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The Adoption of Internet Media as Marketing Innovations in Serbia

──────── **Abstract:** ────────

Research Question: The adoption of Internet media of direct marketing by consumers in the Republic of Serbia as marketing innovations, both in terms of communication between advertisers and consumers as well as contemporary purchasing methods, has been presented in this paper. **Motivation:** The research in the field of marketing innovations mainly relates to their application by the organizations, and if there is any research on this topic from the perspective of consumers, it is not sufficiently detailed and useful to be of importance for the formulation of marketing strategies in the field of internet marketing. **Idea:** The methodological approach to studying this topic involves the application of a descriptive-analytical method in order to explain marketing innovations and diffusion of knowledge and technologies in internet marketing. **Data:** Empirical research has been performed in the period June-July 2017 on the territory of the Republic of Serbia by using the questionnaire survey method. The target group are consumers aged 15 to 64, in order to examine what their habits and preferences regarding the use of the Internet as direct marketing media are, including the frequency of using the Internet as direct marketing media, and especially social networks, for obtaining information on products/services, companies and ordering/purchasing via the Internet. The sample is stratified and it consists of 1,532 respondents. **Tools:** When processing data and interpreting the results, SPSS was used. **Findings:** It has been concluded that there is a statistically significant correlation between the consumer's age and the frequency of visiting social networks and following pages that users of these networks like. The number of consumers in Serbia who buy online is increasing from year to year and thus companies need to focus on Internet marketing. **Contribution:** This paper expands the existing research related to the adoption of Internet media in Serbia, especially focusing on the social networks that were not including in previous researches. The contribution of the conducted research is also in terms of the innovativeness of the consumers in Serbia.

Key words: adoption, Internet, direct marketing, innovations, knowledge and technology diffusion, consumers, Serbia

JEL Classification: M31, O33

1. Introduction

The adoption of Internet media by consumers in the Republic of Serbia as marketing innovations was performed firstly through a literature review and a research on this subject, and then through the presentation of the obtained results and conclusions. The subject of the conducted research is testing consumer habits and preferences in Serbia regarding the use of online direct marketing media for obtaining information on products/services, companies and ordering/purchasing via the Internet. The aim of the research is to learn about the current attitudes in Serbia regarding the adoption of knowledge and technologies related to modern forms of company advertising, communication with their target group and sales, from the consumers' point of view. The research questions are to what extent the consumers in Serbia use innovative forms of communication (via the Internet) with companies for obtaining information about products/services, companies and to what extent they buy online. In the search for answers to these questions, some existing data about using Internet for informing and purchasing without considering the social networks (SORS - Statistical Office of the Republic of Serbia, 2016c; Market Research Agency MASMI, 2016a, 2016b) were used and the following hypotheses of the research were formulated.

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Hypothesis 1: The majority of consumers in Serbia often use the Internet media of direct marketing to obtain information about products/services and companies, while a smaller percentage of consumers have a habit of buying online regularly, most often via domestic sites. Considering the fact that the percentage of consumers in Serbia who perform their purchase via the Internet is increasing from year to year, it is assumed that the percentage of consumers who buy via the Internet will be higher than 45.4% of the Internet users (as it was in April 2016, according to SORS, 2016c).

Hypothesis 2: There is a statistically significant correlation between variables, i.e. the age of the consumers and dependent variable - the frequency of web site visits on the Internet for obtaining information on products/services.

Hypothesis 3: There is a statistically significant correlation between variables, i.e. age of the consumers and dependent variable - the frequency of ordering products/services via the Internet.

Hypothesis 4: There is a statistically significant correlation between variables, i.e. the age of the consumers and dependent variables - the frequency of visiting social networks: Facebook and Instagram, and following pages that users of these networks like.

Hypothesis 5: There is a statistically significant correlation between variables, i.e. the age of the consumers and dependent variables - the frequency of orders via Facebook and Instagram.

