



THE PLACE OF DIGITAL MARKETING ON TURKISH SMALL BUSINESSES

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Abstract:

In the 21st century, technology develops rapidly and continuously and it affects every aspect of our lives. Marketing concept has been affected by these developments. What we want from marketing and reaching in an increasingly virtualized world is to be a lot faster than the past. Also, new marketing channels have emerged as well. Turkish small businesses, the building blocks of Turkish economy, have the chance of addressing the marketing problems and solving the problems with the digital marketing channels. Small businesses have time and cash money limitations and this restricts their development. It is aimed to inform Turkish small businesses about Turkish population's digital channel usage and the benefits of using digital marketing channels. As a result, digital marketing is going to improve the speed of renewal process of the Turkish small businesses and competition between them will improve the economy of Turkey.

Keywords:

Small Businesses, Digital Marketing, Turkish businesses, Communication, Internet

1. Introduction

In the 21st century, marketing channels differentiated into a worldwide virtuality. In the first decade of the century, household computers became the most popular communication tool worldwide. That brought more advertisements into the worldwide web compared to written press. In late of these years, public communication networks like Facebook, Twitter came to our lives. In these networks, people can instantly contact or can share what happens in their lives.

In 2010s, with the emergence of the smartphones and personal tablet computers, social media has become more popular. With the emergence of the smartphones and personal tablets, programmers have started to create mobile applications and websites which are suitable for the smartphone operating systems and smartphone explorers. The commercial brands, companies and even non-profit organizations benefited from the new form of the effective marketing which is digital marketing. The need for digital marketing of the companies instantly increased to a level that requires staying new and sustainable on the market. It is guessed that there are more than 2 billion smartphone users worldwide. This information shows the influence of the virtual world, the mixture of technologic gadgets and social media.

One of the main problems of the small businesses globally is that they cannot promote themselves or market their products to their target customers. The reason for this is the minor gap between their income and expenditure. As the name implies, small businesses offer small amounts of product with less amount of operating costs and income to an inadequate range of their target customers.

2. What Is Digital Marketing?

Digital Marketing is the variation of marketing using channels utilized by digital devices to market the products and services of a brand and to connect the brand with the consumers. The primary objective is promoting brands by means of numerous digital media such as social media, Short Messaging Systems – Multimedia Messaging Systems, display advertising, viral videos and search engine marketing.¹ These channels are used to communicate in one-way

¹ Financial Times, "Definition of Digital Marketing" <http://lexicon.ft.com/Term?term=digital-marketing> WEB Access Date 15.10.2017

communication which the feedback from the counterparts do not occur and the company only sends promoting message to the target; on the other hand, in a two-way communication, a company can send the message and the target can reply with a feedback or a proposal. (Lunenburg, 2010:3)

2.1 How Digitalization Influences Marketing

Internet influences a business both operationally and strategically. Supporting marketing tasks such as reducing costs of activities and minimizing the time of reaction to customer are important. In addition, processes of creating value and market position building of a business depend on actions within networks reached with internet.

Internet, especially social media networks impact on the marketing concepts, such as: (Mazurek, 2014:18-19)

- Result of clear communication to both internal and external environment, business has the possibility of gathering accurate information of market to react market needs immediately.
- Interactive and clear communication of business to the environment, business has the opportunity to have compact relationship with other businesses and customers which can be considered as a part of the business because of the interactivity.
- Raising brand awareness and customer loyalty to the business by introducing the company right, marketing the product interactively.

2.2 Brief History of Digital Marketing

With the first production of the personal computer in 1981, the connection of the people to digital world was established. 14 years later, 16 million people started to connect into digital world via the internet. Online stores emerged in the mid-1990s like Ebay.com and Amazon.com on which any corporation or person can sell their products via the internet. In December 1999, 248 million users were connected to the digital world. In June 2017, the number of users increased 15 times, with 3 billion 885 million, compared to the number of users in 1999.² The Short Messaging System, also known as SMS, was developed by Friedhelm Hillebrand and Bernard Ghillebaert in 1984. After 8 years of the system development, the first text message has been sent. Short Messaging System has 160 characters in one message; letters, numbers or symbols are counted as characters. (Erickson, 2012)

In the first decade of 21st century, social sharing platforms were born. These platforms have different aims such as status sharing to find previous or actual classmates and sharing videos to the internet users. To be precise, Facebook launched in 2004, Twitter launched in March 2006 and YouTube launched in February 2005.

