

## Small business digital marketing as a necessity for success

ISSN 1857-9787

UDC 658.8:004.738.5]:334.72.012.63/.64(497.7)

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### Abstract

In today's dynamic and unpredictable conditions of operation and functioning, micro and small business companies are treated as key initiators of innovation, drivers of employment and social integration. are most sensitive to turbulent changes in the business environment. These companies, from the point of view of the implementation of the marketing concept and the development of entrepreneurship, both at the global and regional level, face a lower or greater exposure to market fluctuations under the influence of various factors. The changes necessitate the treatment of marketing as a dynamic, rather than a static category, with the ultimate goal of convincing consumers to orient themselves towards a market offer that will refer to the placement of more competitive products and services. Due to the strong and unequal

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*Десетта меѓународна научна конференција (Iscmta'23)*  
**- НОВИ ГЛОБАЛНИ ЕКОНОМСКИ, СОЦИЈАЛНИ И МАРКЕТИНГ ТРЕНДОВИ –**  
*The Tenth International scientific conference*  
**- NEW GLOBAL ECONOMIC, SOCIAL - AND MARKETING TRENDS -**

competition from large and financially strong companies, it is necessary to constantly innovate and introduce new products and services in the production programs of small companies. The risk of changes in the market both in terms of supply and demand can be minimized only if small firms create and apply innovative and creative strategies based on information and knowledge of the market. Entrepreneurs, like their founders and owners, usually have limited resources, which is why only a small number of businesses manage to survive and develop over a long period of time. In the beginning, only those who base their strategy on the marketing concept succeed: to meet the needs of consumers and achieve competitive success in the market. Without marketing, it is not possible for any enterprise to achieve market success.

Satisfying the global needs of consumers by applying a marketing concept represents one of the essential factors for competitive success and the basis for positioning companies, regardless of the nature of their activity or size. However, the challenges in this sense are greater for small firms, if a number of factors in the narrower and wider environment are taken into account.

**Keywords:** digital marketing strategy, entrepreneurs, consumers, competitiveness, market segmentation

## Introduction

In the world of analysts, small business is a domain of constant research, analysis and above all discussion. There is no doubt that the interest in this domain is continuously increasing, due to the great fluctuations in the world economy. Especially during the periods when there is a world economic crisis, from which a series of unexpected events arise, the vulnerability of the big giants and its consequences is shown, and it is even more emphasized in the case of small companies. Adequate management of resources, planning, focusing on customers, i.e. marketing, gathering advice and experiences, networking and many other aspects of using modern tools of management, give certain positive implications and should offer certain solutions. In today's conditions, the number of small businesses is increasing, which within their existence are more intensively directed towards achieving long-term success and prosperity thanks to the appropriate application of certain practices related to management, strategy, marketing and planning. In the context of the analysis in this paper, we specifically focus on the impact and role of marketing, for which we initially emphasize the difference between small and large businesses and that through a comparison of their basic characteristics.

**Table 1. Characteristics of large and small companies**

<b>Big companies</b>	<b>Small companies</b>
Big financial power	Less financial power
High potential of human resources	Limited number of human resources
Big consumers	They don't have big customers

Investment in marketing	They don't have enough finance for marketing
Lower prices due to discounts on the volume of orders they receive	They receive higher purchase prices due to small volume of orders
Large stocks	They don't have a large inventory
Mistakes made are easier to cover up	Mistakes can be fatal
They usually do not provide additional services to consumers	They provide additional services to consumers
They are difficult to change or take more time	They have great potential for quick adaptation
They can't have personal contacts with consumers	They maintain personal and close contacts with consumers

Analyzing the characteristics of small and large businesses, it is noted that they are diametrically opposed, which leads to finding an answer to the question, where is the key to the success of small businesses? The benefit can be claimed and used in the following features:

- Because they do not have large marketing finances, small businesses are inventive and use various low-budget marketing tactics that can be more interesting and closer to potential consumers;
- Because they do not hold large inventories, they do not pay for warehouses or inventory holding costs. By doing so, they compensate part of the higher purchase prices compared to large businesses;
- Since mistakes can be fatal for both the entrepreneur and the business, small business entrepreneurs are very cautious. They have the distinct characteristic of taking calculated risk;
- Due to higher prices, they introduce various additional services that can be of great importance for consumers, which is an advantage compared to large businesses;
- Small businesses have the ability to quickly adapt to dynamic and changing business conditions;
- Small businesses are closer to consumers and are able to pay special attention to each consumer during service (individualization of service), which is an advantage over large businesses.

