

SMALL AND MEDIUM ENTERPRISES GO DIGITAL

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Abstract: *Beyond today's technological development, the main aspect is the diversity of generations and their characteristics. Given the consumption behaviour that differs from generation to generation, companies tend to be more and more concerned with the proper use of definite features so that the personalization of transmitted messages is as specific as possible using the digital environment. This defines an organization as a digital one, together with the 10 technologies: digital profiling, target group segmentation, website, search engine marketing (SEM), campaign management, content management, social media, mobile applications, digital collaboration and analysis.*

Key words: *digitalization, target group, digital marketing, analytics, advertising.*

1. Introduction

SMEs are recognized as the driving force of a country's economy and the vast majority of them fail to reach their potential because they do not capitalize on their innovative and creative capacity with the help of technology. The reason why this is happening is that the tools that technology currently offers to reach the strategic communication ability in marketing are not known. From this point of view, the need for digitization in such an entity is becoming more and more apparent. The need to digitize the business and processes that take place within a company is increasingly promoted and has become one of the decisive factors for its success.

In other words, the digitization potential of a business is highlighted by the entity's ability to establish and analyse performance indicators, but also through individualization (by increasing the attractiveness of products, by approaching different customers, improving the services delivered to the customer). Once noticed the digitization potential of the entity, it is complemented by the presence of optimism regarding Social Media platforms and search engines, which represent support tools meant to improve the competitive advantage over other businesses on the market. It contributes to establishing relationships with the target audience, but also to growing

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and developing the business. Although its beneficial role is increasingly known, the SME sector has remained relatively low, due to lack of skills and knowledge regarding the identification and use of the benefits offered by technology.

2. The Impact of Google' initiative – Digital Garage for SMEs

Under the aegis of the Global Grow with Google program, the Digital Garage for SMEs has the mission to help digitize Romania through free courses and consultancy for students and SMEs. Since according to the DESI index, Romania ranks last in the EU in terms of connectivity, human capital, Internet use, integration of digital technology and digital public services, through consulting for SMEs, the program aims to increase the digitization rate in Romania. In 2018, the company is committed to helping one million people in Europe find a job or grow their business by 2020.

The digitization rate in Romania includes both positive and negative factors. In other words, it is beneficial for this country to rank in the top 10 countries globally on Internet speed, or second in the EU, in terms of subscriptions to broadband services. Moreover, the IT sector represents about 7% of GDP and is one of the largest contributors to economic growth. However, Romania ranks last in the digitization chapter as 32% of Romanians have never used the Internet, 72% of the citizens do not have basic digital skills. Moreover, Romania ranks last in terms of provision of public services in the digital sphere.

3. Concerning the need for digital competences for business development

As presented in the first part, the diversity of generations and their characteristics now influences the activity of advertising agencies for a more specific and personalized targeting of ads. These entities have learned over time to acknowledge that there is an increasing emphasis and interest on the human side, thus small and medium-sized business owners need to adopt the model and step into the digital world in line with current trends. Therefore, the role of digital platforms and Social Media is significant in shaping the digital profile of the present buyer. This is why organizations need to align themselves with trends, thus highlighting the ten technologies they must address: digital profiling, target group segmentation, website, search engine marketing (SEM), campaign management, business management content, social media, mobile applications, digital collaboration and analysis. All these, if approached with interest by entrepreneurs, can ensure the success and visibility of products and services in the online environment. The concept of Big Data, which is relatively new, is also a variable that can influence the life of an entity that operates in your relationships with customers. This brings to the fore concepts such as personalization and targeting as specific as possible, depending on the target audience.

The present study has tested the experience of entrepreneurs in digital marketing, as well as their inclination towards the desire for education in this field. The basic aspects addressed in this paper refer to the interaction of SMEs in Brasov with the digital environment, the concern for identifying and tracking the target group by the owners of

these SMEs, as well as the attitude towards digital education.

Interpreting the information from the support questionnaire in the SPSS platform, we can observe first of all that 2251 answers were obtained from 1071 persons. With a percentage of 70.1%, the presence in the online environment of companies through a website page was chosen as an option, which represents 31% of the answers. This was followed by the Facebook page, with a 58.8% and Instagram account, with 45.3%.

According to the analysis, the Google My Business platform and LinkedIn account seem to be the two tools that are not so used by entrepreneurs, like the first three. According to the information described in the study, it can be said that although most of the subjects have a website and a Facebook page, the minimum presence in the online environment is not met, especially the Google My Business (GMB) account. This platform represents the identity of the business in the online environment and helps to increase visibility through settings made inside the platform. For example, a restaurant can appear in the top positions in the search network, if it has set up the GMB account through the dedicated platform. This is confirmed by the occurrence information summary on the right side, as upon research the company appears as an option for the user.

Inside this platform, the microsite made available to entrepreneurs for free, will ensure relevance to the domain in which it operates, when a user is looking for a similar service. Along with it, free postings can go directly on the network and the owner of the listed company can ensure success in the process of crawling, indexing, and ranking the options. Unfortunately, just like testing this hypothesis shows, a lack of knowledge became visible on this side during the interviews, entrepreneurs skipping this stage and worrying about a website, which did not allow them to build a foundation of visibility in the online environment.

On the other hand, we can observe that the most frequent response offered by the interviewees is that they do not use any traffic tracking tool. This answer is provided by 747 people (69.7% of the respondents).

Considering the role played by the traffic tracking tools and the target audience, we can state that entrepreneurs do not know the need for such a tool, given that promotion has now become more and more customized to the target group. Being asked why they do not use such instrument, most of them replied that they do not know and do not know how to use a similar platform. The moment they learned about Google Analytics, and the Statistics tab within the Google My Business platform, entrepreneurs have understood the role of such tools and have been enthusiastic about the results they can get in real-time.

