



Effects of Advertising Through Different Digital Marketing Channels on Consumer Buying Behavior in Bosnia and Herzegovina: A Research Project

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Abstract

Advertising today is different from what is used to be before the revelation of digital marketing channels. The ultimate switch from traditional advertising channels to digital marketing channels has seen a vast expansion, expansion that has been observed in the amount of time users spend on digital devices. We can easily say that advertising is everywhere around us today, with the help of increased usage of technology, smartphones and other electronic devices that are constant during the day-to-day basis of people's lives. Therefore, it becomes very interesting to research and conclude whether this constant exposure of advertisements on different digital marketing channels have an effect on consumer's buying behavior towards advertisements of products or services. The main aim of this study is to identify and explain whether through different digital marketing channels advertisements can change the attitude of people regarding products or services and their purchasing behavior from a stand point view of consumers in Bosnia and Herzegovina. To achieve this goal, the analysis of data is based on qualitative data derived from a survey as a primary form of data collection. A research model with three independent variables (social media marketing, email marketing, and mobile phone marketing) and one dependent variable (consumer buying behavior) was developed based on the literature review. The outcomes of this research are going to provide insights of what effects through online advertisement can make changes on the consumer buying behavior.

Keywords: advertising, digital marketing channels, consumer buying behavior

1. Introduction

In the era that we live in, communication technology has occupied all facets of life. The development of technology has created new delivery platforms for both marketers and advertisers. With technological changes, digital advertising has experienced rapid growth throughout the years as it is virtually used in all sectors. Digital advertisement does not only include search and display ads but includes marketing communications executed with the use of the web, social media platforms, or mobile applications (Enginkayaa & Cinar, 2014). Digital advertising has been explained as an effective way to deliver offers and relevant messages to their audience. Digital advertisements don't only impact the way consumers consume a product, but it changes the consumers' attitude with which they look at the product.

It started playing an important role in affecting the consumer's preferences, attitude, and buying process in advertisements. Digital advertisements have become a highly attractive marketing communication tool to reach consumers through different digital marketing channels and in different geographical locations.

Traditional media marketing was considered to be very important until a few years back when digital media started rapidly growing and has become an important mode of communication in marketing and advertising. Digital marketers interact and communicate effectively and inexpensively to consumers by applying the mechanism of different marketing channels. According to Ahmed et al. (2019), different marketing channels reduce the costs of advertising. More interestingly, computers are no longer required, rather high-tech mobile phones, wireless laptops and through portals, the exchange of information can be transmitted anywhere at any time, and that's why consumer behavior is considered as an important element. Companies now tilt more towards different marketing channels because they are more cost-effective, easier to track and measure progress, provide a broader demographic reach, and lastly, higher engagement compared to traditional marketing and instantaneous feedback regarding products of services. Organizations can reach out to their consumers and interact with them and their interactions and can stimulate their purchase behavior through different media channels and measure multiple modes.

This research examines how advertising through different digital marketing channels affects the consumer's buying behavior of consumers in Bosnia and Herzegovina. The main research objectives of this study are the following:

- To find out whether consumers are aware of digital advertising and the different digital marketing channels influence on their buying decision;
- To examine the implication of digital advertising in consumer buying behavior;
- To analyze which digital marketing channels are most effective for advertising to impact consumer buying behavior in Bosnia and Herzegovina.

The following sections of this paper are organized as follows: section 2 is the literature review for this study. The third section includes the research hypotheses and research model that explains the core of this research. Lastly, section four brings focus on methodology, data, and findings which will consist of a sample and the variables used in this study to reach results, and draw a conclusion in section 6.

2. Literature review

2.1 *Advertisement*

We are all exposed to advertisements in our daily life. A simple and understandable definition of advertising would be the act of telling people publicly about a product or service and be able to persuade them to buy it. It can also be viewed as a paid form of nonpersonal communication that is directed to the consumers through various forms of media to prevent or promote any good, service, or idea. Advertisers and agencies believe that advertising is what creates magic in the market place and consumer's mind (Rahman, 2012). We cannot deny and say it does not create magic because advertisements do impact the needs and want of the consumers, and sometimes it creates needs among the people (Fatima & Lodhi, 2015).

The world is changing around us and the development of marketing methods as well as the techniques of reaching consumers and collecting information. Throughout the past decades,

companies depended on traditional methods for advertising, such as TV advertisements, radio ads, newspapers, and magazines. Unfortunately, companies have been adapting to lots of new marketing changes in the 21st century since the advances in technology. The usage of communication and information technology has increased regularly by companies to sell their products and get to know their consumers. This increase in communication and information technologies was linear throughout the years (Durmaz & Efendioğlu, 2016). Lombard and Snyder-Duch (2001) observed that the internet and other developed technologies made it a more straightforward process to create advertisements that are more targeted, but more personal, which allow consumers to participate and engage in the experience. Along with the exponential growth in the number of internet users around the world, the World Wide Web has been the fastest growing digital advertising medium over the last decade. This increase not only marks the importance of online advertising to the advertising and media industry, but the rapid development of technology in online advertisement and display formats require researches to help the media and markets focus on new medium and society to recognize the growing effect of the medium.

