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## INTERNET-ADVERTISING AS A FACTOR OF COMPETITIVENESS OF HOTEL BUSINESS IN KAZAKHSTAN

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### Abstract

*Purpose* – to conduct an analysis of research methods of Internet-advertising to improve the competitiveness of the hotel business in the Republic of Kazakhstan.

*Methodology* – the method of marketing analysis, the graphic method, as well as general scientific methods are used: synthesis, analysis, comparison, generalization.

*Originality/value* – the research is focused on the direction of its results to ensure effective use of contextual advertising in the activities of the hotel business. The authors conducted an analysis of the methods of Internet-advertising, which allows hotel enterprises to expand the range of services, generate demand for the future, diversify and adapt the programs for serving the target customers, provide timely analysis of the quality and level of consumer satisfaction, and thus provide better customer service in comparison with competitors.

*Findings* – The development and implementation of advertising campaigns of the hotel is an important part of its marketing communications and acts as one of the key tools for creating a competitive advantage in selected markets.

The improvement of Internet advertising technologies is currently one of the main tasks for increasing the competitiveness of the hotel business in the Republic of Kazakhstan.

*Key words* – hotel business, Internet technologies, advertising, contextual advertising, online store, social network, competitiveness

### *Introduction*

Today, the Internet advertising market is actively developing in comparison with other segments of the advertising market, like advertising on the radio, in the media or on television. The audience of the Internet is constantly growing, both quantitatively and qualitatively: teenagers, young people, mature people with high incomes are ready to buy goods without leaving home. Most of the hotel companies have long understood the importance of the Internet and are actively using such promotion as Internet advertising.

Usually, the company that decided to elect online advertising for its promotion is recommended to use as many of its options (SEO, contextual advertising, advertising banners, advertising in popular social projects, etc.). Advertising via the Internet is the most modern way to promote companies, their services and products. Each owner of the resource, after knowing his audience, must decide how to introduce himself and understand how the advertisement will be chosen on the Internet. Advantages and disadvantages, of course, there are in each species, but the effectiveness may be different.

The advantage of promoting an enterprise, products and services on the Internet is in the dissemination of this mode of communication, information transfer and a fairly loyal cost price. Every day millions of people visit the Internet in order to find useful information, chat with friends, buy goods, and every time you see advertising. Clinging, simple and appealing, this tells about the company and helps to increase sales. Qualitatively created

advertising and placed on the right resources will be the key to the success and recognition of the company. The ratio of the price and effectiveness of advertising here are at the optimal level.

The subject of the research is the technologies of the Internet advertising. The graphical method, description and methods of analysis, synthesis, etc. were used.

Theoretical basis was the works of foreign scientists: Arup Varma and Nenad Jukic et al. [1], Boyd B. [2], Brown P. [3], Dave Kerpen [4], Liu S.Q. and Mattila A.S. [5], Mishutov A.V. [6], Morozov M.A., Aristov P.O. [7], Okumus F. [8], Popova M.A. [9], Phillips, P. and Moutinho L. [10], Tsuladze [11], Veretekhina S. [12], Zaitseva N.A. [13], et al.

### **Description and results of the study**

In Kazakhstan, online advertising demonstrates positive dynamics, primarily due to contextual advertising, as well as through video advertising.

Methods of attracting customers and promoting the hotel business on the Internet are discussed in Table 1.

Applying some of these methods in practice, the hotel business increases the efficiency of its activities. It is necessary to apply to specialized advertising agencies, where they will professionally provide services on Internet advertising.

Tourist websites in connection with the specifics of their field need constant and high-quality promotion. The main flow of customers obtains such resources from the Internet. The network becomes for them the only chance to report their services to customers around the world without geographical restrictions.

The segment of the hotel business is highly competitive, requires a careful approach to planning the strategy of promotion and careful work on the site itself. If the site is well developed and the work on promotion is conducted competently, then we can expect the growth of the client base, the increase in the number of calls and orders.

We will dwell in more detail on techniques for improving the technologies of Internet advertising when using contextual advertising, social networks and creating an online store.

*Contextual advertising* – is a placement of text and graphic advertising materials on contextual sites [6, pp.21]. Contextual advertising is a great way to attract customers if they are needed, which is called "here and now". The most popular, but not the only systems of contextual advertising – Google AdWords and Yandeks. Direct, which show ads on the Google and Yandex search engines, respectively. The search engine Microsoft Bing also began to use Yandex.Direct as a contextual advertising for its visitors.

