

**The Ministry of Education and Science of Ukraine
Ukrainian-American Concordia University
Management and Business Faculty**

MASTER'S QUALIFICATION WORK

**DESIGN OF ADVERTISING POLICY ON NATIONAL
MARKETS**

(on the basis of JSC CB Privatbank)

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Field of Study 07 – Management
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Kyiv – 2023

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DESIGN OF ADVERTISING POLICY ON NATIONAL MARKETS (on the basis of JSC CB Privatbank)

The work considers such a timely issue as the design of an organization's advertising policy in the national market. The relevance of this topic is related to the fact that the article reviews advertising policy as one of the main factors influencing corporate expansion. Any modern company creates a set of certain measures of advertising influence on the target audience.

The theoretical part of the paper is devoted to the concept of advertising policy and advertising in general. The first part also describes the features and challenges to the implementation of advertising policy. This made it possible to prove that the specifics and characteristics of the development of an enterprise's advertising policy depend on the scope of the firm's activities and market activity. As a basis for the practical part, the author analyzed the statistical data of Privatbank. Several analytical methods were used, such as SWOT, PEST, and SPACE. The results of which identify the key components of the external and internal environment to present opportunities and threats to successful project implementation. PrivatBank has the highest website traffic and the highest average advertising spend among Ukrainian banks. Methods for improving the advertising policy were proposed, supported by the development of an annual media plan and a posting plan for Instagram. The efficiency analysis showed that this strategy will show positive results in terms of audience engagement.

Keywords: advertising, marketing, strategy, media plan, social media, traffic, challenges, proposals, development, Ukrainian banks, finance.

Катерина Лопатіна

РОЗРОБКА РЕКЛАМНОЇ ПОЛІТИКИ НА НАЦІОНАЛЬНИХ РИНКАХ (на прикладі АТ КБ "Приватбанк")

У роботі розглядається таке важливе питання як розробка рекламної політики організації на національному ринку. Актуальність даної теми пов'язана з тим, що оглядається рекламна політика як один з основних факторів, що впливають на корпоративну експансію. Будь-яка сучасна компанія створює комплекс певних заходів рекламного впливу на цільову аудиторію.

Теоретична частина роботи присвячена висвітленню поняття рекламної політики та реклами в цілому. Опис матеріалу стосовно особливостей та викликів до впровадження рекламної політики також присутній у першій частині. Це дало можливість довести, що від сфери діяльності фірми та активності ринку залежить специфіка та характеристика розробки рекламної політики підприємства. Як підґрунтя для практичної частини були проаналізовані статистичні дані Приватбанку. Було використано кілька аналітичних методів, таких як SWOT, PEST та SPACE. Результати яких визначають ключові компоненти зовнішнього та внутрішнього середовища для представлення можливостей та загроз успішного виконання проєкту. Приватбанк має найбільший показник з відвідування сайту та середній показник витрат на рекламу серед українських банків. Було запропоновано методи до покращення рекламної політики, підкріплені розробками річного медіа плану та постинг плану для Інстаграму. Аналіз ефективності показав, що дана стратегія покаже позитивні результати із залученням аудиторії.

Ключові слова: реклама, маркетинг, стратегія, медіа план, соціальні мережі, трафік, виклики, пропозиції, розробка, українські банки, фінанси.

PHEE-institute «Ukrainian-American Concordia University»

Faculty of management and business

Department of international economic relations, business and management

Educational level: **master degree**
Specialty: 073 «Management»
Educational Program “Business Administration”

APPROVED

Head of International Economic Relations,
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Prof. Zharova L.V.

“23” September 2022

TASK
FOR MASTER’S QUALIFICATION WORK

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1. Topic of the work

DESIGN OF ADVERTISING POLICY ON NATIONAL MARKETS (ON THE BASIS OF JSC CB PRIVATBANK)

Consultant of the master thesis Bielova Olena, PhD in Economics, Associate professor

(surname, name, degree, academic rank)

Which approved by Order of University from **“14” September 2022 № 14-09/2022-6c**

2. Deadline for master thesis submission **“23” December 2022**

3. Data-out to the master thesis are:







materials from the official reporting of financial and economic activities of the enterprise, including the international aspect, were taken from internship and open access on the Internet

4. Contents of the explanatory note (list of issues to be developed) There are three main aspects, that need to be developed by a student. First - theoretical and methodical bases for design of advertising policy on national markets. Second - practical aspects of design of advertising policy on national markets on the example of the company. Third - propositions of improvement for design of advertising policy on national markets on the example of the company

5. List of graphic material (with exact indication of any mandatory drawings)

Graphs and figures for analysis of economical and statistical information on the company and its development, characteristic of organizational structure of the company, visualization of mechanism of development etc.

6. Consultants for parts of the work

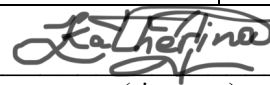
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| 3 | <i>Bielova Olena</i> |  |  |

7. Date of issue of the assignment

Time Schedule

| № | The title of the parts of the bachelor's qualification work | Deadlines | Notes |
|----|---|-------------------|----------------|
| 1. | I chapter | <i>07.10.2022</i> | <i>in time</i> |
| 2. | II chapter | <i>28.10.2022</i> | <i>in time</i> |
| 3. | III chapter | <i>18.11.2022</i> | <i>in time</i> |
| 4. | Introduction, conclusions, summary | <i>05.12.2022</i> | <i>in time</i> |
| 5. | Pre-defense | <i>13.12.2022</i> | <i>in time</i> |

Student _____



(signature)

Supervisor _____



(signature)

Conclusions: *Master thesis is designed in accordance with the requirements. The thesis contains theoretical aspects of the research topic, practical aspects and recommendations for improvement, including the international aspect. In terms of content and design, the work complies with the rules and is recommended for defense*

Supervisor _____



(signature)

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INTRODUCTION

The relevance of advertising is beyond doubt, as it plays a key role in the development of a market economy, and is also an important element in the modern trade. The success of the company's development depends on how well the marketing and promotional activities are organized. They help to formulate the basic concepts that highlight the organization's advantages. With the help of advertising, the product can be presented on the market and, above all, the advantages of the high quality of the company's goods and their advantages over the competition can be strengthened.

The first function of advertising is to facilitate communication between the producer and the consumer. A potential customer can learn about the existence of a new or essential product through advertising. In addition to providing information, advertising also serves to popularize new products and increase consumer demand for updated and improved goods. It helps to build a positive perception of the company providing the consumer with its goods or services.

Reliable expertise in the production of promotional products can significantly increase a manufacturer's profits. It is only necessary to consider the fact that advertising will only work in the form of consistent profit for a genuine manufacturer. No amount of advertising can compensate for the loss of profit caused by a decline in product quality.

Of course, an organization's advertising strategy depends on the industry it belongs to; each market has its characteristics, and so does advertising in that market. Advertising simply acts as a channel to inform customers about quality goods and services.

Today, it is impossible to picture any business operating well without a well-planned marketing strategy and enough product advertising.

Advertising's function in business operations has emerged as a crucial aspect of contemporary trade. If this essential component is turned off, manufacturing will halt and businesspeople will not be able to enhance existing product brands or create new

ones. The level of mass-market items' variety and quality will be impacted by the fall in business global competition.

This research is devoted to uncovering the essence of the advertising sphere of international enterprises, as well as diving deeper into the subject of the design of advertising policies of firms in the modern globalized world. The relevance of the topic can be attributed to it being one of the main driving forces of business growth. It is through the advertising process that the company can create a channel of communication with its customers, and get an opportunity to market its products and services to its potential consumers.

While advertisements alone are a good tool for establishing a relationship with its consumers, as well as making the firm's products and services known to the public, the company can amplify its effect by creating some form of codes and rules that would guide the firm in its marketing activity. This is where the term 'advertising policy' comes into play. With the help of advertising policy, a company can take control over what kind of image it wants to create on the market. Advertising policy is the backbone of all the advertising processes as it creates unity and cohesiveness in how a company communicates its values to the public. The purpose of this research is to uncover the essence of advertising policy, which factors come into place when there is a need to design one and how well an advertising policy can fit within the Privatbank's activity. In order to achieve the goal of this research the following tasks have been put into place:

1. Disclosing the concept of advertising policy and advertising in general
2. Analyzing the peculiarities of advertising internationally
3. Highlighting the main challenges of international advertising realization
4. Identifying the Privatbank's environment, organizational structure and financial indicators
5. Investigating the Privatbank's strategy for the development and promotion of retail services
6. Discovering the effectiveness of advertising promotions in Privatbank
7. Suggesting ways of overcoming weaknesses of advertising policy in Privatbank

8. Making proposals for improving the promotion strategy retail banking services
9. Assessing the effectiveness of the proposed measures

The **subject** of the research is the importance of designing an efficient advertising policy in international markets.

The **object** of the research is JSC CB Privatbank`s advertising policies.

Methodology used for writing this research is based on publications devoted to the topic of advertising from Abdullaeva C.B. [1], Anan'eva L. [3], Batishcheva A. I. [6], Bedrin A. [7], Birken E.G. [8], Cappello M. [10], Czinkota, Michael R., Ilkka A. Ronkainen, and Annie Cui.[12], Demko M. [14], Dergousova A. A. [15], Dronova T. [16], Faliuta A. and Pas Y. [21], Ha L., Abuljadail M., Jiang W.[24], Ilchenko, T. and Pomazan, L. [27], Kihlstrom, R. E., & Riordan, M. H. [32], Kostornaya Y. [33], Kostrova B. [34], Kotabe, Masaaki Mike, and Kristiaan Helsen [35], Kretov D. [36], Ktisti E.; Hatzithomas L.; Boutsouki C. [37], Kushnir D. [38], Lepetan I. [39], Likholat S., Gritsyuk, T. [40], Milanovich R. [41], Nelson P. [52], Pakhuchaya E. V. [54], Pas` Y. [55], Richards, Jef I., and Catharine M. Curran [64], Roca C. [65], Roy Abernathy, Raija Horstman, Dalton Hughes, Emily Kappers, Amy Pauli Crowell [66], Schmalensee R. [67], Smith, Robert & Chen, Jiemiao & Yang, Xiaojing [70], Temnenko N.I. and Burachek I.V. [72], Trinidad C. [75], Vasyl'tsiv, N.M. [77], Wheeler S. [80]. Additionally, official international sites, like International Chamber of Commerce, were used for providing guidance on the matter of operating advertising activities in accordance with the rules and laws of different countries. In addition, the financial statement from Privatbank were evaluated.

Methods that were used sale statistical methods necessary to achieve the objectives of the study and due to the availability of information: grouping for further comparison of Ukrainian banks; graphical method for showing trends in financial analysis; methods of analysis and synthesis, for example SWOT analysis for highlighting the main advantages and drawbacks in companies performance, PEST analysis for planning the advertisement policy based on external factors, SPACE analysis for identifying the most efficient strategy for the bank, optimistic, pessimistic and realistic forecast.

The structure of this master thesis includes three chapters (theoretical, analytical and chapter containing propositions). Further, each chapter contains three subchapters that help expand on the topics and cover all the important aspects of each chapter. Work is carried out on 114 sheets, containing 9 tables, 3 formulas and 29 figures. References include 81 literature sources.

CHAPTER 1. THEORETICAL FRAMEWORK OF ADVERTISING POLICY

1.1 The concept of advertising policy and advertising in general

Advertising is an integral attribute of everyday life. Today it is difficult to imagine for an activity of any enterprise to be successful without well-organized marketing strategy and the proper level of advertising promotion of the products. Advertising essentially is a promotion of ideas that highlight the beneficial aspects of goods and services. It is due to advertising that it becomes possible to form and strengthen a positive consumer perception of the quality and valuable properties of goods and services.

The main function of advertising is to convince a potential client of the need to purchase it. It acts as a source of information and a factor of psychological impact on potential consumers. In other words, advertising influences demand and can control it.

Advertising has existed, in one form or another, for as long as mankind has talked about trading goods and services.

If we are talking about effectiveness of the advertising, then it is determined using special methods. This may be a survey of the advertising audience, which reveals the level of awareness about the enterprise, ideas about the advantages and benefits of buying a product or using services, clarifying ideas about the image of the enterprise, its positive and negative sides of the advertising campaign.

In most cases, it is possible to sum up the results on determining the economic efficiency and the role of promotional events or campaigns only indirectly, because many market factors cannot be taken into account.

Producing a low-utility product at high production revenues is an option available to manufacturers of similar specifications. Alternatively, they may produce a high-utility product at a reduced unit revenue. It is acceptable to anticipate that the two brands will see similar volumes from people who are unaware of the utility of the brand

names. Nevertheless, customers will frequently repurchase higher-utility alternatives. As a result, higher than predicted volumes of high-utility products might be projected. Equilibrally, if enterprises at this degree of effectiveness continue to manufacture both high- and low-utility goods, their total earnings will remain the same. It suggests that each of the high utility and the low-utility businesses will benefit equally from the typical consumer's ill-informed transaction. The ratio of the two should be identical since it is expected that earnings and the number of clients without knowledge are equal for both companies [52].

By using advertising to affect the price at which the items may be purchased, businesses act as price setters. Kihlstrom and Riordan's initial concept makes the assumption that buyers are uneducated about qualities when they make their first purchase yet completely knowledgeable regarding them when they make future orders. If all customer contact is flawless, such circumstances will occur. Each consumer's first-time purchase experience may be shared. Advertising only has an effect on the cost where the beginning purchases are accomplished in this data framework. For each business, it does so proportionately. Additionally, when advertisement spending is reasonably high, buyers logically predict high quality since they see advertising as an indication of value. When a company advertises, it shows clients that the demand for such goods and the manufacturing costs are sufficient to meet promotional expenses. High-quality businesses must be able to recoup their advertising expenses whereas low-quality businesses cannot in order for promotion to be a reliable message. Additionally, clients should be aware of expenses well enough to understand that advertising is lucrative for high-quality businesses in contrast to low-quality ones [32].

Schmalensee contends that high-quality brands naturally have a high likelihood of recurring business. As a result, the present value of promotion gains rises, and, assuming nothing else changes, they end up with large market shares. On the other hand, premium brands cost more per unit. As a result, they are less lucrative from advertising, which, generally speaking, tends to increase their equilibrium proportions [67].

Marketers should obviously avoid ads, which are poor in both deviation and appropriateness since they consistently result in less positive perception and reaction. Companies need to know this since the promotional messages are provided in a crowded manner. Ads with minimal distinctiveness and resonance are likely to function badly in a marketplace. In comparison, the hierarchy-of-effects approach benefits across the board from creative advertisements [70].

According to Jef I. Richards and Catharine M. Curran the advertising is a “paid nonpersonal communication from an identified sponsor, using mass media to persuade or influence an audience.” Advertising is an occurrence, representation, or impression that influences how people react to a specific item. Advertising is occasionally arranged. Perhaps it occurs accidentally and by chance. It is paid for and occasionally it is not. Occasionally it occurs in a mass-market manner or in a very private, one-on-one manner. It constantly modifies or seeks to modify the beholder's impressions [64].

Regarding the contact-establishing aspect, knowledge of the target group is necessary for the writer of an effective advertisement. It is the recipient of the text that was prepared and a possible customer of the promoted commodity. The target audience's sociopolitical inclinations, personal details, decision-making techniques, demographic details (age, ethnicity, gender, ethnicity, economic status, and cultural biases), as well as other data, are taken into consideration. In light of this knowledge, advertising materials are written in a way that tries to reflect the recipient's worldview as closely as feasible. This is true of the text's formal organization as well as its substance, which appeals to preconceived notions about religion, culture, morality, and other ways of thinking that are inherent in the mindset of the intended audience [1].

Applicable state and federal laws establish the advertising regulations that specify what companies may and cannot say in advertisements. These laws frequently concentrate on discriminatory advertising, misleading marketing tactics, and integrity in ad campaigns. Such advertising methods are intended to be curbed by state and federal laws and authorities, which oblige companies to be genuine about their goods and operations and to back up any claims they make in ads.

Between a company making unsupported claims and merely generating biased boasts about their goods, there is a thin but typically discernible boundary [22].

The information above serves as an introduction into the world of advertising and consequently serves as a basis for understanding the essence of advertising policy.

It is a common knowledge that advertising activity of a company plays major role in attracting potential customers and creating awareness within the community about the products and services that company offers. The chosen strategies and design of the advertisement campaigns of the enterprise should reflect the overall image that the company wants the public to associate it with. Thus, advertising policy should be put into place to lead and guide all the advertising processes.

As a rule, it is unlikely that company can successfully exist without establishing its advertising policy. Therefore, considering the importance of this concept in the world of business, it is crucial to define “advertising policy”.

Advertising policy includes a set of ideas and rules that are based on the core values of a company. It is with the help of this specific system that the company establishes the main direction(s) of its advertising activity.

The fundamental goals of the advertising policy of the enterprise are:

1. Statement of fundamental organizing concepts for advertising efforts;
2. Organizing marketing activities;
3. Creation of a system for deciding how to distribute advertisements;
4. Choosing and approving the processes used to create the advertising costs;
5. Overview of fundamental techniques for assessing the success of advertising campaigns.

The basic idea of an organization's advertising policy is strongly related to the ideas of advertising strategy and tactics. The first acts as a broad framework and setting for reaching the final objectives, while the second is a representation of all the methods and strategies used to accomplish the objectives of marketing events. In most cases, the choice of an organization's advertisement campaign and methods is the foundation of its advertising policy.

The company's current advertising strategy is intended to address a number of significant issues, including how to choose the best distribution channels for advertisements and define the criteria by which to choose them, how to define the tools to draw in the target market, how to communicate with that market's representatives, etc [3].

Businesses nowadays have a wide range of options for media channels, delivery methods, and instruments for advertising content. Numerous elements might affect each situation's decision on the best advertising strategy. The type of activities the advertiser engages in is the primary factor influencing the selection of a certain advertising medium. It is important to distinguish between how trade firms organize their promotional operations and how manufacturers or companies that provide services organize their commercial campaigns. The following factors are the most significant ones, such as the fact that the goal of promotion has a variety of traits. This indicates that while the example is a service, the other situations include tangible products. The intangibility quality of the second case is what influences the creation of the marketing messages and the choice of advertising mediums, among other things. The scope of advertising activity, its arrangement, and its administration also varied significantly [34].

It is necessary to carefully consider the strategy of promotional actions to form a positive image, attract customers, as well as achieve successful sales of a product. This implies developing advertising that best meets the set goals, and placing it in the most suitable places for it.

When talking about advertising in general, it is crucial to designate two concepts: object and subject.

The object implies a target audience and the organizations-competitors of a given company. The media, including the Internet, TV, radio stations, and print publications usually are considered the means of advertising.

On the other hand, a company itself or its product are referred to being the subject of the advertising policy.

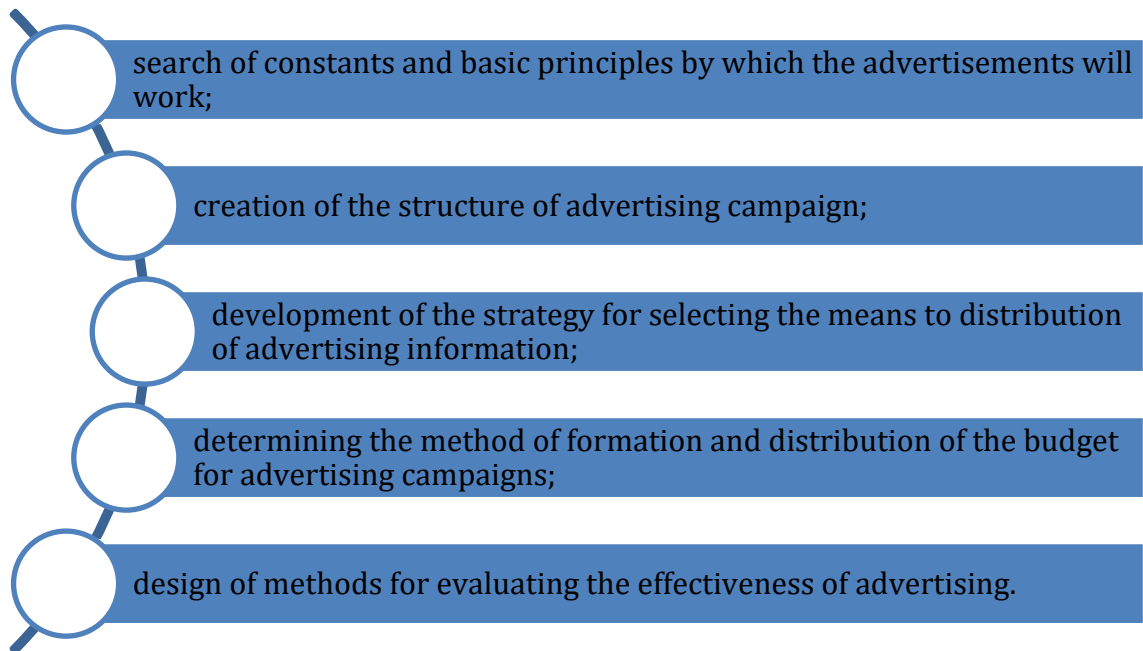


Fig. 1.1. Most significant goals of an advertising policy

Source: made by author in accordance to [41].

Therefore, as it becomes evident from the list of the goals provided above, advertising policy deals with a number of tasks, without which the company could not so easily achieve any type of cohesiveness across any of its marketing activities.

The program of organization of management of advertising activity serves as the cornerstone of the enterprise's advertising activity as an integral system. The following are the key building elements of the program's structure of management of advertising operations in the enterprise: research, planning of advertising activities, tactical choices, operational control, and assessment of the efficacy of advertising activities. As a consequence, advertising campaigns set the company's objectives, but they also allow for adjustments based on their effectiveness [72].

Now that there is some basic understanding about the concept of advertising policy, one could wonder of the ways that a company could design its own advertising policy.

Advertising policy of any organization solves a set of tasks that allow a company to determine the methods of attracting buyers and means of distribution of advertising to attract the target audience. Whatever form of activity an enterprise has, it will always have an advertising policy. With time, this policy may change and improve, or it may

stay the same for years, as long as the tactics were chosen successfully and it brings the desired result.

Deriving from the information above, it is crucial to introduce such concepts as strategy and tactics, as they are defining factors in advertising policy.

Strategy deals with establishing the overall direction of the advertising campaign and the grand plan for its realization.

Tactics is simply the plan of its practical realization.

Thus, strategy defines the tasks of an advertising policy, while tactics simply consider the best way to execute those tasks.

To sum up the subchapter, the task of advertising, in general, is to inform consumers about the company's products, while the purpose of advertising policy specifically is to create a unified image and principles that will guide a company in its process of designing the content of its advertisements.

1.2 Peculiarities of advertising policy in national and international area

Modern advertising dynamics are defined by an active shift from traditional forms of advertising to more cutting-edge strategies for influencing the consumer audience. Numerous variables, such as the advancement of contemporary technology, contemporary lifestyles, adjustments in societal norms, etc., are driving this trend. Because of this, it is important to remember that the instruments employed in the past will not be as effective if not completely useless in the present.

With globalization come many advantages and disadvantages, them being access to new markets, international recruiting, lower cost for products, but also higher competition and foreign worker exploitation and many more. However, the task of this research is not to dive deeper into studying the pros and cons of globalization, but instead, to focus on the kind of opportunities it brings. For companies across the world, globalization has given them a chance to expand and grow their businesses and consequently, grow their profit. With that being said, usually, when comes opportunity,

there come also risks. In the case of advertising, the risk is connected to entering a completely new market, with entirely different cultures and norms. Meaning, what works in a homeland country of a company might not work abroad. This is where the term “international advertising” might come into use. The content and design of the advertisements themselves are what the advertising policy is composed of. Since the main theme of the research is reviewing the topic of advertising policy not just in the homeland, but also internationally, it will be very helpful to explore further the subject of “international advertising”.

According to Oxford Bibliographies, international advertising can be defined as a “subfield in advertising and international marketing that studies the differences and similarities in advertising across different nations and how one country’s advertising overseas affects the other country” [24].

Advertising in international marketing is an effective tool for promoting a product on the market. It is of particular importance when used for the sale of small goods intended for the average consumer outside the home country. The reason for this is that goods of this kind are usually bought by not-so-large buyers, and advertising helps to convey to them the idea of the usefulness and necessity of these goods. If there are not many buyers, as usually happens when it comes to selling to enterprises or other large entities, advertising is not so much in demand during the promotion process. In this case, personal selling is in priority.

So how do the main tasks that international advertising is supposed to solve look like. AIDA model can be used to derive these tasks. The model reflects four stages of perception of advertisements:

- A – stands for Attention;
- I – stands for Interest;
- D – stands for Desire;
- A – stands for Action [75].

Drawing upon the above-mentioned components of the model, it is possible to finally formulate the four main tasks of global and international advertising, see Figure 1.2.

