

INTERNET MARKETING CHANNEL IMPLEMENTATION IN THE TRADE INDUSTRY IN THE REPUBLIC OF NORTH MACEDONIA

Saso JOSIMOVSKI^{*1}, Dimitar JOVEVSKI¹, Martin KISELICKI²

¹*Ss. Cyril and Methodius University, Faculty of Economics, bvl. Goce Delcev 9v, 1000 Skopje*

²*Integrated Business Faculty, 3 Makedonska Brigada no. 66A, 1000 Skopje*

ABSTRACT

Modern companies are utilizing the benefits of Internet marketing, which can prove as a crucial tool in communicating with consumers. While the obvious goal of Internet marketing is to sell products and services or to promote them online, companies can communicate, transmit or exchange messages about themselves, conduct research, analyze competitors and other activities.

From a marketing point of view, social media are also becoming more and more important, but many businesses are uncertain whether accepting social media will advance the line if there are difficulties in aligning marketing activities through social media with rising sales. The paper conducts primary research in a specific industry in North Macedonia, focused on small and medium companies, with key findings that Internet and social media marketing is considered a powerful tool with a lot of benefits by participants.

KEYWORDS: Internet marketing, products, SME, business, online promotion

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* E-mail addresses: saso.josimovski@eccf.ukim.edu.mk (S. Josimovski), d.jovevski@eccf.ukim.edu.mk (D. Jovevski), martin.kiselicki@fbe.edu.mk (M. Kiselicki)

1. LITERATURE REVIEW

Internet marketing represents advertising, creation of marketing activities and campaigns via the Internet, i.e. the realization of marketing goals through digital technologies and utilizing Internet marketing strategies (Aleksoska, 2010). It is considered to be more effective than traditional marketing because it emits digital marketing messages to consumers for lower costs in terms of TV advertising or print campaigns, where information is disseminated at anytime and anywhere, for a wider audience that can grow into potential consumers (S'Gara, 2014). Internet marketing along with internet marketing strategies is considered the future of modern and modern marketing (Chaffey & Chadwick, 2015). Today it's important that the majority of customers are present online to find the product or service they want or need, with special focus on social media - 71% of internet users are more likely to purchase from a brand that they are following on a platform such as Facebook. Social media can be defined as platforms with profile creation and visibility of relationships between users (Boyd & Ellison, 2008) or as providing as a communication platform that facilitates two-way communication between a company and their stockholders (Siddiqui & Singh, 2016). The majority of marketers (59%) are using social media for 6 hours or more each week (Schwarzl & Grabowska, 2015). If the company has a wrong brand strategy online, it can significantly hurt the brand value and create a huge viral disadvantage.

According to the State Statistical Office of North Macedonia, in the first quarter of 2018, 79.3% of households had access to the Internet. In the first quarter of 2018, of the total population aged between 15-74, 79.2%, used the Internet and 68.7% used it daily or almost every day. Mobile phones or smartphones were the most utilized Internet access devices for in this period, and most of the users were people aged 15-24 (91.8%). 74.9% of people used computers, laptops, smartphones, tablets or other portable devices at work. 31.6% of the people who used the Internet ordered/purchased goods or services over the internet in the last 12 months, and the majority (54.9%) of them bought clothes or sports equipment.¹ Worldwide data shows that digital advertising continues to rise from 32,7% in 2015 to 43,6% in 2018, with expectations to overcome 51% in the year 2021. Net expenditure in 2018 was 105,4

¹ <http://www.stat.gov.mk/pdf/2018/8.1.18.29.pdf>

billion dollars, with it expecting to grow up to 129,3 billion dollars in 2021, when it will finally overtake traditional advertising. While investing in online advertising and internet marketing strategies continues to grow, investments in television advertising and advertising will no longer be in focus². One of the key problems of the companies in North Macedonia is the mistrust companies have in the marketing agencies because of not seeing the real benefit of using Internet marketing strategies and digital advertising. Online advertising can be really helpful and a great opportunity provider for new entrants and existing companies in the market (Jain et al., 2016). In 2018 in the North Macedonia, 94.4% of business entities used a computer in their work. Broadband Internet access had 81.5% of business entities with ten or more employees. Of the total number of business entities, 53.9% had a website or home page. Of these, 89.6% of the website provided a description of the products/services, pricelists, 51.7% indicated links/references to their social media profiles, and 21% secured online ordering or reservations. Regarding e-commerce, 5.7% of business entities received orders via e-commerce and 4.4% of business entities received orders for goods or services through Web-sales.³

