

¹M.Kh. Argynbayeva, ²D.T. Gubasheva

Al-Farabi Kazakh National University, Kazakhstan, Almaty,
e-mail: ¹argynbaeva@mail.ru; ²dariga.79_97@mail.ru

DEVELOPMENT OF THE ADVERTISING MARKET IN KAZAKHSTAN

The article is devoted to the investigation of the advertising market in Kazakhstan. In the article, it is told about the history of advertising, the genre of print advertising, the agitation principle of advertising, the advertising concept and promotion strategy, the organization of various advertising campaigns and promotions. There was given a full description of the chronology of advertising legislation, expert opinion on the impact of the advertising business on the economic development of the country. And also the article analyzes local advertising agencies: Favorite Media Group, Advanced Style, Mad Group, Mozaic Media, Media Shop MSBP agency, Magma Kazakhstan, Media LandST, Whole Central Asia, Star Media Company, Headquarters Media, Diamond Creative Studio, Informservice, Good, etc.

Key words: advertisement, advertising legislation, advertising campaigns, history of advertisement, promotions.

¹М.Х. Аргынбаева, ²Д.Т. Губашева

Казахский национальный университет имени аль-Фараби, Республика Казахстан, г. Алматы,
e-mail: ¹argynbaeva@mail.ru; ²dariga.79_97@mail.ru

Развитие рекламного рынка в Казахстане

Статья посвящена исследованию развития рекламного рынка в Казахстане: история рекламы, жанр печатной рекламы, агитационный принцип рекламы, рекламная концепция и стратегия продвижения, организация различных рекламных акций и кампании.

Авторы дают полную характеристику хронологии законодательств о рекламе, приводят мнение экспертов по поводу влияния рекламного бизнеса на экономическое развитие страны, анализируют местные рекламные агентства: FavouriteMediaGroup, AdvancedStyle, MadGroup, MozaicMedia, MediaShopMSBPagency, MagmaKazakhstan, MediaLandST, WholeCentralAsia, StarMediaCompany, Штаб Медиа, DiamondCreativeStudio, Информсервис, Good и т.д.

Ключевые слова: реклама, Законы о рекламе, рекламные кампании, история рекламы, акции.

¹М. Аргынбаева, ²Д. Губашева

Әл-Фараби атындағы Қазақ ұлттық университеті,
Қазақстан Республикасы, Алматы қ.
e-mail: ¹argynbaeva@mail.ru; ²dariga.79_97@mail.ru

Қазақстанда жарнама нарығының дамуы

Аталмыш мақала Қазақстандағы жарнама нарығының дамуын – жарнама тарихын, баспа жарнама жанрын, жарнаманың үгіт-насихат принциптерін, жарнама концепциясын және даму стратегиясын, түрлі жарнама акциялары мен кампанияларын ұйымдастыруды зерттеуге арналған.

Жарнама туралы заңнамалар хронологиясының толық сипаттамасын, жарнама бизнесінің мемлекеттің экономикалық дамуына әсері туралы сарапшылар пікірін берген, жергілікті жарнама агенттіктеріне – Favourite Media Group, Advanced Style, MadGroup, Mozaic Media, Media Shop MSBP agency, Magma Kazakhstan, MediaLand ST, Whole Central Asia, Star Media Company, Штаб Медиа, Diamond Creative Studio, Информсервис, Good т.б. сараптама жасаған.

Түйін сөздер: жарнама, жарнама туралы Заңдар, жарнамалық кампаниялар, жарнама тарихы, акциялар.

Introduction

In the modern information space of Kazakhstan there is a glut of an information product. The information market, as part of the overall market, is at risk. Foreign researchers give three factors that determine the growth of the market: the political stability of society, leading to increased investment, including in the form of advertising; growth of the purchasing power of the population and competition in the consumer market. What is the advertising market in Kazakhstan?

