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Radenović Kozić Biljana, University of Business Studies, Banjaluka, Bosnia and Herzegovina,
biljanarkozic@gmail.com

INFLUENCE OF MACRO MARKETING ENVIRONMENT FACTORS ON CHANGES IN MARKETING STRATEGIES

Summary: *The study of consumer behaviour has always been the focus of marketing strategies. If we take into account that the consumer is the starting point and outcome of marketing, that money is with the consumer and that the golden rule in marketing is to follow the flow of money, then this approach is completely understandable when creating marketing strategies. The theory of consumer behaviour speaks of two groups of factors influencing consumer behaviour, personal and external factors. In this paper, the focus is on the direct action of external factors in situations of market disturbances or crises, which result in changes in consumer behaviour, and then on marketing strategies. More precisely, the aim of the research is to see whether changes in the factors of the macro marketing environment have the same consequences on consumers as they do on marketers and whether they cause changes in marketing strategies.*

Key words: *marketing environment, consumer behaviour, consumption, marketing in times of global crisis*

JEL classification: *M, M3, M31*

INTRODUCTION

The time we have been living in for the past three years has brought more challenges to the economy than it did in the past twenty years before the corona virus pandemic. The corona virus pandemic, and now the Russian-Ukrainian war, have affected all aspects of the economy, and thus the marketing philosophy, as the leading way of thinking in business management. The layered influences of these events are impossible to see in general, and in the context of this paper we will try to analyse from the perspective of the macro marketing environment. Connecting the theoretical aspect of the impact of the marketing environment on the business of the company with the influences that occurred in practice due to the already mentioned events, the goal is to try to see whether and to what extent the changes in the macro-environment influenced the consumer behaviour and whether they have indirectly influenced the change in personal factors. Thus, the role of macro marketing environment factors is tried to be approached studiously by placing them in the context of not only changes in consumer behaviour, but also changes in marketing strategies.

1. THE IMPACT OF THE MACRO ENVIRONMENT ON MARKETING

Starting from the theory of marketing, it is clear that the elements of the macro environment include: political, legal, economic, demographic, cultural and technological environment. The impact of these factors on company marketing is huge. Companies, for the most part, cannot

influence the macro environment. The strategy they apply to this environment is an adaptation strategy. However, the company has a great influence on the meso and micro environment, i.e. to competition and the public, that is to suppliers, distributors and consumers. Through the impact on these two environments and following the macro environment, companies mitigate the impact of the macro environment and influence consumer behaviour. This is the case in a time of stable market. However, what is happening in case of the crises that reflect all aspects of life, thus also on the marketing of companies?

The pandemic, the state of health care and the concern for the future have brought changes in everyday shopping and even lifestyle. The war came to this state. There is more and more talk of food shortages. Food and energy are becoming more expensive. The reasoning presented in this paper is actually based on the fact that extraordinary circumstances, which came from the macro-environment, have affected changes in company marketing on the one hand and consumer behaviour on the other and that some of these changes resulting as the influence of situational factors are to be retained in the long run when it comes to consumption and consumer habits (Hongwei and Lloyd 2020, 178).

During the pandemic, people locked in their homes, more than ever before, turned to new forms of shopping. The reasons on the one hand lie in the fact that consumers did not go shopping because they feared for their health even in the moments when the shops were open. On the other hand, marketers in the new situation, which they had to turn into their opportunity to survive, exposed consumers to new forms of shopping more than ever before (Manaf 2021, 54). It is clear from this that the above changes in the macro marketing environment very quickly began to be used as their market opportunity. Of course, these changes occurred in all elements of the macro environment, but in addition to those related to the health sector, they were perhaps the largest in the segment of technical and technological environment. The expansion of IT services in the form of communication, information, sales, learning, doing business, holding *online* meetings reflected on all other elements of the macro-environment, but also meso and microenvironment and thus caused permanent changes in consumer behaviour and thus conditioned new marketing strategies. The reflection of the expansion of the IT sector has affected the changes in the economic environment through new forms of trade and everything that accompanies it, has affected the political and legal environment because it was necessary to find legal frames for changes in the market. The impact on the cultural and demographic environment was also huge because in terms of the general climate, information sharing and human behaviour, the world has become more uniform than ever, which in turn has affected consumption behaviour. All this had an impact on the competition, which also adapted to the new situation, and the media, which rapidly turned to new channels of communication, focusing on current topics and thus exerting an incredible impact on consumers. Suppliers and distributors have changed equally, struggling to find the products needed by the demand market and to distribute them in the most efficient and fastest way. Thus, the macro-environment brought changes in the media, competition, suppliers and distributors, and all together influenced changes in even personal factors of consumers, which speaks of the stratification of these influences. Forgotten and until the crisis controlled needs awakened among consumers, new motives for buying appeared, there were changes in established attitudes, they learned about products in new ways, and all together it reflected on the personality of consumers.