Table 1 – Methods of attracting clients and promoting the hotel business on the Internet

№	methods	Description
1	Search for customers with contextual advertising	Contextual advertising leads to the website a huge number of customers directly from the search engines such as Yandex, Google and Rambler. A potential customer types in the name of the service into the search bar, and a short advertisement appears in the search results (right and top). Such business advertising is ideal for holding short-term actions and informing customers about special offers.
2	Search for customers with display advertising.	Many companies have already evaluated the effectiveness and constantly use media advertising in business to attract customers to their website. The main thing is to find good websites for advertising and make a bright and attractive banner.
3	The way to find and attract customers is a media-context banner	The banner will be shown only to those potential customers who already want to buy the service. This banner is associated with users' requests to search engines Yandex, Google and Rambler and is able to attract customers to the website. The banner can be used to attract new customers, that is, the ads will not be seen by those users who have already seen it. This will save money and send them, for example, to business development.
4	Social networks – «VKontakte», «Facebook»	With the help of social networks, you can attract new customers. Three ways to find and attract customers: – Search customers – use the information left by users to find customers and offer them specific services. – The reliable attraction of clients is to create a profile and invite potential clients to it. In this case, the profile needs to be interesting, it is necessary to monitor its regular updating, filling with information and attractive content for its discussion with users. – Targeting is a narrowly focused message that is generated specifically for the target audience. Retargeting is an advertising mechanism through which online advertising is shown to users who viewed a previously advertised product while visiting an advertiser's website.

*Continuation Table 1*

5	Promotion of business on the Internet	85% of Internet users, searching for services in the search engines "Google", "Yandex" or "Rambler", go to those websites that are located in the top ten search results. The very process of promoting websites in the camp of leaders of the top ten is called search promotion.
6	Search for customers through advertising in various forums.	Forum – the Internet website where you can communicate on topics of interest, incl. about the quality of service, the characteristics of services, etc.
7	Website	If services are provided, it makes sense to open an online store.
Note – compiled by the authors on the basis of sources [7, 9]		

Advantages of this type of advertising are built simultaneously on the advertisement and search requests, which will introduce potential customers. For example, if services are provided by hotels and the seller has correctly configured the advertisement, then if the potential client enters the "hotel Astana" in search, he will see the same posted ad. And if he is interested in more "mink coats" now, advertising that does not have any relation to this subject, the buyer will not be displayed. Thus, a greater result is achieved in comparison with conventional advertising (banner, media, etc.) because it is not shown to everyone, but only to potential customers who have shown interest.

Also advertisements of contextual advertising can be found on other websites on the Internet. Their context can appear immediately in two factors: the search engine can determine the subject matter of the website (or even a specific page) and substitute in it ads that match it. Or ads may not correspond to the topic of the page or website, but "follow you." If you type in the search engine the query: "Almaty hotels", then the search engine will remember the choice and can display ads on other Almaty hotels on other websites, even if the page of the website you are looking at is about buying a car.

Another undeniable advantage of contextual advertising is the subtle settings. For example, if services have a pronounced regional character, they absolutely do not need to be advertised in other cities or countries, you can set geo-targeting, and then the ads will be displayed exclusively in the desired region. You can also set the ad delivery time and days.

There is a useful function called "negative keywords". The principle of its operation is extremely simple and at the same time effective. For example, a master student is interested in the concept of "a hotel business" and wants to write an article about this, and you provide services to the hotel business. One can agree that the master student is not the target audience and there is no point in showing him an ad. He is not going to visit the hotel, but simply interested in this concept.

In order for the contextual advertising ad not to appear in such a query as the "hotel business article", there are negative keywords. These are words that are present in the search bar of a person among your keywords. For example, "free", "article", etc. This is a delicate work that requires knowledge of both the contextual advertising and the specifics of the business.

An interesting case here is the query "capital", i.e. in translation from the Kazakh language – "astana". Writing the word "astana" completely coincides with the name of the capital of Kazakhstan Astana with a difference only in the capital letter. Here you need both negative keywords ("Astana") and the concept of "clear entry of keywords" when you tell the contextual advertising system that you need a query with a small letter in the word "astana".

