

PROMOTION OF SMALL BUSINESS THROUGH INTERNET MARKETING

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ABSTRACT

The possibilities of Internet marketing in implementation of a promotion strategy of goods and services of domestic small business enterprises are considered. The comparative characteristic of methods of entrepreneurship promotion in the global network,

their advantages and disadvantages is made, the volume of costs of Internet advertising in Russia are analyzed. The more effective means of media promotion for small businesses of transport sector are offered in the context of their commercial activities, including marketing communications and social networking.

Keywords: transport services, small business, commercial activity, online advertising, regional popularity, potential customers, blogosphere, context, e-mail, website.

Background. Internet promotion has become a stimulating factor to increase the volume of sales of goods and services, however, in the process of development of society, and mass communications the forms and methods of related technologies are changing. The Internet marketing arises, in particular, as a way of business management in market conditions and increasing competition, dynamism of consumer environment.

Objective. The objective of the author is to consider issues related to promotion of goods and services of small business enterprises through Internet marketing.

Methods. The author uses general scientific methods, comparative analysis, economic assessment method, scientific description.

Results.

1.

The approach of transport organizations to take advantage of opportunities of Internet technology is subject to constant changes. If initially the global network resources according to the formula B2B performed a purely mundane task of an information bridge between scattered worldwide branches of major transport networks, now it is actively exploited in order to maintain the efficiency and continuity of relationships with business partners. In addition, in recent years there has been a rapid increase in the frequency of use of the network according to the formula B2C, this sector is projected to be a leader in the future in terms of programs and sessions in the transmission of information.

It has become generally accepted network practice purely for commercial purposes, when clearly the role of Internet marketing (including basic operations such as the study of demand for transport services, booking tickets of Aeroflot and Russian Railways) increases. That is, the promotion of goods and services of enterprises is carried out not only by means of traditional advertising media like TV, radio, newspapers, etc., but also through targeted use of Internet capabilities, the effectiveness of which, according to experts, over the years only increases (Pic. 1).

This is due to a mass audience of Internet users, which tends to constant growth. In Russia, according to the company SputnikMedia, published in the business weekly «Contracts» [1], almost 8,4 million people used Internet in December 2015. Compared to February this year, the number of unique IP-addresses in the country increased by 8 times.

Internet is a unique interactive environment, in which it is possible to effectively and fully submit any advertising object – a product or a service of a small business with clear targeting, i.e. to a certain number of users (the target audience), which the advertiser

is mostly interested in and accurately assess the result of the advertising campaign. All this leads to positive trends in the development of the global and European online advertising market. The volume of the latter increased by 20% in 2015 year (to 12,9 bln euro), at the same time in the Netherlands – by 9%; in the UK, Germany, Sweden and France – by 19%, in Italy, Belgium – by 20%; in Denmark, Norway – by 22%, in Spain – by 26%, and in Poland and Slovenia – by 60 and 77%, respectively [2].

World experience of development of advertising services indicates that in the economic downturn the Internet can be the most effective (in features and cost) way of focused impact on the target audience. This focus can be both individual (business profile, location, etc.) and behavioral (time on the Internet, the introduction of certain keywords, etc.) characteristics of the user. According to the results of 2010 and 2015 surveys among the Internet users in Russia it was found that when properly focused advertising efficiency is improved, and in conditions of economic instability the Internet, as opposed to television, becomes an attractive means of promoting products and services of small and medium enterprises. Despite the high cost, the television advertising in 2015 lost its leading position and is not evaluated by managers of enterprises as the most effective source of advertising (see. Pic. 1).

In the first half of 2016, meanwhile, total (without regard to small business) online promotion using advertising tools and techniques increased significantly. This is confirmed by a significant increase in the volume of the Russian market of online advertising: today it is estimated of at least \$5,0 million, with the growth rate reaching 600%. And these dynamics, experts predict, will be present also in the future. Agency «Internet-expert» is waiting for increase in volumes by the end of this year, at least up to \$7 million.

