

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



DIPLOMA THESIS

**Economic evaluation of online and offline marketing for
a selected telecommunication company in Kazakhstan**

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

DIPLOMA THESIS ASSIGNMENT

Bc. Mariya Klimova

Economics and Management

Thesis title

Economic evaluation of online and offline marketing for a selected telecommunication company in Kazakhstan

Objectives of thesis

The main goal of the diploma thesis is comparison of internet marketing with traditional marketing, and defining their effectiveness on the economic performance of the company. Find out measures for improving use of Internet technologies in marketing activities.

Methodology

This Diploma thesis is focused on internet marketing analysis of telecommunication company Kcell. All the significant questions concerning online and offline marketing and the relation between them are characterised and explained in this thesis. The diploma thesis consist of theoretical and practical part.

The methodology of theoretical part incorporates the processing of data from annual reports and regarding the telecommunication company Kcell and also will be used classical sources of literature.

The practical part is based on both of quantitative and qualitative research. In practical part was chosen questionnaire as the main tool of this quantitative research. A financial analysis is used to identify the most effective and productive marketing campaigns for Kcell company and also to evaluate the economic performance of this decision.

The proposed extent of the thesis

60 pages

Keywords

Online marketing, offline marketing, internet marketing, traditional marketing, Kcell company, telecommunication

Recommended information sources

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Expected date of thesis defence

2016/17 SS – FEM

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Declaration

I declare that I have worked on my Diploma thesis, entitled "Economic evaluation of online and offline marketing for a selected telecommunication company in Kazakhstan", by myself and I have used only the sources mentioned at the end of the thesis.

As the author of the Diploma thesis, I declare that the thesis does not break copyrights of any third person.

In Prague, 31st of March, 2017

Bc. Mariya Klimova

Acknowledgement

I would like to thank to Ing. Pert Procházka, Ph.D., MSc. for his useful advises and professional support during my work on this thesis.

Economic evaluation of online and offline marketing for a selected telecommunication company in Kazakhstan.

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Economic evaluation of online and offline marketing for a selected telecommunication company in Kazakhstan

Summary

This Diploma thesis is focused on the evaluation and analysis of online and offline marketing in a field of telecommunication services in Kazakhstan. This work let the reader to get the basic knowledge online and offline marketing. Diploma thesis is divided into theoretical and practical parts.

The first part begins from the basic knowledge about online and traditional marketing, their instruments, indicators for evaluating of their effectiveness. The descriptive method was used to provide detailed study of the literature and appropriate Internet resources.

The second part of the Diploma thesis incorporates evaluation of current online and offline marketing activities of the company. Kcell company is an organization located in Kazakhstan that ensuring telecommunications services.

The author contributes by offering some proposals for improving online marketing of the company.

Keywords

Online marketing, internet marketing, media advertising, e-business, e-commerce, e-marketing, traditional marketing.

Ekonomické hodnocení on-line a off-line marketingu pro vybranou telekomunikační společnost v Kazachstánu

Souhrn

Diplomová práce je zaměřena na hodnocení a analýzu on-line a off-line marketingu v oblasti telekomunikačních služeb v Kazachstánu. Tato práce umožňuje čtenáři získat základní znalosti on-line a off-line marketingu.

Diplomová práce je rozdělena do teoretické a praktické části. První část se zabývá on-line a tradiční marketing, jejich nástroje a ukazatele pro hodnocení jejich účinnosti. Deskriptivní metoda je použita, pro poskytování podrobné studium literatury a vhodných Internetových zdrojů.

Druhá část Diplomové práce obsahuje vyhodnocení současných on-line a off-line marketingových aktivit společnosti. Kcell je společnost, která se nachází v Kazachstánu a zajišťuje telekomunikační služby.

Autor přispívá tím, že nabízí nějaké návrhy na zlepšení internetového marketingu společnosti.

Klíčová slova

On-line marketing, off-line marketing, internetový marketing, tradiční marketing, společnosti Kcell, telekomunikace

1.Introduction

We live in a world in which advertising takes more and more space in society, business. Marketing activity is growing rapidly and this is happening due to the large impact of marketing on business efficiency in the face of increasing competition on the markets of goods and services. A well-planned advertising campaign can bring more profit than huge capital investment into the advertised product. Advertising is an important part of marketing communications and it serves as a tool to create an external competitive advantage.

The competitive situation forces companies to increase their marketing costs. The main reasons for this situation consist in changes in the market environment, and many companies were just not ready to them.

The main directions of these changes are increasing expectations of consumers regarding the quality of goods and services; the empowerment of consumers in the choice of the seller of the goods; increasing competition and globalization of trade; the decrease in the efficiency of traditional marketing communication tools.

The advertising efficiency is expressed in studying of acquaintance of the target audience with information about the products, and about what the image of the company and products was formed and what is the attitude towards these products.

To create a better understanding of the goods and firm, and especially to form a good attitude towards them is not always easy. It necessitates time and a specific strategy. It is undeniable that relationship in the market is at first and foremost a human relationship. Advertising allows to form the necessary representations about the company to a wide audience, based on which is easier to build a relationship. Doubtless, the effectiveness of advertising is investigated by means of research. One cannot deny that with the advent of the Internet it has become much easier to measure the effectiveness of advertising campaigns.

Moreover, with the help of Internet intelligent computer technologies it is possible track invaluable information about the visitors of a Web sites automatically and on a basis of these information to draw conclusions about what advertising the company can offer to each

individual visitor. Besides advertisers also want to know how effective their advertising is. One must admit that nowadays the internet is second to none.

The object of research is the Kcell company. This is one of the largest companies ensuring a telecommunication services in Kazakhstan.

One of the most important motivator to choose this topic was the interest of the author in marketing in general and the influence of various types of online and offline marketing on consumer behavior.

2. Objectives and methodology

This part of the Diploma thesis defines concrete objectives, research questions, methodology and tools that are used in the process of creation.

2.1 Research Questions

How does online and offline marketing contributes to economic performance of the Kcell company?

2.2 Objectives

The main goal of the Diploma thesis is to compare the internet marketing and traditional marketing, defining their effectiveness on economic performance of the Kcell company. To find out the measures for improving use of Internet technologies in marketing activities of the Kcell company.

2.3 Methodology

Scientific literature of the authors and theoretical knowledge are the foundation for the required information search within the field of online and offline marketing tools for analyzing of the company. Available information on the issues were analyzed and compared. All theoretical knowledge, relevant information and necessary sources were analyzed. The Diploma thesis consist of theoretical and practical parts.

The theoretical part of the Diploma thesis begins from introduction to online and offline marketing. The descriptive method was used to provide detailed study of the literature and appropriate Internet resources.

The theoretical part also includes definition of tools of online and offline marketing and indicators for measuring of online and traditional effectiveness.

The second part of the Diploma thesis incorporates the characteristics of the company, and analysis that was based on the several methodological tools. The methodology of practical part also incorporates the processing of data from annual reports of Kcell telecommunication company.

The Kcell company was characterized in the way, which allows to understand the significance of the online and offline marketing tools in a field the provision of a telecommunications services. Also, the practical part incorporates comparative and descriptive methods, analysis of an external and internal environment as PEST, SWOT and Marketing mix analysis.

The quantitative method as a main tool was used and presented as a research in a form of a questionnaire. The questionnaire consisted of 15 questions, eleven of these questions were aimed to identify evaluation of online and offline marketing methods and techniques, their influence on consumers buying behavior. The questionnaire was allocated among users of telecommunication services in Kazakhstan through Google forms.

3. Background review of online and Traditional marketing

This part of the work will provide information about features of Internet marketing and traditional marketing, show their similarities and differences, will consider the use of methods of internet and traditional marketing in terms of business development and also develop some measures for improving use of Internet technologies in marketing activities.

3.1 The history of the emergence and development of Tradition and Internet marketing in Kazakhstan

Marketing is a key element of any business, a tool for the development of the modern market, which creates and provides sustainable relationship between all entities of the market.

According to Kotler & Armstrong, marketing is "the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return". Needs, wants, and demands form the core concept of the marketing. Consumers' needs are satisfied through the market offerings. (Kotler & Armstrong 2012 p) (Ferrell and Hartline, 2010, p.25) defined marketing as "an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders". The features of transition period influenced on the process of formation and development of Kazakhstan marketing as at the macroeconomic level and microeconomics, and was determined the specificity of its formation in various spheres of economy.

Marketing as a research area of economic activity and management system of production and marketing activities began to emerge with the transition to a market economy.

For the first time the term "marketing" in Kazakhstan began to be used in the early 90-ties. The process of formation and application of marketing in the economy of Kazakhstan is divided into several periods of development.

The first period started in 1991, which is characterized of commercial and marketing orientation most of the businesses and also the usage of the specific principles and elements

of marketing. During this period began the formation of marketing infrastructure in Kazakhstan. Gradually in this period the advertising agencies were established.

The studies of many Kazakhstan economists showed that in 1996 -1997 years there was no conscious approach to the creation of marketing services, therefore, the formation of these services has occurred in the conditions of maintaining the current at that time management structure, which did not correspond to the conditions of the market. Financial condition, lack of experience of specialists in market conditions, underestimation of the leadership of the importance of marketing in management decisions, these factors prevented the creation of marketing services for some enterprises. Therefore, the marketing elements were executing separately between the different operating business units. Intensive formation of the marketing Department in the management structure of many companies occurred in 1997-1998.

Since the second half of 2000 began the second period of the development of marketing, this period is characterized by the marketing orientation of most Kazakhstan enterprises. In this period was appeared the need for a conscious use of marketing tools this was due to the increased of competition in the market, especially of its non-price methods.

Nowadays there are significant changes in marketing sphere: most companies have marketing Department in their structure, and finally business leaders come to understand how marketing is important in an increasingly competitive environment. The wide spread of modern technology, especially IT technology has a huge impact on trade. Every company regardless of its size is trying to find new markets. Nowadays the internet is one of the ways of enlarging the market. The development of the company on the world-wide web is one of the most effective ways to promote products, enhance the image and overall development of any company. Thanks to the emergence of new technologies, international trade constantly expands the scope and framework and increases the speed of development.

"The recent technology boom has created a digital age. The explosive growth in computer, communications, information, and other digital technologies has had a major impact on the ways companies bring value to their customers." (Kotler & Armstrong 2012, p. 23)

Wide use of Internet has dramatically affected consumers and marketers. Moreover, its employment and impact is growing constantly. (Kotler & Armstrong 2012 p. 511)

With the advent of social networks, forums, bloggers, the concept of "brand" is starting to play a secondary role, this is due to the fact that opinions of the consumers who leave their review in the "network" is increasingly influence on the demand of a product. With the introduction of new technologies and improvement of logistics, buying goods from other countries became much easier, and as a result more popular. Every year Internet trade plays an important role in the development of world trade, and therefore Internet marketing is necessary for many companies in order to become successful in E-Commerce.

There are several approaches to the definition of Internet marketing.

Internet marketing is the activities that ensure the necessities, the wants and needs of consumers by using electronic means of communications on the basis of satisfaction of demand.

Kotler & Armstrong (2012 p. 267) mentioned that online marketing is "efforts to market products and services and build customer relationships over the Internet." Today nearly every company has their web pages and uses it in a significant way. Nowadays online marketing become a fastest growing method of marketing. (Kotler & Armstrong 2012 p. 31) Thus, it can be concluded that at the moment the Internet marketing is a complex of actions of traditional marketing used on the Internet.

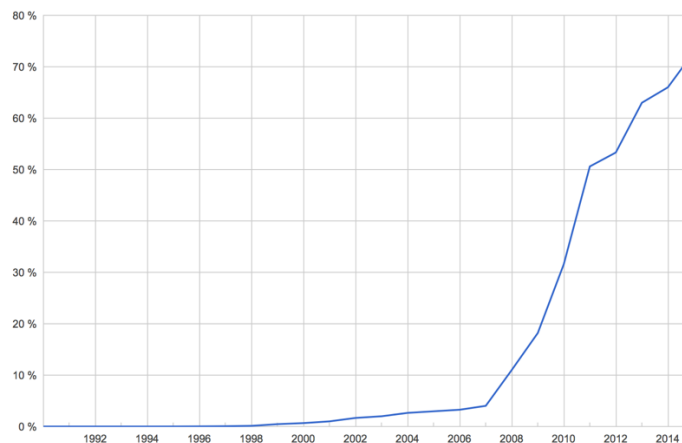
Throughout the world, the Internet marketing began to develop relatively recently, the beginning of the development of the Internet can be considered the 1990s.

Then the next stage of development can consider 1996 year, when large corporations such as Google, Overture, Yahoo, began to place ads in their search engines with pay per click.

For Kazakhstan market the concept of Internet Marketing is relatively new and the concept has been applied widely only in recent years. There are several reasons of the late use of this marketing direction in the country. One of the main factors is the prevalence of the Internet among ordinary people, this issue is caused by a vast territory of Kazakhstan, as well as too low density of the population in the country.

However, Internet marketing began to develop more rapidly, as evidenced by world Bank data. Figure 1 shows that in 2010-2011 the growth of Internet users has exceeded more than 30 %, and then in 2014 is about 65%. In this case, it becomes possible to promote goods and services via the Internet using Internet marketing.

Figure no. 1 The Development of Internet Marketing in Kazakhstan



Source: <https://www.google.com>

Thanks to the emergence of various gadgets and low cost of traffic in Kazakhstan, the level of use of promotion sales and advertising via the Internet is rapidly growing.

In addition, users are also actively purchase goods and services in the network. However, purchases are made mainly abroad, users prefer the foreign markets, which indicates the weak development of local Internet marketing.

These days it's possible to state the dynamic growth of Internet users, and as a result the need for the promotion of companies via the Internet.

In Kazakhstan, there are many problems hindering the development of Internet marketing: such as large area and low population density. But because of the increasing number of network users, as well as reducing the cost of Internet traffic, the ability to promote products and services through Internet marketing appeared rapidly.

