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## THE DEVELOPMENT OF INTERNET ADVERTISEMENT IN POLAND THROUGHOUT RECENT YEARS

*The article presents basic information regarding online advertisement and its most popular forms in Poland. Some part of the work is devoted to the development of Polish Internet advertisement since 2000, and particularly in 2010-2012. Historical trends in the development of online advertising in Poland are analyzed as well.*

Keywords: advertisement, advertising, online advertising, marketing, e-marketing.

**Setting the task in general form.** Internet marketing (e-marketing, online marketing) appeared in the first half of the 1990's in the USA and since then it has been developing intensively. Not so far as several years ago it was an eccentric choice of advertising channel. However, today it has become a major factor of deciding how a company should function in current economic environment. The ability to conduct with customers through Internet marketing creates numerous and vast possibilities for specialists in this field. These possibilities are unlike the ways used with traditional, old media and channels designed to reach a customer. In 1998 the vice-president of Procter&Gamble Company Robert L. Wehling delivered a speech at the meeting of the World Advertisers Federation. He stated that "The Internet at the moment is capable of influencing the future of marketing to as large extent as any other previously known means of communication, or even larger" [3]. His words proved to be prophetic of this work.

**Analysis of recent research and publications.** The problems of modern Internet advertisement development were shown in the works of such scientists, as Dyba A. [1; 2], Kacprzyk M. [3], Sznajder A. [9] and others.

**The main purpose of the article** is to analyze generic aspects of on-line advertisement and its forms especially in Poland. The author distinguish main trends in the development of Internet advertisement in Poland throughout recent years.

**Main material.** Advertisement is a form of promotion. Its main goal is to inform and encourage a potential customer to buy products offered by a given company [9, p. 105]. Advertisement is focused on presenting certain characteristics of a promoted product. In its traditional form it is presented via press, radio and television and outdoor advertising. Depending on a subject being advertised one can distinguish product or brand advertising. The first is designed to introduce a new product to the market and is concentrated on its qualities with some special focus on what is new. Internet advertisement differs significantly from the traditional forms of advertising. It gives an advertiser new, unique possibilities that are not available when using any other medium:

- global coverage – a country, a continent, the world – one click away from an advertiser;
- lower cost of using similar amount of information compared to the press or other printed advertising materials. The difference can be tenfold;

- precise targeting of recipients due to targeted research that has been available for a few dozen months;
- user is able to update presented information constantly with exemptions of: www sites, virtual catalogues, paid links without virtually any additional cost;
- easy access and the ability to control the presented information;
- the ability to shape and structure advertisement campaigns constantly. Such actions allow user to apply ad servers during banner campaigns;
- the pull type content transfer – the addressee is required to conduct a series of action in order to reach information prepared by a company e. g. click on a banner, find a required site.

The key factor among the above mentioned qualities of e-advertisement is its relatively low cost when compared to traditional media. As a result, even small business, which until recently has been absent from the world of advertisement, is interested in this type of means of communication. A www service can be an easy example – the cost to make a simple but professional company website varies between several to more than three thousand U.S. dollars. Jupiter Research Centre pool suggests that the Internet as an advertising medium is used most often in order to [4, p. 62]: deepen the relationship with customers (73%); conduct branding actions (69%); generate queries (59%); generate online transactions (53%); conduct experiments (47%); PR (45%); conduct market research (41%).

Internet becomes increasingly more important channel of communication. Its growth stimulates the importance of online advertising. Serious advertising campaigns didn't take place in Poland very often even not so far as several years ago. Now interactive agencies and various Internet portals education of their customers changed the situation.

*The most popular forms of online advertising in Poland.* The word "the most popular" could be substituted by "classic", as this work takes into account the historical aspect too. The presented classification comes from the period between 2000-2002 and hence reaches the roots of the professional Internet advertising market in Poland.