Social media networks establish communication between businesses and target customer groups. This communication creates an opportunity to find the right group for targeting campaigns by using profile information such as age, residence and interests. (Kircova, Enginkaya, 2015: 25-26)

2.3 One-way Digital Marketing Channels

Website e-mails and viral videos can be examples of the one-way communicative channel of digital marketing. A company website could be defined as the center of the brand in the online world. E-mailing can be used for different marketing purposes like the build-up for a brand or a company, developing and managing customer relationships or sharing information to forward the customers to the website. (Karjaluo – Taiminen, 2015: 635)

E-mail channel is normally a two-way communication tool between corporates and people, but when it is used for advertising to customers, it becomes a one-way communication tool. The reason for that is these advertisement mails are perceived as usually disturbing for receivers and they are categorized as spam and junk mails. Therefore, it is more affective to use more advanced tools from websites and e-mail channels, named as Search Engine Advertising and Search Engine Optimisation. With Search Engine Optimisation, you can improve a website's search engine rank in organic results. Also, with Search Engine Advertising, you can put paid advertisements which are related to specific keywords on a search engine's results page. (Karjaluo – Taiminen, 2015: 635) Search Engine Optimisation and Search Engine Advertising require less company control in comparison with website, e-mail advertising or

² Internet World Stats, "Usage and Population Statistics" <http://www.internetworldstats.com/emarketing.htm> WEB. Access Date: 25.10.2017

newsletters in one-way channels.

In the beginning of 21st century, with the technological advancements, the appearance of mobile phones as a channel for marketing attracts both companies and customers to the mobile marketing. According to Rogers, mobile marketing: “a set of practises that enables to organisations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network” (Rogers, 2010:24-25). In mobile phones, short message services can be used as commercial SMS which is designed only for sales and promoting businesses’ goods or products to customer whether or not permissible for the receiver. (Takhar et.al, 2014:39) Thus, SMS marketing can be considered as a one-way digital marketing channel.

On 4th of September 1998, Google has launched the World Wide Web. It created a new channel in Digital Marketing by optimizing and putting unique keywords that advertise into one of the best search engines in the world. Both Search Engine Optimization and Search Engine Advertising are commonly used among larger firms, but before the second decade of 2000s, their potential was not fully understood among small businesses in the world. (Karjaluo and Leinonen, 2009) In Turkey, small firms cannot form their own SEO or SEA because of lacking an experienced Search Engine Marketing specialist on the marketing divisions. Small enterprises may avoid SEO because of its consultancy and additional fees, but SEO and SEA activity in Google, which is one of the largest search engines in the worldwide web, can provide reputation and potential customers when internet users search with related keywords.

2.4 Multidirectional Digital Marketing Channels

Social media platforms (Twitter, Instagram and Facebook) and blogs are the exquisite examples of a two-way communication channels in digital marketing thanks to their chance to create a profile for a corporate. With this ability, every size of business can connect to their target customers or present customers. The difference between one-way communication and two-way communication stems from the fact that the marketer-customer relationship turned upside down on social media platforms. The power has shifted from marketers to customers. (Hennig-Thurau et.al, 2010) That is to say the requests and demands of customers from brands can form a two-sided communication which develops a beneficial atmosphere for marketing and customer satisfaction. Social media has become an important part of an organization's marketing communications and branding (Bruhn et al., 2012). The best example can be Facebook which has become an important channel for engaging actual consumers and creating brand awareness on potential consumers. (Malhotra et al., 2013: 18-20).

3. Definition of Small Business And the Statistics About Small Businesses In Turkey

On 19th of October 2005, the “Regulation of Definition and Classifications of Small and Medium Scale Businesses” was published on Turkish Official Newspaper with the number 2005/9617. The regulation granted the Small and Medium Scale Businesses in Turkey named as KOBİ. KOBİ is an enterprise which has less than two hundred employees and its annual net sales revenue is less than 25 million Turkish Liras.³ KOBİ has been classified into three subclasses as micro scaled businesses, small scaled businesses and medium scaled businesses. This classification depends on number of employees and the net sales revenue the business gathers in a year.

