

History of Azerbaijani Advertising and its Role in Business Communication

Hasanova J.V.* , Qedimaliyeva A.F.

Azerbaijan State Economic University – UNEC, Baku, Azerbaijan

**Corresponding author. Email: cemile.hasanova@unec.edu.az*

ABSTRACT

The main goal of the study is to study in detail the main factors that determine the future development of the global advertising market on the Internet, to consider the factors that determine the integration of the Internet with traditional media and elements of marketing communications. The global market is characterized by a wide range of products that constantly compete with each other, where supply often exceeds demand, and international marketing communications are becoming an increasingly important area in the business environment. Therefore, it is important to analyze market trends and development prospects. The role of advertising in shaping this process is important.

Advertising activity depends to a large extent on a number of political, economic and social factors, on which the state of foreign markets depends. The most important of these is the globalization of business, that is, the acquisition of a business on a global scale. As global, international and foreign companies increase their role in the global economy and expand their activities in the countries in which they operate, the role of advertising is filled with new ingredients.

Keywords: *advertising, advertising and information space, advertising methods, technical means of advertising*

1. INTRODUCTION

Radical changes in the development of information technology as a result of the acceleration of scientific and technological progress are reflected in the elimination of national boundaries in the field of marketing and the advertising market, which is one of its important parts. Constant competition between large advertising holdings is measured not only by the amount of funds raised, but also by creative potential.

It is characterized by an increase in the cost of non-traditional advertising media. Placing advertisements on the Internet has created equal opportunities for both large and small and medium-sized businesses: creating a virtual store or a web server requires the same (not very large) costs for all parties. How famous and popular they are depends on their interior and decoration.

In modern society, the use of information technology in advertising is very diverse and includes the development of advertising products, advertising research, media planning, evaluation of the effectiveness of advertising campaigns, etc. includes.

Modern technologies for creating advertising products include computer graphics, multimedia technologies (technologies for processing video and audio information, hypertext, computer animation). They are used in print advertising, radio, television, online advertising, electronic presentations. In Azerbaijan, after gaining independence, the development of advertising and the formation of an advertising market have become more common, therefore,

a lot of work has to be done in this area and problems have to be solved.

2. RESEARCH METHODOLOGY

2.1. Features of the formation of the advertising market in Azerbaijan

Etymologically, the word advertising comes from the root of "rivers" - it means to speak, to shout. In the early stages of market development, the seller also served as an advertiser, producer, and distributor of advertising. The main carrier of the advertising message was voice. The word "advertisement" is of Latin origin in the truest sense of the word:

- implementation of activities to create wide publicity for any product, service or person;
- spreading information about anything or anything in order to increase popularity.

Advertising is a complex and uncertain phenomenon in the information space. The Law of the Republic of Azerbaijan No. 376-IQ of October 3, 1997 "On Advertising" states that "... and disseminated information to promote the implementation of innovations."

Advertising is an instrument of communication policy based on the use of non-personal forms of communication, which, in turn, are intended for certain groups of persons, are carried out through monetary payment for the dissemination of information based on the specified source of financing to individuals, legal entities, goods, ideas.

stimulates and maintains interest in initiatives and promotes their implementation. Others define advertising as paid non-personal communication. In another sense, advertising is defined as a diversification of mass communication, in which expressive-suggestive texts containing informative images are created and distributed, and they are addressed to a group of people who are ready to make a choice and take the step necessary for the advertiser. Narrow definitions are also used, such as those limited to goods and services. Sometimes the concept includes such a sign as commercial interests.

In most advertising concepts, the following main features can be distinguished: - advertising is information;

- advertising is aimed not at a specific person, but at a group of potential buyers;
- advertising activities - mass communication activities;
- advertising is carried out on behalf of and at the expense of the advertising buyer, who is interested in encouraging the potential buyer to make the act of purchasing the offered product or service;
- advertising encourages shopping, i.e. making a profit from the sale of goods or services.

Advertising is not just information about certain goods, services, politicians and other goods, it is a "PR" lifestyle of cheerful, carefree, overweight people who own expensive mobile phones and expensive cars. He demonstrates the illusion of ideal peace, certain ideological values, the ability to buy goods advertised by the consumer. Advertising effectively uses the pluralistic model of the world, creates various ideal images, the central meaning of which is a certain product or service.

The variety of advertising functions and the problems it solves requires a deep analysis of its various types. Many criteria are used to classify ads. Advertising can be classified according to the following approaches:

1. Advertising by type of entrepreneur:

- advertising is shared on behalf of manufacturers and resellers, which, as a rule, is carried out in parallel and is predominantly commercial in nature. In this case, advertising activities can be carried out by advertising customers independently or together to achieve common goals. Accordingly, advertising: can be both branded and corporate.

