Kargabaeva S.T., Muratkaliuly T.

The pros and cons of interactive marketing to consumers and the manufacturer

In the article considered the main pros and cons of interactive marketing to consumers and producers in terms of technical and scientific progression in the spheres of social and economic communication. Many foreign and domestic scientists are considered interactive marketing in isolation, as one of the elements of marketing communication in the organization. However, in modern conditions of development of innovative technologies interactive marketing should not be considered as an element of marketing communications and should be treated as an independent direction in system of marketing communications. In this regard, the consideration of interactive marketing and its advantages and disadvantages with the scientific and theoretical side is of great importance in terms of establishing communications between the producer and the consumer. The importance of interactive marketing for organizations is determined by its advantages and disadvantages. Considering results of research we can say that the main pros of interactive marketing for consumers and producers is this: convenience of buying and selling, activity of consumers in economic processes, minimality of external impact on process of purchase and sale, ease of process of communication and informing, decrease in expenses of the organizations (rent, providing shop, insurance, municipal expenses), drawing up database of accurate consumer needs. Any system or mechanism along with the pros has its cons. The main cons of interactive marketing for consumers and producers the following: risk of loss of electronic information, information overload on the Internet, low level of availability of the Internet, use of personal information on consumers by the organization without their consent, leak of classified information, etc.

**Key words:** pros, cons, interactive marketing, Internet, communication, advantages, disadvantages, producer, consumer, marketing communications, effectiveness of interactive marketing, Internet marketing.

Қарғабаева С.Т., Мұратқалиұлы Т.

Интерактивті маркетингтің тұтынушылар мен өндірушілерге ұсынатын пайдасы мен зияны

Мақалада қоғамдық және экономикалық коммуникация салаларындағы ғылыми-техникалық прогресс жағдайындағы тұтынушылар мен өндірушілерге қатысты интерактивті маркетингтің ұсынатын артықшылықтары мен кемшіліктері қарастырылған. Көптеген отандық және шетелдік ғалымдар интерактивті маркетингті ұйымдағы маркетингтің коммуникациясы ретінде оқшау жағдайда қарастыра отырып, сипаттаған. Алайда қазіргі уақыттағы инновациялық технологиялардың дамуына байланысты интерактивті маркетинг ұйым ішіндегі маркетингтік коммуникация элементі ретінде қарастырылмай, маркетингтік коммуникацияның тәуелсіз бағыты ретінде сипатталуы тиіс. Осыған байланысты ұйым мен тұтынушы арасында екіжақты коммуникация орнату уақытындағы интерактивті маркетингті және оның артықшылықтары мен кемшіліктерін ғылыми-теориялық тұрғыдан бағалау және тереңдетіп зерттеу жоғары маңыздылыққа ие. Ұйым үшін интерактивті маркетингтің маңыздылығы, оның ұсынатын артықшылықтары мен кемшіліктеріне тікелей байланысты. Жүзеге асырылған зерттеу нәтижелеріне сәйкес интерактивті маркетингтің тұтынушылар мен өндірушілерге ұсынатын басты артықшылықтары келесідей: сату және сатып алу үрдісінің ыңғайлылығы, тұтынушылардың экономикалық қатынастың белсенді мүшесіне айналуы, сату және сатып алу үрдісіндегі сыртқы әсердің минималдылығы, коммуникативтік және ақпараттандырылу үрдісінің жеңілдігі, ұйымның жиынтық шығынын төмендету (жалға алу, дүкенді ұстау, сақтандыру, коммуналдық шығындар), тұтынушылардың нақты қажеттіліктер базасын қалыптастыру.

**Түйін сөздер:** интерактивті маркетинг, өндірушілер, ғаламтор, коммуникация, тұтынушылар, артықшылық, кемшілік, маркетингтік коммуникация, пайда, зиян, интерактивті маркетинг тиімділігі, интернет маркетинг.

Каргабаева С.Т., Мураткалиулы Т.

Плюсы и минусы интерактивного маркетинга для потребителей и производителей

В статье рассмотрены основные плюсы и минусы интерактивного маркетинга для потребителей и производителей в условиях научно-технической прогрессии в сферах общественных и экономических коммуникаций. Важность интерактивного маркетинга для организаций определяется его преимуществами и недостатками. Главными плюсами интерактивного маркетинга для потребителей и производителей являются: удобства процесса покупки и продажи, активность потребителей в экономических процессах, минимальность внешнего воздействия на процесс покупки и продажи, легкость процесса коммуникации и информирования, снижение общих издержек организаций (аренда, обеспечение магазина, страхование, коммунальные издержки), составление базы точных потребностей потребителей. Любая система или механизм вместе с плюсами имеет свои минусы. Основные минусы интерактивного маркетинга для потребителей и производителей следующие: опасность потери электронной информаций, информационная перегруженность сети интернет, низкий уровень доступности интернета, использование личных информаций о потребителях организацией без их согласия, утечка секретной информации и прочее.