What about the payment? Here, the search engine also has a certain advantage - only the clicks on the ad are paid. If a person saw the ad, but did not click on it, the advertiser will not pay anything.

Budget for the contextual advertising campaign is from 150 USD / campaign (in one search engine). The cost of work is 10% of the budget, but not less than 75 \$ per month.

For all clients (upon the first request), guest access to Google and Yandex contextual advertising systems opens, where you can view the statistics of impressions and clicks on-line and budget consumption for all advertisements and keywords [7].

Note that the contextual advertising predominates more than that of any other advertising in terms of tuning, and this is its main advantage. Let us summarize the main advantages of the contextual advertising in Figure 1.

Advantages of contextual advertising	<ol style="list-style-type: none"> <li>1. quick start. Accounts are set up within 1-2 days from the moment of payment, and the company immediately begins to receive targeted visitors to the site;</li> <li>2. advertising is shown only to people who are looking for information on the services they need;</li> <li>3. Poklikovaya payment, i.e. Only for those users who clicked on the ad, not for impressions;</li> <li>4. You can experiment with different ad texts;</li> <li>5. Flexible budget adjustment. The firm itself determines the daily budget;</li> <li>6. Geographical targeting. Adjusting the display of ads only in the right regions;</li> <li>7. Temporary targeting - showing contextual ads by the hour and day of the week;</li> <li>8. the possibility of making changes to the advertising campaign at any time;</li> <li>9. A high level of trust in search engines allows you to get a large percentage of visitors' conversion to buyers.</li> </ol>
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Figure 1 – The main advantages of contextual advertising [developed by the authors]

Like absolutely any tool of advertising on the Internet, there are some disadvantages here. One of them is the possible price for the contextual advertising. This disadvantage does not apply to the whole segment of the search advertising, but only its very popular topics.

Let us consider an example. The most profitable and working season for providing hotel services is summer. The contextual advertising is already quite popular among advertisers, and their number is only growing. The cost-per-click of an ad depends on competitive ads. If, for example, at the request of "hotel in Astana" there are 10 content advertisements, then they will be ranked among themselves, first of all, by the cost-per-click.

On the first page there are two blocks of special placement (above the search engine) and an "advertisement block" to the right of the search results, but all 10 ads will not be displayed, but only 2-3 ads in the special placement and 5 on the right. The rest will be visible only when you click on the "all ads" button. Because of this situation, almost all advertisers will compete for the high positions of their ad. This is called war rates.

The firm raised the cost-per-click, one competitor also raised, then another, and so on. There were antipodes when the cost-per-click was very high. Here, as in any war, there are two ways: to participate or not. If there is a real need for a high ad ranking, then the choice is certainly small. On the other hand, you can just wait and not increase the cost-per-click.

Another specificity of the contextual advertising is the fact that it is not suitable for long-term advertising. Paying for each visitor every time is expensive. If it is a question of systematic promotion of a website, then, of course, search engine optimization and website optimization will be more profitable. But there is also a trump card in the contextual advertising: if you urgently need customers or there is an advertisement of a particular action or temporary discounts, then only the contextual advertising will do. Search progress is carried out from 3 months and more [11].

Also, a possible way to improve the technology of Internet advertising and increase competitiveness is the creation of an *online store* and its promotion through banner advertising.

The main tasks set for the online store: sales increase; reduction of costs for doing business; formation of a positive image of the company.

The layout, programming and development of graphic design can be assigned to a separate organization-developer. Such an organization can be the Internet portal "WebProjects" in Kazakhstan [14]. For example, this portal also provides services for the development, support and promotion of Internet sites for business, society and state structures of Kazakhstan:

– Search engine optimization and SEO promotion of websites in search engines (Yandex, Rambler, Google);

- Audit of usability (ease of use) of websites;
- Placement of contextual advertising in search engines Yandex and Google;
- Developing websites of varying degrees of complexity: from a website business card to complex Internet systems.

The design of an online store should be made based on the specifics of the services being placed. Navigation through the online store must be done using hypertext links. With this method, all the pages of the online store will remain in interrelation.

Also, the promotion of the Internet advertising technologies can be the promotion in *social networks* – it is advertising and PR-activity. Due to social media, a large percentage of target customers are attracted, which makes SMO and SMM marketing methods popular and effective in Kazakhstan.

Promotion is necessary for hotels to conduct agitational work with the population on the use of its services, to design and develop a positive image.

