

DIGITAL MARKETING AS A TOOL FOR THE ENTERPRISES' DEVELOPMENT IN THE CONDITIONS OF THE GLOBAL COMPETITION

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Abstract

Since the marketing activity of the enterprise is directly related to the management system and the development of timely solutions to increase competitiveness in current conditions of social development, there is a need to analyze the tools for ensuring the enterprises' development using modern digital technologies, which determines the relevance of the research direction. The purpose of the study is to substantiate the principles of digital marketing as a tool for the enterprises' development in the conditions of the global competition. The methodological basis of the research is a systematic approach, which makes it possible to consider digital marketing taking into account the relationships and influences of the external and internal environment, as a set of measures aimed at achieving the set goals of the enterprise' development in conditions of the global competition through the influence of digital marketing subjects on the object. The outlined methodology of the system approach made it possible to single out the principles and functional features of digital marketing, to group modern digital marketing tools and indicators of the effectiveness of their use. The authors proposed a recurrent relationship, which represents a functional-informational scheme for the implementation of the digital marketing system as a tool for the enterprises' development in the conditions of the global competition.

Keywords: digital marketing, management, enterprise, global competition, competitiveness, digitalization.

JEL Codes: O1, O2, O4.

Introduction

Current conditions of intensifying global competition demand from enterprises an innovative approach to management and finding ways to intensify the processes of promoting products on the market. The implementation of digital marketing tools, as proven by the practice of the functioning of enterprises in the conditions of the Covid-19 pandemic, provides the enterprise with new opportunities in relations and establishing communication with consumers, finding

customers, studying customer requests, entering new markets. The scale of digitalization of the international market and the expansion of the possibilities of finding consumers and the market possibilities of conducting business processes, in turn, lead to the intensification of the global competition. Digital marketing contributes to increasing the efficiency of analytical work at the enterprise, improves service and communications between the enterprise, its customers and

partners. The mentioned and others actualize the topic of digital marketing research as a tool for the enterprises' development in the conditions of the global competition.

The purpose of the article is to substantiate the principles of digital marketing as a tool for the enterprises' development in the conditions of the global competition.

Literature review

Current trends of digitization and intensifying competition require enterprises to find ways to involve digital technologies in their marketing activities. Many scientific studies are devoted to digitalization and its influence on the development of marketing strategies. Article by Adam M. et al. (2020) examines the role of digital marketing platforms in supply chain management and examines the impact on meeting customer needs and loyalty of small and medium-sized enterprises. Scientists Chernenko O. et al. (2022) proposed a systematic approach to the involvement of digital marketing tools and investigated the impact on the development of international business.

Scientific papers Ivanova N. et al. (2021, 2022), Kovalchuk S. et al. (2022) considered the peculiarities of the development of e-commerce in the conditions of the digital economy, analyzed the marketing strategy of small business adaptation to quarantine restrictions in the field of trade entrepreneurship, and outlined the prospects for the development of marketing communications of trade enterprises in current conditions.

Within the scope of articles Munir, A. R. et al. (2023), Popelo O. et al. (2022) the impact of digital marketing and brand articulation opportunities on the activation of marketing opportunities were analyzed, and a methodical approach to the evaluation of innovations in the conditions of digitalization was developed. Scientists Popova-Terziyska R. et al. (2021), Tataryntseva Y. et al. (2022) researched digital marketing tools and conducted an economic evaluation of digital marketing management at enterprises.

Scientific works of the authors Kholiavko N. et al. (2021), Lazarenko I. et al.

(2020), Marhasova V. et al. (2023) are dedicated to determining the priority directions for increasing the adaptability of higher educational institutions to the conditions of the digital economy, analyzing the need to introduce a Data Science course into economics curricula, and investigating the impact of digitalization on the sustainable development of Ukraine in the context of the COVID-19 pandemic and with taking into account the challenges of war.

Despite the significant number of publications on digitalization and the application of digital technologies in the field of marketing, the issue of implementing digital marketing as a tool for the development of enterprises in the conditions of global competition is becoming more and more relevant and requires further study and analysis of new opportunities.

