

Digital Marketing Communication Strategies for Small and Medium Enterprises

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ABSTRACT

The objectives of this research were to 1) study digital marketing communication strategies and development guidelines for SMEs. 2) To proposed guidelines for developing digital marketing communication strategies for SMEs. In-depth Interview was used with 9 people who have roles in communication strategies and management of SMEs. The pyramid model for digital marketing strategy was proposed which has shown that the impacts on the success of a business were business costs, alliances, expertise, organizational structure and technology. Including modern product development to differentiate from competitors which is very important marketing strategy. Moreover, online business is the most effective channel. Being a leader in digital marketing that focuses on intensive marketing communications through digital media with 2 the implementation keys of digital marketing communication strategies such as (1) Selling online via E-commerce. E-commerce is used to increase digital communication potential by using communication tools. In order to meet the best target audience and marketing communications. (2) Marketing communication with mobile applications under the concept User-centered Design for Local Accessibility or adapting the application to match the behavior of consumers in each area.

Keywords - Digital Marketing Communication Strategies, E-commerce, Mobile Applications, SMEs

INTRODUCTION

Nowadays, doing business by using online social media is very popular. Users can access various types of online media easily and quickly, where users can freely share knowledge, information, and news with each other. Furthermore, they can respond and express their opinions immediately. Online media will be through electronic network channels in any form, whether on a general computer, laptop, Mobile phones and other electronic devices. Therefore, communication through these channels will support marketing to reach a better target audience. Digital marketing is one of the factors that play an important role in the global economy, which is changed by technology, globalization or the environment.

Using the combination of internet, technology and social network is a marketing strategy to use as a marketing channel in the online world. However, it depended on creativity to communicate with customers to understand modern tactics. Digital commerce market evolves into mobile commerce (Mobile-Commerce) and social commerce (Social Commerce) that sells through online websites. Digital commerce stimulates faster economic development. Besides, digital marketing is part of the concept of managing the economy according to the digital economy. Currently, most Thai people used digital technology such as Facebook, Line, smartphones and tablets. Therefore, it is absolutely necessary to accelerate the development of knowledge and create awareness of the use of digital technology (Ministry of Science and Technology, 2015). In addition, the growth in digital

media is the one important strategy that small and medium-sized entrepreneurs able to expand their service and promote their products to consumers more conveniently and better than traditional media. The rapid growth of information and communications technology around the world, as well as the implementation of Thailand's Digital, Thailand Strategic Plan, has led to three major changes: (1) the transition from commodity production to innovative products. (2) Changing the country's drive from the industrial sector to being driven by technology Creativity and innovation. (3) The change from a manufacturing sector to a service sector. Whereas technology, innovation and creativity are derived a new business model in Thailand to create a business model in which products and services are able to add value and create value, known as "Digital Entrepreneurs", which are mostly used by small and medium-sized businesses (Ministry of Industry, 2016). A major challenge for SMEs in Thailand is business strategies management under limited resources and establishing business practices in line with the government's digital economy. The reason for the organization to grow prosperously, stable and sustainable (Ministry of Digital Economy and Society, 2016). Therefore, marketing strategy is a very important tool that supported organizations to run their business to achieve their goals (Suradej Sumethapiwat, 2016).

In addition, the government focused on the economy and society that uses information and communication technology as an important mechanism for driving reform of the production, business operations, trade and services. Among economic and social activities that affect economic development and the life quality improvement of people in society. Consequently, online marketing or digital marketing is an important part of creating added value for Thai products. The main goal is to development Thai products value added for SMES, including Start Up by bringing technology and innovation to benefit the business sector. Therefore, changing the concept and business process based on digital technology that causes business transformation by focusing on effective management systems. Developing technology into the economy to keep up with the growth of the modern economy by combining various technologies to become economic value. (Office of the National Economic and Social Development Board, 2012). The government has provided fully integrated digital ecosystem. There are many new digital entrepreneurs that has changed business process to the competition in products and services value-added creation in order to satisfy consumers, by applying digital technology. Including, SMEs are provided modernity and changed business processes to promote Thai businesses by using digital technology to support both domestic and international marketing (Ministry of Information and Communication Technology, 2015).