A survey was conducted by the authors, with consumers divided into *5 categories by age,* in order to see *the frequency of using the Internet as direct marketing media* and in order to *test a correlation between the mentioned variables*. *The use of social networks (Facebook, Instagram)* as a media for informing and ordering products/services by the mentioned categories of respondents was also considered, which was also not included in the research of SORS and Market Research Agency MASMI, and that the authors of the paper proved the results of their empirical research as extremely important and necessary for inclusion in digital marketing strategy. The contribution of the conducted research by the authors is also in terms of *the innovativeness of the consumers in Serbia* because the original results show state of willingness of consumers to adopt new products/services, which also affects the amount of necessary investments over time and, in the specific case of Serbia, the patience that is expected from companies in terms of return on investment and profitability. The changes are rapidly taking place today and they need to be monitored, as update data which are important for defining adequate (marketing) strategies. It is very important to monitor the *trend of increasing the use of the Internet and social networks for the purposes of direct marketing*, and it is especially important to highlight the importance of marketing innovations in terms of new features of social networks.

2. Marketing innovations

„An innovation is an idea, practice, or object perceived as new by an individual or other unit of adoption", (Rogers, 2003, p. 36).„Through innovation, new knowledge is created and diffused, expanding the economy's potential to develop new products and more productive methods of operation. Such improvements depend not only on technological knowledge, but also on other forms of knowledge that are used to develop product, process, marketing and organizational innovations", (OECD, 2005; p. 33). „Innovation is a key factor for achieving success and the basis for improving the competitiveness of the economy and society regardless the area", (Stankovic, Djukic & Popovic, 2014, p. 276). The innovation process is traditionally regarded as a social process, i.e. „social change that is caused by both invention (the process by which a new idea is discovered or created) and diffusion", (Rogers, 1983, p. 42). Founding father of innovation diffusion research is Gabriel Tarde, and he said that inventions are diffused by process of imitation (as cited in Kinnunen, 1996, p. 433), and in contemporary diffusion terms, „imitation could be called adoption of an innovation", (Rogers, 1983, p. 40). "Innovation is used for successful commercial (market) application of invention", thus one may conclude that "not all inventions are completed as innovations", (Kutlaca & Semencenko, 2005, p. 62). „Innovation does not necessarily have to be new to the market or to the world as a whole, but could simply be new to the firm and have impact on productivity and employment because of that", (Zanello, Fu, Mohnen & Ventresca, 2016, p. 887).

Marketing innovations involve the implementation of new marketing practices (Junge, Severgnini & Sørensen, 2016, p. 725), which includes „changes in product design and packaging, in product promotion and placement, and in methods for pricing goods and services", (OECD, 2005, p. 17), that refer to: the development of new ways of communicating with the market or promotion, the use of new means of commu-

nication, new marketing channels, the development of new methods for formulating prices for products and services, innovation in design and packaging, new approaches in marketing research, a new approach to customer relationship management (Stankovic, et al., 2014, p. 277). Marketing innovation contributes to defining and reinforcing competitive advantages, goal setting, and business performance (Cruz-Ros, Garzón & Mas-Tur, 2017, p. 1031). In contemporary business conditions, marketing innovations are a factor of primary importance for achieving high performance of the company and a condition for consumers' satisfaction and loyalty (Mladenovic, Mladenovic & Roganovic, 2015, p. 104).

3. Internet marketing as a form of direct marketing

Direct marketing is an interactive system which uses one or more promotional media to provide a measurable response and/or transaction in any way (Kotler, 2000, p. 317), and it is one of the most dynamic marketing areas, and one of the "integrated instruments (forms) of integrated marketing communication tools that establish and maintain good relationships with current and potential consumers in order to attract and retain them, providing them with satisfaction, as well as loyal consumers and value to the company", (Salai & Koncar, 2007, p. 10). For the realization of direct marketing, the use of various media is available (direct mail, telephone, newspapers, magazines, catalogs, television, the Internet, mobile phone), and "each type of media has its advantages and disadvantages from the standpoint of expressive possibilities, reputation, scope, selectivity, the level of transparency, and the possibility of updating messages at certain intervals, the cost of "catching" the target segments", (Hanic, Domazet & Simeunovic, 2012, p. 795).

