

Features of Digital Marketing and Its Impact on The Development of Small Business

Kasimova Fotima

DSc, Professor at “Economics and Management industry” Department,
Tashkent Chemical Technological Institute, Tashkent, Uzbekistan
f.kosimova@tkti.uz

Abstract: Abstract: the article analyzes the digital transformation of the economy of all countries of the world which is now becoming an integral element of modern life, contributing to the improvement of the efficiency of business development, including small +business, economic sectors, social sphere and public administration system. The authors have developed a model of stimulating the development of digital marketing in small business and entrepreneurship, taking into account the necessary measures for its development, a set of proposed measures and analyzing the expected result. The application of the Internet makes the electronic market available to small businesses and entrepreneurs and allows them to enter international markets. Digital technologies significantly reduce the cost of economic and social transactions not only for the public sector, but also for small businesses, entrepreneurs and individuals. The analysis of the peculiarities of digitalization in the Republic of Uzbekistan allowed us to conclude about the rapid development of digital infrastructure in the country, the increase in the length of fiber-optic communication lines, the growth in the number of Internet users, and the development of various services for the population of the Republic of Uzbekistan. Digitalization of the economy increases the competitiveness of Uzbekistan in the international arena. advantages and methodology of such forms of marketing research for small business as Internet advertising, branding, rebranding, brand platform development, international exhibitions are considered. Some forms are popular among entrepreneurs of Uzbekistan and are actively used by them, some are not sufficiently due to novelty or high cost.

Keywords: Digital transformation, business development, technologies, research, small business.

1. INTRODUCTION

Currently, in many developed countries in all branches of industries the digitalization have been implementing, targeted legislation and programs that will become a springboard for the development of the digital economy have also been developing and approving. With the help of digital economy up the opportunities for the creation of new innovative models of production, trade, health care, education, economy and the whole society will be opened [1]. Currently, small businesses in various industries are facing the challenge of digital transformation, considered as the creation of new ways of working based on digital technologies (digital platforms, artificial intelligence, cloud technologies). In recent years, small businesses in Uzbekistan have a lot of new opportunities to implement an effective marketing policy due to the rapid development of digital marketing. This type of marketing provides a wide range of tools to deliver commercial information to the target audience using modern information technologies.

2. LITERATURE REVIEW

The digital transformation of business is an obvious requirement of the present time and a factor determining the success of commercial activities in highly competitive markets. Digital technologies are being implemented into all business processes and areas of work of companies. A number of scientists are currently engaged on digitalization issues, and this direction represents a special perspective. This is due to the possibility of penetration of the results of the digital economy in various spheres of life, industries, individual small businesses.

The term "digital economy" is widely used both in theory and in practice, but there is no consensus on its interpretation.

A. Prokhorov and L. Konik associate the possibility of digital transformation not only with the availability of certain technologies, but also with the need for the enterprise to provide the appropriate strategy, ways of organizing work groups and work processes. [2].

V.Y. Burov notes the special interest of the institution of small and medium-sized enterprises as an element of effective functioning of the market economy, to digital technologies in the conditions of socio-economic transformation. [3].

Also, digitalization for small and medium-sized businesses is one of the ways to survive and maintain their activities on the necessary level, which should happen quite quickly, but step by step: from equipping enterprises with digital infrastructure to the formation of a digitalization strategy taking into account modern realities [4].

Thomas Mesenburg identified three main components of the digital economy: e-business infrastructure; e-business - e-commerce. [5]

According to V. Katasonov, in the most general form, the digital economy can be presented as that part of economic relations that is mediated by the Internet, cellular communication, ICT [6]. Digital technologies in the modern world create fundamentally new opportunities for building interaction between the state, business and population, eliminating long chains of intermediaries and accelerating a variety of transactions and operations.

Methodology. The methodological basis of the research is formed by the general scientific principles of system approach; methods of analysis - logical, factor, comparative, managerial, etc. The synthesis of the views set out in the scientific literature allowed to ensure the systematic nature of the study and its logical coherence.

Main part. Despite the fact that digital transformation has firmly entered the life of all countries of the world, when considering and defining this concept, scientists characterize it from different points of view.