As can be seen, this research is interested in digital marketing communication strategies that affect SMEs' product and service management in Thailand. In order to find and propose communication strategies and development guidelines for SMEs in Thailand.

Literature and Theory

2.1. Digital marketing communication concepts and theories

Information and communications technologies such as the Internet, mobile phones and digital television have opened new channels of digital marketing. Consumers are increasingly using these technologies to access products and companies. Moreover, the increased affordability of these technologies allows SMEs owners to promote their products and service though innovative means. Fundamental theories of digital marketing need reinterpretation in the light of the new technologies.

2.1.1. Digital market meaning

Digital marketing is marketing that has evolved from marketing in the past to marketing through digital media using digital channels to connect with consumers. It also applies traditional principles to only modifying communication channels with consumers. Wertime and Fenwick (2008) defined the meaning of Digital Marketing that is “the marketing development that occurred when marketing activities were carried out through digital communication channels. Digital media is a highly identifiable that allows marketers to continuously communicate with their customers individually. The information obtained in each communication with each customer is a collective learning. This may be useful to the next customer, including the continuity and consistency like the work of the motor neuron network. Thus, marketers are able to bring this real-time information including opinions received directly from customers to use for the best benefits for consumers in the future” or products and services are promoted method by using online database channels to reach consumers quickly which meet the needs of today's consumers and use cost effectively (Reitzen J. 2007).

2.1.2. Content Marketing

The content is an important part of online marketing in the 4.0 era. In addition, business owners need to make people know their brand and the content is presented must contain interesting content, benefit to consumers and make them appreciate the brand (Philip Kotler, 2017). Pornphan Tanprasert (2016) said that the key to content marketing is content creation. This is one method of marketing strategy for creating and disseminating the importance and value added to attract, acquire and engage with consumers. In turn to attract and impress consumers by creating content marketing that is always relevant and valuable.

Content Marketing means content marketing through digital media. Through the process of analyzing content to suit the target audience, appropriate channels, timeliness, currents, situations, and select what is necessary and attractive. However, it combined with non-boring media such as video content, photo albums, or even games in which it can make the target audience interested. Sometimes it may not always be hidden with advertisements, but it will be done in the form of content that benefits the audience and ultimately leads to the purchase decision.

2.1.3 Digital channels

Digital channels are channels that can increase opportunities and reduce costs of production which suitable for SMEs. There is a great opportunity for SMEs to be recognized and expand their customer and market share. The key principle is to choose the right digital channel for the business. The most popular digital channels are as follows.

1) Website is Web 2.0 era which is different from the Web 1.0 era. Whereas the website 0.1 is a bulletin board which unlike the web 2.0 era. There is information center to distribute information to users which quickly changes and finds the information.

2) Email, e-mail is an essential communication tool because of its efficient, cost-effective, and fast features that can be widely accessible to consumers. This makes electronic mail an appropriate for direct marketing. In e-mail marketing, it is not only sending advertisements to the target audience (Sirichai Saengsuwan, 2015). Marketers can also use electronic mail to communicate in many aspects of marketing. The advantages of electronic mail marketing are included: It is a direct communication with customers to meet the target audience and respond quickly and efficiently. But the downside of using e-mail marketing is still visible because customers can unsubscribe from news and can sometimes affect the image of the organization.

3) Blog is derived from the term Web Log, which means personal journal on a website. The content of the blog is related to all matters of the blog owner, such as personal matters, politics, travel, sports and business, etc. To write a blog owner's comment which added the article influencing the reader's thoughts is the key highlights that able to makes blogging popular. But sometimes blogging is done to limit the audience to groups such as friends, family or people with similar interests. There is another blogging highlight is communication tool that demonstrates the simplicity and friendliness between the author and the reader. To clearly meet the needs of the target audience (Siapera, 2012). In addition, updating the blog information and creating interesting, up-to-date content, not focusing on selling only products that affect blog marketing credibility of the brand and the blog owner. There is efficient and able to reach the target group that meets the consumer's need.

4) Social Network Service is to enable people to communicate in any direction. For example, a social network site such as Digg.com, DekDee.com and Kids.com. The website's advantage is to introduce interesting files or URLs for readers to rate their interest, etc. Phenomenon of the current social network service (SNS), emphasis is on building an online community where people can connect, exchange and share specific interests based on an interactive website-based system. Even if they are in different areas, they can communicate with each other. As a result, this network became popular (Smith, P.R., & Zook, Z.,2011). Therefore, social networks are used as a marketing tool to increase the number of customers and create a good relationship between customers and brands effectively.