The Internet, which had the highest rate of innovation adoption, is considered in the literature as a medium, a form of sales, a form of marketing communication, but in fact it is much more. "The Internet cannot be considered as a new medium, it represents a new marketing paradigm by putting consumers into the role of the offer creator, the most active member of the active controller of the entire production process and sales-purchase", (Kesic, 2003, p. 410-412). "Companies develop new business activities based on technologies foremost of which are Internet related and are under heavy pressure of competition and pace of innovation coming from globalized markets", (Sofronijevic, Milicevic & Markovic, 2015, p. 37-39).

Internet marketing is interactive direct marketing that enables the advertisers and consumers with the possibility of individualization and interaction, which basically represents micro marketing (one person - one segment). "Internet marketing may be defined as using the Internet as a virtual store where products are being sold directly to consumers", (Corley, Jourdan & Ingram, 2013, p. 177). The research carried out by Domazet, Djokic & Milovanov (2017) showed that the Internet has a big influence on consumers (on brand awareness) in Serbia, immediately after the influence of television.

As a direct marketing medium, the Internet belongs to electronic marketing, and has several instruments: web pages, banners, e-mail, social networking, Google AdWords, SEO. According to research by the international marketing agency Zenith Media (2016) on global level, traditional digital advertising (banners and similar formats) take up only 3.1% in 2016, after a growth of 8.6% in 2015. Prediction of Zenith Media is that online video advertising will grow at a rate of 20.1 per annum annually, and that the growth of social media will be 23.6% in the period from 2015 to 2018.

Today, consumers mostly search the Internet to find the desired product/service, so advertisers, in order to attract consumers, use the option of optimizing their web sites (Search Engine Optimization - SEO) based on key words (which are often part of the site's content). SEO makes free positioning of web sites on search engines, all in order to increase the number of visitors to a site. For promotion on Google, Google AdWords is used, that is paid ads which appeared to those who typed the word chosen by the company. In general, online campaigns are quite efficient because with relatively small investments they can reached targeted customers. To promote the web site, social media are also used, which are a collection of free online tools and platforms (social networks, blogs, photo sharing, online videos, etc.), and these media have influenced the emergence of social marketing - the third era in the marketing revolution, after mass and direct marketing (Reed, 2011, p. 7). "Just as the rapid growth of mobile phone mobilization has opened up new marketing communications and targeting opportunities, the ubiquity of social media has changed the way in which customers now share information and interact with brands", (Lamberton & Stephen, 2016, p. 146). Social networks were made for communication over the Internet and are increasingly replacing e-mails. From a marketing point of view, Instagram and Facebook are a very powerful promotional tools that can be used by advertisers by creating product/service promotion page and setting the parameters for successful advertising through paid ads. With precise targeting of consumers, companies are able to attract people from their target group, who will voluntarily start to follow the company through social networks, with the possi-

bility of entering into direct communication with them, providing the necessary information, taking orders, negotiating about product characteristics, delivery.

4. The Diffusion of Knowledge and Technology in Internet Marketing

Economic growth and development require two driving forces, a process of knowledge creation and technology, and then a diffusion of knowledge and technology (Kutlaca & Semencenko, 2015, p. 8). „Diffusion is a particular type of communication in which the information that is exchanged is concerned with new ideas", (Rogers, 2003, p. 18). Rogers (2003, p. 12-31) identifies the four main elements in diffusion as being the innovation itself, the channels of communication which carry the information about the innovation, relative time of adoption, and the social system or adopter population. In the diffusion process the most important role is held by the media for attracting attention, but for the adoption of certain innovations interpersonal communication is the most important nevertheless, since the media can influence the dissemination of information about innovations, but rarely when they influence changing attitudes or behaviors (Kunczik & Zipfel, 2006, p. 185). The diffusion of knowledge and technology, the comprehensive acceptance and adoption by users affects the ability of national economies to generate greater economic growth and a greater social product (Mosurovic, Semencenko & Kutlaca, 2015, p. 39-40).