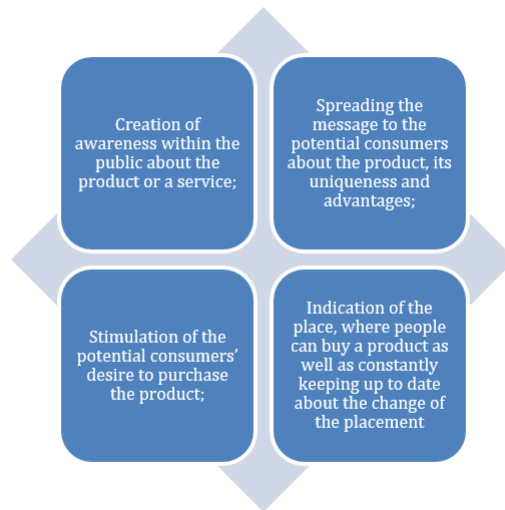


Fig. 1.2. Four main tasks of the global and international advertising

Source: made by the author in accordance to [12].

In addition, it is worth mentioning that in foreign trade, most advertising campaigns are not related to the product itself, but to a specific brand.

To further explore the topic of international advertising it is fundamental to discuss the peculiarities it has when compared to regular inside-the-country advertising. Organization of international advertising is considered one of the major difficulties in the work of global marketing. The reason for this lies in the fact that every country has its own unique features that have a significant impact on the process of implementation of actions that are connected to advertising.

This difference is attributable mainly to the following factors:

- Culture and cultural development
- Linguistic characteristics
- Economic situation
- Existing laws
- The kind of methods of advertisement distribution that the country in question has
- Existing competition

Further, below, each of the already mentioned points will be covered in more detail. The importance of reviewing these points closer lies in the fact that creating a

successful advertising policy on international markets depends on a deep understanding of how global advertising works.

1. Cultural difference

The development of culture plays an important part in any sphere of life. With culture, worldviews, values, and moral norms are formed. These are the things that make up the cultural characteristics. These characteristics are instilled in people through education that is acquired in a variety of institutions, like the school and the family. Religious beliefs have a great influence too and there is no doubt that it affects the consumer's choice of goods in a particular country that is oriented towards that specific target audience. In this regard, the peculiarities of international advertising must be taken into account. When preparing a campaign for advertising on the international market, it is necessary for the business to develop its own slogan for each individual country.

It is necessary to choose the appropriate wording, stylistic format, colors, and much more that will have an impact on the target audience. All these factors should effectively work towards the execution of the goals that each individual advertising campaign has in each individual country.

2. Language differences

It is important to remember that in one language a slogan might sound attractive and be effective, while in another language that same slogan might be considered inappropriate and even unacceptable. It is a common situation when such wrongly worded slogans become the subject of mockery and embarrassment. Often the messages that are important to convey to the public are lost in translation.

For example, the advertising slogan "Avoid embarrassment, use Parker Pens" in Latin America was changed to, "It won't leak in your pocket and embarrass you." It was interpreted by locals as "It won't leak in your pocket and make you pregnant" [25].

It is clear that such a translation is unacceptable. There are many other examples that demonstrate the effective use of certain advertising texts or slogans within the country and their absolute inadequacy when translated wrong. It is important to

carefully study and adjust the advertising campaign to the realities of each individual country.

3. Economic differences

When taking into account the level of economic development of a country, the purchasing power of its residents should not be overlooked. Consequently, not everyone has the same access to the sources of international advertising.

There are countries in which only radio can become the main channel for international advertising since a very small number of people have television. The situation is similar to the Internet. There are countries where it does not exist at all.

4. Differences in legislation

Most states regulate advertising activities by legal instruments. In this regard, in different countries, there are specific restrictions on certain types of advertising, vocabulary, and language use. There are products that cannot be advertised and even if they can, the opportunity will be limited. For example, in some European countries (Germany, Finland, and Italy) there are restrictions on the advertising distribution of alcoholic beverages. Most often, restrictions are imposed by countries with a fairly high level of economic development. This is a consequence of the underdevelopment of the advertising industry itself in developing countries.

5. Differences in ways of distribution of international advertisements

Different countries use different advertising channels. If we are talking about countries with a high level of industrial development, then it is possible to find all kinds of widely used means of advertising. These include for example television, press, and radio. Nonetheless, there is not always free access to those means of advertising because of governmental restrictions.

6. Differences in competitive environment

Competition is developed differently from country to country. In each one of them, there exists a number of companies that encourage their system of promoting a particular product on the market. Despite this, there are situations when these companies have to adapt to the conditions dictated by the field of competition.

People are still drawn to content formats with few or no ads. Consumers reject the chance to use advertising to discover new products, solutions, and activities. Less customer participation in ad-supported activities causes a deterioration in the online ad-supported sector. To access goal categories that are found in shrinking market pools, companies and organizations must invest considerably. They are becoming more and more irritated by obtrusive, pointless, and repetitive ads. There will be less of a supply since publishers will not be able to rely on advertising money to support technology, quality, and customer interactions. The creative economy will be directly impacted when the cost of goods, activities, and events increases and people have fewer options for content [6].

Knowing an ad policy's objective is crucial since it has an impact on consumers, marketers, and media. It may be stopping off-brand advertising. High quality and on-brand advertising is ensured by an advertising policy that includes standards for ad images and content. Businesses do not need to discuss off-brand advertisements as frequently when they are aware of the limited material in advance. Additionally, it could encourage compliance with the law. Ads must abide by several legal requirements. It is the team's responsibility to emphasize this. However, later on, it will be helpful to advise marketers on privacy compliance criteria. Finally yet importantly is earnings maximization. Better user interaction, persistence, and enjoyment because of high-quality adverts mean greater income for the organization and marketers [80].

Advertisers demand quantifiable assistance when it relates to more recent promotional options like podcast advertising, sponsored materials, and viral promotion. On the one hand, advertisers may be drawn to platforms like podcasts because they frequently feature less crowded and able-to-compete promotions, which enables companies to come through. On the other hand, even if the expenses are less than those in conventional channels, advertisers may be reluctant to allocate their resources to innovative fields. Advertisers should be aware of how well these multiple channels do both by themselves and in comparison to more conventional media arrangements.

According to the 2021 Nielsen Brand Resonance Report, a one-point rise in recognition and contemplation leads to a one-percent boost in future sales. A 1% increase in consciousness and evaluation can result in a 1% reduction in the acquisition's short-term cost per acquisition. When considering everything, a company has both short- and long-term reasons to concentrate on upper-funnel advertising [73].

A corporation should carefully prepare and manage a variety of communicative strategies, including advertisements, direct mail, sales promotions, personal selling, corporate communications, exhibits, fairs, etc., to get the most out of the resources invested. Having a thorough and efficient influence on contact audiences is only achievable with a complete mix of various technologies. Interactions in advertising are concentrated. Prior to launching marketing communications, it is essential to place the business and its products in the markets for the sale of goods, i.e., to precisely identify the target audience, its perception of the company and its rivals' goods, and the driving forces behind consumers. Repeating messaging is a hallmark of marketing communications. The accompanying educational phases regarding the manufacturer and its products must be experienced by the target audience: awareness, interaction, information, positive mindset, comprehension of the advantages, persuasion, buying, and purchase frequency. At this point, the promotional messaging responsibilities of providing information about the company and its goods, creating a positive perception of the producer and its goods, and promoting action—purchase and repeat purchase—are all accomplished [27].

Marketing guru and H2H enthusiast Brian Kramer underlines the necessity for firms to avoid idealizing their organizations and attempting to satisfy everybody. Executives of many for-profit, nonprofit, and government entities share a vulnerability nowadays: the need for flawless. As a result, spoken and written languages are very diverse. For instance, a corporate website may be laden with sophisticated terms and sentences that are frequently not utilized in interaction with clients [38].

To further the technologicalization of the Ukrainian advertising sector, the All-Ukrainian Advertising Coalition and TechUkraine have teamed together. Additionally, the duties include collaborating to expand the Ukrainian technology sector and sell it

internationally as well as promoting the use of cutting-edge technologies and digital breakthroughs in the advertising industry.

Despite the quarantine measures, which have even increased the number of cars on the highways compared to the same period without quarantine, advertisers have observed the efficacy of outdoor advertising. This may be seen by the increase in advertisement placements, which reached 27% in 2021.

Computer equipment, communications, healthcare, food, and trade had the fastest growth. The digital portion of the OOH market continued to experience rapid growth, both in terms of available inventory across all Ukrainian regional centers and in terms of clients who regularly use these channels for their advertising campaigns, particularly in the industries of real estate, entertainment, and automobiles. In comparison to 2020, the market for digital outdoor advertising expanded by 78% in 2021. The inventory situation in Ukrainian cities will stay constant in 2022, and the growth of digital inventory will be most apparent [79].

To conclude the subchapter we can assume that the advertising policy of a company that operates solely in its home country might differ from the one it would have to employ if it were to expand abroad. When “going overseas” a company might want to pay attention to the differences of the country where it is planning to open its business, like cultural differences, economic situation, language, as well as conduct a vast analysis of the types of advertisements that work best in that region.

1.3 The main challenges of national and international advertising implementation

All of the information mentioned in the previous subchapters and many other aspects that affect the specifics of advertising in each individual country create difficulties for those who distribute the product and those who produce it.

The first set of difficulties mainly relate to the following points:

- The process of creating an adequate and effective advertising text;

- Selection of the most appropriate way to promote international advertising;
- Finding the most effective advertising agency.

It is possible to resolve all of the issues described above, or at least if not resolve, then to make it easier to handle. In this regard, it is important to apply the principles of standardization and systematization in the field of advertising activities of each individual country in order to achieve the most productive balance. Classification of advertising can be done on various grounds. There are, however, some of the most popular and widely used types of advertising, see Figure 1.3.

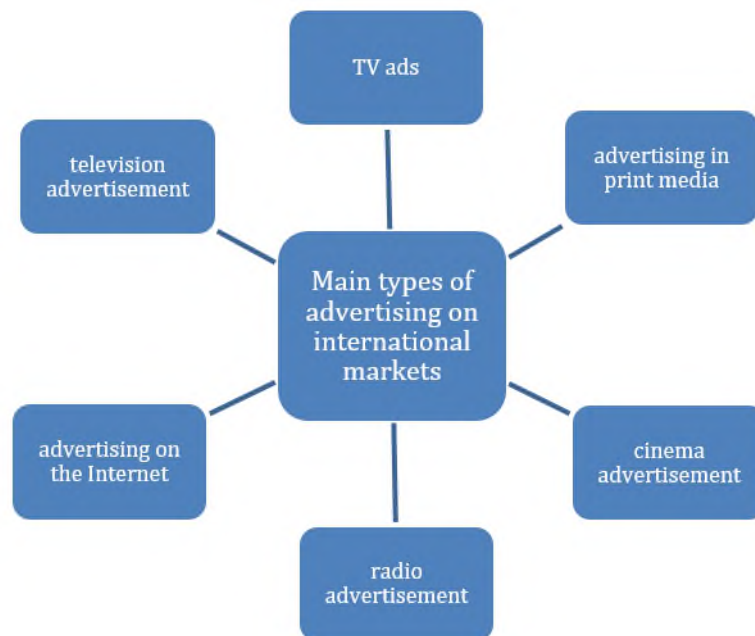


Fig. 1.3. The main types of advertising on international markets.

Source: made by the author in accordance to [35].

When it comes to international advertising on the Internet, there is more to it than simply advertising of foreign servers in the global sense. Usually, the advertising is subject to analysis from various positions:

1. Local Internet advertising. This category includes ad networks that belong to a specific region. Such networks include such resources that are territorially located in the coverage area of this network. In other words, they cannot extend their effect to another region.
2. International Internet advertising. When it comes to this category, it includes ad networks that can be covered internationally.

Depending on what exactly Internet advertising promotes, it can be divided into two parts:

- promotion of services and goods sold offline;
- promotion of Internet resources.

If in an advertisement you can find a following text: "You can buy jeans from the new collection at the store at ...", then this advertisement belongs to the first category. If the ad says: "Click and find out where in the city.... Buy jeans from a new collection", then this is an advertisement of the second category. If we formulate the definition differently, then Internet resources are advertised by increasing traffic to these resources.

Let's take a look at the range of the main methods used on the worldwide web to promote a particular resource or an existing product:

- Advertising on banners;
- Rating systems and catalogs on various topics;
- Advertising via email;
- Something free on the internet;
- Clicking on a non-existent link;
- Tabs in the Internet browser.

Now, when talking about other difficulties that are related to global advertising, besides the choice of the text, selection of the best way to advertise and finding the good advertising agencies, it is possible to highlight some major challenges that the company might face in case it does not use external help, for example that of advertising agencies.

First, is about identifying a true market need. Identifying the need is done during the earliest stages of the marketing campaign, and whether or not that market need was established correctly will affect the overall campaign success in the future. As much as it is a complicated task for a company to handle domestically, more so will it be hard to tackle in the foreign country [20].

Second challenge can be dilution of brand-name power. Even if the product and brand name associated with it, is popular in the company's home country, it will not

automatically mean that in some other foreign country that same brand will have the same level of popularity. More so, even if the company invests a lot into advertising the product internationally, there is no guarantee that the public would switch from its beloved domestic products to a new foreign one.

Third, distance and time. While bigger and more established corporations may not see much of a problem when it comes to overcoming long distance, for smaller companies it can be quite a challenge. When a company goes international, it would need to invest time and money for travelling and having key executives out of the office for extended periods of time. This challenge can put a toll on a small company.

In conclusion, going internationally is never an easy task. Identifying the main challenges and problems that a company going international may face is central to ensure that when the time for the realization of the marketing activity comes, everything will go smoothly and a company will have a backup plan in case something goes as not predicted.

There are pros and downsides to obtrusive advertising. Although intrusive advertisements leave a lasting impression on users, numerous more consequences are negative.

The reality is that everyone detests intrusive and tiresome advertising, like that which occasionally shows on YouTube. Finally, they develop a dislike for the brands that are influencing the user experience on a certain platform.

As a result, a strong marketing plan for 2023 involves attempting to promote to customers in a more user-friendly manner.

Sending the appropriate advertisement to the right person at the right time is crucial. Companies must thus develop more individualized tactics for consumers.

One of the technologies that has advanced the most this century is artificial intelligence, which is currently altering how many technology businesses operate.

For instance, increasing numbers of marketers are utilizing AI to help them produce website content. The outcomes in terms of AI content are excellent, despite the fact that it is not meant to substitute copywriters' efforts.

Due to this, numerous advertisers are choosing to use fewer content creators and use artificial intelligence to produce articles that include the proper keywords, freeing up copywriters to revise or produce texts that are more intricate and customized.

To avoid falling back on the usage of modern equipment, advertising experts must be conscious of how beneficial advertising may be for them [65].

Scientists have shown a lot of attention to green advertising and promotion. It comes in response to growing consumer and corporate awareness about environmental concerns and sustainable business activities in the past few years. Green advertising is any kind of marketing that highlights the connection between a good or commodity and the surrounding conditions. Marketing efforts that speak to the requirements and preferences of customers who care about the environment are included in green advertising. It goes beyond just putting ecologically friendly products in. However, it moreover encourages a green way of living and projects a sense of commitment. Green advertising emphasizes the production process equally to the product it is marketing [37].

Many sectors have decided to self-regulate advertising. The National Advertising Division represents one of the most notable illustrations of such a self-policing organization in the United States. There is no specific advertising code for the NAD. In order to promote compliance, foster consumer trust, and support industry competitiveness, it checks advertisements for veracity and correctness [66].

Numerous policy measures shared by the EU and the UK include a comprehensive legislative agenda for online activities. Internet and the surroundings will be the two primary focuses of the post-pandemic socioeconomic rebound. A sustainable market will unavoidably result from increased digitalization. There are currently several significant legislative efforts within these topics that are working their way through the legislative procedures. The Digital Services Act is focused on a number of concerns, including editorial obligation, protecting the weak, and material. The Digital Markets Act examines how important marketplaces fit into a competitive environment and aims to control network behavior to keep rivalry at the core of the industry. The Data Act examines how data exchange among major firms, in particular,

might promote economic expansion. A recommendation for increased supplier chain due diligence and improved knowledge of how corporations affect things like human rights are soon to be released [71].

One of the most common areas of the legal system where advertising regulation exists is in consumer law. The Unfair Commercial Practices Directive, in particular, outlines broad standards that apply to business-to-consumer interactions. It tries to defend customers from deceptive business tactics that might persuade them to make a purchase choice that anything other than that would not have been made.

The UCPD specifically forbids deceptive and forceful business tactics. Inaccurate advertising activities leave out data that a customer requires to make an educated choice or perform actions that might lead to consumer deception. The prohibition against deceptive advertising includes, among other things, unlabeled advertising, payments that are not declared in exchange for a product's placement higher on a ranking algorithm, and advertising that confounds consumers with items from rivals [10].

In closing of the first chapter of this research, one might now have a more or less clear understanding of how important setting a well-composed advertising policy is for a company. The success of an entity will largely depend on the kind of image and reputation a company establishes on the market. To achieve much needed results a business should employ the right kind of strategies and be flexible enough to adjust in case the market requires it. Designing an advertising policy is a laborious process that includes many steps. Among several tasks that a company should do to create a good advertising policy are creating an overall cohesive plan of advertising activity that would match the company's advertising policy and designing such a policy that would reflect the company's values in the best way possible. It is also advisable to identify and analyze the main challenges that the company might face when going international. This analysis would not only help plan better and prevent several failures in the future, but also give more insight into designing a good advertising policy. It is up to the company to do its research and create such a policy that reflects the essence, goals and values of the company and shows that same company in the most favorable light in the

eyes of consumers. A good advertising policy will bring harmony, cohesiveness and a sense of value to an enterprise. A bad one, on the other hand, will cause chaos and inconsistencies in what a company tries to communicate to its consumers and how it presents itself.

CHAPTER 2. AVERTISING POLICY OF PRIVATBANK ACTIVITIES

2.1 Privatbank`s environment, organizational structure and financial indicators

The JSC CB Privatbank began operations in 1992. It was among the first banks to link all CIS nations. Privatbank was among the first Ukrainian banks established with private funding. Commercial banking institution Privatbank is the bank with the most rapid growth in Ukraine and holds the top spot in the country's banking ranking [56].

The provision of uncomplicated access to financial services for every resident of the nation is the primary objective of Privatbank. The overarching objective of Privatbank is to become the dominant financial institution in Ukraine in terms of the provision of payment and other banking services to the country's population as well as to legal entities. To achieve this, the bank will strive to achieve the highest levels of profitability, profitability, and reliability among the largest banks in the country.

The state, represented by Ukraine's Cabinet of Ministers, is the Bank's single stakeholder, owning 100 percent of the bank's shares, see Figure 2.1.



Fig. 2.1. Diagram of the Bank ownership structure as on January 01, 2022

Source: [30].

According to the Figure 2.1 it is possible to conclude that Privatbank is owned by State of Ukraine represented the Cabinet of Ministers of Ukraine.

It is currently one of the five banks that are owned by the state, which is the only shareholder of this Bank. The Cabinet of Ministers of Ukraine, which is now the highest management body in this Bank, is responsible for managing the state's corporate rights and is the sole shareholder of this Bank. Six years ago, in order to preserve Privatbank, the state of Ukraine was compelled to nationalize the bank, which resulted in a cost to Ukrainian taxpayers of 155 billion UAH. Then there was a change in the governing bodies of the Privatbank, see Figure 2.2.

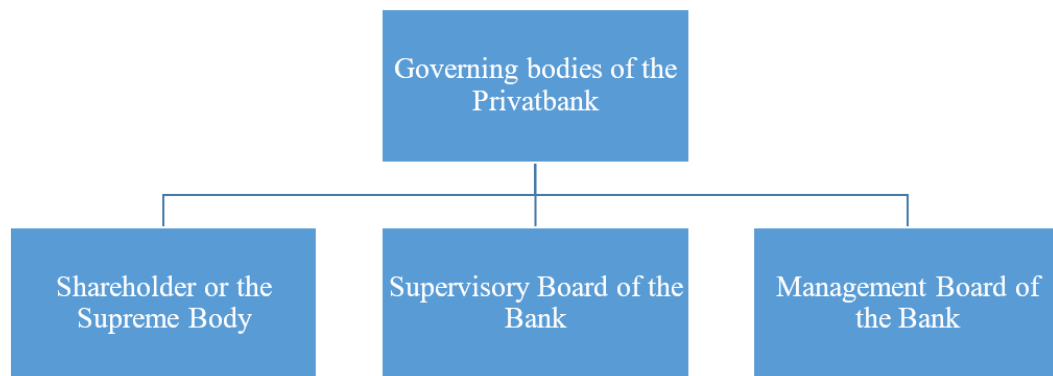


Fig. 2.2. Governing bodies of the Privatbank

Source: made by author in accordance to [29].

According to the data from the Figure 2.2 it can be concluded that Shareholder or the Supreme Body promotes the implementation and ensures the protection of the rights and legitimate interests of the shareholder; The Supervisory Board provides strategic management of the Bank's activities, control over the activities of the Bank's Management Board and protection of shareholder rights. Effective governance provides for a system of reporting of the Supervisory Board to the Supreme Body; The Management Board manages the current activities of the Bank and is accountable to the Supervisory Board and the Supreme Body.

The bank is the market leader in the retail segment of the Ukrainian market, actively promoting services for small and medium-sized businesses, and working in the corporate sector on a selective basis. All of these facets contribute to the bank's ability to provide universal service for a diverse group of customers. The resources that make

up the bank's basis come mostly from private persons and are held in the nation's currency, with a sizeable portion coming from current accounts. The expansion of the bank's high-quality loan portfolio consisting of retail and small to medium-sized business loans is the strategic objective of the bank. The robust Privat24 transaction platform that the bank has enables it to provide efficient services for the maintenance of client accounts across all market sectors, which in turn results in a high level of commission revenue for the institution. It is an opportunity to provide services all over the nation thanks to the bank's vast network of branches, automated teller machines (ATMs), and self-service terminals, in addition to the online services they provide.

First of all, the bank's social position is its status as an employer in the Ukrainian labor market. The bank provides its employees with competitive employment conditions, provides a full Social package and additional benefits in the form of concessional lending for housing and cars, providing legal advice, ensuring the safety of employees and their families. Also, the Bank, as a socially responsible institution, carries out measures to support clients with disabilities, adapting branches for the possibility of their service, and also promotes their employment – the share of employed people with disabilities is about 4% of the total number of employees of the Bank. In addition, the Bank directs efforts to improve the financial literacy of its clients. The bank has educational programs for schoolchildren (Juniorbank), top managers of the bank conduct business seminars for entrepreneurs and share their experience, and educational videos with financial consumer advice are broadcast on plasma screens in branches [62].

The bank has the right to provide banking and other financial services (except for insurance services) in both national and foreign currency, as well as to conduct other activities in accordance with licenses and permits issued by the NBU and other authorized state bodies [53].

The sectorial characteristics of the Bank's client base indicate that the majority of the clients are enterprises whose main activities are trade and commercial activities. The significant share among corporate clients is occupied by the enterprises of food-processing, transport, agricultural and construction industries [11].

Sincerity and ethical conduct are values that are encouraged and supported by Privatbank. Any individual, who has a legal relationship with Privatbank, including employees, customers, creditors, and other parties, has the ability to make pertinent reports concerning possible or actual violations of the law and this Code.

Privatbank has every intention of adhering to the following principles in its interactions with the shareholder: respect and ensure the rights of the shareholder; strictly observe his interests; disclose information in a timely manner; pursue an active communication policy; increase the visibility and accessibility of information by improving the quality of reporting and accounting.

Privatbank is committed to providing exceptional customer care and looks out for the best interests of each individual customer. While adhering to the notion of reasonable conservatism, Privatbank creates new business operations, products, and overall strategic orientations. Privatbank is committed to being open and honest in its dealings with clients and providing them with accurate information on the products and services it offers. Privatbank has a focus in developing long-term connections with its clients.

Privatbank does its business in a manner that serves the best interests of its depositors, customers, creditors, and shareholders while adhering to the concept of neutrality with regard to business groupings, political parties, and associations. Bank workers should do business with government agencies without personal interest and without resorting to illicit tactics to influence decision-making in order to avoid potential legal repercussions.

Privatbank reserves the right to choose not to cooperate with suppliers who violate the requirements of the legislation of Ukraine and the countries in which Privatbank operates. These requirements include ensuring the rights of employees, labor protection and compliance with safety regulations, environmental protection. Privatbank also reserves the right to choose not to cooperate with suppliers who do not share the values and principles, rules of ethics and business conduct of Privatbank, which are set out in the Code.

The employees of Privatbank are the most important factor in ensuring its continued prosperity. Privatbank recognizes its personnel for their achievements and makes an effort to recruit people from a diverse range of backgrounds, including age, ethnicity, gender, religion, beliefs, and country. This is done actively and consistently. Privatbank places a high importance on its employees and works hard to provide an environment in which each individual is able to reach their full professional potential. Privatbank has a high regard for human dignity and individuality, and it recognizes the significance of maintaining an environment that is characterized by trust and collaboration [55].