*Banners.* The oldest and still the most popular form of e-advertisement is a banner. It is a fragment of a static or animated piece of graphics of different sizes that is located on www sites. It is also a link to the Internet service of an advertiser. Its main goal is to attract a user and persuade him to click on it and thus start a hyperlink [1]. There has been a tendency to increase the size of banners. The most eminent examples can be double billboard banners or scrolling billboards. A constant search for the most effective form of Internet advertising brings new types that can have two or even three different names describing the same phenomena, due to the unfortunate lack of standards. The most popular forms of banners and their names commonly used in Poland for several years are presented below in order to systematize the nomenclature.

*Middle text banners (rectangle banners).* This form of e-advertisement in Poland appeared at the turn of the 20<sup>th</sup> and the 21<sup>st</sup> centuries. It is a big rectangle (300x250 pixels) and as the name suggests it appears in the middle of a text. It is hard to miss and consequently they are becoming more popular.

*POP-UP.* This form of Internet advertisement has been known for many years. A Pop-up is an additional window of an Internet browser that opens while the contents of a required site are being downloaded. The window lacks navigation bars and it is impossible to alter its size. Once a user clicks on a pop-up he is moved to an advertiser's service. They are usually a square sized 250 by 250 pixels. Pop-up was a base for many other forms of e-advertising.

*Floating ad (layer advertisement).* This advertisement is a form of pop-up. It can change its shape and moves as a transparent layer above the contents of a website. Its other popular names are: toplayer and medialayer.

*Scrolling pop-up, shaped pop-up.* A scrolling pop-up is a modified pop-up. It appears smaller at first and then unfolds in many directions smoothly. A shaped pop-up is similar to a traditional pop-up but the window is customized to a desired shape (e. g. mobile telephone, motorcycle). Both above mentioned types of e-advertising can be often found in Polish portals.

*Interstitial (mediabreak, poltergeist, intermovie).* This form of advertisement appears usually on the whole user's screen. It blocks the view of a website completely and forces user to become acquainted with its contents. This advertisement is commonly used as branding. It is an aggressive form of advertising and should be limited. A user shouldn't see it more than once a day while visiting a required service.

*Pop-under (charlie behind).* This advertisement differs from a classic pop-up. It is bigger (640x480 pixels) and it hides behind the open browser window. A user will see it only after he closes the current browser window.

*Sticky ad.* Sticky ad describe all kinds of advertisement that follows the mouse cursor on the screen while surfing the www service [2].

E-advertisement surprises with its variety and creativeness. However, as it has been already mentioned above, it is not uncommon that its same forms or kinds have different names. Such trend mustn't continue because it will lead to misunderstanding and chaos on the market. During the conference "Interactive Advertising Bureau Poland" in May 2002 a document was created. Its main goal was to classify the most important and popular forms of e-advertisement. Table 1 presents the results. Hopefully portals and advertising networks are the biggest sellers of advertising space on the Internet, will take into account the recommendations of the IAB and will stop a fool-hardy approach to the proliferation of names and definitions relating to the same forms of advertising.

**Table 1 – Classification of the most popular forms of e-advertising by Interactive Advertising Bureau Poland [2]**

The form of advertisement	Names	Technology of service
Links	advertising links, data base inputs	common HTML code (can include simple javascript)
Banners	banner, button, sky scraper, billboard, rectangle	a simple object: gif, jpg, bmp, html, dhtml, flash
Pop-up	scrolling pop-up, pop-under	additional browser window
Shaped pop-up	brandmark, dancing pop-ups	layer
Floating ad	toplayer, medialayer, easy rider	layer
Interstitial	mediabreak, poltergeist, intermovie	a browser window of maximum size (without a frame)
Sticky ad	various forms moving around the mouse cursor	layer + dhtml or java
Other	watermark, bahama (palmtop advertisement), sponsoring events (various site modifications)	html document background

The above mentioned forms of e-advertisement are the most popular set, that has become a classic since the beginning of the new millennium. Anybody interested in the variety of Internet advertising forms on the Polish market should become acquainted with suggestions proposed by the biggest Polish Internet portals. Among others: ONET – <http://reklama.onet.pl>; Wirtualna Polska – <http://reklama.wp.pl>; Gazeta.pl – <http://serwisy.gazeta.pl/Reklama/0,0.html>, Interia – <http://reklama.interia.pl/slownik/pl>.