In order to perceive the practical implementation of Internet technologies and digital advertising, a questionnaire was prepared focused on SMEs (small and medium enterprises) that work with the manufacturing and sales of electric and manual equipment and tools. The choice of these specific companies is made primarily because of the specificity of this kind of products, their purpose and way of sale. In large part, despite the fact that such products are sold in large stores, they are also sold through catalogs - printed and electronic which was a serious basis to consider that they can develop and use Internet marketing strategies for easier and faster to present and sell their products to their target customers.

2. METHODOLOGY

To research the topic in detail, primary and secondary data was used. Secondary data was gathered via the exploratory method, while primary data was

² <https://marketing365.mk/digitalna-revolucija-se-blizi-krajot-na-tv-oglasuvanjeteto/>

³ <http://www.stat.gov.mk/pdf/2018/8.1.18.31.pdf>

collected by designing and implementing a survey questionnaire, focused on SMEs on the territory of the Republic of North Macedonia. The selected companies are from the SME category, because there are only small and medium-sized companies in the Register of companies that work with tools in the Republic of Macedonia. The questionnaire was submitted to 19 companies, where complete questionnaires were received from ten companies, which were utilized as the basis for further analysis. The results were completely anonymous and were under further quantitative and qualitative analysis.

The survey questionnaire contained 19 questions, composed of three types:

- **Multiple-choice questions** - The goal of this group of questions is to give the respondents some concrete answers, one or more of the answers being an expression of the essence of the activity under review or representing the content of the company.

- **Dichotomies** or questions with only two choices - the purpose of asking these questions is the respondents with the answer Yes to confirm the activity or to point out that the company does not perform such activities.

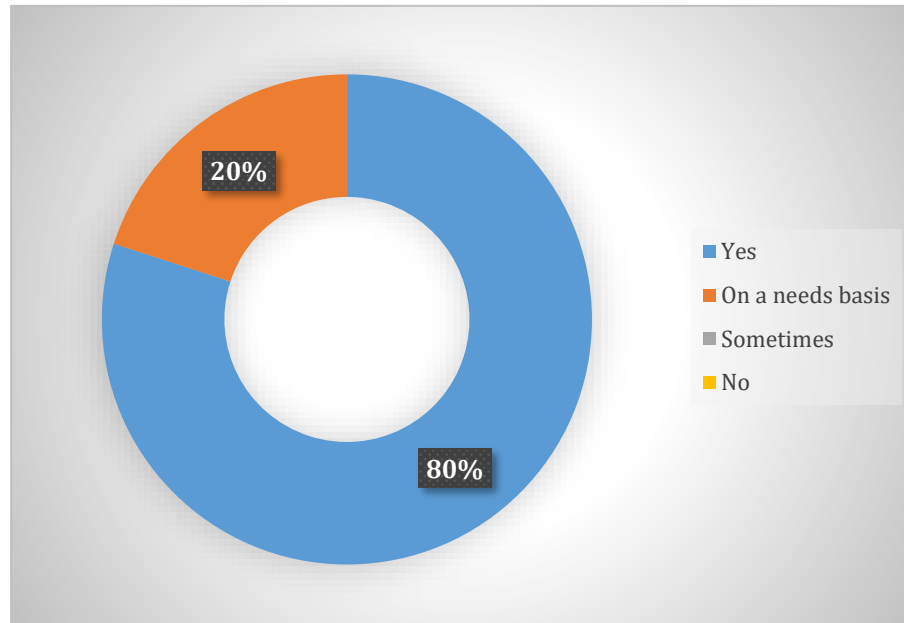
- **Open questions** - set up in order to enable the respondents to express their opinions and conclusions and activities.

