

## **The importance of Information Systems and digital marketing in finding suitable clients in Microfinance Institutions**

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### **Abstract**

This paper is specific to an issue, because a lot of research has been done on digital marketing, but not on the importance it has in finding individual borrowers as well as small and medium-sized businesses, adequate to be clients of microfinance institutions in Kosovo.

The aim is to highlight the tremendous importance that different ways of using media and digital marketing have in this regard.

Technology is evolving at a rapid pace, and businesses are trying to take advantage of this development to keep up with the times and one step ahead of the competition.

Humans are social creatures, evolution is evidence of this, so social networks have made perfect use of our need to communicate with one another, and have easily deported each individual.

Given that the vast majority of the population uses at least one social network, the probability of seeing promotions and ads is significantly higher than placing an ad on a website dedicated to Marketing, or even using the traditional form of Marketing.

Digital marketing using these networks enables the finding of a greater potential buyers, and can be considered as a key factor in determining the success of the business.

**Keywords:** Digital Marketing, ICT, Social Media, Control, Microfinance digitalization.

### **1. Digital marketing in microfinance institutions of Kosovo**

In a market economy, the use of digital marketing and online platforms are an important part of the business success of the company. The European Commission wants to ensure that the platforms operate online. The European Commission's policy aims to support a credible, legitimate and innovation-oriented ecosystem around online platforms in the EU. To this end, the Communication of the Commission for Online Platforms, published on 25 May 2016, identified the main areas where further attention is needed. The guiding policy principles pursued by the Commission are:

- A level playing field for comparable digital services;
- Ensuring that online platforms behave responsibly to protect core values;

- Promoting trust, transparency and ensuring justice;

Online platforms share key features including the use of information and communication technologies to facilitate interactions including trading transactions, the collection and use of data related to these interactions and the network effects that make the use of the platforms most users. valid for other users. Online platforms cover a wide range of activities, including online advertising platforms, markets, search engines, social media and content creation platforms, application delivery platforms, communication services, payment systems and platforms for the collaborative economy.

Online platforms are powerful drivers of digital marketing and innovation and play an important role in the society and economy of European countries. They increase consumer choice, improve efficiency and competitiveness. According to the research we have done in this paper, the Online Platforms with Digital Marketing that operate within the websites of Kosovar microfinance institutions are: Finca, AFK, KEP Trust, KRK and KosInvest.

## **2. Digital Marketing Trends**

The digital marketing trend is developing with an extraordinary dynamics and every day it is becoming more and more attractive for our country. Everyone talks about the experience in buying different products online. In other words, it has become part of the lifestyle.

To prove this, we have selected some Digital Marketing statistics in the United States of America (USA), considering that new trends are usually developmental in this country, and then reflected and impacted across the globe:

- 54% of Americans prefer online shopping based on the influence of Digital Marketing;
- 69% of them are of average age 35-55 years;
- 58% of middle-aged people in the US, influenced by Digital Marketing, prefer to shop online rather than physically;

The average age (30-55 years old) spends six hours a week shopping online because they have seen something through Day marketing organized with digital tools. In the same analysis it was found that people over the age of 60 spend four hours a week shopping online, while young people spend 2.5 hours a week shopping online; Nearly half of online shoppers (49 percent) stated that they could not live without Marketing and shopping of this kind.

Providing digital Marketing by a Financial Institution has never been easier than it is now:

- It is decided what will be the object of Marketing;
- A platform for digital Marketing is selected, which will become part of the Website of the Institution;
- Order or buy the digital Marketing platform selected for the topic of microfinance, with a design suitable for customers who need financing and that fewer adaptations we will personalize to look unique;
- Starts to build the offer for the customer by introducing financial products with attractive description for the needs of the customer;

- Creates the connection for online chat with real-time answers for the client;
- We make deals by express mail for the delivery of Marketing offers ;;
- Advertise financial services products and offers - focus on online media and social networks;
- Frequent maintenance of the website;

Although it is easy to build an online Digital Marketing opportunity, maintaining and setting up an online business is hard work - even for the most reputable digital Marketing experts.

Microfinance institutions need to capitalize on communication channels with customers. The secret to digital marketing success is not just to set up financial products, but to expect how sales are going. To be successful in digital marketing, I value strategic engagement, to target customers - both online and offline.

The number of customers will increase along with their demands. Not only sound education but his alertness and dedication too are most required. Also important are the expectations about the service in relation to the customer, which we have to give all the time - before, during and after the order.

If we want to build a Digital Marketing, we must follow the global trends and consider their implementation and adaptation in Kosovo to the local market, in the best and fastest way possible.

### **3. Connecting client with the IMF through Digital Marketing**

Digital marketing consists of two main functions: to connect buyers with sellers and to facilitate their communications in goods or services transactions. In addition, the opportunity is offered to do Marketing directly with customers or suppliers without having to open a representative office or to hire an agent abroad.