From the point of view of the implementation of the marketing concept and the development of entrepreneurship, both at the global and regional level, small firms face a lower or higher

exposure to market fluctuations under the influence of various factors. The risk of changes in the market, both in terms of supply and demand, can be minimized only if innovative and creative strategies based on market information and knowledge are created and applied. Entrepreneurs who have a small business usually have limited resources, which is why it is more difficult for them to survive and develop over a longer period of time. In fact, only those who base their strategy on the marketing concept succeed: to meet consumer needs and achieve competitive success in the market. Without marketing, it is not possible for any enterprise to achieve market success.

### **Digital marketing in small businesses – additional cost or necessity**

In essence, marketing is mainly aimed at satisfying the needs, wishes and demands of consumers, so it is clear that it is about establishing different relationships within the operations of all market participants. Hence, it should always be taken into account that the emergence of the concept of marketing does not result from any special desire of the business entities, but from the objective conditions of the operation, from the competition and from the increasing role and importance of the consumers in the purchase process.

Digital marketing deals with creating an online strategy in order to brand and improve the company's visibility on the internet. This type of marketing refers to advertising through digital channels, such as: search engines, websites, social networks, e-mail, mobile applications.

Digital marketing is aimed at an individual approach, so it is necessary to follow the trends and make its adjustment. This type of marketing aims to increase the value of the company (the products and services it offers), and thus enable an increase in sales. Due to the individual approach, greater customer loyalty and an easier way of communicating with them is ensured. Because there is a large number of people who spend several hours during the day in front of a computer, tablet or mobile phone, which makes them easily accessible to all those companies that want to reach their consumers. With a proper marketing strategy, the company will always know how to keep the existing customers and be open and available for new ones. This type of marketing uses the power of the digital world and the large number of users, where it is especially significant that the investments are not too large, and the results are easily measurable.

A study by IPSOS ( Global Market Research and Public Opinion Specialist ) shows that in Macedonia small companies are increasingly realizing the benefits of digital marketing and digital communication, and a statistically significant increase in the relevant tools is also observed: web communication, digital sales of products and services (e-commerce), sponsored advertisements and other forms of digital marketing, process control and optimization software, etc. Despite the positive trend of digital transformation of companies, we are still at the beginning and it is expected that more and more small companies will use digital tools in the

coming period, i.e. to increase their digital maturity index (DI Digital Index). The value of DI is expressed in points, namely:

- Digitally mature company – when DI has a value of 56 to 100 points;
- A company with medium digital maturity – when the DI has a value of 31 to 55 points;
- A company with low digital maturity – when DI has a value of 0 to 30 points.

The digitization process is most intense in the segment of small companies, where the percentage of digitally mature companies has grown statistically significantly from 13.7% in 2021 to 23.1% in 2022. In 2022, DI by individual sectors of activity amounts to: production – 40.1 (2021 – 44.6), retail – 36.5 (2021 – 36.6), other services – 41.6 (2021 – 42.4 ). Regarding the time of existence of the companies, our thesis from last year is confirmed: the companies with a long existence have already perceived the benefits of digitization based on the acquired experiences in operation. Accordingly, the DI in 2022 is again the highest among companies with long-standing existence and is 49, while in 2021 it is 52.6 points.

Attached is a graph representing the percentage of companies in Macedonia with low digital maturity ( by sector ):

