

Digital Marketing Insights and Opportunities in Kosovo

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Abstract

In recent decades, we have witnessed an ever increasing concentration of companies towards the consumer. This has come as a result of various factors, of which an important one has been the digital revolution, which has empowered consumers by giving them access to information and access to one another on a global scale. In an attempt by companies to adapt to this customer empowerment in order to achieve a greater profitability by better serving customers, digital marketing was born. Digital marketing includes various methods of achieving marketing goals by using digital tools, including: search marketing, social media marketing, email marketing, mobile marketing, content marketing, etc. While digital marketing has proven to be very successful in developed countries around the world, in Kosovo it does not have a significant presence. Either way, the development opportunities of this field in Kosovo are plenty. In Kosovo, the percentage of internet users is quite large. This means that there is an almost unexploited market online. The main reasons why digital marketing can succeed in Kosovo are: low cost compared to traditional marketing (TV, radio, billboard, etc.), a positive attitude of businesses towards digitalization, a large number of potential customers, and an emphasized need for professionals in this field.

Key Words: marketing, digital, opportunities, Kosovo

1. Introduction

For as long as trade has existed, marketing has co-existed alongside with it. Looking back at the initial trade methods, marketing was expressed in the sense of how merchants enticed, and persuaded people to buy or exchange products. Thus, if not as a concept, marketing has a long history of existence in practice.

Marketing has passed through many stages of its development, always seeking improvement; worthy of mention are the rapid developments in the recent decades. In the recent times, we have witnessed fast developments in the area of marketing from traditional marketing to the developments in digital marketing.

Today, for the most part, marketing strategies and concepts have a special focus on the consumer, unlike traditional marketing strategies that had a tendency to focus more on the product. This transition of orientation from product to consumer has come to being as a consequence of some holistic factors:

- **Political reforms**, which expanded consumer choices, fueled the growth of middle class, and created massive wealth. In other words, the income of middle class increased and that gave them the opportunity to buy things they could not afford before.
- **Digital revolution**, which empowered consumers through access to information and to one another.
- **New technology**, which has fueled disruptive innovations¹

This flow of events has brought the need for marketing strategies and concepts to be adjusted and updated, from which digital marketing was introduced. With little differences, terms like digital marketing, online marketing, e-marketing are mainly used to convey the same meaning, which is the utilization of electronic platforms (the web, e-mail, apps, etc.) and digital devices (PCs, cellphones, consoles, tablets, smartphones, etc.) in implementing marketing strategies.

¹ Carpenter, Gregory. "Power Shift: The Rise of the Consumer-focused Enterprise in the Digital Age." Kellogg School of Management. www.kellogg.northwestern.edu, 2013.

2. Traditional Marketing vs. Digital Marketing

A comparison of traditional marketing with digital marketing can look something like this:

Table 1: Traditional Marketing vs. Digital Marketing

	TRADICIONAL MARKETING	DIGITAL MARKETING
Reach	limited	global
Accessibility	limited	diverse
Communication	one-way	two-way
Availability	limited	very quick
Targeting	hard	easy
Measurement	hard	easy

Source: Author's own empirical work

2.1. Reach

While advertising in traditional media (TV, billboards, radio, etc.) is expensive and can reach limited audiences, digital marketing tools offer opportunities to advertise to anyone in the world with access to these digital tools and has considerably lower costs.

2.2. Accessibility

Digital marketing offers a diverse range of access points for businesses and customers; through desktops, smart phones, tablets, smart watches, etc. it offers a variety of means to manage and better serve customers.

2.3. Communication

Compared to traditional marketing's one-way communication (in the majority of cases), digital marketing offers tools that enable a two-way communication between businesses and customers. Besides being able to communicate with businesses, through digital marketing tools, customers are able to communicate with one another – a great advancement that has given power to consumers.

2.4. Availability

Through traditional marketing tools, the process from being interested in a product to actually buying it and managing customer relations involves longer and more costly procedures. Whereas, through digital marketing means, customers can easily and quickly request information or buy products. E.g. if a customer is interested in buying a new car, but wants more information on certain brands from a certain car dealer before he decides on his purchase; if it is late night, he will have to wait until the next day when the company is opened. Moreover, he will have to physically go there. If he uses digital marketing tools, he can easily find that information online anytime it is convenient for him.

