

CONCEPTUALIZING SMM AND SMEs IN DEVELOPED AND DEVELOPING COUNTRIES

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Abstract

The development of digital marketing in the field of small and medium-sized businesses in developing countries lags approximately five to eight years behind the level of development of the digital economy in similar areas of business in the developed world. Problems of implementation and dissemination of digital marketing in the field of small and medium-sized innovative businesses: lack of infrastructure for promoting developments, underestimation of innovative activities by entrepreneurs. Digital marketing as one of the manifestations of scientific and technological development has a significant beneficial effect on the development of small and medium-sized businesses. The use of innovative technologies in the sector of the economy under consideration increases the efficiency, productivity, and growth potential of a business, as well as its level of competitiveness in the market. Digital marketing and SMM in particular have a significant impact on the development of small and medium-sized businesses in both developed and developing countries of the world.

INTRODUCTION

Developing countries have ceased to develop: the locomotive of growth, industry, is being automated and returns to where it came from - to developed countries. Poor countries, which in the post-war 70 years have come very close to the developed countries in terms of per capita income, can be counted on one hand (the most obvious examples are South Korea and Taiwan). There is a larger list of countries that are at least closing the gap and growing faster than developed economies, but in recent years it has been decreasing (Zotin A., 2018). At first glance, the gap between the groups of developed and developing countries is narrowing, but if we consider the latter not as a group, but separately, it turns out that China, as well as some countries dependent on its growth, are responsible for the lion's share of growth. The countries of Eastern Europe are helped by EU membership. The problems of developing countries growth deceleration began even before the current technological wave of robotization. According to ADB (2016) growth in many developing countries in Asia is slowing due to continued weak economic recovery in large, industrialized countries and more restrained growth forecasts for the People's Republic of China (PRC).

Despite the wide range of benefits that can bring new information technologies, the introduction of the Internet by developing countries has so far been limited. The reasons for this are already well understood. It includes a lack of awareness about what the Internet can offer, the underdeveloped telecommunications infrastructure and the limited scope of Internet connection, the high cost of access on the Internet, lack of an adequate regulatory framework, lack of required human resources, lack of ability to use the local language and local communication materials, and lack of an entrepreneurial and business culture conducive to change, transparency and democracy (Baranovskaya T., Loiko V., Semenov M., Trubilin A.,

2003).

Due to reducing operating costs the Internet eliminates distance-related the barriers that have traditionally defined the location basing service providers and manufacturers of goods. At the same time, information about the winnings in productivity related to Internet use, there is still little group of developed countries, primarily the United States, Singapore, and the Republic of Korea. But even in these countries the controversy over the extent of the Internet's impact on performance is still ongoing. The debate about the impact of the Internet on productivity and economic growth, especially in the United States, has far-reaching implications for politics in both the developed, and in developing countries. However, there is a divergence of opinions on the impact of the Internet on the economies of countries. Many studies conclude that its influence on the deepening of the capital base, labor productivity and total factor productivity is positive and even significant and that it is at the heart of steady productivity gains in the United States and several other countries with significant Internet penetration (Chernoivanov A., 2015).

Since 2010, almost all companies in one way or another moved their communications to a digital environment. Directions such as communication turbulence, digital transformation (opportunities and impact), digital personalization, individual brand-consumer relationship, competitive differentiation were actively covered by the authors Westerman B. (2017), Chaffey D. (2019), Blank S (2013). Now there is a tendency to reduce marketing budgets, which motivates companies look for more effective channels and tools. Often such searches lead business in social networks.

Over the past decades, The Organization for Economic Co-operation and Development (OECD) member countries have developed and applied many government support-programs to strengthen the role of small and medium enterprises in the country's economy. Over the years of research, the generally accepted conclusion is that there are many methods and mechanisms support of small and medium-sized businesses, but they cannot be effective if they are not adapted to local characteristics and national socio-economic peculiarities. There is not a single universal method for solving this problem. Some countries have benefited from decentralized strategies support for small and medium-sized businesses, while others, especially small countries, on the contrary, were able to support small and medium-sized businesses with the help of centralized approaches (Potikyan T., 2014). Some countries have focused their programs on supporting big business, resulting in smaller businesses becoming followers rather than leaders of growth. Others focused mainly on targeted support for the small and medium-sized businesses and the creation of a competitive class of entrepreneurs.

