

Digital Marketing in the Condition of Wartime Posture in Ukraine

Tetiana Dubovyk¹, Iryna Buchatska², Iryna Diachuk³, Anastasiia Zerkal⁴

z.burik@ukr.net

^{1,2}State University of Trade and Economics, Kyiv, Ukraine

³“KROK” University, Kyiv, Ukraine

⁴National University Zaporizhzhia Polytechnic

Summary

Strengthening global geopolitical instability in the world leads to an aggravation of international conflicts; it destabilizes the domestic political situation in countries, violates the rights and freedoms of man and citizen, and also activates economic crime. The full-scale invasion of the Russian Federation on the territory of Ukraine and the deployment of military operations in a large territory of a sovereign country have created a number of destabilizing factors in the development of digital technologies and negatively affect the state and trends of digital marketing, which allows establishing interaction with a wide audience and facilitating the search for new customers in various places. The purpose of the research lies in substantiating the theoretical and applied principles for studying the features of digital marketing in the conditions of wartime posture in Ukraine. In the course of the research, general and special methods of economic analysis have been used and applied, namely: analysis and synthesis; analogies and comparisons; generalization and systematization; graphic and tabular methods. Regarding the results of the research of digital marketing in the conditions of wartime posture in Ukraine, it has been established that the intensification of the development of digital marketing is caused by the crisis phenomena of social-economic, social-political and military nature, as well as exacerbated by the challenges of the COVID-19 pandemic. It has been proven that highly developed countries use innovative digital technologies more effectively in the field of marketing, which indicates the importance of the Multidimensional Index of Digitization (the USA - MID: 0,92-0,92; the UK - MID: 0,80-0,97; Japan - MID: 0,80-0,88; Canada - MID: 0,78-0,81; Germany – MID: 0,78-0,88; France – MID: 0,72-0,76), however, the developing countries record much lower values (Ukraine - MID: 0,22-0,48). Accordingly, the level of cybersecurity in highly developed countries is also significantly higher than in transitive countries, in particular, in the United States (GCI: 0,919–0,999); Great Britain (GCI: 0,783–0,995); Canada (GCI: 0,818–0,978) and in Ukraine (GCI: 0,501–0,661).

Keywords:

digital marketing, promotion channels, digital tools, marketing technologies, advertising.

1. Introduction

Social-economic and social-political instability in Ukraine, heightened by military operations and the annexation of a significant territory of the country, has led to a number of destabilizing factors in the development of the international economy and especially acutely affected

the functioning of digital marketing at different levels of social-economic relations. It is obvious that the introduction of wartime posture in Ukraine has only supplemented the existing problems of digital marketing, which were formed under the influence of the COVID-19 pandemic. Under such conditions, the acquisition of goods and services has intensified remotely, using search engine optimization SEO, search marketing SEM, social media marketing (SMM), marketing in e-commerce, direct mail, content marketing, influencer marketing, advertising in electronic programs, books and other forms of digital products, contextual advertising. It should be noted that these types of promotion channels belong to the online type; however, there are also channels that are not connected to the Internet and are characterized as offline channels, in particular, SMS-messages and MMS-messages, offline stores, etc. Actualization of investigations on digital marketing is conditioned by the need to identify targeting and interactive marketing of goods and services using digital technologies and possible channels to attract potential customers, as well as their retention as consumers in order to increase sales and promote brands, goods and services.

2. Literature Review

Intensive development of digital technologies and their increased use in the economy has a positive impact on the social-economic development of the country, which is manifested in the growth of nominal GDP, sometimes up to 20% [1]. The requirements of modernity are actively positioning the ideas of digitalization of the economy, and digital communication technologies are constantly updated and modernized, which, according to the viewpoint of Dwivedi et al. is most noticeably observed in the field of marketing, taking into account the change in consumer behaviour due to unstable conditions for the functioning of the economy and the society [2]. Moreover, the scientist claims that the systematic modernization of digital communication technologies, along with the positive effect, gradually reduces the cost of marketing services, which is expected in the process of strategic planning. Significant importance in this context is acquired by digital marketing, which Narayanan defines as a method of electronic

communication in order to promote goods and services on the market [3].