A profile in a social network is a community of users that are united by interest, an idea. Communities are often used by well-known brands to increase customer loyalty.

Promoting the company's services in social networks, a significant number of target audiences are attracted to the brand platform and communication is organized there.

According to the MMI project of TNS Central Asia, which annually monitors the values of media marketing indexes that reflect consumer behavior and media preferences of Kazakhstan in 2014-2016 the time indicator of Internet consumption has not changed in any way: on average 80% of Kazakhstan use the Internet just over 2.5 hours a day or 75 hours per month. The Internet is more of an attribute of active pastime: it is used not only at home, but also on the street, in public places. The dependence of the Internet on increasing interest in communicating with mobile communication devices, increasing attendance of cultural and entertainment events, which are traditionally advertised through the network, is noticeable [15].

The choice of the majority – to use the Internet through smartphones experts explain by the fact that in Kazakhstan the mobile Internet has developed actively, unlike, say, Russia, which seeks to entangle itself with fiber-optic networks. In Russia, according to the Expert-Kazakhstan resource, the growth rates of FTTH (fiber to the home) networks are higher than in all European countries combined. We forecast that with the growing popularity of mobile social network applications, the amount of time spent will increase by at least 25% [15].

Creation of profile in social networks gives companies: audience accessibility, targeting (resources for segmenting the audience with the information contained in the accounts: by residence, age, sex, circle of communication, interests, etc.), direct communication with community members, involving the target audience of the company in a constructive dialogue.

Any community in a social network needs to post interesting and high-quality content, as well as maintain regular live communication, otherwise the community may find it "dead", which will negatively affect the company's image.

Note that the main data disclosed by users of the social network about themselves are: age, sex, place of work, education, place of residence. These data can be used to determine the target audience of the hotel industry. The sequence of the PR campaign in the social network is shown in Figure 2.

Enterprises in the field of hotel business are actively encouraged to use the social network, since competitiveness and image increase, and the minimum costs bring revenues.

### **Conclusions**

Based on the foregoing, we note that the main methods for improving Internet advertising technologies are: the use of contextual advertising; creation of an online store; use of social networks. The introduction of these methods of the Internet advertising will lead to an increase in the competitiveness of services in the field of hotel business due to:

- increase the probability of finding an enterprise on the Internet when accessing search engines due to the correct definition of keywords;
- growth of the company's presence in the Internet when creating an online store for the implementation of its services and promoting the brand of the company as a whole;
- the use of social networks for regular reminders of the enterprise, direct feedback to existing and potential customers.



