

Trends and Prospects for the Development of Digital Marketing Activities in Small Business

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Abstract--- In the article, the author considers the advantages and methods of such forms of marketing research for small businesses as Internet advertising, branding, rebranding, brand platform development, international exhibitions. Some forms are popular with entrepreneurs of Uzbekistan and are actively used by them, some are not in demand due to novelty or high cost. As suggestions for improving marketing activities in small businesses and entrepreneurship in the context of the digitalization of the economy, the author has developed an algorithm for introducing Internet marketing technologies, which functions as follows: if the selected methods do not correspond to competencies and restrictions, the algorithm returns to the stage of analyzing marketing activities and choosing core competencies small business.

Keywords--- Marketing, Food, Small Business, Modern Tools of Digital Marketing, Demand, Market.

I. Introduction

In the world, with the onset of the Covid-19 pandemic, the global trend of small business has transformed into a digital economy. Digital advertising spending worldwide, including desktops, laptops and mobile devices, was approximately \$378 billion in 2020. According to experts' forecasts, digital advertising will grow at an average annual growth rate of 15.5%, while search will grow by 12.2%. The global digital advertising and marketing market share is 40.9%. Nevertheless, small business throughout the world is considered as the most important basis for the effective functioning and development of the national economy. Developed foreign countries pay special attention to small business, which is reflected in the fact that the share of small business in 2021 in Japan's GDP was 53%, the USA - 52%, France - 49%, Germany - 47%, Uzbekistan - 54%, Russia - 20 %, Great Britain - 40%.

World practice shows that companies engaged exclusively in online retail, such as Amazon and eBay, have been able to build real business empires thanks to e-commerce. / To date, Amazon has today more than 120 million unique visitors per month. Especially digital marketing has become a modern tool for small businesses, which in turn is the most important sector of the economy, where a healthy competitive environment is being formed, new jobs are being created, and the middle class is being formed. The compound annual growth rate of digital marketing from 2022 to 2026 is projected at 8%, in 2021, 63% of companies increased their digital marketing budgets. Globally, between 2020 and 2021, budget spending on digital marketing in different companies increased by 14%. And the retail e-commerce service in 2021 amounted to 4927 million US dollars. In world practice, targeted scientific and innovation centers for the development of small businesses have been organized, in particular in the USA (STTR-Small Business Technology transfer, SBIR-Small Business Innovation Research Program), Great Britain (SBIC-Small Business Investment Companies Program), China and other countries marketing research programs in small business have been developed, aimed at attracting the innovative potential of small businesses.

II. Literature Review

Scientific, theoretical and methodological aspects of marketing research in small business and increasing the competitiveness of economic entities are considered in the works of such foreign scientists as F. Kotler [2], M. Porter [1], J. Egan, P. Doyle, N.K. Malhotra, M. Stone, N. Woodcock, L. Mechtlinger, J. O'Shaughnessy and others.

In the CIS countries, certain areas of increasing the competitiveness of small businesses are reflected in the scientific works of M.Afanyev [4], V. Belyaev [5], N.Grishina N.[7], R.Fatkhutdinova, Yuldashev N.K.[3], Radchenko M.V.[10], Kholmuminov S.[6], Tursunov B[11], and others.

III. Analysis and Results

In the context of the digitalization of the economy, there is a transformation of marketing tools, transforming into methods of digital marketing of actions in the Internet space, which are carried out when implementing a marketing strategy to achieve the goals of the organization. The use of digital marketing ensures the competitiveness of the enterprise in the market environment.

Table 1 discusses the indicators of small business in Uzbekistan by industry in 2019-2021.

Table 1: Indicators of the Share of Small Business in Uzbekistan by Industry in 2019-2021 [8]

Share of entrepreneurship in the industry, %	2019 y	2020 y	2021 y	2022 (January-march)
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GDP	56	55.7	54.9	44.7
Industry	25.,8	27,9	27	21.6
Construction	75.8	72.5	72.4	76.5
Employment	76.2	74	74.5	-
Export	27,	20,5	22.3	14.7
Import	61.6	51.7	48.7	49.5

Source: compiled by the author based on data from the State Statistics Committee of the Republic of Uzbekistan [9]

The main economic and indirect indicators demonstrate that the Uzbek economy has already entered the trajectory of strong economic growth, while improving a number of its structural positions.