The in-depth investigations in this direction make it possible to state that digital marketing is the formation of the most optimal way to promote a brand as a whole or an individual product in particular, using various forms of digital channels, namely: local networks, mobile applications, digital TV, gadgets, social networks, individual product sites, interactive screens, SMS-messages, MMS-messages, e-mail mailings, self-service terminals, POS-terminals, offline stores, web analytics, search engine optimization SEO, press releases, websites, conversion optimization, podcasts, video advertising, game consoles, content creation, media advertising (banners, billboards, flyers, TV commercials), and Shodhan includes, in addition to those indicated, affiliate programs and intermediate sellers [4]. Moreover, Yuvaraj & Indumathi have proven that digital marketing has a direct impact on brand building and their development in the market [5]. The requirements and challenges of digitalization have provided the relevant conditions for online shopping, significantly displacing the real market, as a result of which online purchases are considered by manufacturers in the process of forming digital marketing strategies and branding style.

Along with the actualization of the issue of digital marketing research under the influence of constant changes, special attention is paid to clarifying the trends, opportunities and strategic perspectives that Neher systematizes, and proposes to equate the concept of digital marketing with such economic category as Digital Marketing [6].

Sanders adheres to the similar position, who, studying the features of Digital Marketing, has come to the conclusion that significant importance should be given to promotion channels, and the scholar has also found that search engine optimization SEO is one of the main promotion channels [7].

Having conducted the deep investigation in this direction, Sibarani proposes rating channels for promoting brands, goods and services and, at the same time, emphasizes the optimization of the choice of digital marketing research methods for brands positioning themselves in the digital business market [8].

At the same time, digital marketing, according to the viewpoint of Blake, significantly depends on the innovative development of social consciousness of consumers, 70% of whom are convinced that Digital marketing technologies are present in all sectors of the economy [9]. In this context, Narayanan & Kartheeswaran prove based on their own scientific works that innovation is the key tool for ensuring the effectiveness of promoting goods and services through various distribution channels [10], which is confirmed by Kamal, who has established the interconnection between the pace of innovation development and digital marketing tools [11].

Yasmin et al. note that the concept of digital marketing is broader than Internet marketing, forasmuch as it includes promotion channels that do not require the use of Internet resources, namely: mobile phones, media advertising, social networks, search engines, etc [12].

Romanenko & Semchuk, studying digital marketing technologies, have noted the intensification of their development during the intensification of economic crises caused by the COVID-19 pandemic, financial, economic and social-political instability and hostilities, and the need to increase flexibility and efficiency in the implementation of digital marketing. In addition, scientists note the close interconnection between digital marketing and Internet marketing due to the successful combination of online and offline distribution channels [13].

At the same time, Voskoboeva & Romashchenko propose to study the level of development of digital marketing technologies based on the calculation of the digitization index on such indicators as: (1) the degree of infrastructure development; (2) availability of Internet access; (3) quality of Internet access; (4) online commerce; (5) online advertising; (6) activity of enterprises; (7) consumer activity; (8) activity of state institutions [14].

Research Objectives. The purpose of the research lies in substantiating the theoretical and applied principles for studying the features of digital marketing in the conditions of wartime posture in Ukraine.

3. Materials and Methods

In the course of the research, general and special methods of economic analysis have been used and applied, in particular as follows: analysis and synthesis in order to determine the essence of the economic category “digital marketing”; analogies and comparisons for the purpose of analytical assessments of the state and trends of digital marketing in the G7 countries (the USA, Japan, Germany, Great Britain, France, Italy, Canada) and in Ukraine; generalization and systematization for the formulation of hypotheses and the formation of conclusions and research results; graphical and tabular methods for visualization of research results.

The G7 countries (the USA, Japan, Germany, Great Britain, France, Italy, Canada) and Ukraine were selected for the research.

The information base of the research is based on the reports for 2017–2021, namely: DiGiX 2018 Update: A Multidimensional Index of Digitization in terms of the indicator of multidimensional index of digitization (Multidimensional Index of Digitization); Global Cybersecurity Index in terms of the global cybersecurity index (Global Cybersecurity Index).