The smallest of the businesses mentioned as KOBİ is the Micro businesses which have up to 9 employees and below 1 million Turkish Liras annual net sales revenue. Small businesses have less than 50 employees and lower than 5 million Turkish Liras net sales revenue. (Resmi Gazete, Article 5, 2012)

In 2014, 2.677.000 Turkish businesses were active in industry and service sectors. 99.8% of these businesses were Small or Medium businesses. Mostly, there are small and medium businesses in wholesale-retailing and motorized vehicle repair sector with a rate of 39.2%. (TUIK, 2016: 21540) In 2015, the micro and small businesses made a total of 19.4% of the exportation of Turkish businesses. 32.4% of Turkish small businesses renovated their marketing strategies in the year of 2014.⁴ That data show that enterprises need more effort to market and sell their

³ <http://www.resmigazete.gov.tr/eskiler/2012/11/20121104-11.htm> Türkiye Cumhuriyeti Resmi Gazete, “Küçük ve Orta Büyüklükteki İşletmelerin Tanımı, Nitelikleri ve Sınıflandırılması Hakkında Yönetmelikte Değişiklik Yapılmasına Dair Yönetmelik” Access Date: 18.10.2017

⁴ <http://www.tuik.gov.tr/PreHaberBultenleri.do?id=18662> Türkiye İstatistik Kurumu, “Yenilik Araştırması 2014” Tablo-9 Pazarlama yeniliği yapan girişimlerin uyguladıkları pazarlama yeniliği faaliyetleri Access Date: 17.10.2017

products or services in Turkey and export to the neighbouring countries.

In perspective of the Turkish small businesses, the usage of internet and computer is as high as the Turkish population's usage. According to Statistics Institute of Turkey, 95.4% of the small businesses, which have 10 to 49 employees, use computers and internet. Thus, the small businesses in Turkey have the suitable environment for digital marketing and e-commerce. Turkish small businesses' social media usage rate is at 44.5% in 2017. According to the Turkish Statistics Institute, there is an increase of 8% in social media usage compared to 2016. Turkish small businesses that use social media prefer social media networks rather than other channels with a rate of 96% which means nearly all the small businesses are using social media. Somehow, the multimedia content sharing websites usage of Turkish small businesses had a sharp decline from the rate of 42.6% to 32% between 2016 and 2017. On online sales, Turkish small businesses' usage seems too low when compared to the usage of social media or internet with a rate of 10.1%.⁵

3.1 Marketing Problems Of Small Businesses In Turkey

In Turkish entrepreneurship mentality, the only ambition that is to think about revenue is going to disappear over time. Nowadays, Turkish entrepreneurs who own a small business gradually possess the mentality of adding economical value with communal responsibility. Somehow, Turkish entrepreneurs are caring for their independencies and they want to stand on their own feet but this can cause a lack of communication. So, the small business entrepreneur cannot form a partnership in domestic or abroad markets. (Kocabyık – Altunay, 2008) Small businesses in Turkey might lack marketing departments or experienced personnel on marketing departments. Like some of the small businesses in production sector, they can only have financial, accounting and production employees. That will lead them into downsizing in a competitive market. If the downsizing of the business is constant in a competitive market, it means there is no much time left for them in the business world. Organized marketing department and experienced or educated personnel in marketing departments are the connection between the brand and customers. (Özgener, 2003)

4. Digital Turkey: The Digital Statistics And E-commerce Summary Of Turkey

Turkey has a population of 79.815.000 according to Statistics Institutions of Turkey⁶. With a rate of 60%, Turkey has a digital population composed of 48 million internet users across the country. Social media usage in Turkey has the same level with the internet usage; 48 million of social media accounts were active in January 2017. The 89% of the population has mobile phone subscriptions, that is equivalent to 71 million people and 42 million of them use social media from their mobile phones actively.⁷ Comparing to 2016, internet usage slightly rose by 4%, active social media usage from computers by 14% and from mobile phones 17%.