Similar trends can be explained as follows. First of all, this is an increase in confidence to resources of the global network. Another aspect is steady development of the country's system of corporate websites. To date, the majority of domestic small and medium businesses have invested heavily in building their own web-pages and even portals. Although it must be noted that investments made pay off not as fast as we would like. There is still a fairly significant obstacle in development of innovative directions, due to the high cost of per minute billing for the use of telephone networks, which are designed to transmit the desired signal to the user [3].

The availability of a website enhances the image of small businesses, facilitating the process of informing customers and the media about innovative changes. According to the research, 8 out of 10 users

are turning to the Internet services to explore the range and characteristics of products and services, to buy them further offline, i.e. the client at any convenient time can get on the site information required for his actions [4].

Analysis of the means and methods of promotion on the web revealed that the most popular and frequently produced types of online advertising are represented primarily by banner and context, the inclusion in the targeted site traffic, search engine optimization (SEO), viral videos, email-newsletters, online-PR [5].

Internet promotion is surely established as an effective advertising resource, which allows to realize a full range of traditional marketing functions [6].

It is not only prestigious, but also appropriate to apply advanced global network technologies, and often it is just necessary for small businesses. Network users are not only potential customers but also the main consumers of their products. The growing number of Internet users dictates the task to use at maximum electronic advertising as an effective instrument to influence the market audience [7].

The main means of online promotion, which can be offered to small businesses that provide transportation and related services, are summarized in Table 1 [5].

To determine the effectiveness of promotion in the blogosphere an analysis of individual indicators by their functions can be made (Pic. 2) [8]. Such analysis helps to understand the degree of efficiency of a chosen method of promotion [9].

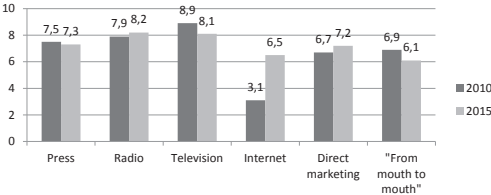
Individual attention should be paid to express delivery services and features of their promotion. The service can be considered as activities aimed at the value exchange and meeting the demand. This activity is not due to the transfer of ownership of any goods of a material form. The specific nature of service is determined by the following provisions:

- service is not beyond its production process, it does not exist outside of the process, and therefore accumulation is not inherent in it;
- sale of service is an immediate sale of labor process, and therefore, the quality of services is due to the quality of the process itself;
- service is inherently use value only in a certain period and in a certain sense, than possibilities of its replacement are sharply limited.

Nodal point: promotion and sales of services are carried out by means of socio-economic relations between the seller and the consumer. The potential of these relationships forms the characteristics of relationships that are the results of the previous activities of the enterprise (its past interactions) and have an impact on future production performance. At the same time the socio-economic relationships are considered as atypical supports of potential of the enterprise, as they do not fall within its internal environment and remain external (market), while the resources that are in its possession or use (financial, technical, technological, human resources, information) are purely internal.

The potential of socio-economic relations between the enterprise and the customer forms two groups of factors:

- 1) the characteristics of the enterprise customer relationships, influencing their decision-making process about the commodity-money exchange with the manufacturers of goods or services;
- 2) the characteristics of the values exchange processes between enterprises and consumers.



Pic. 1. The effectiveness of sources of advertising proliferation by Russian small business under a 10-point scale. Calculated according to surveys of CEOs and top managers of medium and small enterprises in Moscow, St. Petersburg, Novosibirsk and Yekaterinburg (n²⁰¹⁰ = 37, n²⁰¹⁵ = 41).

The main components of the estimated socio-economic relations are shown in Pic. 3.

These factors, regardless of external resource components, in addition to the internal factors of the marketing capacity, are forming the magnitude of demand for the company's products.

2.