We continue with the analysis of innovative activities trend in Serbia in the context of the innovative European space. Based on the calculated values of the total innovation index of all EU members and in relation to the average value, the EU member states are categorized into four innovative categories: Innovation Leaders, Strong Innovators, Moderate Innovators, Modest Innovators (European Commission, 2017, p. 31). According to the European Innovation Scoreboard 2017, *Serbia is included in the category of moderate innovators*. In the period from 2010 to 2016, the innovative performance increased by 17.3% compared to the EU 2010 average. The main reason for this trend is seen in increased investment in business (R&D expenditure in the business sector - an increase of 13.4%, Non-R&D innovation expenditures - an increase of 164.7%), an increase in the number of science doctors (by 45.4%) and an increase in the number of product and/or process innovators (by 42.9%) and marketing innovators and/or organizations (by 63.8%).

Generally, the innovation of the Serbian companies, although progress is evident, is still unsatisfactory which negatively affects business and national competitiveness. The level of development and implementation of marketing in Serbia is also low - the marketing concept as a management attitude towards its role in the economy and society is still not accepted as a dominant business philosophy, but the sales concept is still dominant (Stankovic, et al., 2014, p. 277). According to the results of SORS (2016a), the participation of business subjects of innovators in organization and marketing accounts for 30.2% and is less than the innovator of products and processes, where every third business subject is an innovator. The presence of business subjects, who have simultaneously introduced innovations of products and processes, as well as innovations in organization and marketing account for 22.4%.

According to the Market Research Agency MASMI (2016b), about ¾ of micro, small and medium-sized enterprises (MSMEs) in Serbia *have a corporate website*. The main reason for this is the lack of desire to invest in additional promotion because their work is satisfactory. Passive attitude ("it's too complicated, I do not have time") is observed within 14%. A similar percentage believes that their consumers are not online, and that this way of communication is not adequate for their business. Most MSMEs in Serbia (64%) still do not expand their business to the online market, and only 14% intend to launch the Internet offer one day. About one-third *offers its products and services online* (36%). Most of them use a corporate website (88%), as well as social networks and advertising sites (32-35% each). About a half of those who offer their products and services online at all (46%) has an *online ordering option* (16% of all MSMEs in Serbia). For most of them, online business is still not an important source of business - it accounts for up to 10% in the total turnover of the company. About 17% were motivated to introduce an offer of e-commerce by consumers' demands to introduce this option. Online and offline payments are equally in offer in MSMEs in Serbia. 44% of MSMEs, who do not have online payment option, believe it is too complicated (¼ of them will offer it in the future, while half is determined regarding the rejection).

According to SORS (2016c), 67.1% of people in Serbia have *used the Internet*. When asked how often, on average, they used the Internet in the last three months, 85.9% of respondents answered: every day or almost every day. When it comes to the time frame in which Internet users *bought/ordered goods/services via the Internet*, 26.3% of users made purchases/orders in the last three months, 12.0% more than three months ago and 7.1% more than a year ago; 54.6% of Internet users have never bought/ordered goods or services via the Internet. Even 90.3% of the Internet population aged 16 to 24 has a social networking account (Facebook, Twitter). The citizens of Serbia who are more educated and with higher income buy more often online (Market Research Agency MASMI, 2016a).

