

# THE INFLUENCE OF INTERNET MARKETING ON CONSUMER BUYING BEHAVIOUR (GEORGIA'S EXAMPLE)

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## **Abstract**

The paper shows that the increase of internet users is characterized in high rates in the world and in Georgia as well and it leads the changes in consumer buying behaviour. I have made a research to study how buying behaviour is connected to internet marketing. In the research, it is identified the main tendencies of getting involved in the internet space. It is studied how internet advertising can impacts the buying behaviour. What factors make consumers change their attitude and move from shops to online tools? Also, the research focuses on the connection between buying frequencies and consumer behaviour. In the paper, it is evaluated the level of internet marketing development in Georgia. There are some recommendations for companies on how to improve the internet marketing level and there are some advantages shown after following these recommendations. Finally, the results show the correlation between internet marketing and consumer behaviour.

*Keywords: Internet Marketing, Marketing Research, Online consumer Behaviour, Georgia's Market*

## **1 INTRODUCTION**

The invention of the Internet is considered as the beginning of the information age and the greatest achievement in the history of mankind. It has changed both: communication and business. In business, the Internet has become an interactive channel of interconnection that drives sales online. One of the advantages of internet is that it enables businesses to reach a worldwide customer population so that customers can survey, select, and purchase products and services from businesses around the world (Al Kailani & Kumar, 2011). Social media, as a part of internet marketing, especially social networking sites, provide a virtual space for people to communicate through the Internet, which also might be an important agent of consumer socialization. On the other side customers are central part of all marketing activities. Success and in turn profit is not unthinkable without customers (Dilham, Sofiyah & Muda, 2018). Companies invest millions of dollars to attract consumers and make them loyal to their products or services and creating loyal customers is at the heart of every business (Kotler & Keller, 2016). Nowadays people changed their attitude to shopping and previous markets are partly changed by online platforms. People have different desires and companies should follow them. That's why they are trying to create some online platforms for internet shopping. I tried to connect these two topics to each other: Internet marketing and consumer behaviour. In Georgia there are no researches in this field so I decided to make small research to study the correlation between them.

## **2 THEORETICAL FRAMING**

Electronic and Internet technology have become an integral part of our lives. The digital age offers marketers new exciting ways to get to know consumers and create products and services relevant to their needs. It helps marketers in communicating with a broad range of users as well as establishing individual communication. The rapid development of this new field has given

rise to a new marketing direction - Internet marketing, which involves buying and selling information, services and goods using the Internet.

Internet marketing is recognized as an integral business function and a key that drives a business towards. Internet Marketing is the process of building and maintaining customer relationships through online activities (Heinze, et al., 2017).

It is mentioned that Digital marketing is often referred to as internet marketing, online marketing, or web marketing. The term digital marketing and its impact on people's life increase on the same day by day. Digital marketing is one of the most convenient and effective way of marketing these days and with the development of technology, its technique and scope are also developing (Atshaya & Rungta, 2016).

Some authors informed that another type of marketing orientation that has emerged since the advancement in technology is internet marketing orientation. Regardless of any situations, people often carry their technology devices with them. When they are alone or during their leisure time, people often use laptop or mobile phone in order for them to stay away from boredom (Wen Shien & Yazdanifard, 2014).

The internet has transformed marketing today and that means new possibilities, advantages and peculiarities. Nowadays the concept of internet marketing has expanded and includes more opportunities to stay close to the consumer. In fact, internet marketing solves the same tasks as marketing; it simply uses the advantages and tools that the internet provides. No matter the size of the business, using the Internet in all cases is promising and advantageous (Bhatia, 2017).

Consumer buying behaviour is defined as the mental, emotional and physical activities that people engage when selecting, purchasing using and disposing of products and services in order to satisfy need and desires (Schiffman & Wisenblit, 2019). According to these authors, consumer behaviour is affected by many factors, such as income level, price, elasticity, substitute goods. But in modern theories they also focus on advertising as a part of internet marketing activity.

In January 2019, global media agent "We Are Social" has published reports that more than four billion people (4.388) use the Internet worldwide. Comparing to the last year it means 367 million users more, 9.1 percent growth. Despite the fact, there are few internet users in central Africa and middle Asia the tendency of growth can be seen. Clearly, people are exposing themselves to more and more digital and social media. This is for many purposes, including in their roles as consumers and also to communicate with others (Global Digital Report 2019, 2019).