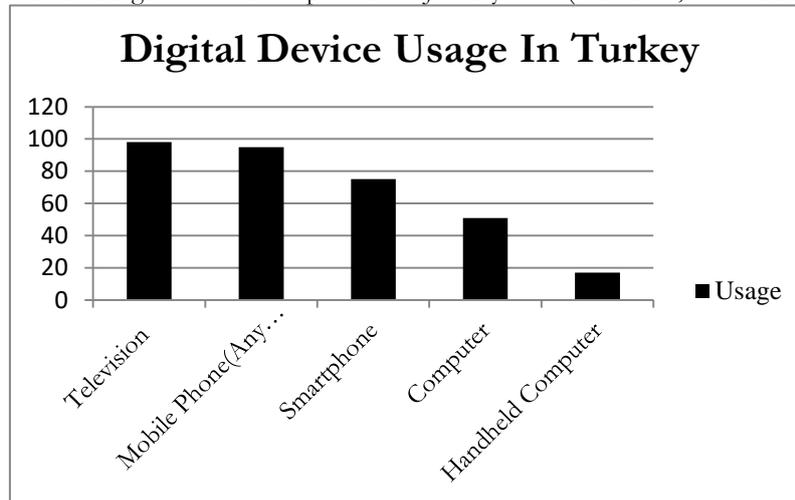
⁵ <http://www.tuik.gov.tr/PreHaberBultenleri.do?id=24863> Turkish Statistics Institute, Girişimlerde Bilişim Teknolojileri Kullanım Araştırması,

Tablo-8: Sosyal medya uygulamalarını kullanan girişimler ve kullanılan sosyal medya uygulamaları 19.09.2017 Web. Access Date: 28.10.2017

⁶ <http://www.tuik.gov.tr/PreHaberBultenleri.do?id=24638> Türkiye istatistik kurumu, adrese dayalı nüfus kayıt sistemi sonuçları 2016, 2017 Access Date: 29.10.2017

⁷ We are social & Hootsuite, Digital In 2017: Western Asia A Study of Internet, Social Media, Mobile Use Throughout the Region, 26.01.2017 <https://www.slideshare.net/wearesocialsg/digital-in-2017-western-asia> Access Date: 29.10.2017

Table 1: Device Usage of Turkish Population in January 2017 (Hootsuite, We Are Social, 2017)

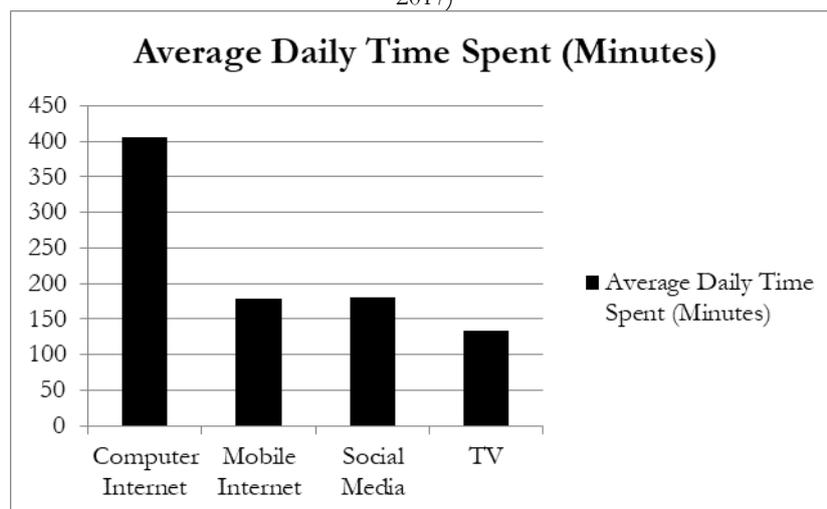


Note: Produced by the author based on the data from We are social & Hootsuite.com (2017), "Digital In 2017: Western Asia A Study of Internet, Social Media, Mobile Use Throughout the Region" <https://www.slideshare.net/wearesocialsg/digital-in-2017-western-asia>

According to this Table 1, television (98%) is the most used digital device by the Turkish population; however mobile phones (95%) are nearly as popular as television. Hence, Turkish people mostly use television and any kind of mobile phones, 75% of which are smartphones that support applications of social media channels. Handheld (17%), desktop and laptop computers (51%) are left behind at the usage rates in spite of their respectable rates of usage. (Table.1)