**Ключевые слова:** плюсы, минусы, интерактивный маркетинг, интернет, коммуникация, преимущества, недостатки, производитель, потребитель, маркетинговые коммуникации, эффективность интерактивного маркетинга, интернет-маркетинг.

## Kargabaeva S.T., \*Muratkaliuly T.

Al-Farabi Kazakh National University, Kazakhstan, Almaty \*E-mail: talgat 93@mail.ru

## THE PROS AND CONS OF INTERACTIVE MARKETING TO CONSUMERS AND THE MANUFACTURER

Currently in our society, all rapidly and intensively changing and improving. The 21st century can be described as a century of information and communication technologies. Modern society is now closely associated with many communications technologies, including interactive marketing.

Interactive marketing is a complex of new information and communication systems on the basis of modern digital and electronic technologies. Types of interactive marketing are various and it includes: internet marketing, marketing researches environment Internet, advertizing means Internet of communication and virtual trading platforms.

Today interactive marketing as a means of effective communication is becoming increasingly popular among buyers and enterprises. However, buyers and producers are not fully aware of all perspectives and efficiency of use of interactive marketing. In other words many businesses use interactive marketing only as a method of marketing communications. All this because many western and domestic scientists have described interactive marketing as a tool of marketing communications in the enterprise. However, now this description isn't true. In the conditions of development of information and communication technologies interactive communication shouldn't be considered as a tool of marketing communications, but should be considered as an independent direction of marketing communications in the enterprise.

Any kind of marketing communications has its pros and cons. If we consider the interactive marketing as an independent direction of marketing communications, we need to know what are the pros and cons it has about the manufacturer and its potential customers. In this regard the main objective of article is in-depth study of efficiency of interactive marketing and definition of his pluses and minuses for consumers and the enterprise with use of theoretical techniques of interactive marketing.

In formations of interactive marketing an important role is played modern the Internet - technologies. The concept of «interactivity» has a dynamic nature, which depends on the reactions of the buyer. Given this feature, many scientists gave a separate definition of interactive marketing. The first definition of interactive marketing has given Philip Kotler. According to Philip Kotler interactive

marketing is one of forms of direct marketing carried out by means of interactive marketing services which provide services in the operational mode. For this purpose used the systems providing a bilateral electronic communication between the seller and the buyer [1].

Interactive marketing it is a form of direct marketing which is realized by means of the integrated marketing services of computer communication in the operational mode. It is electronic system which connects the buyer and the seller [2].

Interactive communication system – a method of using computer technology, which allows marketing the device to send a persuasive message and simultaneously allows the recipient to respond to the message, to transform and to take note of it, and then answer it [3].

Interactive marketing is a system of communications between the buyer and the seller by means of computer networks which allows the buyer to control a type and volume of the obtained information [4].

According to the above definitions, each author in his own way understands and describes the concept of interactive marketing. It means that currently there is no general concept for all which would describe the nature, sense and content of interactive marketing. At the end of the 20th and at the beginning of the 21st century we could consider interactive marketing as a form of marketing communication, which communicate and exchange of information between the buyer and the seller (the company) in the operational conditions by means of computer technology and network. But under current conditions, interactive marketing should be considered as a set of interactive actions of the directed to communicate and satisfactions of needs of consumers through Internet marketing and online sales services in the Internet. In this regard, we will consider the pros and cons of interactive marketing for detailed studying of its effectiveness in terms of communication and satisfaction of customer needs.

Compared with traditional instruments of marketing communications interactive marketing has a number of pluses or advantages for consumers and businesses. However, any system or method has its flaws. Interactive marketing along with the advantages has some shortcomings of operation.

The main advantages of interactive marketing associated with fast-growing rates of Internet. The use of the Internet in interactive marketing immediately changed the importance of consumers. That is the role of consumers has changed from neutral observers into active participants in economic relations. The first advantage, which offers interactive

marketing using the internet is convenience. Consumers or buyers do not need to go to one end of the city or country to buy a particular product. Also users don't need to walk for hours in the trading halls, there is no need to look and compare products. Instead, consumers using the Internet can watch, compare, evaluate goods 24 hours a day and buy in any part of the world without leaving home. This convenience is explained by the fact that the Internet and e-Commerce do not have geographical and temporal constraints. Also convenience of purchase of goods on the Internet is characterized by the following: during online purchases, the consumer does not prevent annoying salespeople, no psychological pressure from the staff of the trading floor.