- advertising on behalf of the government is carried out to promote certain national programs. Its audience often consists of the entire active population of a country or its individual categories.

- advertising on behalf of individuals is often in the form of announcements (about sales, exchanges, important events, etc.).

- social advertising is also non-commercial and promotes the establishment of socially significant principles in public life and the achievement of certain goals (environmental protection, poverty reduction, consumer protection, crime prevention, etc.).

- political advertising is the promotion of certain political ideas, parties, figures, etc. is used as a means of propaganda. The greatest activity of political advertising is observed in election campaigns.

2. Audience-targeted advertising:

- advertising of consumer goods (for personal needs);
- business advertising (advertising for equipment, manufacturing services, commercial advertising for wholesalers, advertising for doctors, teachers, agricultural workers, etc.).

3. Advertising targeted at a specific audience segment:

- selective advertising addressed to a specific group of buyers (market segment);
- mass advertising not targeted at a specific contingent.

4. Advertising by audience reach:

- local (intended for consumers living in a given city or area);
- regional (covering a certain part of the country);
- nationwide (at the state level as a whole);
- international (held in several countries);
- global (sometimes covering the whole world).

5. Advertising on the subject of advertising communication:

- product advertising;
- prestigious advertising;
- advertising ideas;
- individual advertising;
- advertising of the area (city, region or country as a whole).

6. Depending on the objectives and goals of advertising:

- informational character;
- mentor;
- Reminders.

7. Advertising by methods of influence:

- TV viewer (street (street), transit, print advertising, etc.);
- sound (radio advertising, telephone advertising, etc.);
- thinner (scented paper);
- visual and sound (TV, - advertising films and videos), etc.

8. Advertising by the nature of the impact on the audience:

- Divided into hard and soft ads. Harsh advertising takes the form of coercion of the buyer in the form of coercion to purchase the advertised product and is designed for a short period. Soft advertising not only disseminates information about the product, but also creates favorable conditions for it and is designed for the medium term.

9. Advertising, depending on the means of advertising distribution:

- advertising in the press;
- printable advertisement;
- screen advertising;
- radio advertising;
- exhibitions and fairs;
- gift items;
- PR - promotions;
- outdoor (street) advertising;
- advertising in computer networks (Internet);
- other means.

3. RESEARCH RESULTS

In modern economic conditions, profound and qualitative changes in the productive forces of society are taking place in connection with the spread of microelectronics,

biotechnology, laser technologies, and the development of the World Ocean and space. All these processes lead to changes in traditional spheres of activity and new, significant changes in the structure of the economy, the way of life of people and the nature of communication.

Table 1 Advertising costs. World statistics. 2014-2019, USD billion and%

	Total advertising costs	% Increase
2014	\$538.83	6,1%
2015	\$569.65	5,7%
2016	\$606.90	6,5%
2017	\$643.23	6,0%
2018	\$682.43	6,1%
2019	\$719.20	5,4%

Source: <https://sdvv.ru/articles/elektronnaya-kommertsiya/statistika-interneta-2019>

The advertising market is growing dynamically both quantitatively and qualitatively, as shown in Table 1, the cost of advertising all over the world is constantly growing, and the average annual growth rate is 6-7%. It should be noted that advertisers, in accordance with their responsibilities, are responsible for the media, advertising agencies, trading houses and research organizations, all technical equipment for the production of advertising, etc. to create the necessary infrastructure and advertising space for running an advertising business in modern conditions. The advertising market has its own structure, principles and functions, operates with large monetary resources and brings the greatest profit as a result of professional activity. There are several common features that are common to the advertising markets of all countries:

First, the main feature of the advertising market as a whole in comparison with other markets is that the goods being sold are virtual, because the advertiser buys some kind of future advertising space, and after a while the results can be evaluated. This specific aspect of the advertising market poses serious challenges to the competition and fairness of individual agencies.

Secondly, in comparison with the product market, in which enterprises compete with each other as sellers (manufacturers), in the advertising market all business entities compete as advertisers (consumers of advertising products). In fact, the degree of this competition depends on the long-term priorities reflected in the market strategy of commodity producers. Thus, we can say that the goods of various production and economic associations compete on the product market, and their advertising and marketing strategies compete with each other in the advertising market.

4. THE DISCUSSION OF THE RESULTS

As in any other market, advertising competition takes two forms - price and non-price. The first form involves offering advertisers an economically viable option for the production

(placement) of advertising products. The second is connected with the quality of its implementation, as well as with the involvement of a set of additional services within the advertising strategy.

Another feature of the advertising market is that, as has been noted many times, from the point of view of competition, it can be regarded as an imperfect competitive market, which means that it is characterized by information asymmetry.