5. The research methodology

The research is empirical by character and was conducted in the Republic of Serbia, using the test method, in the period June - July 2017. The target group are Serbian citizens - consumers aged 15 to 64 who belong to the category of labor-efficient population, in order to examine what their habits and preferences regarding the use of online direct marketing media are, with the aim of obtaining information about products/services, companies and ordering/purchasing via the Internet. For the purpose of the research, a descriptive research technique was used - a questionnaire (in two forms: online and printed, of the same content - shared to the respondents), which was specially prepared for the needs of this research. The sample is stratified. The structure of respondents, according to their age, corresponds to the structure of citizens according to the SORS (2016b), which ensured the representativeness of the sample. The sample consists of 1,532 respondents, and the statistical error is 2.5%, with a confidence interval of 95%. While processing data and interpreting the results, the SPSS statistical data processing program was used, as well as descriptive and comparative statistics (regression and correlation).

6. The research results

Consumers in Serbia often visit websites on the Internet in order to obtain information on products/services (66.7% almost always and often); Often, they get informed before the purchase via the Internet (67.6% almost always and often). About 78% of consumers ordered a product/service via the Internet at least once a year. Nearly 80% of consumers have a profile on Facebook and visit this social network quite often (48% every day); 50% of consumers have an Instagram account and the highest percentage (35%) visits this social network almost every day. They use these social networks to order products/services (via Facebook 36%, and 22% via Instagram).

Table 1 presents the results of the conducted research according to respondents' responses to the degree of agreement with questions in the form of statements, covering the period of the last year. These statements were evaluated from 1 to 5 (five-degree Likert scale), where 1 meant never, 2 rarely, 3 sometimes, 4 often, and 5 almost always.

Table 1: The distribution of respondents according to answers in terms of degree of agreement with questions in the form of statements, regarding the frequency of obtaining information and ordering via the Internet, according to age categories of respondents

	Almost always	Often	Sometimes	Rarely	Never	Number of respondents	Missing	Mean
I visit websites on the Internet to inform about products/services.								
In total	**46.9%**	**19.8%**	**12.8%**	**8.6%**	**11.2%**	**1521**	**11**	**3.83**
I category	38.7%	18.3%	16.3%	11.6%	14.8%	306	1	3.55
II category	59.5%	23.3%	10.4%	2.9%	3.9%	314	0	4.32
III category	64.3%	19.9%	10.3%	2.2%	3.3%	307	0	4.40
IV category	50.0%	27.0%	13.1%	6.3%	3.6%	287	0	4.13
V category	27.7%	12.4%	11.7%	17.7%	27.0%	307	10	2.96
I order products/services via the Internet.								
In total	**13.5%**	**22.1%**	**21.1%**	**20.2%**	**22.1%**	**1517**	**15**	**2.85**
I category	10.1%	20.6%	21.9%	21.3%	25.7%	305	2	2.68
II category	17.9%	28.0%	26.2%	14.7%	13.3%	314	0	3.23
III category	20.2%	25.0%	28.7%	16.2%	9.2%	305	2	3.31
IV category	10.7%	18.7%	17.1%	24.6%	27.8%	284	3	2.59
V category	10.6%	18.8%	11.3%	24.1%	32.3%	309	8	2.50
I order products/services via Facebook.								
In total	**4.8%**	**6.1%**	**9.5%**	**13.7%**	**64.2%**	**1508**	**24**	**1.72**
I category	5.4%	7.6%	11.6%	14.8%	59.3%	301	6	1.83
II category	9.0%	7.9%	13.6%	19.4%	49.5%	312	2	2.07
III category	6.6%	5.1%	15.1%	16.5%	56.6%	307	0	1.89
IV category	1.2%	7.1%	3.6%	8.7%	73.0%	271	16	1.45
V category	1.4%	2.1%	2.1%	8.2%	86.2%	317	0	1.24
I order products/services via Instagram.								
In total	**3.7%**	**3.3%**	**7.2%**	**6.2%**	**77.9%**	**1506**	**26**	**1.46**
I category	7.8%	5.6%	14.5%	12.5%	57.9%	300	7	1.91
II category	2.9%	4.7%	7.2%	7.2%	74.9%	305	9	1.49
III category	3.3%	1.5%	5.9%	2.2%	87.1%	307	0	1.32
IV category	0%	2.4%	2.4%	0%	92.9%	281	6	1.12
V category	1.8%	0.7%	1.4%	4.6%	90.1%	313	4	1.17

* The first category of respondents consists of those aged 15-24, the second from 25 to 34, the third from 35 to 44, the fourth from 45 to 54 and the fifth from 55 to 64.