2. CHANGES IN CONSUMER BEHAVIOR IN BIH

Consumers in Bosnia and Herzegovina, but also in the countries of the region (Croatia, Serbia) had the same opportunity to use *online* trading, *online* payments, as well as consumers in Western European countries before the pandemic. However, they did not use these advantages, because there was a habit of consumers in BiH to visit physical stores to check all the characteristics of the product before buying, and when it comes to clothing, "it is obligatory to try clothing on". The

trend in society is that people often buy out of a desire to prove themselves to others, and to be noticed in a certain branded store, especially very expensive stores. The situation is very similar with consumers in the region, and the moments spent in shopping act as an anti-stress moment. The reasons for the classical approach to consumption may be sought in the habits we have been carrying since the time of the socialist, planned economy in which Bosnia and Herzegovina was, but also the countries in the region. Consumers in such an economy did not have a significant choice when buying. The presence of competition was very low, so that consumers from certain categories of consumer goods at a certain point had a very narrow choice. It is important to emphasize that such a system has produced certain generations, which are accustomed to the conditions of a limited market. Contrary to the planned, it is a market economy in which all changes happen quickly, so the transition of Bosnia and Herzegovina to a market economy, with high competition, led to consumers being confused for many years by the wide choice in the market, until they got used to such a change. At that time, consumers around the world were already largely embracing new market trends. When it comes to consumer habits in Western European countries, it can be mentioned that great changes took place after the recession of 2008, after which online shopping increased, which is confirmed by the fact that 60% of female consumers recognized the simplicity of online shopping (Wells et al. 2011, 41). In the US, research has shown that e-commerce profits increased to \$ 521 billion from 2007 to 2012 (Kuah and Wang 2016, 7).

From today's point of view, we are witnessing the expansive development of online trading as a result of high technology development, but also the circumstances that have been created without the direct influence of the company. So, they are created in the environment. Thus, consumers in the most significant percentage accepted new forms of trade due to the COVID-19 pandemic, due to limited movement and conditional measures to prevent the spread of the virus. Looking at the data from the Interbrand website, it can be seen that in 2021, the five most valuable brands in the world are from the IT sector, of which Amazon is in second place with a growth of 24 percent, which confirms the incredible jump in e-commerce. The other four brands (Apple, Microsoft, Google and Samsung) achieved growth of more than 20 percent, which confirms that consumers did not turn only to e-commerce, but there was an overall expansion of the IT sector in the segment of consumption and changes in consumer behaviour.

The corona virus pandemic has changed the habits of consumers around the world in a very short time. Since it is a virus for which science does not have too much information about how it develops in the organism, what prevents its development and further spread, what are the consequences, etc. health systems in many countries were on the verge of collapse. Therefore, the governments of many countries have introduced certain measures to ban the movement of the population in order to create quarantine, reduced socialization among people, and in places where people could buy basic foodstuffs, measures have been introduced for a limited number of people who can trade at the same time. In order to prevent the spread of the virus, it was mandatory to wear protective medical masks, gloves and use disinfectants when leaving the household and going anywhere else. Apart from shops selling food, medicine and basic foodstuffs, all other shops, gyms and restaurants were closed. As consumers around the world struggled with something completely new and unknown, with all the prescribed measures of the governments of many countries around the world, consumers found themselves in great uncertainty in the presence of a great deal of fear and panic. Everyday shopping, although kept to a minimum, necessarily included the purchase of medical protective masks, disinfectants and disposable gloves. Expansive demand for these products has led to a shortage of stock, so prices have risen dramatically. In Bosnia and Herzegovina, the price of a disposable protective mask ranged up to 4 KM, and a similar situation often occurred in other countries. In the circumstances of the uncertainty of the situation, over which there is no control, it was possible to try to do everything to make consumers at least to some extent feel like they have some control in their own hands. As the news of the corona virus spread even after it was officially declared an epidemic, consumers found a larger supply, i.e. an accumulation of stocks.