At the time of purchase of goods via the Internet, the buyers acquire additional advantages from interactive marketing. Commercial information services and information services of the Internet offer customers a free comparative information about a company, product or service, about competitors. Together with these over the Internet the buyer can directly contact the company (seller) to obtain accurate and complete information about a particular product and to make an online the order for goods, not getting up the place. The above mentioned process of "e-shopping" is actively implemented and requires minimal time of purchase compared to traditional form of shopping. Another advantage of interactive marketing on the Internet it is the ease of implementations of the communication and information process between the consumer and the seller. That is, in a network the Internet the buyer gets the information he needs not only on the official website of the producer, but also in electronic forums through communication with other consumers who have experience using these products. Thus, the buyer easily come into contact with other consumers and receives objective information about the product. This method of obtaining objective information about the product from other consumers in traditional shopping venues hard to implement, because the consumer has not opportunity to leave feedback about a product in a store. Realization of interactive marketing via the Internet gives consumers the opportunity to enhance active participation in the virtual market through social networks (Vkontakte, Facebook, Twitter, Instagram), online channels (YouTube, KazTube, Ru-Tube), online classifieds (Olx, Kolesa, Krisha), and other services.

Based on the characteristics, interactive marketing can offer the following advantages to enterprises and producers along with consumers. The main plus of interactive marketing for the enterprise and pro-

ducer consists in geographical and in temporary limitlessness of the Internet. That is, using interactive marketing, the enterprises or producers of goods won't limit the scale of potential buyers to geographical values. Instead, they will be able to work with consumers on a global scale. By the nature, the interactivity enables the formation of reliable relationships connecting consumers and producers. The enterprises or of the company during the relations with consumers define their exact desire, the need and create the appropriate base desires of the consumer. In turn consumers can obtain information necessary to them from the producer via the Internet for satisfaction of the information needs. On the basis of such two-way relationships manufacturers will be able to promptly adapt to the variable requirements of consumers through improving the quality or consumer properties of products offered.

Possibilities of interactive marketing aren't limited to creation of the constant and bilateral relations with consumers. Together with this interactive marketing promotes decrease in the general expenses of the enterprise. Sellers of the electronic trading facility are exempt from rental fees for the place of trade, of the costs place of sale, insurance, utilities, etc. Because for sale of goods of enterprises used estores, websites, social networks. In this regard, the company can direct more financial resources for the maintenance and improvement departments of production, sales and trade. In turn, these capabilities can enhance competitive advantages of enterprise in the market. Direct communication of consumers and producers on the basis of interactive marketing minimizes the distortion in the exchange of information. The exact and it is clear obtained information allows to increase overall performance in the enterprise at stages of registration, the analysis of information on goods, withdrawal of the right product from the warehouse, packaging of goods, delivery of goods to the consumer and after sales service.

Association of online trade on the basis of interactive marketing with infrastructure of traditional business will increase overall performance of the enterprise in the virtual market.

Internet is a global environment that unites the consumer and seller at opposite ends of the world for only a few seconds. Interactive marketing in the future has a very high potential for growth and efficiency in use. According to scientists in the future electronic trade and the Internet on the basis of interactive marketing can force out from the use modern magazines and newspapers as sources of information, traditional shops and traditional trade will disappear. However, notwithstanding the foregoing

hypotheses for interactive marketing to a new level of efficiency requires a lot of time. At present, interactive marketing is at the initial level of development and despite all its advantages, interactive marketing is not always effective in relation to the company, the product or the consumer. According to the principle of marketing "Don't sell the made goods, and make the goods sold" in everyone situations it is necessary to define whether it is necessary to use interactive marketing or it is necessary to use other methods of marketing. If the enterprise or the company decides to use interactive marketing in their work, they should consider along with the advantages of interactive marketing and its cons.

The main problem associated with interactive marketing comes from the Internet. The main disadvantage and the main problem of interactive marketing is described as the inaccessibility of the Internet and the limited number of consumers who use the Internet. In turn, this disadvantage has a negative impact on sales growth in virtual shopping sites. Despite the growth of the Internet over geographic space, currently interactive marketing covers a small portion of the all market. According to statistics of Forbes only 20% of the populations of the Republic of Kazakhstan are active users of the Internet. In June of 2015 in the Republic of Kazakhstan was registered 3.47 million people as Internet users [5].