Almost one half of respondents (46.9%), almost always *uses websites to inform themselves about products/services*, and only 11.2% of respondents never visit web pages on the Internet. Of all the categories, respondents aged 35 to 44 present a group of those who visit websites most often (64.3% always), while compared to other categories, the largest number of respondents aged 55 to 64 (27%) never visits web pages for information in order to buy something. Then, they are followed by the youngest ones (14.8%) who never use websites on the Internet for information purposes.

Based on the results, it can be noted that 13.5% of respondents always *buy via the Internet*, 22.1% of respondents do that often, 21.1% of respondents do that sometimes, and 20.2% of respondents rarely use the possibilities of modern purchasing and 22.1% have never ordered products/services via the Internet. Compared to other categories, the largest percentage of those who have never done it refers to people aged 55-64 (32.3%) and the smallest percentage accounts for those respondents of category III who have never ordered online (9.2%). Those who find this type of shopping familiar are respondents aged 35 to 44, who have stated to the greatest extent that they always order in this way (20.2%).

The percentage of those who do not *order products/services via Facebook* (64.2% of all respondents) and Instagram (77.9% of all respondents) is huge, and only a small number of respondents is always ready to place an order via Facebook (4.8%), 6.1% of them do it often, 9.5% do it sometimes and 13.7% do it rarely; Also via Instagram, 3.7% do it always and 3.3% do it often, 7.2% do it sometimes and 6.2% do it rarely. It can be concluded that 34.1% of respondents have ordered a product via Facebook and 20.4% via Instagram at least once. Given that the Facebook profile is held by 77.8% of respondents, 43.7% of them have never ordered via this social network. The percentage of respondents aged 25 to 34 (9%) who always order via Facebook is the highest, while the lowest one accounts for those respondents aged 45 to 54 (1.2%). The largest number of respondents is in the category aged from 55 to 64 who have never ordered products/services in this way (86.2%), and the smallest percentage of respondents accounts for those respondents aged 25 to 34 (49.5%). Given that 49% of respondents own an Instagram profile, 28.6% of them have never ordered via this social network. The percentage of respondents aged 15 to 24 (7.8%) who always order via Instagram is the highest, and the lowest one accounts for those respondents aged 45 to 54 (0%). The largest number is presented by those respondents in the category from 55 to 64 who have never ordered products/services in this way (90.1%).

Here are the results of testing of regression and correlation between variables, i.e. *the age of the respondents* and the following variables:

- *the frequency of web site visits on the Internet to obtain information about products/services* (confidence interval 99%, risk of error 1%): there is a minimal impact of the respondents' age to the frequency of web site visits ($R^2=0.008$), and correlation is negative and weak (p=0.001<0.05; Pearson Correlation=-0.1);
- *the frequency of ordering products/services via the Internet* (confidence interval of 99%, risk of error 1%): there is a minimal impact of the respondents' age to the frequency of ordering via the Internet ($R^2=0.007$), and correlation is negative and weak (p=0.001<0.05; Pearson Correlation=-0.1);
- *the frequency of visiting the Facebook and following pages* that users of this network like (99% confidence interval, risk of error 1%): there is an impact of the respondents' age to the frequency of visiting the Facebook ($R^2=0.167$) and to the frequency of following pages ($R^2=0.177$), and correlation is negative and medium by strength (p=0.00<0.05; Pearson Correlation=-0.4); the younger the customers, the more often the use of this social network and following the promotional pages;
- *the frequency of ordering via Facebook* (confidence interval 99%, risk of error 1%): there is a minimal impact of the respondents' age to the frequency of ordering via Facebook ($R^2=0.041$), and correlation is negative and weak (p=0.00<0.05; Pearson Correlation=-0.2);
- *the frequency of visiting Instagram and following pages* that users of this network like (99% confidence interval, risk of error 1%): there is an impact of the respondents' age to the frequency of visiting Instagram ($R^2=0.267$) and to the frequency of following pages ($R^2=0.282$), and correlation is negative and medium by strength (p=0.00<0.05; Pearson Correlation=-0.5); the younger consumers, the more often use of this social network and following the pages of preferred brands;
- *the frequency of ordering via Instagram* (confidence interval 99%, risk of error 1%): there is an minimal impact of the respondents' age to the frequency of ordering via Instagram ($R^2=0.080$), and correlation is negative and weak (p=0.00<0.05; Pearson Correlation=-0.28).

