologies ... Internet marketing is a relatively inexpensive worldwide information channel, characterized by high efficiency, purposeful impact, fast enough feedback from potential customers, cheap advertising and marketing activities and programs (p. 165)</td>
</tr>
<tr>
<td>Web Building (n.d.)</td>
<td>IM is a comprehensive application of classic marketing tools, methods and principles for advertising on the Internet</td>
</tr>
<tr>
<td>Marketer (2016)</td>
<td>IM is the marketing of goods or services using digital (Internet) technologies, mostly on the Internet, but also including smartphones, display advertising and any other digital media</td>
</tr>
<tr>
<td>Logos IT Academy (2017)</td>
<td>IM is a set of standard marketing activities designed for the online marketplace. Its main purpose is to get the maximum effect from the potential audience on the site</td>
</tr>
<tr>
<td>EDUGET (2017)</td>
<td>IM is the science and art of increasing your targeted online audience</td>
</tr>
</tbody>
</table>

2. AIMS

The aim of this research is based on the analysis of conceptual theoretical approaches of scientists and marketers to formulate the conceptual definition of “Internet marketing,” taking into account modern features of Internet marketing activity.

3. RESULTS

3.1. Empirical approach to defining “Internet marketing”

Main characteristics of the empirical approach are the description of Internet marketing tools, an in-
dication of its specificity, but at the same time, the descriptive nature and lack of a sufficient level of scientific theoretical understanding, resulting in such definitions being incomplete. This approach is reflected in Internet marketers’ views and specific experience.

For example, Dik, Luzhetskyi, and Rodionov (2005) define Internet marketing as “a necessary set of measures for researching such a specific market, which is the network market of the Internet, for the effective promotion and sale of goods (services) using the latest technologies of Internet marketing” (p. 221). This definition is not complete enough and does not allow fully understanding the basic essence of modern Internet marketing since its authors consider Internet marketing only as a tool for researching the Internet market.

Malovychko (2014, p. 105) and Yarlykov (2006) consider Internet marketing as a means of promoting products and services in the market with the help of Internet technologies. But the promotion process is only one part of the Internet marketing complex. Eley and Tilley (2009, p. 21) and Kotler, Jain, and Meissency (2003, p. 58) consider Internet marketing as a purely advertising tool on the Internet, which also does not consider other functions and tasks of the Internet marketing complex as a whole.

Kalynych (2010, p. 305) proposes to conditionally divide Internet marketing into two areas: the first is related to the use of the Internet tools for expanding the marketing system of traditional enterprises, and the second one is related to the emergence of a new type of business models, which became the basis of the Internet itself.

Kholmogorov (2002) defines Internet marketing as “a set of special methods that allow website owners to promote their site on the Internet, promote their company brand, and thus generate additional revenue” (p. 17). This definition does not give clear and complete information about Internet marketing, because the word “promote” is usually understood differently. The definition is focused on Internet advertising, research technology and competitive intelligence.

LuxSite (2019) understands Internet marketing as “a sophisticated system of tools that let you talk about your product or service, as well as engage users who no longer trust traditional advertising approaches.” This definition again does not include market research, only a set of measures aimed at promoting the website, everything else is beyond the scope of the authors.

3.2. Etymological approach to defining “Internet marketing”

The etymological approach has the theoretical and methodological basis that is available in traditional marketing, but it has the limitations after trying to mechanically connect the terms “marketing” and “Internet.” Besides, as there is a lack of a common theoretical definition of marketing, it is necessary to clarify what definition of marketing should be taken.

Pankrukhin (2005) considers that: “Internet marketing is a complex of philosophy, strategies and tools marketing and information interaction in computer networks, providing the opportunity to explore the market, effectively structured information environment, promote, buy and sell products, ideas and services” (p. 471). He characterizes certain elements separately from each other, not to mention their integration into a coherent system of interaction with each other.

In definition of Uspenskyi (2003): “by the term Internet marketing one understands the theory and methodology of a marketing organization in the hypermedia environment of the Internet” (p. 4), the essence of the phenomenon remains hidden, the only thing that follows from the definition – Internet marketing – requires a methodology and theoretical framework that are different from the traditional marketing methodology, and must take into account the peculiarities of Internet activities.

Iliashenko (2011) considers Internet marketing as a set of three elements: Internet marketing research, Internet marketing communications, Internet marketing (p. 65). However, commodity policy, pricing, and commercialization on the Internet remain unaddressed.

Chaffey, Ellis-Chadwick, Mayer, and Johnston (2006), when formulating definitions, depart from
the purely advertising functions of Internet marketing. In their view, online marketing is about achieving digital marketing goals. The list of Internet marketing goals includes information on a company, product, or service; providing online sales; customer research; development of loyalty programs, etc.