2.5. Targeting

Various studies have shown that consumers respond more positively to advertisements when the ads are relevant to them.² Therefore, targeting plays a focal role in terms of not wasting ads on unwanted customers, which can be irritating to some customers and backfire on loss of potential customers. Through digital marketing tools, one can do in-depth targeting, choosing what ads to be shown to what types of targeted groups identified; aspects that are hardly possible to be reached through traditional marketing means.³

2.6. Measurement

One of the main challenges for traditional methods is measuring the marketing efforts and return on investment. Whereas, digital marketing tools can provide accurate, detailed results of the various types of mediums used.⁴ Moreover, it can easily be measured which campaign, medium, approach is working better based on these detailed results offered by digital marketing tools. Return on investment can be easily measured through these tools which help it increase providing the ability to reach large, targeted audiences in a short time.

² The Direct Marketing Association. "Digital Tracking Study." *Dma.org.uk*. The Direct Marketing Association, May 2010. Web. 1 Feb. 2014.

³ Green, Hannah. "Traditional vs. Digital Marketing: What Works Best?" *digitalmarketingmagazine.co.uk*. Digital Marketing Magazine, 3 Qershor 2015.

⁴ Green, Hannah. "Traditional vs. Digital Marketing: What Works Best?" *digitalmarketingmagazine.co.uk*. Digital Marketing Magazine, 3 Qershor 2015.

3. Digital marketing Elements

Internet usage keeps growing every day. Today, internet is used by more than 40% of the world's population.⁵ Specific to digital marketing, advertising expenditure through digital tools has reached about \$140 billion,⁶ which is $\frac{1}{4}$ of the total advertising expenditure. Ad expenditure through digital tools has been on an increasing trend. If we take a look at what digital marketing is all about, Rob Stokes lays out some main elements of digital marketing:⁷

- **Search marketing**, which includes advertising in search engines and optimization of content to suit and rank higher in search engines.
- **Social media marketing**, that covers the execution of marketing strategies through social media, be it in promoting products, managing customer relationships, etc. Some of the most widely spread social networks are Facebook, Instagram, Twitter, Google+, Pinterest, LinkedIn, YouTube, etc.
- **Mobile marketing**, which includes the implementation of marketing strategies using mobile electronic devices (smart phones, tablets, etc.). This can be done through advertising in applications, content optimization for mobile devices, sms, mms, Bluetooth, etc. These devices are experiencing rapid improvements every day, so the application of them towards marketing usage can only expand in the future.
- **Email marketing**, which covers the employment of marketing strategies through email. This allows for longer messages/emails to be sent, providing that they are targeted/customized to customers, which has proved to show great results.
- **Content marketing**, which covers the execution of marketing strategies using contents like websites, blogs, social media; basically, focusing on any type that has content, making sure this content stays relevant throughout the various types of reach.

⁵ Chaffey, Dave. "Digital Marketing Statistics 2015." Smart Insights. Smart Insights, 6 Janar 2015.

⁶ Media Buying. "Digital Ad Spending Worldwide to Hit \$137.53 Billion in 2014." *EMarketer*. EMarketer, Prill 2014.

⁷ Stokes, Rob. *EMarketing - The Essential Guide to Digital Marketing*. 5th Edition ed. N.p. Quirk EMarketing, 2011.

4. Case of Kosovo

Until recently, there have been deceptive thoughts and perceptions about marketing in Kosovo, especially from small businesses; the thought that companies who advertise their product/service, do so because their product/service lacks quality. The good news is, these perceptions are gradually shrinking and vanishing. This is best shown by a study conducted by KPM (Independent Media Commission). According to this study, 67% of businesses in Kosovo, think that advertising plays a key role towards a company's success. Moreover, the ad expenditure in Kosovo is sufficient to back up this argument, where annual ad expenditure in Kosovo is more than €10 million.⁸ Nonetheless, 70% of this expenditure is focused on traditional marketing channels like TV and radio. On the other hand, only 3% of ad expenditure happens through online tools, which is not a satisfying percentage.⁹