To sum up, The JSC CB Privatbank began operations in 1992. The state, represented by Ukraine's Cabinet of Ministers, is the Bank's single stakeholder, owning 100 percent of the bank's shares. The bank is the market leader in the retail segment of the Ukrainian market, actively promoting services for small and medium-sized businesses, and working in the corporate sector on a selective basis. All of these facets contribute to the bank's ability to provide universal service for a diverse group of customers. The resources that make up the bank's basis come mostly from private persons and are held in the nation's currency, with a sizeable portion coming from current accounts.

There are currently more than 20 million people who have used the services of Privatbank at least once in their life. This accounts for more than half of all individuals, businesses, and other types of organizations that utilize financial services in Ukraine. There are presently 15 million users of the digital bank Privat24, in addition to the over 18 million Ukrainians who utilize the services of Privatbank on a regular basis.

The success of Privatbank demonstrates that a state-owned bank can and should operate efficiently and profitably. The annual net profit for Privatbank in 2020 is estimated to be 24.3 billion UAH, which represents 61.2% of the total annual profit for all Ukrainian banks combined. Following the nationalization of the bank, the government received a total dividend payment of 55,4 billion UAH from the financial institution.

The staff at Privatbank does all in its power to guarantee that the banking service provided to clients is as hassle-free and secure as it can possibly be. They provide more than 176 different digital services in addition to remote support. It is convenient for Privatbank customers to use payment cards; however, the bank was able to provide full contactless payment during the COVID-19 pandemic thanks to virtual cards that can be issued instantly via the Privat24 app on the customer's smartphone. This allowed the bank to better serve its customers [59].

The profit that Privatbank made for the first nine months of 2022 amounted to 13.8 billion UAH, which is 7.4 billion UAH less than the result for the same period the previous year. Since the beginning of the conflict, in order to defend the interests of customers and implement a number of steps to minimize the credit load, the bank has implemented a number of measures (suspension of interest accrual, credit holidays, restructuring). However, because of a decrease in the population's solvency, particularly in the red zones, the bank has accumulated 9.4 billion hryvnia worth of reserves for credit risks over the course of the first nine months of this year.

The advantages that have been provided to consumers since the start of the conflict in addition to the elimination of commissions have contributed to a fall in the net commission revenue by 2.7 billion UAH in comparison to the previous year. The result of this is that income from payments made in retail chains (acquiring) amounted to half of what they were the previous year, despite the fact that the number of transactions was roughly the same [48].

During the full-scale invasion, Privatbank extended 15.9 billion UAH worth of loans to enterprises, the majority of which were operating in the agricultural sector. Some of these loans have already been returned, but the bank does not cease providing assistance to the economy. Since the beginning of 2022, the loan portfolio for commercial customers has increased by a total of 8 billion UAH in gross terms.

As of the first of November 2022, the customer current account balances in UAH increased by 43% when compared to the beginning of the year. This increase can be attributed to the strengthening of customer confidence, the provision of modern service, and the uninterrupted operation of the service network.

A lot of results is showing the efficiency of Privatbank performance, see Figure 2.3. The bank made significant efforts to restrict the development of operational expenditures, which amounted to just 5% - UAH 579 million compared to previous year. Of this amount, UAH 475 million is accounted for extraordinary expenses under war circumstances. In response to growing inflation, the bank (staff support, Information Systems Protection, charity). The military and charitable organizations will benefit from Privatbank's donation of 80 million UAH [61].

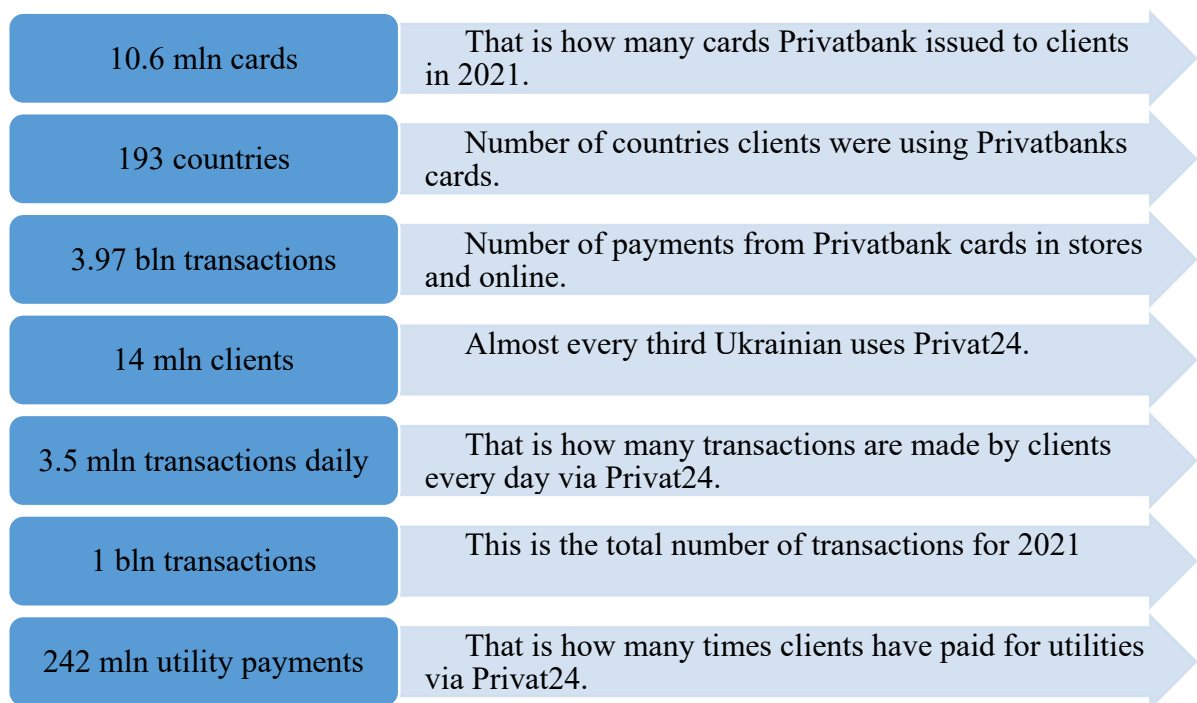


Fig. 2.3. 2021 results in Privatbank

Source: created in accordance to the official information from [19].

According to Figure 2.3 it is possible to conclude that Privatbank is showing the efficient performance and competitive advantage due to the shown results o 2021.

According to the findings of 2021, Privatbank is the undisputed market leader in terms of the total number of loans made accessible to business owners in the range of 5-7-9%. At the conclusion of the year, the Ministry of Finance reported that Privatbank had provided 11.3 thousand loan projects to small firms for a total of 8.1 billion UAH.

In terms of the number of loans issued under the "5-7-9%" program, Privatbank is 2.66 times ahead of the next participating bank, and Privatbank's share in loans issued by all participating banks under the "5-7-9%" program is 35%. In addition, Privatbank's

share in loans issued by all participating banks under the "5-7-9%" program is 2.66 times greater than the share of the next participating bank. Additionally, Privatbank is the market leader in terms of the total number of loans extended for financial investment objectives, see Figure 2.4.

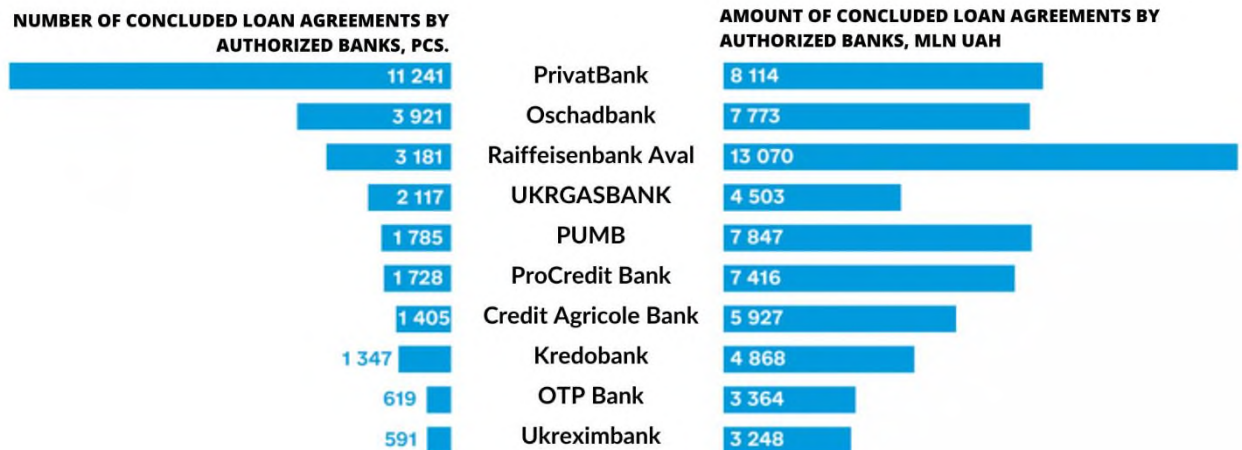


Fig. 2.4. Number and amount of concluded loan agreements by top-Ukrainian banks

Source: [60].

According to the Figure 2.4 it is possible to conclude that Privatbank is a leader in number of concluded loan agreements in quantity and prices, 11241 pcs and UAH 8114 million, respectfully.

In 2021, customers of Privatbank used the bank's credit and debit cards to make purchases at a rate that was 42% higher than the previous year; the total amount of transactions was UAH 470 billion, up from UAH 331.5 billion. Over the course of the last year, the number of non-cash payments made using cards and other contactless devices rose by 37%, going from 1.6 billion to 2.2 billion transactions. According to data provided by Privatbank, the typical citizen of Ukraine used their bankcard to make 42 transactions in the last calendar year. When compared to the amount that was written on the typical check in the year 2020, the amount that was written on checks in the year 2021 was 208 UAH higher, totaling 218 UAH [49].

To sum up, the profit that Privatbank made for the first nine months of 2022 amounted to 13.8 billion UAH, which is 7.4 billion UAH less than the result for the

same period the previous year. As of the first of November 2022, the customer current account balances in UAH increased by 43% when compared to the beginning of the year. Privatbank is a leader in number of concluded loan agreements in quantity and prices, 11241 pcs and UAH 8114 million, respectfully. According to the findings of 2021, Privatbank is the undisputed market leader in terms of the total number of loans made accessible to business owners in the range of 5-7-9%. At the conclusion of the year, the Ministry of Finance reported that Privatbank had provided 11.3 thousand loan projects to small firms for a total of 8.1 billion UAH.

The standards of the International Financial Reporting Standards and the regulatory legislation acts of the National Bank of Ukraine are followed in the preparation of the Privatbank's financial statements. The preparation of the bank's financial statements serves the purpose of providing a wide variety of users with information that is trustworthy and objective regarding the bank's assets, liabilities, equity, income and expenses (including profit and loss), and cash flows for the purpose of aiding in the formation of economic decisions [57].

Privatbank is the fourth biggest bank in terms of financial health and the largest bank in terms of assets in the country of Ukraine, see Figure 2.5. The total value of the bank's assets was 386.8 billion UAH as of the first of the year 2021, representing a 23.2% increase over the previous year's total value. As compared to the previous year, the bank's earnings was cut by 22.4% in 2020, coming in at UAH 25.3 billion [45].

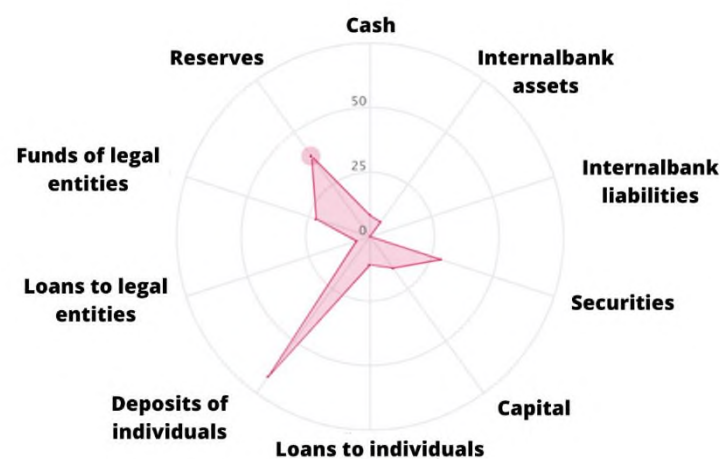


Fig. 2.5. Privatbank`s business model

Source: [45].

According to the Figure 2.5 the largest share of deposits to individual clients reaches 67.01%. A rise in client deposits helped ensure an adequate level of bank liquidity, and the growth of money held by corporations was far higher than that of individuals. The greater growth rates of Hryvnia deposits in comparison to those of deposits in foreign currency were the reason of further de-dollarization. Because of the consistent expansion of deposits, financial institutions almost entirely refrained from raising interest rates on deposits, which was a need for a high level of interest margins and a substantial amount of interest revenue for financial institutions.

In March 2022, amid a military conflict with Russia, both rating agencies revised the sovereign rating of Ukraine and, accordingly, the bank's ratings. Thus, the long-term foreign currency issuer default rating is rated at "CCC -" (formerly "B"), and the rating on long-term deposits in national and foreign currencies is Caa2 (formerly B3). The rating decision reflects Russia's military invasion, which has led to increased risks to Ukraine's external and public finances, macro-financial and political stability [23].

Currently, a number of variables, including political and military instability, high inflation, and overall economic destabilization, have had a bad influence on the banking sector, specifically on the performance indicators of Ukrainian banks. This is especially the case in light of recent events. At the same time, the stability and steadiness of the banking sector in Ukraine continues to be one of the most important criteria for accomplishing the goal of establishing sustained growth in the economy of the state. As a result, it is essential to evaluate the performance of banks in order to get a comprehensive understanding of the situation as a whole and the possible dangers involved, see Figure 2.6.

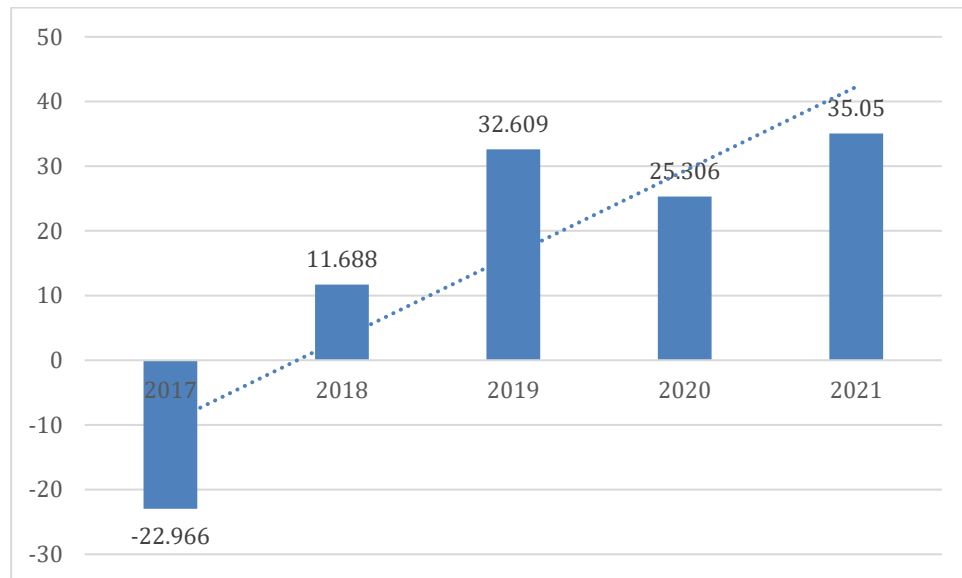


Fig. 2.6. Net profit of Privatbank from 2017 to 2021 in UAH million.

Source: created using official information from [47].

According to the data in Figure 2.6, it is possible to conclude that for 12 months of 2021, Privatbank received UAH 35.1 billion in net profit, which increased by 10.7% compared to 2020. UAH, or by 44%. The bank's net profit remains the maximum result of the entire banking sector Ukraine and occupies 45% of the share in the total result of the banking system.

The Bank Viability Rating is an Information Project that is aimed at determining how trustworthy the main banks in Ukraine are. The ranking takes into account financial institutions that have a market share that is more than 0.2 percent of all solvent banks, see Table 2.1.

Table 2.1

Ukrainian banks ranking using net assets, instant liquidity and problem loans

| Bank | Rating | Net assets, UAH million | Instant liquidity, % | Problem loans, % |
|-----------------|--------|-------------------------|----------------------|------------------|
| Ukrsibbank | 4.5 | 88845.6 | 12.0 | 5.3 |
| Raiffeisen Bank | 4.5 | 143497.9 | 15.4 | 5.9 |
| Privatbank | 4.5 | 474220.1 | 9.6 | 67.5 |
| Citibank | 4.5 | 37144.6 | 8.8 | 18.4 |
| Credit Agricole | 4.0 | 60860.3 | 9.8 | 4.9 |

Source: made by author in accordance to [44].

According to the Table 2.1 Privatbank is in third place in the rating due to the high percentage of non-performing loans. Non-performing loans are loans whose repayment requirements have been breached, the quality of their collateral has deteriorated, or the borrower is no longer solvent. These are the three main reasons why loans become non-performing. Because of the vulnerability of the banking industry to crises, non-performing loans have the potential to become a systemic concern for the country's financial position and to disturb the stability of the economy.

To sum up, Privatbank is the fourth biggest bank in terms of financial health and the largest bank in terms of assets in the country of Ukraine. The total value of the bank's assets was 386.8 billion UAH as of the first of the year 2021, representing a 23.2% increase over the previous year's total value. As compared to the previous year, the bank's earnings were cut by 22.4% in 2020, coming in at UAH 25.3 billion. Privatbank is in third place in the rating due to the high percentage of non-performing loans.

The majority of the money that is used to support Privatbank's operations comes from the bank's own capital, monies obtained from private persons and organizations, as well as money obtained from both local and international capital markets. The capital of Privatbank is routinely increased, which comes at the price of the cash of its shareholders and the capitalization of earnings. When it is required to control liquidity, the issuer will, depending on the situation on the markets and the cost of resources, solicit additional funds from either the local or international markets. It is crucial to highlight the main financial indicators, see Figure 2.7.

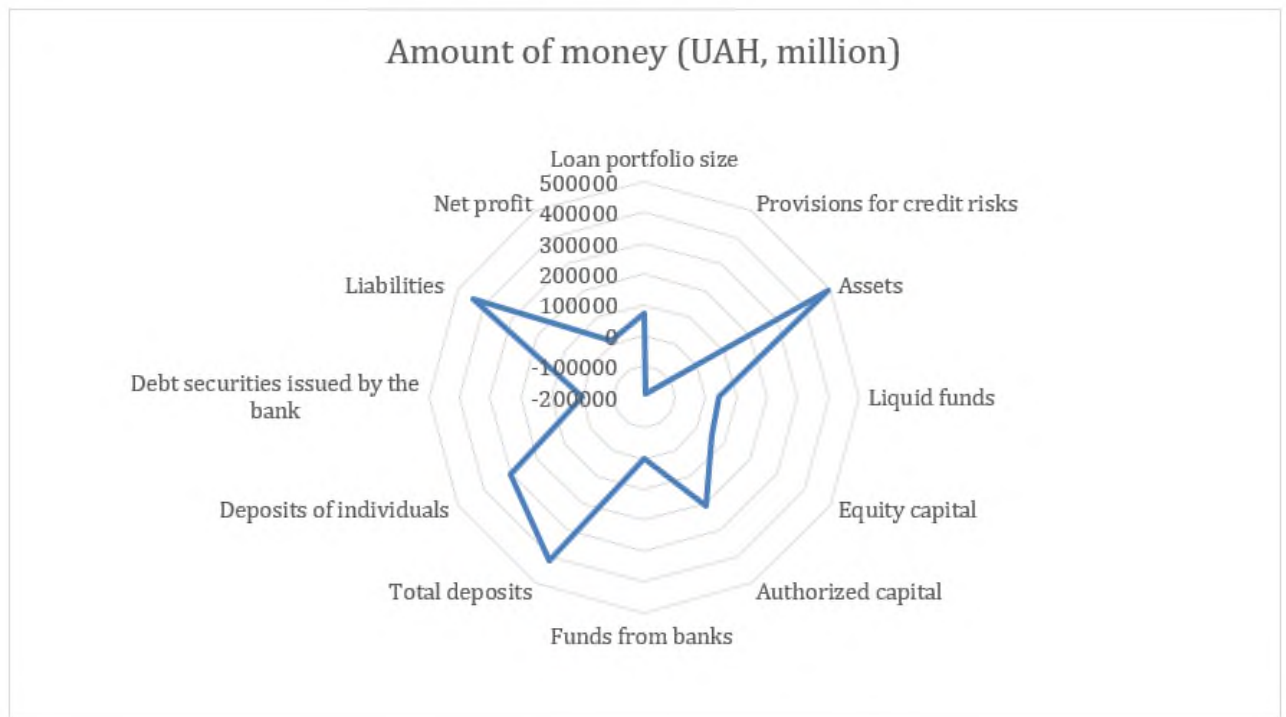


Fig. 2.7. Financial indicators of Privatbank as of October 1, 2022

Source: made by author in accordance to official information from [46].

According to the Figure 2.7 it is possible to conclude that financial indicators Privatbank remains stable as of 2022. It is really coping in a good way with the post-pandemic situation and Ukraine invasion.

On an annual basis, a decision must be taken on which auditing firm will conduct the IFRS-compliant financial audit of the bank. The procedure for selecting an independent auditor is carried out in line with the Procedure on selection of the audit firm. This procedure was authorized by the minutes of the Bank's Supervisory Board No. 68/22 dated 18.11.2022. The Audit Committee, which is a subcommittee of the Bank's Supervisory Board, is the body that will be asked to take the findings of the analysis and the management's recommendations into consideration. A decision is made by the Supervisory Board that will serve as the foundation for the audit contract for the year that will follow.

Since 2016, Ernst & Young has served as the Bank of America's worldwide auditor. Ernst & Young was selected as the independent auditor that will perform the obligatory audit of the annual financial statements for JSC CB Privatbank in the year 2022. This

decision was made based on the results of a competitive selection process that was held to choose an independent auditor.

One of the "Big Four" organizations, Ernst & Young is widely regarded as the most reputable provider of professional services in the whole globe [18].

When opposed to the earlier year, 2020, the Bank reported a net profit of 35.1 billion UAH for the whole year of 2021, representing an increase of 10.7 billion UAH, or 44%. The Bank's net profit continues to be the highest result of the Ukrainian banking industry, accounting for 45% of the entire result of the banking system as a whole.

- A drop in the cost of borrowing as part of a larger trend toward lower interest rates for people in the banking sector of Ukraine in 2020–early 2021
- An increase in commissions based on the expansion of the transaction volumes of customers, as well as the development of non-cash payment methods in the nation.
- Maintaining a suitable level of financial reserve.
- A decreased provision for credit risks after the increased provision in 2020 that was due to COVID-19.

Additionally, some of the Bank's profit comes from the effects of macroeconomic conditions and changes in the way it accounts for legal risks. As a result, the changes that have taken place in both the global economy and the economy of Ukraine have resulted in a reduction in the fair value of the domestic government bonds that were received as a contribution to the statutory capital of the bank during the process of nationalization. After a considerable increase in value due to revaluation in the year 2020, the Bank suffered losses in the amount of 7.7 billion UAH in 2021 as a result of a revaluation. However, these losses are somewhat compensated for by the positive influence that exchange rate movements had on the performance of the bank in 2021, which resulted in an increased revenue of one billion UAH. The reversal of provision for legal risks that was made in 2020 had a favorable influence on the financial performance of the Bank in 2021 as well. As a consequence, the Bank exhibits consistent rates of growth as well as financial success. Business expansion, strict cost management, a conservative credit policy, and efficient process management within

the bank as well as in customer service helped Bank achieve the most significant profit growth among other Ukrainian banks in 2021, putting it in a position of leadership within the banking system of Ukraine [31].

As of the first of November, the total amount of non-performing loans held by banks reached UAH 417.5 billion, which represents 35.54% of the overall loan portfolio. Nearly three quarters of these loans are held by state-owned banks (there are four of them in Ukraine: Privatbank, Oschadbank, Ukreximbank, and Ukrgasbank), and sixty percent of the debt is comprised of non-performing loans held by Privatbank. These loans were inherited from the bank's previous owners following the nationalization of the bank.

The total amount of debts that were defaulted on rose by 112.5 billion UAH in comparison to where it was before the beginning of the conflict. Their previous stake was 26.58 percent, and it has now climbed to 35.54% of the total. The business sector is responsible for sixty percent of the non-performing loan pool, while individual debt is responsible for the remaining forty percent. The percentage of nonperforming loans held by state-owned banks is 50.58%, with Privatbank holding 70.65% of those loans. This proportion is at the level that is considered to be the norm for the banking system, which comes in at 35.85% for the remainder of the state-owned institutions.