3. DISCUSSION

The quantitative and qualitative analysis from the questionnaire has given us insight into the functioning of this specific industry in the Republic of North Macedonia. From the analyzed companies, 1 stated that it was a sales salon, 7 are registered as trading companies, 1 company is involved in manufacturing and trading and 1 is a representative subsidiary of a foreign corporation. The data presented shows that the companies have significant experience in working with these products, half of them have working experience over ten, even more years, 20% with experience from five to 10 years and 30 % with experience from two to five years. This points to the fact that these are companies that know their work and develop in the business they work for. 60% of the companies conduct their business only in the country capital Skopje, while the other 40% function both on the territory of Skopje and other regions as well.

These statements show that the main business activities with products from this activity are realized in the capital city.

Graph 1. Internet usage by employees



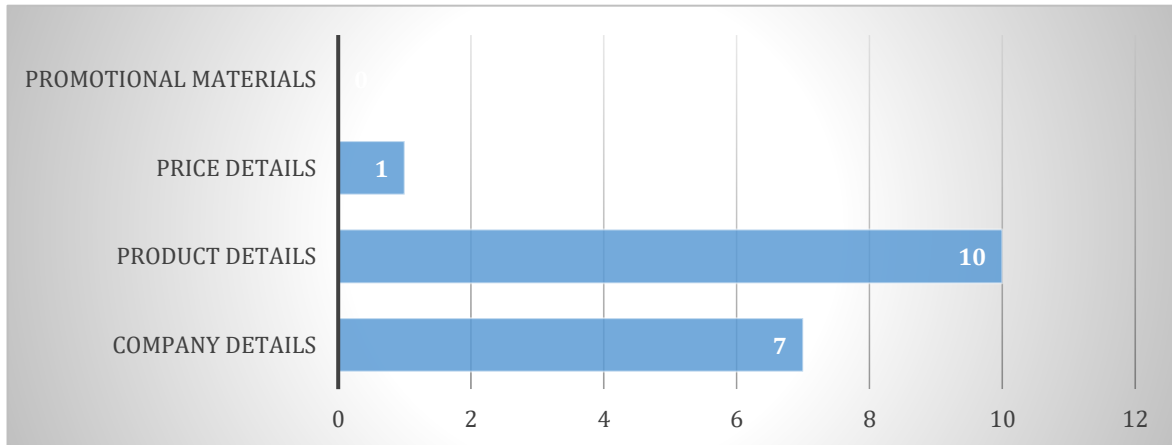
Source: Own research

Graph 1 points out that companies use the Internet in their work, with 80% using in constantly and 20% as needed, emphasizing its importance in everyday operations. Using the Internet from a business perspective today is no longer a choice, but rather a must. Even 63% of potential customers when searching for a business online, first do it on one of their social media channels. Using the Internet, if properly implemented, is one of the best methods for communicating with the client. (Trembelieva, 2017).

90% of the analyzed companies stated that they own a web-site, while 10% stated that the web-site is in development. The web-site represents the core of online presence and Internet marketing strategy. The professional web-site describes the business, provides a description of the employees, and the services and products that are offered. It offers information that can be searched online and is really available from any device that has an internet connection. The availability of internet on mobile and portable electronic devices increases the need for the website to be available on these devices. In 2016, 53% of companies (10+ employees) in the Republic of

Macedonia have a website that is well below the European average of 77%. Of the companies that own a website, only 27% have the option of online job application and advertising on open positions (Stojkoski, 2018).