4. Results

New challenges related to the COVID-19 pandemic, financial, economic and social-political instability in the world, hostilities in Ukraine significantly changed the market situation; consequently, customer behaviour reformatted, as a result of which the expectations of brands and companies didn't justify themselves. As a result, the balance in the relationship between the subjects of the digital and physical society has been upset, and such principles of effective interaction as fairness, accessibility, complexity, focus, openness, security, economy, efficiency, integrity and independence have undergone destabilizing

changes. Undoubtedly, the increasing digitalization of economic processes and its prevalence in the field of marketing requires significant financial investments, the total amount of which, according to the results of 2020, is estimated at 15 trillion USD.

Each country in the world forms its own individual approach to the development of digital marketing; however, it significantly depends on the level of the economy digitalization. Analysing the G7 countries and Ukraine's digitalization indicators according to the Multidimensional Index of Digitization (Figure 1), the fact is established that highly developed countries have significantly higher indicators throughout the specified period, which indicates the widespread use of digital marketing technologies.

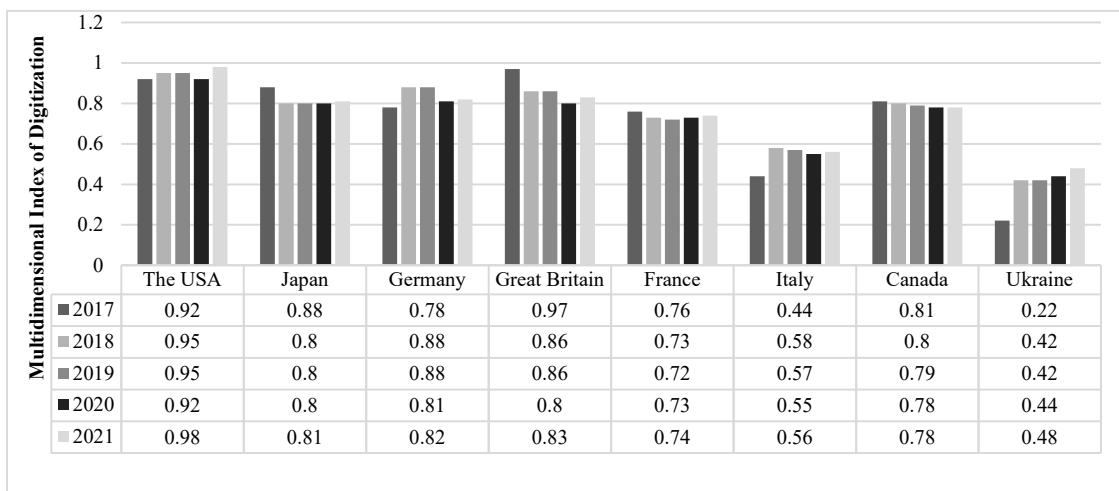


Fig. 1. Dynamics of the Multidimensional Index of Digitization in the G7 countries and in Ukraine in 2017–2021. Source: calculated by the authors on the base of [15-18]

It should also be noted that the possibility of achieving a positive economic effect of using innovative technologies in digital marketing implies the optimal choice of channels for promoting goods, services and brands. No less important is the mechanism of controllability and income measurement of the results of activities in this area. The latest problems and challenges caused by the introduction of wartime posture in Ukraine have intensified economic crime, in particular, in the digital environment. The conducted studies bear evidence of an increase in the number of cyber-attacks and cyber-crimes, which actualizes the issue of ensuring the optimal level of security of the digital environment in general and digital marketing, in particular.

The in-depth investigations give grounds to state that the facts of unauthorized interference and illegal actions in

digital marketing are present and revealed, and the level of cybersecurity of countries varies depending on the level of their development.

In order to effectively counter risks, threats and dangers at the international level, the cooperation has been established and the Global Cybersecurity Index is calculated, which makes it possible to conduct empirical measurements of a country's readiness to counter cyber threats in terms of such indicators as the ability to identify and define threats, create a security system and ensure the development of cybersecurity education.