Given the new situation, consumers, however, very quickly began to get used to living in quarantine, with significant changes in daily habits. The increase in the use of online trading during the corona virus pandemic in the first three months in total led to an increase in online trading of up to 80% and an increase in online payments of up to 60%. From the stated data, it can be seen that almost 20% of orders via the Internet have retained the cash method of payment upon collection of the shipment. The increase in online trading and payments has occurred globally. However, in Western European countries, there has been a much smaller increase in the use of these two methods of buying and paying, because their consumers bought and paid online in significant numbers even before the epidemic, but there has been an increase. Therefore, these benefits of the progress of trade and payments in online form were accepted by the Western European and American consumer society much earlier in comparison to consumers in Bosnia and Herzegovina and the region. For example, the Croatian National Bank, following and using the market situation, issued a recommendation to all commercial banks to increase authentication with use of the PIN from HRK 100 to HRK 250. In this way, preventing the spread of the virus is further supported as less money is used and online payments are increased.

Due to the new situation, it was also noticed that consumers in Bosnia and Herzegovina and Serbia have increased the demand for the purchase of domestic products, local character and organic farming. This reaction can also be expected because consumers in these areas place a greater degree of trust in foodstuffs of domestic origin due to all the natural resources that abound in these areas. Turning to local products will be especially evident with the beginning of the Russian-Ukrainian war, from which it can be concluded that this trend will not pass quickly and that consumers turn to local production in times of crisis and security, which can be a significant opportunity for small producers.

An interesting change in consumer behaviour is also a change in the increase in demand for exercise equipment in one's own home. Due to epidemiological measures, gyms and sports centres are primarily closed. First of all, athletes, but also people who did not know how to spend time in their household, decided to purchase sports equipment and exercise equipment. Also, more and more people have started looking for space for recreation instead of gyms in nature, which can be an important signal for marketing strategies of those who do this business, because if these habits are maintained, gyms will have to find ways to keep consumers.

It should be noted that the corona crisis period also affected employment and labour market trends. In Serbia, research conducted by BBC Serbia showed that due to the epidemiological crisis, the three most popular occupations were, in the first place courier delivery in companies that provide express mail services, then information technology experts (IT sector), developers and other employees in IT sector, and in third place handymen and builders. All this suggests that the context of market changes is layered.

3. THE IMPACT OF GLOBAL APPLICATIONS AND GLOBAL MEDIA

In order to understand the changes in consumer behaviour in our country and potential marketing strategies, it is necessary to go back a bit to the period before the corona. The appearance of international companies on the market of Bosnia and Herzegovina marked the opening of the BiH economy to the global market, and thus domestic companies that became competitors to these international companies entered the market race. It is a well-known fact that international companies that do business around the world are in fact the bearers of globalization. Such companies plan their marketing strategies in detail and leave nothing to chance. They have the ability to adapt access to consumers through communication channels in order to create the widest possible audience.

Given that the BiH market is very small, when viewed from a global perspective, but also economically with weak or average purchasing power of consumers, as a participant in the global

market there are no conditions that would dictate a different approach of international companies. In any case, this space is welcome for international companies to have more market in their business, to earn extra money and to apply their standard business model in that market and possibly place products that are not the best and are not sold in other parts of the world.

In order for consumers in Bosnia and Herzegovina and the region not to remain attached to the old habits of limited consumption and domestic brands that do not offer any innovation or added value for consumers, international companies have found space to develop different thoughts in the minds of each individual consumer in global media. Their space with different strategies of communication with consumers, international companies have used in different ways, with the aim of easier access to their target group in the market (Hamari et al. 2015, 2049). In their communications, they usually send emotional or social messages. The aim is to encourage consumers to create a different, i.e. global consumer culture and to influence consumers to accept consumption outside the domestic environment (Alden et al. 2006, 232). International brands very often send a message of some meaning, with the aim of achieving global success, and thus influence the consumer to create attitudes about a particular brand, with less or no emphasis on product characteristics. The impact of marketing strategies of international companies is growing and responsible for expanding the global consumer climate. Global media, primarily the big TV companies that broadcast their content around the world, aim, in addition to marketing strategies of international, global companies that also finance these strategies, to build a global consumer culture without major regional variations (Habel et al 2020, 197). Of course, global companies will not deviate from this approach and have continued it during the pandemic and today, but it is important to point out that the crises of the past three years have brought more opportunities to our small companies than they were able to conceive by their marketing strategies. The situation that consumers have started to turn to domestic products is due to the desire to achieve a sense of security, due to the fact that at certain times they have no alternative, i.e. no product substitute has contributed to consumers trying domestic products. The task of companies now is to take advantage of these opportunities with their marketing strategies and to keep consumers in the long run.