Thus, it should be noted that most countries with developed or developing economies have already realized that the development of SMEs is key factor in the economic policy of the country. However, over the past 20 years it has become obvious that only the adoption of programs for the development of small and medium-sized businesses is not sufficient measure to solve problems in this area. Much more important there should be given a healthy mix of different approaches such as cluster development and stimulation of innovation, selective industrial initiatives, etc.

As social media linked to modernity and developed countries, an elite issue that has been extensively unexplored by the researchers in developing countries. It is important to understand the concept for SMEs to have an awareness of social media marketing. SMM changes the way people incorporate digital transformation. To catch up with modernity and developed countries elements of cultures, institutional and new ways of SMEs owners thinking are important to contextually explore.

Social Media Marketing (SMM) is communication with the audience of social networks and forums on behalf of a brand or organization. Nowadays many progressive companies create their own corporate pages and communities in many popular social networks using which they actively interact with target audience, fill the webpages with useful content, conduct quizzes and contests among users (Umanskaya M., Petrov S., 2018). It means a set of activities aimed at using social media as a promotion channel and solving other business problems. In other words, SMM is a process driving traffic or attention to a brand or a product through social platforms. In the current environment, when the market offers a large number of similar services, goods, approximately for the same price and the same quality, the presence of a customer loyalty program is perhaps the main argument in the competition. In this connection, the entrepreneur's strategy should be based on SMM tools, which requires the development of a model SMM management. And a set of measures based on its features is needed to improve the strategy of increasing customer loyalty for small businesses (Samkova T., Polulyahova V., Bylkova T., 2018).

The difference of SMEs capabilities between developing and developed countries

It is known that usually the volume of income in large companies is greater than in small ones, nevertheless, the role of small business is important to society, because they act as agents of employment and a more even distribution of wealth in society. In CIS countries, as statistics show, small business is not widespread, but, in comparison with small business in Europe. If the share of small enterprises in CIS area is lower than in the EU, this is also because the law has more restrictive parameters for companies that would like to be considered small. Therefore, if CIS countries apply the European legislation on small enterprises, there would be a greater number of such companies (Kozel K., 2009).

For instance, Kazakhstan has a special opinion of the legislator on small business. There are some types of activities that, regardless of the number of employees and the value of assets, will be considered only medium or large companies.

These activities are production and wholesale, grain storage activities in grain points, lotteries, activities in the field of gambling and show business, activities for the extraction, processing and sale of oil, oil products, gas, electrical and thermal energy, activities related to the turnover of radioactive materials, banking (or certain types of banking operations) and activities in the insurance market (except for an insurance agent), audit, professional activities in the securities market, credit bureau and security activities (Sizincev S., 2013). On the contrary, in the European Union there is a special rule according to which independent, small business partners or associates are determined. This difference is important to account for the real state of small

business, since various "hybrid" forms of doing business are used, for example franchising. Even if such enterprises formally fit the definition of small businesses, they will be considered medium or large businesses. The law also says that one or several government bodies can directly control no more than 25% of the company's capital of small business. Similar restrictions apply to the ownership of university companies, local authorities, and the public. This is not a random choice, but a testament to the EU's desire to increase the level of liberalization of the European market, corresponding to the single legal framework of Europe (Iversen E., 2003).

Features of stimulating innovation SMEs in developing countries

When developing and implementing mechanisms for attracting small and medium-sized businesses of developing countries to innovate, the global trends and experience of economically developed countries should be considered. However, the use of foreign mechanisms and specific management decisions should be carried out with the originality modern conditions of the socio-economic development of developing countries, the participation and role of SMEs in it, its formation both now and in the future.