Methodical approach

The research methodology is a systematic approach based on the fact that marketing can be represented as a system characterized by a set of relationships with other functional systems of the enterprise, the interaction of participants in marketing activities, provides a set of practical techniques, measures that are applied taking into account general economic development trends in conditions of digitization and intensifying global competition. The marketing activity of the enterprise is directly related to the management system of the enterprise in the direction of increasing competitiveness due to the achievement of the set development goals. The digital marketing system is a dynamic system described by a set of measures aimed at achieving the set goals of the company's development in conditions of the global competition through the influence of digital marketing subjects on the object, taking into account the influence of the internal and external environment of the company's development.

Results

Digital marketing depends on the development and distribution of digital

channels, but digital channels are not only the Internet, but also any digital media outside of it. Thus, through ordinary communication channels such as newspapers, magazines, television, billboards and others, with the help of QR codes placed on them, you can switch from a traditional marketing channel to a digital one. The main goal of implementing digital marketing is to ensure the development of the enterprise and increase its competitiveness both on the domestic and foreign markets due to the adaptation and modernization of the enterprise's production and commercial activities to fast-moving conditions and market needs, taking into account the processes of digitalization of social development.

The main principles of digital marketing are:

client-centricity, which shifts the emphasis to maximum client-orientation;

customization, according to which the emphasis is shifted from mass individualization to personification when interacting with customers;

transformation, which involves the speed of response to environmental changes;

preemption involves, on the basis of constant monitoring of competitors and the market situation, the formation of new opportunities for the enterprise' development

using digital marketing tools.

The unconditional advantages of digital marketing in the enterprise' development in the conditions of the global competition is explained by a wide range of digital marketing tools. Consider the tools of digital marketing (Fig. 1).

Search Engine Optimization (SEO), which aims to improve a company's website to increase its ranking in search results. The peculiarity of SEO is that it is aimed at a user who already intends to purchase a certain product or service. In turn, such a digital marketing tool includes a large number of various components, which can be attributed to: page loading speed, visual stability of the company's page, optimization of the number of site elements to increase the productivity of activities on the site by consumers; product or service positioning with an emphasis on their competitive advantages.

Content marketing involves the process of substantiation, planning, analysis, creation, publication, distribution, exchange of certain content using various channels of the digital environment. In turn, providing high-quality content marketing makes it possible to increase the coverage of the target audience, increase awareness of the company, product, brand, form the loyalty of the target audience for the long-term, and increase the conversion rate.

