

## Chapter 2

# Understanding the Value of Digital Marketing Tools for SMEs

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### ABSTRACT

*Digital marketing is gaining predominance in marketing strategies across the globe. Digitization is becoming more and more present in business, not just changes in consumer behavior, but the adoption of new technologies, tools, and applications is highly disruptive, with immediate impact on the business of all companies. The common link between digital marketing definitions is the use of tools, namely online tools. One of the biggest changes in human interaction is the recent proliferation of online social networks. Rapid growth of web-based platforms that facilitate online social behavior has significantly modified the nature of human activities, habitats, and interactions. Real-world social relationships have been migrated to the virtual world, resulting in online communities that bring people together from across the globe. This study aims to identify and describe the various digital marketing tools and which of these can be used to increase the SMEs competitiveness.*

DOI: 10.4018/978-1-7998-4420-4.ch002

## **INTRODUCTION**

Digitization is becoming more and more present in business. Not only does it change consumer behavior, but the adoption of new technologies, tools and applications is highly innovative, with immediate impact on the business of all companies (Singh et al., 2020; Das & Nayyar, 2019; Mondal et al., 2017). The digital revolution has changed the way consumers perceive business strategies. From the age of finding out the day's events on the morning newspaper, to instant gratification with updates from social media, people's perception has been shaped by a technology based bubble, whose access is limited to a digital platform (Ghotbifar, 2017). Consequently, businesses have implemented strategies that are carried out in that media platform to provide an interactive, focused and measurable way of reaching consumers. This strategy is commonly known as digital marketing (Lamberton & Stephen, 2016).

Digital marketing creates opportunities to develop successful businesses in a way that was not previously possible for small companies (Eid. & El-Gohary, 2013), and is becoming an increasingly important source of competitive advantage in both business-to-business and business-to-consumer markets (Leeflang, Verhoef, Dahlström, & Freundt, 2014). The existing literature shows that digitalization in all its variations is connected to small businesses' growth, performance and competitiveness (Taiminen & Karjaluoto, 2015).

There are several authors defining digital marketing. Mejía-Trejo (2017) defines digital marketing "...as a process to design the strategy and tactics in a planned implementation, selecting a set of digital marketing tools. These should be based on mission and value proposition of the firm, with the performance monitoring and the profitability of the digital campaign design, in a permanent way...". Kanang and Hongshuang (2017) define it as "...an adaptive, technology-enabled process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders". Scuotto et al. (2016) define digital marketing as "... a social networking sites as marketing tools ...or on how these channels increase marketing communication effectiveness ...". For Marketo (2015) digital marketing "...is the endorsement of goods, services, and company brands through online media channels." Brindle (2017) define it as "...the traditional split between offline and online marketing no longer stands, and they are no longer classed as separate, segmented activities, but must be integrated in order to deliver the optimum experience to the end user". Martin (2017) as "...the definition has rapidly expanded beyond websites and email to social, immersive experiences, and mobile. Now, digital marketing can be anything from an online banner ad to a sponsored Instagram post to long-form content marketing to augmented reality."

The common link between digital marketing definitions is the use of tools, namely online tools (Singh, Mondal & Das, 2020; Sharma & Das, 2020; Das,2020). One of

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