Vella and Kester (2014) believe that “online marketing is the use of the Internet and other forms of electronic communication to communicate with target markets in the most cost-effective ways” (p. 21). In this case, online marketing allows reaching both potential customers and existing customers.

Web Building (n.d.) in considering Internet marketing also follow this method: “IM is a comprehensive application of classic marketing tools, methods, and principles for advertising on the Internet.” This definition is more suitable for online advertising because it does not consider the production function of marketing. The definition also emphasizes the use of traditional marketing for the sake of advertising on the Internet, which does not show all the components of the Internet marketing complex.

“Internet marketing is a set of standard marketing activities designed for the online marketplace. Its main purpose is to get the maximum effect from the potential audience on the site” (Logos IT Academy, 2017). This definition of Logos IT Academy is generic and does not determine the use of online marketing tools or strategies.

Among the definitions of the etymological approach, a direction that Internet marketing is not considered as a specific area of marketing can be also pointed out, and in one way or another compare it with a communication channel between the manufacturer and the consumer or marketing tool or marketing function. For example, Tsarev and Kantarovych (2002) state that “Internet marketing a necessary set of measures for researching such a specific market, such as the online Internet market, for the effective promotion and sale of goods (services) using modern Internet technologies ... Internet marketing is a relatively inexpensive worldwide information channel...” (p. 165).

Internet marketing cannot be considered as a channel because by any definition, it is an activity, a “set of events” or a theory, but not a communication tool.

3.3. A set of modern characteristics of Internet marketing activity of the company

For a better understanding of the concept “Internet marketing,” it is necessary to consider the features of Internet marketing communications, their differences from the traditional ones.

Internet marketing is much different from regular marketing communications because of the use of virtual information space. The Internet and other digital media like smart TVs, smartphones, and tablets are opening up new forms of interaction and new models of information exchange (Kapustina & Mosunov, 2015, p. 13). One of the first comprehensive studies of the differences between new media and traditional advertising channels was the work “E-marketing: improving marketing effectiveness in a Digital World” of McDonald and Wilson who formulated the “6I” Internet marketing model in 1999, which includes the following elements: Interactivity; Intelligence; Individualization; Integration; Industry restructuring; Independence of location (McDonald & Wilson, 2016).

As the Internet and Internet marketing have undergone significant changes over the last 20 years, further details of the components of the MacDonald and Wilson “6I” models will be amended to reflect new technologies and Internet marketing capabilities and complemented by other distinctive Internet marketing features.

1. Interactivity. On the Internet, the company can directly interact with the audience, keep in touch with customers, and monitor the situation. It is the opportunity to engage the target audience in communication; creation and constant updating of the customer database. This is one of the main unique benefits of Internet marketing. The advantages of online marketing include the ability to process incoming requests automatically. For example, chatbots cope with a large number of requests
and thus reduce the company’s communication costs.

2. **Intelligence.** The Internet can be used as a relatively inexpensive way to conduct market research on technology CAPI (Computer-Assisted Personal Interviewing). The second channel for receiving customer information is the corporative website if it has a web analytics system. The analysis of consumer reactions to various offers allows the company to collect information regarding their requests and immediately make changes to advertising. This is one of the most important advantages of Internet marketing over the “traditional” promotion.

3. **Individualization.** A personalized approach to Internet marketing (personalized, individual, interactive, micromarketing) is a form of interaction between the seller and the buyer, based on the interests, needs and goals of the client. Personalization is closely related to targeting. Targeting is a mechanism that allows selecting only the target audience from the entire available audience and show ads to it.

4. **Integration.** The Internet provides additional opportunities for integrated marketing communications. In this case, integration is manifested simultaneously in cross-instrumentality (combining several marketing communication tools) and cross-spatiality (combining off-line and on-line spaces). Integrated Internet marketing is a combination of marketing activities, several Internet marketing methods that are applied holistically in integration with each other, in accordance with the general marketing strategy of the business.

5. **Industry restructuring.** The Internet has significantly changed the essence of business relations. Creating a relationship between seller and buyer is the central point of online marketing. Affiliate programs take this concept to the next level. Affiliate marketing is a way of distributing a product with the distribution of income between different parties, depending on their contribution.

6. **Independence of location.** Electronic communication tools have expanded the reach of all Internet users worldwide (Vinokurov, 2013, p. 267). Another feature of Internet marketing is that it allows the companies to freely attract customers from all over the world to their website (of course, where there is access to the network). The location of the consumer does not matter – the advertisement can be sent by e-mail or placed directly on the corporate website.