Regarding Digital Marketing in some Big Banks their experiences have shown that the flow of information in the supply chain of customers is faster by allowing them to promote and directly advertise the offer of the financial product through the website without passed through any mediator.

Customer relations are considered an important part of Marketing, as by creating a strong relationship with online customers, companies show a deep understanding of their values, which will lead to a stronger link between the MFI and the consumer. Given the central importance and growth that this channel has had, the authors of the paper thought that it is more valuable to measure the quality of services provided which have attracted the MFI client through Digital Marketing. Understanding customer behavior patterns, according to the growth and expansion rate that the online channel is going through, is essential to establishing a healthy relationship between the financial institution and the client over the long term. (Beqiri, 2002)

#### **3.1. Creating online customer satisfaction surveys**

Through online surveys can it be understood what consumers are saying about us? Want to improve customer loyalty? To attract customers' attention with our services. Similarly in a competitive market, it is important to know exactly what our customers think.

Online customer satisfaction surveys provide the feedback we need to keep our customers happy.

How to collect feedback from customers?

- Send as many polls as possible.
- Quick answers
- Easily create and submit professional surveys.
- Get reliable and fast results.
- Approach questions and descriptive models approved by our survey scientists.
- Real-time results
- Check the results on the go from any device.
- Trends of the place to enter as data
- Fresh ideas Surveys give us more than just answers
- Get new feedback and perspectives. (Group of Aut, 2020)

#### **4. Customer satisfaction attracted by Digital Marketing with microfinance services**

Data collection and analysis of the obtained results was done based on the current situation in some microfinance institutions in Kosovo. The questionnaire was made with 100 citizens of Kosovo regarding MFIs: KEP Trust, Finca, AFK, KosInvest and KRK ..

These MFIs are mentioned during the pandemic how they acted with positive financial performance thanks to Digital Marketing and their electronic platforms. The questions that were formulated were mainly addressed to the managers and consumers of MFI financial products.

The study is an important part of the research seeing that the interest is continuous for Digital Marketing in western countries but now also in Kosovo where many Digital Marketing companies operate.

For the realization of this study, a questionnaire with 10 questions was drafted and answers from 100 respondents were collected from the clients of some MFIs operating in Kosovo.

In the success of Digital Marketing so far it has been considered to be customer attraction for MFI financial products and quality of online service. From this we understand that local companies are faced with competition from giant companies either abroad or for the local market. During the literature review it has been proven that building a loyal customer base is essential to achieving success in the medium or long term, whether for local or international companies. The correlation between the quality of services, loyalty to the firm that the customer has and the access of customers to online services that day by day marks an increase in social networks especially in times of pandemic where everything has been followed in social networks and economic development has affected in online sales in this period where the economy has been declining and the trade that online creates the structural basis of this paper has caused a great commotion.

For the question related to the topic of this research in the paper, among other things, the question was asked about the satisfaction of MFI clients with the service and financial products they offer.

The table produced by the answers of our respondents provides the following data for the relevant questions:

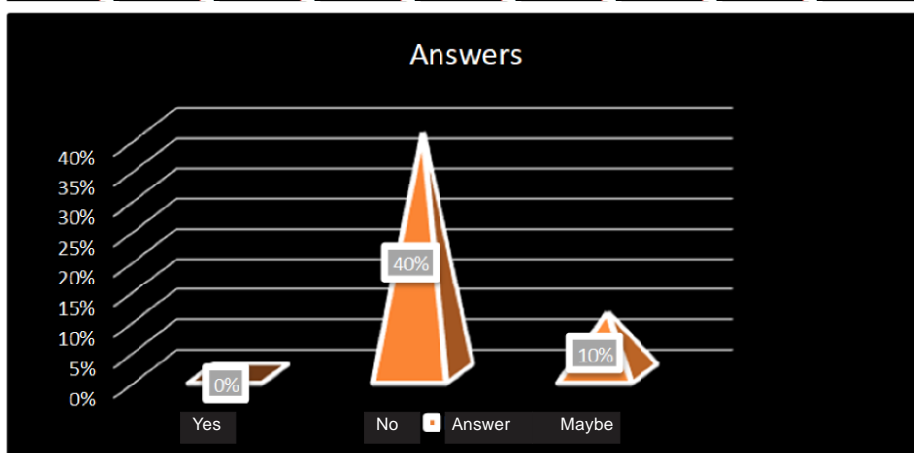
*Table 1. Have you ever had a customer dissatisfied with a loan or financial product made to you and complained about them?*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Jo	40	80.0	80.0	80.0
	Ndoshta	10	20.0	20.0	100.0
	Total	50	100.0	100.0	

*Source: Authors' calculations - SPSS*

In the given question options we see that we have 40% in the No answer, while maybe 10%. The reports are presented based on the graph which are in the structure of the respondents by the respondents.