At the same time, it should be taken into account that during the pandemic, economic reforms were actively continued, increasing the stability and competitiveness of the Uzbek economy. Another clear evidence that the dynamic recovery of the Uzbek economy at this stage was due to the effectiveness of the reforms carried out in recent years is the inclusion of Uzbekistan for the first time in its history in the international rating "Best Countries", as reported by the American news agency U.S. News in mid-April.[9]

Despite the crisis associated with the coronavirus pandemic, the volume of small business and entrepreneurship in Uzbekistan in 2020 in various industries tended to increase. The experienced difficulties are evidenced by the decrease in the number of employment in small business and entrepreneurship.

According to the author if earlier the main criteria for its development were primarily the size and concentration of capital, the volume of trade turnover, industrial potential and employment, then in recent years, associated with the pandemic, correctly chosen marketing concepts in small business have come to the fore to help entrepreneurs create an effective strategy. A marketing strategy is a process that occurs gradually, as the internal and external environment of the business, its environment, etc. are considered. After that, a specific plan is created that sets the business's focus on a specific market segment or customers, main competing firms, problems and weaknesses side, as well as the capabilities of the strong side of the enterprise.

The main advantage of a small business is elasticity. Although a company may not have a significant amount of material resources to invest in the development of a marketing strategy, it has the ability to quickly respond to the current situation and make quick decisions. In the competitive struggle, small businesses need to use their main advantages: territorial maneuverability, mobility, flexibility, proximity to the consumer. The right choice of strategy for a small business is a very important condition for its successful functioning.

As suggestions for improving marketing activities in small businesses and entrepreneurship in the context of the digitalization of the economy, the author has developed an algorithm for introducing Internet marketing technologies, which functions as follows: if the selected methods do not correspond to competencies and restrictions, the algorithm returns to the stage of analyzing marketing activities and choosing core competencies small business.

Most often in the process of conducting a needs analysis uses the segmentation method, which is the division market into clearly defined consumer groups (market segments), requiring different types of goods and different levels of effort. The choice of the target market for a particular product manufactured by the enterprise acts as the main working unit in order to carry out further marketing activities.

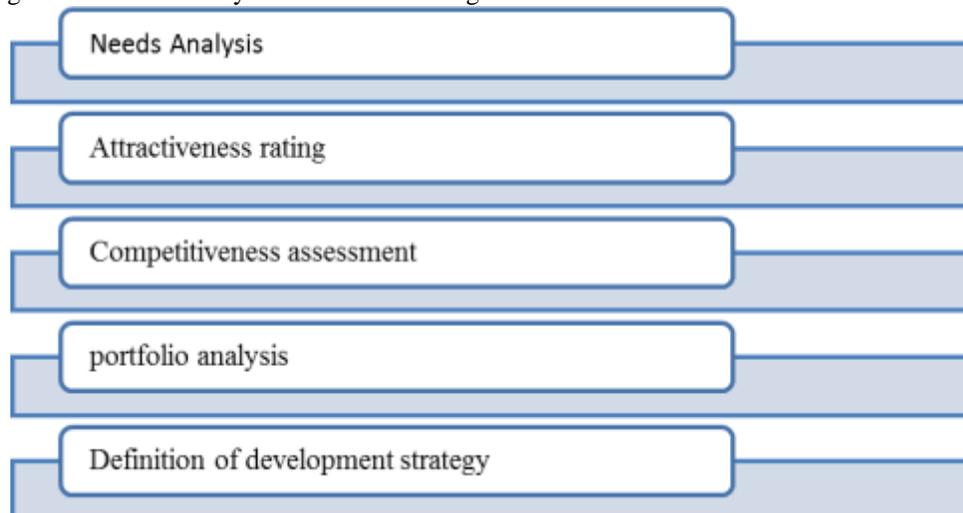


Fig. 1: Organization of a Marketing Strategy for Small Businesses in the Confectionery Industry

Based on the material presented, the author developed an algorithm for using digital marketing tools in small businesses (Fig. 9).

