

INTERNET MARKETING AND ONLINE CONSUMER BEHAVIOR IN THE CASE OF KOSOVO MARKET

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Abstract

Enterprises are constantly under influence of various factors which favor or impede conducting business. One of the factors which determines' success of the business, is the manner in which enterprise adjusts to customer behavior and their needs. Development of internet has enabled new form of business for the enterprise and greater opportunities of consumers in fulfillment of their needs. Marketing as a concept provides opportunity for acquaintance with consumer behavior during purchases, and a new approach is marketing or online marketing. A research looking into the relation: marketing – behavior of the consumer with internet media. It proves relation of application of marketing by the enterprise with consumer behavior towards the online offer of the enterprise. Consumer behavior recognition is a marketing objective of the enterprise. It enables application of adequate information technology tools in function of fulfillment of consumer needs with offer of the enterprise.

Keywords: E-marketing, consumer behavior, internet, media

Introduction

An enterprise which strives for success in its business must recognize the need for communication, and internet as a medium is represented as a challenge for management and sales representatives to acquire techniques and advantages of its use. It is internet as a dynamic system that provides opportunities for enterprises to build and apply marketing strategies, thus the enterprise should be informed, learn and interact with what its consumer want. A growing number of them (consumers) has adapted to new way of online purchases. It is concluded that for enterprises, doing business online is not a desire but need and aim. It should be mentioned that online marketing activities are not totally identical with conventional marketing. Internet marketing and development of activities requires knowledge of its basic concept, which speaking of presence of enterprise in internet includes dozens

of activities to be undertaken in the instrument in which you access internet and out of it, respectively associated forms undertaken by the enterprise pre and post sales. According to Sean McPheat (McPheat 2011; Kotler, Armstrong, 2013) conducting marketing in internet includes these activities: Advertising, promotion, public relations and sales. Same as with conventional marketing, the internet marketing is based on knowledge you should have for consumers and their behavior, competition and market, but also the methods of price formulation, how to sell, and how to distribute products or services. Marketing is a complex and critical part of doing business, as activity that aims to maximize revenues and make activity of the enterprise sustainable. (GMM 2000). Consequently, in order to perform such a marketing activity it should integrate several fields of business process, technologies and strategies. Consumer behavior in literature is treated through many concepts, theories and models, which are applied in different cases and times. (Bretman, Kasarrijan, and Shultz, 2013). Consumer behavior is influenced from dozens of factors, such as cultural, personal and psychological, which in fact are beyond influence and control of the enterprise. Nonetheless it should be continuously followed by marketers in order to understand consumer behavior complexity. Three well known and acknowledged versions on “taking of consumer decisions” are presented by Nicosia in 1966, Engel and other in 1968, and Howard and Seth in 1969. (Ukaj 2011). Above it is stated that internet is a tool or field where marketing finds its application and for this reason each day more and more doing business implies building of marketing strategies for development of business activities in internet. Marketing oriented toward consumer use internet as a toll with which they conduct research of consumer needs, informing consumers, network interface of consumers and enterprise, enables sale and purchase of products and services. The above proves the role of media in marketing, and internet as an important as well as a strong medium enables the enterprise to apply already known conventional marketing activities in a new and innovative manner. The objective of the paper is to prove the relation of consumer behavior and application of internet marketing by enterprises. By conducting observation and questionnaires’ on certain topics, it enables as to gain knowledge and data which prove the hypothesis that application of online marketing is dependent on consumer behavior towards products and services offered in this form.

Mix marketing and consumer behavior

Internet Marketing often named as online marketing, or e-marketing in fact is every marketing activity undertaken “online” by using technology and internet. (Jones, Malczyk, and Beneke 2011). A definition of Online Marketing defines it as: effort of the company to trade products and services,

and to build relations with clients through Internet (Kotler, Amstrong, 2013). While in conventional marketing, there are basic elements distinguished as “4P” known as product, price, distribution and promotion, which are sufficient in application of strategies, doing business in form B2B (enterprise-enterprise) and B2C (enterprise – consumer), and turning of business to Internet for doing business it seemed necessary to add the 5th “P” which are “people”, which in best natural manner adopted to other four elements. (GMM, 2000). Internet is a medium that each day is being integrated more and more in the marketing mix of enterprises, and as such depending on knowledge and capacity to understand its power as technological novelty, but also as a mean for expression of artistic side of marketing mix management (if it is interpreted the saying that management is a science and art). Due to its benefits and advantages, it is concluded that internet is the most powerful media for marketing, which provides new opportunities for compilation of marketing mix (Jober, 2006).