5. Opportunities of Development in Kosovo

Internet is still a market not well utilized by businesses in Kosovo. In Kosovo, internet penetration is at about 77%, which is a high percentage and can competitively be compared to the internet penetration percentage of well developed countries.¹⁰ A study by STIKK shows that Internet users in Kosovo mainly use these mediums:¹¹

⁸ KPM. "Analiza e Tregut të Reklamës në Kosovë." Komisioni i Pavarur për Media. Komisioni i Pavarur për Media, Shtator 2013.

⁹ KPM. "Analiza e Tregut të Reklamës në Kosovë." Komisioni i Pavarur për Media. Komisioni i Pavarur për Media, Shtator 2013.

¹⁰ STIKK. "Internet Penetration and Usage in Kosovo." STIKK. STIKK - Kosovo Association of Information and Communication Technology, Gusht 2013.

¹¹ STIKK. "Internet Penetration and Usage in Kosovo." STIKK. STIKK - Kosovo Association of Information and Communication Technology, Gusht 2013.

Table 2: Internet mediums mostly used in Kosovo

Facebook	73% (almost 800,000 users)
Email	65%
Skype	65%
YouTube	43%

Source: STIKK - Kosovo Association of Information and Communication Technology

Moreover, the same study shows that 80% of internet users in Kosovo use internet to communicate with friends and relatives outside Kosovo. So, it is a very active market and the opportunities for this market to be exploited in terms of marketing are plenty.

a. Low Cost

According to the KPM study, 95% of businesses in Kosovo agree that online advertising is cheaper than traditional advertising in TV, radio, and newspapers. Moreover, 68% of businesses in Kosovo see high prices as a main burden that halts them from advertising their products and services.¹² If there is a cheaper solution to traditional advertising, then this opportunity is being wasted.

b. Positive Attitude Towards Digitalization

90% of businesses in Kosovo agree that digitalization not only cuts advertising costs, but it also improves the advertising quality.¹³ Judging by the study results, it can be seen that the majority of businesses have positive and quite enthusiastic opinions on digitalization.

c. Large number of potential customers

As it was mentioned, internet penetration in Kosovo is around 77%; in other words 77% of the people in Kosovo have access to internet, which is a percentage that comes close to well developed countries like Germany,

¹² KPM. "Analiza e Tregut të Reklamës në Kosovë." Komisioni i Pavarur për Media. Komisioni i Pavarur për Media, Shtator 2013.

¹³ KPM. "Analiza e Tregut të Reklamës në Kosovë." Komisioni i Pavarur për Media. Komisioni i Pavarur për Media, Shtator 2013.

Great Britain, Switzerland, etc.¹⁴ So, more than a million Kosovans have internet access. In terms of marketing, this portrays a great, enticing opportunity to exploit by attracting this large group of potential customers towards their products/services.

d. Need for Field Professionals

In terms of advertising, businesses and media in Kosovo agree that one of the main reasons Kosovan companies have such an ambiguous presence online is because of a lack of professionals to assist them in this field. Be those individual professionals or marketing agencies, their number and the services they offer are not able to satisfy the needs in this field.¹⁵

6. Conclusion

While Kosovo has done a great job following global trends of development in terms of internet access and usage, it still lacks in utilizing this market for marketing reasons, staying closer to the customer and satisfying their needs.

The aforementioned opportunities for digital marketing in Kosovo are quite enticing to be exploited by businesses to their advantage. Moreover, this would benefit customers as well since they would have more convenient services and more power in the market. In today's world, a crucial success factor for a business is to follow consumer trends, stick close to them, and satisfy customer needs while being there wherever the customer is.

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¹⁴ STIKK. "Internet Penetration and Usage in Kosovo." STIKK. STIKK - Kosovo Association of Information and Communication Technology, Gusht 2013.

¹⁵ KPM. "Analiza e Tregut të Reklamës në Kosovë." Komisioni i Pavarur për Media. Komisioni i Pavarur për Media, Shtator 2013.

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