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The impact of Digital Marketing on the Performance of Small and Medium –sized Enterprises in North Macedona

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Author's Photos



Author's short biographies

Teuta Veseli-Kurtishi, is an Associate Professor at the Faculty of Business and Economics, South East European University. She received PhD in Marketing at the Faculty of Economics, in University of Tirana.

Her main research interests are application of marketing strategies and their impact in business institutions and education institutions.

Teuta Veseli - Kurtishi published several scientific papers in international and national journals and participated in many scientific international conferences.

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Introduction

- SMEs are an essential contributor to the economic growth and development of many countries worldwide, including North Macedonia. However, the journey to sustained success for SMEs is full with challenges, including limited resources and intense competition. To overcome these obstacles and achieve sustainable prosperity, SMEs are increasingly turning to digital marketing as a powerful tool to increase their performance. (Binbasioglu & Turk, 2020).

Introduction

- The objective of this research paper is to investigate the impact of digital marketing on the performance of SMEs in North Macedonia. While digital marketing has been widely studied in the context of developed economies, there is a lack of research on the specific challenges and opportunities faced by SMEs in emerging economies such as North Macedonia.
- By focusing on this specific context, this study aims to fill this gap in the literature and provide valuable insights into the role of digital marketing in enhancing the performance of SMEs in North Macedonia

The Literature Review

- Literature shows that digitization in its various forms is positively related to small business growth, performance and competitiveness. Digital marketing and social media provide opportunities for small businesses to attract new customers and reach existing customers more efficiently.
- Many studies emphasize the role of digital marketing in driving sales, attracting new customers, and improving overall performance for SMEs (Jadhav, G.G.et al., 2023; Taiminen and Karjaluoto, 2015).
- Several factors influence the adoption and implementation of digital marketing strategies by SMEs.
- Studies have highlighted the positive association between financial resources and SMEs' ability to adopt and benefit from digital marketing practices (Hollensen, et al.,2017). Lack of knowledge and skills in digital marketing has been reported as a barrier to effective implementation (Forte and Salome 2018).

The Literature Review

- While digital marketing offers numerous opportunities for SMEs, it also presents certain challenges.
- Limited resources, lack of digital marketing expertise, privacy and security concerns, and keeping up with rapidly evolving digital trends are among the commonly identified challenges for SMEs (Ali et al., 2023; Picoto & Pinto, 2021).
- The lack of knowledge and skills in digital marketing has been reported as one of the main obstacles after the financial aspect, for effective implementation (Forte and Salome 2018).
- However, digital platforms can be very effective and cost efficient for SMEs when properly applied (Brown, 2009). because they are oriented towards providing the necessary support for businesses to achieve specific goals.

Research Question(s)

- The aim of this paper is to examine how digital marketing affects the performance of businesses. In this regard, the following questions have been asked:
  - What are the key digital marketing channels (e.g., social media, search engine optimization, email marketing) that have the most significant impact on the performance of SMEs?
  - What are the main challenges and barriers that SMEs face in implementing successful digital marketing strategies?

- This research paper is raising two hypothesis, by the help of which we will try to give response to our research questions:
  - H1: There exists a positive impact of digital marketing on the performance of SMEs in North Macedonia.
  - H2: The adoption of digital marketing practices will positively influence SMEs' ability to reach a wider target audience in North Macedonia.

Methodology

- The research methodology involves collecting data from a diverse sample of SMEs, analyzing key performance metrics, and assessing the influence of digital marketing on outcomes such as sales revenue, customer acquisition, brand awareness, and so on.

Methodology

- **S**urvey using stratified random sampling was conducted, with 165 companies from different areas in North Macedonia randomly selected for the study.
- The approach was taken a quantitative survey of small and medium enterprise from different industries.
- The questionnaire is structured in four main sections:
  - the first section contains questions for general information.
  - The second group of questions helps in collecting data about digital marketing adoption,
  - the third and fourth sections contributes to collect data about impact of digital marketing on SMEs performance

Results&Disscusion

Based on the survey results provided, we can interpret the data as follows:

- **Gender distribution**: The survey participants were predominantly male (68%) compared to female participants (32%).
- **Age distribution**: The majority of respondents fell within the 25-34 age group (45%), followed by the 35-44 age group (30%). The 18-24 age groups accounted for 15% of respondents, while respondents aged 45 and above were less represented.
- **Educational background**: The largest proportion of respondents held a bachelor's degree (50%), followed by those with a master's degree (35%). Participants with a high school education or equivalent represented 10% of respondents, while a smaller percentage held a Ph.D. or higher (4%).
- **Positions within a company**: most of the respondents are marketing manager 45%; owner 30%, 18% of them are employee and so on.

