**Digital marketing trends and their impact on commercial micro-enterprises in the city of Guayaquil**

# **Tendencias del marketing digital y su impacto en las microempresas comerciales de la ciudad de Guayaquil**

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**ABSTRACT**

Currently, there is a constant growth and economic development in the city of Guayaquil. Part of this, thanks to a sector such as wholesale and retail trade that contributes substantially on the real gross domestic product GDP (constant). In the present research, we reviewed theories related to online and offline digital marketing and how they contribute to the digital marketing of commercial microenterprises. To gain new insights and a new point of view on digital marketing trends, the study applied the qualitative research approach. It is concluded that digital marketing has a transcendental impact on local economic growth. Its added value to this economic sector carries weight in this new post pandemic era.

**Keywords:** Marketing strategy**,** digital marketing, commercial microenterprise, Guayaquil.

**RESUMEN**

En la actualidad, se observa un constante crecimiento y desarrollo económico de la ciudad de Guayaquil. Parte de ello, gracias a un sector como el comercio al por mayor y por menor que contribuye de manera sustantiva sobre el producto interno bruto PIB real (constante). En la presente investigación, se revisó teorías relacionadas al marketing digital en línea y fuera de línea y como contribuyen en el marketing digital de las microempresas comerciales. Para obtener nuevos conocimientos y un nuevo punto de vista sobre las tendencias de marketing digital, el estudio aplicó el enfoque de investigación cualitativa. Se concluye que el marketing digital tiene un impacto transcendental en el crecimiento económico local. Su valor agregado a este sector económico tiene un peso en esta nueva era post pandemia.

**Palabras clave:** Estrategia de marketing**,** marketing digital, microempresa comercial, Guayaquil

**INTRODUCTION**

The activities of the wholesale and retail trade sector contribute to the real (constant) gross domestic product (GDP) of the city of Guayaquil. However, most of the commercial microentrepreneurs apply marketing mechanisms that are somewhat obsolete. This is due to the informal activity they have inherited in recent times. The Covid-19 pandemic had a drastic impact on the way of marketing through social networks. Authors such as Armijos (2019) state that "social networks are changing the way consumers perceive products and have opened up another possibility for business". Compulsory confinement prompted the search for new avenues of commerce. Then, micro-entrepreneurs through WhatsApp, Facebook, Instagram, Titok among others, reached consumers. Therefore, the present research proposes to identify the trends of Digital Marketing and its impact on commercial microenterprises in the city of Guayaquil.

Today, marketing is essential for all entities, regardless of their size or economic activity. Because of this, it is vital to define what the term refers to; authors such as Jiménez (2020) indicate that

Marketing is a discipline based on the analysis of the market and competition to understand consumer behavior. The objective of marketing is based on attracting new customers and building customer loyalty through communication and sales techniques. (p. 61)

Therefore, marketing has been evolving in recent times. Important researchers such as Philip Kotler, established Marketing 1.0, hence it was adapting to an interconnected world, until Marketing 4.0 where digital media are essential. The first proposal was Marketing 1.0. "This was born at a time when mass production (after the Industrial Revolution) was in full swing and there were no criteria for consumption, people simply consumed what the market offered regardless of the different characteristics of the products or services".(Suarez, 2018, p. 5). As a result, sales in Marketing 1.0 were focused on the product, but not on the real needs of consumers. Some time later, the Industrial Revolution, where consumers had a tendency to buy compulsively. It was at that time that production began, regardless of the characteristics of the products or services offered.

Subsequent research, in the opinion of Suárez (2018) determined that "with a more customer-centric approach, Marketing 2.0 emerges, where the customer pays attention to the different offers and makes decisions." (p. 6). In this event, the entities evidenced the need to meet the specific expectations of consumers and offer them added value. This is through the use of information technologies, achieving instant customer loyalty. In short, it was not based on the product but on the consumer as a priority.

Then, Marketing 3.0 evolves as a response to customer needs as a new perspective focused on environmental awareness. "It seeks not only to satisfy needs, but we are looking for the company to give us socially and environmentally conscious products." (Jimenez, 2020). In this scenario, we seek to connect spirituality with emotional marketing. Therefore, taking into consideration the corporate values as a point of reference and differentiator in a competitive market. Then, it is the adoption of proposing the creation of strategic plans that meet the needs, feelings and values of consumers, focused on environmental welfare and social responsibility, achieving greater market segmentation.

To conclude, the conception of Marketing 4.0 is sized in the context of a world with greater interaction, an advantage that entities can take to reach a larger portion of customers in the market using a combination of digital and traditional marketing. "Marketing 4.0 is that of intelligent machines, i.e. machines that are able to understand human beings and that learn from us as they interact with people." (Jimenez, 2020). Another criterion, like Suarez's (2018) "in this new stage in the evolution of marketing, the emergence of Big Data and data analytics brings a new opportunity for companies and especially for marketing departments." (Suarez, 2018, p. 9). To this end, it can be determined that through the use of technological tools, combined with online interaction, customer expectations can be exceeded. As a result, the application of new technologies related to marketing has impacted the growth of many entities. The information with a high level of accuracy about tastes, needs and interests. Likewise, consumer trends in various electronic channels, resulting in a fundamental database for decision making. Table 1 is attached. From marketing 1.0 to 4.0.