Kapustina and Mosunov (2015, pp. 17-21) or Zubko (2018, p. 22) also presented the features of Internet marketing. Let us adapt them to the current situation in the Ukrainian market and add new elements of modern Internet marketing.

1. **Reactivity** is the ability to quickly fine-tune communication (operational response). The obvious advantage of the Internet over offline is efficiency. On the Internet, everything happens very quickly. The client quickly receives the information that he was looking for. He can quickly contact the company and expects a quick response. Marketers quickly set up and run advertising campaigns. Ads appear on sites immediately after moderation.

2. **Analysis and testing capability.** Measurable effectiveness of funds spent on Internet marketing through post-analysis. There are many measurable indicators in online marketing, which visually compare the effectiveness of different channels of attraction and find out what is really interesting to customers. There are many testing tools in online marketing. For example, A/B testing with the ability to change elements on the site and divide the flow of visitors 50/50 to choose the option with higher conversion.

3. **24/7 access to a large paying audience.** Analysts of the Internet Association of Ukraine in the published report Opinion Software Media (INAU, 2019) made the following conclusions:

   1) the Internet covers 42% of the audience in cities with a population of more than 100,000 people and average income (Figure 1);
2) 71% of Internet users say they use the Internet once a month or more (Figure 2);

3) people use the Internet all day. According to the research, now the average internet user spends 6:43 hours online every day. This time varies by country. Users in the Philippines spend an average of 9 hours and 45 minutes a day online, in Japan – 4 hours and 22 minutes a day (Ukrinform, 2020). In 2019, Ukrainians spend a third of the day online. It’s almost 8 o’clock (7:49) daily (Glavcom, 2020).

4) people between 18 and 44 with an above average income level – the most attractive category of advertisers to advertisers – use the Internet 3-4 times more often than their lower income peers (Kapustina & Mosunov, 2015, p. 18).

10. Viral effect. Viral marketing is a technology for creating advertising, emotionally infectious content that will be distributed by the users themselves. The main task here is to create an advertising product that will interest users to the maximum and inspire them so much that they want to share this knowledge with others. Viral content is distributed exponentially in minutes: on Facebook, YouTube, Instagram, on blogs, in private messages, in conversations at a meeting, etc. Information is transmitted from person to person, without outside interference. Such advertising works because the opinion of other people most influences the choice of a person.

11. The presence of “Refuseniks.” According to a nationwide research of “Ukrtelecom” to reduce the digital gap in Ukraine in 2019 lives about 6.3 million people (15% of total population) not covered by any of the network operators of Internet services (Ukrinform, 2020) According to a survey of citizens, these 15% are divided as follows: 10% “reserve” (those who want to use the Internet, but does not

Source: Built based on INAU (2019).
have this opportunity) and 5% “refusers” who do not want to use the Internet under any circumstances. A typical socio-demographic portrait of a “refuser” is as follows: a woman over 55 years of age, low income, living in a small town or village.

12. **Technological and technical limitations.** Not all users have access to high-speed Internet, so they are limited in their perception of voluminous websites, videos, games, and interactive applications. Thus, approximately 3.2 billion people remain offline, over a billion people live in South Asia and 870 million in Africa (Ukrinform, 2020).

13. **Information overload.** Web users interact with multiple streams of information every minute, causing them information overload. Thus, according to a survey of the Internet Association of Ukraine, from January to June 2019, the volume of the market for online advertising increased to 1.9 billion UAH, which is 82% more than in the same period last year, and the share of direct sales was 61.4%. From the entire segment of this market, online advertising was divided into the following tools: banner advertising – 34%; in-stream video advertising – 41%; in-page video ads – 11%; other non-standard solutions – 9%; sponsorship – 5% (UBR, 2019).

Users want to get rid of unnecessary information, such they believe the advertising is. If a person constantly visits the same web resources, he gets an idea of where the webpage is advertising, so he ignores any information that is in the “advertising” area. Browsers are also becoming widespread among the advanced Ukrainian Internet users (StatCounter, n.d.), that block ads (Chrome, Opera) or browser extensions that allow automatically hiding ads on any website (Table 3).

14. **The cost of communication.** By the CPT (cost-per-thousand contacts), online advertising in recent years has come in second place in value, behind only advertising on television (AgMarketing, 2018). The average cost per click was UAH 4.53 at the end of 2019, exceeding the results of the previous period by 40% (Figure 3) (Ukrainian news, 2020).