From fig. Figure 7 shows that a small food business, having chosen one or more digital marketing tools (search engine optimization SEO, contextual advertising, display advertising, targeted advertising on social networks, etc.) uses these tools to study the market, the market environment and study consumers. As a result of this study, the enterprise carries out market segmentation and selection of the target market. The final stage of this algorithm is to evaluate the effectiveness of digital marketing.

As the study showed, at present the use of Internet advertising is becoming the main base for information support of small enterprises.

Internet advertising in comparison with traditional means has a number of advantages, which are discussed in detail in the dissertation research. Internet advertising creates more opportunities and is included in all elements of the marketing communications mix, which is explained by a number of reasons (Fig. 2).

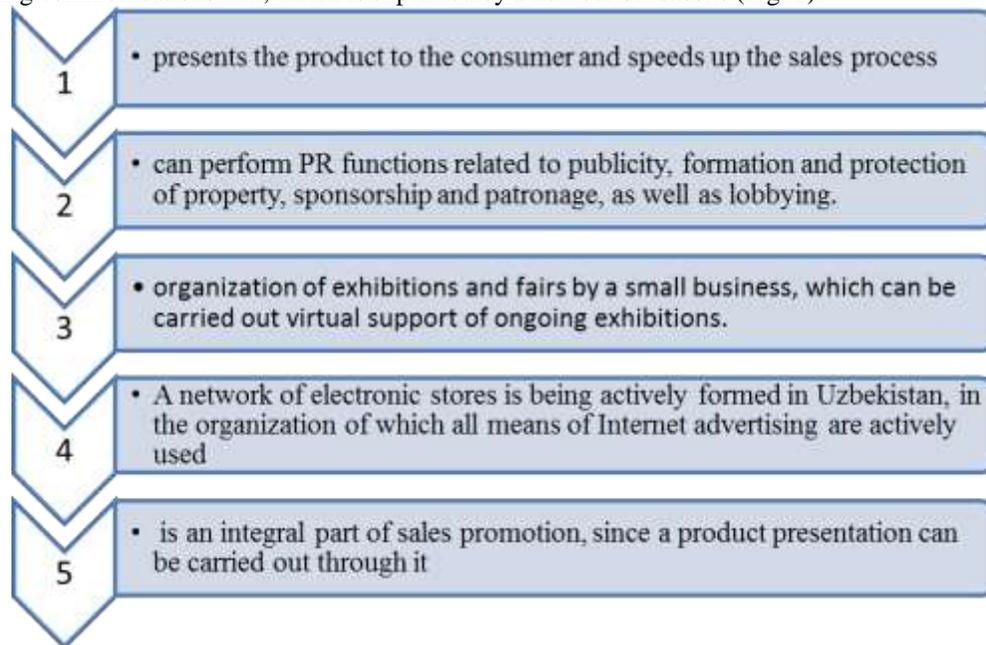


Fig. 2: Advantages of Internet Advertising Compared to Traditional Advertising

Thus, Internet advertising is integrated into the overall complex of marketing communications and can perform an integrating function.

The use of Internet advertising in a marketing communications mix can provide a tangible advantage due to the low price, the possibility of its constant updating, the small number of employees involved in its processing, the ability to quickly determine its effectiveness, which is discussed in other chapters Internet advertising can significantly increase efficiency marketing communications.

Table 2: Compares the Effectiveness of Traditional Advertising and Internet Advertising

Advertising features	Traditional Advertising	Internet advertising
Purpose of advertising	creating demand for a product	both creating demand for a product and meeting current demand
Ad manageability	Lack of detailed report, difficulty in forecasting	The ability to determine the number of visitors to the resource, which makes it possible to predict
Studying user needs	Long-term determination of demand	Instant determination of demand for a product or service.
User reaction time	Motivates the consumer to make a purchase	Possibility of purchase in one click. Motivation to make a purchase.