Consumers and their behavior

Purchaser and consumer are important to the enterprise for the fact that in many occasions it happens that purchaser is also the consumer, but it is known that purchase is often conducted by the individuals who does not aim to consume the product of benefit of the service. Psychology of the consumer is a new discipline which focuses on incentivizing the effect of the enterprise marketing on consumer, and interactive relation of consumers and market with certain environment (Marcel, 2008). Consumer behavior can be defined as mental, emotional, physical activities which people perform when choosing, purchasing, using and spending products and services with aim of fulfilling their needs and desires (Marcel, 2008). Connection with purchaser and consumer starts when they access the web page of the enterprise. How will the enterprise segment its potential consumers, if it takes into account the geographical location, age, or profession in case of application of traditional marketing which is based on past experience, already well known for the enterprise, but when doing business in internet this situation is more complicated. In this situation, it is necessary that depending from understanding of potential consumers you should create content in web page to guide them to sections of their interest which are prepared especially for them. An enterprise with a management that is scared, insecure, and suspicious on its activities, cannot be perspective, to the contrary a management that is clever, brave and proactive in its activities brings perspective and more favorable position in the competitive market. The above stated is related to the challenge that is represented during management of e-marketing, where it is required from the marketers to have knowledge, competence and active leading of processes for getting to know

consumers' needs and provision of products and services available and their satisfaction. It is widely known and accepted that for majority of individuals and enterprises – institutions, time is what they need and what they miss, concurrently, and e-marketing finds application in this particular case. Majority of authors (Alderson 1965, Kotler and Levy 1969, Bagozzi 1975, Kotler 1972) admit that dynamic behavior of consumers is also influenced by rapid development of products, forms of communication and distribution channels. Based on definitions of these authors on concept of marketing it is seen that understanding of marketers work is based on satisfaction of consumers' needs through various strategies which are related to application of policies known as 4P of marketing. In response of interest of mentioned researchers and others, to understand motivation of consumers, it is attempted to understand factors that influence, manner of their decision making, and behavior during purchases with aim of achieving understanding of “consumer behavior” which help creation of knowledge, practices and models of manners in which marketers can influence on consumption of their products and services. Consumer behavior is the focus of marketing researches in enterprise, by trying to collect information and data on who is interested for product of the enterprise. What is of interest for marketing specialists is how consumers react towards marketing activities undertaken by the enterprise, starting point in understanding the consumers for the marketers is always the model “stimulation – reaction” of consumer behavior, also known as “black box” (Kotler, Amstrong, 2013). Knowledge for this leads us to the need to understand: who are our consumers, what needs do the consumers have, what does attract the consumer to our product. If going into the analysis of consumers as a focus of enterprise marketing, it is essential to have information for: market of the enterprise, analysis of collected data which will be bases for: determination of objectives and strategies of the enterprise, and ensuring optimal resources. The cycle of marketing activities continues with planning of marketing, implementation and its control. What makes it possible to do business through internet is collection of data for visits and intensity of consumer interest and exactly the “issue” what do consumers seek, as example: information on product, services, additional services, manual for use of product, technical data, how is internet used by consumers. The environment in which people access internet differs, depending if they are at home, in office, in educational and cultural institutions, in cafeteria or internet cafes, etc. Not only the place where consumers access the internet but also, the reason why consumer's access internet is important and influences the manner in which they behave while they are “online”. The form of communication chosen by the enterprise should enable interaction with consumer, in function of information, education, and building of favorable long-term relationship.

Thus, the focus is not the purchase of a product or service, but creation of a consumer who continuously buys, because he is happy with what enterprise had to offer prior, during and after purchase. In this process of communication through internet, with consumer, there should be connected a high number of participants by side of the enterprise starting from marketers, engineers, sales, agents, managers, etc. This is done by using various forms of communication enabled by internet, such as: e-mail, web pages, blogs, forums, social network, thus a dozen a ways that enable exchange of valuable ideas, and information for potential consumers, by being persistent but not annoying in this communication. It should not be left aside the fact that, during purchase the consumer is affected by a number of psychological factors, which are: motivation, perception, learning, beliefs and stances, (Kotler, Amstrong, 2013), an important contribution in their explanation has been made by Maslow with his hierarchy of needs.