The proportion of non-performing loans held by institutions with foreign capital is the least at 16.73%. This stake amounts to 20.55% in banks that have private capital.

In the meanwhile, the lawmaker gave assurances that the issue is presently under control and that there are reserves to offset any losses that may occur. As a result, the sum of UAH 101.3 billion that was taken out of reserves from March to October of this year is as follows: The allocations to reserves grew 14 times, which is an increase of +100 billion UAH compared to the first 10 months of the previous year. In addition to this, the financial sector continues to generate profits (profit for 10 months of 2022 is almost UAH 11 billion). The asset analysis however should be compared with several Ukrainian banks, see Figure 2.8.

| Bank | Assets in hryvnia at the beginning of the year | Assets at the beginning of the year in dollars (exchange rate 27.27 UAH/\$) | Assets for 10 months in hryvnia | Assets for 10 months in dollars (exchange rate UAH 36.56/\$) |
|-----------------|--|---|---------------------------------|--|
| PrivatBank | 407 | 14.9 | 508 | 13.9 |
| Savings Bank | 236.9 | 8.7 | 246.2 | 6.7 |
| Ukreximbank | 192 | 7 | 236.7 | 6.5 |
| Raiffeisen Bank | 131 | 4.8 | 161 | 4.4 |
| PUMB | 104 | 3.8 | 110 | 3 |

Fig. 2.8. Top 5 banks by increase in assets, UAH billion/\$ billion

Source: [43].

According to the Figure 2.8 it is possible to note that, however, there are some notable exceptions: several of the biggest institutions, as well as state-owned banks, have seen their asset levels rise. Therefore, the assets of Oschadbank, Raiffeisen Bank, OTP Bank, Ukreximbank, Ukrgasbank, Privatbank, Pravex Bank, Ukrsibbank, Credit Agricole, Kredobank, A-Bank, FUIB, and other financial institutions rose during the first ten months of 2022. However, this growth is only shown in terms of its equivalent in hryvnia.

Migration is the cause of the increase in assets. This occurs when clients migrate their banking relationships to other banks for a variety of reasons. In addition, the expansion of assets may be shown by the institutions that serve as conduits for state interventions, loans made under the "5-7-9" program, and payments made to the armed forces [42].

Costs for transfers (sending and crediting) relating to volunteer activities that occurred under martial rule were waived. Fees for making transfers to special accounts of the NBU for the Armed Forces and aid to victims have been eliminated for both private persons and commercial enterprises. It is now easier to move monies between the Ministry of Social Policy and the Armed Forces so that they may both contribute to humanitarian help. Through the use of the LiqPay system, you are not subject to any fees when transferring money from one country to another. Each and every penny is

deposited into separate accounts maintained by the NBU. For the benefit of the Ukrainian Armed Forces, we have made it possible to move money between ePidtrymka and Bonus+ accounts. This was a need of the organization. Cancellation of the fee charged to commercial customers for money transfers made to the accounts of all charitable institutions in Ukraine allowed for the purchase of military government bonds via the use of Privat24. Fees associated with SWIFT transfers have been waived for persons who send money overseas in order to acquire essential imports for the Armed Forces and for medical treatment.

It is now possible to withdraw up to UAH 6,000 at one time using the "Cash at the cash desk" service, which is available throughout the whole POS-terminal network. The restrictions that had been placed on the replenishment of business cards and cards belonging to people have been removed. Cancellation of fees for cash management and settlement services related to acquiring business customers. The new state initiative to encourage agriculture, which can be found at agro.pb.ua, has begun providing loans to agricultural businesses. Loan repayment holidays have been announced till June 1 for individuals and company customers who do not have any loans that are past due and whose loans do not have terms that are more than ninety days [58].

To sum up, it is possible to conclude that financial indicators Privatbank remains stable as of 2022. It is really coping in a good way with the post-pandemic situation and Ukraine invasion. The Bank reported a net profit of 35.1 billion UAH for the whole year of 2021, representing an increase of 10.7 billion UAH, or 44%. The Bank's net profit continues to be the highest result of the Ukrainian banking industry, accounting for 45% of the entire result of the banking system as a whole. The percentage of nonperforming loans held by state-owned banks is 50.58%, with Privatbank holding 70.65% of those loans. This proportion is at the level that is considered to be the norm for the banking system, which comes in at 35.85% for the remainder of the state-owned institutions.

2.2 Privatbank`s strategy for the development and promotion of retail services

The most significant obstacle that exists in the world now is change. One of the most innovative and forward-thinking financial institutions in Ukraine is Privatbank. It is a market leader in terms of setting trends and trends in the banking industry, and it is always bringing new innovations. The primary objective of Privatbank is to serve as a dependable partner for both private persons and commercial enterprises, in addition to contributing to the overall growth of the economy of the state. Its goals are to be the finest bank for customers, the best employer, the best model of a socially responsible business, and the most investment-attractive corporation possible.

On the one hand, the integration of the domestic banking sector into the global financial space has led to the existence of additional opportunities to attract cheaper resources, borrow world banking experience, and introduce modern information technologies. On the other hand, this integration has led to an increase in dependence on the global financial markets, which necessitates radical qualitative changes in the banking sector as well as a holistic rethinking of the directions of increasing the competitiveness of the industry. In light of these circumstances, the development of theoretical foundations and practical recommendations for the structural adjustment of the domestic banking sector, as well as the development of qualitatively new tools for implementing the bank's strategic management, is of particular importance. These tools are intended to find, create, and use the opportunities of a competitive environment in order to ensure the effective functioning and development of the bank in the context of the internationalization of banking competition, see Table 2.2.

Table 2.2

Privatbank PEST-analysis

| Description of the Factor | Influence | review | | | | | Average Rating | Weight-corrected score |
|---|-----------|--------|---|---|---|---|----------------|------------------------|
| | | 1 | 2 | 3 | 4 | 5 | | |
| <i>Political factors</i> | | | | | | | | |
| Political situation in Ukraine | 3 | 5 | 5 | 5 | 5 | 5 | 5 | 0,52 |
| Cooperation with other countries | 2 | 2 | 1 | 3 | 1 | 1 | 1,6 | 0,11 |
| Support from other countries | 2 | 3 | 2 | 2 | 3 | 4 | 2,8 | 0,19 |
| State support and legislative framework | 3 | 5 | 4 | 4 | 4 | 5 | 4,4 | 0,46 |
| <i>Economic factors</i> | | | | | | | | |
| High inflation rate | 3 | 5 | 5 | 5 | 5 | 5 | 5 | 0,52 |
| State and trends of the Ukrainian economy | 2 | 4 | 3 | 5 | 2 | 4 | 3,6 | 0,25 |
| Labor productivity | 3 | 2 | 3 | 5 | 2 | 4 | 3,2 | 0,33 |
| Opportunities for financing | 2 | 2 | 3 | 1 | 1 | 2 | 1,8 | 0,12 |
| <i>Social factors</i> | | | | | | | | |
| Banking system integrity and transparency | 3 | 5 | 5 | 5 | 5 | 5 | 5 | 0,52 |
| Demographic trends | 2 | 4 | 3 | 4 | 3 | 2 | 3,2 | 0,22 |
| Trends in the field of education | 2 | 2 | 2 | 5 | 3 | 4 | 3,2 | 0,22 |
| <i>Technological factors</i> | | | | | | | | |
| The level of technologicity | 2 | 4 | 3 | 4 | 5 | 3 | 3,8 | 0,26 |
| Encouragement of innovation | 2 | 2 | 3 | 1 | 3 | 2 | 2,2 | 0,15 |
| Competitiveness of the country | 2 | 2 | 3 | 2 | 2 | 2 | 2,2 | 0,15 |
| Environmental trends and green banking | 3 | 3 | 4 | 4 | 3 | 4 | 3,6 | 0,37 |
| TOTAL: | 29 | | | | | | | |

Source: made by the author

According to the Table 2.2 it is possible to conclude that the outcome of the PEST analysis is the determination of the primary elements of the external macro environment that will provide opportunities and risks for the successful execution of the project. By examining the table, one can come to the conclusion that the factors of the macro environment that are most influential for the implementation of the project are: changes in legislation, which make it possible to capitalize on favorable opportunities to conquer niches in the market, expand the scope of activities, and provide an opportunity to strengthen market positions; Changes in political parties have a limited positive impact; economic instability in the nation is a threat to the enterprise; the possibility of a terrorist attack is a significant threat to the enterprise because, in the event of such an attack, the company sustains significant losses and the economy as a whole is impacted negatively. Inflation affects interest on loans, deposits, tax payments of the population, tariffs, etc. As for banks, their activities depend significantly on the

Central Bank. It is for the ordinary population that the size of inflation is extremely important, because it determines the risks invested in interest on loans. The bank's activity depends on the relationship between the level of inflation and interest rates.

In order to take the deeper analysis not only with external factors but also internal analysis of Privatbank the SWOT analysis is conducted, see Table 2.3.

Table 2.3

Privatbank SWOT-analysis

| | Strengths | Weaknesses |
|--|---|--|
| | 1. leading positions in the banking market 2. extensive experience in the financial market of Ukraine 3. wide network of branches in Ukraine and abroad 4. highly qualified staff 5. Having own software 6. wide range of services and innovations | 1. staff turnover in low positions 2. Increased credit risks 3. high cost of some services compared to competitors 4. lots of bad loans |
| Opportunities | SO | WO |
| 1. attracting new customers | 1. the strategy is aimed at using existing opportunities at the expense of the bank's strengths | 1. more active work of the marketing department |
| 2. development of new banking products | 2. introduction of new banking services | 2. reducing interest on the loan cost by reducing the cost of resources |
| 3. Improving the quality of loan portfolio | 3. Implementation of innovative solutions | 3. minimizing the level of credit risks |
| 4. positive ratings of international rating agencies | 4. expansion of internet services | |
| Threats | ST | WT |
| 1. entering the market of new competitors | 1. customer retention through innovation and the benefits of existing products | 1. improving social security for employees and raising wages |
| 2. changes in legislation | 2. minimizing credit risks through constant monitoring of distressed assets | 2. Create a competitive advantage in all products and add unique products |
| 3. reduced demand for certain banking services | 3. strengthening market positions through the bank's reputation and reliability | 3. change of strategy in connection with the invasion of Ukraine |
| 4. rising inflation and interest rates | | 4. improve customer creditworthiness checks |
| 5. military operations | | |

Source: made by the author

According to the Table 2.3 it is possible to conclude that in connection with the SWOT analysis, several strategies were suggested for how to use strengths, weaknesses, opportunities and dangers to improve Privatbank's strategy.

SO showing developing an information model of the bank's activities, they find a compromise solution that ensures the achievement of the goals of the institution's work

and satisfaction of the client's needs. Automation of document flow, formalization of the structural scheme of work of employees of departments lead to a reduction in labor costs. Optimization of the workflow ensures the improvement of the service delivery system, which leads to an increase in the number of customers due to the availability of numerous convenient services. Thanks to the step-by-step process of changing the principles of interaction with customers, most credit institutions today provide a comprehensive service: remote service, profitable card products, mobile banking. The increase in competitiveness will ensure the use of video communication, which improves the level of remote service, the further development of such systems with the expansion of the list of available services.

WO showing first development of a marketing department using functional principle with the activity of the service focuses on a number of individual functions performed by marketing; as a rule, it is more often used by small banks that, with a small geographical coverage, provide a limited number of banking services; product principle with the efforts of marketing service employees are redistributed between organizations providing certain types of banking services; typical for banks with a similar (product) organizational management structure; geographical principle with each branch of the bank has its own marketing service; it is typical for banks with an extensive network of branches and representative offices. The size of the final rate, of course, is determined by the bank itself — depending on its policy and strategy. For example, a bank may seek to increase its loan portfolio, and then it will reduce the rate. In other cases, credit organizations, on the contrary, bet on deposits — and in this case they raise interest rates on loans in order to limit this area of their activities. Credit risk diversification is the process of distributing a portfolio between different objects, industries, directions and markets that are not directly related to each other. Limitation implies the use of standards that limit the level of credit risk in relation to own funds. Minimization of credit risks is reduced by types of portfolio, by individual obligations and by the credit institution as a whole.

ST showing the ideal model of any bank's work is a large number of regular customers, as well as the introduction of innovative products that will help attract new

consumers, build loyalty and mutually beneficial cooperation. The marketing service in the bank ensures the functioning of all systems and processes, which in turn have a great impact on the introduction of innovations. New products and services that appear in advanced, innovative banks significantly affect the development of the consumer lending system, as well as the work of the banking system as a whole. Each bank has its own methodology for evaluating a particular borrower, that is, each bank calculates the client's rating according to its internal methodology, which consists of many factors. Unfortunately, it will not be possible to describe the portrait of the borrower, which will be ideal for everyone. In general, the bank should assess the prospects for a return as high. This is influenced, of course, by the age of the client, work experience, competence and field of activity, the presence of property in the property, the loan amount, loan terms, the availability of insurance and collateral. But the lack of a credit history is a minus for the client, since the amount of knowledge about him that the bank can get when making a decision is significantly reduced. The credit institution cannot assess many significant factors, which means that the level of credit risk increases, and this undoubtedly affects the interest rate.

WT showing as an essential component of the business's management, the company's social policy outlines the steps to be taken in order to provide its workers a wider range of perks, services, and social protections. The employee should be given the chance to satisfy their own wants, interests, and value orientations as part of the company's social policy, which serves as a motivating resource for management. The primary goals of the social policy of the organization are to raise the level of work efficiency, establish the conditions for the social protection of employees, enhance the moral climate at the enterprise, develop a favorable socio-psychological climate, and develop a positive image of the enterprise in the eyes of employees and society. Other goals of the social policy include creating a positive image of the enterprise in the eyes of employees and society. This is demonstrated, on the one hand, through the improvement of technologies offered to customers of banking services and products and, as a result, the reduction of banking costs (innovation function), and, on the other hand, through the achievement of goals set by commercial banks. The following are

some of the distinguishing characteristics of competition in the banking industry: high intensity; the development of forms; competitive space; the specifics of pricing, which consist of taking into account external factors in addition to the cost of production; the dependence of the competitive advantages of banking services and products on the convenience of their receipt by customers; public trust as a factor in the competitiveness of commercial banks; group banking competition. On the Privatbank Facebook page, information was supplied on the bank's operations throughout the period of martial rule. In those communities where there are no dangers to the customers' or workers' physical well-being or lives, the bank's branches continue to do business as usual without interruption. To understand what type of strategy is the best for Privatbank the SPACE-analysis should be made, see Table 2.4.

Table 2.4

Privatbank SPACE-analysis

| Industry Attractiveness (IA) | | | | | | | | | |
|--|------------|---|---|---|---|---|---|------------|---------|
| Growth potential | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | Average |
| Potential profitability | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | 4.125 |
| Financial stability of the industry | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Technical equipment | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Use of resources | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Capacity | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Easy entry to the market | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Productivity | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Competitive advantage (CA) | | | | | | | | | |
| Market share | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | Average |
| Life cycle of products | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | 5.29 |
| Production quality | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Loyalty of buyers | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Use of production technology | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Technological know-how | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Degree of vertical integration | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Environmental Stability (ES) | | | | | | | | | |
| Changes in technology | High level | 1 | 2 | 3 | 4 | 5 | 6 | Low level | Average |
| Inflation rate | High level | 1 | 2 | 3 | 4 | 5 | 6 | Low level | 3.71 |
| Variation in demand | High level | 1 | 2 | 3 | 4 | 5 | 6 | Low level | |
| Deviation in prices from the main competitor | High level | 1 | 2 | 3 | 4 | 5 | 6 | Low level | |
| Barriers to market entry | High level | 1 | 2 | 3 | 4 | 5 | 6 | Low level | |
| Competitive pressure | High level | 1 | 2 | 3 | 4 | 5 | 6 | Low level | |
| Elasticity of demand for the price | High level | 1 | 2 | 3 | 4 | 5 | 6 | Low level | |
| Financial strength (FS) | | | | | | | | | |
| Return on investment | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | Average |
| Influence of financial leverage | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | 3.875 |
| Liquidity | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Level of capital requirements | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Flow of payments in favor of the enterprise | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Ease of exit from the market | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Business Risk | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |
| Stock turnover | Low level | 1 | 2 | 3 | 4 | 5 | 6 | High level | |

Source: made by the author

$$\text{HORIZONTAL} = \text{IA} - \text{CA} = 4.125 - 5.29 = -1.165$$

$$\text{VERTICAL} = \text{FS} - \text{ES} = 3.875 - 3.71 = 0.165$$

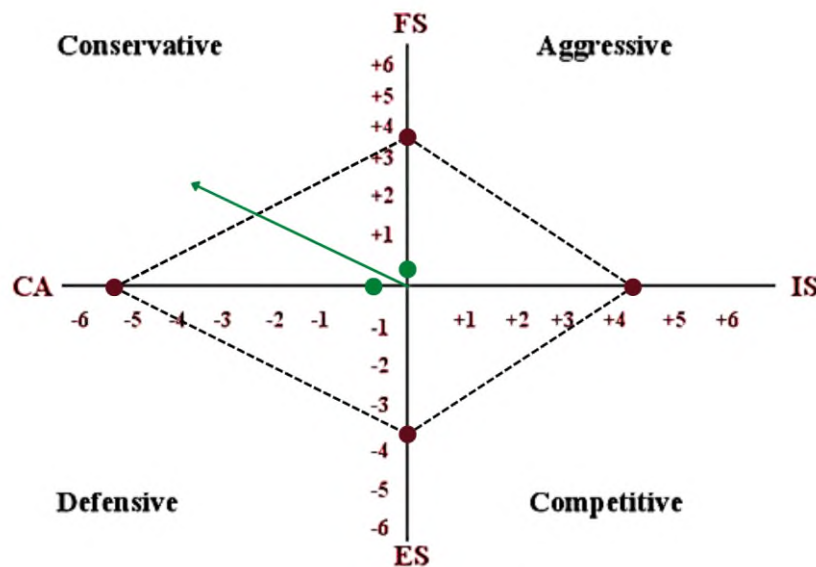


Fig. 2.9. SPACE matrix for Privatbank strategy.

Source: made by the author

According to the SPACE analysis (using Table 2.4 and Figure 2.9), Privatbank should take conservative strategy is distinctive of a low growth but stable market. The focus is on financial stability, while product competitiveness is the critical factor. In this situation organisations could reduce their product lines, cut costs, make cash flow improvements, protect competitive products, focus on new product developments, and try to enter into more attractive markets. Conservative strategies most often include market penetration, market development, product development, and concentric diversification. Product competitiveness is usually a key factor. In this case, costs need to be cut, product lines need to be shortened and additional measures should be adopted to protect competitive products, develop new goods and offer and implement market penetration projects. In any other case, the company may be able to strengthen its position by implementing a deliberate plan to increase the competitive advantages it has. Companies that are new to strategic management and customer value strategies could discover that they can achieve substantial gains via concentrated action, and they

might even unearth assets and possibilities that they had previously neglected. Since the potential for profit is low due to the unattractiveness of the market, the company needs to be cautious not to overinvest given the current circumstances. It is possible for the company to identify certain market niches in which it does have advantages or where it may rapidly create advantages that are undervalued in the general market.

The growth plan of Privatbank, which is controlled by the state and runs through 2024, has been authorized by the Cabinet of Ministers of Ukraine. According to what is stated in the note that accompanies the order, the primary objectives of the strategy update are to develop a robust operational plan and a competitive bank that is capable of ensuring financial stability and paying dividends, as well as a bank that is appealing and viable for investment. These objectives were stated in the note that accompanied the order. It should be mentioned that the primary goal of the document's revision is to ascertain the strategy of a "good bank" that is appropriate for sale as well as the approach to the privatization of the institution. The plan calls for the establishment of a dominant bank in the retail sector of the market, one that holds a powerful position in the small and medium-sized business sector, and one that operates a successful payment and card business and is capable of ensuring the availability of appealing privatization options. The business model that has been defined by strategy for Privatbank provides for a concentration on the SME sector, in particular the growth of lending to the SME segment by 150% (including support for the state program "affordable loans 5-7-9%"), as well as the further growth of the acquiring business, which will lead to a significant increase in revenues of UAH 8.5 billion.

In addition, the modernized business model allows for the expansion of the product offer rather than attracting new customers in the retail business. This will result in an increase in lending from UAH 44 billion to UAH 82 billion, which will include the provision of mortgage loans in accordance with the state program. Furthermore, the updated business model allows for the maintenance of existing leadership positions in the card business based on the availability of physical and digital channels. At the same time, it is intended that by the year 2024, a forward-thinking model of the bank will have been developed. This model will have a leading degree of efficiency and the

willingness to cut margins, in addition to leading the way in innovation owing to digital technology. The statement states that Privatbank will continue to take steps to reduce expenses and strengthen its organizational structure. In particular, the bank will continue to optimize its regional branch network and banking infrastructure. In addition to these benefits, the plan ensures that the bank will maintain a consistent level of profitability, operational efficiency, and maximum recovery of its older portfolio of non-performing assets. It is important to highlight that the bank will work toward the goals of achieving a return on capital of more than 40%, an expense-to-income ratio of less than 45%, and a projected net profit of more than UAH 30 billion.

The plan calls for Privatbank to strengthen its risk management system, the practice of credit underwriting, and the optimization of credit operations. The research states that the bank would develop and modify its existing goods and services to meet the needs of both worldwide standards and regulatory regulations. It also states that the bank will provide novel products and services [78].

To sum up, the outcome of the PEST analysis is the determination of the primary elements of the external macro environment that will provide opportunities and risks for the successful execution. SO showing developing an information model of the bank's activities, they find a compromise solution that ensures the achievement of the goals of the institution's work and satisfaction of the client's needs. WO showing first development of a marketing department using functional principle with the activity of the service focuses on a number of individual functions performed by marketing; as a rule, it is more often used by small banks that, with a small geographical coverage, provide a limited number of banking services; product principle with the efforts of marketing service employees are redistributed between organizations providing certain types of banking services. ST showing the ideal model of any bank's work is a large number of regular customers, as well as the introduction of innovative products that will help attract new consumers, build loyalty and mutually beneficial cooperation. WT showing as an essential component of the business's management, the company's social policy outlines the steps to be taken in order to provide its workers a wider range of perks, services, and social protections. According to the SPACE analysis, Privatbank

should take conservative strategy is distinctive of a low growth but stable market. The focus is on financial stability, while product competitiveness is the critical factor. In this situation organisations could reduce their product lines, cut costs, make cash flow improvements, protect competitive products, focus on new product developments, and try to enter into more attractive markets.

On September 1, 2020, the regulations that compel financial institutions to provide information about their services in advertising and on their websites will become effective. The most important thing that needs to be altered on the websites and advertisements of banks is for there to be information that is reliable, truthful, up-to-date, and sufficient regarding deposits and loans, as well as the cost, conditions, and risks associated with them. This will prevent customers from being misled [51].

This would enable customers to comprehend the terms and circumstances of receiving services, compare the offerings of other financial institutions, and make choices on their finances that are really informed. Different Ukrainian banks use different marketing strategies and different costs for performing that, see Figure 2.10.

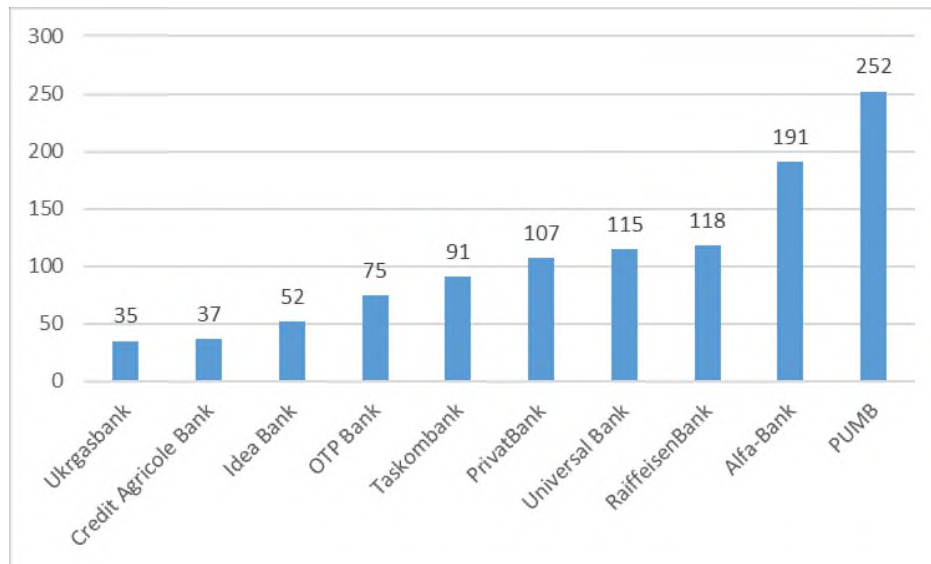


Fig. 2.10. Marketing expenses for TOP-Ukrainian banks

Source: made by the author in accordance to [50].