5) Search, internet is gained marketing through this program. Because it can reach consumers directly through the search in which consumers showed their interest and are ready to buy those products. Thus, it opens the way for getting complete customer information.

6) Online Video, video marketing can be used in many ways, such as being a television commercial with a short story and hidden advertising in accordance with the brand's objectives. Therefore, to communicate awareness, create a good attitude and create event for customer's opportunities to participate in activities. Causing customers brand loyalty or focus on sales and public relations to build a brand image. When technology changes, it affects access to products then online video clips can therefore expand a number of customers. Many brands have invested in creating video clips. This is to create brand appeal and easily measure consumer feedback on a particular video clip (Vinerean, S., Cetină, I., Dumitrescu, L., & Țichindelean, M., 2013).

2.2. Online media influencers

Such Seed Marketing: Influencer, the factor that affects the credibility of influencers is trust in influencers who have knowledge, be creative, be yourself and believe in being yourself. For the right influencer marketing strategy is "SEED Strategy", i.e. sincere, expertise, engagement and different. Marketing communication makes a difference to customers in which it is an important advantage that synonymous with the personality of the business brand (Boonying Kongarchapat, 2019).

An online person is regarded as an influential person who is not restricted to being a celebrity, singer or actor but anyone who to be able to comment and make the masses follow or refer when talking about a particular subject. To be an online influencer requires a relatively large follower. Nowadays, influencers are found online in many products and services categories, in which each category may contain more than one online influencer (Preferred Kanon, 2012). Additionally, theory concepts are related to the online media influence concept, which means online media influence group is a group that supports buyers make decision easier in reviewing, explaining products, suggesting methods or as an incentive.

2.3. The success of digital marketing

Digital marketing is becoming popular because of its easy to use, reach more people and lower costs than any other marketing form. There are five key digital marketing creations as follow (Lammenett, Erwin, 2014).

1) Data management, the response can be measured by the number of visitors to the website or those who register for the event. The existing information is managed by using systematic plan in order to the complete storage process.

2) Customer's freedom, there are different types of Internet users with different needs. Thus, the information about the customer's need has not gotten if a website is inefficient. Therefore, advertising should be relevant to the website content and increase creativity to attract the customer's attention.

3) Convenience and speed, there are many different and interesting websites. As a result, advertising through the Internet is outstanding and provides information that meets the customer's needs. Don't emphasize verbiage to make it uninteresting. It also develops the banner to be modern and link to the website quickly.

4) Regularly check the brand image, because people are now free to express their opinions. Listening to consumers' opinions is another image that brands should be aware. Then bring opinions or problems to improve and develop to create a trustworthy image for the organization.

5) Creating diversity in public relations, internet is another media that can increase the attractiveness of the product, for example, a full movie advertisement that is not broadcast on television is posted on the website. In order to create trends and make the brand more attractive. In addition, advertising through the Internet media can reduce costs and advertising resources that are as effective as or greater than event advertising.

2.4. Marketing

Marketing mix refers to the elements of marketing tools that are essential and are factors that the entity can control. It includes products, prices, locations and promotions where marketers use it to formulate marketing strategies. So the businesses can achieve their objectives (Kotler, 2016).

The McKinsey 7s framework is an organizational model known as the 7-s, which comprises the seven factors that affect the performance of a business: strategy, structure, systems, people, skills, patterns and common values (Waterman, 1980). The model is a framework for consideration and planning for strategic planning in an organization. By integrating the seven elements that starts from the organizational strategies involves considering the organizational structure, goals, implementation system, skills, personnel, employee behavior and their goals (Buncha Wonglertkunakorn, 2014).

Related Works or Discussion

Schwarzl, S., & Grabowska, M. (2015) studied Online marketing strategies: the future is here, they represented that It is well-known that traditional (offline) marketing strategies are already widely used by the companies around the world and there are almost no new options for fostering competition. And here comes online marketing with almost unlimited possibilities and options. This paper focuses on the growing importance of online marketing, including research of the state of the art through analysis of the data provided by numerous surveys. It also contains brief description of the online marketing itself, basic strategies on the internet nowadays and the answer to the question: How it is possible to get new customers while keeping the old ones?