However, precisely this sector of trade in spite of the crisis shows annual growth, and this demonstrate the prospects of development of the Kazakhstan Internet market and online Marketing in Kazakhstan.

3.2 The complex of Internet marketing vs Traditional marketing.

Internet marketing as traditional marketing is formed of four elements – product, product, price, promotion and place.

But each of these elements has some differences and specific features from those, which are used in offline marketing. This is due to the fact that Internet is a completely new market with a new distribution channels.

The elements of the marketing mix in the Internet environment

The product - is that what can be sold through the Internet. This can be both physical and electronic (digital) goods and any services. Goods and services must be of good quality due to intense competition in online and offline market. In the traditional sense of marketing, a product is any production and services that the company produces.

Price - the amount that buyers pay for the goods and services. But the price in online stores are usually lower than normal due to the lack of a large staff and rent retail space. However, entrepreneurs should constantly monitor prices and regularly compare them with competitors.

Promotion - In the traditional sense, promotion it is all kinds of the company activity which is aimed to inform the target consumers about the advantages and quality of the goods or services. Online marketing determines a promotion as is a complex of measures and activities to promote the site and products in the web.

There are a range of tools and techniques of promotion on the web: search engine optimization, contextual, banner and interactive advertising, promotion in social networks, E-mail marketing, affiliate marketing, viral marketing, hidden marketing, interactive advertising, blogging, etc.

Place - is a site with some presented products, feedback forms, order and payment. A big role plays these factors like: site usability, graphic design, speed of loading, work with electronic payment systems, terms of delivery, work with clients.

The essence of the theory of 4P is that the activity of the company analyzes by four parameters and then is developed a marketing policy of the enterprise. To evaluate its effectiveness, need to know how it is formed.

In the traditional sense, the place is the endpoint of implementation, distribution channels, logistics, distribution, merchandising.

Principles of formation of marketing strategy

The formation of the product range of the product. This has a direct impact on sales. In the analysis of the range of goods it is necessary to consider:

- Market trends
- The presence of goods in market
- Analysis of similar products from competitors
- Competent pricing.
- Carefully designed sales policy. Highly significant to find for each product the best sales channels on the Internet, this can be a website or social network account. The site should be "implementing" in other words the website which can encourage the visitor to fill out a feedback form, subscription, order or purchase a product, i.e. to perform the reverse action.
- The constant promotion of the product. A potential buyer needs to know about the product, highlight it from others, correlate with their needs and to make sure this is exactly what he needs.

3.3 Internet Marketing Elements

The main purpose of using tools of Internet marketing is attracting customers to the web property (website or blog), which is used as advertising platform to promote products and services to the market. At present the list of tools of Internet marketing are constantly increasing. This occurs because the development of the advertising business is not static, and the tendency of transfer of advertising to online resources constantly increases.

Internet marketing includes such instruments of the system as:

- search engine marketing (SEO);
- contextual advertising;
- media advertising;
- promotion in social networks: SMO, SMM;
- viral marketing;
- direct marketing (email, RSS);
- guerrilla marketing;

SEO- Search Engine Optimization is website optimization for search engines. The result of search engine optimization – website promotion in the TOP 10 SERPs for certain key phrases. The benefits of search engine optimization are: high click-through rate, small budgets, minimization the negative advertising effect, a high probability that the visitor will become a customer. There are not so many disadvantages of this method. Quite a long period of time till achieving results, necessity for changes in the structure and content of the website, dependency on search engine algorithms and the stability of the service.

Contextual advertising - is one way of placement of advertisement information according to the type of text ads or banner ads displayed below the search bar or in the right column of the search engine results on the user queries.

This type of advertising has significant advantages such as the ability to track the flow of funds. Payment will not be made for impressions by number or time, but only for the navigation of potential customers to the website;

A quick effect. In contrast to SEO, the contextual advertising can be felt in a shorter time.

The basic essence of the contextual advertising is that its effects are directed exclusively to a potential consumer of the advertised service or product. However, there are some disadvantage: low click-through rate of ads, there is a presence of the effect of advertising and obsessions, there is no fixed cost of display ads and, also the budget is much higher than in search engine optimization.

Media advertising - this is advertising message in the form of static or animated images (gif or flash banners), which are located on the pages of various sites, large portals or media sites, etc. The main essence of media advertising is the promotion of products, services or brand. The benefits of media advertising: this form of advertising can influence on the emotions and subconscious motives of users. Media banners are well remembered, even if the user has not clicked on a banner, this also allows to cover a massively wide audience. The main advantage of media advertising, is that, this is unique and effective tool to create demand for services or products. The disadvantages of this type of advertising is the huge budgets and low conversion of visitors into customers.

SMO (Social Media Optimization), **SMM** (Social Media Marketing) - promotion in social networks — blogs, forums, etc. the Basic idea of SMO is a modification of the structure and content of the site for more links and quotation in social networks, blogs and forums. SMO is an internal website optimization for various types of social networks, SMM is the promotion of website, product, service, etc. in social networks. The most difficult thing there is SMM, because promotion should be so professional to not perceived as spam. To use this type of site promotion marketers should care about content of the website, to make it interesting for the visitors and caused a desire to read more and take more action like: ask some questions, vote, fill out forms, etc.

Viral marketing - is a set of actions in the campaign, when people become at the same time as transmitters of this advertising among friends, acquaintances, or posting information in his blog or on the forums. This form of marketing is very cheap, as the people pass the message to each other by themselves. Moreover, the message has more chances to be viewed if it has arrived from a friend. (Kotler 2011 p. 510)

Society perceives this kind of advertising as entertainment and not as advertising. The advantages of this type of advertising is the speed of creation and ease of placement, because, for example, the video clip can be placed on the video hosting service totally free. And this kind of advertising causes a large degree of confidence among of potential customers to the advertised product or service. The disadvantages of this type of advertising are a temporary effect, and the inability to control the formation of opinions about the advertised product or service.

Direct marketing - messages sent using e-mail having clearly promotional nature. The main advantages – possibility of selection of the target audience through the activities, geographical location, and other parameters. Disadvantage of this method is the obsession of the advertising and a high probability of to be appeared in spam filters of email systems.

Email marketing - is a form of direct marketing that delivers commercial messages to an audience. It is highly targeted, customizable on a mass scale and completely measurable type of advertising. E-mail marketing is an effective way to distribute extremely targeted and personalized messages that build relationship with customers (Kotler 2011 p. 432).

Guerrilla Internet marketing - is low budget ways of marketing and advertising that effectively promote product or service, attract new customers and increase their profits without investing money. The first feature of guerrilla marketing which makes it different from classic marketing, is the abandonment of traditional advertising in the media as a basic way of promotion. Instead of this, marketers use either cheap media advertising or non-traditional advertising channels. The second feature of guerrilla marketing is that most of the techniques give results immediately or after a short time.

Another feature of guerrilla marketing is that its methods are often invisible to the competitor, and therefore cannot be copied. And finally, another feature of guerrilla marketing is that the competition in many cases prefer a partnership. Instead of wasting time on the struggle with competitors, the "guerilla" would prefer to adjust with them mutually advantageous partnership.

3.3.1 Traditional Marketing Tools

Traditional advertising has many ways of transmitting information

Broadcast Advertising in the media has the most efficient impact on potential customers Advertising on TV and radio refers to the broadcast media, broadcast is used to transmit information, and thus any information almost instantly perceived by the viewer. The impact of television advertising on the consumer is much more powerful than radio advertising, due to this, the potential audience can not only hear, but they are able to see the advertised product and, therefore, to remember the advertised image of the product or service.

Direct mail - is one of the most widespread and most understandable ways to promote products and services. This type of advertising includes personally handing promotional materials, newsletters and flyers, and advertising mail.

Press advertising - this is printed media with high selectivity, affecting various types of mass audience. This includes advertising in newspapers, magazines of general purpose or specialized magazines, advertising in various brand newsletters, ads in catalogues and phone books.

OOH advertising - is Out of Home advertising includes all advertising that consumers can see outside the home. Along with advertising on the Internet, this type of advertising is the fastest growing segment of the media. Outdoor advertising incorporates any advertising that is located in the city: on the walls and roofs of houses, on stands, billboards and banners, metro and transport. This method of advertising is relatively inexpensive, moreover, covers a large number of people.

3.4. Effectiveness of Online and Offline marketing

In recent years, the active development of the Internet stimulates the dissemination of online advertising. Also in recent time the users and advertisers are increasingly using the Internet simultaneously with television. The spread of the Internet does not replace other media, especially TV, but rather complements them. The Internet is an important tool of influence on buyers and prepare them to buy.

The Internet also contributes to the emergence of new platforms for advertising, like social networking, and its role in modern society is difficult to underestimate and the presence of companies in social media becomes an integral part of their marketing strategy. The expansion of advertising opportunities leads to the emergence of new formats of advertising methods aimed at the target audience. At the same time, the growing number of ad formats and spaces required new methods of evaluation of real visibility and advertising effectiveness. There are new methods of targeted advertising based on behavioral stereotypes, which increases the effectiveness of advertising campaigns.

Key techniques to evaluating the effectiveness of Internet advertising

Nowadays there are numerous scorecards, however, the most widely used indicator is "the ratio of clicks (CTR — click through rate)". However, this rate underestimates the real impact of graphic advertising on brand image

The main disadvantage of coefficient of CTR is that it does not provide information about the impact of the advertisement from the point of view of awareness of a potential buyer, memorability of the ads, customer loyalty or purchase intent. Therefore, for effective monitoring of online advertising requires special evaluation tools.

There are main approaches to evaluating the effectiveness of online advertising.

There are many different purposes for the implementation of advertising campaigns on the Internet.

1. Branding. The purpose of branding campaigns is to strengthen the various components of the brand such as awareness, image or purchase intent. These campaigns are usually part of a broader strategy of work with mass media, and most often assesses their combined effect with other media.
2. Increasing customer loyalty is also part of branding and is aimed at extension the experience of the consumer with the brand online,
3. The growth of offline sales (traditional types of sales) continues to remain the ultimate goal of the campaign to promote the brand, with the exception of image advertising.
4. The growth of online sales. These campaigns are aimed primarily at increasing sales on the brand website or in the networks of the partners. Such advertising campaigns usually set a goals to achieve the effectiveness of advertising and branding.
5. Identification of potential customers, however such advertising campaigns do not pursue the goal of increasing online purchases. The aim is to study groups of people using interactive Internet resources, such as games and the questionnaire for classification purposes.
6. Increase the coverage and frequency of messages: This advertising campaign is can fast become a mass medium, through which strengthened the impact of the advertising messages. One of the objectives of online campaigns can be an extension of the sphere of influence of messages and ensuring repeatable in other mass media.
7. Another aim of campaigns in the Internet is can be reduction the cost of attracting customers. This is the main aim for results-oriented advertisers.

To achieve these goals, advertisers may use a variety of indicators. These indicators are used to assess the achievement of different goals.

9 types of indicators for measuring the effectiveness of online activity

Display

- the number of impressions
- the number of "visible" advertising
- number of viewed ads

- duration of showing
- CPM
- CPUI

Conversion

- CTR coefficient
- conversion rate
- the conversion rate after watching
- the conversion rate after clicking

Traffic

- the number of visits (Google Analytics)
- the number of viewed pages
- session duration
- the number of visits
- CPUU
- CVP

Interaction

- the coefficient of the interaction
- the interaction time
- indicator of a fully viewed videos
- time of the viewing
- activity in social networks

Subscription

- number of subscriptions (requests for information, games, advertising brochures, etc.)
- the subscription price
- recommendations ratio (social networks, "viral" online marketing campaign in the Internet)

Media

- Gross Rating Points
- the memorability of advertising
- the level of coverage

- the indicator of repeat messages

Distribution

- additional sales
- earned revenue
- the conversion rate of the target audience
- the impact on the frequency and volume of purchases

Return On Investment

- the cost of attracting customers (offline and online)
- return on investment (earned revenue/ expenses on advertising)

Post-test

- the impact on brand awareness, memorability of advertising, brand image, purchase intent and on recommendations

Post-test is the reference method for the assessment of the impact of advertising campaigns on the brand. Therefore, advertisers are increasingly carried out special analysis on the Internet. Using other indicators, different from the CTR, and this can help to determine the impact of online advertising on branding.

By assessing the effect of advertising, advertisers realize how noticeable is the graphic and find out the average duration of contact of Internet users with advertising.

Evaluation of interaction is also one of the primary ways of studying the effect of video ad or multimedia ad campaign for the brand.

There are the following indicators of duration and frequency for evaluation of interaction.

- Dwell rate- measures the percentage of Internet users that interact with specific banner (placed the cursor to the banner, but not click on it).
- Dwell time- The retention time of the cursor above the ad. This indicator reflects the average time during which users interact with advertising.
- Dwell indicator - calculated by multiplying the coefficient of interaction on the time of interaction.

These indicators offer an alternative to the coefficient of the CTR.

Behavior analysis when viewing the information allows to evaluate the brand experience that occurs at viewing online ads.

Traditional methods of measuring advertising are not less effective than the methods of evaluation of online advertising. Traditional rules of marketing and PR are not effective in online world. Nowadays, through the Web companies can reach niche customers with targeted campaigns, which is less costly than traditional advertising. (Scott 2009 p. 5 ff.) Measuring the communicative effectiveness of traditional advertising is much easier than the measuring economic efficiency.

The preliminary research methods of advertising effectiveness.

1. The method of direct assessment. This method involves the study of viewpoints of consumers about the different options of advertising messages: how the message has captured the attention, how easy advertising message is perceived, how clear the main idea, what is especially attractive in the message to the consumer, how the message makes you want to further action, buying.
2. The portfolio tests. This method involves demonstration of the consumers of different advertising messages without a time limit. Then, respondents need to recall everything they saw, including the content of advertising messages. Portfolio test is designed to identify the level of memorability of the advertising message.
3. Laboratory tests. This method measures physiological response of the consumer to the advertising message. This method helps to determine how capable the advertising message to attract the consumer's attention.