According to the Georgian National Communications Commission, more than half a million people (645 104) could use the internet, comparing to the last year it means 81 738 more users. There are five main companies that share all those clients. Since 2010 the increase is half a million and regarding mobile internet, the increase is almost two million. All those numbers have changed the value of costumers for the businesses and it means more enrolment in internet marketing. Because of these factors, companies try to collect more information about their customers, so that's why the study of customer behaviour is so important (Sivasankaran, 2017). Market and consumer behaviour separately research is also being conducted in Georgia. Characteristics of user behaviour are studied. These studies are mainly focused on costumers' attitude on different brands. Studies on the behaviour of Georgian consumers towards internet marketing are quite scarce, which requires proper processing. I conducted marketing research aimed at the consumers of Georgian internet market identifying behavioural features and identifying key factors affecting them (Georgian National Communications Commission, 2018).

### **3 THE METHODOLOGY OF THE RESEARCH**

For collecting primary data online survey was used. Five-level Likert scale was used as an approach to scaling responses in the survey and regarding sampling techniques the non-probability technique was applied. I choose quota sampling as the sample could be controlled for certain characteristics. The sample size was chosen according to the table of (Gill & Johnson, 2010). The confidence level was 95%, margin of error 5, variance of the population 50%, population size 500 000, so according to the table (Gill & Johnson, 2010) the sample size was conducted – 384. The respondents were mostly from 18-45 years old, employed with average income level as they are able to use online shopping service, located in the capital, as their accessibility to internet and online shopping was high. Those were the main criteria for how these respondents were selected.

### **4 THE RESULTS OF THE RESEARCH**

The research has shown that there is an equal interest in internet shopping between men and women. There were participants from all age groups in this survey but the leading group was 18-25 (54.96%), then 26-35 with 31.25% and the last one was 35-45 group with 13.79%. the percentages show how are they involved in online shopping.

In order for the respondents to gradually become aware of the issues, the first phase of the survey mainly focused on engaging the user on the Internet. The survey found that the majority (83.33%) of respondents are active users of the internet, and most of them spend more than 3 hours a day on the internet. More specifically: 28.38% of respondents spend 3-4 hours a day, 26.56% spend 5-7 hours and 23.95% more than 7 hours. There are just 21.11% of respondents who spend less than 3 hours on the internet a day. These results allow us to analyse how important is the internet in Georgians life. For the majority of the population, information seeking is the priority (44.27%), the second place is occupied by social networks by 41.92% and professional needs 13.81%.

On the next stage respondent's attitudes toward internet marketing were revealed, in fact, their experiences and memories that are connected to online shopping. It was found that 21.11% of respondents use online shopping even though the same good or service is available at the company's offices, 31.77% prefers to buy the product or service at a place where these are offered to people, but sometimes they still use the internet shopping, there is just 22.13% of respondents who never use online shopping and they don't trust these kinds of sales and 25% feel discomfort while using online shopping but sometimes they still use it.

Regarding the change in the consumer behaviour of the respondents, 33% of the respondents think that the using of the internet has allowed them to save a lot of time and energy, which in turn has saved them money. The buying process has been streamlined. 39% of respondents think that when comparing competing products, they could find more information about it so they feel more informed, obviously, this does not mean that they will make a purchase online. For 21% internet didn't impact their behaviour, and there was just 7% who had a negative experience with online shopping. This research proofs that customers are ready to make online purchases again if the previous experience was positive, they are totally ready to apply for the same companies.

In the research process, it was really interesting what factors influenced consumers while making their decisions, most of the respondents (37%) mentioned that information is the most important thing for them, that means when making a decision it is important for them to have the accurate and relevant information. Most of the respondents complained that Georgian companies do not provide proper information about their product. That was an explanation why

there is such a low level of trust to them. The respondents also reported availability (32%) and simplicity (31%).