In general, the communication cost can also be viewed in terms of advertising market volume and advertising demand. According to an expert assessment of the All-Ukrainian Advertising Coalition (VRK), in the end of 2019, the media advertising market has grown by 25%. Growth is projected to continue in 2020, but growth will slow slightly – up to +18%. Internet advertising continues to lead in terms of growth (VRK, 2020).

15. **Dynamic pricing.** Dynamic pricing on the Internet has become possible mainly due to the advances made in the IT industry. Progress in this industry has provided the companies not only the ability to easily and quickly change price lists of any complexity but also allowed the marketers to collect and analyze customer information with unprecedented speed and simplicity. The key advantage of a dynamic pricing model compared to a static one is the ability to predict and manage the results of an advertising campaign.

16. **Trust in the Internet and online advertising.** Some consumers do not trust the Internet,

### Table 3. Dynamics of browser market share in Ukraine in 2018–2020

<table>
<thead>
<tr>
<th>Browser</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>Deviation 20-19</th>
<th>Deviation 19-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chrome</td>
<td>70.97</td>
<td>68.14</td>
<td>63.17</td>
<td>-2.83</td>
<td>-4.97</td>
</tr>
<tr>
<td>Opera</td>
<td>7.61</td>
<td>8.70</td>
<td>10.41</td>
<td>+1.09</td>
<td>+1.71</td>
</tr>
<tr>
<td>Safari</td>
<td>7.27</td>
<td>6.81</td>
<td>6.22</td>
<td>-0.46</td>
<td>-0.59</td>
</tr>
<tr>
<td>Firefox</td>
<td>6.17</td>
<td>7.11</td>
<td>9.43</td>
<td>+0.94</td>
<td>+2.32</td>
</tr>
<tr>
<td>Yandex Browser</td>
<td>2.80</td>
<td>2.93</td>
<td>3.42</td>
<td>+0.13</td>
<td>+0.49</td>
</tr>
<tr>
<td>IE</td>
<td>2.14</td>
<td>2.74</td>
<td>2.74</td>
<td>+0.60</td>
<td>0.00</td>
</tr>
<tr>
<td>Edge Legacy</td>
<td>0.62</td>
<td>0.67</td>
<td>0.77</td>
<td>+0.05</td>
<td>+0.10</td>
</tr>
</tbody>
</table>

Source: Built based on StatCounter (n.d.).

http://dx.doi.org/10.21511/im.16(1).2020.09

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so they prefer to conduct transactions in the traditional way. According to Nielsen, more than 60% of Ukrainians trust online advertising. Among all sources of information about goods and services, the most trusted among Ukrainians are the recommendations of acquaintances (81%), consumer reviews, information online (63%) and on brand sites (59%) (Misto, 2017).

17. The growing role of mobile marketing. In total, today the number of mobile Internet users in the world exceeds 3.5 billion people, which is almost half of the Earth’s population. The global percentage of mobile Internet activity is 53%, and in Europe, it has reached 77%. Every day, the user spends an average of 3.5 hours on the Internet using mobile devices (Sostav, 2018). According to the results of 2019, the total volume of the Internet advertising market in Ukraine has grown by 35% to UAH 12.6 billion, according to the report of the Internet Advertising Committee of the Internet Association of Ukraine. It is reported that mobile paid search share rose to 73% for the year, up from 66% in 2018 and 56% in 2017. In the second half of 2019, it was 76% compared to 71% over the same period last year (NV, 2019).

18. Innovation and complexity of Internet marketing implementation. In addition to the fact that Internet marketing requires an understanding of the tools, methodology, and other aspects of traditional marketing, it is also necessary to pay attention to the study of ever-changing network technologies, new web services, and promotion tools. Besides, Internet marketing has pros and cons for companies that plan or already use it, such as wide customer reach, immediate quantitative results, less business overhead, the opportunity for targeting, a high level of trust in online advertising, and also increased competition, negative product reviews, limited access, special expertise is required, low coverage of older age groups, and others (Sidenko, 2017; Rabei, 2019, p. 194).

Despite the pros, Internet marketing can provide competitive advantages to firms that systematically use it in the market. Statistics for the US companies show that over the 5 years, firms using Internet marketing have shown an average annual growth of 14.9%, although other companies have grown annually by an average of only 6.3% (Kapustina, 2014, p. 21).

4. DISCUSSION

After considering the definitions of scientists and marketers, the following similar features can be distinguished for empirical (descriptive, methodological) approach, such as:

1) ignoring the relationship of Internet marketing with traditional marketing, and with its principles, functions, and tools, the perception of Internet marketing as an area or part of e-commerce;

2) consideration of Internet marketing in the context of its advertising opportunities and in relation to websites promotion and ads (as

Figure 3. Average cost per click in 2018–2019, UAH

Source: Built based on Ukrainian news (2020).
one of the instruments of Internet marketing – Internet ads;  

3) descriptive nature, which is reflected in the listing of means, tools, and methods of Internet marketing; 

4) the authors emphasize the importance of search and technical optimization methods in Internet marketing tools; 

5) ignoring other marketing activities inherent in Internet marketing. 