*Graph no. 1. Have you ever had a customer dissatisfied with a loan or financial product made to you and complained about them?*



*Authors' calculations*

## 5. The role of Digital Marketing during Pandemic in Kosovo MFI-s

Based on the research we have done we can conclude that Digital Marketing is an inseparable phenomenon. from U.S. It is also a growing trend and helps consumers

have less waste of time and money and at the same time online shopping is as transparent as they are displayed on online sites. The competition between physical sales and online sales is a competition that is deepening day by day. Global statistics are showing how online sales are revolutionizing the market, shortening time and offering tremendous opportunities. Meanwhile the local market and sales are subject to the internet in a progressive way. The widespread use of the internet and the rise of technology have created a new market for both customers and businesses. The internet is another medium to get in touch with people who are interested in shopping. Online shopping is an important channel to find potential customers, as well as to maintain relationships with customers that are regular. The idea of online shopping can lead the consumer in a convenient way to pursue online sales. Consumers will be able to save time choosing the product, and pull all the information in less clicks in minutes. Buying can be done anywhere, anytime according to their preferences. Companies that operate online are mostly private. According to research in the Peja region, these companies have slowed development, but during the pandemic there was an increase in online sales. Based on the results of the study we conclude that in addition to their development an important component is advertising, and the consumer. We can say that the key to success for any company is good advertising of products to attract the attention of every customer. Through the answers to the questionnaires from the consumers, our country needs the establishment of new entrepreneurs for this business to have growth and this study to be an example for future generations. The purpose of this study was to assess the credibility of citizens during online shopping: Who provides the most appropriate health care and how much have been supplied with equipment that was needed during this pandemic time. The new corona virus, Covid-19, is a global challenge which requires individual responsibility for action. Every citizen, individually, as well as businesses, institutions and organizations, can take action to better protect themselves from the virus and be prepared for unpredictable situations. Predictions and estimates are already available that Covid-19 was causing a major shock in the economies of many countries, but also for the global economy. The coronavirus pandemic has rocked financial markets, especially emerging markets and emerging economies which are suffering from outflows to safer countries. The rapid spread of the coronavirus pandemic in the world has caused global capital markets to sink, while a large group of companies to lower earnings estimates due to falling demand as well as supply chain disruptions. The impact would be more severe for small and medium-sized enterprises, which currently have minimal access to credit. Finally, as a result of growing financial ties in the region, financial or banking stress in one economy can have serious consequences in other countries in the region as well. However, doing so has disrupted the flow of goods and people, stalled economies and is in the process of delivering a global recession. Economic infection is now spreading as fast as the disease itself. (E drejta bankare, bankat dhe e-banking, 2017)

## **6. Conclusion**

Effective targeting of customers, who are willing to borrow through any offer of microfinance institution products - however - requires data and statistics from current customers. Small and medium-sized businesses have little space and fewer resources.

To conduct high-level research and obtain information from the entire industry on who borrows, how much to borrow, where to borrow, then age, gender, interests, when it needs to borrow money, etc. These are costly researches that we get in time. Data analysis should be done, of why they are converted into lending and which plan channels should be used to optimize the return on investment.

Mobile users have far surpassed PC users, so we need to pay special attention to the development of a dedicated platform for consumers coming from smartphone users. Earlier, the Desktop version was adapted for the mobile version, and now we have to dedicate a special mobile version so that the effect of Digital Marketing is bigger, simpler, more attractive, and to maintain customer engagement, because, 90% of time - according to statistics - people spend on mobile devices with the average browsing up to 150 times a day of various Internet sites. With this commitment to smart devices one can imagine what can be done in Digital Marketing targeting mobile device users.

When it comes to marketing, we need to focus on online channels, online portals and social networks - because of the ability to target customers by gender, age, interests, habits, etc. Sooner or later it is inevitable that most of Kosovo's microfinance institutions will be present with their financial products and services online, doing their Marketing or joining a large platform with their inclusions within them..

### **6.1. Recommendation**

From the research we see that Digital Marketing is a growing trend and very efficient and effective. The recommendations that emerge are:

- The financial services and goods that are ordered online must be of good quality so that the consumer is not disappointed and does not lose the clientele as a company.
- It is recommended that during the pandemic there be no price fluctuations so as not to create harm to the consumer and panic.
- It is recommended not to increase unemployment during the pandemic in such a way as to reduce the number of employees.
- To show interest for the younger generations so that this branch has the greatest development in our country.
- Attract a lot of people to join social networks.
- Each customer to be informed about the products by the company.
- To use more internet and visit more online sites, to inform consumers about any uncertainty about online services.
- Make offers to consumers at affordable prices, usually prices play an important role in selecting the most discounted items.

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