Results&Disscusion

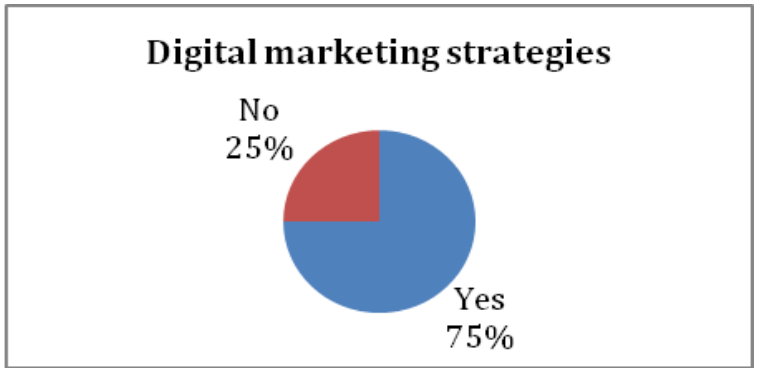


Figure 5. Use of DM strategies

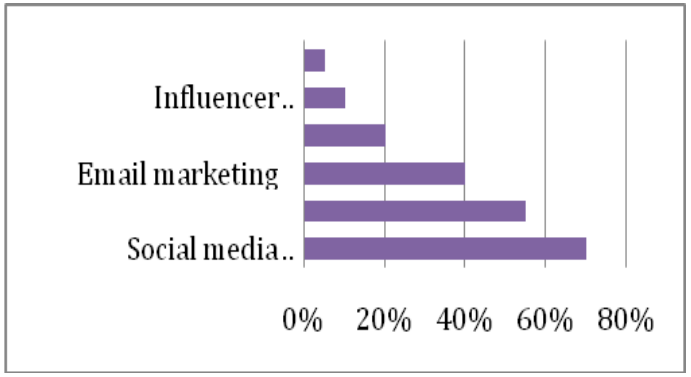