According to Table 2, Turkish population spends 406 minutes on a daily basis using internet on a computer. It is more than the combination of mobile internet usage (179 minutes) and social media usage (181 minutes). Although Turkish population mostly prefers television, this usage research data show that the time they spend on television on a daily basis (134 minutes) is the lowest. (Table.2)

Table 2: Average Daily Time Spent On Devices and Social Media by Turkish Population (Hootsuite, We Are Social, 2017)



Note: Produced by the author based on the data from We are social & Hootsuite.com (2017), "Digital In 2017: Western Asia A Study of Internet, Social Media, Mobile Use Throughout the Region" <https://www.slideshare.net/wearesocialsg/digital-in-2017-western-asia>

5. How Digital Marketing Can Be Useful For Turkish Small Businesses

First, owner of a business who has the knowledge about technology is an important factor. (Chao and Chandra, 2012:128). If the business owner develops his/her own digital marketing skills, he or she can become versatile in digital channels of marketing which can lead to reaching for the target group more easily and more efficiently than the rival entrepreneurs in the sector.

Second, in the first years of the 21st century, e-mail marketing and SMS marketing were popular. Although they are still used by Turkish businesses because of being easy and free or having a small fee to use, sending e-mails or SMS without permission can lead into failure in reaching a part of a target group who delete the mails or messages without reading.⁸ What is worse is that without getting any permission to send SMS or E-mail can bring penalties to the business and its owner. (Resmi Gazete, Article 14) Thus, these channels' reaching ranges are limited in comparison with present digital marketing channels. Social media has a lot more enriched content than e-mail or SMS marketing. Businesses are able to promote their products with multimedia resources or share their own website feeds including company news, updates, etc. On social media, businesses may react to target customers in a friendly way thanks to the interactivity of these platforms.

According to Statistics Institute of Turkey, the 39% of Turkish enterprises used social media channels in 2015. These enterprises mostly used social media networks at the rate of 85%. Multimedia sharing websites and blogs were used by the same enterprises at the rate of 32.3%. The most important fact is that 36.8% of small businesses, which have 10 to 49 employees, used social media channels.⁹

As a result, digital marketing establishes communication to the digital environment. All the customers, businesses or buyers can interact with each other and clear out any misunderstandings. This can save money and time for the businesses. According to the previous data, reaching to customers and promoting the products can be more efficient and precise, if the small businesses in Turkey use digital marketing more. This can solve the marketing problems of Turkish small businesses.

6. Conclusion

After gathering the statistical data and having information about digital marketing, Turkish small businesses will surely become more interested in digital marketing in time. Population of Turkey has clearly become a digital population when one thinks about the fact that three people out of four have smartphones or one person out of two has a personal computer. The most noticeable data is that 60% of Turkish population and 96% of Turkish small businesses actively use social media channels. This shows us that the small companies can use the digital marketing to market their products more efficiently.

In addition, whether it is on mobile or computer, social media has become a tremendous part of the people's lifestyle nowadays. Turkish people spend more time on social media than television; also, you can instantly react positively or negatively on social media with a comment or a message to the company profile. Over time, Turkish entrepreneurs will be more moderate to the digital marketing practices like social media marketing. Besides, the Turkish small businesses will be more competitive and communicative with their customers frequently and between each other by creating partnerships. Eventually, the traditional marketing is going to be replaced by digital marketing because of technology's rising on a stable trend and the quickly changing needs and behaviours of the customers. As a result, digital channels are the most used channels in marketing and the most effective channel which connect consumers and small businesses.

⁸ Deniz R.Baki, "Yeni Bir Pazarlama Yöntemi Olarak Elektronik Posta Pazarlaması" Journal Of İstanbul Kültür Üniversitesi, 2002 (p.1)

⁹ http://www.tuik.gov.tr/basinOdasi/haberler/2016_59_20160511.pdf Türkiye İstatistik Kurumu, **Girişimlerin** %39'u sosyal medya uygulamalarını kullandı, 2016 Access Date: 27.10.2017

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<http://www.resmigazete.gov.tr/eskiler/2012/11/20121104-11.htm> , 2012 (Access Date: 18.10.2017)
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