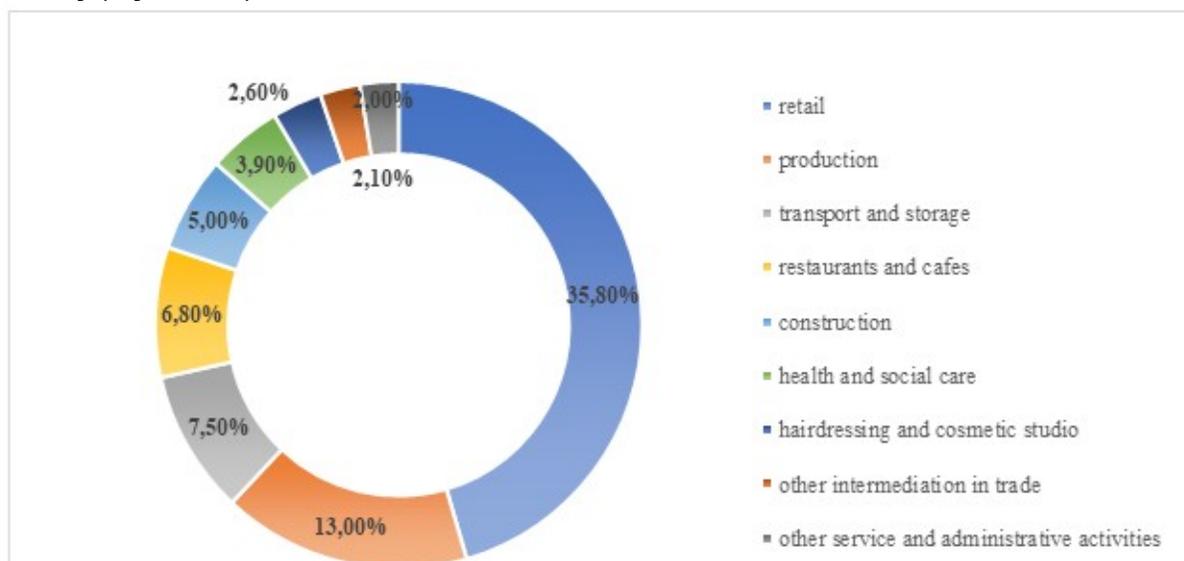
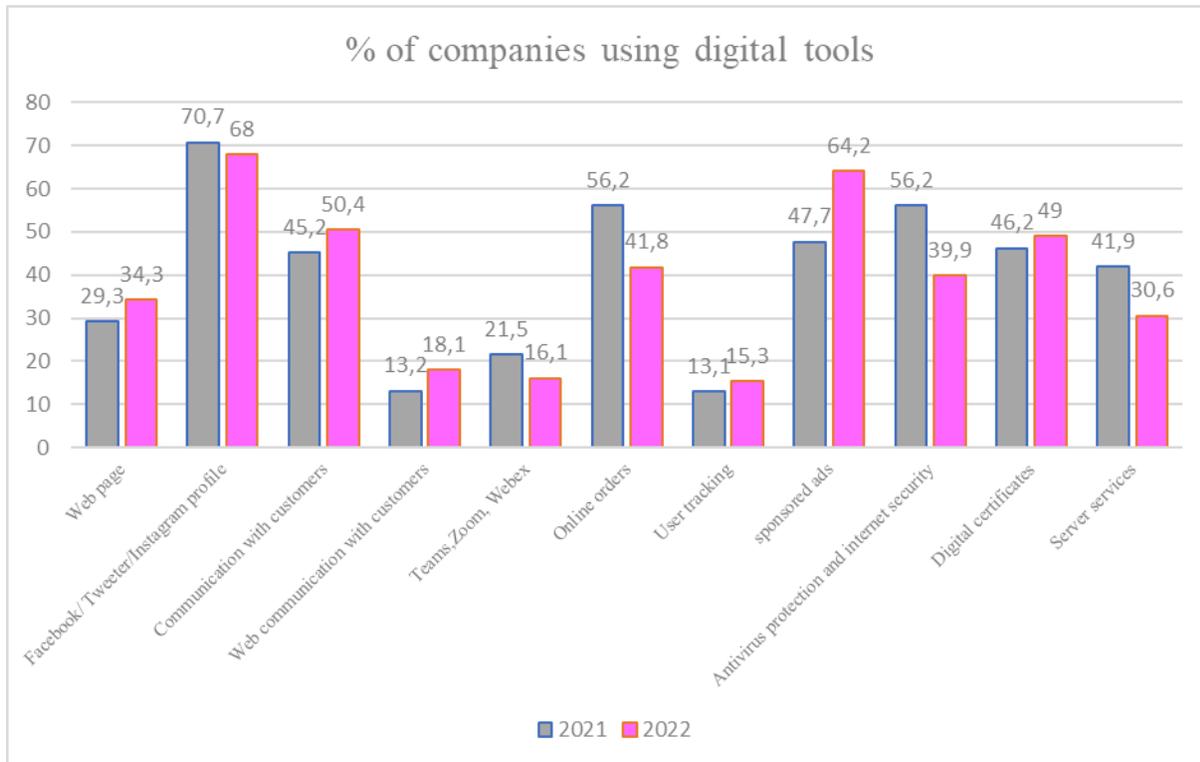


Figure 1 Structure of the segment of companies with low digital maturity

Source: Authors

Statistical data show that the so-called SoHo (small office - home office) - small businesses from home, use digital channels to communicate with their customers and consumers and an increasing number of them also use tools to analyze the behavior of visitors to social profiles and websites: compared to 2021 year, when 12.7% of SoHo firms used some tool to analyze the behavior of visitors to digital channels, in 2022 this percentage of SoHo firms is 39.2%. Only 5.4% of companies in Macedonia do not use the advantages of digital marketing, while 58.7%

use it at least once every two weeks and with their own resources (73.9% of companies make announcements themselves through their own profiles on social networks) .