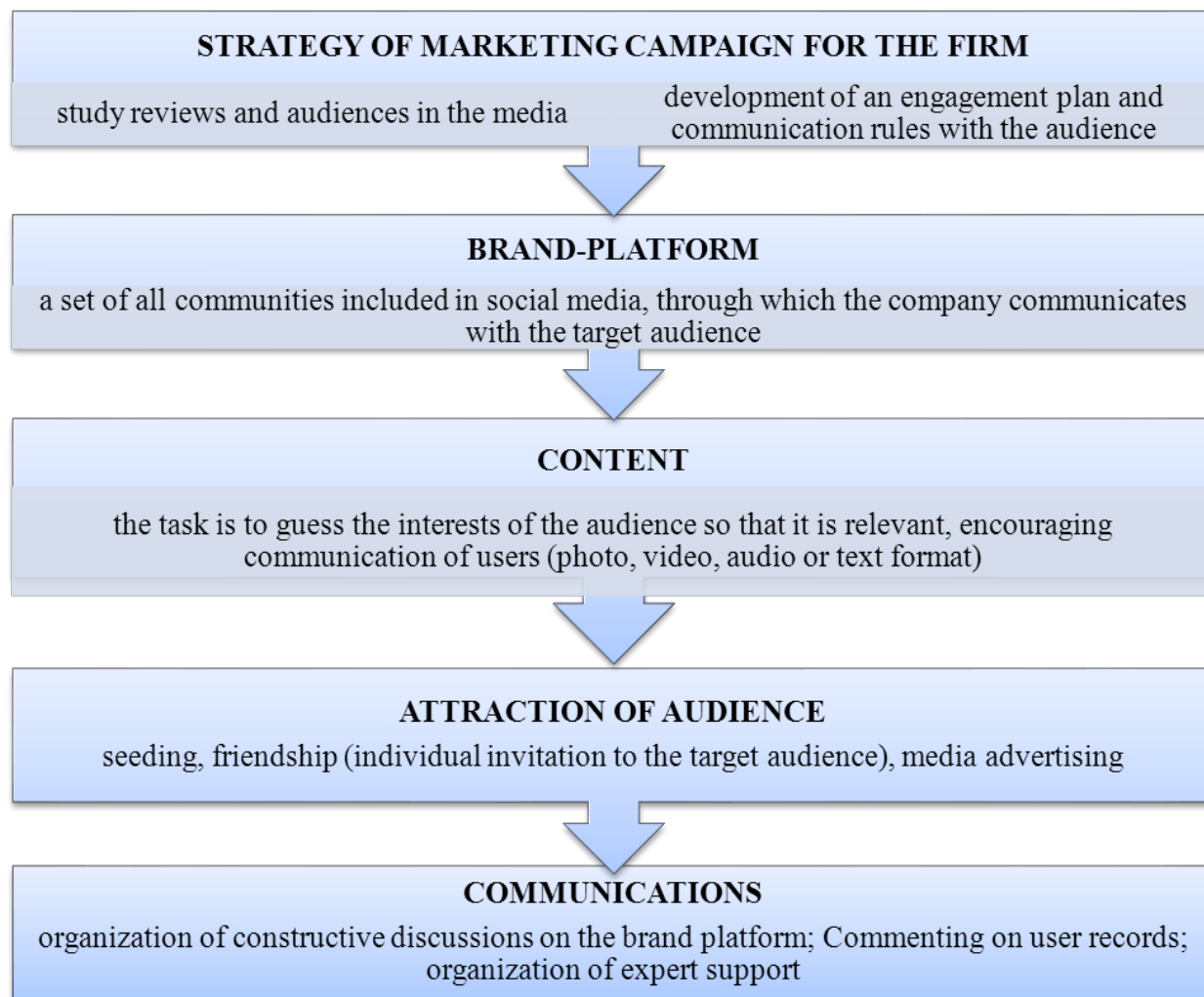


Figure 2 – Stages of increasing competitiveness through a social network [developed by the authors]

The study showed a simple possibility of finding the target audience in social networks and building mutual communications with it. Effective use of the proposed methods and technologies will lead to an increase in the competitiveness of the hotel industry in Kazakhstan. The further development of Internet advertising and the need to constantly support the competitiveness of enterprises necessitate further research in this direction.

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### Резюме

В статье рассмотрены методы совершенствования технологий интернет-рекламы для повышения конкурентоспособности гостиничного бизнеса в Республике Казахстан. Охарактеризованы основные интернет-технологии в рекламной деятельности, перспективные инструменты повышения конкурентоспособности в интернет-среде. Для повышения конкурентоспособности в гостиничном бизнесе авторами предложено использовать в интернете контекстную рекламу, социальные сети, создавать интернет-магазин и пр.

### Түйін

Мақалада Қазақстан Республикасындағы мейманхана бизнесінің бәсекеге қабілеттілігін арттыру үшін интернет-жарнама технологиясын жетілдіру әдістері қарастырылған. Жарнама қызметіндегі негізгі интернет-технологиялар, интернет ортасында бәсекеге қабілеттілікті арттырудың келешекті құралдары сипатталған. Зерттелетін ортада бәсекеге қабілеттілікті көтеру үшін авторлармен мәмәтіндік жарнаманы, әлеуметтік желілерді қолдану, интернет-дүкендерді және басқаларын құру ұсынылды.

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## UNDERLYING CHARACTERISTICS OF KNOWLEDGE MANAGEMENT COMPETENCE FOR SUCCESSFUL STRATEGIC DEVELOPMENT OF ORGANIZATION

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### Abstract

*Purpose* – The purpose of this study is to analyze theoretical foundations of knowledge management competence and identify underlying characteristics of knowledge management competences necessary for successful strategic development of an organization.

*Methodology* – The study was carried out using secondary data, in particular scientific articles with theoretical and empirical studies of foreign scientists conducting research in the field of knowledge management.

*Originality / value* – The author describes the concept of knowledge management competencies. Based on the study of foreign scientists' research in the field of knowledge management, the author presents the definitions of such concepts as individual and organizational knowledge competence, core and distinctive