According to Mathwick and Wiertz (2008), companies are switching to online advertising due to cost-effectiveness and a wider reach audience, which will provide more profits than traditional advertising. Digital advertising today is defined as a form of promotion through the internet used for delivering marketing messages, ideas, experience to attract consumers (Enginkayaa & Cinar, 2014). According to Miller (2011), digital advertising is broken down into various kinds with various technologies. Digital advertising can include video, animation, and audio, and is at least as convincing as TV ads. Today consumers use digital tools and networks more than ever, and it is easy to say that digital advertising is the most suitable way to reach and affect them.

2.2 Digital marketing channels

They say that digital marketing is being recognized as a new branch of marketing that provides new opportunities for businesses. Hence, additional attention is being given to different digital marketing channels as a means of effectively advertising to consumers. Digital marketing channels refer to the use of digital communication channels to establish an integrated, focused, and measurable communication mechanism that helps businesses attract and maintain customers whole, creating deeper relationships with them (Karjaluo, Mustonen & Ulkuniemi, 2015). Today, companies and brands use different marketing channels for advertisement and provide different offers to consumers in order to promote their products, services as also to remain their competitive advantage and increase purchasing preferences. Advertising activities conducted through different marketing channels allow advertisers to direct communication with consumers at a rapid velocity regardless of their location.

When we talk about digital marketing channels, what comes to intellect is e-mail marketing, mobile phone marketing, search engine optimization, display ads, affiliate marketing, and social media marketing, and many more. This study will keep the focus on the selected four for this research. The explanation of the following digital marketing channels is defined below.

In the observation of Ahmed et al. (2019), it has been shown that e-mail marketing is a significant digital marketing channel because it enables direct communication between the customer and seller. E-mail marketing is an online digital marketing channel that uses e-mail to send advertisements or commercial information. It is a digital marketing channel that is used to reach new customers or make those that are already loyal to one brand.

Mobile phone marketing is the transmission of a message via mobile devices related to a product or service. Since the enormous increment in the mobile phone's advertisers discovered another medium of advertising in the way to connect with their clients viably. The most

utilized mobile phone advertising is through SMS (short message benefit), and it is viewed as the most productive tool compared to traditional advertising.

Social media marketing is an excellent channel for advertising, especially for building significant relationships and social interactions between consumers and sellers. It involves the use of paid advertisements on social networking sites such as Facebook, Instagram, Twitter, YouTube, and many others. Social media is booming in terms of numbers of usage and the variety of platforms established.

2.3 Consumer buying behavior

Most consumers don't go looking for advertisements. The role of the marketing and creative department is to create ads that will appeal to the audience's curiosity. Advertisement is not meant to be promoted for consumer's needs; however, advertisements are great tools to find out about a new product or service they do need. Understanding how advertising affects consumer buying behavior will allow you to create more reliable and more engaging ads. We can easily say that consumer buying behavior is a broad study field. Consumer buying behavior signifies more than just the approach of consumers towards buying a product. Qazzafi (2019) defined consumer buying behavior as a set of activities in which an individual purchase a product or utilizes a service that is based on their emotional and mental need. The complete understanding of the buying behavior is still impossible because it is very close to the human mind. If we consider understanding the behavior on a digital platform, it is quite possible through several analytical software.

According to Kotler (2001), consumer behavior is examined as a study of how individuals select, purchase, or use products or services and how different experiences or ideas satisfy the consumer's needs and wants. Solomon (2012) states that customer satisfaction is the overall measurement of customers' experience after purchasing products or utilizing services.

Several factors in the background that play a significant role in bringing the customer to its final decision. We can define it as a process that involves an individual or groups that select or use products, services, ideas, or experiences to satisfy their needs or wants. Marketing efforts, therefore, are a big key player in the consumer's consumption of products/services, ideas, and activities. How a consumer determines which products to buy is extremely important for marketers. According to Schofield (2020), many organizations give high importance to understanding consumer behavior and the set of decisions of what they buy, why they buy it, when do they buy it, and how much and how often do, they buy. Organizations focus on the needs and want, the latest trends, and potential opportunities in the market. Marketers must know how their consumers react to different products, price changes, advertisement patterns to hold their competitive advantage.

As mentioned previously, there are several factors in the background that make a consumer behave in a precise manner. Such factors affect the consumer knowingly or unknowingly; that may be within or beyond the buyer's reach. In order to perceive a better understanding, Schofield (2020) identified three key factors influencing consumer buying behavior: psychological, personal and social.

Khaniwale (2015) states that psychological factors are referred to as different perspectives, motivations, learnings, beliefs and attitudes of consumers as an individual. It describes their views and perceptions towards needs, wants and desires. This perception affects the consumer attitude towards, for example, advertising, products or services.

The value of an advertisement, product or service for any individual depends on how they perceive it, what the consumer believes about it, the motivation behind the purchase, and

attitudes towards the product. Therefore, it is necessary that companies bear in mind that they are providing the right marketing campaign, product or service for the suitable audience. Creating a negative feeling influences the human's perception as also buying behavior.