Express transportation market is by its nature an area refracting economic relations between the enterprises, providing transport services and consumers of those services (shippers), between value and use-value of transport services. That is, the market range in certain circumstances becomes a kind of a mechanism, coordinating the interests of shippers and transport.

Transportation is a separate sector in the overall commodity market space, an element in the distribution system. The production of transport enterprises indirectly manifests in the effect of the movement of goods in the context of individual correspondence (points of origin and destination), taking into account the type of cargo, reliability, delivery time and storage, and others. As a commodity, the main products of transport companies (transportation of goods to the final destination) as well as a number of auxiliary transport services (freight forwarding) have some value in the market (exchange and use) that arises in the implementation of the service and is an element of the price of goods at the place of consumption [7].

The concept of a transport service includes not only direct shipping (basic service), but also any operations that are not directly included in the process, but related to its preparation and maintenance.

Some distinctive features of the transport products, in addition to quantitative characteristics, are also represented by qualitative parameters (transportation speed, cargo safety, complexity and level of service at the destination and origin) [7].

Service promotion problem has repeatedly been investigated, resulting in allocation of their basic characteristics: intangibility, indivisibility, impermanence, and so on.

Communication carriers are designed to meet two requirements: they must be suitable for the placement of advertising information about the service or the enterprise, offering it and the contact with the communicator is supposed to be interesting for the target group.

The main indicator that influences the choice of the media – the number of representatives of contact audience, it should be related to costs. The important aspect when planning is the frequency of contact. In



Table 1

The individual means of promotion in the Russian Internet environment

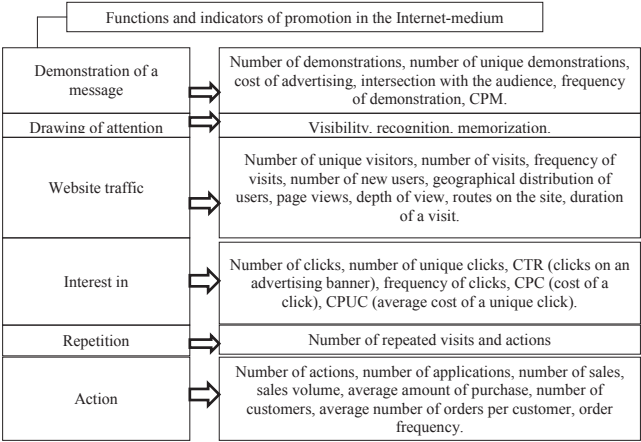
Indicators / Signs	Means of Internet promotion			
	Website	Banner advertising	Electronic conference	E-mail
Audience	Targeted	Wide	Narrow-targeted	Targeted
Advantages	Completeness of information	Efficiency of customers' attraction	Clients are interested in information	Simplicity and low costs
Disadvantages	Complexity of construction	Negative attitude to pages filled with banners	Narrow-mindedness of potential clients	Perception as spam

Table 2

The number of requests for key words in Russia and Moscow (Moscow region), on the average for 2015-June 2016

Enterprise	Russia	Including, in Moscow and the region		Regional popularity
		%	units	
«Autoservice»	87	18,20	23	14514
«Autochance»	9	1,88	21	23947
«TransPark»	67	14,02	4	2694
«We transport cargoes»	315	65,90	51	12163
Total	478	100	99	x

Pic. 2. Indicators to determine the effectiveness of promotion in the blogosphere (by functions).



addition, services promotion process needs to consider several items:

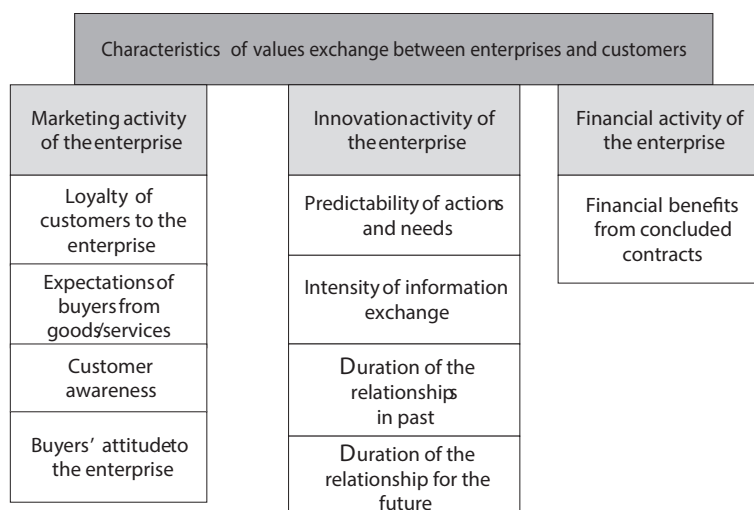
1) Specification. When advertising transport services this point is especially weighty. For advertising could interest broad sections of consumers, it must contain specific, rather than symbolic elements. Promotion of the product will not reach its target with the help of symbols and conventions as the basic idea can be incomprehensible for a large number of people. Symbolism is admissible only if advertising elite services.

2) Informative nature. This factor involves not emotional, but really tangible informative advertising effect. If emotional advertising supports awareness and a positive image of the company, the informative advertising is intended to transfer enough of certain information about the company and its services.

3) Prestige. It is manifested in the establishment of social prestige of a service. Thus, consumption of rare and expensive services help consumers to join the middle class way of life and improve their social status. Such motivation should provide additional benefits and enhance interest in buying.

To analyze the impact of the online promotion on the activities of enterprises four small enterprises were selected in Moscow and the region, operating in the sphere of transport and related services: «Autoservice» (auto repair in the capital), the store of auto parts «Autochance», enterprise «TransPark», freight forwarding company «We transport cargoes».

When analyzing the data in Table 2, we see an increased interest of the Internet network users to the information of the enterprise «We transport cargoes». Exploring regional level of popularity (the proportion occupied by the region in results showing for keywords divided by the share of all shows of search results), we see the overall picture across the enterprise. In terms of the number of requests by month, according to <http://wordstat.yandex.ru>, attention is drawn to the fact that the peak of requests for «Autoservice» is in June and July, the store «Autochance» – in October-November, the other two companies during the year maintain the same trend with respect to the volume of requests. Peak periods of queries on enterprises «We transport cargoes» and «Autoservice» correspond to the increase in the volume of profits.



Pic. 3. The components of the potential of the relationship between the enterprise and the buyers.

For the enterprise «We transport cargoes», we note, own website would be useful to publish complete information about its commercial activity. A significant advantage of its own website will be a possibility not only to show a range of services offered, but also to identify constant feedback channels with customers.

In addition to their own websites, the enterprises use as an effective market tool image advertising (banners, branding of sites' background, video ads), but not the context. Context should be used when goods are sold through the Internet, because the transportation service, car service, repair services, service on cars repair are not implemented by the network and it is necessary to visually promote their brands. Although banners are more expensive than the context, they allow to visually attract potential clients, acting on the subconscious and enhancing the positive image of a product, service or the enterprise [10].

Conclusions. Russia has a clear perspective to develop Internet promotion and online advertising in the interests of business. That is the network business will have a strong influence on the formation of global commerce in the future. The article shows the features of the promotion of small businesses, including those operating in the sphere of transport and related services, by means of telecommunications.

The use of Internet technologies in organization of communication processes in the market environment is a significant factor in ensuring the high efficiency of the marketing systems of transport companies. With the help of Internet communications, small enterprises have ample opportunities to better reach their target audience through the placement of information on thematic sites and analysis of behavior of visitors of those sites.

Internet communications are characterized by a constant availability to target audiences, and their high flexibility allows to make adjustments or change the general communication programs, depending on market conditions.

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Article received 05.08.2016, accepted 08.09.2016.