In order to learn what *the consumers' inclination to accept new products/services* is, they were given the task to mark the best answer which describes them, and the results are as follows (answers and percentages are provided):

- I am the first to become a user of it (I follow developments regarding products that I am interested in, beyond the borders of our country); 12.0%,

- When I see a product for the first time in others, I quickly become a user of it (I like to give advice and information); 8.7%,
- I accept new products and become their user before the vast majority ("average"); 27.2%,
- I refrain from new products (I become a user of a product only when most people around me have it); 14.4%, and
- I do not like to change the habits and products I am inclined to; 32.2%.
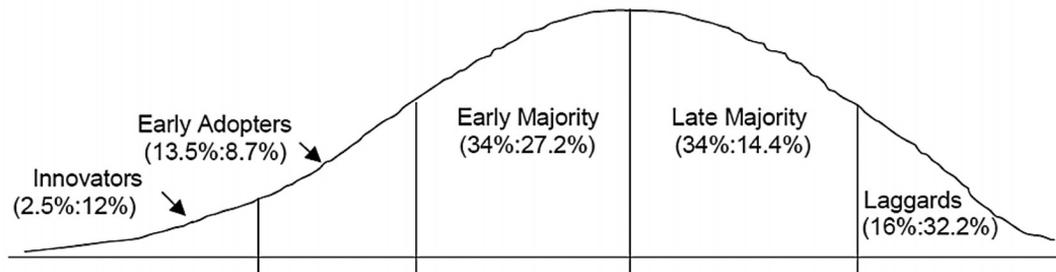
Figure 1: Categorization of the adopter of certain innovation based on the relative time of implementation (Rogers, 2003, p. 281) – percentages from theory vs. research results

According to the results, it may be concluded that the highest percentage of consumers (32.2%) dislikes changing their habits and products that they are prone to, i.e. they belong to a group of consumers who are called *laggards*, given the speed of adoption of new products. After the laggards, the next group of consumers is referred to as the *early majority* (27.2%), and then there are those called the *late majority* (14.4%), *innovators* (12.0%) and finally the lowest percentage – *early adopters* (8.7%). A large percentage of laggards in Serbia is not a good indicator of successful growth and development, as knowledge and technology diffusion is one of the preconditions for growth and development on micro and macro levels, while a relatively high percentage of innovators (compared to the data from theory, where innovators only make about 2.5% of consumers - Rogers, 2003, p. 281), represents the potential for more efficient business and quick implementation of innovations and innovative processes in marketing and in general.

The number of Serbian consumers who buy via *domestic websites* is higher (64.9% of those who buy via the Internet), while the number of those who buy via foreign sites is a slightly smaller (43%). The percentage of consumers who have never bought via domestic sites accounts for 35.1% and the percentage of those who have never bought via foreign sites accounts for 57%.