**Table 1.** From Marketing 1.0 to 4.0

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criteria | Marketing 1.0 | Marketing 2.0 | Marketing 3.0 | Marketing 4.0 |
| Based on | Product | Real consumer needs | Social and environmental commitment | Prediction and interpretation |
| Purpose | Sell | Satisfying customer needs and building customer loyalty | Respect for the environment through social commitment | Understanding and anticipating market trends |
| Origin | Industrial Revolution | ICT'S | Technological era | Database |

*Note:* Adapted from (Evolution from marketing 1.0 to 4.0, 2018, p. 9).

For Hunt (1976) offline marketing is an alternative as it is an advertising strategy that is managed for publication and release entirely offline. So, offline marketing strategies can be applied in a variety of different media. Simply put, including through radio, print media, television, banners and more, Similarly, Sirdeshmukh et al. (2002) consider offline marketing to refer to any type of marketing that does not involve online marketing methods and strategies. Therefore, offline marketing applies media channels that are offline from the Internet to elaborate and achieve traditional marketing goals, such as developing campaigns and increasing sales volume. Offline media channels for advertising include telemarketing ads, radio, television, billboards, brochures and any other type of physical media.

In a nutshell, before the Internet era, offline marketing was widely applied by all business owners. However, times changed and so did sales. Today, most brands focus on designing and developing the ideal digital marketing strategy, without wasting a minute to think about the benefits of offline marketing. In the case of Kotler & Armstrong (2004) who stated that offline marketing is a strategy that, like online marketing, must be carefully developed, planned and organized. When it comes to media channels outside the Internet space, there are many things that people should pay attention to.

According to Kotler & Armstrong (2004) online marketing consists of measures and activities to promote products and services and establish relationships with customers through the Internet. Similarly, Burrett (2008) understands online marketing as "carefully targeting users and getting them to interact with you while they are engaged in the most intimate and personal medium ever invented". While Urban (2008) explains that "the application of internet and related digital technologies to achieve marketing objectives". These criteria are consolidated into one foundation. A leading author such as Chaffey (2007) has articulated the most consolidated definition. This is:

Apply digital technologies that form online channels (Web, email, databases, plus mobile/wireless and digital TV) to contribute to marketing activities aimed at achieving profitable customer acquisition and retention (within a multi-channel buying process and customer lifecycle) by improving our understanding of our customers (their profiles, behavior, value and loyalty), and then deliver integrated communications and online services that meet their individual needs.(p. 35).

Therefore, the different definitions related to online marketing take into consideration the interaction and the creation of relationships with customers. In short, a reference point that differentiates it from traditional offline marketing.

The fourth industrial revolution, known as Industry 4.0, drives physical industrial systems to be connected to the digital world, forcing organizations to leave their status quo. That is why, "this reality represents a precedent for business groups to conceive this new revolution in order to migrate to this paradigm from where they are today." (Mora & Guerrero, 2020, p. 2)

Another conception of Industry 4.0 involves the incorporation into industrial processes of data management techniques, taking advantage of the developments that, in the field of Big Data, are being carried out in other areas. "The aim of these techniques is the optimization of processes, which will bring as a result economic benefits and especially important improvements in the quality and safety of medicines."(Parra, 2020, p. 9)..

By history and tradition, the capital of Guayaquil is known as the capital of Guayaquil. It has a higher commercial growth compared to other cities in the country. "Guayaquil, commercial capital of Ecuador. Throughout history, commerce has been consolidated as the main economic activity of the city. Guayaquil is the city with the greatest contribution to the commercial GDP of the country." (Guayaquil Chamber of Commerce, 2019). Thus moves the migration from different corners of Ecuador to an economic pole, where national and foreign citizens see as an opportunity to improve their quality of life. "In fact, one third of the national trade turnover is carried out in the main port". (Guayaquil Chamber of Commerce, 2019).

In relation to the data presented by the Chamber of Industries of Guayaquil (2020)with information up to 2018, it concludes that the sector with the greatest contribution of Guayaquil to the GDP is the commercial sector, being one of the most important, as shown in Figure 1 below:

**Figure 1.** Guayaquil's contribution to national GDP



Taken from: (Guayaquil Chamber of Industries, 2020).

On the other hand, according to databases provided by the Servicio de Rentas Internas (Internal Revenue Service) SRI (2021)Guayaquil in 2020 achieved a tax collection of $ 3,694'537,221, being the city with the highest tax contribution after Quito with 5,999'242,193, showing its great capacity to contribute to the country's economy.