The presence in the online environment has also been studied from the point of view of advertising, and the question addressed to the subjects aims to find out the behaviour regarding the frequency with which they carry out advertising campaigns in the online environment. The most common answer is that entrepreneurs do not run any monthly advertising campaigns to promote their services or products.

First of all, everyone who stated by questionnaire that they do not carry out any campaign per month, eventually acknowledged how easy it is to run a campaign. Secondly, they understood how the bidding and payment process works for these ads.

Therefore, many of them said that they will use this technique to promote their services and products.

According to information obtained from the 1071 respondents, the subjects are of the opinion that online marketing contributes to a good exposure of SMEs, which represents 25.6% of the total answers. With a slight difference, 96.2% and 96.1%, they believe that online marketing contributes to establishing and maintaining customer relationships but also offers advantages over measurement results.

So, it can be said that most of the entrepreneurs who have participated in this study said that they do not know very well what digital marketing means, but if they did, they would use it to develop their organization. This answer is represented by 80.8% of the total, at the opposite pole being the cases in which they admitted they know digital marketing tools very well.

This questionnaire represents the support of the present study, as the information obtained from the answers confirms that a long-term strategy should be devised in order to influence the digital skills of the subjects. In other words, a program is needed to support entrepreneurs, in continuation of the Digital Workshop offered by Google, to activate on multiple fields and to meet those who want to improve their knowledge.

4. Conclusion and proposals

The analysis revealed that only 11.7% of the total 1071 entrepreneurs heard and used Google My Business (an important platform for online presence) to increase visibility in the online environment. With this in mind, the proposal to promote this service offered free of charge by Google for those who own a business is made more concrete. Another proposal is that users of this platform should learn to frequently use the techniques by which visibility is increased in the online environment using the settings within the platform. For example, they should be trained on setting the microsite inside the platform, in order to meet the criteria that Google's search engine takes into account. Also, posts, user interaction, but also company profile settings are aspects that entrepreneurs need to know before thinking about designing a website to ensure their position on the Google Search Network.

Traffic tracking is also a challenge for the interviewed entrepreneurs, therefore, they should be trained and motivated with recommendations from the specialists, so that they can be accommodated with the concept of the free tools made available to achieve this objective. A similar tool is Google Analytics, which by its nature gives real-time results on the performance of websites. Also, they could discover who the audience is both in real time and within a set time without too much effort. By this method they could discover who is the predominant audience in their environment and could use the information to develop a healthy content marketing, retargeting strategies and so on.

The study also found that 83.3% of respondents do not carry out any advertising campaign per month to promote their products. This, in combination with the answers regarding digital competences, can determine the fact that these entrepreneurs would carry out advertising campaigns, if they knew how to use digital marketing tools. This is another proposal that the author points out: the creation of a means by which the

entrepreneurs would continue the education received through the Digital Garage program and to broaden its horizons on the field of digitization.

5. Practical implications and future research

These practical implications for both Google and other organizations are closely linked to the proposals outlined above, which would include:

- Creating an online digital platform for interactive learning with the related application, dedicated to entrepreneurs to continue the courses after receiving the consultancy in the Digital Workshop offered by Google. This would develop a digital organization and could play the role of a learning space, simulating certain aspects of digital marketing, in order to prepare entrepreneurs for the real situations their business is facing. This would be called VIGO and would have the slogan: Virtual Identity Grows the Organization, along with the associated logo:



Fig. 1. Logo of Virtual Identity Grows the Organization

- Creating an entrepreneur's guide with a digital profile, in which all the steps that the entrepreneurs have to take regarding the actions concerning the aforementioned instruments can be explained. This will make it easier for these people to understand how to set up the accounts correctly and to maintain a good position on Google.

- Organizing training sessions, workshops, to continue the activity for the digital training of entrepreneurs.

- Establishment of an educational NGO and a national community regarding the digital competences of the owners of SMEs at national level.

- Involvement of the entities from the private environment together with the Universities to design / develop a study program / laboratories that determine the acquisition of digital entrepreneurial competences.

- Establishing a special education program called the "Digitalization Institute", through which the owners of the SMEs interested in education in this direction, can acquire the skills and certification necessary to activate in a specialized field.

A clear point of future research is the extension of the research population from Brasov to the national one, by the same method. Also, the post-consultancy period is considered to be important, during which time the entrepreneur is supposed to want to implement the solutions he has found following the courses / consultations. To do this, setting performance and measurement indicators is imperative to measure even more accurately the impact that measures to improve the digital skills acquired by entrepreneurs can have. To complete the future directions of digitization, an analysis of the following econometric model is recommended in order to carry out a new research study that confirms the model that puts the digital organization in the foreground:

$$DO = \beta_0 + \beta_1 * DIGPRO + \beta_2 * AUD + \beta_3 * WEB + \beta_4 * SEM + \beta_5 * CAMPMG + \beta_6 * CONTMG + \beta_7 * DIGCO + \beta_8 * ANALYSIS + \beta_9 * DEDU,$$

where:

DIGPRO is DIGital PROfile, that is to say the digital profile that the organization's field of activity can materialize;

AUD is formed audiences;

WEB is websites;

SEM is Search Engine Optimization;

CAMPMG is CAMPaign ManaGement;

CONTMG is CONTeNT ManaGement;

DIGCO is DIGital COLlaboration;

ANALYSIS is data analysis and

DEDU is Digital EDUcation.

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