We consider it expedient to follow the dynamics of the Global Cybersecurity Index in the G7 countries and in Ukraine in the period of 2017-2021 (Figure 2).

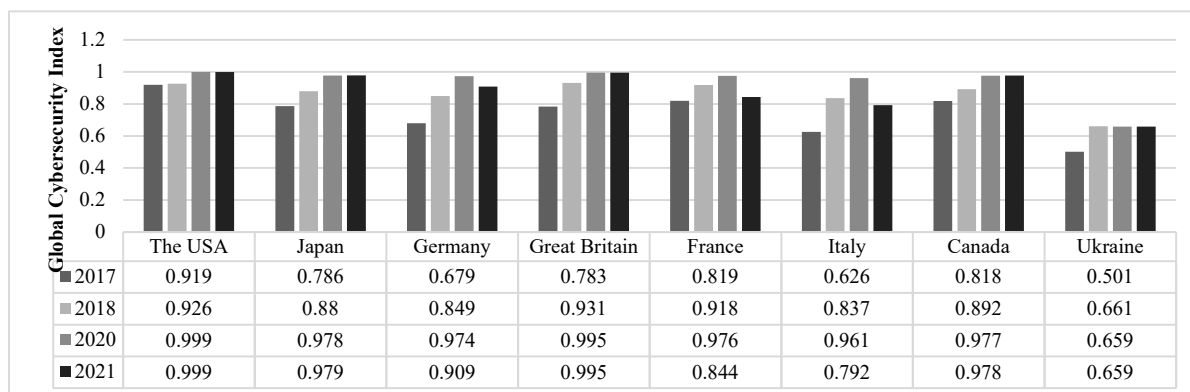


Fig. 2. Dynamics of the Global Cybersecurity Index in the G7 countries and in Ukraine in the period of 2017-2021.

Source: calculated by the authors on the base of [19-21]

According to the results of the research conducted, the highest level of cybersecurity throughout the entire analysed period was recorded in the United States (GCI: 0,919–0,999), which indicates the effectiveness of countering challenges, threats and risks in cyberspace, and the lowest indicator is revealed in Ukraine (GCI: 0,51–0), which confirms the imperfection, weakness and inefficiency of measures to combat cybercrime.

It is beyond argument that wartime posture in Ukraine and the tense situation have led to the deepening of international financial, economic and social-political instability. Conducting hostilities on large areas of Ukraine and systematic missile attacks on territories bordering the European Union have created conditions for limited consumer access to physical markets; however, there is still a need for goods and services that can be purchased through online technologies. This is precisely why the choice of channels for promoting goods and services is being updated, and the problem of their investment is becoming especially acute. Based on previous investigations, it has been established that the most common online digital marketing tools include as follows: mobile applications, social networks, interactive screens, chatbots, websites,

automated e-mail, online booking software, online payments, etc. It should be noted that in conditions of significant instability, it is unreasonable to be limited only to online technologies, and their supplement to offline tools can increase economic efficiency. In this context, the use of QR-codes, mailing, SMS-messages, MMS-messages, exhibition LCD-stands and various types of advertising should be outlined as the most appropriate ones.

It goes without saying that advertising plays a key role in the choice of goods and services; consequently, attention to it weighty and unconditional. For instance, only in Ukraine in the period of 2011 – 2018, a steady trend was recorded of increasing spending on digital advertising from 590 billion UAH per year to 9 540 billion UAH, which is more than 1600% compared to 2011 (Figure 3). The period 2019–2020 is characterized by a downward trend (6 379 billion UAH in 2019 and 6 980 billion UAH in 2020). Starting from 2021 and in 2022, expenditures on digital advertising in Ukraine are growing at a significant pace to 10 833 billion UAH in 2021 and following the results of 5 months of 2022 - up to 13 510 billion UAH, which indicates the intensification of marketing activities in the virtual digital space.