According to the Figure 2.10 it is possible to conclude that during the course of the previous calendar year, PUMB bank was the leading advertiser and marketer in the banking industry of Ukraine. In the year 2021, the organization incurred a new high

level of advertising expenses of 252 million UAH. In terms of costs of this kind, Alfa-Bank came in second place with 191 million UAH worth of such charges.

The previous year saw Raiffeisen Bank spend 118 million UAH on advertising, which contributed to the bank's third-place finish. Both Universal Bank, which has an advertising budget of 115 million UAH, and the state-owned Privatbank, which spent 107 million UAH on advertising, fall into the category known as over one hundred.

Over the course of the previous year, they were the most prominent supporters of advertising and marketing among Ukrainian banks. Other banks were able to keep their costs down by cutting their yearly advertising spending significantly, for example.

In order to highlight the function that the brand plays and demonstrate its authenticity, Privatbank has begun a new innovative advertising campaign. The goal of this campaign is to modify the manner of advertising communications that the bank has with its millions of consumers throughout the nation. According to Victoria Gubina, the marketing director of the bank, a new generation of Ukrainians has grown up during the time that Privatbank has been in operation. The formation of this new generation occurred simultaneously with the formation of the bank, and many of these individuals received their first scholarship or even their first salary at Privat.

At the same time, the financial institution has consistently introduced and continues to introduce a great number of new initiatives and innovations, although it does not typically back these endeavors with extensive marketing efforts. As a result, the bank, which is well-known to all, is currently working to alter the mode of advertising communications with millions of customers across the nation. In collaboration with the creative agency banda, the bank is introducing a new mode of brand communication that is more human and welcoming.

In many respects, Privatbank was the very first bank ever established. For instance, it was the first organization in the world to create digital covers for cards. It was also the first organization to launch ApplePay and FacePay. In general, the bank was the first organization in Ukraine to test any new banking services. Throughout all of its 28 years in business, Privatbank has simply taken action and gotten things done. It does not wait for the weather to be determined by the ocean, nor does it foster demagoguery;

rather, it works diligently and without stopping. As a result, a new slogan emerged, which read "we take and do."

In addition to the films, Privatbank also uses outdoor advertising, which has a straightforward and daring design along with vivid unauthorized hues. This advertising complements the videos by providing information about what precisely it requires and accomplishes. The advertising department of Privatbank is not the only thing undergoing change. The marketing team of the bank collaborated with the creative firm banda to make the brand more approachable and daring. They also modernized the bank's visual style, developed a new tone of voice for the brand, and worked on all of the bank's materials. The primary bank of the nation is now undergoing modernization [63].

Recent events have shown that financial institutions in Ukraine have been impacted by the ongoing crisis, which has both a negative impact on profitability and a negative impact on the degree of public trust. The situation in the banking industry has somewhat stabilized over the course of the previous two years, and as a result, the rehabilitation of the image of financial institutions is becoming an increasingly important topic. In order to find solutions to these issues, it will be necessary to enhance the marketing efforts of financial institutions, which include a diverse array of banking business procedures including marketing orientation of Privatbank, see Figure 2.11.



Fig. 2.11. Features of marketing orientation of banking activity of Privatbank

Source: made by the author in accordance to [36].

According to Figure 2.11. it is possible to conclude that by modifying its pricing policy and increasing its flexibility and differentiation, taking into account the current needs and capabilities of legal entities and individuals, and attempting to get into the price range set by competing banks, particularly systemically important and state-owned banks, Privatbank has the potential to grow both its customer base and its profits. Working with the product (determining the size of the loan, terms, conditions for its provision and repayment, name, properties, guarantees, maintenance); determining the price (interest rate, commission fee, setting and changing the price, the possibility of its differentiation, providing discounts, formulating payment terms, etc.); distribution (sales system for branches, branches, etc.); communication (advertising on telephone); and working with the product are the primary marketing tools utilized by Privatbank.

The establishment of the bank's marketing strategy is the first step in the effective marketing management of business growth in the banking industry. It is important for the accomplishment of the objectives that have been stated, and they are directed toward the external environment, since they include all of the components that make up the external environment. The decision of which approach to choose in terms of marketing management and business growth in the banking industry is heavily impacted by a number of external environmental elements. Therefore, the bank is able to use a variety of methods, and these strategies may change depending on the path that the banking industry takes, see Table 2.5.

Table 2.5

Marketing strategies of Privatbank

| Names of strategies | Strategy direction | Ways to implement strategies |
|--|--|---|
| Strategies aimed at strengthening the image of the bank and increasing sales of banking products | | |
| Integration | Improvement of the image; | Use of non-traditional sales of banking products for the greater interest of potential and existing customers |
| | Brand promotion; | |
| | Promotion of banking products | |
| Popularization | Improvement of the image and brand promotion | Image advertising |
| Promotional | Promotion to the financial market of banking products | Information about prices, technology, and product characteristics, product advertising, personal sales through structural units |
| Strategies of influence on the consumer | | |
| Presentation | Informing consumers about the bank's services, about the advantages of the bank in comparison with competing banks | Design of branches selling banking products, equipping with the appropriate number of terminals |
| Psychological | Influence on the psychology of the consumer | Use of psychological tools that influence the subconscious choice of the consumer |
| Strategies depending on the intensity of the process | | |
| Active | Focus on getting a reaction from the information received by the client | Providing additional services, live dialogue with customers |
| Passive | Creating conditions for informing customers | Advertising materials |
| | There is no feedback | |

Source: made by the author in accordance to [21].

According to Table 2.5 it is possible to conclude that a good marketing strategy helps to choose a promising direction of business development, in which all resources work at full capacity and give a positive result. Privatbank is using a mix of strategies like integration, popularization, promotional, presentation, psychological, active, and passive.

A high standard has been set for both the development and maintenance of the website for Privatbank. It receives regular new versions. According to Kantar Ukraine, a representative of the global leader in marketing research – Kantar firm – the top 10 Most Visited sites in Ukraine includes the website of Privatbank, where it grabbed the 7th position, following Google, Youtube, Facebook, and other sites. This was the case as of January 2021. This points to Privatbank's superior position in terms of website quality, strategic potential, quality of online and offline customer care, the perfection

of the marketing mix, and the degree of interactive marketing execution. You may discover the following features on the Privatbank website: an online assistance chat, access to the bank's mobile apps, a currency converter, and the ability to pick your own communication channel (Viber or Telegram). Instagram Direct access to Facebook, Instagram, and Twitter may be gained from the website itself by dialing the toll-free number 3700 to reach the bank's customer service line. This number can also be found on the bank's official pages inside the social networking websites Facebook, Instagram, and Twitter. You have the option to familiarize yourself with the latest bank news and currency exchange rates, as well as get other important information on the bank, its services, and the interactive payment methods it offers, such as the QR code, Apple Pay, Google Pay, and Face Pay24 [74].

My Deposits, Piggy Bank, Payment in Installments, SMS Banking, and Bonus Plus are some of the other apps that are offered by Privatbank. All deposit activities are accessible via the My deposits mobile app. In this application, in Privat24, or on the Internet, you may even cancel a deposit that was established remotely. In addition, you can check the current terms and interest rates that are applicable to Privatbank deposits. The mobile application that is available to users of the piggy bank service enables users to view the total amount of money that has already been deposited into the piggy bank, as well as conveniently set up accumulation conditions and view deposit amounts for the past month or for the past six months. You are able to pick items for purchases on credit and compare pricing from partners when you use the payment in installments app. Furthermore, you are able to raise the limit on purchases made using the payment in installments service, and you are able to return loans ahead of schedule. SMS banking is a service that allows users to manage their accounts by sending SMS instructions.

Both a mobile phone and a Privatbank payment card are required in order to do financial transactions like as adding funds to a mobile phone account, sending funds to another person, or transferring funds to a bank card. Every Privatbank card is immediately and at no additional cost linked to a user's smsbanking account. The bonus Plus app grants access to the membership directory of the bonus Plus loyalty program

on your smartphone, allowing you simple search capabilities based on your current location. Information regarding program participants that is required, including their names, bonus amounts, addresses, phone numbers, and whether or not the option to pay in installments is available. Direct marketing is carried out by operators at Privatbank, who contact clients who fall into the intended group. During these phone calls, the consumers are informed about new service offerings and the features of those offers.

To sum up, the state-owned Privatbank, which spent 107 million UAH on advertising. Privatbank has begun a new innovative advertising campaign. The goal of this campaign is to modify the manner of advertising communications that the bank has with its millions of consumers throughout the nation. Privatbank is using a mix of strategies like integration, popularization, promotional, presentation, psychological, active, and passive. The establishment of the bank's marketing strategy is the first step in the effective marketing management of business growth in the banking industry. It is important for the accomplishment of the objectives that have been stated, and they are directed toward the external environment, since they include all of the components that make up the external environment.

2.3 Effectiveness of advertising promotions in Privatbank

In the modern world, online marketing has a great influence. Companies create websites, applications, and automate their systems to facilitate cooperation with consumers. Therefore, in the context of competitive analysis, it is important to analyze the websites of each of the banks. To determine the directions for improving internet communications of commercial banks in Ukraine, first analyze them. Today, their websites play a significant role in informing customers about banks. Figure 2.12 shows the main indicators of website traffic of some commercial banks in Ukraine.

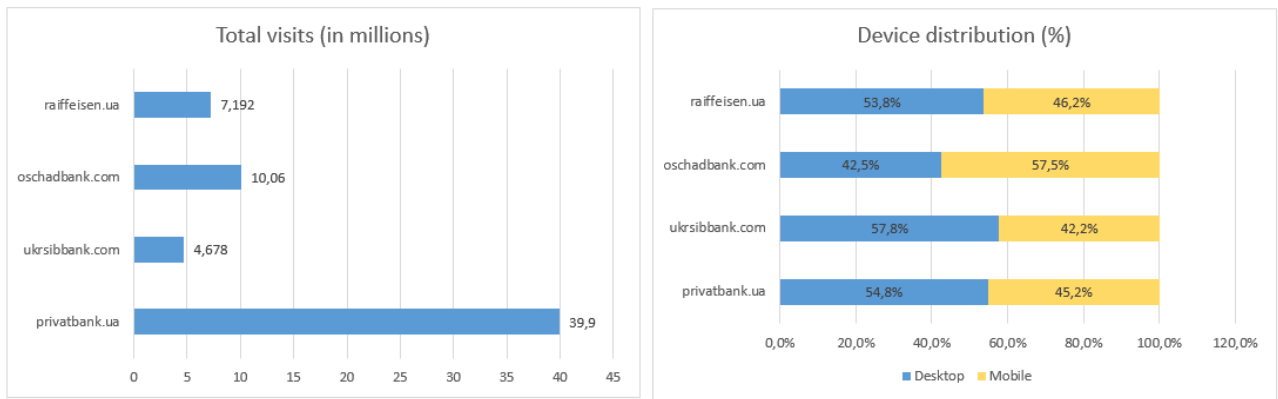


Fig. 2.12. Total visits of Ukrainian banks sites and device distribution from October to December 2022 worldwide

Source: made by the author in accordance with [68].

According to the Figure 2.12 Privatbank has the total number of visits from October 2022 to December 2022 of 39.95 million which is much greater than Ukrsibbank, Oschadbank and Raiffeisen. The device distribution among these banks are pretty similar. People prefer to use of more desktop while being on the banks site except Oschadbank, where clients prefer to use the mobile phone.

In order to determine the level of efficiency of a commercial bank, relative indicators are mainly used, namely: ROI, ROA, ROE, as it is shown in Formula 1.1, Formula 1.2, and Formula 1.3.

$$1) \text{ ROI} = \text{Net income} / \text{Cost of investment} * 100\%. \quad (1.1.)$$

The net income of Privatbank in 2021 equals to UAH 35,1 billion.

The cost of investment of of Privatbank in 2021 equals to UAH 206.1 billion [31].

$$\text{ROI} = 35.1/206.1*100\% = 17.03\%$$

This formula shows a yearly return on investment (ROI) of 17% is recognized as satisfactory for an equity investment, as the popular wisdom holds. This also pertains to the typical yearly return of the S&P 500 index, after taking into account the effects of inflation [9].

Therefore, the ROI of Privatbank is higher than average.

$$2) \text{ ROA} = \text{Net income} / \text{total assets} * 100\%. \quad (1.2.)$$

The net income of Privatbank in 2021 equals to UAH 35,1 billion.

The total assets of Privatbank in 2021 equals to UAH 407.3 billion.

$$\text{ROA} = 35.1/407.3 * 100\% = 8.6\%$$

This formula shows a return on assets (ROA) of 5% or higher is regarded to be excellent, whilst a ROA of 20% or more is considered to be exceptional. In general, the ROA serves as a good indicator of how well a firm generates profits; the greater it is, the better [8].

So, ROA of Privatbank is considered to be good.

$$3) \text{ ROE} = \text{Net income} / \text{equity capital} * 100\% \quad (1.3.)$$

The net income of Privatbank in 2021 equals to UAH 35,1 billion.

The equity capital of Privatbank in 2021 equals to UAH 66.6 billion.

$$\text{ROE} = 35.1/66.6 * 100\% = 52.7\%$$

This formula shows a measurement of performance ROE illustrates the amount of profit that a firm was able to create for each dollar that shareholders put in the company. Meaning Privatbank is a worth bank to invest in.

In addition to conventional methods, the Internet is the most contemporary way for banks to interact with their customers because it is simpler for banks to set up their own online presence through websites, expand the financial market's boundaries, enter new markets, assess and predict the activities of rivals, and introduce banking innovations.

An increasingly common tool nowadays is social media, which is used to distribute and advertise a business, its goods or services on blogs, websites, and social networks. It is used for branding goals, such as raising brand recognition, cultivating audience loyalty, etc., as well as for attracting visitors to the website and boosting sales. The most efficient, practical, and promising kind of remote banking is internet banking. The customer is not required to install or buy any specialized software. Simply obtain a login, password, and key from the bank to log in to the system and sign orders online. However, the client's engagement is such an essential tool for bank promotion and profitability, the mostly unique visitor and visits in general the site gets the better, see Figure 2.13.

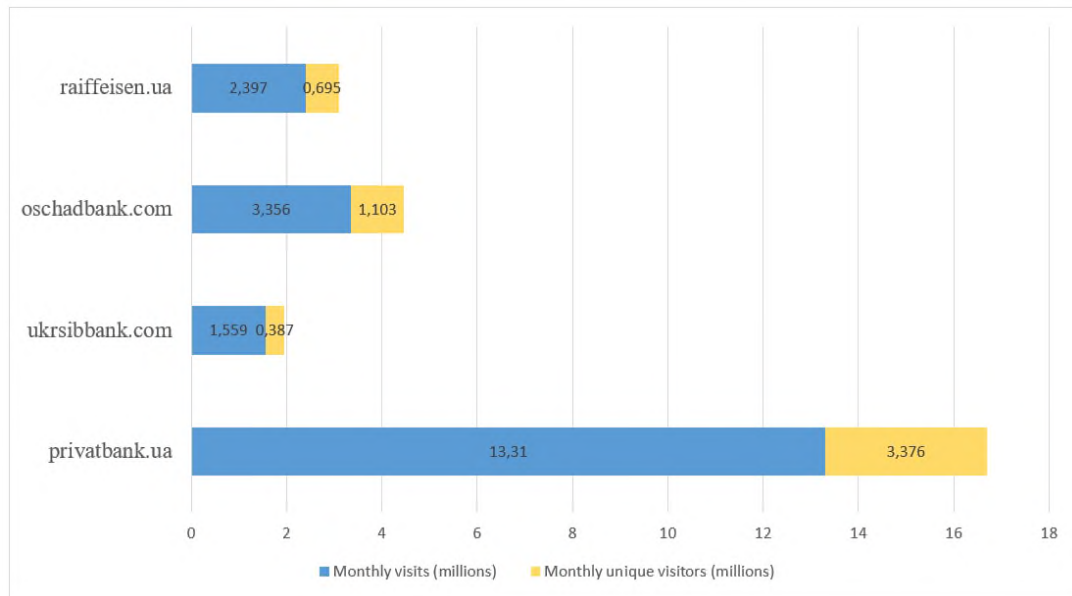


Fig. 2.13. Client`s engagement in banks sites

Source: made by the author in accordance to [68].

According to the Figure 2.13, Privatbank has the most monthly visits and monthly unique visitors comparing to Ukrsibbank, Oschadbank, Raiffeisenbank.

By affecting the banking product, its pricing, the method of getting it to the customer, and product promotion, comprehensive system banking marketing is carried out. A market activity plan must be developed as part of the bank's systematic marketing efforts with the goal of attaining commercial success, which can only be attained by taking into consideration all the variables affecting the bank's interactions with the environment. The entering the foreign market also essential for each bank. However, there is a place for improvement, development and diversification of marketing activity in terms of advertisement, see Figure 2.14.

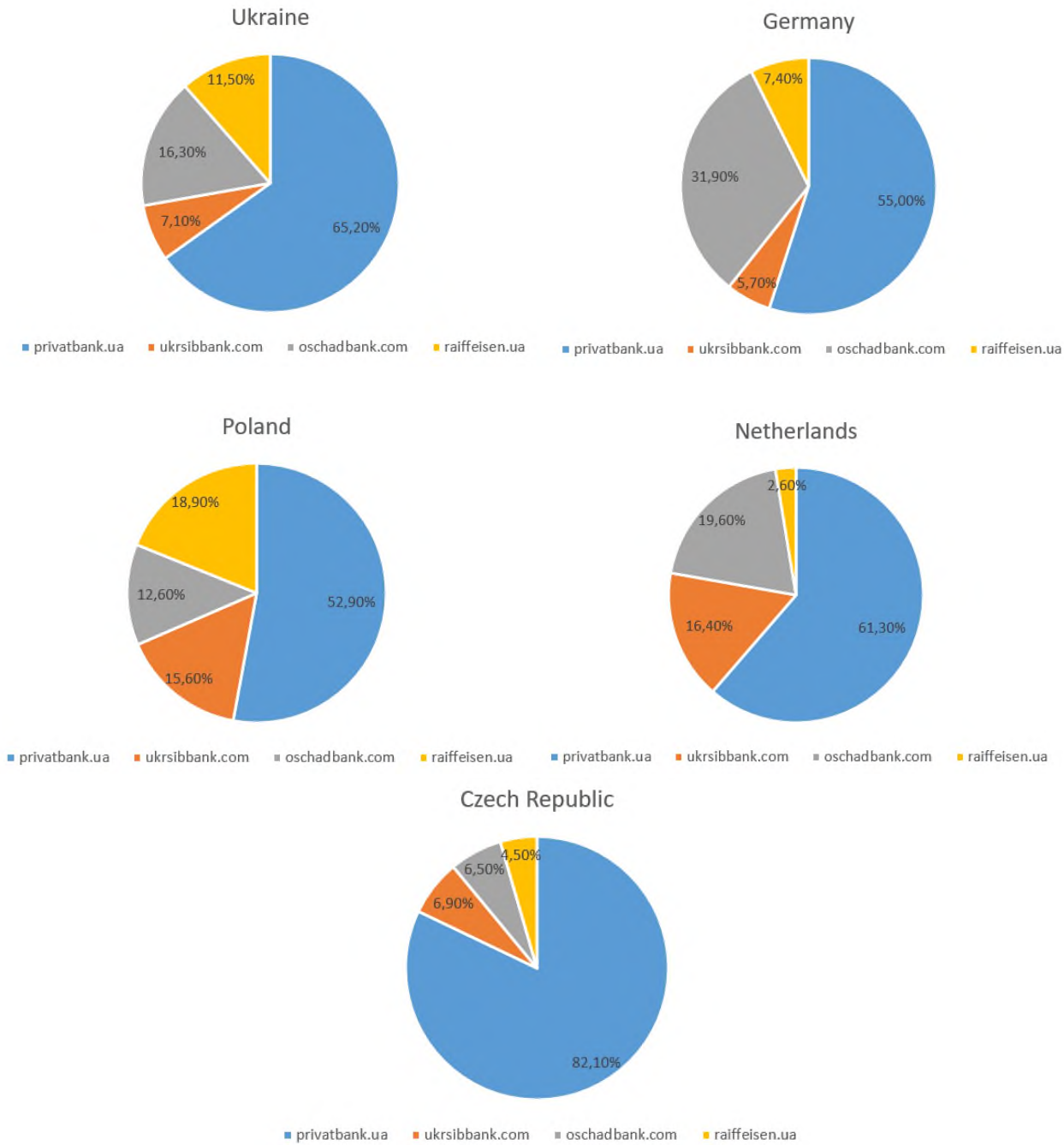


Fig. 2.14. Geographical diversification for Ukrainian banks

Source: made by author in accordance with [68].

According to the Figure 2.14 majority of traffic comes from Privatbank in Ukraine (65.2%), Germany (55%), Poland (52.9%), Netherlands (61.3%), and Czech Republic (82.1%) among the four Ukrainian banks. While performing in other countries Privatbank still owns the biggest share of traffic split comparing to Ukrsibbank, Oschadbank, and Raiffeisenbank.

The traffic source is the channel through which visitors get to website or app, see Figure 2.15. Direct traffic - when a user enters a query in the address bar, the search engine offers him hints — variants of key phrases. Among the hints there may be a page that the person visited earlier. If you click on it, the user will get to the site via a direct link.

Organic traffic - a user wants to buy flowers and enters a key query in the browser search bar. The search engine gives him the pages of online stores where he can find the answer to the question. When he visits the selected page, organic traffic is recorded on the site.

Traffic from social networks - the user saw an advertising post about the company's service in the Facebook feed. I read it, got interested. Went to the community or clicked on the link that leads to the site. Another example: a user flips through stories in the same social network. After a while, he comes across a targeted advertisement with a link to the site.

Referral traffic - the user read an article on a third-party site where the brand was mentioned and a link to the site was given. To learn more about the company, the person clicked on the link and began to study the resource. The analytics system will determine this transition as referral traffic — this means that the visitor got through a link on someone else's resource.

Emails bring warm traffic to the site. They are used to remind the client about the brand, to tell about a new product, fresh blog articles, upcoming events. Some brands wish customers a happy birthday — a nice letter increases loyalty to the company.

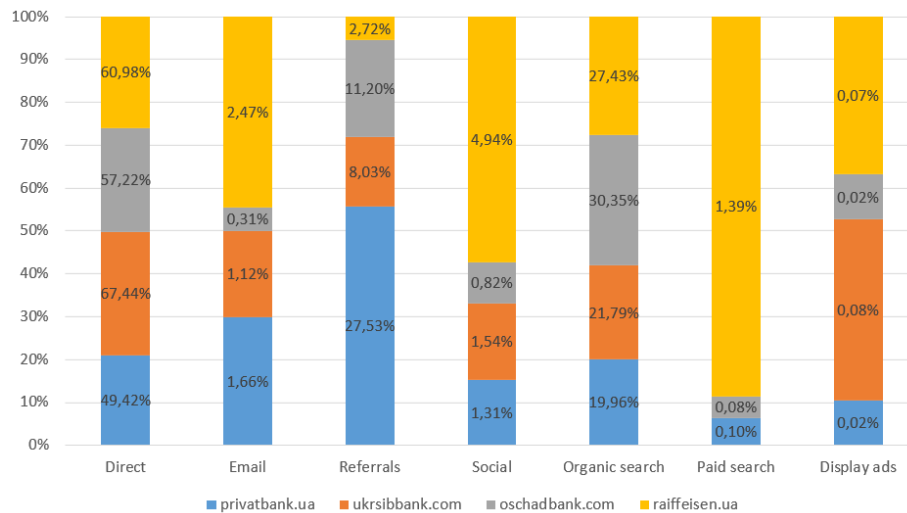


Fig. 2.15. Channel overview from October 2022 - December 2022 for Ukrainian banks worldwide.

Source: made by the author in accordance with [68].

According to the Figure 2.15 Privatbank, Ukrsibbank, Oschadbank, Raiffeisenbank are using or focusing at the same channels such as direct, referrals and organic search. However, there is still a space for increasing the traffic using social media. Due to recent researches people tend to use more of social media to find out about something or to get news.

It is crucial to categorize potential consumers based on their behavior and interests when using social networks as marketing communications to promote banking goods. Only an interested prospective audience should see information about the bank's new offerings posted on social media. It is claimed that typical web marketing strategies like banner ads and contextual marketing are inappropriate for promoting bank loan products. Payments via phone number, bank account funds transfers, international payments to family members and friends from phone to card, and alerts are the major services provided by social networks as a marketing tool for promoting banking goods and services [6].

Technology is another way that social networks stand out: when conducting marketing, a banking organization has the option to use photo and video technologies; to speed up communication with clients and middlemen; to integrate IT office programs with social networks; and to use a variety of applications. Additionally, the

transparency of social networks attracts banks and other businesses. The corporation may model the social media page at any moment and can also collect feedback because the target audience can see it 24/7.