These methods help to pre-estimate the possible level of influence of the advertising message to the target audience.

The main indicators of communicative effect:

- the level of awareness;
- influence on consumer behavior;
- memorability – the ability not only to remember but also to correctly reproduce the advertising message;
- brand recognition – the ability to recognize the message during demonstration.

There are several categories of methods for conducting evaluation of studies:

- memory tests – linked tests memory and recognition;
- persuasion tests – associated with asking consumers before and after viewing the advertisement about the intention to buy goods of a certain brand;
- counting of direct response – refers to the method of economic effectiveness and is

associated with the counting of calls to the firm for additional information and related with counting of the number of purchases influenced by advertising;

- focus group – is the most common method for preliminary assessment of the effectiveness of TV and print advertising.
- physiological tests – based on the measurement with the help of special sensors of physiological parameters of the human condition: heart rate, different reactions;
- frame by frame – this method involves recording the reaction of the audience to certain parts of the promotional video.
- inside market tests – evaluation of the impact of advertising campaigns on volume of sales and economic efficiency of advertising.

Economic efficiency

There are two methods to evaluation the economic efficiency of advertising:

Methods for the economic evaluation of traditional communications are based usually on a sufficient number of statistical data.

- Direct methods based on direct counting of the sales results obtained under the influence of advertising.
- Indirect methods – contribute to the determination of the number of clients and methods for identification the amount of sales.

To assess the economic efficiency are also suitable, such indicators as the ratio between expenditures on advertising, market share, number of new customers, turnover and profit, incomes, etc.

Measurement of advertising efficiency is expressed in studying of how the target audience familiar with the information about a specific company, and also expressed in qualitative characteristics of the goods, and how potential customers see the image of the company and products, and what is their attitude to these products.

In assessing the effectiveness of advertising, it is important to consider the entire range of the prevailing market conditions and all factors that favor or hinder the solution of problems of the campaign.

It is practically impossible to predict the increase in sales growth as a result of the advertising campaign, because it is influenced by many factors: the economic situation in the state and

in the world, the change of power in the region, changes in legislation, the prospects and the current state of the market, the emergence of competitors, the emergence of new products, problems within the company, etc.>

Also, one of the most effective methods of evaluating the effectiveness of advertising is a questionnaire. This method is quite consuming, but much more credible than the other, because it allows to identify directly from the buyer his attitude to not only to the advertising in general, and to individual components of the advertising methods. It is possible to assess the impact of advertising on buyer to establish what elements of design attract the most attention. For this method companies comply the various type of questionnaires. Questionnaire incorporates a detailed description of the task for respondents and the main purpose of conducting such a survey.

3.5 Marketing situation analysis

3.5.1 SWOT-Analysis

The SWOT analysis is an extremely useful tool and the most common methods for understanding and decision-making for all types of situations in business and organizations. The SWOT analysis is a type of a situational analysis to assess current and future competitiveness of goods on the market by analyzing internal and external environment of the organization. The usage of SWOT analysis in marketing is necessary to determine the weaknesses and opportunities of the organization in the market and expansion of possibilities of interaction with the external environment.

This is analysis of the strengths and weaknesses of an organization and also opportunities and threats from the external environment. "S" and "W" refer to the internal factors of the company, and "O" and "T" to the external factors of the organization.

SWOT analysis is a necessary part of research, is also a required preliminary step for the preparation of strategic and marketing plans. The data obtained through the situation analysis, helps in the development of strategic goals and objectives of the company. According to the results of the situational analysis it's possible to evaluate if a company has the internal forces and resources to implement the existing opportunities and resist threats, and what internal deficiencies of the company that require immediate rectification.

3.5.2 PEST-Analysis

PEST analysis helps to identify and assess the impact of the macro environment factors on current and future activities of the enterprise. There are four groups of factors that are most significant for enterprise strategy: political-legal; economic; sociocultural; technological.

PEST is an acronym of four words: P – Political-legal, E– Economic, S – Socio-cultural, T – Technological.

The goal of PEST-analysis is a tracking or monitoring changes in the macro environment in four fields and a detection of trends and events that can influence the outcome of strategic decisions.

Political environmental factor is considered in order to have a clear idea about the intentions of state authorities in relation to the development of society.

Analysis of the economic aspects of the external environment allows us to understand how the government generates and distributes economic resources. For most of the businesses this is essential condition of their successful business activity.

The social component of the external environment is aimed to understand and assess the business impact of such social phenomena as the people's attitude to work and quality of life, mobility of consumers and activity of users etc.

Analysis of the technological component allows you to anticipate the opportunities associated with the development of science and technology,

3.6 Similarities and differences between Internet marketing and traditional marketing

To better understand the nature of Internet marketing, it is necessary to consider the similarities and differences between Internet marketing and traditional marketing.

There are many definitions of marketing. Marketing is the management process of creating goods, services and mechanisms of their implementation as a single integrated process, which incorporates: study of the target segment of the market; identifying customer needs; providing the consumers with the necessary information about the product and services; the implementation and sales promotion.

Overall, Internet marketing performs all the same steps as traditional marketing: work with the target audience, the identification of the segment on the market, development of unique selling proposition, characteristics of goods or services and the improvement and promotion of the company website, audience involvement.

The goals and objectives of both types of marketing are similar: the promotion of goods or services, the study of consumer attitudes to the product, increasing the competitiveness of the brand and product. But traditional marketing has its disadvantages, for example: the territorial limitations and the absence of direct feedback from the consumer. Traditional marketing take into consideration the interests of the average consumer, whereas Internet marketing can instantly communicate with consumers and consider their requests. Nowadays the traditional marketing is unacceptably expensive in comparison with Internet marketing. Thus, online marketing is becoming more available. Therefore, in recent years more and more companies develop and open up their web sites and begin to practice the Internet marketing.

The main advantage of Internet marketing is the possibilities of deep analysis and the ability to accurately measure the effectiveness of spent funds for advertising campaign with the help of numerous methods, techniques and tools. The functionality of the tools of Internet marketing includes the following metrics: clicks, impressions, positions on requests, traffic, filing of application, etc. The advertiser has the opportunity their own hands to manage advertising budget and promote products and brand companies. In online marketing, the advertiser clearly sees a picture of the budget expenditures, and has an understanding of the result. Strategy of the Internet marketing consist in maximally direct and targeted contact with the consumer.

The advantages of electronic channels of distribution:

- global scale and coverage. Internet capabilities allow to expand the search of business partners and to facilitate the conduct of market research.
- The convenience and speed of handling a transaction, the ability of the user to access information from any location without any additional costs.
- Managing databases and the possibility of establishing new relationships

- Implementation of sales and marketing with low cost.
- The performance and flexibility of information processing, well-designed and promoted website is a powerful tool to promote businesses on the market.

With all the above advantages, any company will be able to sell their products worldwide. Thus, both small business and large with millions of customers will be able to modify its proposal so to better match the needs of these micro-segments of the market through information processing of information and opportunities. And it's these capabilities provide electronic distribution channels based on Internet technologies.

However, alongside the advantages there are also some disadvantages of Internet marketing. Distrust of e-Commerce is a major cause of failure of online purchases among Internet users in Kazakhstan. Disadvantages of electronic channels of sales

- The virtual contact with the real goods and the postponement of their possession.
- The complexity and massiveness of the Internet;
- Lack of use of motives of visiting stores, especially those that are not associated with the purchases.

A particular negative impact on the development of virtual channels is the inability to see the real product, try it, taste it, compare with others, etc. The slowness of the performance of the order is also a significant barrier for most of consumers who don't want to wait for the goods even short period of time. Problem of security and social contacts of the clients in the process of shopping and purchasing can reduce the attractiveness of such a quick and convenient way to purchase goods as the Internet.

3.7 Problems and prospects of marketing development in Kazakhstan

The process of formation and development of market relations in the Republic of Kazakhstan is accompanied by increasing of competition between economic entities, constant changes in external and internal marketing environment, and this in turn requires improvement of business and marketing activities for the creation, distribution and consumption of goods and services.

At this time, in Kazakhstan implemented the industrial-innovative policy, which includes the tasks of achieving sustainable economic and social progress in the country, the

development of various sectors of the economy, its infrastructure, increase of real incomes of population, and also some reforms in the field of management, science, education, health and other sectors. Their implementation depends on the development of marketing activities at all levels of the management hierarchy of the market economy, which necessitates the development of marketing in the Republic of Kazakhstan.

Nowadays there are significant changes: most companies have in their structure a marketing Department, and also heads of enterprises come to understand how important is marketing in an increasingly competitive environment.

Economic growth has caused a significant increase in the needs of small business in marketing research. Kazakhstan has formed its own industry of marketing research.

However, there are certain problems hindering the development of marketing in Kazakhstan. One of the most urgent problems of modern Kazakh business is the right marketing organization in the enterprise.

It should be noted that the majority of Kazakh companies focused on sales and many of these companies have no understanding between the CEO and marketers, because a leader usually focused on achieving of short-term sales results, and marketing functions usually appear in the background.

One of the most topical issues today is misunderstanding of marketing role in production activity of many enterprises in the country.

The problem is that the executives of enterprises underestimate the work of the marketing departments, and sometimes even just refuse from them in order to save.

The main reason is insufficient knowledge about the direct link between execution of marketing activities in time and subsequent successful positioning of the enterprise in the competitive environment and the profit.

Kazakhstan enterprises face with a complex and fast-changing macro environment in the country which causes the need for active development of the marketing, which on the one hand provides the possibility of growth for business, and on the other hand, it creates obstacles on their way and at the same time changes the level and methods of competitive struggle.

The main problem in the development of marketing in the country is the neglect of marketers of the enterprises regarding to tastes and habits of consumers, this is happening mainly because of rare studies of consumer behavior.

Also, one of the main problems of marketing in business is the lack of participation of management in relation to tasks of the marketing Department, in other words, the lack of involvement of marketing in future success of the company.

It is therefore, for CEO is very important being in the know with all marketing activities. The CEO should be able to understand marketers and according to this apply the correct tasks for marketers. In the complex, all of this actions are very important for future success of the company.

Despite of significant progress in the field of implementation of the marketing concept, which is observed on the Kazakhstan's enterprises in latest years, however, many of them have not yet overcome the barriers to awareness of the importance of the marketing concept and its practical organization in accordance with Western standards.

Consumer orientation is an important part of marketing orientation. It requires comprehensive market research based on marketing research.

Marketing orientation involves the implementation of marketing research which has a strategic nature, which in total should prepare the necessary information for strategic planning and strategic decision-making.

This includes conducting research with predictive nature, that based on the monitoring of environmental, also includes development of possible scenarios and other types of analyses needed for making decisions about future directions of growth.

This kind of research for most of Kazakhstan's enterprises are still a distant prospect, which is difficult to implement not only due to the lack of specialists and financial resources, but also due to the lack of understanding of their necessity.

Strategic planning at the Kazakhstan enterprises are in most cases separated from marketing activities, which in its turn is aimed only at achieving of short-term and limited goals, such as increasing sales and creating a positive image.

The development of the marketing orientation is associated with overcoming of this problem

and turning marketing into an important strategic tool of training program for long-term growth of the company.

The competitiveness of Kazakh enterprises, both on domestic and foreign markets will largely depend on their ability to introduce marketing as the key philosophy of strategic development and business culture in the enterprise.

For small businesses that do not have specialized marketing departments, the personality of the managers makes a particular significance. Viability of a small business determines through understanding of the marketing concepts and ability to implement it in practice, correctly evaluate market conditions and also right orient the activities on satisfaction of the needs of the target customer.

Today, the marketing activities of most small enterprises in Kazakhstan can be characterized as spontaneous or entrepreneurial marketing.

Spontaneous marketing is expressed in periodic attempts to conduct a small advertising company to promote sales.

4. Practical part

This part of the Diploma thesis incorporates basic information about Kcell company. In this part will be provided the situation analysis, PEST analysis is examined the macro environment of the company and SWOT analysis which examines internal and external factors of the company. Furthermore, this part involves brief financial analysis and competitive analysis. Questionnaire will conclude practical part of the thesis.

4.1 Profile of the company

Kcell is a part of the largest Scandinavian telecommunications holding – Telia Company. Currently Kcell is the licensed cellular operator rendering services of GSM (900/1800), UMTS/WCDMA (2100 MHz), LTE(4G), LTE Advanced (700/800 MHz and 1700/1800 MHz) standards.

Kcell is the largest mobile operator in Kazakhstan both in terms of income, and the size of the subscriber base. Kcell generates the highest market average revenue per user thanks to its dominant position in the segment of high-yield customers, including corporate and government structures.

The mission of the Company is to make cellular communication available to all citizens of Kazakhstan, generating value to the utmost extent to its subscribers and rendering services of the highest quality.

The company was established in 1998 and since February 1999 it began rendering services of cellular communication under the trademark Kcell. Today the Company's subscriber database exceeds 11.6 million.

Kcell playing the role of the trend setter giving tone, trends and tendency to development of the Kazakhstani cellular market. As of December 2016, mobile communication provided by the Company is available in 4979 cities and settlements of Kazakhstan. For the past 18 years of operation Kcell continuously expands its network coverage.

Figure no. 2 Logo of the Kcell company



Source: <https://www.kcell.kz>

4.2 Marketing situation analysis

4.2.1 The SWOT Analysis

The following results of this analysis helps to understand and realize possible appropriate strategy of the Kcell company.