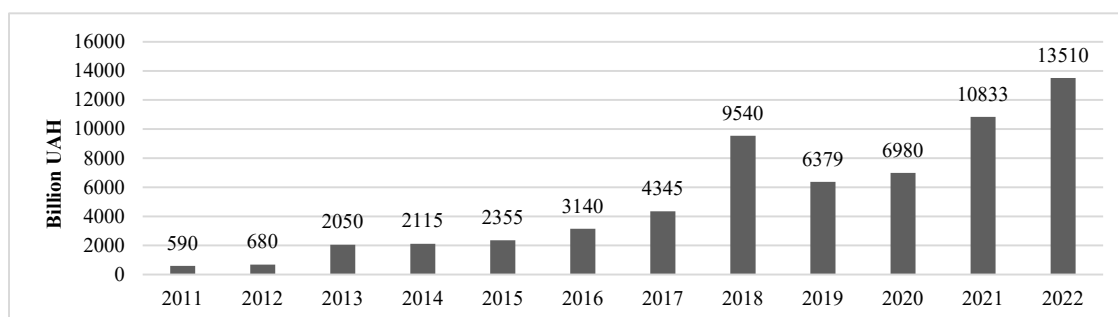


Fig. 3. Expenditures on digital advertising in Ukraine in 2011–2022, billion UAH.

Source: calculated by the authors on the base of [22]

It is obvious that it is illogical to use channels for promoting brands, goods and services of only one type; consequently, it is advisable to combine them, which in turn allows reaching a large audience, attracting customers from the most unexpected places, and also focusing consumers and customers on access to popular products and services, not limited to local networks.

The effectiveness of channel selection depends on preliminary market monitoring, on the basis of which information about the platforms preferred by customers is obtained, goals are set, and performance indicators are determined. However, it should be noted that international practice indicates the presence of so-called aggregators specializing in buying up well-known large brands. From among the most famous, Amazon native and Digitally Native Brands should be distinguished. Particular attention should be paid to the functioning features of Digital marketing of such a brand as Amazon native, which, having powerful online brand promotion channels, ensures the safety of stores and stalls; and the establishment of Amazon Go has created additional benefits due to the ability to use the convenience store without cashiers, which uses cameras and digital technologies to familiarize customers with their choices.

It is also indisputable to mention the fact that individual offline tools lose their advantage over online tools under conditions of the wartime posture, forasmuch as they are distinguished by complex logistics and require more resources for promotion.

Equally important is the assignment of Digital Marketing tools to such a group of tools as advanced, the varieties of which are affiliate and influencer marketing, which are used among the most common promotion channels by search engines, media (banner) advertising, social networks and blogs, video content, contextual, teaser and native advertising, as well as mobile applications. It should be noted that one of the effective types of combining online and offline channels for promoting brands, goods and services is contextual advertising, which involves displaying ads on a website page, the most popular algorithms of which are Google AdWords and Direct.

In addition, advertising in social networks (Social Media Marketing and targeted advertising) is gaining importance in the context of globalization, which, using a social network, forms a platform for ads targeted at a specific client group. By the way, teaser advertising is similar to the media one, the essence of which lies in using graphic modules that are supplemented by textual information with loud names and phrases with calls to act. A significant disadvantage of this type of advertising is the

low level of trust in it due to the unscrupulous actions of advertisers and providing with information of a provocative nature. Native advertising focuses on placement the context in an unobtrusive, natural and indirect way.

The use of digital marketing of brands, products and services creates the adequate conditions and significant opportunities towards increasing its organization by reducing costs, increasing brand awareness and image, as well as increasing sales indicators.

5. Discussion

The results of the conducted studies of the features of digital marketing in the conditions of wartime posture in Ukraine make it possible to argue that both all countries of the analysed G7 group and Ukraine pay due attention to its development and current trends. Undoubtedly, the development of digital marketing in highly developed countries is faster than in transitive countries, to which Ukraine belongs. This is evidenced by the values of the indicators of the multidimensional digitization index and the Global Cybersecurity Index, recorded in Ukraine at the MID level: 0,22–0,48 and GCI: 0,501–0,661; in the USA – MID: 0,92–0,92; GCI: 0,919–0,999; Great Britain – MID: 0,80–0,97; GCI: 0,783–0,995; Japan – MID: 0,80–0,88; GCI: 0,786–0,979; Canada – MID: 0,78–0,81; GCI: 0,818–0,978; Germany – MID: 0,78–0,88; GCI: 0,679–0,909; France – MID: 0,72–0,76; GCI: 0,819–0,976, respectively.