Main body

Edwin Toffler considers the history of mankind as three civilizational waves. The first wave - agricultural, lasts more than five thousand years. The second - industrial - begins with the XVII century and lasts until the XX century, only more than two centuries. And the third wave - information, begins in the middle of the XX century, which by our time has developed into a digital one. According to this theory, the history of world advertising can also be divided into several stages. The first of these is the period from the 3rd century BC before the XVII century; the second period - from the XVII century to the XX century. The third stage begins in the mid-20th century. And rightfully we can call the new time - the time of the birth of a new stage of advertising - advertising as a phenomenon of mass culture, and not just as a marketing and PR-tool.

The first organization engaged in advertising, appeared in Kazakhstan in 1951 and was called «Advertising and Trade Equipment.» Then it was renamed «KazTorgReklamu» and was a member of «SoyuzTorg reklama», which included the organizations of all the republics of the USSR.

During the Soviet period, the development of advertising in Kazakhstan took place on the basis of general principles, which were basically agitation. The genre of print advertising was distributed - posters, posters, etc. In 1971 the first advertising application «Advertising» was published to the city newspaper «Vechernyaya Alma-Ata», in which advertisements were published. By 1983 the circulation of the application was 190 thousand copies, which indicates its popularity and relevance.

In the publishing houses of book and educational literature in the 80 years began to be created departments of advertising, which dealt primarily with advertising support of various book exhibitions. Print advertising was presented by all kinds, which are in demand today. These are booklets, catalogs, leaflets, brochures, posters and posters. Unofficially, there were spontaneous locations for advertisements

in cities, usually about hiring or renting out homes. Advertising appeals that sounded from the posters - «Drink Soviet Champagne!», «Fly Aeroflot!» etc., served as agitation, and the Great Soviet Encyclopedia contained the definition of advertising: «Advertising is a means of fooling buyers and imposing them often useless goods of questionable quality».

In 1991, with the Declaration of Independence in Kazakhstan, the economy switched to market principles. In 1993, the first free newspaper «Va-Bank» (later renamed «Rec-Time») appeared as an appendix to the newspaper «Komsomolskaya Pravda». Its initial circulation was 40 thousand copies, and the volume - 8 pages of A-3 format. But this was enough to make a coup in the field of advertising media. And, first of all, it was connected with a fundamentally new system of newspaper distribution: post mailboxes were delivered to all the postal boxes to the townspeople.

In the first year, the circulation of the newspaper doubled, and in three years it reached 180,000 copies. In 2008, the circulation was at a peak and amounted to 285,000 copies, i.e. the newspaper was delivered to apartments practically for all families of Almaty residents, and also to more than 12 thousand enterprises of the city. Together with the circulation, the volume of the newspaper also increased: 8 bands of the A-3 format in 1993 to 24 pages in 2007.

The newspaper's publishers stated: «Despite these difficult times, the philosophy of our publication remains unshakable: we always honestly designate the weekly circulation of» Rec-Time» to a copy, and never organize phone calls to our advertisers to create a false effect from the publication of their advertisements».

The newspaper came out with the motto: «You buy newspapers to read, you read» Rec-Time «to buy.» Now the online newspaper is being published.

In the 90s, the goods market was saturated with foreign and domestic goods and services, this necessitated, and then the emergence of integrated services in the field of advertising and PR. In the given conditions, this activity could be carried out only by advertising agencies that offered clients an advertising concept and promotion strategy, organized various advertising campaigns and campaigns. So, in 1997 in Almaty there were already about 60 advertising agencies.

For the period of 1997 to 2007, the advertising market in Kazakhstan increased by more than 33 times - from \$ 25 to \$ 828 million.