The next disadvantage of interactive marketing is the age of the Internet users. According to the statistics of the Republic of Kazakhstan the average age of the main users of the Internet are people aged 18 to 24 years. A consumer preference of people in this age range is unstable and changeable. All this because people at this age are just beginning to define their place and role in society and become a person. Together with it in the course of formation by the personality at people preferences often change. In turn, attempts to adapt to frequently changing consumer preferences may have the bad ending for the enterprise.

Verbal communication between the consumer and the enterprise through the Internet is another disadvantage of interactive marketing. In communication 35% information is transferred in verbal and 65% non-verbal information in the form. The transmission and receipt of information on the Internet in a verbal form does not allow the company to obtain psychological information about the user and makes communication less informative.

In interactive marketing safety of the transferred or received information on the consumer or about the enterprises is very important. Consumers may worry about the fact that someone has the opportunity to learn the number and code of their electronic card of payment. While companies may worry because virtual hackers are able to hack into their computer for the purpose of blackmail or espionage. That is in this situations minus of interactive marketing is lack of system of protection of information against unauthorized access by the third parties on the Internet. Together with the protection information, the main disadvantage of interactive marketing is eth-

ics. In many websites to buy any goods users enter personal data on the website. Company or enterprise receiving information about a potential client, can use it in the advertising purposes or for an exchange of customer database with other companies without the personal consent of the consumer.

Summarizing, all pros and cons of interactive marketing for the consumer and the manufacturer are schematically shown below.

**Table 1** – The pros and cons of interactive marketing to consumers and producer

Interactive marketing	
The consumer	Manufacturer
Pros  1. Active participant of the economic relations 2. The convenience of the purchase process 3. The ease of obtaining information 4. The absence of external influences at the time of purchase 5. Minimal time to buy 6. The ease of process of communications and informing 7. The influence of consumers on virtual trading through social networks, online channels etc.	<ol> <li>A trusting relationship between the consumer and the manufacturer</li> <li>Creating a database of the exact needs of the customer</li> <li>Adapting to changing needs of consumers</li> <li>Reducing the overall costs of the enterprise</li> <li>Minimal distortion of information between consumer and producer</li> <li>Association virtual trading with traditional business</li> </ol>
Cons  1. Information vulnerability of consumers 2. The use of information about consumers by the company for private purposes, without warning the consumer 3. Unilateralism and the failure of psychological information about the manufacturer through verbal method of information transfer 4. Ultra-high level of information flow on the Internet	<ol> <li>The low number of Internet users in Kazakhstan</li> <li>The inaccessibility to the Internet reduces the amount of virtual trade</li> <li>Negative effects from adaptation to the changing needs of consumers in Kazakhstan</li> <li>Unilateralism and the failure of psychological information about the user through the verbal method of information transfer</li> <li>Virtual attack by hackers on the computers and servers manufacturer</li> </ol>
method of information transfer 4. Ultra-high level of information flow on the	information about the user the information transfer 5. Virtual attack by hack

In conclusion, foreign and domestic scientists are not considering interactive marketing as a tool to improve competitiveness and efficiency of enterprises described him apart as a tool for communication. However, a separate description of interactive marketing today does not give certain results, because the concept of interactive marketing today should be considered in conjunction with such concepts as: market researches in the Internet, telemarketing, internet marketing, advertizing of a direct response, electronic trading, technologies of Internet communications. Along with this we should not forget that interactive marketing is directly connected the Internet users. In this regard, to effectively meet consumer needs we must know and determine the nature, operating principles,

advantages and disadvantages of interactive marketing. Currently the advantages of interactive marketing is this: the ease of receiving and sending information, speed of installation of communication between the consumer and the producer, convenience of process purchase and sale, saving of time, decrease in expenses and high flexibility of the enterprise, formation of the consumer by the active participant of the virtual market. Effective and timely use of all the benefits of interactive marketing will provide the company a good image to consumers, competitive advantage in the market and high working efficiency.

The popularization of the Internet and technological revolution increase the number of consumers and producers seeking to use all the benefits of interactive marketing. However any system, the mechanism along with pros has the opposite cons. Therefore, the manufacturer along with the consumer should know all the disadvantages

of interactive marketing to in the future to increase capacity and prevent hazards associated with interactive marketing.

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