The analysis of strengths and weaknesses

Strengths:

- excellent reputation among customers
- reduced labor costs
- skilled workforce
- high profitability and revenue
- high technology

Weakness:

- high tariffs
- small business units
- poor interaction with another mobile operator

The analysis of opportunities and threats

Opportunities

- growth rates and profitability
- new products and services
- income level is at a constant increase

- venture capital
- growing demand
- new acquisitions
- new markets

Threats

- external business risks
- price changes
- increase in labor costs
- increase of interest rate
- government regulations
- high competition on the telecommunication market
-

4.2.2 PEST analysis

Political factors:

- changes in tax legislation
- anti-trust law

Economic factors:

- the extent of economic reforms
- investment in the mobile communications industry
- the growth of GDP
- income growth

Social factors:

- a rise in births
- a change in the direction of consumer requests global standards of communication
- the growth of social welfare
- lifestyle changes

Technological factors:

- accelerating the development of technology
- the use of new technologies

4.3 Financial analysis of the Kcell company

Kcell is the largest mobile operator in Kazakhstan both in terms of income, and in respect the size of the subscriber base. Kcell generates the highest market average revenue per user thanks to its dominant position in the segment of high-yield customers, including corporate and government agencies. As a result, the EBITDA margin and profit of the company higher than local competitors and comparable companies in foreign markets. Recently, however, market conditions began to change, compromising financial performance Kcell.

Table no. 1 Financial analysis

	2014	2015	2016
Revenue	14 746 937	13 240 906	11 559 530
Cost of sales	6 621 148	7 070 152	7 222 180
Selling and marketing expenses	907 927	724 925	863 840
General and administrative expenses	838 515	973 350	1 112 420
Net financial items	82 700	614 070	651 340
EBITDA	8 275 800	6 429 810	4 558 810
Net income	4 581 060	3 666 040	1 311 640
Customer base	879 880	814 230	785 060
Voice service	10 432 170	8 281 850	6 784 219
Data service	2 610 200	3 094 480	3 237 351
Value added services	1 305 220	996 620	732 276
Marketing ROS	77 %	109 %	48,09 %
Marketing ROI	794 %	751 %	402 %
ROA	31 %	27,7 %	11,3 %

Source: <https://www.kcell.kz>

At the end of 2016 revenue decreased by 12,7 % from 13 million to 11 million Czech crown, because of falling of voice revenue. Voice traffic decreased by 2.5% and constituted 22,948 million minutes furthermore, the APRU indicator was also reduced from 0,256 to 0,201 CZK.

Due to the significant outflow of subscriber base, and also with decrease in their operating costs and net cost, eventually the Company's net profit declined 64.2%, and in the end amounted about 1 311 640 million CZK. The past year has been extremely difficult for Kcell as the reason for the decline in the subscriber base and due to increased competition by reducing prices for services. At the same time, positive dynamics of revenue can only be observed in the third quarter in 2016, which gives a signal about the stabilization of the situation.

Because of lower revenues with constant costs and increase in administrative costs due to increased payroll costs and tax reserve accrued, EBITDA decreased by 29,1% per year and amounted to 4 558 810 million CZK. For the same reasons, the Company's net profit also decreased by 64.2% amounting to 1 311 640 million CZK.

Customers base was also decreased. Kcell company lost their customers because of the appearance of the service also called as "Mobile slavery".

Predictions for 2017.

The result of the outflow of client base, the company vigorously develop the B2B segment, as a result, the company expects a slight increase in the number of clients starting in 2017. One of the main objectives for 2017 is to reduce operating costs, but in terms of economic problems, this process is complicated by high level of inflation and the company's efforts to strengthen competitiveness in the telecommunications market.

Despite a significant reduction in operating costs, the Company has left their previous spending on sales and marketing.

Thus, the result of the increase for staff costs in 2016, the selling and marketing expenses grew by 19.2% and amounted about 863 840 million crowns. General and administrative expenses also increased by 14.3% and amounted approximately 1 112 420 million crowns.

4.4 Evaluation of advertising investments

An important step of the analysis of an efficiency of marketing activity of the enterprise is the assessment of the efficiency of spending of the advertising budget allocated for promotion.

Table no.2 Analysis of costs of advertising

	2014	2015	2016
Advertising expenses	907 927	724 925	863 840
Sales revenue	14 746 937	13 240 906	11 559 530
A/S%	6,16%	5,47%	7,47%

Source: <https://www.kcell.kz>

As can be seen from the table no.2 the indicator Advertising to Sales in 2016 is amount 7.47%. This indicator show how much the Kcell company spends to support the advertised brand. The best result for this indicator was in 2015, the lower value of this index indicates the greatest efficiency of the advertising investment of the company.

The high demand of Internet marketing today mainly is due to the presence of some significant advantages, such as the simplicity and objectivity of performance evaluation. To determine the effectiveness of Internet marketing is much easier than for classic marketing. There are a plenty of methods of evaluation of the effectiveness of Internet marketing and besides there are many indicators of effectiveness can be measured through special programs or platforms for the website, social networks and others.

Net marketing contribution (NMC) is an evaluation that determines whether an enterprise's current marketing strategy is enough to cover the costs related with marketing and sales. Net Marketing Contribution (2016) = Net sales – Cost of sales - Marketing & Sales Expenses = 11 11 559 530 – 7 222 180 - 863 840 = 3 473 510 Kč

Net marketing contribution of Kcell company = 3,5 mil Kč

As a first indicator of profitability of marketing it is necessary to examine marketing return on sales.

Marketing ROS = Net marketing contribution/ Net sales × 100%

Marketing ROS (Kcell 2016) = 3 473 510 / 7 222 180 × 100% = 48,09%. The second indicator of the profitability of marketing evaluates the profitability of an investment. Recognizing the NMC as a tool of marketing profitability, to standardize this indicator necessary divide NMC on investment. In the end, the index of profitability of the marketing investment will be determined, which allows the managers to evaluate the effectiveness of expenses of marketing which used to achieve a given level of profitability.

Marketing ROI = NMC / Marketing expenses × 100%

Marketing ROI (Kcell 2016) = 3 473 510 / 863 840 × 100% = 402%

The ratio of NMC and selling and marketing expenses shows how effective the budget of the company for profit from marketing. For example, the overall rate of NMC of Kcell company 3 473 510 million Kč in marketing budget of 863 840 thousand Kč. Effectiveness of marketing in 2016 is 427%, which means that every dollar of the marketing budget brings NMC = 4,02 Kč.

As for marketing ROS, companies with a higher level of performance of marketing have higher return on sales, return on equity and return on invested capital

The higher marketing ROS, the higher the financial performance measured in total return on sales, return on equity capital and return on invested capital. In comparison with 2014, the company has finished the reporting year with a record index of Marketing ROI about 794 % and with revenue in 14 746 937 mil Kč and 4 581 060 mil Kč in net profit.

Table no. 3 Performance Indicators

	Clicks	Impressions
January 2017	491	24547
April 2016	487	24276
August 2016	490	24485
Dcember 2016	469	24736
January 2016	501	24528
April 2015	497	24880
August 2015	479	23981
December 2015	467	24790

Source: <http://konstantinov.kz/>

Basic performance metrics of Internet marketing.

1. **CTR.** Click-through rate of promotional materials. Allows to determine how many people are interested in the message and clicked on it. Also allows to determine whether or not to use a particular advertising message. CTR helps understand what ad's platforms attract more clicks. To determine the CTR does not need a specific tools, it can be automatically calculated by Google AdWords.

$$\text{CTR} = \text{Clicks} / \text{Impressions} \times 100\%$$

$$\text{CTR (Kcell Jan 2017)} = 491 / 24547 \times 100\% = 2.0002\%$$

$$\text{CTR (Kcell Jan 2016)} = 501 / 24528 \times 100\% = 2.0425\%$$

The main cons of this type of method is that the CTR does not reflect the real profit of the advertiser. So, ad can attract a lot of clicks, but not to affect the number of sales.

Therefore, the metric is used only as an intermediate, but not the ultimate indicator of efficiency.

2. **CPC.** Cost Per Click allows to determine the actual price the company pays for each click of company's pay-per-click (PPC) marketing campaigns.

$$\text{CPC} = \text{Cost to Advertiser} / \text{Clicks}$$

$$\text{CPC (Kcell Jan 2017)} = 863840 / 491 = 1,76\$$$

$$\text{CPC (Kcell Jan 2016)} = 863840 / 501 = 1,72\$$$

3. **CPA.** The CPA is quite similar with CPC indicator. The difference is that in this case it is possible to evaluate how much the advertising costs required on a single action.

$$\text{CPA} = \text{Total ad spend} / \text{Number of conversions}$$

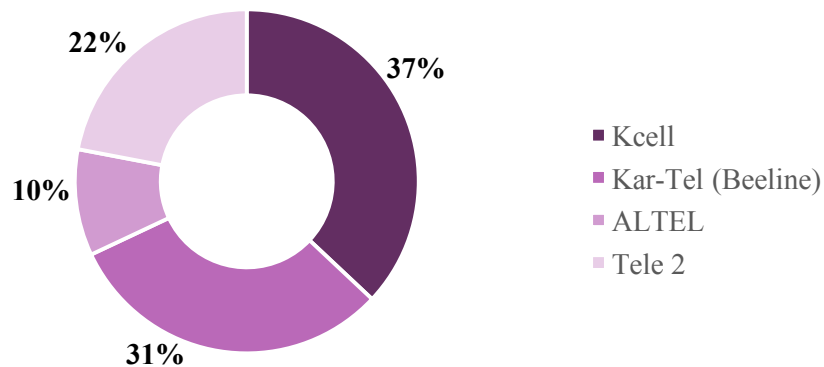
$$\text{CPA (Kcell Jan 2017): } 0.183\$$$

CPA of Kcell company in a one day is 0.183\$, it means that such actions as, registration, subscription, or even purchase, will be cost for this store or website these 0.183\$.

4.5 Analysis of competitiveness

By the end of 2016 in the telecommunications market in Kazakhstan the main leaders were Kcell and Beeline. Their market share of mobile operators accounted for 41% and 37. Market share of ALTEL is 22% and Tele 2 is less, about 10%.

Figure no. 3 Share of mobile operators on telecommunication market



Source: <https://www.damu.kz>

According to the statistics, the subscriber base of Kcell company is about 10.83 million users, Beeline has 9,59 million subscribers, Tele 2 company has 3,70 million users and ALTEL has only 2,11 million users. Kcell company has a competitive advantage, while the main competitors are not far behind from the leader. The main reason for customer loyalty to the Kcell brand is a high quality of services.

Table no.4 The dynamics of the market share

	2014	2015	2016	% change previous period	% change last period
Kcell market share	50,40%	45%	37%	-5,4%	-8%
Kar-Tel market share	34,30%	30%	31%	-4,3%	1%
Altel market share	5,10%	7,30%	10%	2,2%	2,7%
Tele 2 market share	10,3%	16%	22%	5,7%	6%

Source: <https://www.damu.kz>

These figures show how marketing campaigns affect the financial performance of the company. As can be seen from the table, comparing to 2014 the share of Kcell company on the market of telecommunication services fell by 13.4 %. This sharp decrease is due to the appearance on the telecommunication market of some new mobile operators in the Kazakhstan market. Also 2015 will be remembered as a sharp depreciation of the dollar therefore, many users decided to change the operator with cheaper tariffs for the same services.

The main competitors of the Kcell company

The "Tele 2" company is a relatively new telecommunication brand in the market of Kazakhstan, which has relatively low prices for their services and products. The company has developed rapidly thanks to favorable rates of the services and high-speed Internet connection.

The company "Kar-Tel" is also one of the largest competitors, the company has the availability of services in more than 1000 settlements of the Republic of Kazakhstan. This telecommunications company uses only new equipment, maintains a high level of service and invests in the development of high quality networks.

"Altel" is a one of the first companies that was started to provide mobile services in Kazakhstan. ALTEL company has produced a commercial launch of mobile communication of third generation 3G into a Kazakhstan.

In total, there are 4 mobile operators for the country with a population of 16 million. However, almost all subscribers are still divided between two major players in the telecommunications market – Kcell and "Kar-tel" companies. Tele 2 and Altel can't catch the leaders, despite the various advertising tricks.

But with the arrival to the telecommunications market of "Tele 2" company, the real competition between mobile operators was appeared. Many years the Kcell company could determine any price because of this company has been a leader of not only the number of customer base and of the quality services.

The next niche in the market occupies a Kar-tel (Beeline) company, which is vulnerable to the emergence of competitors such as Tele 2 company and Kcell company placed on more confident position, because of their stable client base. The Altel company is the first company, which had brought a cellular communication in the market of Kazakhstan.

Table no 5. Tariffs on mobile services

Services	BEELINE	TELE 2	ALTEL	ACTIV	KCELL
Monthly fee	95 Kč/month	103 Kč/month	110 Kč/month	119 Kč/month	206 Kč/month
SMS limit to Kcell and numbers	100 SMS/month	600 SMS/month	1000 SMS/month	1000 SMS/month	1000 SMS/month
Monthly volume of Internet traffic	4 GB (2 GB at night and 2 GB by day)	15 GB (7 GB at night and 8 GB day and night)	18 GB (10 GB at night and 8 GB day and night)	15 GB (10 GB at night and 5 GB by day)	15 GB
Cost of calls to Kcell and numbers	0 Kč/month	0 Kč/month	0 Kč/month	0 Kč/month	0 Kč /month
Cost of calls to other operators over the limit	0.87 Kč/month	0.87 Kč/month	0.87 Kč/month	0.56 Kč/month	0.56 Kč/month
Call limit within the network	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Calls limit to other mobile numbers in Kazakhstan	60 min/month	180 min/month	120 min/month	120 min/month	300 min/month

Source: <http://www.kdb.kz>

For the comparative analysis of services of mobile communication operators was taken the national tariff plans, the monthly cost of which is in limits of 1500 kzt/month to 3000 kzt/month. All operators offer unlimited calls within the network.

Comparative evaluation of these tariffs indicates a significant advantage of the tariff plan from the Tele2 company.