*The recent development of Internet advertising in Poland.* The beginnings of Internet advertising in Poland were copied from across the Atlantic Ocean. The basic format was a

banner 468x60 pixels. Firstly it was a .gif then Flash. The speed of the Internet connections was limited. Hence the graphic designers competed in trying to input as many frames as possible within the kilobytes limit (especially in .gif format). Certain market players created and then tried to spread their own names for some forms of advertising. Classic examples of which may be Poltergeist or Charlie Behind. The first is what we currently call Interstitial, and the latter Pop-Under – a modification of the illustrious Pop-Up. There were also banners and their bigger versions – billboards. All these forms dominated online advertising until the major Internet browsers learnt how to block pop-up windows. As the Internet evolved in Poland the Internet advertising market also changed. Before its users became more educated the beginnings were exotic indeed. Since then online advertising has been enjoying almost unlimited boom. Between 2000 and 2008 the value of the Internet advertisement increased 76-fold. Since 2011 the growth was 122-fold. In 2007 advertisers spend more money on the Internet than on radio stations. The amounts spent on online advertising between 2000-2011 are presented in Table 2. The dynamics of growth between 2000-2008 deserves special attention.

*Table 2 – Spending on online advertising between 2000-2011 [6-8]*

<b>Year</b>	<b>Spendings, million USD</b>	<b>Dynamics*</b>
2000	5,1	–
2001	7,8	50,0%
2002	10,7	37,5%
2003	16,2	51,5%
2004	28,2	74,0%
2005	43,8	55,2%
2006	69,8	59,3%
2007	243,5	248,8%
2008	396,1	62,7%
2009	444,8	12,3%
2010	512,9	15,3%
2011	633,1	23,4%

Notes: \* – the previous year is counted as 100%

Since 2007 Interactive Advertising Bureau Poland together with PwC has been conducting a cyclical research AdEx, creating an assessment of online advertisement spending. Similar research is conducted worldwide which in effect allows a comparison and analysis on a global scale. There are 25 European countries participating in the research. Significant companies from the advertising branch of the economy are surveyed and provide financial data. The reports include their income from advertising space sales, commissions. All data is gross according to the trade standards [10].

We suggest a short analysis of the research conducted since 2010 which shall point the main development trends on the discussed market. It is designed for readers who are not acquainted with Polish Internet advertising market.

The results of IAB AdEx for 2010 suggest a growth of 15,3% based on previous year as 100%. It amounts to 68 million U.S. dollars which can be described as a relatively significant growth given the global economic situation. The above mentioned report suggests that the double digit growth can be maintained even if it is lower in comparison to the previous years (see Table 2). It also means that around 60% of growth in the advertising market including all media was generated by the Internet. The words of Piotr Kowalczyk, the President of IAB Poland prove to be right. He said that the Internet became a swing-wheel for the whole advertising and media branch in Poland [10].

The analysis of the progress of detailed kinds of online advertising leads to interesting conclusions. Graphic advertisement constitutes 45% of the total, search engine marketing SEM – 30%, announcements – 17% and e-mail advertisement – 6%. If we take into account the display category the biggest growth belongs to video advertising is 155%. 2011 brings the continuation of the growth in the Polish online advertising market. There are more reasons for celebration. Such progress is taking place during a serious economic crisis. It is 23% with turnaround more than 633 million U.S. dollars. Only 11 years ago it was only 5,1 million U.S. dollars. When it comes to different forms of advertising, graphic advertisement has weakened to 41% share. SEM marketing has grown by 3% to 33%. The share of other categories remained the same.

It is notable that the trends for growth of video marketing are very strong together with SEM, contextual advertising and mobile appliances advertising. These kinds of advertisement will grow dynamically in the future. Such trends will become permanent, which can be seen in 2012 IAB AdEx research results. The further growth of social media and networking and its influence on the internet advertising in Poland. The most important branches in 2011 are finance, telecommunication and widely understood trade [11].

The Polish growth in online advertising is significant at the background of other European countries. Poland took the high sixth place in the rank of the most dynamically growing spending on online advertising. This rank is presented at Figure 1. It is worth noting that the first six places belong to the eastern-block countries. This area is enjoying the strongest growth in Europe [8, p. 6].