The identification of the highest level of Ukraine's vulnerability to the impact of risks, threats, challenges and dangers of a military, social-economic and social-political nature is justified by its insufficient ability to protect its own interests in the field of cyber-security and destabilize social-economic development. As a result, the development of digital marketing is undergoing significant destructive changes, which necessitate constant reformatting and searching for optimal ways in order to promote and sell goods and services.

Under such conditions, the financing of costs for the purposes of digital marketing is of great importance, which, as established, has a steady upward trend in Ukraine during the period of military confrontation in the Russian Federation. Along with this, the effective development of digital marketing in the conditions of wartime posture in Ukraine requires the involvement of innovations and innovative technologies that would facilitate interaction between the subjects of the offline and digital markets and would ensure high sales rates in the virtual environment.

6. Conclusion

The conducted studies of the features of digital marketing in the conditions of wartime posture in Ukraine give grounds for the conclusion that digital marketing uses various sales channels, allows establishing an increase in the efficiency of promoting brands, goods and services in a state of war. From among the most common channels, the following should be identified, namely: digital television, mobile applications, SMS-messages, interactive screens, social networks, self-service terminals, search engine optimization SEO, press releases, POS-terminals, conversion optimization, websites, podcasts, e-mail-mailings, game consoles, offline stores, local networks, gadgets, content creation, video advertising, display advertising, web analytics, etc. It has been established that the effectiveness of digital marketing depends on the optimal combination of different channels for promoting brands, goods and services. In particular, it has been revealed that the synergy of television advertising in combination with digital promotion of brands, goods and services is evaluated as an effective tool that makes it possible to increase the profitability of digital marketing by 60%, and media advertising attracts audiences by stimulating sales both online and offline. It has been proven that the theoretical and practical fundamentals of strategic digital marketing require the in-depth investigation in order to determine promising areas for business growth in the field of marketing and customer interaction.