Tariff plan of the Kcell company offers the largest limit calls to other operators, about 300 minutes and cheapest rates for calls to other operators over the limit. However, the minimum monthly fee Kcell is higher than all the rest operators.

4.5.1 Users of telecommunication services in Kazakhstan

The Committee of communication, informatization and information of the Ministry on investments and development of Kazakhstan summed up the first results after the launch of the service on the transfer of subscriber numbers.

The main key indicators: how many users of Kazakhstan's telecommunications services have changed the operator after launching this service on the transfer of subscriber numbers, and the inflow and outflow for each individual operator. "Mobile slavery" in Kazakhstan abolished from 1 January 2016.

In 2016, over 200 thousand of users of telecommunication services got rid of "mobile slavery", taking advantage of Mobile Number Portability service (portability of number between operators). According to the Central database of transferred numbers, net largest inflow of subscribers, in 2016 year due to MNP service was observed in Tele2 (37 million subscribers) and Altel (2.5 thousand subscribers). The major operators, by contrast, registered outflows of subscribers. Most customers lost Kcell company, 100790 users refused from it services and about 53192 users stopped using the services of Beeline company.

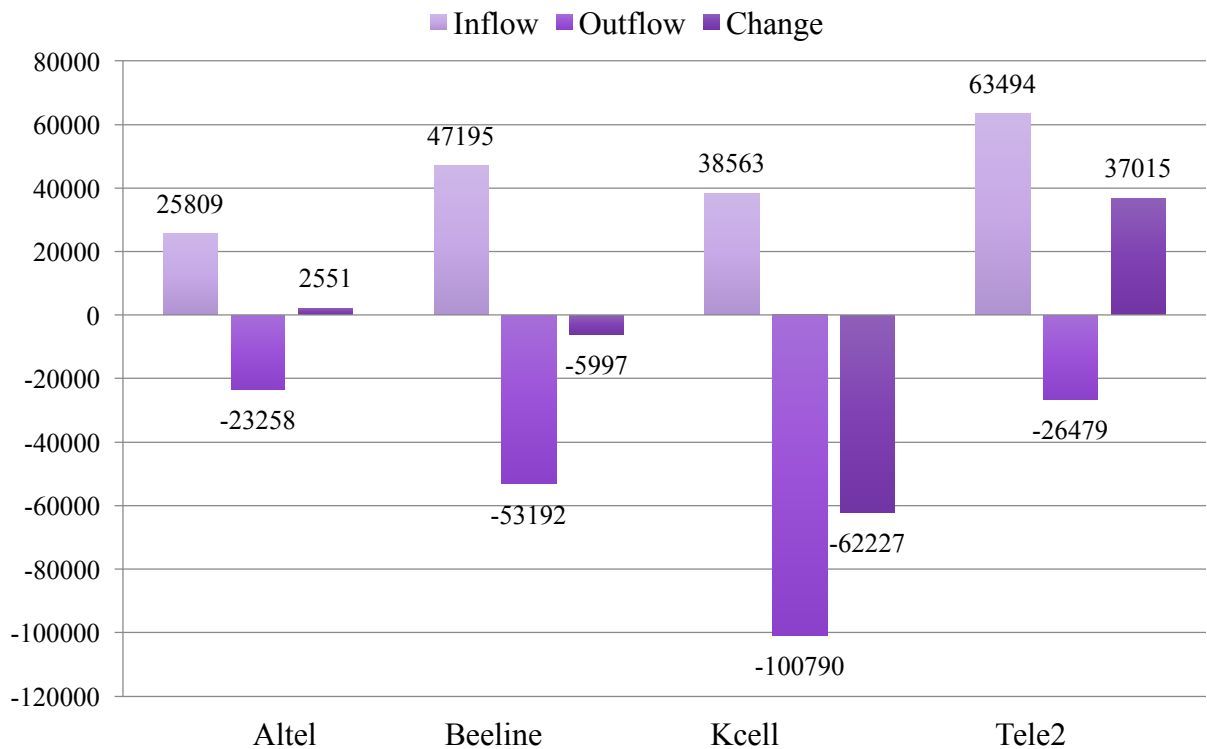
According to the statistics mainly popular are the operators with the lowest prices in the market and with high-speed data transmission.

Table no. 6 Inflows and outflows of the customers

Operator	Inflow	Outflow	Change
Altel	25 809	-23 258	2 551
Beeline	47 195	-53 192	-5 997
Kcell	38 563	-100 790	-62 227
Tele2	63 494	-26 479	37 015

Source: <https://informburo.kz/>

Figure no. 4 Inflows and outflows of the customers



Source: own processing

4.6 Media Mix of the Kcell company

By the end of 2016, in Kazakhstan revenues of the advertising market have decreased by almost a third and amounted about 3 860 trillion Czech crowns. The main reason of revenue decreasing is associated with a reduction in the advertising budgets due to the overall deterioration of the economic situation in Kazakhstan. The gap is associated with a sharp change of the national exchange rate in August-November 2015.

In the economy of Kazakhstan, the category of "Communication" is in the top 10 categories by ad spending in Kazakhstan. More than 70% of the advertising revenues of "Communication" category is spent on advertising of mobile operators. And it is possible to observe a positive effect: the number of mobile subscribers is constantly growing, and this in turn has a positive effect on economic growth. Telecommunication operators in Kazakhstan as the primary media use television.

Kcell company mainly concentrate its marketing expenditures on the most expensive types of advertising, advertising on TV 57%, and outdoor advertising 19%. Main functions of online and offline advertising in the field of telecommunications are a spread information about provided services and various innovations in the field of telecommunications, presentation for a new services, products and best mobile tariffs through the internet, TV, radio, press. To promote the services and products the Kcell company is used various types of online advertising and traditional advertising.

On the website of the Kcell company the users can find some informing advertising about company and about company's services and products, characteristics, advantages, innovations and so on. Online marketing campaign of the Kcell company mostly aimed at strengthening the company's image and in these advertisements, emphasize the reliability and effectiveness of their services.

As an Internet advertising the Kcell company primarily uses search, contextual advertising, social engine optimization, sms and social media advertising. However, the costs of online advertising represented about 12% of total marketing expenses.

As traditional advertising the company uses advertising on TV, radio, and outdoor advertising. Special attention deserves the outdoor advertising, because of widespread use of "unfair" advertising in Kazakhstan. One of the main competitors of the company is Tele2, which has established itself as a brand that uses an aggressive advertising policy in relation to other mobile operators. This type of advertising attracts a lot of attention of users of these operators, which in turn affects the company's image.

Kcell company uses a press advertising as an additional media for promoting services and goods, and is only 4% of the marketing expenses. Advertising on radio in Kazakhstan takes the third place after TV and OOH advertising. Basically, the advertising of the services of these companies comes down to inform about new products within their scope of activities and branding. Confidently it's possible to say that the TV is all-encompassing way to promote new products, and this method of advertising will stay as a priority type of media for these advertisers, and advertising investments will be stable.

Table no. 7 Media mix

№	Mobile operators	Share in media mix				
		TV	OOH	Press	Radio	Internet
1	Kcell	57%	19%	4%	8%	12%
2	Altel	53%	18%	3%	12%	14%
3	Kar-Tel	42%	23%	1%	13%	21%
4	Tele2	31%	43%	5%	8%	13%

Source: <http://www.alma.edu.kz/>

Table no. 8 Cost of advertising in Kazakhstan

Advertising	Price
Seo Optimization TOP-10 Google, Yandex search	10000 Kč per year
Contextual advertising (google.com, nur.kz zakon.kz, slando.kz, olx.kz, kurs.kz, nomad.su, kazakh.ru, odnoklassniki.ru) Video advertising (YouTube, Vimeo)	1 260 -5 668 Kč per week min 15 000 Kč
Tv advertising - "El arna channel" - "7 channel" - "31 channel" - "Astana channe" - "Habar channel"	for one impression 11 421 Kč 6 100 - 8 000 Kč 1 500 – 27 000 Kč 1 900 – 13 700 Kč 14 200 - 19 000 Kč
Radio advertising - "Russian radio" - "Auto Radio" - "Europa +"	1 200 – 2 300 Kč 1 600 – 3 100 Kč 1 300 – 3 200 Kč
OOH advertising - billboards - bus stop sdvertising - bench advertising - signage	8 200 – 13 000 Kč 6 800 – 11 200 Kč 760 – 1 250 Kč 2 500 – 4 800 Kč
Press advertising - "Info-cess" - "Karavan" - "Ekspress +" - "Aif Kazakhstan"	905 – 9 500 Kč 2 020 – 10 500 Kč 1 500 – 9 800 Kč 1 900 – 11 500 Kč

Source <http://www.reklama-aston.narod.ru>

4.7 Market research

The market research was based on one of the most important tool of analysis - questionnaire. This survey was conducted online and anonymous using the Internet platform - Google. The survey was conducted from January to February 2017. The questionnaire consisted of fifteen questions, and was distributed among people living in Kazakhstan. Besides, the questionnaire was consisted of questions which respondents had to rank for a more accurate analysis of all respondents' answers. The results of this questionnaire will help learn and understand what type of advertising do respondents prefer the most, and will help to know what type of advertising has the most influence on Kazakhstan's consumers and their purchasing power. In general, this marketing tool will help evaluate marketing policy of the Kcell company.

Questionnaire:

1. What is your gender?
2. What is your age?
3. Which of the following best describes the area you live in?
Urban area/ Suburban area/ Rural area
4. Please choose one of the following that best describes your social class in terms of income?
Upper class/ Upper-middle class/ Middle class/ Lower-middle class/ Working class
5. What is the highest level of education you have completed?
Middle school/ Some college/ High school/ Higher school (Bachelor's degree, Master's degree)/ Other
6. Where do you most often face with advertising?
On a TV/ in a magazine, press/ on the radio/ OOH/ in a leaflet/ on the Internet
7. Have you ever faced with advertising of the Kcell company? Please indicate the source from which you've learned about the existence of the Kcell company.
Friends and family recommendations/ TV/ internet/ leaflet/ OOH/ press
8. The trademark of the Kcell company is memorable for you?
Yes/ no/ don't know

9. How strongly does advertising influence when you make a decision about buying the product? doesn't influence/ somewhat influence/ has an impact/ has a significant influence/ has a strongest influence
10. Which methods of advertisements are most influential on your buying behavior? *Please select the 3 most influential methods and rank them 1 (most influential) to 3 (least influential).*
 Online Advertising (Viral, Direct, Guerilla, Media, Contextual advertising, SEO, SMO)/ Cell Phone & Mobile Advertising/ Print Advertising (Brochures, Leaflets, Flyers, Handouts, Direct Mail Advertising)/ Broadcast Advertising (TV and Radio)/ Outdoor Advertising
11. Which methods of online advertising are most influential on your buying behavior? *Please select the 3 most influential methods and rank them 1 (most influential) to 5 (least influential).*
 Advertising on social networks/ Banner Advertising/ Contextual advertising/ E-mail marketing/ Video advertising
12. What types of traditional advertising are most influential over your buying behavior? *Please select the 3 most influential methods and rank them 1 (most influential) to 5 (least influential).*
 Outdoor Advertising/ Newspapers/ Magazines/ Radio/ TV advertising
13. Do you trust the advertising of the Kcell company?
 Definitely yes/ probably yes/ don't know/ probably no/ definitely no
14. What type of advertising do you trust? What is the degree of your confidence to advertising? *Please select the 3 most confidential methods and rank them 1 (high degree) to 3 (low degree).*
 TV advertising/ Radio advertising/ Internet advertising/ Press advertising/ Outdoor advertising.
15. How do you usually find out about new products or services, etc.? *Please select the 3 most popular methods and rank them 1 (most popular) to 3 (less popular).*
 Internet/ From family and friends/ TV advertising/ Press advertising/ In retail stores.

The questionnaire was answered by 305 women and men.

A sample of the questionnaire is presented in Appendix no1.

The first 5 questions were related to gender, age, social status, place of residence of respondents and education level.

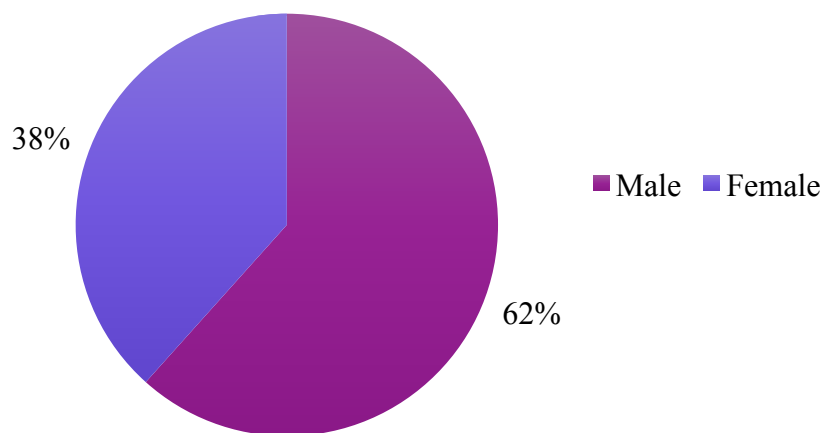
The most of respondents are men, about 62% (189 men) of. Share of participation of women in questionnaire, about 38% (116 women).