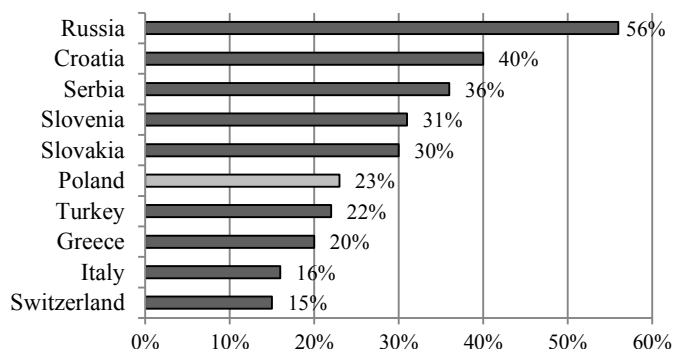


Figure 1 – Growth of the Polish internet advertising market compared to other European countries in 2011 [8, p. 6]

*Advertising and Internet advertising in Poland in 2012.* The presented data in this work regarding the recent development of online advertisement constitutes an interesting research material, suggesting the most important trends and the whole processes of transformation in this undoubtedly fascinating part of the advertising market. However, such data sometimes present a distant past. In order to acquire more up-to-date knowledge regarding the state of e-advertising in Poland, we would like to analyze the year 2012 closer in this paragraph.

According to the report about the advertising market and the media in Poland, prepared cyclically by Starlink, every quarter of the year since 2005 the value of the market in Poland in 2012 amounted to 2,3 billion U.S. dollars and was lower than 2011 (2,43 billion U.S. dollars). The bad situation on the Polish advertising market was the result of a crisis that hit

mainly the FMCG sector. Also the financial and pharmaceutical sector went through a period of bad weather. The experts from Starling also point out that Euro 2012 in Poland wasn't fully appreciated by the media and e-marketing.

In FMCG sector there was a 12% decrease in spending on advertising while other sectors together noted a fall by only 2,6%. The trading sector sent a positive signal in 2012. Spending on advertising were higher there by 17,8 million U.S. dollars than a year before. Tourist, hotel, restaurant, audio-video, computer, home appliances, furniture and house decoration sectors noted a rise as well.

Throughout all quarters of 2012 we could witness a slowdown in spending on advertising on the radio and TV by a final 5,6% compared to 2011. This decrease hit mostly all-Poland stations whose income from advertising fell by 11%. However, theme stations enjoyed a higher dynamics of income by 12%. Their share in the whole advertising market rose from 18,7% up to 22,3%. The digitalization of TV and consequently the new technical possibilities that open and wider coverage are an important factor [12].

The Internet marketing thanks to its advantages as global reach, interaction, relatively low cost, effectiveness management, target profiling, flexibility is the fastest developing advertising market closing up to the top, leading position that is now occupied by television. The different media share in the advertising market in Poland between 2011-2012 is presented in Table 3. Its analysis leads to interesting conclusions. The share of television in the market is still very high, but only the e-marketing shows a variety of new forms that possess strong potential for growth thus we can state unequivocally that the traditional advertising media (including, apart from television: magazines, radio, newspapers and outdoor advertising) are losing their market share in comparison to the Internet.

*Table 3 – Market share of different media types in advertising in Poland between 2012-2013 [12]*

<b>Medium</b>	<b>Market share in 2011</b>	<b>Market share in 2012</b>
television	51,8%	51,6%
Internet	16,2%	18,6%
magazines	9,2%	8,1%
radio	7,5%	7,7%
daily newspapers	7,4%	6,2%
outdoor	6,4%	6,1%
cinemas	1,4%	1,6%

Internet marketing in Poland in 2012 showed remarkable relation between so called maturity and a stable position of the media in the consciousness of marketers and the further dynamic growth with accompanying changes. Such connection turns out to be effective panacea for the continuing slump in the economy. The online marketing value in 2012 is now 716,23 million U.S. dollars which gives a 10,1% growth compared with 650,32 million U.S. dollars in 2011 [8, p. 3].