In 2002, the Association of Advertising Agencies of Kazakhstan was established. The Association includes 12 largest advertising agencies. The

mission of the Association was to «unite the advertising community for mutual exchange of experience and search for new ways to development.» The organizers defined the goals of the Association: «creating favorable conditions for the development of the advertising industry; satisfaction of public needs in obtaining information on advertising activities and public communication; protection of the rights of consumers / users of advertising services; studying the world experience in the field of advertising. «The most important projects of the Association include the creation of the Law on Advertising in 2003, the definition of selection criteria in the universal Memo to the advertiser «How to choose an advertising agency» in 2004, the First Kazakhstan AdSpot Advertising Festival held in 2005, the Second International Festival advertising AdSpot-2006.

According to the founder of the Association of Advertising Agencies of Kazakhstan (ARAK) Askhat Niyazov, in 2015 «the advertising market in Kazakhstan compared with other CIS countries is an interesting consumer audience for many major global and domestic brands.» In his opinion, the legislative base of the RK, which contains a lot of prohibitions, is a deterrent to the development of the advertising market. Otherwise, «the advertising market in Kazakhstan would already approach \$ 1 billion.» In Mazhilis of the country in October 2015 a bill «On introducing changes and amendments to some legislative acts of the Republic of Kazakhstan on consumer protection issues» was presented, according to which the advertising of houses under construction will be banned. There is also a discussion on the removal of certain restrictions adopted in the Law on Advertising in 2003.

The Law of the Republic of Kazakhstan «On Advertising» regulates relations arising in the process of production, distribution, placement and use of advertising on the territory of the Republic of Kazakhstan.

The objectives of the Law «On Advertising» No. 508-І ZRK of December 19, 2003 are to provide the necessary conditions for the production, distribution, placement and use of advertising, protection from unfair competition in the field of advertising, prevention and suppression of inappropriate advertising.

The modern advertising market is developing dynamically. What is it for 2015?

If we consider the distribution of shares in various segments of advertising, then the absolute leader is television. According to Dentsu Aegis Network Kazakhstan, the share of TV advertising is about 56

percent. This is primarily due to the large audience coverage.

Second place in popularity is outdoor advertising with a market share of 18-19 percent. The third place – is printed publications (11 percent), the fourth - radio (7 percent). The Internet tops the rating with a share of 6.9 percent.

According to the expert assessment of Dentsu Aegis Network Kazakhstan, the volume of the Kazakhstan media advertising market in 2015 will be about 44 billion tenge. At the same time, experts do not note the ongoing decline in the advertising market, the flow of advertising revenue to foreign market participants.

Dilmurad Rakhimov, CEO of “VI Kazakhstan”, is confident about the positive growth of the country’s advertising market: “If we take three basic statistical parameters that affect the advertising market in Kazakhstan: inflation, GDP forecast and the consumer market, in reality, the indicators in Kazakhstan are the most optimistic countries of the EAEU”.

Traditionally, banks, mobile operators and the sector of mass consumption goods are traditionally active on the Kazakh market.

In the first half of this year, the most active advertisers are Unilever with a doubled advertising budget compared to the same period in 2014 (an increase of 93 percent), Nestle increased its advertising budgets by almost a quarter and took second place. In third place is the company Mon’Delis Kazakhstan, which increased the advertising budget by 44 percent compared to the same period in 2014. Advertisers Kcell, Wimm-Bill-Dann, De Sheli, Wheels, Avon Cosmetics, Sandoz Pharmaceuticals, Janssen-Cilag, Storck International, Renault, Home Credit Bank, RIA Panda Kazakhstan, KokshetauMinVody, TMV Telecommunication have joined TOP-50.

The top 10 advertisers on the Internet include:

Global Building Contract
Basis-A
LG Electronics Almaty
Astana Motors
KazKommercBank
ASTER AUTO
Coca-Cola Almaty Bottlers
Elitstroy
Allur-Avto
Toyota Motor Kazakhstan.

The top three in January-June 2015 are the following categories: «food», «services», «perfumes, cosmetics and personal hygiene».

In total, TOP-10 categories account for 95 percent of the advertising market.

Other categories are «automotive products» (1.4%), «household appliances» (1.2%), «computing and copying equipment, software» (0.45%), and others.