References

- [1] Vovk, V. *Digital transformations in the Economy: world experience and opportunities for Ukraine*. Sciences of Europe, 51, 4, 15–24. Available at: <http://repository.vsau.vin.ua/getfile.php/25125.pdf>. 2020.
- [2] Dwivedi, Y.K., Ismagilova, E., Hughes, D.L. et al. *Setting the Future of Digital and Social Media Marketing Research: Perspectives and research Propositions*. International Journal of Information Management, 59. Available at: <https://doi.org/10.1016/j.ijinfomgt.2020.102168>. 2021.
- [3] Narayanan, R.L. *Future of Digital Marketing in 2020*. Digital Marketing: Scope and opportunities. Available at: https://www.researchgate.net/publication/337304612_FUTURE_OF_DIGITAL_MARKETING_IN_2020. 2019.
- [4] Shodhan, S. *The 6 Digital Marketing Channels to Prioritize in 2022*. Bplans. Available at: <https://articles.bplans.com/top-digital-marketing-channels/>. 2022.
- [5] Yuvaraj, Dr.S. & Indumathi, R. *Influence of Digital Marketing on Brand Building*. International Journal of Mechanical Engineering and Technology, 9, 7, 235–243. Available at: <http://www.iaeme.com/ijmet/issues.asp?JType=IJMET&VType=9&IType=7>. 2018
- [6] Neher, K. *Twelve Digital Marketing Trends for 2022 and How to Take Advantage of Them*. Forbes. Available at: <https://www.forbes.com/sites/forbescoachescouncil/2021/12/07/twelve-digital-marketing-trends-for-2022-and-how-to-take-advantage-of-them/?sh=48800bdd7138>. 2021.
- [7] Sanders, R. *Effective Brand Awareness Through SEO, Paid Ads and Social Media*. Simplilearn. Available at: <https://www.simplilearn.com/brand-awareness-through-digital-marketing-article>. 2021.
- [8] Sibarani, H.J. *Digital Marketing Implementation on Development and Prospective Digital Business (case Study on Marketplace in Indonesia)*. Malaysian E Commerce Journal, 5, 2, 64–68. Doi: 10.26480/mecj.02.2021.64.68. 2021.
- [9] Blake, J. (2021). *Digital Marketing Trends to Watch in 2021*. Forbes Agency Council. Available at: <https://www.forbes.com/sites/forbesagencycouncil/2021/02/01/digital-marketing-trends-to-watch-in-2021/?sh=7cd79604483e>
- [10] Narayanan, R.L. & Kartheeswaran, K. *Future of Digital Marketing in 2020*. Digital Marketing: Scope and opportunities. Available at: https://www.researchgate.net/publication/337304612_FUTURE_OF_DIGITAL_MARKETING_IN_2020. 2019.
- [11] Kamal, Yu. *Study of Trend in Digital Marketing and Evolution of Digital Marketing Strategies*. International Journal of Engineering Science and Computing, 6, 5, 5300–5302. Available at: <http://dx.doi.org/10.4010/2016.1298.2016>.
- [12] Yasmin, A., Tasneem, S. & Fatema, K. *Effectiveness of Digital Marketing in the Challenging Age: An Empirical Study*. International Journal of Management Science and Business Administration, 1, 5, 69–80. Available at: <http://dx.doi.org/10.18775/ijmsba.1849-5664-5419.2014.15.1006>. 2015.
- [13] Romanenko, L.F. & Semchuk, Zh.V. *Digital marketing: features, tools, development trends in the modern world*. Scientific notes of Lviv University of Business and Law, 21, 265–270. Available at: <http://dx.doi.org/10.5281/zenodo.5550084>. 2021.
- [14] Voskoboieva, O.V. & Romashchenko, O.S. *Digitization index as a major factor in the development of digital technologies*. Economy. Management. Business, 4, 26, 56–61. Available at: <http://dx.doi.org/10.31673/2415-8089.2018.045661>. 2018.
- [15] DiGiX 2018 Update: *A Multidimensional Index of Digitization*. Noelia Cámara. Available at: https://www.bbva-research.com/wp-content/uploads/2019/04/Digix_v7-1.pdf;
- [16] DiGiX 2019 Update: *A Multidimensional Index of Digitization*. Noelia Cámara. Available at: <https://www.bbva-research.com/en/publicaciones/digix-2019-tracking-digital-evolution/>;

- [17] DiGiX 2020 Update: *A Multidimensional Index of Digitization*. Noelia Cámara. Available at: <https://www.bbvaesearch.com/en/publicaciones/digix-2020-update-a-multidimensional-index-of-digitization/#:~:text=Global%20%7C%20DiGiX%202020%20Update%3A%20A%20Multidimensional%20Index,degrees%20across%20countries%20and%20identify%20areas%20requiring%20action;>
- [18] DiGiX 2022 Update: *A Multidimensional Index of Digitization*. Noelia Cámara. Available at: <https://www.bbvaesearch.com/en/publicaciones/digix-2022-update-a-multidimensional-index-of-digitization/>
- [19] Global Cybersecurity Index 2017. Available at: <https://www.cybersecobservatory.com/wp-content/uploads/2017/07/D-STR-GCI.01-2017-R1-PDF-E.pdf>.
- [20] Global Cybersecurity Index 2018. Available at: https://www.itu.int/dms_pub/itu-d/opb/str/D-STR-GCI.01-2018-PDF-E.pdf; Global Cybersecurity Index 2020. Available at: https://www.itu.int/dms_pub/itu-d/opb/str/D-STR-GCI.01-2021-PDF-E.pdf.
- [21] Global Cybersecurity Index 2021. Available at: https://www3.weforum.org/docs/WEF_Global_Cybersecurity_Outlook_2022.pdf.
- [22] Digital advertising spending in Ukraine from 2011 to 2022. Statista. Available at: <https://www.statista.com/statistics/1017536/online-advertising-spending-in-ukraine/>.