Figure 6. Popular channels

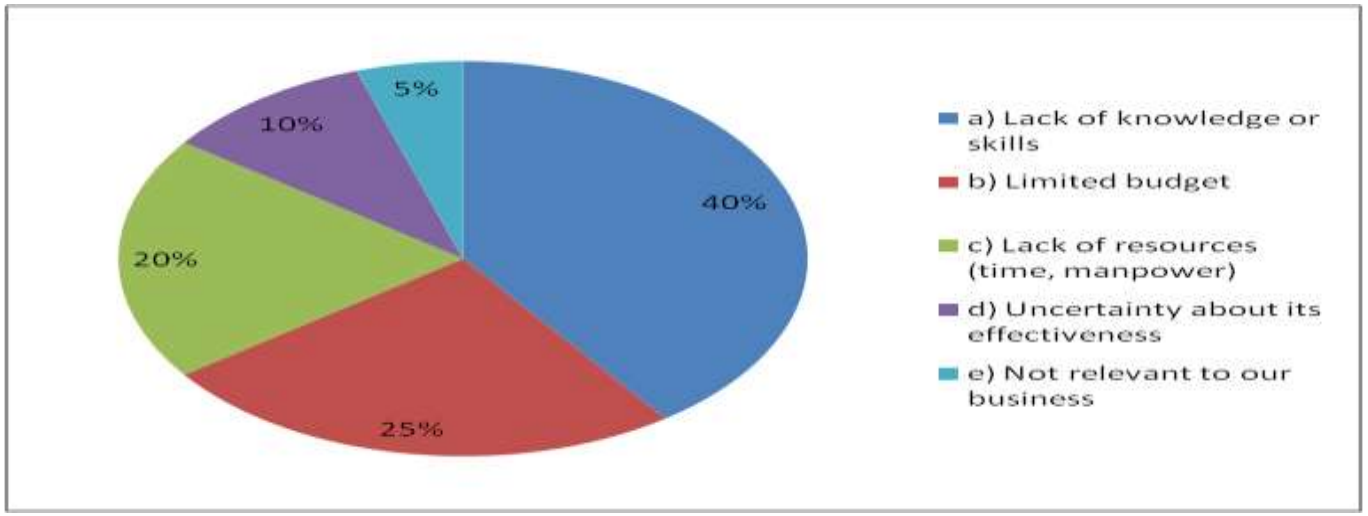
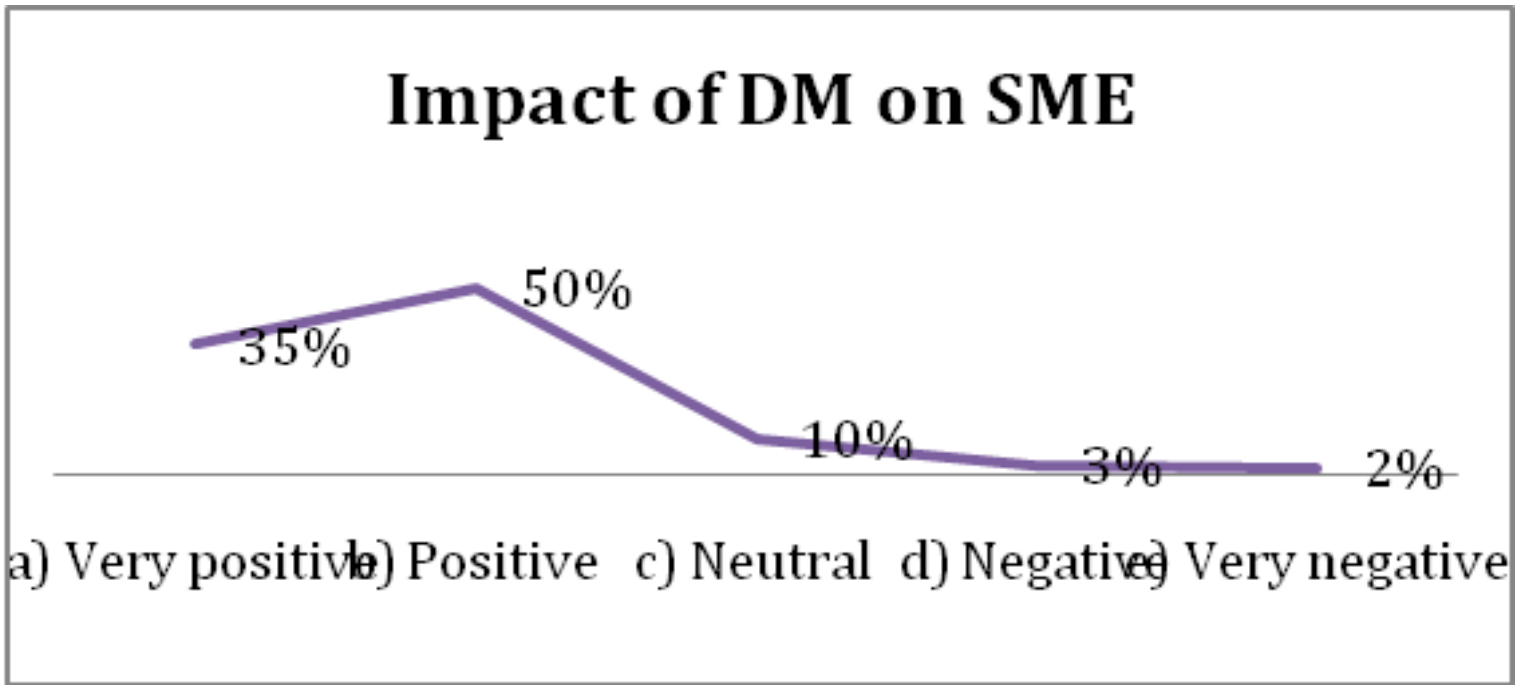