The first point of view boils down to the fact that the purpose of the development of digital technologies is the automation of business. Digital transformation is a process lasting decade, with the emergence of new technologies contributing to the emergence of new stages of digitalization. The aggregate of technical innovations leads to the change of one way of life into another (Figure 1).

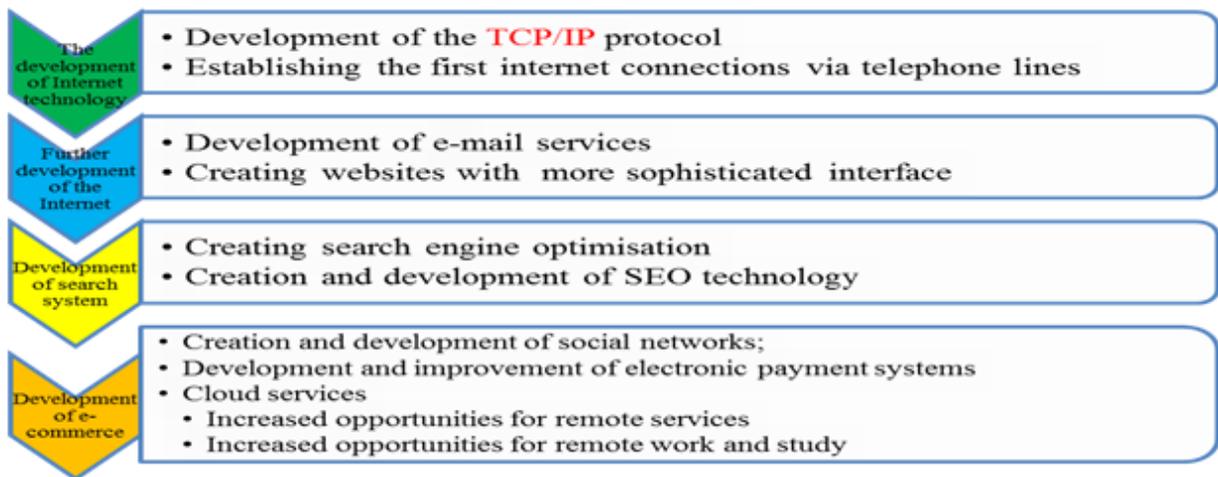


Figure 1. Stages of digital technology development. [7]

The second point of view associates digital transformation with a certain period of information technology development. The turning point was the development of the third platform (cloud technology, mobile Internet, "big data"), which served as a basis for the creation of fully digital companies operating in virtual space.

Adherents of the third point of view emphasize the economic aspects of the phenomenon, considering digital transformation a relevant tool for any company engaged in both digital business and real production. Companies engaged in real production activities use new business models and the necessary tools for successful development. Especially relevant for such companies is the application of digitalization in the development of marketing strategies.

In our opinion, the first two points of view have certain resonances, but the third point of view is more consistent with the essence of digital transformation.

The difference between digital transformation and automation of business processes is a radical increase in efficiency.

In Table 1. Let's consider the factors driving the transition to digital transformation.

Table 1: Factors driving the transition to digital transformation

Elements of marketing strategy	Stages of digital transformation		
	Initial	Managed	Optimized
Strategy	Digital strategy is not included in the enterprise strategy	Digital strategy is one of the priorities of the enterprise	Digital strategy is the basis of the enterprise business strategy
Technology	Scattered data sources, basic tools for data recording and analysis	Data collection through multiple channels, basic modeling tools	Use of cloud technology and big data
Human capital	Scattered knowledge of digital technologies	Staff has digital competences	Digital marketing specialists are available

Numerous surveys suggest that the main drivers of digital transformation are the followings:

- changes in the behavior and expectations of employees and customers from the level of digital services,
- competitive pressures, and the desire to occupy promising new markets.

Digital transformation is characterized by the introduction of not only information technologies, but also other innovations: biotechnology, nanotechnology, quantum technology. Each of these technologies, co-operating with information technologies, creates innovations at their intersection.