In general, the advertising market is closed, prices, new publications, preferential terms for placing advertising information change very often and strongly, all this belongs only to permanent participants in the advertising market, i.e. agencies working in the market without interruption. In addition, advertising agencies are somewhat unfavorable to other market participants, advertisers and merchants. This is due, firstly, to the fact that trading houses are often monopolists, and therefore dictate the terms of interaction in the advertising market. Second, there is a buyer's market between advertisers and ad agencies. With regard to the problem under consideration, this means that there are advertising agencies in the advertising market, which have a capacity greater than advertising budgets and, accordingly, the demand of advertisers. In modern society, the advertising market acts primarily as a system represented by various types of information and communication channels, formed by interrelated and interdependent positions in which the entire advertising process takes place. The entire advertising services market (ADS) system can be represented as follows:

$$RXB = f(C; B; T; N; F),$$

where C - communication and information channels that create conditions for quick and real communication between various manufacturers of goods and services, numerous partners, potential consumers of the advertised product, the state and other subjects of market relations;

B - any social community, association (target audience) that acts as a relatively stable set of people who have a certain interest in advertisers as potential buyers of advertised goods or services and enter into different contacts in different conditions of public consciousness, moral values and interests. they make;

T is an analysis based on a systematic study of the internal and external environment of an enterprise, firm or other industrial and economic association, where various market participants interact to make informed management decisions to form sustainable public opinion and the successful implementation of an advertising strategy. various forms and methods of assessment are included;

N - the reputation of the company (currently it is one of the main types of intangible assets), they are formed by conducting certain advertising campaigns, actively participating in socially significant events, gaining popularity in society, appearing in the media.

Note that, according to the British company Interbrand, in modern conditions the tangible assets of some companies are less than intangible assets (IBM - 17%, Coca-Cola Co. - 4%). F - a set of economic, social, political and other factors (factors) that determine the effective functioning of the entire market system (including the advertising system) and the interaction of its individual elements and units in

conditions of uncertainty, constant changes in the external and internal environment. ...

Scientific and technological progress has led to the development of many technical means by which sound and electromagnetic waves (visible spectrum) can be converted to transmit advertising information at any distance from the broadcaster to the consumer. A complete set of technical means used in advertising and creating an advertising and information space in the region includes the following components:

- radio;
- television (traditional, cable, analogue Internet);
- publications (newspapers, magazines);
- cars (direct mail);
- foreign advertising objects;
- Internet advertising;
- mobile devices (SMS), etc.

Recently, there has been a growing trend of advertising agencies offering products online. Through its activities, advertising enhances the growing role of material interests in human life. Almost all advertising companies have a page, group, blog, etc. on the Internet. have their own presentation in the form. Nowadays, the promotion of promotional items is considered to be more than just a

simple way to sell goods through the world wide web. The Internet is the most effective advertising space for advertisers. Advertising on the Internet has several advantages over street advertising or advertising in the media due to the global nature of the Internet (Table 2).

As you can see from the table, the number of Internet users worldwide is growing at a very high rate: in 2019 alone, the number of users increased by 16.8% to 3.82 billion and made up more than half of the world's population. During these years, the average annual growth was 5-6%. According to forecasts, growth will continue in 2020-2021, and the number of Internet users in the world will reach 3.99-4.13 billion, or 53.6% of the world's population. There is no doubt that as the number of Internet users increases, qualitative changes will occur in the development of the advertising market.

Promotion of an advertising company through the global network is much cheaper and more complex than other methods (street advertising, television, media placement). As shown in Table 2, the number of Internet users worldwide is more than half of the world's population, which creates many benefits for the development of online advertising.

Table 2 Number of Internet users worldwide

Years	Number of Internet users, billion	% Of the world's population	% Changes
2016	3,27	44,6	7,5
2017	3,47	46,8	6,1
2018	3,65	48,8	5,3
2019	3,82	50,6	4,7
2020	3,99	52,2	4,2
2021	4,13	53,6	3,5

Source: emarketer.com, April 2017

For example, when a person needs to buy what he needs for an event, he first starts looking for advertising agencies that can do what is planned over the Internet. It is the representation on the Internet (in the form of a page, group, etc.) that allows the advertising company to cooperate with new customers, and the customers, in turn, get the desired result.

The development of the Internet in Azerbaijan in recent decades has continued at a high pace.

According to Table 3, there are 80 Internet users per 100 inhabitants of the country, and here the number of broadband Internet users prevails. 100% of the country's population is covered by mobile communications.

The level of average tariffs for 20 hours of Internet use per month has been reduced from 5 manats in 2005 to 1.2 manats in 2018; Also, the average tariff for 100 minutes of mobile communication per month has been reduced from 18 manats in 2005 to 6.4 manats in 2018.