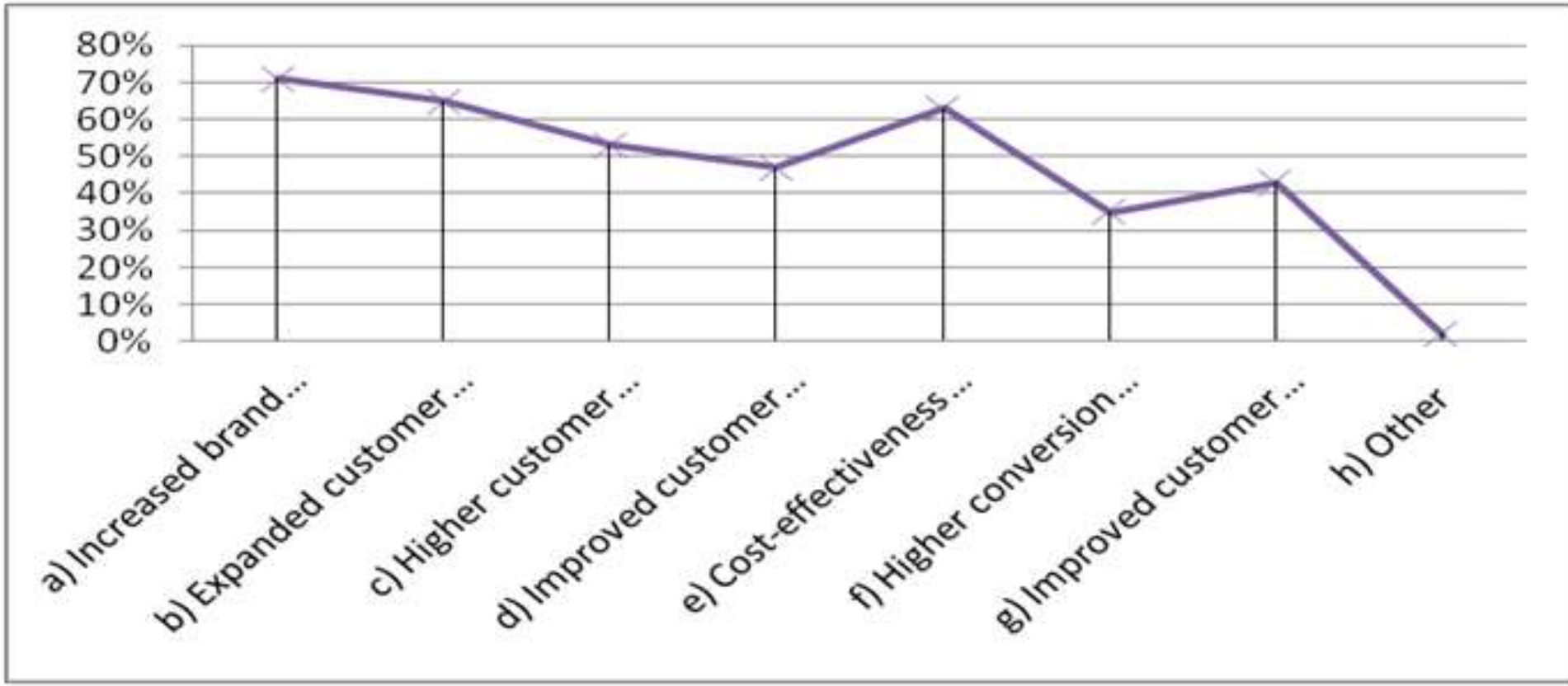
Figure 7. Reasons for not adopting digital marketing