Graph 2. Type of information published on corporate web-sites



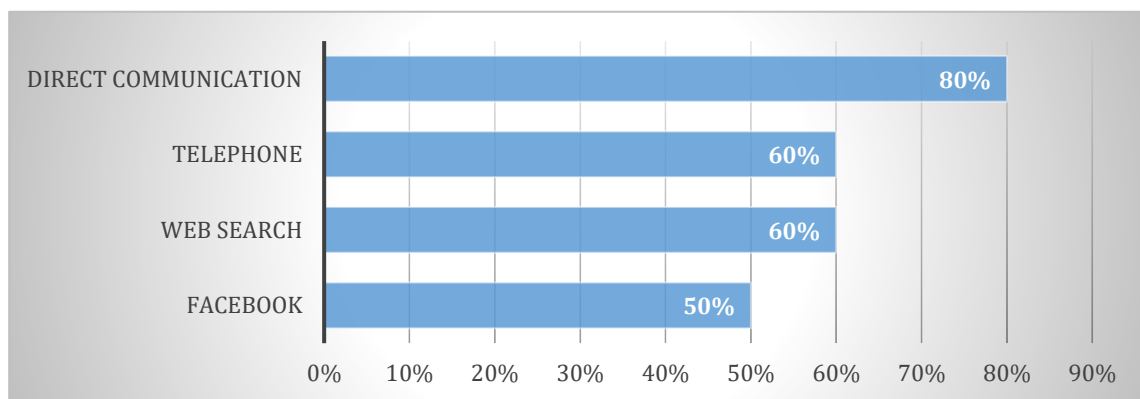
Source: Own research

Graph 2 demonstrates that all of the analyzed companies promote their products online. It is surprising to see that not one company utilized their web-site to push promotional materials and only a small percentage (10%) are sharing details regarding pricing. The digital presence continues through social media, where the most popular network is Facebook (80% of companies have profiles), followed by YouTube (50%) and Twitter (30%). Effective usage of social media channels can lead to numerous benefits for the company. Companies utilize their Facebook fan-page for promoting their products (70%), following by promoting the company itself (60%) and communicating with friends (20%). In 2016, 53% of companies in the Republic of North Macedonia used at least one social media, while 51% of companies used social networks. 39% of companies have a website and use social media. It is characteristic that companies use only one type of media in North Macedonia, i.e. 37%, while at the European level this percentage is 24%. Most Macedonian companies pay for advertising based on Internet targeting, i.e. 17% while for EU this is 9% (Stojkoski, 2018).

Among the analyzed companies, 80% possess a presence on the social network Facebook, followed by YouTube with 50% and Twitter with 30%. This gives clear

indication of the popularity of Facebook in North Macedonia. Social media can be a powerful tool for companies to interact directly with consumers, especially in this industry. Respondents state that they utilize Facebook for promoting company products (70%), followed by promotion of the company (60%) and communicating with friends (20%). Still, for the most part, companies contact with their consumers directly (80%) or via telephone (80%), while less used is the Internet (60%) and Facebook (60%). This means that the traditional methods of communication are still dominant in this specific industry.

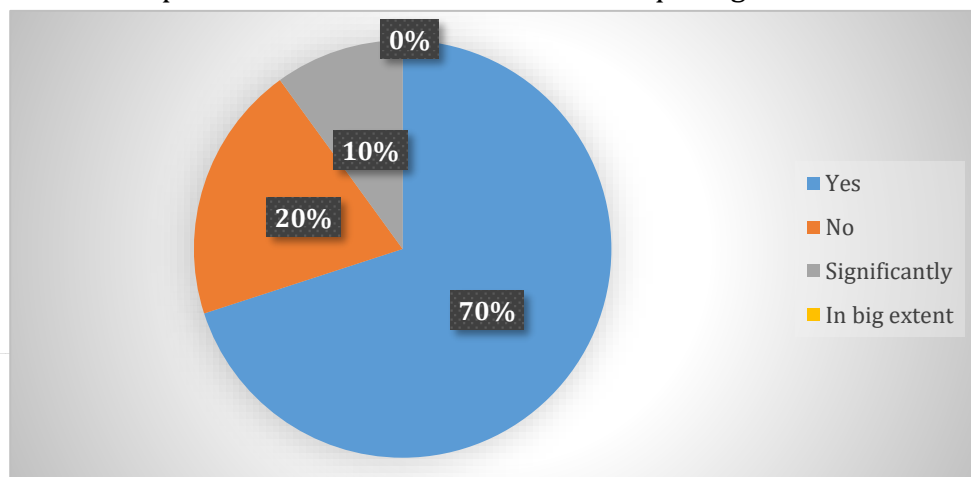
Graph 3. Sources for information regarding consumers



Source: Own research

Graph 3 reinforces the previous notion that companies in this industry tend to be more traditional, with research regarding consumers being done mostly through direct communication or telephone. Digital media are mostly seen as tools for promotion, not as research tools that could give valuable information. The most utilized traditional methods for communication with consumers are presentations (60%) and radio (40%), while magazines and newspaper ads are seen with lower value.

Graph 4. Has Facebook influenced in acquiring new customers?