Social media marketing does, however, include a few elements that can be considered drawbacks. The first is that it takes quite a while before marketing efforts start to show any observable results. Calculating the cost of an advertising campaign and the effectiveness of the actions done is also sometimes fairly challenging. Openness, which is a beneficial aspect of social media marketing, may work against firms who disseminate subpar goods or services or inaccurate information. Banks must continually evaluate the caliber of the information, goods, and services offered in order to stop the spread of unfavorable information and evaluations. However, the social traffic should be taken into account due to the digitalation and people preferring to communicate and find out about something using social media, see Figure 2.16.

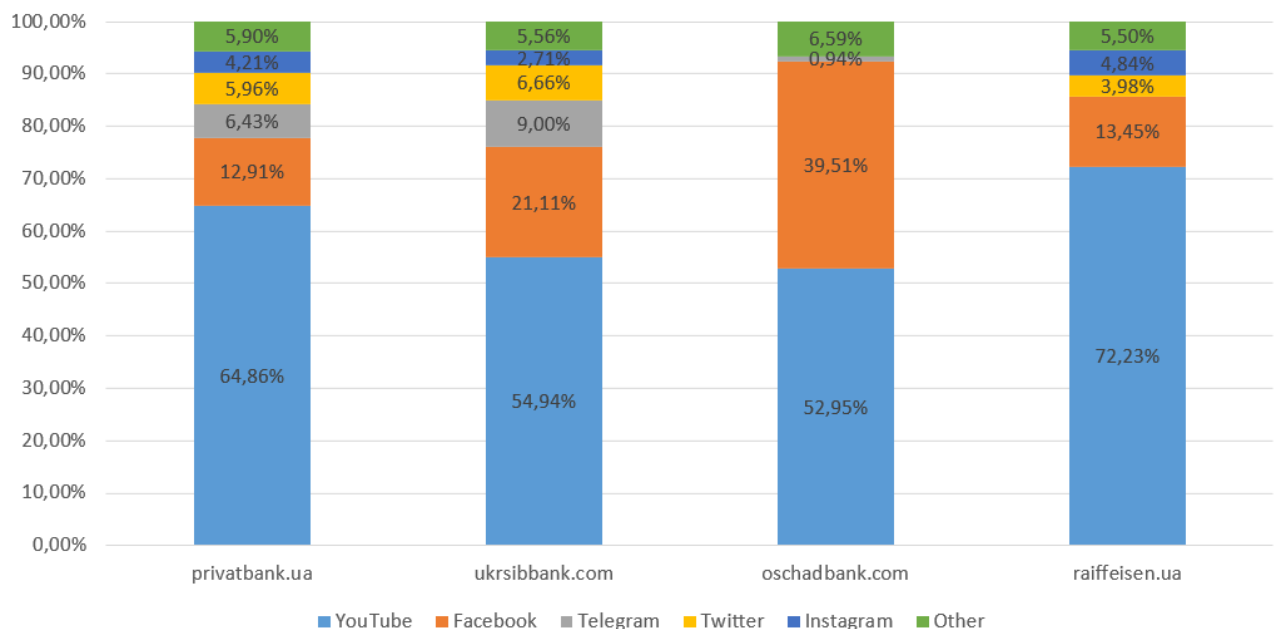


Fig. 2.16. Social Traffic for Ukrainian banks worldwide.

Source: made by author in accordance with [68].

According to the Figure 2.16 Youtube is a platform that each bank using for gaining the social traffic. However, Telegram should be considered for taking into account as one of the main source for gaining the social traffic.

According to the number of users, it can be concluded that PrivatBank's customer relationships on social networks are effectively created and that the bank is aware of emerging user service channels.

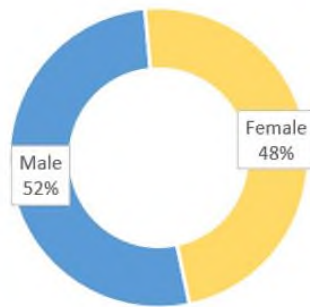
Chatbots from Privatbank assist with mobile account topping up, money transfers between cards, loan applications, finding out the currency rate, and other tasks. The Facebook, Telegram, or Viber messengers must be installed before you can complete a transaction with only a few clicks. You must log in and input your phone number to hear how the chatbot functions. Three chatbots from the bank are available on Viber: "PrivatBank" (for money transfers across cards); "bonus plus" (for the most recent information on the "bonus Plus" program); and "quick installment" (making a cash loan to a card).

The mobile app is not intended to be replaced by Privatbank's chatbots. For the bank, instant messengers provide another route for communication and a means to experiment with user communication in order to draw in new clients.

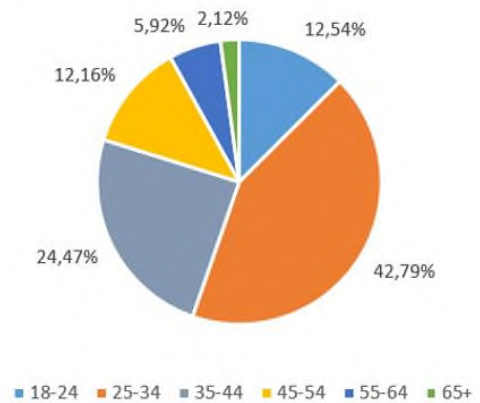
The age and gender of potential consumers, the make-up and age structure of the family, the level of education, the family's income, etc. are all considered in the demographic segmentation process. Rich clients, clients with a high degree of wealth, experts, entrepreneurs, workers and employees, students and youth, and seniors are the typical retail market categories that banks identify.

A dialogue is had with each customer when opening a bank account, and a card with specific information about their age, education level, etc. is filled out. As a result, the bank may simply divide its clientele into different age groups. A bank may then make another table by connecting certain banking products to the already defined age groups using the statistical distribution of the customer by the chosen parameter that you have obtained.

Gender distribution of Privatbank`s web site users



Age distribution of Privatbank`s web users

**Fig. 2.17.** Privatbank`s gender and age distribution

Source: made by author in accordance with [68].

The demographics of an audience can show what audiences make up a site's current market share. The readership of privatbank.ua is 48% female and 52% male. The majority of visitors are between the ages of 25 and 34. (Desktop) [69].

JSC CB PrivatBank is continually improving, establishing new competitive advantages, and gaining an advantage over its key rivals by adopting the strategy of complete product advertising on the Internet. Because of the variety of possibilities available to each potential client as a result, this banking institution has more customers who are interested in and loyal to it. But at any stage of a financial institution's life cycle, the range of interactive marketing tools, advancements in their application, and selection of the most economically viable tools are important considerations.

The bank uses the following main channels of service promotion: website and promo sites; electronic bulletin boards; call center; internet advertising; e-mail marketing; online practice in PrivatBank; official pages of PrivatBank in social networks; online banking; chatbots; SMS informing and others. The PrivatBank website is developed and maintained at a high level. It is constantly updated. In Ukraine, according to Kantar Ukraine, the top 10 Most Visited sites, as of January 2021, included the website of PrivatBank, where it took the 7th place, after Google, Youtube, Facebook and other sites. This indicates PrivatBank's leading position in terms of website quality, strategic potential, quality of online and offline customer

service, the perfection of the marketing mix and the level of interactive marketing implementation.

On the PrivatBank website, you can find the following tools: online help chat, and the client can also choose their own communication method (Viber or Telegram), currency converter, and access to the bank's mobile applications. Instagram Facebook, instagram and Twitter can be accessed directly from the site by calling the bank's hotline at the short number 3700, on the official pages in the social networks Facebook, Instagram and Twitter. If you wish, you can get acquainted with the bank's news, currency exchange rates and get other necessary information about the bank, its services and interactive payment methods – QR code, Apple Pay, Google Pay, Face Pay24 [16].

The quality of development of the banking system, which currently functions in an information-developed society, determines the role of the banking system and the extent of its effect on the economy in contemporary times. Banks must fully account for the changes in supply and demand in the banking services market that result from the growth of these technologies because of digitalization and the most recent financial technologies built on it.

The fact that the marketing complex should rule over bank management, both theoretically and practically, is highlighted by the expansion of banks' areas of interest, globalization processes, the activation of non-banking institutions, particularly Fin-Tech companies, and the use of the most recent communications advancements in the financial market.

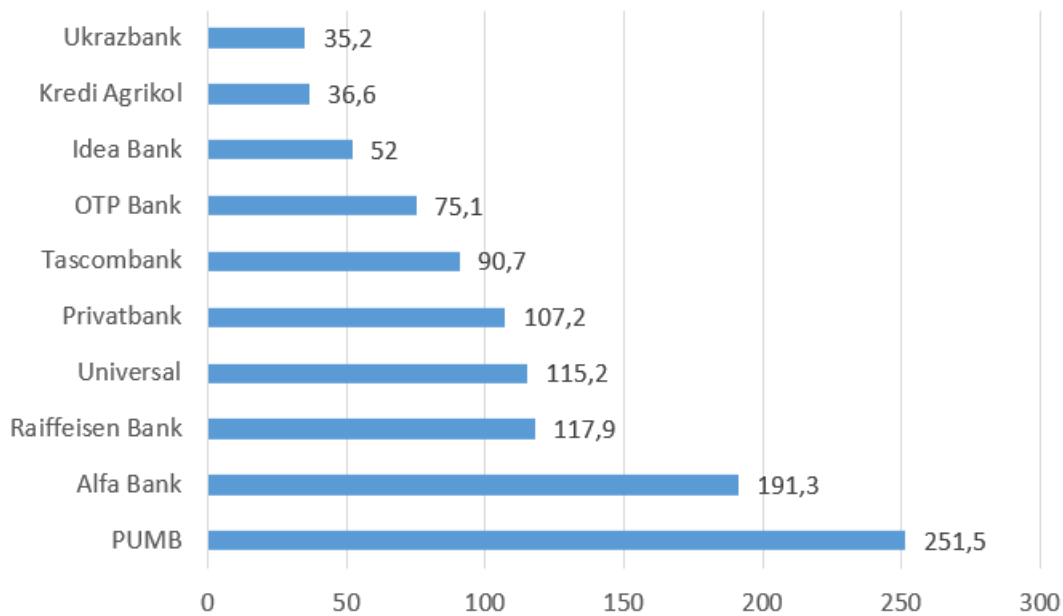


Fig. 2.18. The top 10 Ukrainian banks with the largest advertising expenditures.

Source: made by author in accordance with [40].

According to the Figure 2.18 Privatbank does not spend the highest amount of money on advertising. PUMB Bank spent 252 million UAH on marketing, is in first place, followed by Alfa Bank, which spent 192 million UAH. Raiffeisenbank, which spent UAH 118 million on marketing and advertising, is in third position. Universal Bank which spent UAH 116 million, and Privatbank, which spent UAH 107 million, are next on the list. For advertising, other banks spent less than UAH 100 million. It should be mentioned that banks spent a total of UAH 1.4 billion, or a rise of 40%, on marketing and advertising in 2021.

To sum up, in the chapter 2 the characteristic and advertising policy of Privatbank was discussed. PEST, SWOT and SPACE analyses were performed. Due to which several points were highlighted. According to the PEST analysis each factor (political, economical, social and technological) has significant impact on Privatbanks performance. During the SWOT analysis several strategies were proposed such as the use of video communication will guarantee that remote service levels are improved, that such systems are developed further, and that the range of services that are offered is expanded as a result of increased competition. The technique of dividing up a portfolio among many things, sectors, directions, and markets that are not immediately

tied to one another is known as credit risk diversification. The introduction of new goods and services by forward-thinking banks has a big impact on how the consumer loan system evolves and how the banking industry functions as a whole. Fostering a favorable company image in the eyes of the workforce and society. The SPACE analysis gave an opportunity to suggest the best strategy for Privatbank which is conservative. In order to determine the level of profitability of a commercial bank, relative indicators of profitability are mainly used, namely: ROI equals to 17.03%, ROA equals to 8.6%, ROE equals to 52.7%. Comparing to other banks Privatbank does not use that much of money to spend on advertising, however, there is the biggest traffic share for the site.

CHAPTER 3. CONSIDERATION OF WAYS OF ADVERTISING POLICY DEVELOPMENT IN PRIVATBANK

3.1 Ways of overcoming weaknesses of advertising policy in Privatbank

At the moment, television advertising is the most efficient, common, and costly. Banks actively employ television advertising to promote their services despite the high expense since it is the most successful and draws in a sizable audience. Internet advertising is also regarded as relevant, and it receives a lot of views if it is posted on well-known websites.

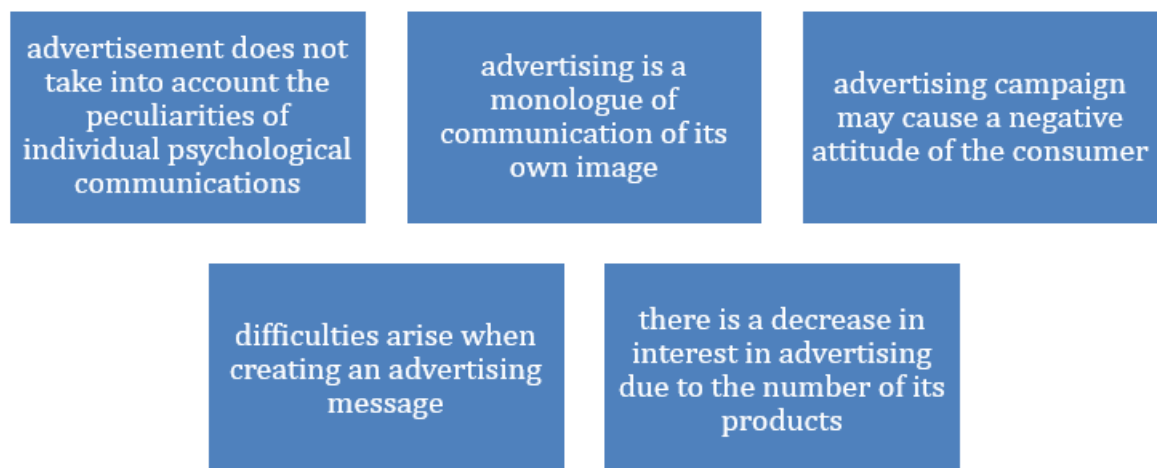


Fig. 3.1. Weaknesses of bank advertising

Source: made by author in accordance with [28].

A tricky managerial challenge is coordinating several strategies and bringing them under the control of a shared objective. In addition to finding a solution, the bank's management must maintain thorough oversight of each element of the marketing project in order to evaluate the cause of failure or, on the other hand, generalize and apply successful experience in the future. Therefore, a system of various identifiers tailored to various objectives and accounting for the contribution of financial, marketing, and direct communication components in various ways is absolutely important in order to accomplish an efficient marketing project.

The first weakness is advertisement does not take into account the peculiarities of individual psychological communications. Usually, the advertising campaign is create by some particular plan that is not unique and sometimes boring. People already have seen many advertising campaigns and now they are not that persuasive due to the clients changing of acceptance.

One of the senses may be more or less developed in some persons. From this point on, humans can be categorized as auditory, visual, or kinaesthetic. Banks often limit their advertising to providing information about credit or debit, their percentages, etc., but psychologically speaking, individuals today want more. They may already read this information about the products and services on the website. The important idea is psychological communication, a narrative, and a picture since, despite everything, they are all connected by the same scientific fact: everyone sees around 80% of the world.

That is why visual elements like images, videos, and packaging are so important in marketing. Numerous strategies, tactics, social influence, psychological influence, and manipulation are used in advertising. Specifically, different hypnotic techniques, suggestion, imitation, infection, persuasion, and sociopsychological behavior. Effective ways of influence are made using psychological stereotypes, the 25th frame, neurolinguistic programming, and other techniques.

The phenomenon of gender segmentation can be used as one of the answers to this question. All marketers have been using this strategy for a long time, and it is considered a standard and best practice. The concept is simple: The same product or service should be presented differently to men and women.

Men tend to be categorical, rational, argumentative, direct, and practical. They also want recognition, live in the moment, value status, dislike sporadic color schemes, and rarely barter. Women are sensitive, impressionable, abstract, compromising, comfort-oriented, perfectionists, frugal, like to haggle, like bright colors, and want attention [7].

Since both genders are interested in banking products, it is important to consider all these variables as well as the psychology of consumer behavior.

Material is considered more significant when it is repeated. The brain receives a signal from repetition over a short period that knowledge may be valuable in the future and should not be quickly discarded.

The second weakness is advertising is a monologue of communication of its own image. It is important to note that advertising of banking services, goods, and the bank itself is quite common in our country. Stability, reliability, and tradition are emphasized. The message is essentially the same in every bank. Nothing stands out or is memorable. Banks now just want to inform.

However, banks have to take a risk and come up with clever, humorous advertisements. A bank's customer base can be increased, brand awareness can be increased, customers can be attracted, an image can be created, revenues can be increased, and a memorable and brilliant image can be created, and so on. However, there is one drawback to creative advertising besides the price tag: the chance that the viewer will not anticipate and understand the visuals.

Promoting the bank's brand and fostering customer loyalty are two of its primary goals. A creative and contemporary solution to the problem of increasing revenue and expanding the customer base is interactive engagement with potential users of financial services. The brand should inspire people to make changes in their own lives, homes, families, and themselves, in addition to promoting its products. One of the key components of contemporary advertising that is becoming increasingly important is the integration of socially meaningful issues. The introduction of interactive tactics and ways of presenting a product or service has become especially important with the development of cutting-edge technology and the growing impact of the Internet on our daily lives. Advertising today must be both exciting and current to be effective, and the use of cutting-edge presentation techniques will help ensure that the project is as modern as possible.

Less artificial, excellent aesthetics and filters are vital elements of content, more uniqueness, sincerity, and transparency are needed to be present. People get bored with glossy photos that are far from reality. Be honest and open; don't be afraid to show humorous and uncomfortable photos or to be blunt.

The serial narrative, a format with a longer running time, has now become established and works well with forms with a shorter running time. Banks need to present themselves through a collection of stories that share a common theme and cast of characters. The brand is much easier to remember and develop the ideal image when the material is published consistently and has a similar theme. Most likely, viewers won't amplify or turn on the sound to watch the video, if only because people often read material on the go. Subtitles, in-depth descriptions, and other strategies are needed for banks to get their message across without suffering major losses.

The third weakness is advertising campaign may cause a negative attitude of the consumer. The majority of customers see their connection with banks as basic, consisting of doing straightforward tasks like sending and receiving statements and bill payments.

Although advertising and creativity ought to complement one another, this union frequently falls apart. The identical phrase appears in all of the advertisements; while this was novel at one point, it now just irritates or indignities people. Online pop-up ads and loud music may both have a detrimental effect. The user feels anxious as a result of the surprise impact. The first instinctive response to an annoyance is to get rid of it, so turn down the volume of the advertisements and shut the window that appeared while reading the article. If the stress was severe enough, the person who caused it would be associated only with negative memories. The passion for advertising can sometimes be a cruel joke. It's unlikely that a consumer will click and buy the first time he sees an ad. Suppose he is just beginning to feel a need for a product. Even if they like the offer, they may forget to bookmark the page. Repeated advertising can serve as a reminder to the user, but if the same campaign appears frequently, it has the opposite effect and makes people less inclined to use the bank.

The most frequent cause of consumers' dislike of commercials is terrible performance. Unappealing, insensitive, infectious, and kinogenic they may be. They do, of course, draw notice from the broader advertising population. However, drawing attention to oneself rather than the marketed goods is detrimental. As a result, while creating an advertising firm, it's important to consider physiognomy and research the

messages that various facial traits might express. Additionally, it's usual practice to gather reviews of banks' operations online, and frequently, when you type a bank's name into a search engine, a website with client reviews quickly appears. Reviews might be quite unfavorable, and the lack of response to them indicates a silent acceptance of them.

The fourth weakness is difficulties arise when creating an advertising message. First of all, banks' target audiences are often fairly broad, making it far more challenging to focus on a smaller segment of them. And the harder it is to develop a distinguishing positioning and rebuild the image the larger the audience. The likelihood that the creative is intended for everyone and nobody is pretty high.

The biggest challenge with marketing banking goods is that, even if you want to stray from the tried-and-true methods, it will be very challenging to be successful. Since there isn't a special trading opportunity. The terms and services offered by banks are generally uniform and similar.

Additionally, the buyer in this market does not anticipate something novel. In other categories, a clever advertising campaign is frequently built on a feature of the product, such as a strong engine, imaginative packaging, an unusual flavor, or an intelligent system. The center of creativity moves to this new product innovation. Additionally, banks have nothing to hang onto.

There is an information overload in the post-industrial environment. The mind can only process a small quantity of information at once. Therefore, the creative aspect of information centered on the emotions, expectations, and subliminal reactions of market players is starting to depend more and more on the flow of money on a worldwide scale. All spheres of information flow are experiencing a similar predicament. As a result, when it comes to the intensity of information transfer in the advertising audience and its influence on an individual, creative advertising is now the most successful.

Privatbank can launch a mini-series with a certain character, which will be characterized only with this bank. People usually remember something bright and colorful, and even some cartoons that they watched 20 years ago, people remember thanks to the characters.

The fifth weakness is there is a decrease in interest in advertising due to the number of its products. Banks frequently provide the same services and goods; the only difference is in the price structure. People require more at this point than merely a product with added value. Customers are well familiar with how debit and credit operate, so you won't really catch them off guard.

One product should be the emphasis of the Privatbank's advertising rather than a smattering of offers or making as many offers as possible in a single video. It's important to examine underperforming items, create a marketing strategy, and identify the target market.

A minimal amount of text and a maximum number of facts should be in the advertising. Everything ought to be glaringly obvious. In general, a text-heavy creative won't evoke any feelings in the viewer. The amount of information you try to cram on one screen will just be too much for one individual to take in at one time.

Combining information and picture advertising is the most effective strategy. In addition, the bank's aims and objectives for a certain time period should be used to calculate the ratio of image to information advertising.

Different target audiences' varying motivating variables impose great demands on the professionalism of ad campaign creators. Therefore, connecting and coordinating advertising and marketing initiatives directed at various sectors is another crucial responsibility of bank advertising. Any discrepancy in the bank's marketing strategy might unpredictably have a detrimental impact on the market because of the loss of confidence brought on by subpar advertising. Advertising in the banking industry demands a large balance and is more susceptible to blunders than any other. The universality of bank thesis emphasizes that given services fulfill the demands of large and small organizations, enterprises, and individuals. This is one of the conventional ways out of the dilemma. The absence of strategic planning is the biggest issue facing marketing departments in banks.

A bank can tell the direction you are headed when it has a strategy for several months. However, in the great majority of situations, advertising and marketers are

allocated a budget for the year, and they base their customer-attraction strategies on that budget. At the same time, every new management strives to add something unique.

As a result, the bank's advertising strategy frequently seems to be quite diverse, with each new offer appearing to exist in a vacuum rather than as a seamless continuation of the preceding one.

The bank's initial advertising tagline changes after six months. They might be severe and cautious at times, then suddenly engage in cliched commercial slogans.

Because of this, consumers seldom recall Privatbank's advertising, and only a select few can claim to have a transparent, well-thought-out strategy for service promotion. Typically, it's a jumble of advertisements, modules, pleas, and promises that blend in with the crowd and require just big funds.

The banking industry lacks a centralized information base on marketing communications, to start. Most banks, especially big ones, create their own technology and communication channels. This type of knowledge is highly protected from people outside the organization.

Second, the majority of companies that perform research on the environment of the bank's marketing communications typically do not reveal the research technologies and methodologies used to the client, denying him the chance to judge the suitability of the data gathered.

Thirdly, since many banks lack a mechanism for evaluating client records and there isn't currently a universal classification system for banking products and services, it's sometimes contradictory to compare them. Most medium-sized and small banks do not engage in marketing research because it is too expensive for them to do so.

All of the aforementioned factors combine to make the professional marketing penetration rate within the banking industry still quite low. Most banks spend 1-2% of their whole budget on marketing communications expenditures. Despite the aforementioned challenges, experts stress the significance of stepping up communication efforts by bank internal divisions as well as outsourcing marketing procedures [33].