Table 3 Main infrastructure indicators of ICT in Azerbaijan

The name of indicators	2005	2010	2015	2016	2017	2018
Number of Internet users per 100 people, population	8	46	77	78	79	80
Number of broadband Internet users per 100 people, population	2	15	72	72	73	75
Volume of international Internet channels in the soul of the population, kbit / s	0,04	4,6	54,0	68,0	79,6	83,5
The share of the population living in the coverage area of mobile communications in the total population of the country, in percent	99,0	99,8	99,9	100,0	100,0	100,0
Average tariff for 20 hours of Internet use per month, manat	5,0	1,9	1,3	1,2	1,2	1,2
The ratio of the tariff for using the Internet to the average monthly gross national income per capita, as a percentage	4,5	0,6	0,3	0,3	0,2	0,2
Average tariff for calls with mobile communication for 100 minutes per month, manat	18,0	7,7	6,9	6,7	6,6	6,4
The ratio of the tariff for mobile communications to the average monthly gross national income per capita, in percent	16,1	2,0	1,5	1,5	1,1	1,0
ICT Development Index	2,58	3,78	6,23	6,25	6,20	6,33

Source: State Statistics Committee of Azerbaijan, <https://www.stat.gov.az/source/catering/>

5. CONCLUSIONS

Advertising has become one of the important factors in the transformation of the spiritual production system as a result of its rapid reaching a wide audience and the availability of technologically advanced designs. Advertising indirectly updates people and society by creating information.

In recent years, the market of Azerbaijan as a whole and the related market relations have undergone serious structural changes and continue to change. To expand the advertising market in the country, you can offer:

- increase the amount of advertising and the cost of personal advertising space
- improving the technology of receiving, storing and using advertising;
- creating the necessary conditions for increasing the use of advertising in politics, economy and culture;
- increase the budgets of leaders in the advertising market, promote brands of medium and small advertisers and create conditions for this to reduce prices for advertising services;

- advertisers and employees of an advertising project must have a professional approach to the preparation of an advertising project, be flexible in working with a client;

- it is necessary to create conditions for attracting highly qualified employees to advertising agencies and their systematic training;

- the use of effective methods of strategic planning, expanding opportunities for promoting goods in the advertising market, building relationships with customers at all levels and other steps is one of the ways to increase the effectiveness of advertising.

There are prospects for the development of the advertising market in Azerbaijan, which is associated with the current uncertainty in the advertising market. The state of advertising is more adequately assessed by the main market participants, especially advertising customers, and they also understand the importance of increasing advertising budgets.

REFERENCES

- [1] Statistical materials of the State Statistics Committee of the Republic of Azerbaijan, 2019 <http://www.stat.gov.az>

- [2] Law of the Republic of Azerbaijan “On Advertising”, October 3, 1997. <http://www.e-qanun.az/framework/30348>
- [3] I.G. Akperov, A.V. Smetanin, I.A. Konopleva, Information technologies in management: Textbook - M.: SRC INFRA-M, pp. 84-86, 2013
- [4] Batra, Rajiv, Myers, John J., Aaker, David A. (2004) Advertising Management: Per. from English - 5th ed. - M.; SPb.; K.: Publishing house "Williams" - 784 p.
- [5] Yu.S. Bernadskaya, et al. (2005) "Basics of Advertising": Textbook / Yu.S. Bernadskaya, S.S. Marochkin, L.F. Smotrov. Ed. L.M. Dmitrieva. - M.: Science - 281 pp.
- [6] M.A. Vendeleva, Yu.V. Vertakova, Information technologies in management": Textbook for bachelors /- M.: Yurayt - p. 61, 2013.
- [7] S.V. Veselov, Advertising Marketing. Advertising market and its study. Part 1: Textbook for universities. - M.: International Advertising Institute - 316 p., 2002.
- [8] N.V. Maksimov, T.L. Partyka, I.I. Popov, Modern information technologies": Textbook, M.: Forum, - p. 7, 2014.
- [9] P. Milgrom, J. Roberts, Economics, Organization and Management. In 2 volumes - SPb.: Peter - 890 p., 2004.
- [10] E.V. Mikheeva, Information technology in professional activities. Edition: - M.: Academy. - p. 10, 2012.
- [11] Interactive Advertising Bureau Internet Advertising Revenue Report: 2014 results. - Ney York: PricewaterhouseCoopers LLP, 2015.
- [12] P. Kotler, K. Lane Keller, Marketing. Menegment". - 14th ed., Prentice Hall, 620 p., 2012.
- [13] D.W. Schumann, E. Thorson, Internet Advertising: Theory and Research, 2nd Edition. – Routledge, 516 p., 2007.
- [14] W. Wells, J. Burnett, S.E. Moriarty, Advertising: principles & practice. - Prentice Hall, 599 p., 2003