Table no.9 Gender structure

Gender	Amount
Male	189
Female	116
Total	305

Source: data from the questionnaire

Figure no. 5 Gender distribution of the respondents



Source: own processing

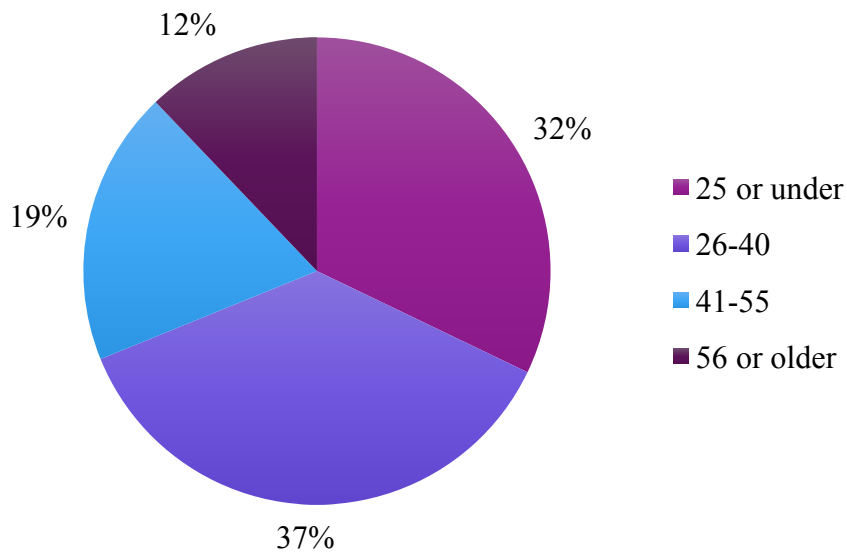
The age distribution of the respondents can be observed in the Figure no 6. The answers of the questionnaire showed that the large part of respondents is between the ages of 25 and under and from 26-40.

Table no. 10: Age structure

Age	Amount
25 or under	98
26-40	112
41-55	58
56 or older	37
Total	305

Source: data from the questionnaire

Figure no 6: Age Distribution of the Respondents

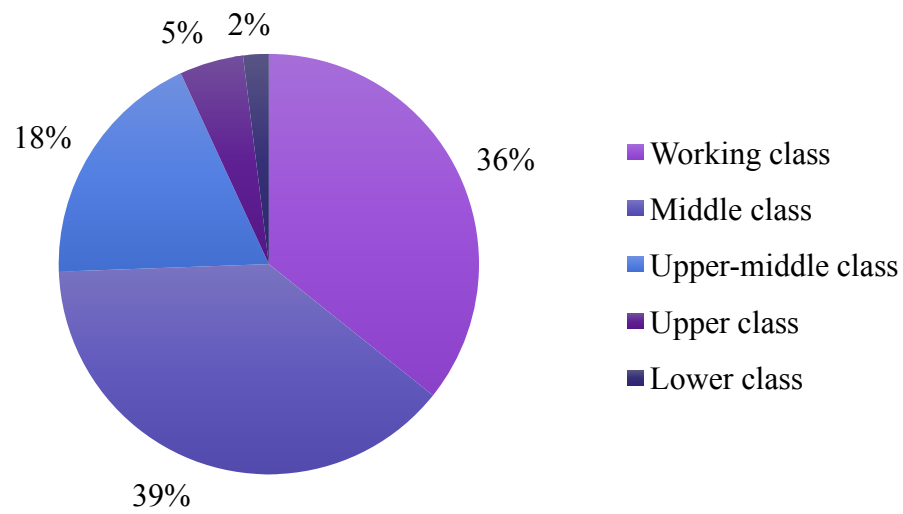


Source: own processing

The following question was related with social position of the respondents.

Thus, in distribution by social status among the respondents, the middle class (118 respondents) and working class (109 respondents).

Figure no. 7: Social class distribution of the respondents

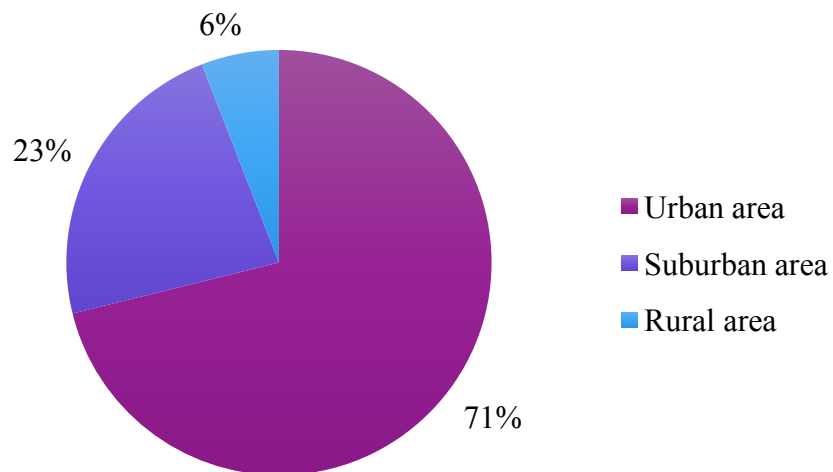


Source: own processing

The next question was related with geographic position of respondents.

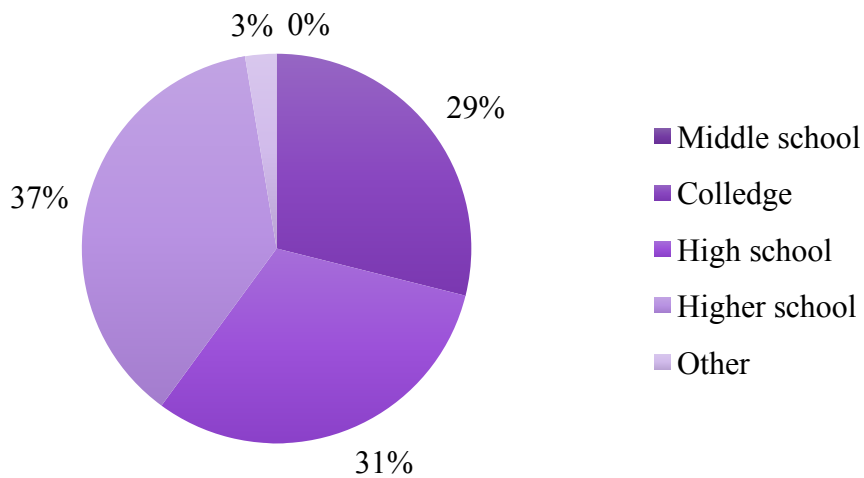
During the questionnaire was founded that 71% of respondents live in urban areas, 23% live in suburban areas and only 6% of respondents live in rural areas.

Figure no. 8: Geographic distribution



Source: own processing

Figure no. 9 Education level

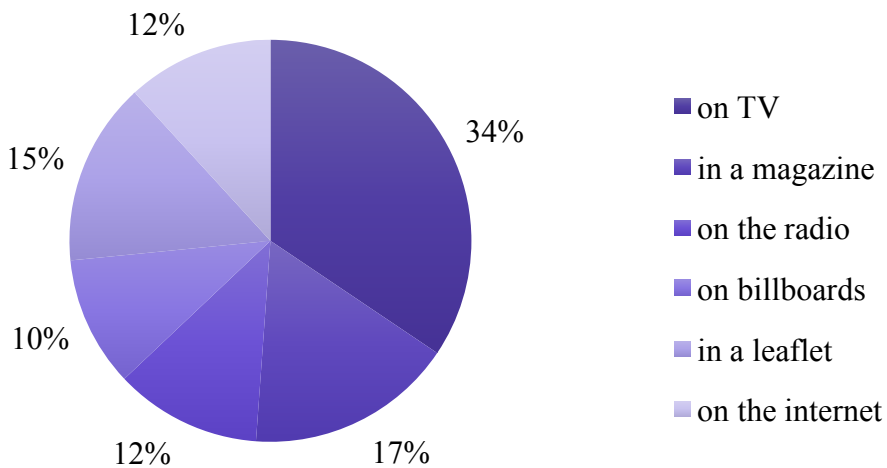


Source: own processing

Graph shows that 29% of the survey participants have secondary education and most of the respondents answered that they have completed higher education.

The next questions were related to advertising and marketing in general.

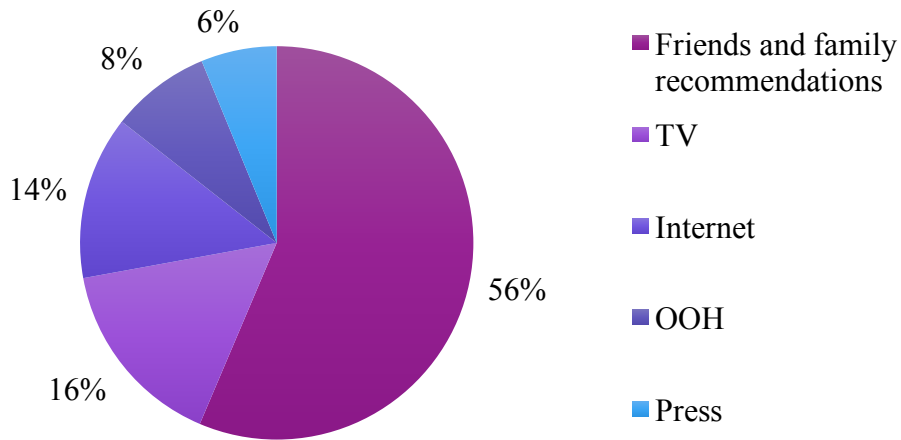
Figure no. 10 Where do you most often face with advertising?



Source: own processing

Most of the respondents were answered, that they often face advertising on TV and in newspapers and magazines. It means that the TV platform is one of the most efficient and visible for consumers.

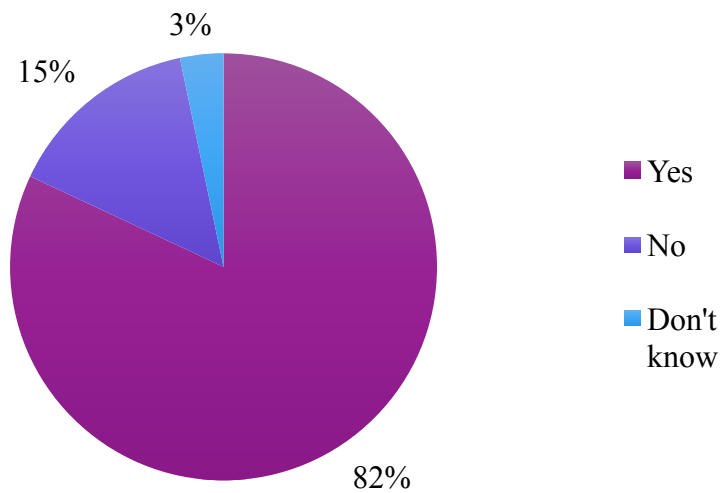
Figure no. 11 Have you ever faced with advertising of "Kcell" company?



Source: own processing

This figure shows that most of the respondents had learned about trademark of Kcell company through the recommendations of their family and friends. TV and Internet as the main advertising methods also help consumers to learn about Kcell brand.

Figure no. 12 The trademark of "Kcell" company is memorable for you?



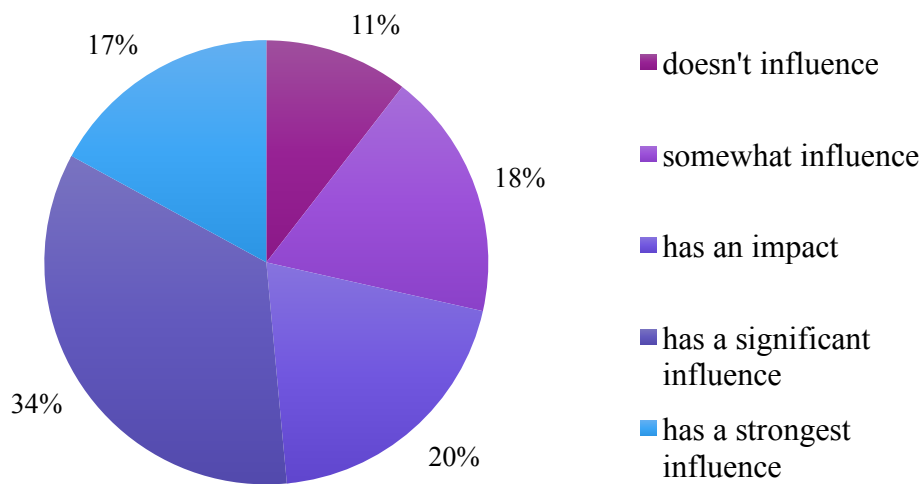
Source: own processing

One of the most important aspects of a successful company is the company name. Potential customers often pay attention to the prestige of the company. On the question "The trademark of Kcell company is memorable for you" most respondents answered that they

well know the name of the company. As was noted earlier, the company is the leading mobile operator in Kazakhstan.

The following questions were directly related to the level of influence of advertising on respondents.

Figure no. 13 How strongly does advertising influence when you make a decision about buying a product?



Source: own processing

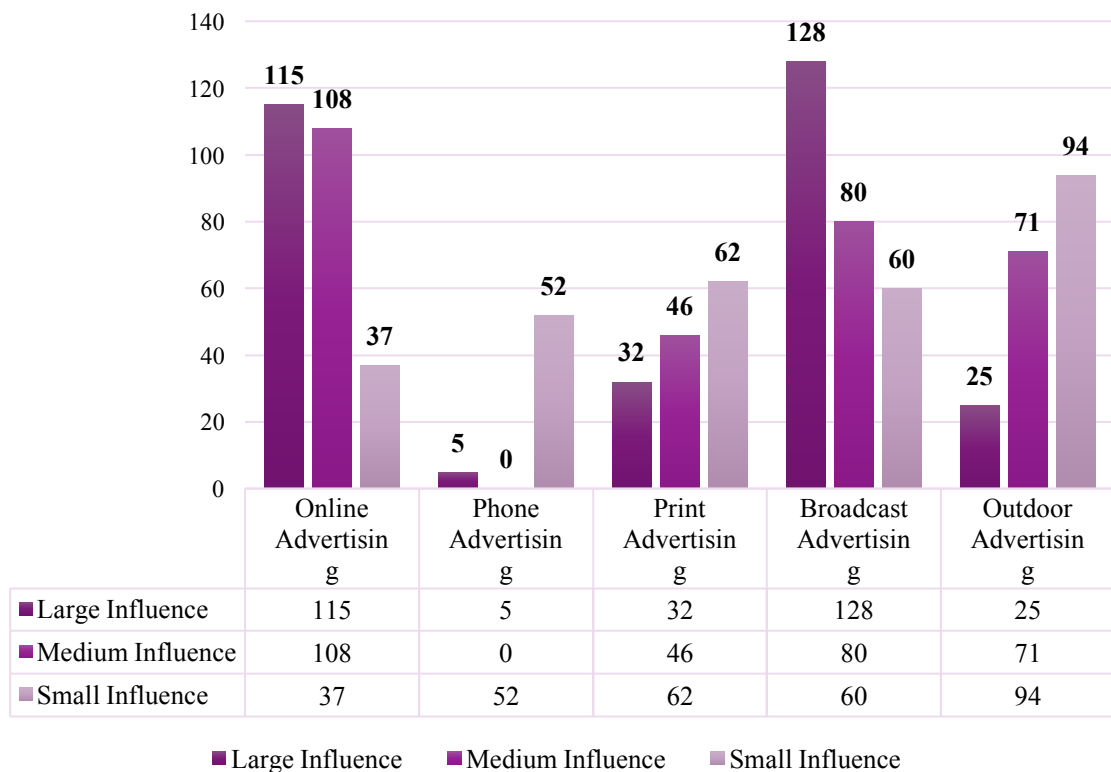
As can be seen from the figure the most of respondents, is approximately 273 people responded that advertising has an influence on their decision in relation to shopping. And only 11% (32 respondents) replied that advertising has any effect on them.