Tools used in function of Internet Marketing

There are discerned many forms for development of internet marketing; this is dependent on engagement and readiness of the enterprise to develop its online presence, at users of internet. Some of the most commonly used forms are: e-mail, web pages, search machines, words of mouth, web page browsing, mobile advertisement, online maps service, cooperation with web pages, and social media, etc. All these tools determine of doing specific marketing and in language of marketers are quoted: e-mail marketing, search engine marketing, marketing with maps, affiliate marketing, etc. This enables that activities in different form of internet marketing are different, and engagement and resources are of different level (AG, 2015). Statistics or data on manner of internet usage is measured through various techniques such as: “clicks”, “hits”, as well and techniques such as CPM (Cost Per Thousand Impressions), CTR (Click-through rate), Conversion Rate, (CAC) Customer Acquisition Cost, etc. These data are needed and useful to better understand preferences of consumer, their behavior during purchases, as well a purchase cycle. An enterprise based on information could determine who are their consumers, in which way they find the product, respectively our enterprise, which are the factors that influence consumer behavior during purchase, which products are preferable, which marketing campaigns gives effects, how should communication with consumers be advanced online – offline. Measurements of enterprise’s success and performance of activities is done with measurement through analytical data mentioned above. It is done with objective of obtaining information as to whether return on investment in online marketing supportive of success or failure of certain activity. Most of the data can be provided by the administrator of web page of the enterprise, but also others

can be used, such as Google analytics, Stat Counter, Yahoo Web Analytics, Web Trends. Thus, there are alternatives for gaining of knowledge about analytical and statistical data, but it is possible to use own data, or from professionals, by obtaining information for free or paid, above are listed some web platforms which can offer information's needed. By obtaining information and analyses of the visit i.e. web page you obtain knowledge and measure success, but no mistakes should be made and celebrate by achieving high number of visitors, since it does not mean that all of them will become consumers, or donor, but these always help to make changes and refreshments in content and motto presented by the enterprise in the internet. In 2014, the estimated numbers of internet users worldwide has reached 3 billion, having information that the world population reached 7, 2 billion. Data on internet users are calculated by Worldmeters RTS algorithm, based on data from institutions such as ITU (International Telecommunication Union),WB(World Bank Group), UN (U.N Department of Economic and Social Affairs). Out of total population of 3.2million in Albania is estimated that 1.8 million are internet users or approximately 56% of population. Based on our estimation out of 1.8 million residents in Kosovo, it is estimated that over 1 million individuals are active users, taking into account the difference of usage in cities and rural areas. Based on our assessment it turns out that internet is used approximately the same by female and male users. The majority of internet users in Kosovo use the internet mostly for communication (Messenger, Skype) and social networks as Facebook, Instagram, (ILS, 2015; ITU 2014). An enterprise which is focused towards the consumer knows the importance of creation of relations with consumers, a special field in frame of marketing called "Customer relationship management" or CRM. Internet enables such a relationship where consumers become part of these relations by communicating with email, subscribing to the web page or blogs. Focus of e-marketing activities through management of relations with consumer (CRM) focuses at some groups such as: Consumers, intermediaries, media, partners. Well managed e-marketing achieves to: provide information, communicate with them in form of B2B, C2C, and B2C, convey promotion messages without significant expenses, and create a sustainable partnership.

Analyze of experiences of internet usage and online marketing in enterprises in Kosovo.

Various enterprises pay attention to needs and desires of consumers, for the very same reasons enterprises in Kosovo follow the trend of novelties in offering of world enterprises which embraces a new channel of communication with consumers, the internet. In efforts of application of marketing concept in the businesses, the e-marketing or online marketing