Sirichai Sangsuwan (2015) studied digital media customer behavior in Bangkok. 400 respondents in Bangkok and in-depth interview was taken from the highest group of digital media users with aged 26-33 years old. The top three activities were likes, posts and shares, respectively. The sample group was 9 interviewers. The result found that the majority of digital media users in Bangkok were female, having a bachelor's degree, working as civil servants or private enterprise. 153 people, representing 38.3 percent, aged 26-33 years working in a private company, the salary ranges from 20,001-30,000 baht. 197 respondents or 49.3 percent had an objective in choosing digital media for purchasing decisions. When respondents the age between 26-33 years old, it is found that consumers choose digital media for various benefits, namely the convenience of contacting friends and the frequency of use more than twice a day by using digital media in during the journey in the car and after school and work until midnight. The sample group of 9 people used social media every day. For the most popular digital devices, including smartphones, social media used by each person to use multiple media. By people who like several times a day for the reason to support their favorite shop or brand page to get a coupon or discount and to keep up with the news brand. Moreover, to compliment friends, to let friends know that they have seen the photos they have posted. The subjects like to post pictures of themselves going to different places, activities of daily life, including holidays. The sample group who likes to share various content when reading news or watching clips then if interesting, will immediately share, share knowledge that may be useful, share fun stories, funny clips, trending clips. When comparing the behavior of using new media with old media such as television and radio, the sample group would prefer to buy new media over the old media.

Pornphan Tanprasert (2016) focused on the digital marketing influence on customer purchasing decisions of electronic commerce businesses in Bangkok. In order to propose the e-commerce business development guideline for digital marketing strategies in accordance with the customer's purchasing behavior. And can use the research results to be applied in marketing planning for selecting marketing tools that match business goals and increase business social media competitiveness. The results of the study concluded that entrepreneurs or companies use social media to entertain their content, to be consistent in updating information, to interact with customers or to open product reviews. In addition, choosing to advertise on various social media to make people or the target audience see the business page and create awareness channels for informing promotions. Beside that content marketing, entrepreneurs or companies should someone professional who has writing skills to present information that is efficient, concise, to the point and grammatically correct. Including graphic skills in artwork for posting on online media to meet the needs of the target audience on the basis that information includes entertainment. Because most people use the internet for stress reduction activities. In terms of occupying the first page, entrepreneurs or companies should buy advertisements on the Google website to make the website top in search. Therefore, it able to support to build trust and target audience to business website. The website title should be short, easy to understand and consistent with business. In terms of e-mail, entrepreneurs or companies should create a customer's database who are considered as target groups who are interested in products or services. Moreover, e-mail should not be sent without permission because it may be annoying to the recipient. There should be a template that corresponds to the main website and contains information that corresponds to the intended purpose of informing the customer.

According to the digital marketing communication concepts and theories, online marketing strategies and marketing concepts as mention above can be taken as a framework for analysis and synthesize the marketing communication strategies. To develop and plan for marketing communication strategy that established the process

of marketing communication concepts, including the process theoretical operating procedures and study pattern to be used to refer to the results obtained from this study as well.

Methods

This paper focused on digital marketing communication strategies that affect SMEs' product and service management in Thailand. The objective is to find and propose communication strategies and development guidelines for SMEs in Thailand. This research is qualitative research and in – depth interview is used for collecting data from people who have roles in communication strategies and management of SMEs.

3.1. Research method type

Qualitative research is used in this research and in-depth interviews as a tool to collect data on 3 key informant groups: SMEs, agencies involved in formulating and implementing digital economy and society, and digital marketing academics. The purposive sampling is used for selecting sample group as follows: (1) 3 executives of SMEs (2) 3 executives of agencies involved in formulating and supporting digital economy and society. And (3) 3 people from information and communication academics, digital marketing academics and business management academics. In order to obtain information with three-dimensional perspectives, including views from entrepreneurs' representatives, perspectives agencies representatives who set and support relevant policies and academic representatives' perspectives.

3.1. Data source

There are two types of data sources derived from this study:

- 1) Primary data is an in-depth interview.
- 2) Secondary data is the information that already exists. It must use multiple sources together to verify the accuracy of the data to be analyzed.