The analysis of etymological (conservative, traditional) approach allows considering the following general points: 

1) the technical capabilities and limitations of the Internet, the modification of certain types of marketing practices, technological features of marketing activities on the Internet, etc. are not disclosed; 

2) the connection of Internet marketing with traditional marketing is being absolutized; 

3) the essence of marketing is not detailed by one or another author; 

4) does not take into account the presence of several tools inherent in Internet marketing, features, and goals of their application. 

So one can see that the definition of marketing practitioners is given in the first and second approaches. At the same time, there are two interpretations of this concept that do not contradict each other but emphasize different aspects of Internet marketing: the first – on the website promotion (as a virtual projection of the company) and on specific methods of Internet marketing of e-commerce (emphasis on the connection of Internet marketing with e-commerce), the second one considers Internet marketing solely as marketing with the use of new technical capabilities (Gayduk, 2009, p. 32). 

After analyzing the existing definitions of "Internet marketing", one can conclude that they are limited and not fully reveal the essence of this concept, do not always meet the criteria for the definition, and need to be supplemented and clarified. 

Thus, taking into account the peculiarities of marketing development in the modern Internet environment and the concept of the integrated approach, it is possible to form the following definition: Internet marketing is an integrated innovative theoretical and practical activity of using information channels in the virtual space to ensure marketing activities of the company aimed to generate profits, create and support competitive and consumer benefits by developing a complex approach to improving online service delivery to better customer satisfaction and increase their awareness of businesses, brand, products, and services. 

This definition can be divided into three semantic parts: 

- the first part highlights the innovative approach to using a wide range of digital communication channels (blogs, social networks, websites) that a marketer should know and apply in marketing campaigns in conjunction with other tools to provide synergies; 

- the second part of the definition expresses the idea of attracting new clients and managing relationships with already existing clients as the most important source of enhancing the competitiveness and profitability of the business, which is considered the main objective of Internet marketing; 

- the third part of the definition deals with the importance of taking a complex strategic approach to ensuring the presence of a company on the Internet. This involves conducting a thorough study of the customer's values, needs, experience, and other important characteristics, as well as selecting the best communication web channels.
CONCLUSION

Consequently, the analysis showed that the use of the Internet and other digital technologies in marketing has given rise to a large number of definitions created by both scientists and marketers. Marketing was called digital, electronic, internet marketing, web marketing. Chaffey, Ellis-Chadwick, Mayer, and Johnston (2006) note that precise definitions of the terms “matter because within the organization or between the business and its customers, clarity is needed to achieve the goals of digital transformation.” An analysis of the definitions of Internet marketing by scientists and marketers has shown no single approach to the definition of this concept. The systematization of definitions enabled to distinguish two approaches, namely the empirical (descriptive, methodological) and etymological (conservative, traditional) approach.

Supporters of the empirical (descriptive, methodological) approach consider Internet marketing from the point of view of marketing tools, thereby not paying due attention to the marketing aspects, marketing functions and goals, marketing directions in general.

In turn, supporters of the etymological (conservative, traditional) approach consider Internet marketing as an integral part of traditional marketing, its separate form. However, the features of the Internet environment of marketing activities, specific tools, and features are not considered.

Consideration of two theoretical approaches features, as well as the distinguishing characteristics of marketing activities on the Internet in Ukraine, such as interactivity, intelligence, individualization, integration, industry restructuring, independence of location, reactivity, 24/7 access to a large-paying audience, dynamic pricing, innovation and complexity of Internet marketing implementation and others, allowed formulating a comprehensive definition of Internet marketing.

This definition includes technical Internet characteristics, innovative marketing tools used on the Internet, namely the use of a wide range of digital communication channels, aimed at realizing marketing goals, such as attracting new customers and managing relationships with existing customers, taking into account the specific features of Internet marketing, as well as the importance of a strategic approach to managing the Internet marketing.

The selection of set of modern characteristics of marketing activity of the company on the Internet and the formation of a comprehensive definition of Internet marketing is the basis for the conceptual and categorical apparatus necessary for the modern organization and implementation of Internet marketing at the enterprise. The areas of further research should include consideration and detail of each part of the definition to create a mechanism for effective Internet marketing at the enterprise.

AUTHOR CONTRIBUTIONS

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