To assess the degree of digital transformation of different countries of the world, the Digital Evolution Index (DEI) is used, which includes the following parameters:

- level of development of physical and digital infrastructure;
- the demand for digital technologies in the country;
- the level of development of the institutional environment;
- the level of development of the national innovation system.

Table 2: Digital economy development index values for some EAEU and EU countries [8]

Country	Quality of ICT infrastructure	Intensity of internet usage	Human capital	Digitalization of the economy	Digital Economy Development Index
Sweden	0.08	0.93	0.66	0.92	0.85
Germany	0.54	0.54	0.62	0.72	0.58
Hungary	0.25	0.58	0.52	0.77	0.50
Belarus	0.31	0.50	0.55	0.65	0.46
Russia	0.32	0.23	0.46	0.46	0.34
Kazakhstan	0.37	0.16	0.47	0.15	0.19
Uzbekistan	0.38	0.17	0.42	0.15	0.20
Kyrgyzstan	0.24	0.13	0.33	0.11	0.14
Tajikistan	0.22	0.12	0.31	0.11	0.13

Will we point click search scan swipe see sign or touch the future [Electronic resource]. — Available at: <https://excapite.wordpress.com/2010/08/31/will-we-point-click-search-scan-swipe-see-sign-ortouch-the-future/33>.

Uzbekistan is ahead of such neighboring countries as Kazakhstan, Tajikistan and Kyrgyzstan in terms of the quality of its ICT infrastructure, as Uzbekistan has a very dynamically developing telecommunications infrastructure. The number of installed broadband Internet access ports is increasing annually in Uzbekistan, which provides subscribers with uninterrupted connection to it for transmitting and receiving information at high speeds

To improve the index of human capital and its competencies in the field of information technology, the "One Million Programmers" program, which provides free training in programming skills, was launched in 2020 and has trained more than 130,000 students. All the measures discussed above contribute to raising Uzbekistan's digital economy development index to the level of leading EU countries.

The disadvantages of international indices of digital economy development include the fact that they do not take into account the peculiarities of each country, there is a kind of adjustment of country indicators to the calculated

requirements of international indices. In our opinion, the existing methods do not allow us to comprehensively assess the degree of development of the digital economy in the country.

Belarusian scientist G.G. Golovenchik has developed a methodology for rating countries by the level of development of the digital economy in the form of Hierarchical three-level model

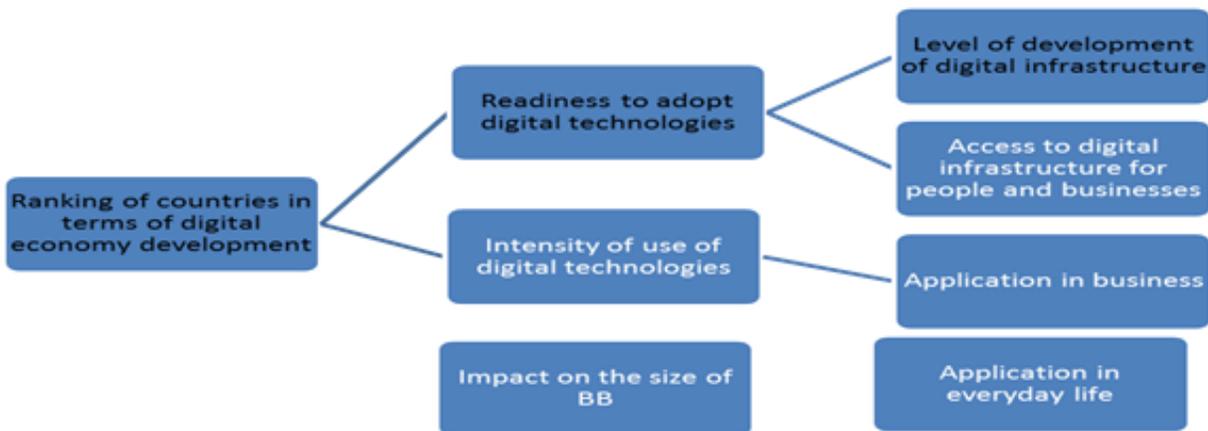


Figure 2: Hierarchical three-level model of digital economy development in the country [9]

The information and communications technology (ICT) industry sector, which typically includes telecommunications services, electronic equipment, computing and software manufacturing, plays an important and growing role in the global economy. According to McKinsey it accounted for approximately 7.5 per cent of global GDP in 2020 .