was included, that uses internet and other digital technologies for achievement of strategic objectives of the enterprise through consumer satisfaction in same time streaming to attain a stable business. In our case the focus is on Hotels, Hospitality enterprises and touristic agencies that apply conventional methods of doing business and operate also as a “click” enterprise. The usage of internet in Kosovo has increased and it is estimated that there are about 1.4 million internet users or 76% of population, following the growth trend of internet users in the world which reaches 3 billion users in the mid of year 2014, where 19.2% of users are in Europe (ILS, 2015; ITU, 2014). Internet usage attains increase in tourism industry in the world level, but also in Kosovo. Internet has changed the way of doing business in field of tourism and travel by also changing the form of information, communication and classical promotion, by applying doing business online as part of daily activities, even by increasing participation of this form of offering and sale of touristic products and services. From total of 1,060 billion visitors in the world, over 565.9 million are from Europe, followed by Asia and Pacific with 250.3 million and America with 178.1 million, while from Africa are 33.4 million, as approximately from middle east or 32.3 million, which represents an increase compared to 2012 from 600 million visitors (ILS, 2015; ITU, 2014). The total number of visitors in Kosovo during 2013 was 96,453 (citizens 45,388, foreigners 50,073), while total nights of stay are 138,750 overnights or (domestic citizens 58,467, foreigner 83,883). (ASK, 2015) From the above data it can be noticed an increase of purchases through internet in year 2013, 41.3% of internet users have made online purchases, while in year 2014 there is an increase to 42.7%. Only in USA in 2013 there were 191.1 million buyers, which increased to 196.6 million individuals in 2014, which at least made one purchase, order or used a service (ILS, 2015; ITU, 2014). From our research, regarding this matter of application of e-marketing and consumer reactions towards manner of online purchase, there have been conducted interviews with individuals who were in touristic agencies at that time, who answered questions on the matter. The matter how consumers use internet for tourism purposes, as to: gain information, purchase and booking of hotelier products and services, travel tickets, etc., but also to collect information which are important for formulation of strategies in future communication of enterprises with their consumers. In order to know consumers’ behavior it is of primary importance to know the data: gender, age, education, profession, residence, type of purchase, frequency of purchase, etc. Below there are some presented data gained from the interviews, about knowledge and habits of consumers for manner or trading through internet, which may serve as a useful data for enterprises connected to touristic industry? Key question that we were interested to obtain was:

Manner of obtaining information for touristic destination (offer by enterprises) – from the data it turns out that only 23% of interviewed participants obtain information from internet on touristic product of service (other from newspaper, TV, radio, etc.).

From those that they use information from internet in next stage of survey from answers on below questions it turns out that:

-Do you use internet for choosing touristic destination; 35% make their choice and booking from internet.

-Does trust on security of transaction over internet influence your decision for usage of internet for purchase; 80% express that security of transaction “is very important” for them.

-Do they receive notifications (email) for touristic destinations / local and abroad/; more than 80% of respondents receives email with content from tourism.

-Are they satisfied with presentation of local destinations in internet; 70% of respondents are not satisfied with presentation of local offer in internet (low, high, moderate, none)

-How familiar are they with web pages of hotels / touristic agencies; only 20% of participants recall some webpage of Kosovar hotels/ touristic agencies.

-Name well-known web pages of touristic destinations in Kosovo; none of the respondents cannot recall any web page related to tourism in Kosovo.

-Do they know web page “Visit Kosova”; none of the participants does not have knowledge for main web page on tourism in Kosovo.

As seen above, it can be concluded that only a small part of those consumers who are interested for touristic products and services uses internet, even though the number of internet users in Kosovo turns to be high. This leaves space for further action of enterprises for extension and utilization of internet as a channel for sale and penetration to potential consumers in future. Utilization of advantage of internet and digital technology is an opportunity that should be used, since it is evident that interactivity of consumers with this medium and combination with other forms of sale, and classic promotion will bring benefits for the enterprise.

Conclusion

Speaking of marketing, it should be taken in consideration that communication as an important activity in same time is different, depending on situation that is used and marketing element (4 P) it has been distinguished– promoted e.g. price, product, and place. Internet makes communication even more important and effective in achievement of marketing objective “satisfy need of the consumer” according to his desires

and requirements. To have feedback on the satisfaction of consumers with the products or services of the enterprise one of the marketing strategies is involvement of the consumer in process of creation and development of the product exactly through communication(in this case internet), that would be welcomed also for Kosovo enterprises. This made possible by utilization of e-mails, forums and other forms of communication through internet. Alongside with the development of information technology, also consumer behavior and marketing evolve so intensively, which makes it the necessary a new approach and new forms of interaction. By all the advantages which offer e-marketing opportunities we distinguish opportunities which are created to customer for: informing, communication, entertainment, sales, etc. As much as enterprises use internet as a channel for offering their products and services, moreover they need to know about consumer behavior and their habits during the purchase process. Following of new trends in online business determines the position of enterprise in the market and image which consumer create about it and their products and services.

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