Broadcasting a brand platform with an audience, both on the Internet and offline, helps the client understand what he can get from interacting with the company. Thanks to this, conditions are formed for strengthening the loyalty of the audience. The creation of a brand platform for promoting the products of a confectionery enterprise contributes to the creation of the following competitive advantages for a small enterprise (Fig. 3).



Fig. 3: Creating Competitive Advantage through Brand Platforms

A promising direction in the marketing activities of small business confectionery enterprises is the participation of enterprises in international exhibitions. The main purpose of such participation is the desire to consolidate the brand in existing markets, as well as to expand the company's influence in new geographical markets. The value of this method lies in the fact that it is possible to expand the sales market without losing influence in the already conquered local market.

The algorithm for implementing Internet marketing technologies, shown in Figure 4, includes the following features. The implemented technology of Internet marketing is considered as a consistent identification of the factors that led to the receipt of the information flow of Internet marketing. So, if the chosen methods do not correspond to competencies and restrictions, the algorithm returns to the stage of analyzing marketing activities and choosing the core competencies of a small enterprise.

As part of this study, a competitiveness polygon was formed, which made it possible to assess the competitive capabilities of Sumbula Non by identifying the weaknesses and strengths of competitors, which makes it possible to use the competitor's own advantages and weaknesses to develop an effective competitive strategy.

Comparing the small enterprise Sumbula Non, Sofia, Cake Lab, Sebzor with competitors, we can distinguish the following competitive advantages:

- Affordable price allows products for many years to be in great demand among consumers.
- The enterprise uses the possibilities of advertising on the Internet and digital marketing tools, which helps to increase turnover.

In addition, the use of digital promotion channels allows you to:

- Ensure a quick start of activity for young small businesses;
- Significantly increase the efficiency of already known brands companies;
- Expand the market for their goods and services;
- Get an effective tool for market analysis and feedback communication with the consumer.

Figure 3 shows the algorithm for implementing Internet marketing technologies in small businesses in the food industry