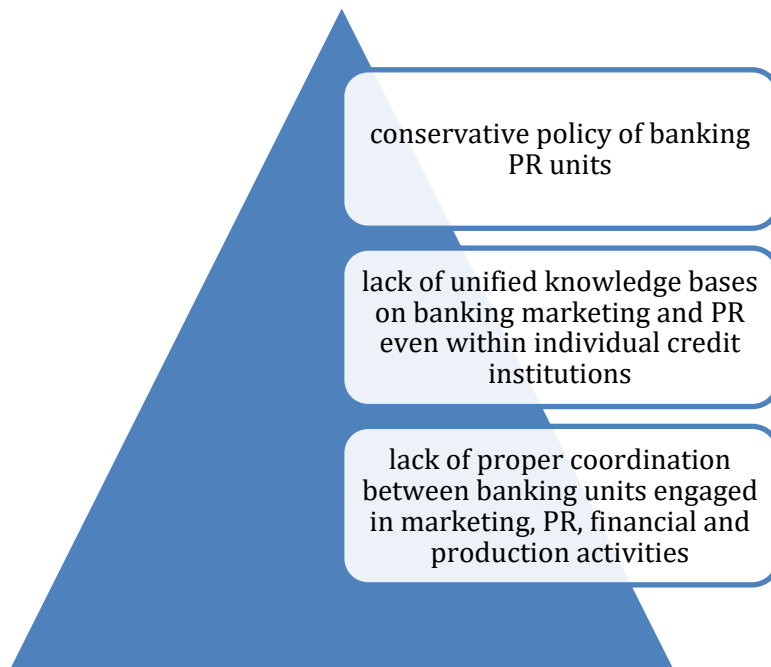


Fig. 3.2. The main weaknesses hindering the active development of communications in banks today

Source: made by the author in accordance to [81].

It will take time and additional resources to resolve these issues. However, in addition to this, it is essential to first recognize the need for developing an effective communication exchange between banks and their clients, to formulate a specific goal; in this case, within the framework of a given goal, a marketing communication strategy will be formed more precisely and logically.

Legal restrictions on commercial agreements relating the promotion of banking services are minimal. Credit organizations (banks) are compelled to independently decide which conditions should be recognized as necessary for a specific type or types of contracts, in what form they should be concluded, and which legal provisions should be applied to them when they enter into contractual relations regarding the production or distribution of advertising.

A credit institution is more likely to see such agreements as invalid or not executed since there is no legislative solution to the issue and conflicting court practice.

Technical guidelines have not yet been developed, thus, it is impossible to guarantee a high enough degree of consumer security while conducting bank advertising. For a legal entity, the name; for a sole proprietor, the surname, first name, and patronymic. Advertising for financial services must include the name or the name of the person providing these services [5].

A bank may benefit from innovative advertising in a variety of ways, including by growing its customer base, raising awareness of the institution, luring in new clients, enhancing its flow of business, and more. In addition to the expense, another drawback of ineffective advertising is the danger associated with failing to predict and grasp the visuals.

If future performance (return on investment) cannot be predicted at the time the relevant contract is concluded, advertising for financial services shall not include guarantees or promises of such performance, including those based on historical data. If at least one of these criteria is disclosed in the advertisement, it is not a good idea to withhold information regarding further terms for the supply of pertinent services that affect how much money users of the services will make or how much they will spend.

One of the most frequent breaches of the last condition for bank advertising is that advertisers fail to fully convey to clients the features of the services they offer. After all, the advertising of a bank deposit agreement sometimes contains information without outlining all of its terms, or just discloses a portion of the information.

It should be mentioned that most of the time, this infraction is not being committed by banks for their own financial gain; instead, these circumstances are usually caused by the inaccuracy and ambiguity of the law's requirements.

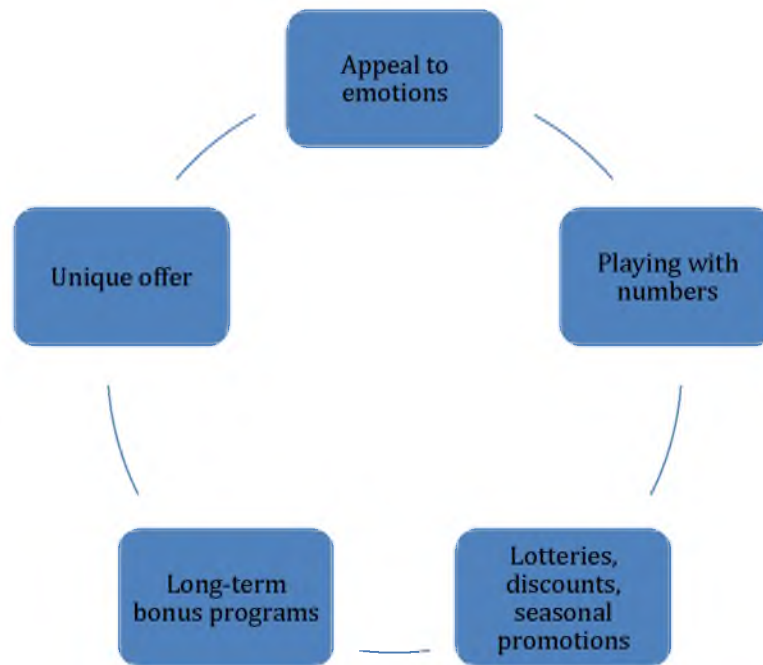


Fig. 3.3. Techniques that will help in overcoming the inefficiency and weaknesses of advertising

Source: made by the author

Consumers pay far greater attention to messages that appeal to their emotions than they do to informational messages. Additionally, it enables the creation of a distinctive brand through an unconventional approach to marketing banking goods, which reduces competition and boosts customer loyalty to this brand, which in turn helps consumers' price sensitivity and, as a result, increases the bank's profitability.

A lucrative percentage and a diversion using numbers are two more examples. For all banks, even the ones under study, the reception is one of the most well-liked. Banks emphasize the attractive interest rates and terms of the goods being sold in this advertisement. The benefits of employing this sort of advertising include ease of execution, cost savings when working with the bank's brand, inventiveness, and ease of comprehension. However, it is important to consider the prospect of losing some of the profit due to the product being less expensive. Additionally, there is a risk of spending money on advertising as a result of the emergence of the most alluring advertising from rival banks with lower interest rates.

Banks utilize raffles, discounts, and seasonal promotions to boost short-term revenue. Numerous promos could catch the attention of many clients, increasing demand for the offered financial services. For instance, deposit payments are made every day, utilities can be paid expressly, and discounts are offered when a credit card is opened. Banks' costs do, however, rise during the campaign season, although this is a passing trend that will eventually pay off.

Bank card promotions frequently include long-term incentive programs. The goal is to provide the map more benefits overall. The implementation of long-term bonus programs results in a client earning more money and being more loyal to the bank, not in acquiring as many clients as possible.

A special offer is intended to draw attention to the marketed product's distinctive qualities, which set it apart from comparable rival products. In other words, a product of this caliber is remarkable, making it the most alluring and lucrative for the customer. The investigated institutions additionally promote deposits, loans, plastic cards, and other items using this form of promotion. After all, each bank should develop goods that would stand out from the competition and be in great demand. Such a method might help the bank stand out from rivals.

By utilizing a celebrity as a model for an advertising, a celebrity's face is conveyed. Here, the focus is on the idea that consumers may be trusted if a well-known individual utilizes a bank's services and believes in him. The benefits of such a reception include the celebrity's popularity and character being transferred to the brand, the company's legitimacy increasing, and if the celebrity is trusted, enhanced brand loyalty among the celebrity's admirers. Cons: There is a chance you'll pick the wrong celebrity. If the celebrity is unpopular with the intended audience, the money is wasted. If a celebrity-related controversy occurs, there is also a danger that the brand's reputation may be harmed.

Increasing the audience by advertising the product to a group that was not the target demographic at first. As a result, a successful audience growth enables the bank to fulfill customer demand for the services it offers while incurring minimum expenses

and earning a respectable profit, particularly in the early stages when there is little to no severe competition.

3.2 Proposals for improving the promotion strategy retail banking services in Privatbank

The way people consumed news in 2022 underwent considerable change: instead of watching or listening to as much TV as before, people tended to turn to social networks instead. 49% of Ukrainians utilize a variety of sources for news, and social networks are typically their only news source.

Every year, more individuals use the internet regularly; in 2022, that number reached 85%. Among young people aged 18 to 35 that number rose to 96%. 82% of respondents said they read news on their cellphones, while 92% of young adults (18 to 35) said they do so.

Ukrainians over the age of 46 make up the bulk of the television audience, while Ukrainians between the ages of 18 and 35 prefer social networks, while Ukrainians between the ages of 35 and 45 choose news websites. 32% of those surveyed said they watched the telethon. Customers favor internet news providers like Google and ukr.net over traditional news websites. tsn.ua/1plus1.ua is the most popular website (21%), while 1 + 1 is the most watched TV station (62%). In 2022, Telegram overtook Facebook as the primary social network for news and communication, with substantial growth in both areas. Facebook's audience reach has shrunk, and news consumption has declined. Viber's user base shrank as well, although it was still solid for news consumption.

Most respondents (nearly 60%) trust news on social networks, 54% trust national news online, and 48% trust national television news, making these the most trusted news sources. National and regional websites, as well as national TV, had higher levels of trust in 2022. The absence of data and the fact that the material does not appear

trustworthy are the primary causes of mistrust, which has damaged the positions of all forms of journalism [76].

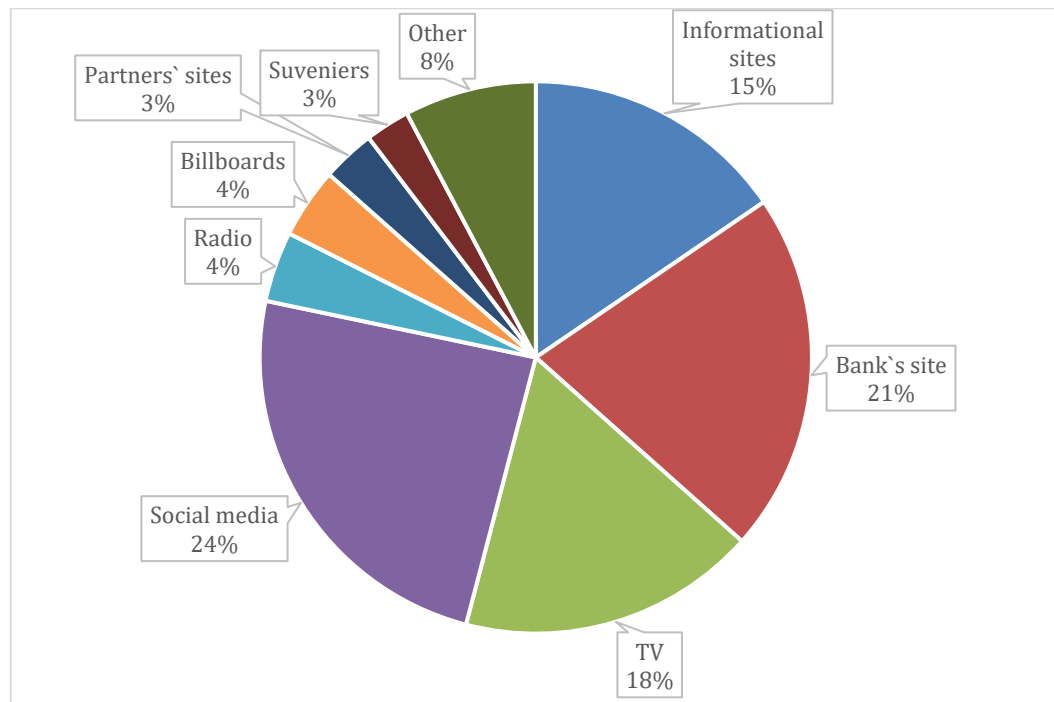


Fig. 3.4. Advantages of advertising distribution tools for banking products.

Source: made by the author in accordance with [14].

The most appealing methods of advertising distribution, according to respondents, are social networks (24.1%), the bank's website (21.0%), television (17.4%), and information websites (15.4%). Less appealing are party websites (3.1%), radio (4.1%), outdoor advertising (billboards and similar media), and souvenirs (2.6%).

Table 3.1

Attractiveness of advertising distribution tools for banking products for respondents of different ages

| Age | Attractiveness of advertising distribution tools for banking products | | | | | | | |
|-------|---|-------------|-------|---------------------|-------------|-------|-----------------|------------|
| | Social media | Bank's site | TV | Informational sites | External ad | Radio | Partners' sites | Souveniers |
| 18-35 | 36.6% | 17.1% | 13.4% | 13.4% | 3.7% | 0% | 3.7% | 2.4% |
| 36-60 | 16.9% | 27% | 15.7% | 19.1% | 4.5% | 0% | 3.4% | 3.4% |
| 60+ | 8.3% | 12.5% | 37.5% | 8.3% | 4.2% | 20.8% | 0% | 0% |

Source: made in accordance to the research in [14].

According to the Table 3.1 social networks (36.6%), the bank's website (17.1%), television, and information sites (each with 13.4%) are the most appealing channels for

disseminating advertising for banking goods to respondents between the ages of 18 and 35. The most alluring websites for respondents between the ages of 36 and 60 are the bank's website (27.0%), information websites (19.1%), social networks (16.9%), and television (15.7%). Radio (20.8%), television (37.5%), and the bank's website (12.5%) are the most appealing to respondents over the age of 60.

Despite all the well-thought-out aspects of advertising campaigns of financial institutions, certain shortcomings and problems are identified in their planning and implementation, in particular:

- not realizing the need to conduct constant and Versatile Marketing Research on the effectiveness of bank advertising;
- lack of qualified advertising specialists in marketing departments;
- use of template images in advertising;
- inconsistency of advertising with other means of marketing communications;
- no combination of image advertising with advertising of banking services;
- limited use of the latest technologies and non-traditional advertising media.

Banks provided different payment schedules, an exemption from credit for the quarantine period with a corresponding extension of the loan, capitalization of interest payments for medium and large businesses, and other services to citizens, independent business owners, and small business owners during this time. Depending on the company's financial status and how much it suffered from quarantine, banks employ different strategies. The majority of banks today are prepared to provide a new range of services and goods. Businesses must develop something distinctive in order to differentiate themselves from the competition and draw in consumers. Banks use cutting-edge equipment as a last resort.

Virtual and augmented reality technologies are one of them. VR and augmented reality technology frequently handle many jobs at once, including those of the sales department, marketing, and communication. Virtual reality is frequently used in banks nowadays. Customers may see an educational film on the benefits of blockchain technology in VR.

Customers can grasp how the technology works by using clear graphics and examples to graphically illustrate complicated procedures. The full immersion approach also encourages attention focus and boosts viewers' desire in learning new things. There are conditions that must be met in virtual reality for virtual consultants to entirely replace real consultants and replace actual staff. With the use of virtual reality (VR) glasses, consultants may interact with customers while completing financial transactions and granting loans in a manner similar to how it would actually occur. The initiative is still active, and the bank's management deems it to be quite successful. The lack of widespread use of VR technology is a drawback of this option. Therefore, it would be important to adapt such projects to other devices - smartphones, tablets, PCs [77].

By conducting systematic, targeted surveys of clients who have filed a complaint with the bank, banking institutions in Ukraine want to strengthen the feedback system and explain their own NPS metrics. As was already indicated, only individual banks in the research sample are now doing these monitoring metrics, although some market participants are nevertheless aware of their importance. Since Digital Finance 4.0 is based on the development of open platforms with integrated services for customers in the BaaS (embedded financing) format, and since the populations level of digital and financial literacy must be raised, digital transformation in the banking sector of Ukraine entails the establishment of new channels of marketing communications. On the other hand, the simultaneous introduction of new channels for marketing communication necessitates a higher level of information security [17].

Table 3.2

Problems of information support

| Problems of information support | Directions for their solution |
|-------------------------------------|--|
| High bounce rate when viewing sites | Enhance site navigation, make it more mobile-friendly, improve the design, maintain the material up-to-date, remove broken links, and speed up page loading. Ensure the protection of consumer data, make the most use of advertising requests, and open links in new windows. |
| Inefficient use of display ads | Grabbing viewers' attention within the first three seconds of the video (with a preferred duration of fifteen seconds), adding subtitles, |

| | |
|---|--|
| | developing vertical advertising requests, coming up with a variety of ads, utilizing new forms and formats, and posting advertising requests on informational resources and marketplace pages are all effective methods of attracting viewers. |
| Inefficient use of mailing lists | Changing the subject, utilizing emails that are two to three paragraphs long, including unsubscribe links and buttons, updating mailing lists, personalizing emails, and sending them on various days of the week all help to draw attention. |
| Insufficient activity in social networks | The presence of banking institutions in social networks should be increased, their work should be activated by creating brand communities and working with the blogosphere, they should hold personal branding management events, organize viral marketing and reputation management events, and they should expand their efforts to social networks where teenagers are active users. They should also organize the gathering of data about social network users regarding their attitude toward this bank and their reactions to |
| Inefficient formation of affiliate programs on the Internet | Selecting partners based on the quantity of visitors to their site, site reviews, geography, partner advertising choices, payment methods, and other partner program members |

Source: made by the author in accordance to [39].

According to the Table 3.2 there are some problems of information support in Privatbank that has to be considered.

The following issues prevent domestic financial institutions' websites from operating effectively: high failure rates, ineffective display advertising and marketing, inadequate participation in social networks, and ineffective creation of partner programs online to encourage referral traffic. High bounce rates on websites might mean that visitors aren't having a great enough experience there and that there isn't enough useful content to entice them to stick around and learn more. This indicator will go down if the site's loading speed is increased, pop-ups are used less frequently, the site's navigation is improved, the site is more mobile, the content is kept relevant, broken links are found and fixed, links are opened in new windows instead of tabs, advertising requests are used effectively, and customer data security is maintained. they do not contain valuable information that would encourage them to further study the site. This indicator will be reduced by increasing the site loading speed, reducing the use of pop-ups, improving navigation on the site, increasing site mobility, improving its design, maintaining the relevance of content, identifying and eliminating broken

links, opening links in a new window, optimal use of advertising requests, ensuring the security of customer data.

Table 3.3

Impact goals and purpose of communication tools

| Communication tool | Purpose of influencing the communication object | Purpose of the communication tool | Proposals |
|--------------------|---|--|---|
| Advertising | Informing about the bank and its services, forming the image of the bank and its services, generating demand for the bank's services | Promotion of banking products and services, trademark promotion, Bank promotion in a commercial environment | Using one of the most trusted and used TV channels and make the story telling with solving the most common and relative problems |
| PR | Information about the bank, promotion of the bank's success, understanding of the bank's activities, sympathy and perception, formation of positive public opinion | Promotion of the bank as a social institution and economic agent | Targeted advertising on social media such as YouTube, Telegram, Twitter, Instagram. |
| Sales promotion | Growth in sales of the bank's services that are already known to consumers | Promotion of banking services and products | Sampling technique meaning giving frequent clients the chance to utilize this service for a specified amount of time without charge or on favourable conditions, as well as savings |
| Direct marketing | Formation of primary communications with customers, creation of permanent personalized communications with customers based on tracking the dynamics of service consumption, their commercial state and provision of services based on current needs | Promotion of banking services and products | Increase the training amount or period for the increasing the efficiency of workers to be able with direct marketing. |
| Sponsorship | Creating a brand image and increasing its prestige and authority, | Promotion of the bank, brand, and services in commercial information about the bank and its services, support for advertising campaigns, and activation of the commercial and institutional network. | Making the collaboration with Tabletochki or Come bank alive fond, so clients could see the corporate social responsibility of a bank |

Source: made by the author in accordance to [15].

One instance of the usage of information goods is the tendency for credit calculators to appear on bank websites. With the aid of this technology, consumers may evaluate several loan payment alternatives. Additionally, the calculator collects user contact information and other data, sends it to the marketing and sales division of banks, and creates an online loan application.

The usage of client databases by banks is one instance of information technology. You may handle clients more quickly and effectively by creating your own databases, using CRM, and other software packages. Positive dynamics in banking marketing are ensured by the delivery of banking services via mobile phones, mobile devices, and stands, in addition to the internet.

There is a genuine opportunity to develop a new segment — the segment of network clients of the bank — through the introduction of new types of Internet Banking, effective use of the capabilities of the bank's official websites, integrated mobile information systems, as well as offers of new types of banking products and software. People between the ages of 20 and 45 are increasingly thinking that it is preferable to do financial transactions online or through mobile applications. The majority of individual financial transactions will soon be made via the internet and mobile devices.

As a consequence of the research, the following suggestions are made to increase the efficacy of the bank's advertising efforts:

- adhering to the integrity of the marketing strategy while utilizing the help of reputable advertising companies;

- to avoid upsetting the consumer, the advertising message should be created in the same manner.;

- it is necessary to run an image advertising campaign before launching an advertising campaign for a specific financial product because the services advertised will be connected in the consumer's mind with the image of a specific financial institution. The success of this campaign will greatly influence the success of subsequent campaigns;

- never duplicate competition graphics or utilize template images in your advertising campaign. Every advertising campaign must to have a distinctive concept.;
- increase the impact of the advertising campaign by utilizing other marketing communications tools (by fusing advertising with tools like sponsorship and PR);
- benefit from other financial institutions' initiatives. Joint advertising efforts are highly successful and beneficial for both financial intermediaries, as experience has demonstrated.

The Internet has evolved from a specialized network created to integrate professional studies into a genuinely global communication platform. Marketing experts soon learned about new prospects, particularly those related to Internet marketing, or email marketing. A recent method for determining audience preferences is social media marketing. The local banking industry is also noticing the growth of this tendency. Internet platforms and technologies known as "social media" are those that allow users to communicate and make it easier to create and share information with other users.

3.3 Assessment of the effectiveness of the proposed measures for Privatbank

Monitoring and analyzing current outcomes and assessing the campaign's economic impact are essential steps in planning and executing an advertising campaign. An advertising campaign's monitoring and evaluation procedure entails considerable financial expenses. Three stages are identified by international and domestic advertising researchers as requiring monitoring and assessment. Every testing kind has a separate subject and methodology.

Initial testing can be related to both the message's transmission channels and its changeable properties. Participants in the advertising process include an advertiser, an advertising agency, a media buyer involved in reselling the communication space and offering media planning services, a media store that sells communication capabilities

on behalf of various means of information dissemination and distribution, as well as means of advertising distribution.

Each of them has distinct aims and purposes. The study topic might be significantly varied in this regard. Testing makes it possible to ascertain which aspect of an advertising message should be employed, if the campaign garners attention, how the target communication audience perceives it, and how effectively the method of information transmission is selected.

A measurement carried out during an advertising campaign is called parallel testing. The pre-test measures and the ones taken throughout the advertising campaign are comparable. The behavior of the target market should be studied since it will affect how future advertising will be communicated and what results can be anticipated based on how they respond to our product after being exposed to it.

Internal target audiences (loyal consumer brands and amiable fickle customers) should stay in their groups if all goes well throughout the advertising campaign. Customers who fall under the category of internal target audiences should simultaneously transfer to the category of external target audiences (fickle consumers of other brands, devoted consumers of other brands, and new users of this product category). Instead of becoming novices, new users have to become frequent customers who are devoted to a certain brand.

At the conclusion of an advertising campaign, post-testing research is conducted. Measurement of communication efficacy for memory and attitude change brought on by an advertising campaign, as well as trade or economic efficiency, should both be included in this study (change in sales and profit under the action of an advertising campaign). The volume of sales growth achieved through an advertising campaign over a specific period of time; the ratio of the increase in product sales to the amount of advertising costs; and the ratio of the increase in profit realized as a result of the advertising campaign to the amount of advertising costs are the most widely recognized indicators that characterize the economic efficiency of advertising.

The volume of sales growth for the time following the advertising campaign; the dynamics of the level of advertising costs in the total sales volume; and the proportion

of purchases of this product prompted by its advertising to all purchases can also be useful auxiliary indicators in determining the economic effectiveness of advertising. Modeling the market reaction, which includes both static and dynamic models, may be used to measure the economic effects of advertising on the effectiveness of an organization [54].

This research supports the viability of the company's planning and strategic reorientation to the European Union Market. In this instance, PrivatBank wants to enhance revenues, brand recognition, and brand expansion into international markets. If these markets are considered targeted, the bank's marketing and advertising objectives may be as follows:

- the development of a concise and thorough media strategy;
- developing and implementing bilingual marketing campaigns;
- informing and reassuring current customers about the business and its offerings;
- encouraging first-time and repeat purchases from customers;
- monitoring the success of new marketing initiatives;
- implementing SEO optimization at the site and social network levels;
- building strong, long-lasting relationships with new clients;

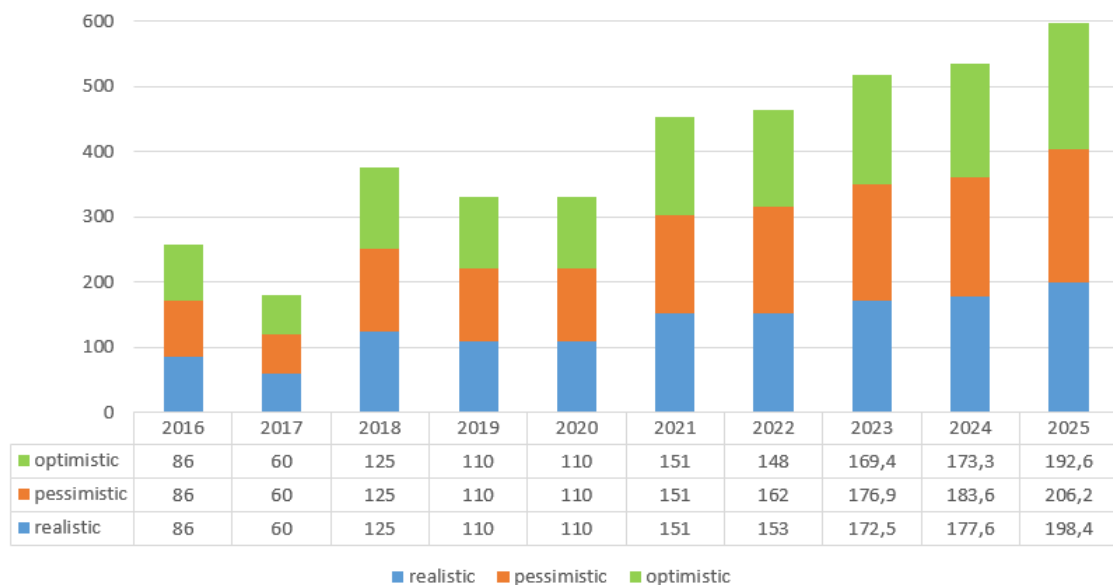


Fig. 3.5. Optimistic, pessimistic and realistic forecast for Privatbank's expenses on advertising and marketing in UAH mln. Made by the author using the Financial Reports 2017-2021 for Privatbank.