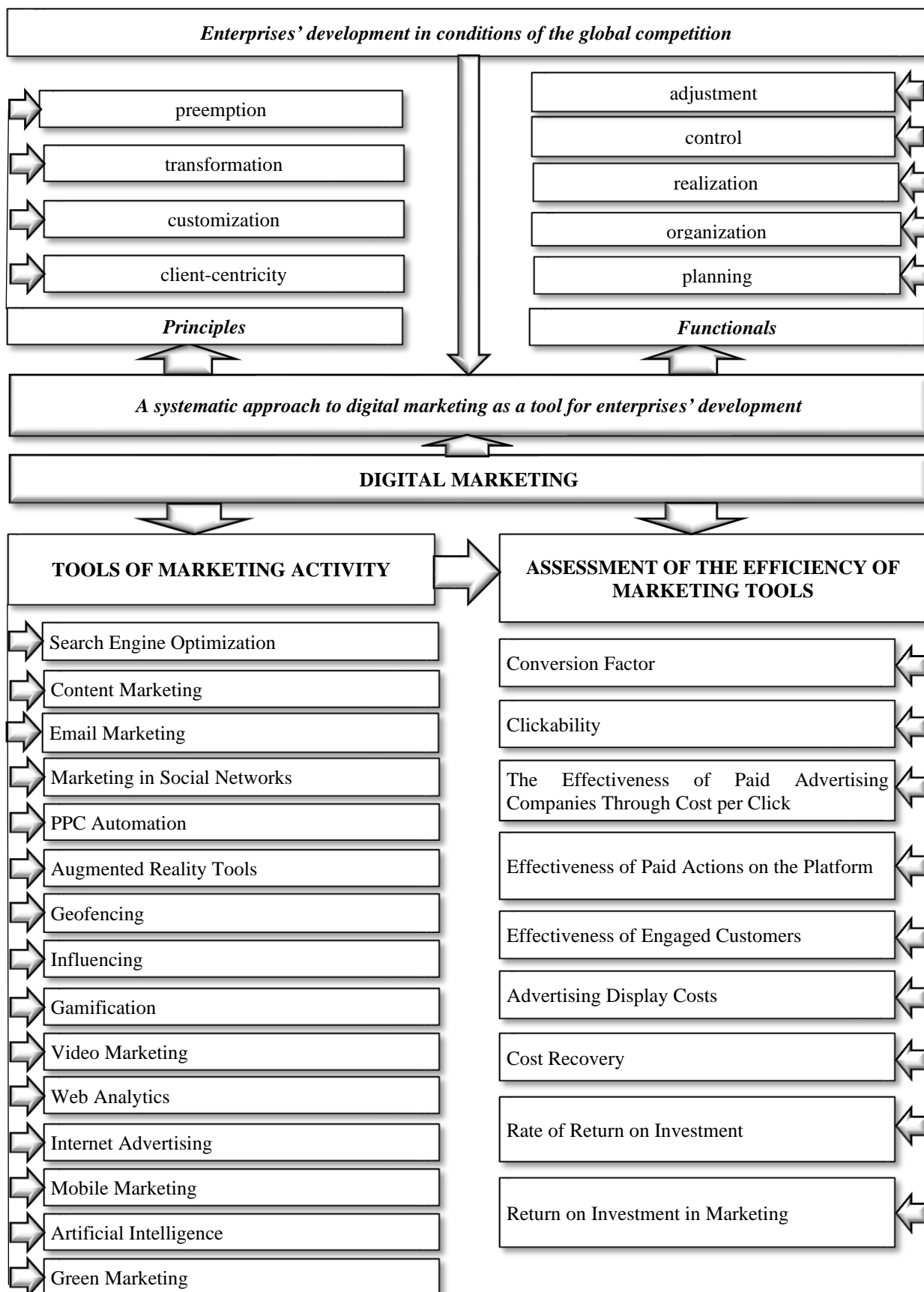


Figure 1. Digital marketing as a tool for the enterprises' development in the conditions of the global competition

**Source: proposed by the authors.*

According to the experts of Demand Metric, content marketing is 62% cheaper than conventional marketing, but at the same time it gives the opportunity to generate three times more customers. Content marketing uses such tools as: blog posts, e-books, step-by-step instructions, checklists, infographics, learning buckets, podcasts. User Generated Content or UGC - content, despite its long existence, remains relevant even now because people tend to share information using such various formats as: comments on posts, reviews, reviews and reviews in blogs, texts and videos in social networks, ratings on platforms such as Trip Advisor, Yelp, etc.

Email marketing, the use of which ensures communication with customers and their awareness of new products, offers, new opportunities, etc. Modern servers make it possible to segment mailings by geographic, age, social, economic, religious and other factors that increase the effectiveness of this tool.

Social media marketing based on social media platforms such as Facebook, Instagram, Twitter, Pinterest, YouTube, LinkedIn and Snapchat. The growth of users of various social platforms in the world provides an opportunity to get the maximum effect of the social media tool.

PPC automation, due to the ability of artificial intelligence in promotion, which is characterized by scale, existing scripts and SaaS solutions provide the opportunity to automatically identify new key phrases that increase the effectiveness of the application of marketing tools, connect additional audience segments, manage bids, test ads and generate reports.

Tools of augmented reality (AR), which provides the addition of reality with a virtual world. Today, 61% of consumers prefer stores using AR tools, the capitalization of the AR market as of the beginning of 2023 was 3.5 billion USD, by the end of the year, according to experts, it may increase to 18 billion USD (Marketing Analytics (2022), Press Releases & News Coverage (2022)).