4. CONSEQUENCES AND EFFECTS OF CHANGES ON DOMESTIC COMPANIES MARKETING

There are big challenges ahead for marketing small domestic companies, but they may be easier to solve than before. The crisis period has certainly caused numerous changes in consumers. The mentioned changes came from the macro environment, and the consequences were manifested even on the changes in the personality of the consumers themselves. All this means that the changes are not immediate. Consumers have adopted certain habits and those habits should be taken into account. Our consumers have become global in terms of using new forms of shopping and communication, but they have also turned to domestic sources of supply. Companies that know how to take advantage of this situation will open up space for a competitive position. To achieve this in their marketing strategies, they will need to pay attention to the following elements:

1. Marketing research - there is great potential for all types of marketing research in the digital economy. The modern form of collecting and processing huge amounts of data - "*big data*", in cooperation with the revolution in *cloud computing*, opens unlimited possibilities of insight into consumer data, which can be processed and interpreted through predictive analysis, behavioural analysis, etc. From the former problem of lack of information, there has been a problem of excess information - in a *big data* environment, the biggest challenge is how to choose relevant information and how to process it in order to gain a competitive advantage (Marr 2016, 79). If our companies want to keep up with the time and keep consumers, marketing research will have to focus on their strategies.

Also, the classic model of purchasing decision-making: identifying problems (needs) - gathering information - evaluating alternatives - purchasing decisions - post-purchasing behaviour undergoes daily revision at virtually every step. Again, *big data* and adequate data processing technologies make a significant contribution to the constant changes in consumer behaviour and economic behavioural theory in general (Tech Page One 2015).

2. Branding - One of the basic prerequisites for success with today's consumers is the establishment of trust, which is best achieved by building a reputation, i.e. building a strong brand. The first step, of course, is to build appropriate *brand awareness*, however, this is not a close goal, as in many cases businesses in this segment have high *brand awareness*, but consumers/users do not have a positive attitude towards the brand. Domestic manufacturers must understand the essence of branding, understand that branding is not makeup, but that the value of the brand is assigned by consumers by choosing a particular product rather and more often than others. You should also know that the market is dominated by brands because they guarantee security to consumers. It has been pointed out several times through this paper that safety is very important for today's consumers, in accordance with the time in which they live. Due to safety factors, consumers are starting to turn to domestic products, especially when it comes to food products, but they must also give them a sense of security. All this means that domestic producers must essentially understand and start the branding process.

3. Social responsibility - it is quite clear that both the economy in times of crisis and the digital economy are particularly related to social responsibility (Buheji and Ebrahim 2020, 295). Consumers expect social responsibility, expect conservation of resources and expect measures to preserve the domestic economy. Companies can use social responsibility in its full manifesto as a means of gaining consumers, but they must also operate socially responsibly and return certain benefits to the community. Social responsibility must become part of the strategy and as such be embedded in *brand equity*. This of course implies the awareness of marketers that consumers will not buy domestic products in the long run just because they are domestic (although ethnocentrism may increase at the moment of crisis), but marketers must incorporate all three elements listed here in their marketing strategies and market appearances (Appel et al. 2021, 14). Marketing research must be complex and continuous, and the branding process consistent with the use of elements of social responsibility.

CONCLUSION

The research presented in the paper confirmed that the habits of consumers have changed faster than ever due to the coronavirus pandemic, and that the process of change is still ongoing due to the current war events. Situational factors influenced changes in consumer behaviour more than any other factors. And while we are dealing with the controversy whether consumer behaviour is more influenced by personal factors, cultural, or e.g. belonging to generations, the market surprised us again. Markets are obviously changing much faster than many companies are able to do with their organizations. It is quite clear that only those companies that are able to quickly and efficiently change and adapt to markets and to adjust their marketing incentives and offerings to market dynamics can count on being the choice of consumers. Marketing, as a business philosophy, has once again shown its resilience and confirmed the fact that it is still an irreplaceable business concept. Consumers have not stopped buying because of the crisis, they have only become different in some segments (Jiyoung 2021, 562). It is a well-known fact that the consumer is in the focus of marketing and that is why only those companies that consistently apply marketing and adapt strategies to changes in the market will be able to withstand the challenges of the times in which we live.

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