In the first half of 2015, the first trio of national TV channels for the share of advertising budgets has traditionally included the First Channel Eurasia, Channel 31, KTK.

The first three places on the radio are occupied by Russian radio, Radio Retro, Love Radio.

Leading positions on the attracted budget in print media belong to the monthly magazine «Harper's Bazaar», the weekly newspaper «Karavan», the monthly magazine «# 1 Mag».

In the first half of 2015, the most popular types of outdoor advertising designs are Billboard, Bus shelter, Light box.

Advertising agencies on the Kazakhstan market are represented by both international advertising groups and local agencies.

International advertising holdings entered the market as part of domestic advertising agencies, an example of this is the activities of the agency «LeoBarnett-Kazakhstan». Presently, the following advertising groups function in Kazakhstan:

VivaKi represented by media agencies MediaVest, Starcom, ZenithOptimedia Kazakhstan;

WPP Group (медийные агентства Sky Central Asia, Rating point, Das Marketing);

ADV Group - The Interpublic Group of Companies и Havas - (agencies Initiative, MPG, Universal McCann);

Omnicom Group Inc represented by agencies APR Optimum Media CA, Big Optimum Media Kazakhstan;

Aegis Group plc (advertising agency TFF/Aegis Media Central Asia).

Local advertising agencies: Favourite Media Group, Advanced Style, MadGroup, Mozaic Media, Media Shop MSBP agency, Magma Kazakhstan, MediaLand ST, Whole Central Asia, Star Media Company, ШтабМедиа, Diamond Creative Studio, Informservis, Good and etc.

Experts predict that in this market by the end of this year there will be only 10 major players, which will account for 80 percent of the entire advertising business.

Advertising activities in Kazakhstan are regulated by the following legislative acts:

- The Law of the Republic of Kazakhstan of December 19, 2003 No. 508-II «On Advertising»

- The Law of the Republic of Kazakhstan No. 451-I of July 23, 1999 «On Mass Media», the Rules for the Placement of Outdoor (Visual) Advertising in Localities (approved by Resolution No. 121 of the Government of the Republic of Kazakhstan of February 7, 2008),

- GOST 31306-2005 «Motor vehicles. Advertising on the Outdoor Surfaces. General requirements»,

- The rules for issuing permission to advertise medical services, methods and means of prevention, diagnosis, treatment and medical rehabilitation, as well as biologically active food supplements (approved by Order of the Minister of Health of the Republic of Kazakhstan dated November 18, 2009 No. 737 «On some issues of issuing an advertising permit») and other normative acts.

Yerlan Ospanov, the general director of the Verny Capital group, notes the worldwide trend of declining advertising in printed media and the trend in the development of domestic advertising: «The trends that we observe in the development of the media market in Kazakhstan basically do not differ from global trends. This is also a dependence on the economic situation, and the growth of the young population, as the most active part of our audience, which increasingly uses digital media products, which in turn are now growing. This is the active penetration of the Internet and the availability of gadgets».

Results

The Kazakhstani advertising market does not stay aloof from the global trends of the advertising industry: various formats, genres and types of advertising are developing, current and conceptual advertising campaigns and campaigns in the commercial and social spheres are being held, the volume of Internet advertising is increasing, the network of cable operators and thematic TV channels is expanding, A technological approach to the organization of the advertising business is used. The dependence of the advertising market on the economic and financial market is obvious, so we should expect a regular decline in the advertising business of the country.

References

- 1 <http://www.tvmedia.kz/ad/>
- 2 http://vlast.kz/biznes/nespeshnoe_razvitiye_kak_menjaetsja_rynok_reklamy_v_kazahstane-10834.html
- 3 <http://365info.kz/2015/02/reklamnyj-rynok-kazaxstana-budet-rasti-nesmotrya-na-krizis/>
- 4 <http://www.tns-global.kz/ru/publication/publ255.php>
- 5 <http://capitalholding.kz/news.html?id=38>