Geofencing, which makes it possible to

track and attract customers located in a certain segmented territory. Timely notification via SMS, push notification near the location of a certain store about various promotions, new products, etc., doubles the customer's interest and the possibility of making a purchase. After the client exits the geofencing circle, marketing work usually continues through the setting up of mailings with advertising.

Influencing and micro-influencing, which makes it possible to advertise through bloggers with an audience of millions (thousands of audiences with micro-influencing). In practice, depending on the specifics of the product offer, sometimes reaching an audience of thousands with advertising gives a higher conversion than advertising with an audience of millions.

Gamification, which makes it possible through the game form, the use of quizzes, games, slide shows, timelines, online surveys to increase interaction with customers, capture the attention of users, increase brand loyalty, and increase conversion. This is due to the fact that interactive content doubles the interest of users compared to static content.

Video marketing that allows you to increase customer loyalty to a brand or product. Video content replaces text because most potential customers are not ready to read long texts and prefer video content, it increases its effectiveness. When sending video messages, the number of clicks increases by 250-300%. Video advertising includes presentations, entertainment content, educational videos, interviews, live broadcasts, interactives, etc. Interactive, live broadcasts provide personalization of content, which increases the interest and activity of customers.

Web analytics is a system for collecting and analyzing information through visiting a web page. On the basis of monitoring, the behavior of users is studied, which makes it possible to make decisions on the implementation of other marketing tools in accordance with their requests. Web analytics can provide a lot of valuable analytical information about traffic sources, sites, page

views and visits, conversion rates, and more. On the basis of the received data, the probability of making a repeat purchase by customers is determined, decisions are made about the personalization of the site in accordance with the needs and requests of customers, the costs of individual users or groups are analyzed, the geography of the location of customers is determined, the probability of making a purchase and the probability of a repeat purchase.

Internet advertising is a type of advertising and a digital marketing tool that is distributed through the Internet. Its use makes it possible to attract the attention of users and stimulate demand, for which various special software solutions are used, which, in accordance with the principles of targeting, make it possible to customize advertising messages for certain user segments, which affects the increase in conversion and the effectiveness of advertising activities.

Mobile marketing, which is a multi-channel digital marketing strategy that specializes in reaching target audiences using personal smartphones and other mobile devices using specialized applications. Every year there is an increase in sales through smartphones, which makes it necessary to adapt websites for mobile devices, ensure the use of mobile payments, quick access to various digital wallets and appropriate payment security for customers.

Artificial intelligence, which involves the use of technologies that are the basis of many servers. Using the basics of artificial intelligence makes it possible to create content, use chatbots and search engines. The activation of the implementation of artificial intelligence is connected with the fact that, firstly, it makes it possible to reduce the company's costs for the company's employees, and secondly, to achieve personalization when working with customers, for example, when using conversational marketing technologies such as chatbots, personalized videos and emails, virtual sales assistants, and more.

Green marketing, which includes the reuse of materials in the production of products, the use of renewable resources, ecological packaging, in accordance with the

principles of the circular economy, the reuse of products and a closed production cycle. Application and emphasis on such ecologically oriented events of the enterprise increases its popularity, contributes to the conquest of the market of young customers, and increases loyalty to the brand.

What has been outlined makes it possible to note that digital marketing has a very wide range of use of various tools, which is characteristic of classic marketing, Internet marketing, and green marketing, which makes it possible to obtain significant advantages from its application.

When using digital marketing for the enterprises' development in conditions of the global competition, the effectiveness of its implementation is important. The main indicators of the effectiveness of digital marketing include such indicators as:

- the percentage of users performing a targeted action on the site, which is calculated as an indicator of the conversion rate (CR), which is determined by the ratio of the number of conversions to the number of site visitors;
- the percentage of users who clicked on contextual advertising through click-through rate (CTR), as the number of clicks in relation to the number of impressions;
- effectiveness of paid advertising companies through cost per click (CPC), as the ratio of advertising costs to the number of clicks;
- the effectiveness of paid actions on the platform thanks to the price per action (CPA) indicator, as the ratio of advertising costs to the number of actions performed;
- effectiveness of attracted customers (CAC), which includes costs for advertising, payment of marketers, software, design, etc. and is defined as the ratio of costs for attracting customers to the number of new customers;
- cost per display of advertising (CPM), as a ratio of the cost of placing an advertising block in relation to the number of views per 1,000 users;
- profit obtained for each USD spent on an advertising company thanks to ROAS, as the ratio of advertising revenue to advertising costs;
- the rate of return on investment (ROI),

as the ratio of the difference between income and expenses in relation to the company's expenses;

- the rate of return on investment in marketing (ROMI), where marketing costs are taken into account.