However, the sector's share of GDP does not fully reflect the enormous impact that ICT, due to the nature of the product, has on economic growth and all aspects of human activity, including the availability of various social services, health care and education. The increased use of modern information technologies (high-speed Internet, mobile broadband and computer services) in itself contributes to economic growth, and the fact that such technologies facilitate and speed up the process of interaction between people and increase labor productivity creates additional socio-economic effects.

The digital economy acts as a complement to the real economy, capable of boosting the development of industry, agriculture, construction, services and public administration, increasing the country's global competitiveness and national security. The introduction of digital technologies is carried out with the parallel development of traditional production, when the main dividends from the digital economy are received by society.

Digitalization has covered all business entities in different countries of the world, including small businesses, which is associated with the development of digital infrastructure. Figure 3 shows the quantitative ratio of small businesses around the world that have access to broadband internet with access speeds from 2 to 100 Mbit/s and over 100 Mbit/s.

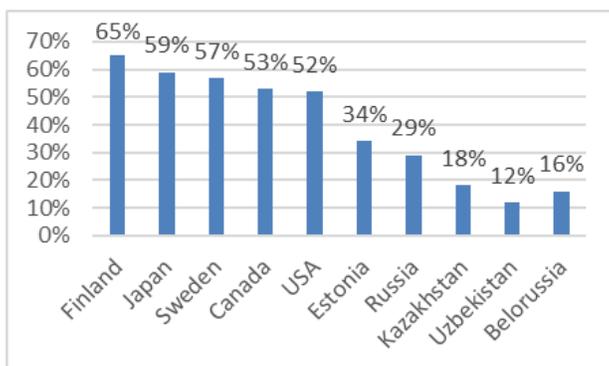


Figure 3: Internet access in small business organizations.

The digitalization of small business is a source of small business development in various countries around the world. The given data show that the highest degree of provision of small businesses with high-speed broadband Internet is in Denmark, Sweden, Finland. However, the provision of small businesses in the Republic of Uzbekistan with broadband Internet at speeds from 2 to 100 Mb/s is quite high.

Cloud technologies are the most demanded for small businesses, because small businesses most often do not have the means and need to maintain huge software for solving different tasks and specialists to support it. The use of cloud technologies by small businesses can improve data consistency, speed up the process of updating information platforms with minimal costs, reduce operating costs and guarantee the security of important customer and internal data.

Using cloud technologies, you can maximize the automation of your business, spending minimum time on setting up and monitoring the operation of services and applications.

Compiled by the author on the basis of data from the collection Digital Economy: 2021 : a brief statistical compendium / G. I. Abdrakhmanova, C75 K. O. Vishnevsky, L. M. Gokhberg, et al; National Research University Higher School of Economics. - Moscow: National Research University Higher School of Economics, 2021, p.46.