Graph 1 Percentage of companies in Macedonia that use digital tools:

Source: Autors

Data shows that the percentage of companies using digital tools is on the rise as digital marketing represents one of the most powerful and exciting tools that can be used to support business growth and establish an influential brand presence in the market. In order to make the most of all that digital marketing can offer, it is necessary to know its 7-C components, which are:

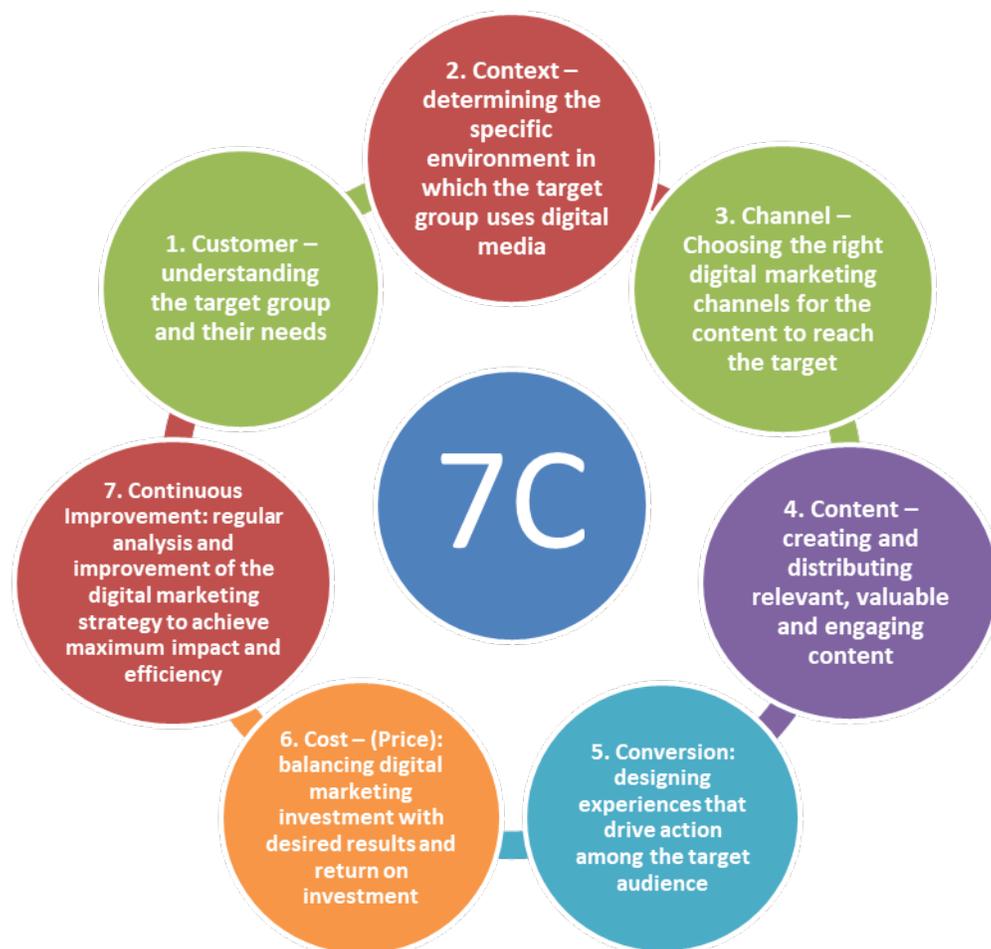


Figure 2 7-C components of digital marketing

Source: Autors

The aforementioned 7- C's of digital marketing provide a repeatable and adaptable designed framework of work that assists marketers in assessing, understanding and achieving goals. On the other hand, the 7 C's can be used to review websites, the overall online presence of a brand, to ensure that marketing communications are coherent and well managed as well as to monitor and examine the activities of competitors.

In the context of the above, it can be emphasized that with the possibilities offered by digital marketing, the following goals are achieved:

- Possibility to reach a specific group of people and at the same time save money
- Possibility of direct interaction with a large number of consumers, including potential customers;

- It is revealed what exactly consumers are looking for, what are their needs and desires;
- Small business with online advertising becomes part of the global market;
- A larger audience is covered with a smaller budget, compared to traditional marketing methods;
- Possibility of personal presentation to customers, creating a special relationship and loyalty to the brand;
- Ability to monitor reactions immediately after publication and throughout the entire advertisement, and after completion to analyze the information for subsequent campaigns.

## **Conclusion**

Digital marketing is a relatively new marketing field that allows businesses to reach customers through interactive channels such as email, social media, and search engines. The best way to understand digital marketing is to think of it as a combination of traditional and new media, which will continue to grow.

As the digital age continues its exponential growth, so does the need for marketing strategies tailored to the global marketplace. If a company wants to keep up with the world trend and compete in the digital world, then it should be well versed in marketing. But even if he wants to succeed in a certain industry of the global market, then he should know well how the global market works.

Digital marketing uses digital technologies such as the internet, mobile devices, social media and other technologies to promote a company or product. Digital marketing is part of a larger marketing mix. It includes advertising and public relations activities, but differs from traditional marketing in that it uses technology to reach consumers directly. It is equally important and a priority for both large and small business companies.

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