Figure 2 presents the market share of a different types of online marketing in the whole online-advertising market.

Graphic (display) marketing dominated the market last year. It is worth noting that SEM is a growing segment (2011 – 32%, 2012 – 35%) and it has been maintaining the growth trend for the past several years as signaled before. SEM is a non-invasive, on-demand form of advertising.

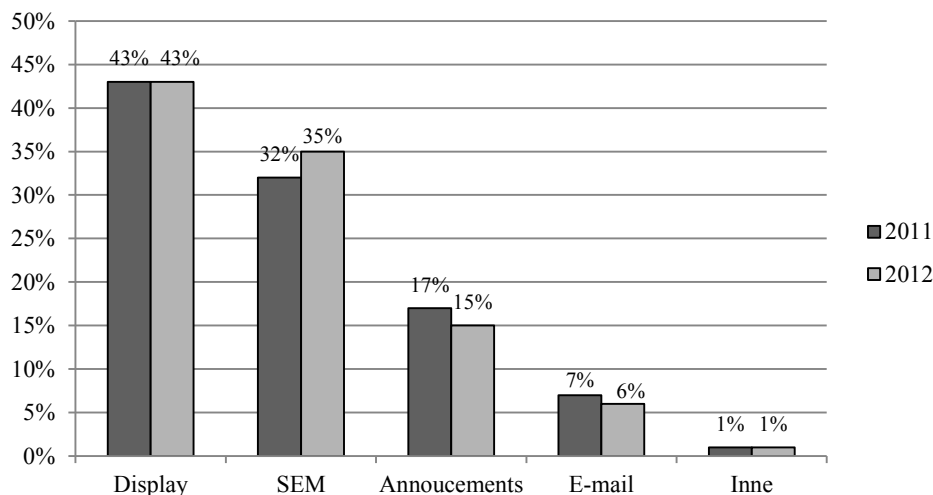


Figure 2 – The market share of the main types of online advertising in 2012 [8, p. 3]

They are targeted at a specific group of recipients and allow marketers to control the effectiveness of the campaign. All these qualities provide marketers with a powerful tool. What is important only SEM grows faster than the rest of the market given year-to-year analysis (all additional details are presented at Figure 3).

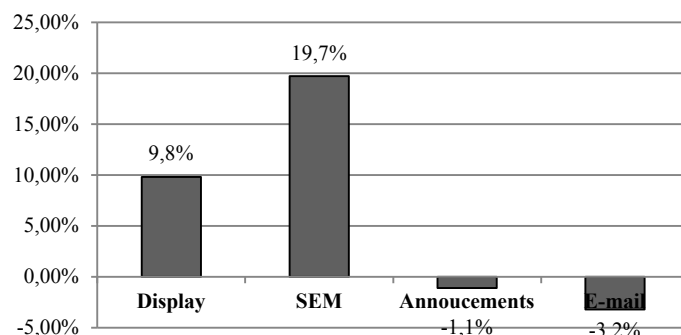
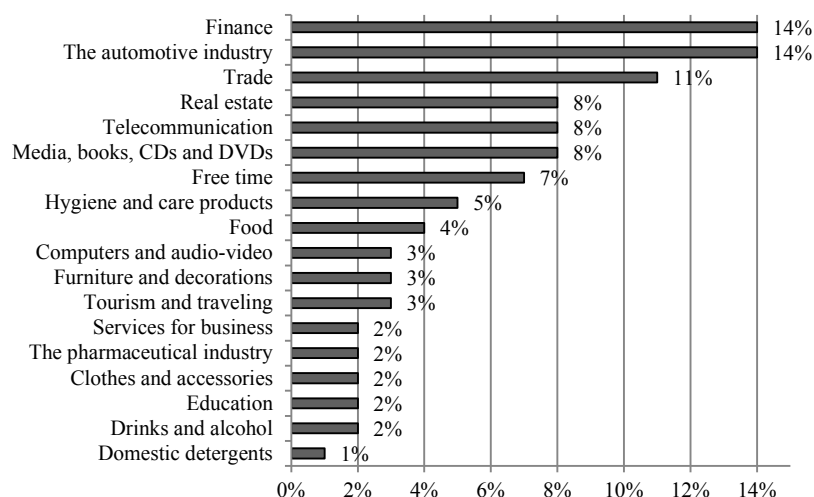