Conclusion

Direct marketing has become an integral and inevitable part of regular business. This way of communication is a long-term activity with the aim of developing lasting, direct relationships with consumers in order to gain loyal consumers, the greatest value for company. Making contact with consumers without intermediaries enables lowering the contact costs, but also the information obtained is of better quality and safer due to directness, which can be regarded as prerequisites for creating a competitive advantage.

Innovation of all forms contributes to achieving competitiveness on the market since they create a unique value for consumers. The importance and significance of innovations in marketing is becoming increasingly evident, organizations are more often promoted via the Internet media, but e-commerce is still underdeveloped in Serbia. Innovation in marketing is one of the factors which the overall innovation index of Serbia depends on. In the business of companies with marketing orientation, it is necessary to consider the other side of the market, i.e. consumers and their willingness to accept and adopt knowledge and technologies in terms of the application of new methods of communication and purchasing. This is due to the fact that without their support regarding the aforementioned, it is unlikely that the implementation of innovations in marketing would be successful, i.e. success depends on the adoption speed of knowledge and technology by the consumers/users that it is intended to. Rate of adoption can depend on the characteristics of the product/process, the degree of its complexity, the characteristics of the target market, the degree of social integration of the target market, and the marketing effort of the enterprise. According to surveys, the number of consumers in Serbia who are willing to order/buy via the Internet is increasing, and often consumers demand from companies to introduce an online ordering option, while managers in these companies do not see the importance and significance of selling via the Internet.

Based on the conducted research, it may be concluded that most consumers in Serbia frequently use the Internet direct marketing media to obtain information about products/services, companies (up to 70%), while the percentage of consumers who regularly buy online is smaller (only 4.8% of respondents said that they almost always buy in this way).

Younger consumers of Serbia search information on the Internet more frequently, and they also place orders via the Internet and social networks. The percentages of those who order via social networks are not negligible - Facebook (36%) and Instagram (22%) - while generally, 78% of consumers have placed orders via the Internet at least once over the last year. Also, the purchases are more often performed via domestic sites compared to foreign ones (65%:43%). Based on these results, the hypothesis 1 is entirely confirmed.

Considering the strength of the correlation between the variables that are examined, it can be concluded that only hypothesis 4 is confirmed - there is a statistically significant correlation between the age of consumers and the frequency of visiting social networks: Facebook and Instagram, and following pages on these social networks. Hypotheses 2, 3 and 5 have not been confirmed - there is no statistically significant correlation between the variables that are tested.

Considering the innovators-to-laggards segmentation scheme with the results of the research, one-third of customers in Serbia belong to a segment called laggards, and it show that the patience is expected from Serbian organizations, because return on investment will not be so quickly realized. „Higher profitability of consumers from later segments can offset firms' investments in the innovator or early adopter segments", (Sood & Kumar, 2017, p. 932). Consumers may become more innovative, if most companies manage their business to achieve mentioned higher profitability of later segments, and if the country's economy improves, generally, because the degree of adoption of novelty depends on the level of customer's income, also.

When it comes to innovation, various business entities face numerous challenges. Although they are aware of the necessity of innovation in order to ensure continuous growth and development, and therefore the survival of the market, it is often the problem that innovation can't be generated independently, especially in case of lack of knowledge and technology, and those from the field of (digital) marketing. From the point of view of marketing and its development, it is necessary to know the extent of the adoption of new knowledge and technologies in relation to Internet as direct marketing media so that they can be applied in direct communication with consumers, and in order to know if the effects can be achieved that justify investing in contemporary forms of direct marketing. Considering that marketing orientation has not yet been sufficiently adopted in Serbia by the organizations, the paper highlights the importance of using the Internet as a direct marketing (digital) media, especially social networks, which are increasingly used by consumers in Serbia and have great influence to make a purchase decision. Just having a page on social network will not suffice, and managers must consider digital strategies and understand the complexity of online advertising and challenges involved if they are to reap the rewards, and „firms need a clear social media strategy for innovation", (Roberts, Piller & Luttgens, 2016, p. 129).

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