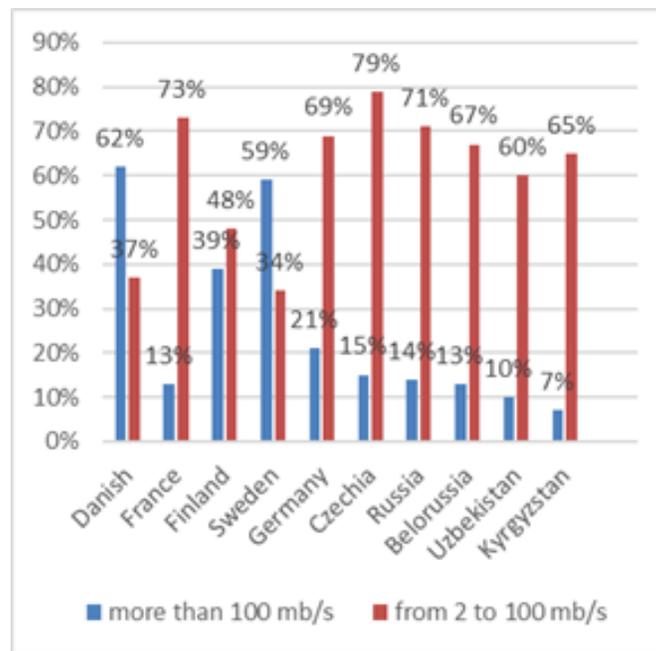


Figure 4 - Use of cloud services in small business organizations

In their activities, small businesses use various digital technologies that allow them to reduce the costs of doing business: financial tools of online payments; tools of targeted advertising in social networks, accounting programs, CRM-systems, their own small business website (Figure 5.).

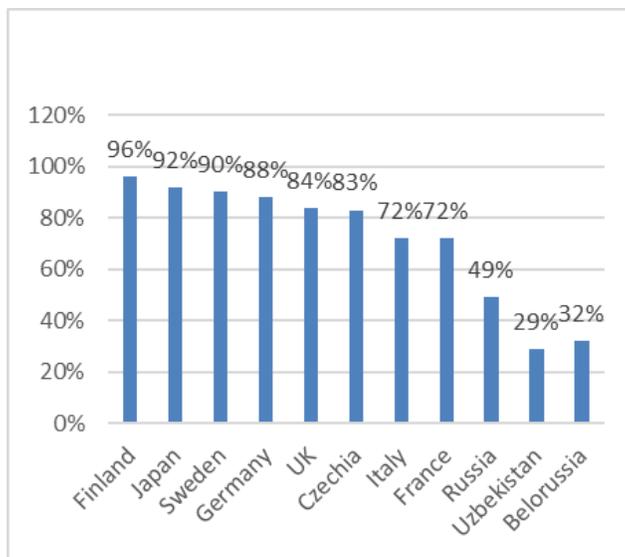


Figure 5. The share of small enterprises that have own website

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3. RESULTS OF THE STUDY

Conclusions. Digitalization of the economy opens up new opportunities and prospects for small businesses. The use of digital technologies allows small businesses to reduce costs, improve the efficiency and competitiveness of the enterprise, to produce new types of products, occupying certain niches in the market of digital goods and services. The data shows that in Finland, Japan and Sweden almost all small businesses have their own website. The use of their own website gives an opportunity to promote the products of a small business not only to domestic but also to foreign markets, provides an opportunity for quick feedback from consumers of products or services, and in some cases an additional sales channel for small businesses.

Uzbekistan, Belarus and Russia are somewhat behind European countries in terms of the availability of a website for small businesses. The development of digitalization within the framework of the Digital Uzbekistan-2030 Program contributes to increasing this indicator for Uzbekistan in the near future.

In the process of growing digitalization of the economy, the implementation of various online resources for procurement and sales by small businesses around the world is gaining popularity (Figure 6.).

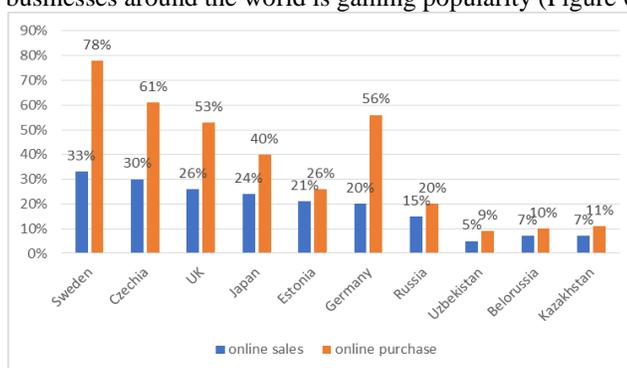


Figure 6. Internet usage in small business organizations for purchases and sales.

Compiled by the author on the basis of data from the collection *Digital Economy: 2021 : a brief statistical compendium* / G. I. Abdrakhmanova, C75 K. O. Vishnevsky, L. M. Gokhberg, et al; National Research University Higher School of Economics. - Moscow: National Research University Higher School of Economics, 2021, p.53

It is clear from the above data that online procurement for small businesses exceeds online sales, a trend that is true for almost all countries considered. This trend can be explained by the fact that the online procurement experience has a longer history and online sales have begun to be embraced by entrepreneurs due to the realities dictated by the coronavirus pandemic.