As the most part of respondents said that advertising has impact on their consumer behavior, it is necessary to determine which type of advertising affects on the buyer more.

In the following question the respondents were asked about which methods of advertisements are most influential on their buying behavior. Responses are presented in figure no. 14

This question will help to figure out what type of advertising is the most influential in the opinion of respondents. These data will help the company to distribute financial means for more efficient use of advertising funds.

Figure no. 14 Which methods of advertisements are most influential on your buying behavior?



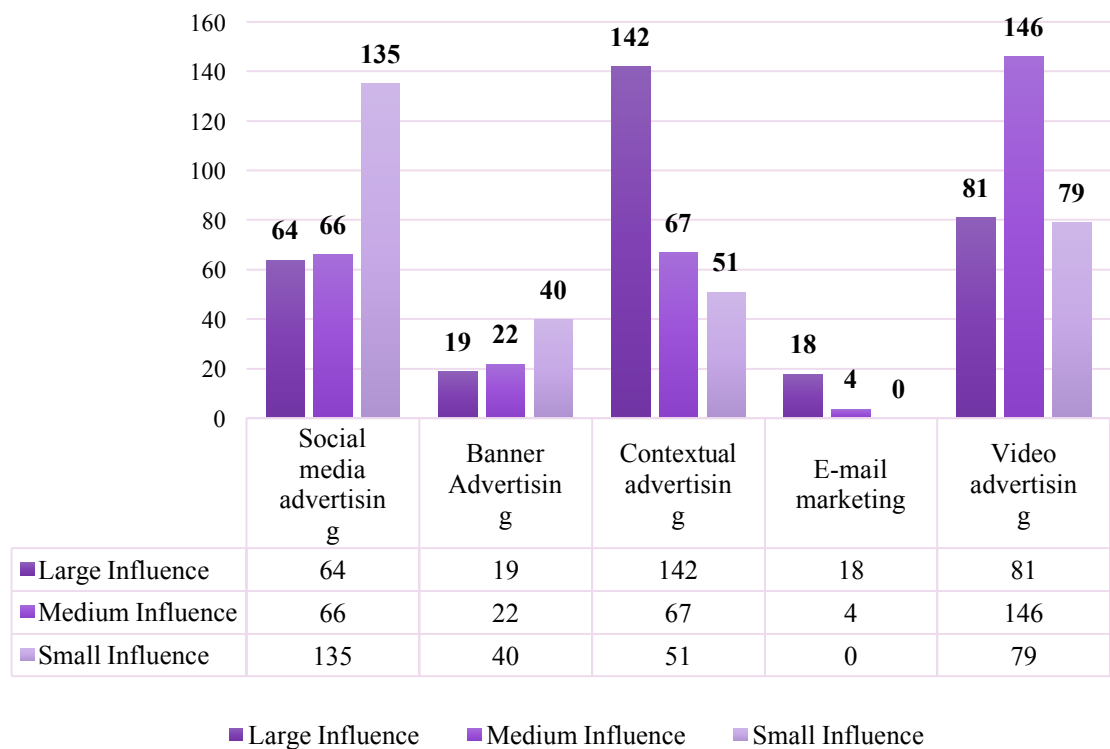
Source: own processing

The most of respondents (42%) indicated that advertising placed on TV and radio has most powerful influence on their buying behavior.

Almost the same impact has advertising placed on the Internet in various forms such as Viral, Direct, Guerilla, Media, Contextual advertising, SEO, SMO. For many respondents (36%), the outdoor advertising also has an impact on the purchasing power, but to a lesser degree. Other types of advertising such as phone advertising and print advertising have the least influence on the purchasing power of the respondents.

From the analysis of this graph, we can see that Internet marketing and traditional has almost the same influence on the purchasing power of the consumer. And due to this, it is necessary to determine the most effective advertising methods in Internet marketing and traditional marketing separately. To determine the most powerful type of online marketing the respondents were asked about the most influential methods of online advertising on their buying behavior. Answers are presented in Fig no. 15.

Figure no. 15 Which methods of online advertising are most influential on your buying behavior?



Source: own processing

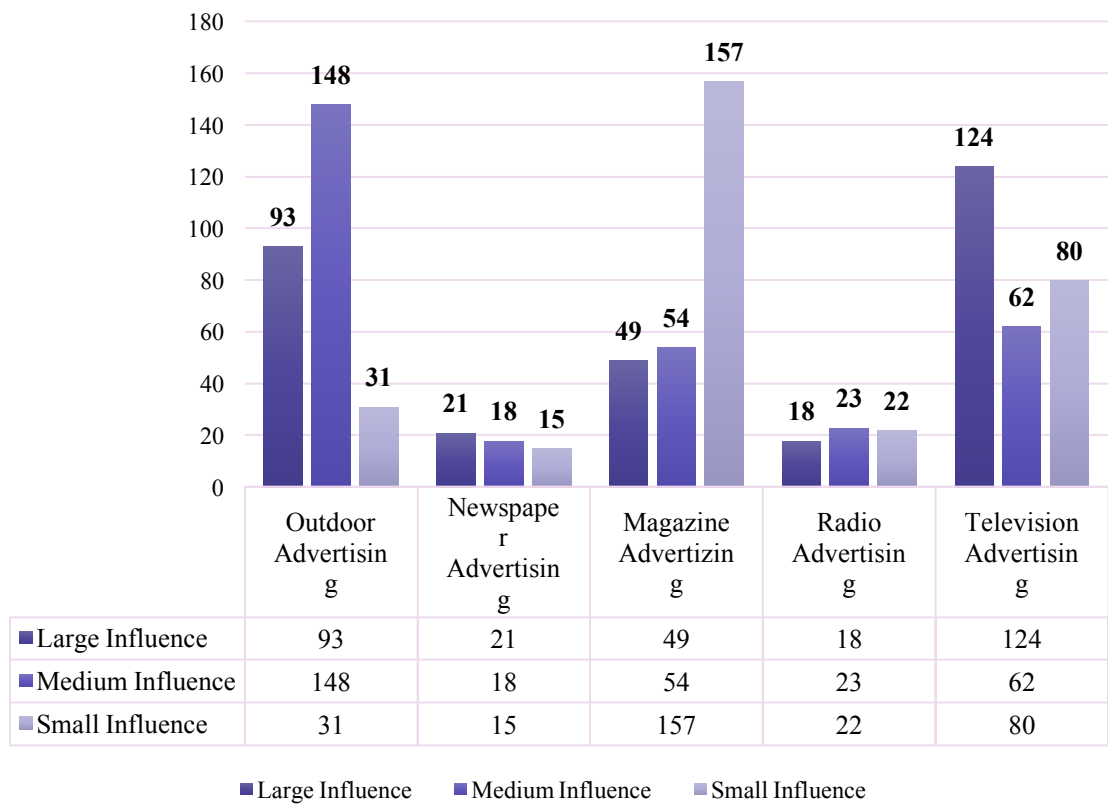
As it can be seen from the figure, the strongest influence on purchasing power of respondents (44%) makes such an advertising method as Contextual advertising.

This is one of the most popular method of advertising which consumers constantly see as banner or text placed on a web pages. On the second place by influence on the consumer, about 48% of the respondents designated a video advertising.

This is one of the most popular types of advertising among advertisers and therefore, this type of advertising covers a large part of the audience. Also, one of the most influential types of online advertising, the 44% respondents highlighted the social media advertising. This type of advertising will have a great impact on users because of an average social network user spends every day more than 2 hours to view the latest news of their friends, communities, and visiting applications.

The next question was about traditional types of advertising which also in its turn has a great impact on buyers. This impact can be seen in the figure no 16.

Figure no. 16 What types of traditional advertising are most influential on your buying behavior?



Source: own processing

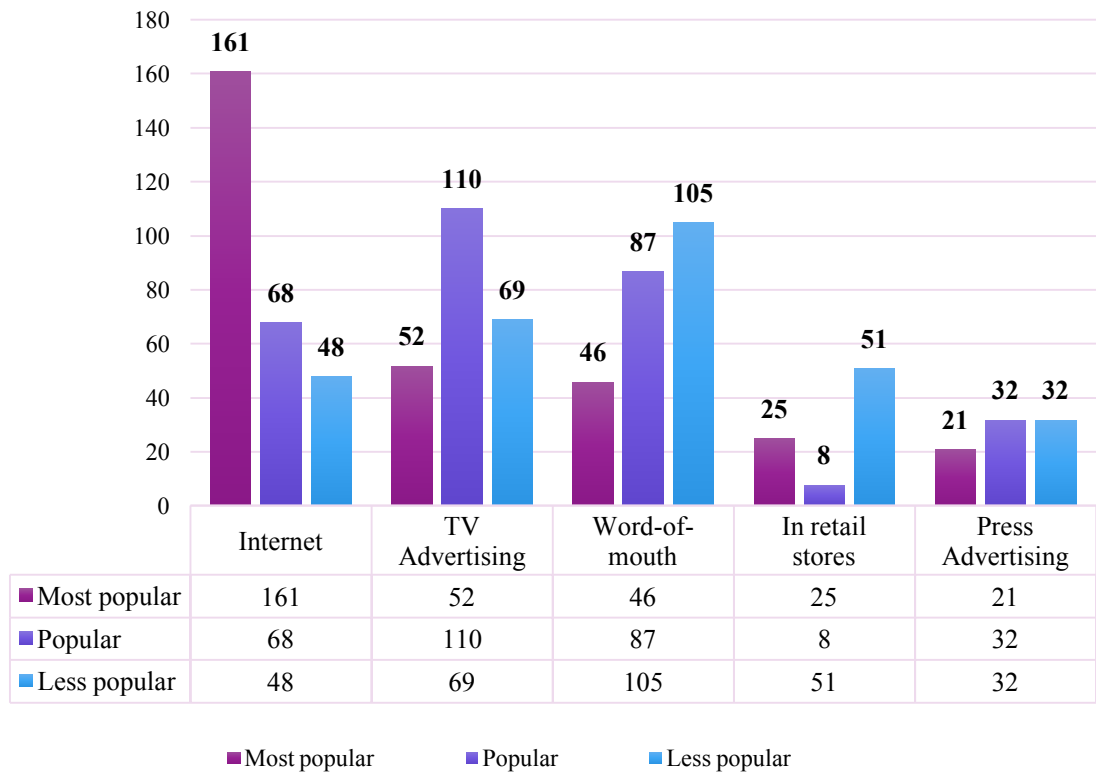
On the basis of the data obtained from the survey it's possible to say that most of the respondents, about 41% believe that the TV advertising has greatest impact on their purchasing power.

In spite of the fact that Internet technology are developing rapidly, watching television is still an essential part of a leisure for many people.

Therefore, TV is a good platform for many advertisers to promote goods and services. The respondents considered that the outdoor advertising and advertising in magazines are slightly less powerful types of traditional advertising.

The other types of traditional advertising as radio advertising and newspaper advertisements are not significant for most of the respondents concerning about the impact on their buying behavior.

Figure no. 17 How do you usually find out about new products or services?



Source: own processing

The large part of respondents, about 53% believe, that the most popular source to find out a new products, goods and services is the Internet.