Source: Created by the author

According to the Figure 3.5 Privatbanks expences can fluctuate due to external factors, however, for optimistic scenario the bank might decrease the level of costs due to brand awareness and clients trust, also, some banks might be closing during the war time, which will make an advantage for Privatbank by having more clients. The realistic scenario is also about increasing the advertisement and marketing costs because of the general trends that might be seeing in the Figure and due to inflation which will make the costs higher even if there are the same servises in promotion. The pessimistic scenario shows the increase in costs due to increasing the competition level and not having value proposition that might be interesting for clients.

The main target audience is individuals, as well as large organizations and private firms that use the bank's services. The range of goods and services is quite large and diverse, which allows you to work with clients with different solvency.

Women are more meticulous in their efforts to avoid debt than males, according to Experian statistics. The average debt load for males is 4.3% larger than for women. Mortgage debt for males is 4.9% more than for women. 5.7% of males, compared to 5.3% of women, are more likely to be 60 days or more past due on a mortgage.

According to Experian, women tend to use 30% against 31% less of the credit limit on their credit cards than men do. Men who have a lot of debt feel more at ease than women, and men are more likely to get into financial difficulties. Credit advisers claim that even while males have greater difficulty paying off debt than women do, they are slower to seek assistance. White-collar workers complain that their pay is insufficient and that they lack saving skills.

Every second office worker uses up his whole paycheck before getting the next one, according to a survey by the HR web HeadHunter-Ukraine.

The survey's findings show that 54% of men and 58% of women routinely find themselves in a scenario where their financial resources run out before their next paycheck. Financial issues arise for every fifth office worker at least once every three months. In addition, just 8% of men and 4% of women claim they never experience this [4].

Nearly half of people questioned live paycheck-to-paycheck, while nearly a quarter of buzzers (25%) and millennials (21%) say they can't easily pay for their living expenditures every month. This percentage is considerably higher in Ukraine, where 28% of buzzers and 39% of millennials report having trouble paying their bills each month, while 50% of buzzers and 62% of millennials say they live paycheck to paycheck. Most likely, this has an impact on young people's capacity for saving and explains why around three out of ten respondents globally are uncertain about their ability to retire comfortably. Youth in Ukraine are even less upbeat; nearly every second Ukrainian is unsure of their retirement security.

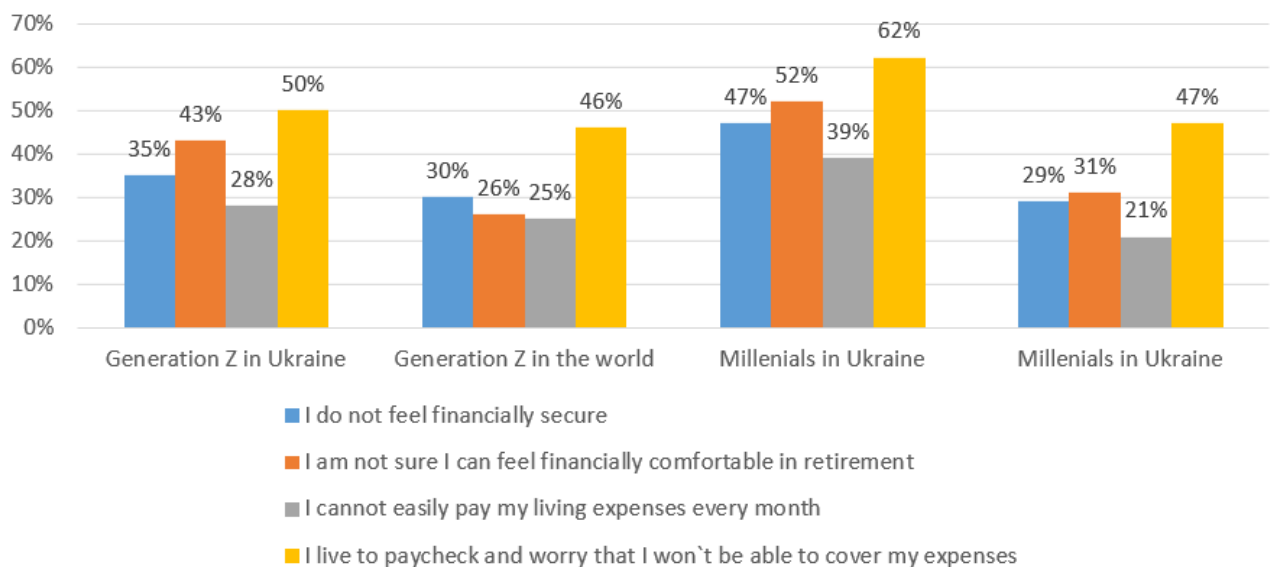


Fig. 3.6. Survey on economic growth and the state of Generation Z and millennials in Ukraine and the world.

Source: made by author in accordance to [13].

The first proposal for the development of advertising is to convince people that there will be financial security with Privatbank, which they can feel comfortable in retirement, and the bank will help and support to cover the costs.

The data demonstrate that Tuesday is the best day to publish, regardless of the B2C or B2B audience. Throughout the working week, which runs from Monday to Friday from 9:00 to 12:00, consistent interaction may be anticipated. If the morning is busy, engagement will decline towards the end of the workday and reach its lowest point around 18:00 every day. We may infer from the extent of user coverage that

PrivatBank's customer relationships on social networks are effectively formed and that the bank is aware of emerging user service channels. Consequently, you should concentrate on the articles included in the program, see Table 3.4.

Table 3.4

Example of posting on Instagram for gaining the audience for Privatbank

| Day | Rubrics | Description | Theme option |
|-----|-----------------------------|--|--|
| Mon | Proposition from Privatbank | current programs, promotions, favorable offers | credit/debit cards, unique value proposition |
| Tue | Financial literacy | useful information that improves the financial literacy of clients | How to save money correctly |
| Wed | FAQ | analysis of frequently asked questions | How to connect to Diya |
| Thu | Suggestions | practical advice and recommendations on the most relevant topics | Your card was stolen / lost: the sequence of actions, the first steps |
| Fr | Proposition from Privatbank | current programs, promotions, favorable offers | credit/debit cards, unique value proposition |
| Sat | 1 lifehack from Privatbank | in the format "do you know that you can...?" and we tell you about our options | The ability to make a transfer from phone number to card directly on the website |
| Sun | Quote | Thematic quotes (where appropriate, we summarize our products, for example, a credit card, as a way to solve financial problems) | "If you are able to fix the problem with money, then you do not have a problem." Harvey McKay |

Source: made by the author

Many claim that just 10% of users are led by social network maintenance. SMM is not well-liked in the banking industry since this is insufficient.

The bulk of the youthful audience, however, is more inclined to hang around in social media than browse websites. Additionally, banks have to concentrate on potential clients. Additionally, you may keep up a conversation with clients on social media.

Users spend the majority of their time watching videos online. This implies that video commercials will have a very broad audience.

The audio format is also gaining popularity in addition to the video format. Thanks to podcasts, it is now developing actively. Likewise, podcasts, audiobooks, and music services may contain advertising.

Although more people use this technique than email newsletters, hardly everyone uses it, and even those who do sometimes don't utilize it properly.

In order to assist the consumer in resolving their issue, content marketing is required. In this instance, a person recalls caring for himself and, consequently, the tool that demonstrated this care.

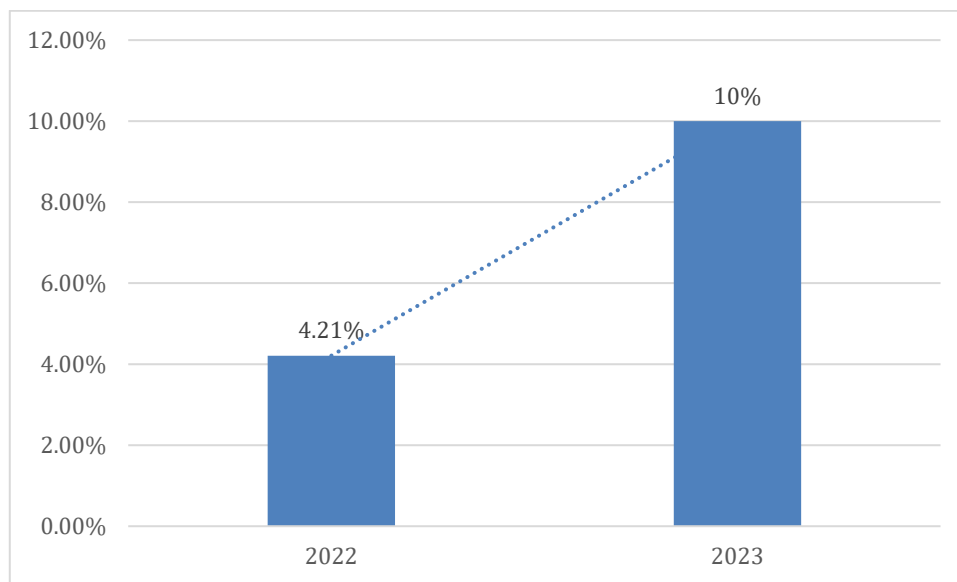


Fig. 3.7. Social traffic from Instagram Privatbank forecast

Source: made by the author

According to the Figure 3.7 social traffic from Instagram will increase up to 10% in 2023 if using the proposed SMM posting. It is only 2023 year forecast due to possibility of appearing new trends which in the future should be taken into account.

Radio commercialization. What would happen if you spend 50,000 UAH per month on radio advertising? Minimal. Additionally, it will be challenging to determine the RC's outcome (how many conversions were received and people visited the site). Additionally, it will be challenging to segment this audience and place advertisements on it-harassment and other sorts.

TV advertisements. The residential complex in the area has a tiny advertising budget of 50,000 UAH for television (you should not even start). Suppose you had

access to a significantly bigger budget. How would you determine whether the ad was successful in this instance and how much would a conversion cost?

The YouTube advertising it is possible to notify a chosen, targeted audience about your brand (product) at the appropriate moment without irritating them 714,285 times in Ukraine for just 50,000 UAH. Again. 714 thousand only views of videos that last at least 30 seconds are deducted from your account if you talk about a video for longer than that [2].

| | January | February | March | April | May | June | July | August | September | October | November | December |
|----------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|
| Stage 1 | | | | | | | | | | | | |
| Event No. 1 | | | | | | | | | | | | |
| Event No. 2 | | | | | | | | | | | | |
| Event No. 3 | | | | | | | | | | | | |
| Event No. 4 | | | | | | | | | | | | |
| Event No. 5 | | | | | | | | | | | | |
| Event No. 6 | | | | | | | | | | | | |
| Event No. 7 | | | | | | | | | | | | |
| Event No. 8 | | | | | | | | | | | | |
| Event No. 9 | | | | | | | | | | | | |
| Stage 2 | | | | | | | | | | | | |
| Event No. 10 | | | | | | | | | | | | |
| Event No. 11 | | | | | | | | | | | | |
| Event No. 12 | | | | | | | | | | | | |

Fig. 3.8. Madiaplan for Privatbank in 2023

Source: made by the author

Stage 1. This is the time for high advertising activity. Advertising messages are divided into two categories: some are image-based, others are more informational in nature, they are aimed at achieving recognition and memorability of the company's logo and name, as well as creating a stable brand. Other advertising messages are more informative in nature, and also become more personalized. Focus is on YouTube, Instagram, and TV.

No. 1 Advertising placement on structures, rental of billboards located on streets with high traffic density, in the city center and in shopping centers.

No. 2 Image advertising on the radio. Image videos broadcast on rating radio stations and containing the main idea of the campaign (Hit FM, Radio Friday, Lux FM).

No. 3 Joint action with partners, for example conducting a prize draw (PUMB, Fairmont Grand Hotel Kyiv and Riviera House Group, PrivatBank, McDonald's in Ukraine, Coca-Cola Ukraine, Foxtrot retail chain, EPAM Ukraine IT company, Yakaboo book platform, Silpo supermarket chain and Asters law firm).

No. 4 and No. 5 Sales promotion program on holidays (14.02). The increased cashback of 10% of the purchase price will be valid during the February and March holidays. It is important to note that debit cards within the packages also provide for accrual of interest on the balance up to 7% per annum. In addition, customers are given the opportunity to open a deposit and a savings account on special terms.

No. 6 Advertising in the Telegram and on thematic portals on the Internet. At this stage, advertising is of an image nature. The main place in the layouts is occupied by the logo and slogan and telling more about the current products.

No. 7 Custom-made TV stories in specialized thematic programs. Traditionally, product placement in specialized TV programs has a large reach of the target audience. Sponsoring these programs will significantly increase brand awareness.

No. 8 Mailing list. It is aimed at opinion leaders who influence decision-making. The main purpose of the event is to increase wholesale and retail sales.

No. 9 Hot summer promotion! A large-scale action. It includes: incentive actions, joint action with project partners, contests. Auxiliary materials: Instagram, YouTube, audio clips on the radio, the work of promotional staff.

Stage 2. Supporting advertising. The main task of this stage is to consolidate the achieved results.

No. 10 Promotion for students and schoolchildren. The main goal of the campaign is to increase their awareness of the advantages of the brand and improve the financial education of young people in educational institutions.

No. 11 Advertising on most sites. Checking customer responses.

No. 12 New Year's promotions. Discounts, gifts. Coverage of the action on all platforms.

The banks of the future will have to reconsider their position as a provider of only financial services. Banks will need to go beyond money and integrate with the broader ecosystem of alternative services. The bank of the future will be able to rethink and monetize trust, using its legacy and expertise to gain a significant advantage over new competitors. Customers will be confident that automated decisions made on its behalf

can be tracked, compatible, and transparent to them. This will help consumers manage their increasingly complex and fragmented lives more easily.

To sum up chapter 3, which was highlighting the suggestions for improvement the Privatbanks advertising policy. Some weaknesses were discussed and given the solutions how to cope with them mainly using the new technologies, marketing trends and segmentation of clients taking into account the psychological aspects. Advertising, PR, sales promotion, direct marketing and sponsorship were proposed as one of the targeted tools in advertisement policy. However, the main focus should be on the Internet segment, since people use this much more. The Instagram posting plan and media plan were also assessed. Optimistic, pessimistic and realistic forecast for Privatbanks expenses on advertising and marketing in UAH mln were calculated and shown that will the proposals mentioned the advertisement expenses are less.

CONCLUSIONS AND RECOMMENDATIONS

According to the master thesis research the theoretical, analytical and practical parts were done which allows to draw the conclusions and make some suggestions due to the evaluated tasks.

The first chapter was disclosing the theoretical review of advertising policy and the first task was disclosing the concept of advertising policy and advertising in general which highlighted that advertising is essentially the promotion of concepts that draw attention to the positive features of products and services. Advertising enables consumers to develop and maintain a favorable opinion of the quality and value of products and services. A company's basic principles serve as the foundation for its advertising policy, which consists of a set of guidelines and ideas. The company uses this policy to determine the focus of its advertising efforts. Advertising policy is a system for influencing performance. A company's basic principles serve as the foundation for its advertising policy, which consists of a set of guidelines and ideas. The company uses this particular technique to determine the focus of its advertising efforts. To create a positive impression, attract customers and successfully sell a product, it is essential to carefully evaluate the advertising approach. This means creating advertising that best achieves the objectives set and placing it in strategic locations.

The second task was analyzing the peculiarities of advertising internationally which allowed drawing conclusions like AIDA model can be used to derive the main tasks that the international advertising. Four main tasks of the global and international advertising are creation of awareness within the public about the product or a service; spreading the message to the potential consumers about the product, its uniqueness and advantages; stimulation of the potential consumers' desire to purchase the product; indication of the place, where people can buy a product as well as constantly keeping up to date about the change of the placement. Each nation has specific characteristics that have a significant impact on how advertising activities are carried out. These differences can largely be attributed to the following elements: culture and the

development of culture; linguistic characteristics; the state of the economy; the laws in force; the types of advertising distribution techniques used in the country concerned; and the presence of competition.

The third task was highlighting the main challenges of international advertising realization and it turned out that there are a lot of challenges in advertisement abroad. Identifying a real market need comes first. At the beginning of a marketing campaign, the need is identified; whether or not the need has been accurately identified will have a long-term impact on the success of the campaign. The second difficulty can be reduced brand strength. Even if the associated brand name and product are well known in the country where the company is based, this does not always mean that they will have the same level of recognition elsewhere. When a business expands internationally, it will need to budget time and money for travel and the lengthy absence of senior leaders. A small business may suffer because of this difficulty.

The fourth task was identifying the Privatbank's environment, organizational structure and financial indicators, so while performing that it is needed to mention that JSC CB Privatbank began operations in 1992. The state, represented by Ukraine's Cabinet of Ministers, is the Bank's single stakeholder, owning 100 percent of the bank's shares. The bank dominates the retail sector of the Ukrainian market, vigorously marketing services for small and medium-sized enterprises, and selectively engaging with the corporate sector. The bank's capacity to offer universal service to a wide range of clients is influenced by all of these factors. The majority of the assets that make up the bank's base are held by private individuals and are denominated in the local currency, with current accounts accounting for the lion's share of these assets. The profit that Privatbank made for the first nine months of 2022 amounted to 13.8 billion UAH, which is 7.4 billion UAH less than the result for the same period the previous year. As of the first of November 2022, the customer current account balances in UAH increased by 43% when compared to the beginning of the year. Privatbank is a leader in number of concluded loan agreements in quantity and prices, 11241 pcs and UAH 8114 million, respectfully. The Privatbank is the biggest bank in Ukraine in terms of assets and ranks fourth in terms of financial health. As of January 1st, 2021, the bank's

total assets were valued at 386.8 billion UAH, a 23.2% rise over the total value of the prior year. In 2020, the bank's earnings decreased by 22.4% from the previous year to UAH 25.3 billion. Relative metrics of profitability, such as ROI equal to 17.03%, ROA equal to 8.6%, and ROE equal to 52.7%, are primarily used to assess a commercial bank's degree of profitability. Due to the high percentage of non-performing loans, Privatbank is rated third.

The fifth task was investigating the Privatbank's strategy for the development and promotion of retail services where several analytical methods were used like SWOT, PEST and SPACE. The PEST analysis's conclusion identifies the key components of the external macro environment that will present possibilities and hazards for the execution's success. By creating an information model of the bank's operations, they are able to reach a compromise that assures the accomplishment of both the institution's aims and the demands of its clients, so suggesting. As a general rule, it is more frequently used by small banks that, with a limited geographic coverage, provide a limited number of banking services; product principle with the efforts of marketing service employees are redistributed between organizations providing specific types of banking services; and WO showing first development of a marketing department using functional principle with the activity of the service focuses on a number of individual functions performed by marketing. The launch of innovative goods that will assist to draw in new clients, foster loyalty, and foster cooperative relationships are two key components of every bank's ideal work environment, according to ST. The company's social policy defines the procedures to be followed in order to give its employees a larger selection of benefits, services, and social safeguards WT proving that it is an integral part of the administration of the firm. The SPACE study indicates that Privatbank should adopt a cautious strategy, which is typical of a market with slow development but stability. Financial stability is the main goal, and product competitiveness is the most important component. In this case, businesses might cut back on their product lines, decrease expenses, boost cash flow, safeguard their existing competitive items, concentrate on developing new products, and try to penetrate more lucrative markets. The privately held Privatbank, which advertised for 107 million

UAH. A brand-new, creative advertising campaign has started at Privatbank. This campaign aims to change how the bank communicates with its millions of customers throughout the country through advertising. A variety of tactics, including integration, popularization, promotion, presentation, psychological, active, and passive, are being used by Privatbank. The first stage in efficient marketing management of company growth in the banking sector is the formulation of the bank's marketing plan. Given that they encompass every element that makes up the exterior environment, it is crucial for the achievement of the previously mentioned objectives, which are focused on the external environment.

The sixth task was discovering the effectiveness of advertising promotions in Privatbank, which has shown that Privatbank has the total number of visits from October 2022 to December 2022 of 39.95 million, which is much greater than Ukrsibbank, Oschadbank and Raiffeisen. Privatbank has the most monthly visits and monthly unique visitors comparing to Ukrsibbank, Oschadbank, and Raiffeisenbank. Majority of traffic comes from Ukraine. In addition, Privatbank is spreading the traffic to Germany, Poland, Netherlands, and Czech Republic among the four Ukrainian banks. While performing in other countries Privatbank still owns the biggest share of traffic split comparing to Ukrsibbank, Oschadbank, and Raiffeisenbank. Every bank uses YouTube as a platform to increase social traffic. However, Telegram needs to be taken into consideration as one of the primary sources for acquiring social traffic.

The seventh task was suggesting ways of overcoming weaknesses of advertising policy in Privatbank by coordinating several tactics and putting them under the management of a common goal is a challenging managerial task. To begin with, the banking sector lacks a consolidated knowledge base on marketing communications. The majority of banks, particularly large ones, develop their own technology and communication methods. The protection of this knowledge from those outside the organization is quite high. Second, most organizations that do research on the environment of the bank's marketing communications generally do not disclose the research technologies and techniques employed to the client, depriving him of the opportunity to assess the validity of the data collected. Thirdly, comparing them might

occasionally be contradictory due to the fact that many banks lack a system for analyzing client data and there isn't currently a standard classification scheme for banking goods and services. Due to the high cost of marketing research, the majority of medium-sized and small banks avoid it. Appealing to emotions, toying with numbers, lotteries, discounts, seasonal promotions, long-term bonus schemes, and unique offers are strategies that can assist overcome the ineffectiveness of advertising.

The eighth task was making proposals for improving the promotion strategy retail banking services based on the previous made analysis. The most appealing methods of advertising distribution, according to respondents, are social networks (24.1%), the bank's website (21.0%), television (17.4%), and information websites (15.4%). Less appealing are party websites (3.1%), radio (4.1%), outdoor advertising (billboards and similar media), and souvenirs (2.6%). - adhering to the integrity of the marketing strategy while utilizing the help of reputable advertising companies. Before launching an advertising campaign for a specific financial product, it is necessary to run an image advertising campaign because the services advertised will be associated in the consumer's mind with the image of a specific financial institution. This is important because it will prevent upsetting the consumer. The success of this campaign will have a significant impact on the success of any follow-up campaigns; therefore avoid using competition visuals or template pictures in your advertising. Every advertising campaign needs to have a unique concept, leverage other marketing communications tools to boost its effect (by combining advertising with resources like sponsorship and PR), and gain from the activities of other financial institutions. Experience has shown that joint advertising campaigns are quite effective and advantageous for both financial intermediaries.

The ninth task was assessing the effectiveness of the proposed measures by highlighting that Privatbank's expenses may change because of outside influences, but in a more hopeful scenario, the bank would see a drop in costs owing to client trust and brand recognition. Additionally, some banks may close during a conflict, which would benefit Privatbank by gaining more customers. The more likely scenario also includes rising advertising and marketing expenses brought on by broader trends and inflation,

which would drive up expenditures despite maintaining the same level of promotion services. The pessimistic scenario depicts cost increases brought on by increased competition and a lack of value propositions that could be appealing to customers. The first suggestion for the creation of advertising is to persuade people that Privatbank would provide them with financial stability, allowing them to retire comfortably with the knowledge that the bank will assist and support them in covering the bills. Social traffic from Instagram will increase up to 10% in 2023 if using the proposed SMM posting. However, there is a place for solving the issues that different generations might have by convincing people that there will be financial security with Privatbank, that they can feel comfortable in retirement, and the bank will help and support to cover the costs. In addition, some suggestions for Instagram posting were made which will help in gaining the audience due to increasing the trust for social media. In addition, media plan for Privatbank was developed to highlight and take the main areas for advertising promotions.

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