The pandemic was also a significant challenge for business and industry, the preservation of which became possible only through the automation and digitalization of production and business processes, the transition to online commerce, electronic payments, the transfer of some employees to remote work using technologies such as VPN (virtual private networks), VoIP (voice over IP), online conferencing (ZOOM, etc.), cloud technologies, collaboration tools

Digital modernization is changing the organization of production and economic activity in all countries of the world and is becoming an integral part of them, which is characterized by a steady trend of growth in the share of the digital economy in the GDP structure. At the same time, the level of digitalization varies significantly from state to state.

The emergence of a new digital space in innovative entrepreneurship creates and opens access to a significant amount of data for numerous participants in the global economic space. Formed "big data" together with technologies become one of the leading assets of the state, business and civil society. In addition, national programs for the development of a new generation of economy are being developed, including the development and implementation of high technologies, "big data" analysis and forecasting, and the introduction of new management methods. The task of strategic importance is not only an achievement in the context of the socio-economic well-being of states, but also as a condition for preserving sovereignty against the background of globalization and the implementation of digital entrepreneurship programs by other participants in the world market.

The digital economy is rapidly changing the face of modern business. It provides access to a significant amount of data to numerous participants in the global economy. The strategy of digitalization of the economy contributes to the expansion of the scale of production and exchange, the growth of the market value of enterprises, and more efficient use of means of production and labor, as in the sphere of material production,

Efremova T.A., Artemieva S.S., Makeikina S.M. Features, trends and prospects of digital transformation of the economy: global and national experience // *Theory and practice of social development*. 2021. №1 (155) c.55 and in the sphere of production. services, and, most importantly, increased competition and changes in the prevailing style of economic management.

4. CONCLUSIONS

Let us summarize the main conclusions about the current stage of development of the digital economy in Uzbekistan and its impact on the development of small business and entrepreneurship.

1. Digital transformation of the economy in all countries of the world is now becoming an integral element of modern life, contributing to the efficiency of business development, including small business, economic sectors, social sphere and public administration system.

The strategy of digitalization of the economy contributes to the expansion of the scale of production and exchange, the growth of the market value of enterprises, more efficient use of means of production and labor, both in the sphere of material production and in the sphere of production. services, and, most importantly, increased competition and changes in the prevailing style of economic management.

2 An analysis of the specific features of digitalization in the Republic of Uzbekistan allows us to draw a conclusion about the rapid development of digital infrastructure in the country, the increase in the length of fiber-optic communication lines, the growth in the number of Internet users, and the development of various services for the population of the Republic of Uzbekistan. Digitalization of the economy increases Uzbekistan's competitiveness in the international arena.

3. In the case of small businesses, the barriers to digitalization are: lack of financial resources for investment, reluctance of entrepreneurs to change the established traditional technology, insufficient number of trained employees, and distrust of digital innovations. The analysis of the areas of digitalization of a small food enterprise shows that partial digitalization is possible: not in production processes, but in accounting and tax accounting, warehousing, promotion and sales of finished products.

4. Due to the development of digital infrastructure, some areas of small business in the Republic of Uzbekistan are involved in the process of digitalization and are quite successfully implemented (search and purchase of raw materials, warehousing, formation and submission of tax and accounting reports). Digitalization of the production process itself is still too expensive for small businesses.

Digital marketing tools such as mobile marketing and SMM are the most popular among small food businesses, while the least popular are e-mail marketing and affiliate programs.

5. We have considered the advantages and methodology of such forms of marketing research for small businesses as Internet advertising, branding, rebranding, brand platform development, international exhibitions. Some forms are popular among entrepreneurs in Uzbekistan and are actively used by them, some are not sufficiently demanded due to novelty or high cost.

Thus, the digital transformation of the economy in all countries of the world is now becoming an indispensable element of modern life, contributing to the efficiency of business development, including small business, economic sectors, social sphere and public administration.

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