Source: Own research

Graph 4 demonstrates that Facebook and social media in general are viewed as beneficial by companies in increasing their business. The reach of social media enables companies to find new customers, especially from geographically remote areas that were previously unreachable with traditional media. Furthermore, over half of the companies (60%) state that Internet technologies and social media have made communication with customers a lot easier. Besides social media, company web-sites are viewed as a primary method of communication in the digital world. Focusing on blogs as part of their digital presence, half of the companies (50%) state that they have an active blog that is updated on a regular basis. Blogs can represent a powerful tool for companies to showcase their expertise.

4. CONCLUSIONS

The research has shown that although companies have access to the Internet and have their own Facebook pages, the opportunities offered by this type of means of communication with customers are not appropriately used. Theoretical research clearly shows that Internet technologies offer a great opportunity for online promotion and for companies to implement Internet marketing strategies, but it is necessary to choose the appropriate platform to achieve the presence of internet space. The Internet allows to reach the final consumer, that is, to realize the marketing activities of the company and to direct them towards the target audience. The surveyed companies use the websites and the Internet as communication media, but they lack a strategic approach to the tool market. In order to successfully accomplish the set marketing goals, it is necessary to align the Internet marketing strategy with the resources, organizational structure, ethics and culture of the company. The company's offer should match its capabilities and potential, but the current market conditions need to be taken into account and future market changes should be perceived.

Websites are primarily a great way for a company to be found. The website is the virtual presence address and creating a general image for the company. In

companies that sell tools, manual and electric, websites are a means by which products that are the subject of their operations are represented. The Facebook platform plays a major role in increasing the company's image and offers the opportunity to offer content for representation of companies in order to interact with future and existing buyers and to increase the popularity and strengthen the image of the company. With this medium it has never been easier to get in touch with the target consumers, but also to get a feedback from the end user about his experience of using the product of the company. Facebook is currently the most powerful tool for promoting a particular web-site. Whether it is through paid advertisements, or by using a Facebook page on which promotional materials are presented, exchanges can be made with other Facebook pages or by using a Facebook profile that would add people who would thereby get to know the page the company.

The conducted research points to the following conclusions:

- Companies in the Republic of North Macedonia are aware of the advantages and necessity of using the Internet and are developing Internet marketing strategies so that they can perform more successfully by using social media and other digital channels
- The companies from the Republic of North Macedonia that work in the production and trade of manual and electric tools are mainly trade enterprises, and there are also companies operating as a production and sales company and a representative office of a foreign company.
- These companies have been operating on the tool market for a long period of time and are familiar with their customers and have an adequate database that indicates that they are companies that know their work and develop in the activity in which they work.
- Companies from this specific industry are aware of the importance of using social media and the website for improving the performance of their operations and achieving numerous benefits for the company, especially taking into account the fact that the main business activities with products from this activity are realized in the capital of country Skopje.

- All companies use the Internet as a means of communication, where the web site is the core of the online presence of companies in the Internet space. Companies present their products and prices on their respective web-sites. With the use of the Internet and social media, a greater number of buyers are provided, and the operation is made easier.
- Facebook is the most used social media platform, followed by YouTube and finally by Twitter. Facebook as a social media network is mostly used to promote the company, to present products, to carry out promotional activities, as well as to communicate with friends. According to the survey, the Facebook profile has a big impact on increasing the number of company buyers.
- For communicating with customers, companies use all forms of communication, both traditional and digital, but still to a greater extent do so by direct communication and by telephone. Part of the traditional marketing channels that are still present in companies from this industry are the radio presentations, as well as newspapers and magazines.

Companies that sell tools, manual and electronic, are constantly present on social networks, most of which are Facebook, but they do not use it expediently to get aggressively on the market. Transactions carried out over the Internet represent interactive transactions, i.e. they are realized as a dialogue, gathering information, delivering product and service notifications, collecting addresses for buyers and producers, and the like. The use of the Internet is realized through the development of Internet marketing strategies by which companies are oriented towards customers, i.e. to meet their needs that are always innovative, with their own content and design, different from those of the competition. In order to conduct marketing activities online, it is necessary to prepare an internet marketing plan that will determine the goals of internet marketing, determine the tactics that will be applied, and anticipate the funds that will be used for the realization of Internet marketing activities. Social media today is an effective means of interactively communicating directly with customers and sharing information about the products or services of the company.

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