In our opinion, to evaluate digital marketing, it is not enough to determine the economic indicators of its effectiveness, because presenting a digital marketing system requires taking into account a much larger number of various factors. For this purpose, we propose to determine the effectiveness of digital marketing using the recurrence ratio, which is a functional-information scheme of the implementation of the digital marketing system (M_n) and has the following form:

$$M_n = \left\{ \begin{array}{l} M_1(d_1, \dots, d_n), n = 1; \\ M_2(p, o, i, c, cr), n = 2; \\ M_3(P_{cc}, P_c, P_t, P_a), n = 3; \\ M_4 = f(T) \left\{ \begin{array}{l} T_{SEO}, T_{cm}, T_{email}, T_{sn}, T_{PPC}, \\ T_{AR}, T_g, T_i, T_{gm}, T_v, \\ T_w, T_a, T_m, T_{ai}, T_{em}, n = 4; \end{array} \right. \\ M_5 = f(E) \left\{ \begin{array}{l} E_{CR}, E_{CTR}, E_{CPC}, \\ E_{CPA}, E_{CAC}, E_{CPM}, \\ E_{ROAS}, E_{ROI}, E_{ROMI}, n = 5. \end{array} \right. \end{array} \right.$$

where M_1 – achievement of the set development goals (d) of the enterprise in conditions of the global competition;

M_2 – the functioning of the digital marketing system is ensured by the processes of information exchange regarding planning (p), organization (o), implementation (i), control (c), correction (cr), the use of digital marketing tools and marketing interaction in conditions of digitalization;

M_3 – principles (P) of digital marketing: customer centricity (P_{cc}), customization (P_c), transformation (P_t), anticipation (P_a);

M_4 – digital marketing toolkit (T): Search Engine Optimization (T_{SEO}), content marketing (T_{cm}), Email marketing (T_{email}),

marketing in social networks (T_{sn}), PPC automation (T_{PPC}), augmented reality tools (T_{AR}), geofencing (T_g), influencing (T_i), gamification (T_{gm}), video marketing (T_v), web analytics (T_w), internet advertising (T_a), mobile marketing (T_m), artificial intelligence (T_{ai}), green marketing (T_{em});

M_5 – digital marketing effectiveness (E): conversion rate (E_{CR}), clickability (E_{CTR}), performance of paid advertising companies through cost per click (E_{CPC}), performance of paid actions on the platform (E_{CPA}), effectiveness of engaged customers (E_{CAC}), advertising display costs (E_{CPM}), return on costs (E_{ROAS}), return on investment (E_{ROI}), return on marketing investment (E_{ROMI}).

The introduction of such a functional-information scheme for evaluating digital marketing as a tool for the enterprises' development in conditions of globalization in accordance with a systemic approach makes it possible not only to determine the effectiveness of individual tools of digital marketing and digital marketing policy as a whole, but also to comprehensively approach the vision and opportunities for the enterprises' development in conditions of the global competition.

Conclusions

Digital marketing uses a very wide range of different tools, some of them are commonly used, others are quite new in marketing activities. Digital marketing tools are constantly evolving and have an ever-increasing customer reach, which is primarily due to the development of information and communication technologies and the spread of the Internet and digitalization in the world.

The scientific novelty of this study is the introduction using a systemic approach of a structural-information scheme in the form of a recurrent ratio of evaluating the effectiveness of the use of digital marketing to ensure the enterprises' development in conditions of the global competition. The above makes it possible to take into account the achievement of the company's goals, the functionality of

digital marketing and its principles, the effectiveness of the selection of various digital

marketing tools and the evaluation of their implementation.

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