For small and medium-sized enterprises such problems as the adoption of new innovative economic decisions in conditions of a high risk of innovation and innovation sphere of the economy are important. This also applies to investment in the implementation of innovative activities of new and, as usually a large investment (Philin S., 2010).

Analysis of western literature on business assessment, shows one common problem for all, which is the need to create a basic business model as an object of assessment. Appraisers when determining the value of a particular enterprise, fundamental knowledge of business modeling is often used as their own "know-how", using which they have an advantage over competitors in the speed of understanding the situation, the quality of decisions and more evidence-based assessment (Desmond G., Kelly R., 1995).

SMM awareness in SMEs

The commercial potential of social media, including the cultural and social dimension, has allowed capitalism to spread to the digital domain. In addition to political structures leading to the creation of the Internet from an industrial point of view, it is also necessary to assess the economic structures created by the Internet industry. In this context, with manufacturers in infrastructure, service and content layers of the Internet converge the spread of the media and information industry. This, in addition to increasing the influence of international corporations in the region, also changed the world by economic, political, and social levels (Schiller D., 1999). Taking Internet and social media technologies from an economic perspective, Dan Schiller describes the new media regime as "digitizing capitalism".

Schiller examines the Internet and its telecommunication systems as an important milestone in the internationalization of financial and economic flows caused by globalization. These technological developments have both expanded the market reach and deepened the market. Networks directly affect the social and cultural expansion of the capitalist economy. Large

business representatives were among the first to realize the potential of social networks and began actively use them to promote their own companies. Big business through social media traditionally solves strategic long-term marketing tasks: branding, increase loyalty and trust in brand products, raising awareness of the target audience, tracking the opinions and sentiments of the target audience. In recent years on social networks there operate a lot of small and medium-sized businesses for which important and relevant to use tools that allow quickly to solve tasks such as the announcement of discount promotions, incentivizing users to repeat purchases. More than others on social networks trade, service and tourism sectors, local manufacturers are represented (Khalilov D., 2016).

SMM as an optimization tool appeared with the emergence of large social networks. In Europe it is Facebook (2004) and Twitter (2006), in CIS - Odnoklassniki (2006) and VKontakte (2006). Of course, before social networks also emerged, for example, Classmates.com (1995) and Livejournal.com (1999), but they were not so significant, and the number of users of these sites was small (Velichko A., 2018). The five most popular social networks in CIS include: the site "VKontakte" (25.7 million. monthly active users), Instagram (7.1 million monthly active users), Facebook (1.9 million monthly active users), Twitter (1.2 million monthly active users average monthly), Odnoklassniki (25.2 million users per month). Ideal option is the use of several social networks for business development (Khalilov D., 2016).

CONCLUSION

New media technologies and the Internet cannot be considered just a means of communication. Users are exposed to ads based on interests on each site they visit. Considering all this, we see that new economic areas are emerging due to networks created with new media technologies. As a result, such features as quick purchase and communication, individual advertising, a lot of users and the time they spent on the Internet capitalized new media technologies and allowed to process capitalist rationalization in new media as a cultural structure of production. When implementing communications in the modern market, it is important the complexity of the use of tools, for example, with the help of regularly held advertising campaigns, which is confirmed by previous research.

This principle also applies to SMM. Scattered efforts do not anticipate powerful synergies that will lead to development in the field of promotion. In modern conditions, effective communication the program requires careful study and significant attention from managers. Speaking of certain advantages, it can be said that the promotion of business structures in social media has several advantages over classical marketing tools and other online promotion tools. Social media advertising is interactive, if success quickly spreads through word of mouth, has a non-advertising format, and SME may focus on the right audience.

HIGHLIGHT

- SMM changes the way people incorporate digital transformation.
- The commercial potential of social media has allowed capitalism to spread to the digital domain.
- Networks directly affect the social and cultural expansion of the capitalist economy.
- SMM as an optimization tool appeared with the emergence of large social networks.
- New media technologies and the Internet cannot be considered just a means of communication.

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