The personal factor plays a significant role in consumer buying behavior. Variables such as age, occupation, financial status, unique habits, interests, lifestyle, and opinions influence the decision that the consumer makes. For example, consumer behavior is profoundly different between young boys and older men; their needs and desires are different, as also the elements of the product.

Social factors also impact consumer buying behavior. The factor includes variables such as reference groups, role, status, and family. Social criteria concern the impact that the purchase makes on the personal relationship with other people and impact the social norms of a consumer. Marketing activities can influence these social factors marketing activities and the consumers' reaction; for example, when organizations decide to use a celebrity to represent them, the results can come out to be positive and make an impact or not work at all depending on if they relate to the right target audience. Therefore, studying the social factors of their audience will help improve the marketing effectiveness of firms.

3. Hypotheses and research model

The problem being investigated in this study is comprised of the relationship between online advertising through different digital marketing channels and the consumer buying behavior in Bosnia and Herzegovina. The research hypotheses are the following:

H1: Online advertisement through email marketing has a positive and significant influence on consumer buying behavior in Bosnia and Herzegovina;

H2: Online advertisement through mobile phone marketing has a positive and significant influence on consumer buying behavior in Bosnia and Herzegovina;

H3: Online advertisement through social media marketing has a positive and significant influence on consumer buying behavior in Bosnia and Herzegovina.

We have presented our research model based on the literature review in the figure below.

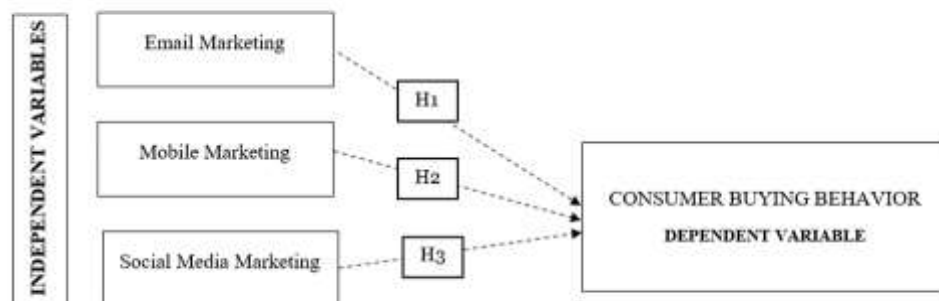


Figure 1. Proposed research model

4. Methodology

This part of the research proposal will explain the data collection activities, variables included in the study and the research methods that will be used in this study to examine the relationship between firm-specific determinants and profitability.

4.1 *Research design and measurement instrument*

Quantitative research is a study that involves the use and analysis of numerical data using statistical techniques. They pose many questions related to who, what, when, where, how much, and how many (Iftikhar & Khan, 2017). This study is descriptive research. It will give us a clear picture of the effectiveness and consumer behavior of online advertising through different digital marketing channels as compared to the traditional form of advertising. For this research, a quantitative approach will be adopted, and data will be collected through a structured questionnaire. Data will be collected from both primary and secondary sources. Primary data will be collected based on the structured questionnaire from consumers who are active users of digital communication technologies, as secondary sources will be collected from different sources like journals, books, dissertations, and will be cited in the research study.

4.2 *Population and sample*

The target population is the entire number group of individuals from which the sample may be drawn. A sample is a group of participants that take part in the investigation (Balnaves & Caputi, 2001). For this research, the selected population will involve consumers that understand the digital world. As the sample size of this research will include consumers that are active users of digital communication technologies.

4.3 *Data analysis*

For the purpose of this research, Statistical Package for the Social Sciences SPSS 20.0 software will be used to analyze survey data and provide the results in numerical percentages. In SPSS analysis tests such as descriptive statistics, correlation analysis, and regression analysis will be used to present results and conclude findings.

5. Conclusion

Digital advertising is rapidly increasing worldwide. Traditional advertising used to be the dominant medium for reaching consumers, but now digitalization and the internet changes mediums to reach consumers effectively. Digital advertisements are one of the primary tools for spreading various information and keeping consumers informed about new products, services, and campaigns. With the help of different digital marketing channels, advertisers can reach consumers at any time and any location with different content. Consumers' behavior and attitudes are essential indicators of advertising effectiveness.

This study aims to evaluate how consumers in Bosnia and Herzegovina respond to advertisements through different digital marketing channels. Can we consider digital marketing channels to be as effective as traditional advertising? As the sample size of this research will involve consumers that are active users of digital communication technologies. Data will be collected from secondary sources and through the means of a questionnaire and analyzed through SPSS software.

This study will bring finding that are beneficial to several key groups. The first key group is marketers. They can examine the effectiveness of digital marketing channels from the analysis of the results of this study and incorporate the channels in their marketing strategies. Advertising agencies can perceive a better understanding of different digital marketing channels and include in their advertisements to facilitate their consumers in a better way. The research will help serve many professionals in making effective and clear decisions how to impact the consumer buying behavior via an online channel.

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