Figure 3 – The dynamics of the basic formats of online marketing [8, p. 10]

To complete the analysis of the Internet advertising in Poland it is important to include some additional formats complementing the most popular forms of e-marketing. They are: video online, cost-per-action advertising, social media advertising and mobile appliances advertising. Video advertising is distributed before a required video material is projected via Internet. It can also appear as an in-banner or rich media. Cost-Per-Action advertising takes place when its recipient conducts a certain action online. It can be a mouse click, a purchase of a product, filling a survey or a query. The advertiser pays only for desired effects. The value of CPA advertising was 57,14 million U.S. dollars, in 2011 while it was 49,35 in 2012. It fell by 13,9% and its market share fell from 8.8% in 2011 to 6.9% in 2012. Its worst result among

other additional forms of online advertising can only mean harsher competitiveness and may result in other technical possibilities that may arise from other original advertising formats today [8, p. 15]. Social media advertising contains all such Internet locations that allow sharing content. Such services are built using technology Web 2.0. They are still evolving and are hard to classify. These are among others: blogs, microcommunication, social networks, wiki sources [5, p. 212]. The value of social media advertising in 2012 in Poland amounted to 26,62 million U.S. dollars and its market share was 3.7% [8, p. 16]. Mobile advertising does not include such forms as text messages, MMS or short code. Its dynamics in 2012 grew up to 135% and reached the value of 4,54 million U.S. dollars. Its market share is 0,6%. This result is not unexpected. Its dynamics is so high mainly due to the low base effect and it is expected to be as high the future. It may become an important form of online advertising. [8, p. 16]. At the end of this analysis it is worth to become acquainted with the chart presenting the most actively advertising branches of the Polish economy. Such data is presented at Figure 4.



*Figure 4 – Market share of selected sectors in the Polish online advertising market [8, p. 17]*

The most vigorous sectors are: finance (14%), the automotive industry (14%) and trade (11%) which together amount to 39% of turnaround in advertising. The biggest growth was noticed in the automotive industry (38%), real estate (21%) and the pharmaceutical industry (13%). The biggest drop was noticed in telecommunication (-25%), media, books, CD's, DVD's (-21%) and finance (-19%) [8, p. 17]. Such data suggest significant instability and changes that are taking place in the sector. They can lay foundation for further analysis.

**Conclusions and directions of further researches.** The above presented draft on the development of the Internet advertising on the Polish market is general and cognitive. The market has been enjoying a rapid and dynamic growth. It is predicted to continue in the foreseeable future. The experts from the PwC company in the report "Global Entertainment and Media Outlook 2013-2017" estimate that Poland will enjoy an average growth of 13.9% in online advertising market up to 2017 [13]. Graphic form of advertising is predicted to continue its domination with a stronger share of its dynamic form – video advertising (which has been already noticed recently). Further research conducted by the author will address the



above issues. It is very hard to formulate any prediction about the future in a very changeable economic environment. Undoubtedly, though, the next years will bring the amounts of money spent on online advertising closer to the level of television advertising turnaround.

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**Розвиток інтернет-реклами в Польщі в сучасних умовах**

*У статті проаналізовано особливості інтернет-реклами та її найбільш популярні види в Польщі. Автор досліджує тенденції розвитку польської інтернет-реклами, зокрема у 2010-2012 рр. Наводяться історичні передумови розвитку інтернет-реклами в Польщі.*

Ключові слова: реклама, рекламування, он-лайн реклама, маркетинг, електронний маркетинг.

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**Развитие интернет-рекламы в Польше в современных условиях**

*В статье проанализированы особенности интернет-рекламы и ее наиболее популярные виды в Польше. Автор исследует тенденции развития польской интернет-рекламы, в частности в 2010-2012 гг. Приводятся исторические предпосылки развития интернет-рекламы в Польше.*

Ключевые слова: реклама, рекламирование, он-лайн реклама, маркетинг, электронный маркетинг.

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