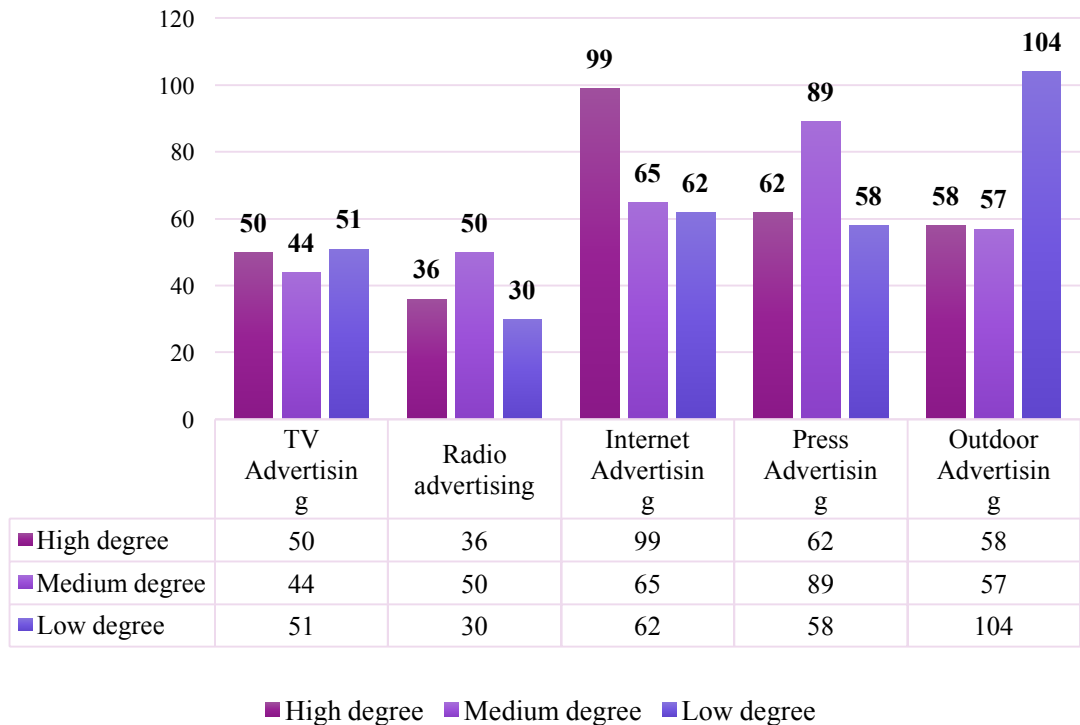
On the second place in popularity among respondents is TV advertising, as it was mentioned, lots of people spend a lot of time in front of their TV, from this it's possible to conclude that the TV advertising is not only powerful and influential form of advertising, but it's also a good platform for launching a new products and services.

Moreover, one of the most popular form of advertising is the informal way of transmitting information which is called "Word-of-mouth".

In fact, it is a free form of verbal and written advertising or mail, this advertising spreads through satisfied users, that tell others why they like a specific product, service.

About 34% of the respondents believe, that this type of informal advertising is a good way to find out about new products and services.

Figure no. 18 What type of advertising do you trust?



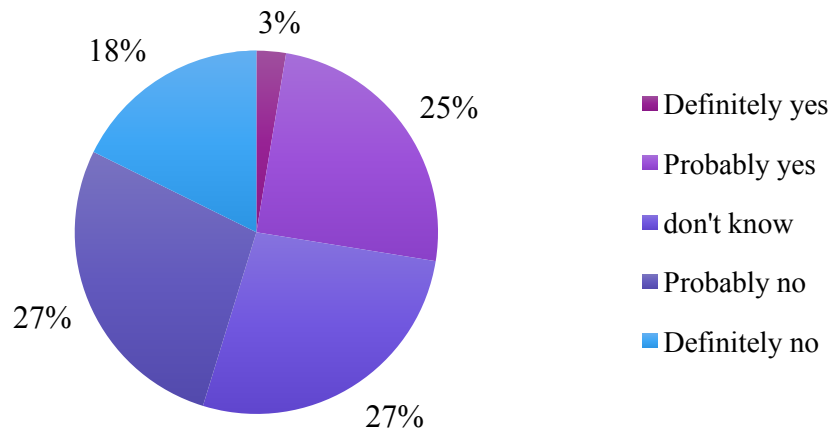
Source: own processing

As can be seen from figure 18, the respondents identified 3 types of advertising they trust most. 32% of respondents answered that the highest level of trust is causing Internet advertising. 29% of respondents into a lesser extent, trust the advertising in printed publications.

The least of all 34% of respondents trusted outdoor advertising. However, the survey showed that advertising on TV and radio does not inspire great confidence among the users of Kcell company. Trust in advertising is often the deciding factor for many buyers whether to purchase products of a company or not.

Therefore, it is necessary to ask the respondents how they treat to Kcell company and do they trust the advertising of this company.

Figure no. 19 Do you trust the advertising of the Kcell company?



Source: own processing

As can be seen on the graph, only 3% of respondents completely trust the advertising of the Kcell company. 18% of respondents on the contrary pay attention to advertising of the company. «Probably yes» were answered 25% of respondents, which means that by viewing advertising of the Kcell they trust to the company and it thereby generates the demand for its product. In addition, the respondents had to answer the next question which is related with ways of finding out of new products and services.

4.8 Methods for improving use of Internet technologies in marketing activities of the Kcell company.

After analyzing the usage of Internet technologies in the activities of the telecommunications company Kcell, it's possible to conclude that the mobile operator has a quite well developed Internet technology, but despite this, it is necessary to conduct a number of activities that contribute to the emergence in the company's activity of better and more advanced Internet technologies. Internal advertising of the company is well developed. The web site of Kcell company contains all necessary information as: news, special offers, forums, and information about offered telecommunication services and tariffs prices. But with regard to external advertising, it needs to be improved.

External online advertising of the Kcell company consists of search, contextual advertising, social engine optimization, sms and social media advertising.

But for more effective promotional activities, the usage of these types of advertising are insufficient.

For broader impact on users of telecommunications services, the company indispensably has to provide the advertising in blogs, because nowadays this type of advertising is the most promising and also this implies the most "intimate" contact with a potential client.

Moreover, the advertising placed by the owner of the blog is perceived not as advertising, but rather as a recommendation. This certainly increases the efficiency of advertising.

Nowadays almost everyone has email and almost every online purchase or registration on the website and in social networks does not happen without specifying the real e-mail addresses, and so this type of advertising is able to provide information of a large number of people about the activities, services and special offers of the company.

The company also may use this type of online marketing as viral marketing, which today is not much developed on the market of Kazakhstan.

Viral marketing, will help to draw attention to the Kcell company and its goods and services, but in order to trigger the desire to share "viral" video, text or picture, the company has to create a very original, exciting and vibrant advertising. In case of such advertising will be creative and memorable, the effect from such advertising will be continuous, that will help reduce costs on advertising and marketing in the future.

All of these additional methods to promote and advertise the services and products of the company, will help the company increase its audience and subscriber base, increase sales and profits, save marketing costs, distribute the budget more effectively and make a strong name in the market of mobile operators.

5. Results and discussion

In the beginning of the research, there was the main following research question indicated: "How does online and offline marketing contributes to economic performance of the Kcell company?"

The usage of both online and offline marketing in business helps companies to promote their products and services to expand sales, attract new customers and much more.

To study the effectiveness of online and offline marketing were provided various analyses. The financial analysis showed that 2016 was a challenging year for the Kcell company, the macroeconomic environment deteriorated, the national currency (tenge) moved to free float, and price competition in the sector became unprecedented.

The main financial results of the Kcell company showed that the Net revenues decreased by 12.7%. EBITDA, excluding non-recurring items, declined by 29.1%. Net income declined by 64.23%. Selling and marketing expenses fell by 19.16%. The customer base decreased to 62 227 thousand. The main reason for outflow of the customers is the appearance on the market of telecommunications services such service as "Mobile slavery", that allows users of telecommunications services to change the operator without changing the telephone number. Despite this, Kcell company reconfirmed its position as Kazakhstan's number one mobile telecommunications operator in terms both of revenues and subscriber numbers on telecommunication market.

This diploma thesis incorporates calculations of basic indicators to check the effectiveness of investments of marketing campaigns. Marketing ROS is 32.2%. As it was mentioned previously as higher level of performance of marketing has a company, the higher return on sales, return on equity and return on invested capital. ROA of the Kcell company is 11,3%, and it gives an idea, how efficient a management is at using the assets to generate earnings. Marketing ROI is 427%, and this indicator shows how effective the budget of the company for profit from marketing activities.

For a common comparison of prices for different types of advertising in Kazakhstan, the list of various types of online and offline advertising and prices on their placement was presented in the practical part of the thesis. This comparison shows that the prices for advertising in

Kazakhstan mostly are inexpensive, and it allows the companies, to use almost all methods of advertising to promote their services and goods..

The questionnaire was the next step of the research.

305 people were participated in the questionnaire, all respondents are citizens of the Republic of Kazakhstan. Regarding to online and offline marketing tools, the questionnaire results showed, that the effectiveness of both tools are almost the same. Regarding to the answers of respondents it's possible to conclude that the most influential method of advertising are TV advertising and online advertising.

The level of influence of these methods are nearly the same. However, lots of the respondents highlighted the Internet platform as the main source where they find out about new products and services The results of the questionnaire can help the Kcell company to reconsider the views on distribution of marketing expenses.

Answering the question about the effectiveness of online and offline marketing in general, it's possible to say that at the moment the marketing services market in Kazakhstan allows companies to use different types of advertising to promote their products and services. Kcell company uses online and offline methods of advertising as a way to promote services. After analyzing these methods it's possible to conclude that the company conducts marketing policy successfully.

In spite of the general deterioration in financial performance caused by macroeconomic problems in the country, high competition in the telecommunications market, and sharp outflow of customers, the efficiency and profitability of the marketing campaigns remains at the level and able to generate a steady income. This means that the company should follow its strategy of marketing development, but to return and increase their subscriber base, a company should understand the reasons for such a sharp outflow of customers and resolve them as soon as possible, as competition in the telecommunication market is growing very fast. As the majority of respondents indicated that the most trusted advertising is online, and this method of advertising is also the most popular source through which lots of customers find out about new products and services, the Kcell company have to increase their spending

on Internet advertising, expand the usage of this method, and this will be the basis for improvement of the performance of Kcell company in the future.

Advertising in case of Kcell company plays a very important role. Analysis of the effectiveness of the advertising policy of the company allows to conclude that the organization of marketing campaign is rather effective. Even though the company uses the most costly advertising methods, but the results of questionnaire showed that these techniques are most effective and maximally affects the consumer.

6. Conclusion

The topic of this research was the economic evaluation of online and offline marketing for selected telecommunication company in Kazakhstan

To draw a conclusion, one can say that in the framework of the global development strategy of the company aimed at achieving long-term goals and objectives, particular importance is devoted to the company's efforts to use advertising as the main tool of marketing communications. For the most efficient solution of strategic goals in the field of advertising, companies need a clear understand the main strengths and weaknesses, possess information about the market, understand the market opportunities, and anticipate possible problems in the market. Thus, the effective use of marketing communications allows to solve strategic and tactical tasks of the company associated with the global mission of the company in the market.

The Diploma thesis was divided into theoretical and practical part.

The first part of the thesis described all theoretical knowledge of online and offline marketing. Moreover, it demonstrated the main types of online and traditional advertising and the methods of assessment of their effectiveness.

In the beginning of the practical part of the thesis the chosen company was characterised and evaluated through the financial analysis and competitiveness analysis.

Moreover, in this Diploma thesis were evaluated and analysed basic performance metrics of Internet marketing. Based on the analysis of competitiveness was determined that the Kcell company is the biggest and most influential company providing mobile services among other competitors in Kazakhstan. During the work were identified the direction of spending of telecommunication companies on the online and offline advertising.

For general information, the average price of online and offline advertising in Kazakhstan were presented. Furthermore, it was demonstrated, which online and offline marketing tools the Kcell company uses for promoting services and goods.

The quantitative method as a main tool was used and presented as a research in a form of a questionnaire in the practical part of the thesis. The outcome of the questionnaire was interpreted and explained. However, the research also shows that Kcell companies should

be more active in marketing activity to succeed in competitive and be more functional in Internet environment. Furthermore, the results of this study will be useful for people interested in theme of online and offline marketing.

At the conclusion author would like to say that she is really satisfied with the results and information and knowledge obtained from the research, which will be very useful for her further profession. Furthermore, the results of this study will be helpful for people who interested in online and offline marketing and company participated in the research.

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10. Appendices

What is your gender?

- Female
- Male

What is your age?

- 25 or under
- 26-40
- 41-55
- 56 or older

Please choose one of the following that best describes your social class in terms of income?

- Upper class
- Upper-middleclass
- Middle class
- Lower-middleclass
- Working class

Which of the following best describes the area you live in?

- Urban area
- Suburban area
- Rural area

What is the highest level of education you have completed?

- Middle school
- Some college
- High school
- Higher school (Bachelor's degree, Master's degree)
- Other

Where do you most often face with advertising?

- on a TV
- in a magazine
- on the radio
- outdoor advertising (billboards)
- in a leaflet
- on the Internet

Have you ever faced with advertising of "Kcell" company? Please indicate the source from which you've learned about the existence of the "Kcell" company.

- Friends and family recommendations
- TV
- internet
- leaflet
- press
- outdoor advertising

The trademark of "Kcell" company is memorable for you?

- Yes
- No

How strongly does advertising influence when you make a decision about buying the product?

- doesn't influence
- somewhat influence
- has an impact
- has a significant influence
- has a strongest influence

Which methods of advertisements are most influential on your buying behavior? Please select the 3 most influential methods and rank them 1 (most influential) to 3 (least influential).

	1	2	3
Online Advertising (Viral, Direct, Guerrilla, Media, Contextual advertising, SEO, SMO)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cell Phone & Mobile Advertising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Print Advertising (Brochures, Leaflets, Flyers, Handouts, Direct Mail Advertising)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Broadcast Advertising (TV and Radio)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Outdoor Advertising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Which methods of online advertising are most influential on your buying behaviour? Please select the 3 most influential methods and rank them 1 (most influential) to 3 (least influential).

	1	2	3
Advertising on social networks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Banner Advertising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SEO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E-mail marketing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Video advertising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What types of traditional advertising are most influential over your buying behaviour? Please select the 3 most influential methods and rank them 1 (most influential) to 3 (least influential).

	1	2	3
Outdoor Advertising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Newspapers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Magazines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Radio	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
TV advertising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How do you usually find out about new products or services, etc.? Please select the 3 most popular methods and rank them 1 (most popular) to 3 (less popular).

	1	2	3
Internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
From family and friends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
TV advertising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Press advertising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In retail stores	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What type of advertising do you trust? What is the degree of your confidence to advertising? Please select the 3 most confidential methods and rank them 1 (high degree) to 3 (low degree).

- TV advertising
- Radio advertising
- Internet advertising
- Press advertising
- Outdoor advertising

Do you trust the advertising of the "Kcell" company?

- definitely yes
- probably yes
- don't know
- probably no
- definitely no