This marketing research shows that 51.5% of respondents have a positive attitude towards internet advertising. According to the research, the main reason for their positive attitude is that they receive information through internet advertising about news and products. 27.34% of respondents have a neutral attitude towards internet advertising and 21.35% have a negative attitude. The main reason for the negative attitude as the majority of the respondents stresses that advertising prevents them from watching or listening to movies, news, programs and others. 62.5% of respondents said that online advertising influenced their decision to buy. However, it is interesting to note that the level of exposure to Internet advertising is higher among employed people. Respondents who are not influenced by internet advertising (37.5%) say that they do not trust the information posted on the internet at all.

Consumer attitude towards Georgian and foreign internet companies is very important. It was found that the majority of users (55%) use both Georgian and foreign websites. Only 35% of respondents trust foreign websites, and only 10% trust Georgian websites, which is a low indicator of trust in local companies. 27% of respondents think that internet marketing is well-developed in Georgia, 18% don't have the information about that and 13% think that internet marketing is not developed at all in Georgia. 42% of respondents think that internet marketing in Georgia is still in the developing process. According to this question, we can also understand the attitude of consumers to activities that companies do, that all means the companies employed on Georgian market still have pretty much development potential.

It seems that marketing campaigns carried out by Georgian companies are distrusting consumers. Therefore, it is interesting to determine the extent to which their actions need to be improved when it comes to online marketing activities. 21% of respondents believe that companies should offer more intense offers to consumers, which means expanding online shopping and advertising channels and therefore offering more comfort to the target audience. 38% of respondents think that companies should make higher-quality offers, while 35% think that when using a particular product, the Internet should be more convenient for consumers. Only 6% of the respondents do not think that Georgian companies need any improvement in this direction.

The survey also dealt with identifying sources of information on internet marketing. I was interested in what tools consumers use to get information about their desired goods or services. Majority of respondents (57%) mainly are informed by the Internet, as well as by the television (21%) and radio (11%). The share of magazines (5%), banners (4%) and other media (2%) is quite low. When choosing the right company, most of the respondents (34%) are influenced by relatives and friends as well as past experience (29%) and advertising (17%). 20% of respondents are not aware of the influence of information sources.

It was quite interesting to see how online purchasing of goods and services cause associations with consumers. 28% of respondents think that they are informed in the shortest time, which makes it easier for them to make a decision. 25% think the Internet is undoubtedly useful, but it can only help with certain goods and services purchases. According to 24% of consumers, the information received on the Internet is more tempting and exaggerated than the actual one, which points to wrong marketing calculations by companies. Clearly, selling your own products is a prerogative of any organization, however, this should not be at the expense of misleading and deceiving customers. Advertisements on the website must match their actual characteristics. It should be noted that 23% of respondents do not pay any attention to this kind of information.

In assessing the quality of internet marketing activities conducted by Georgian companies, 41% of respondents said it was average and 33% indicated it was low. Only 9% of respondents consider the level of internet marketing in Georgia to be high quality, and 17% find it difficult to answer. However, consumers are ready to give up on online shopping if the goods or services do not meet their expectations.

Research shows that consumers prefer foreign sites when purchasing products, while services are mainly provided by Georgian sites. All of this points to the relatively high development of internet marketing in Georgian companies employed in the field of services, but it is also noteworthy that Georgian companies' quality of internet marketing is lower than average according to the respondents.

## 5 CONCLUSION

This marketing research shows that Georgian consumers consume electronics tools in their daily lives. It is also obvious that the level of internet marketing is still very low in the country and although majority of population have access to internet there are still some people without it. The results show that the most important factor that can change consumer behaviour is information. This is the reason for low level of trust to Georgian companies as the respondents mention the information provided by Georgian companies is wrong in most cases. So here comes the number one task for them. According to the results, if Georgian companies provide correct information about their product they can increase internet sales. These are the results that should become a factor for more active internet marketing activities for companies employed in the Georgian market. According to the research, the user is dependent on the internet when trying to find any information. However, consumers are not completely positive about online shopping, so they express mistrust towards companies, but the majority mentions that online advertising made them buy product. This is also one of the problems in Georgia. Georgian companies should provide proper online advertising that will also help them to increase their income level. Namely, some respondents prefer to buy the desired goods or services at a store, while others see some risks in the process of online shopping, but they still apply it. Providing more information about the products they want will increase their trust in companies.

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