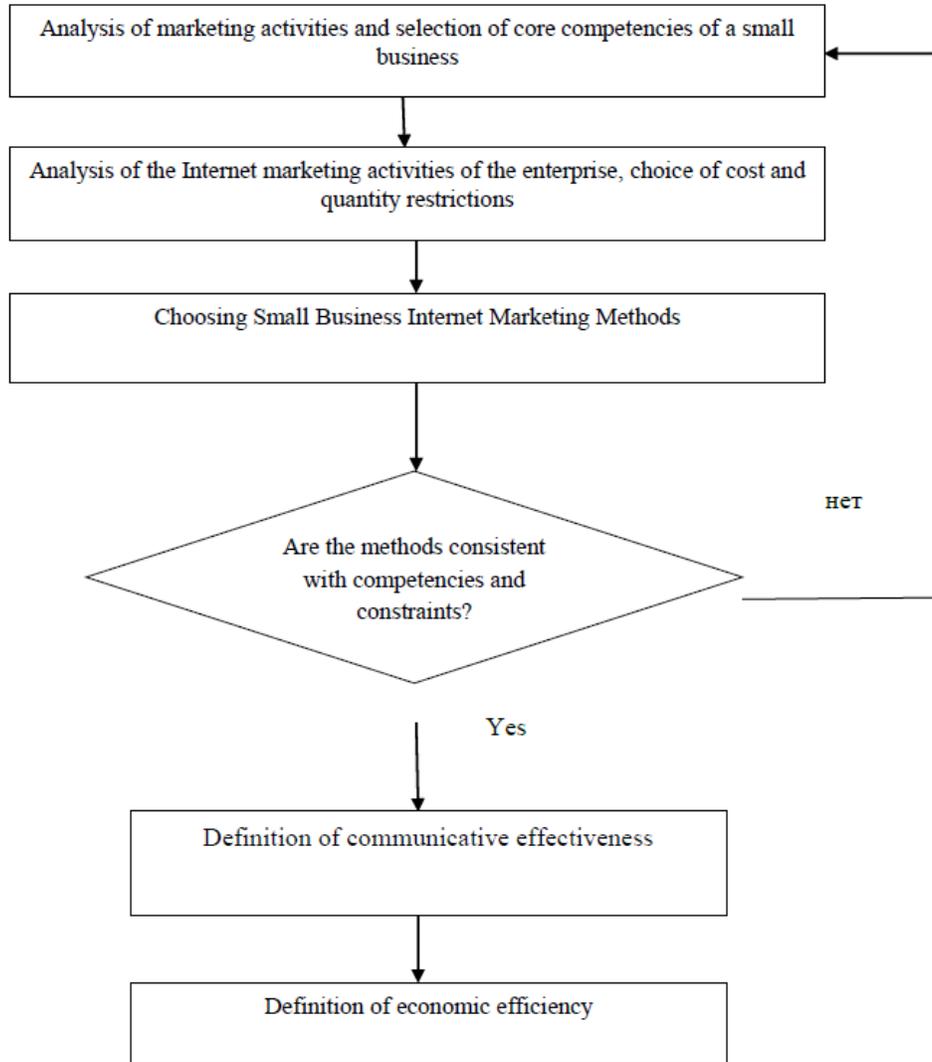


Fig. 4: Algorithm for the Implementation of Internet Marketing Technologies in Small Businesses in the Food Industry

The author has developed a methodology for determining the effectiveness of the use of electronic communications in the activities of small confectionery enterprises. The assessment was made on a ten-point scale using the method of expert assessments. Each block has its own maximum number of points, according to the degree of its significance.

Thus, we have received a final indicator equal to 7.73. Accordingly, it can be concluded that small business confectionery enterprises use the capabilities of their enterprise website by 77.3%. The indicator is high, but improvements in this area are possible.

In the course of this study, the author interviewed 50 small business representatives who used digital marketing tools in their activities, and asked them to rate socially effective development indicators on a scale from 1 to 10 points before and after the use of marketing activities (Table 3).

Table 3: Results of a Survey of Small Businesses

Index	Before using digital marketing, points (mean)	After using digital marketing, points (average)
Capacity utilization	7	8
Production costs	4	4
Volume of production	4	6
Production cost	5	6
Volume of sales	4	7

Market coverage	5	9
Consumer loyalty	5	8
Use of labor resources	4	5
Profit	5	7

Table 3 shows that almost all indicators have changed for the better, but the indicators for which a significant increase has been noted are sales volume (as the audience of buyers has expanded), market coverage, consumer loyalty, and, as a result, profit has increased.

To consider the prospects of digital marketing in small business and entrepreneurship using the example of enterprises in the confectionery industry of Uzbekistan, the author has developed an econometric model that determines the dependence of the volume of confectionery sold through various digital promotion channels on other parameters.

IV. Conclusions

In the digital economy, there is a transformation of marketing tools, transforming into methods of digital marketing of actions in the Internet space, which are carried out when implementing a marketing strategy to achieve the goals of the organization. The use of digital marketing ensures the competitiveness of the enterprise in the market environment. Small businesses in Uzbekistan use digital marketing tools to promote their goods and services. The application of digital marketing has changed small businesses for the better. Positive changes, expressed, among other things, in an increase in sales volumes, an increase in customer loyalty, an increase in the efficiency of work with personnel.

With regard to small and medium-sized businesses, barriers to digitalization are: lack of financial resources for investment, unwillingness of entrepreneurs to change the existing traditional technology, insufficient number of trained employees, distrust of digital innovations. An analysis of the digitalization directions of the small food enterprise Sumbula Non LLC indicates the possibility of partial digitalization: not in production processes, but in the field of accounting and tax accounting, warehousing, promotion and marketing of finished products. The author calculated a matrix of competitiveness assessment results for small enterprises in the confectionery industry in Tashkent, formed a polygon of competitiveness of small enterprises to determine the competitive advantages of small enterprises and their most effective use.

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