3.2. Data analysis

The data were analysed and summarized by grouping/category methods. Then descriptive is used to present which analysed based on marketing strategies for SMEs framework to obtain answers according to the objectives of the study. Pattern matching is used for data analysis with 3 data collection steps: (1) data reduction (2) data display (3) conclusion drawing and verification (Strauss and Corbin, 1998).

Results

The result is divided in to 3 parts as part 1, information is obtained from in-depth interviews with SMEs executives. Part 2, information is obtained from in-depth interviews with executives from agencies involved in formulating and implementing digital economy and society. And part 3, information is obtained from in-depth interviews with academics. 9 person's in-depth interviews information and a literature review are obtained.

4.1. Analysis result

Analysis result is classified according to research objectives and research guidelines that referenced in the following: (1) SME1's executives (2) SME2's executives (3) SME3's executives (4) CAT Telecom's executives (5) Executives of the Electronic Government Office (6) Executives of the Ministry of Digital Economy and Society (7) Information and communication academic, (8) Digital marketing academic, and (9) a business management academic.

4.1.1. SMEs marketing strategies

The research findings are summarized by using a marketing mix which consist of products, prices, distribution locations and promotion as a criterion for separating issues related to the marketing strategy of SMEs as following:

- 1) Product marketing strategy, differentiation is the most important factor then development of modern products and services factor and the creating added value, respectively.
- 2) Price marketing strategy, product price is another important factor.
- 3) Location marketing strategy, online channel is the best channel in today situation and business partners channel is another important factor.
- 4) Marketing strategies, sales promotions are another necessary factor.

4.1.2. SME Development Guidelines

The research's results are summarized by using McKinsey's concept which included business strategy, organizational structure, systems, personnel, skills, knowledge, business management style and shared values. As its used as criteria for separating issues related to SME development guidelines by referring to the order of key informants shown above as following.

- 1) Business strategy, in terms of business strategy, cost is the most important strategy, trade alliance is another important strategy, government policy and government funding respectively.
- 2) System, the technology is the most essential and another important aspect is the knowledge transformation.
- 3) Personnel, on the personnel, brain drain is a top consideration for people in an organization as well as creativity is a necessity.
- 4) Skills, in terms of skills, proficiency is more important and more important than a certificate.
- 5) Business model, in terms of business model, rapid change in organization is essential and necessary for a business management model.

Conclusion and Future Work

5.1. Research results summary

The results showed that marketing strategies are essential to the survival and sustainable growth of SMEs, obviously product differentiation by applying new ideas and innovations. Product development by using modern technology and e-commerce through partners channels that increase the competitiveness of the organization. For the factors that affected the organization sustainable development are expertise, minimal cost, alliances, high technology, and rapid change in organization.

5.2. Discussion

Digital entrepreneur pyramid for SMEs is synthetised from information which consists of 2 main parts: organization development guidelines and marketing strategies according to the details as shown in Fig.5.1.

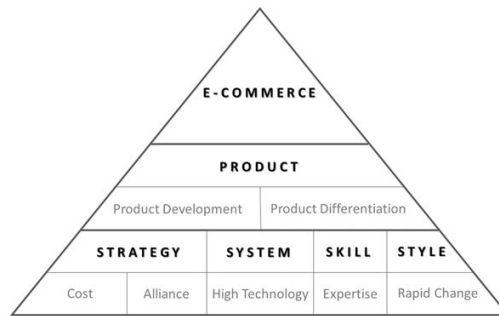


Figure 5.1. Digital entrepreneur pyramid for SMEs

The SME development approach focuses on investments that earn quick returns. Increasing competitiveness through building alliances, developing organizational efficiency through the use modern technology and business expertise. However, rapid change in organization is the important thing that able to adapt quickly to meet the changing economic, social and technological. In the marketing strategy, the important factors are products developing to meet the customers needs and expectations. Product differentiation for competitive advantage and distribution through e-commerce, which can be done quickly and efficiently.

5.3. Suggestions

Mix research should be used, that is qualitative and quantitative research. Therefore, in-depth interview is used as a tool for quantitative research and using questionnaires as a tool to support the research in order to provide quality and more reliable research.

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