**MATERIALS AND METHODS**

The present study applied the qualitative research approach. (Kothari, 1996)(Creswell, 1998)(Denzin & Lincoln, 2000). Schein (2004)considered that culture was best understood and described by those who experienced it. Therefore, the documentary review of scientific articles and analysis of SRI figures was carried out, to try to understand the mechanisms that incorporate a favorable culture to digital marketing trends that provide an opportunity to involve commercial microenterprises in the city of Guayaquil and understand from the academy their relationship.

**RESULTS**

On the one hand, offline marketing is much more than people take into consideration. That is why it is considered "everything you require to know about this neglected type of marketing, extremely beneficial for microbusinesses." (Dann, 2010). Of vital importance related to questions that one can sometimes ask oneself such as does offline marketing work? Kotler & Armstrong themselves (2004) answer that offline marketing not only works because some companies have no other advertising option, but, for some brands, it must be the only form of advertising. (Kotler & Armstrong, 2004, p. 13). When used by the right hands, offline marketing can initiate great growth in micro business enterprises. However, offline marketing strategies tend to be more expensive than online, forcing microbusinesses to develop comprehensive plans before implementing campaign proposals. (Doney & Canon, 1997).

On the other hand, "the need for communication and information on the part of consumers in recent years has been the key to the development of marketing, which today has moved to the digital world and taken strength" (Arteaga, Coronel, & Acosta, 2018). Then, the digital world is fundamental to develop marketing strategies that are the basis for economic growth in an established environment as it is in the city of Guayaquil for commercial micro-entrepreneurs. In the following table 2. Bidirectional table of offline and online activities of the studied commercial microenterprises.

**Table 2.** *Bidirectional table of offline and online activities of financial institutions***.**

|  |  |
| --- | --- |
| OFFLINE ACTIVITIES | ONLINE ACTIVITIES |
| 1. Street marketing, applying brand advertising, adding QR code in the Banners. This advertising will be located in stations of transportation systems. Then, once the QR code is scanned, users will enter the brand's web page with their cell phones. This page should contain an option for users to redeem the QR with prizes. To do this, a team from the company will analyze the data, generating Big data for decision making.
 | 1. Promote brand advertising through social networks such as: Twitter, Instagram, Facebook, among others. Users will be eligible for prizes by sharing advertising along with the tagging of the brand's social page or by trending on social networks. To do this, a team from the company will analyze the data, generating Big data for decision making.
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| 1. The micro-entrepreneurs, collaborators and older clients should be constantly featured in articles in local newspapers, not only for making the business popular, but also the commercial sector in the news for its ecological mission and its enthusiasm for supporting the arts in different localities.
 | 1. YouTube should be used to tell the stories of how the business started, give a behind-the-scenes look at how operations are managed and provide footage of their events.
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| 1. Engagement marketing: Microenterprises should organize guided tours of their establishments free of charge. Also, benchmark trade fairs.
 | 1. Contract advertising space on social networks and in the media, sharing videos of visitors' experiences in micro commercial companies and business fairs where users can copy a code or QR code to enter the page and enter a sweepstakes to participate in the visit to the company and be the next participant in the business fairs.
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| 1. On purchases of products or services, stores through credit cards, add a QR for customers to scan to get a coupon to accumulate points for future discounts and promotions. Receive physical thank you cards on special dates such as Christmas or anniversary of the brand or business.
 | 1. Sensory marketing: You can benchmark purchases of products or services, stores through credit cards, adding a QR for customers to scan to get a coupon for prizes. Then users will create a profile on the company's page and accumulate shopping points and as a result get discounts and special promotions.
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As a result, in Table 2, micro commercial enterprises would mostly promote their brand and customer loyalty by combining both Online and Offline. The two strategies are totally dependent and both mechanisms would be mediated through big data for decision making.

**DISCUSSION**

A review of the country's economic growth showed that it has been stable in recent years. However, the city of Guayaquil is referenced as one of the local economies that make a greater contribution to the national GDP as it is a purely commercial city. The literature review indicates a knowledge gap in the definition and attributes of digital marketing trends and their impact on commercial microenterprises in the city of Guayaquil.

A delicate and turning point has been in the context of the Covid-19 pandemic. This generated that microentrepreneurs are more creative when executing business through digital strategies. Based on the reference framework reviewed and contrasted, the development model from Marketing 1.0 to 4.0 by Philip Kotler was defined. As a result, in this scenario it is suggested to move from a conventional marketing to a digital one, at the same time, focused on meeting the suggestions and needs of customers. Therefore, marketing strategies aimed at attracting new consumers were established. In the same way, propose strategies to achieve greater customer loyalty. To this end, improvements would be made in customer service by the employees of the microenterprises, redeemable points accumulation programs, use of social networks and flyers, new digital payment methods and home deliveries.

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