Results&Disscusion



Results

Benefits of digital marketing



Results

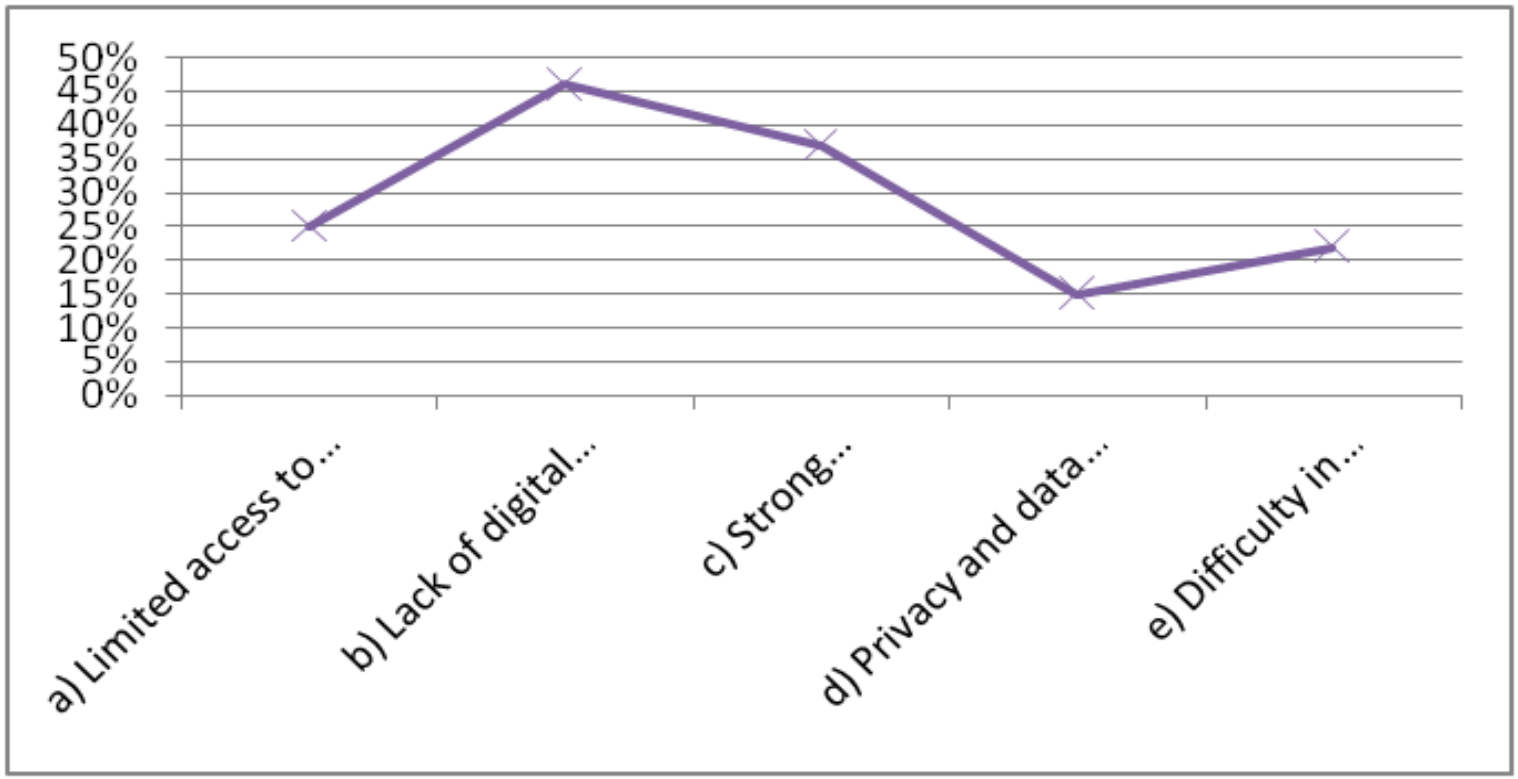


Figure 10.Challenged faced

Results

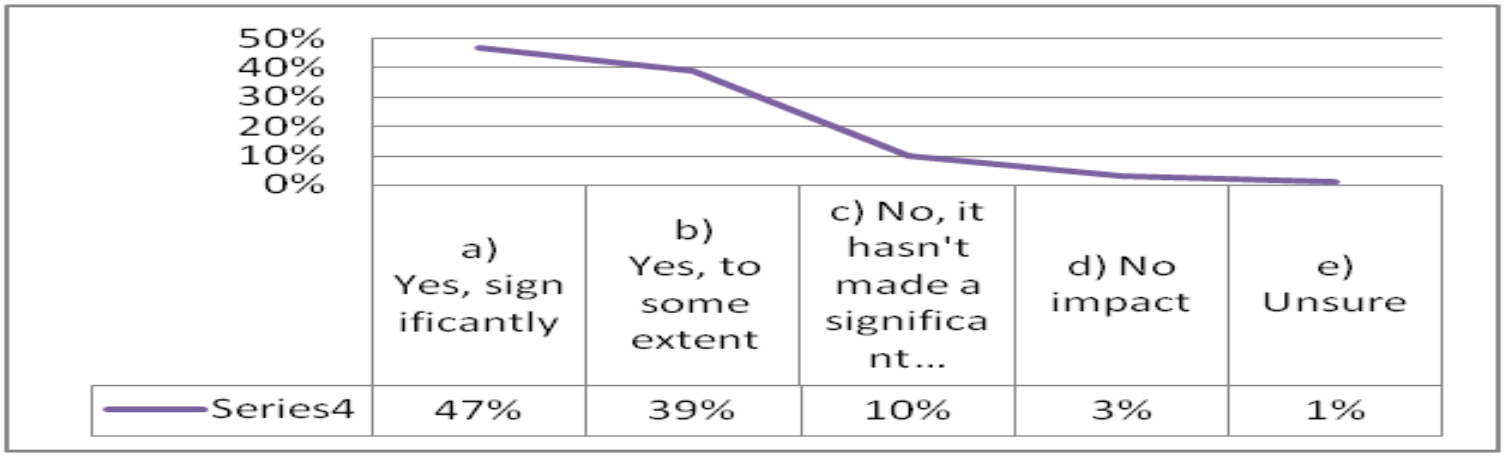


Figure 11. Impact on performance

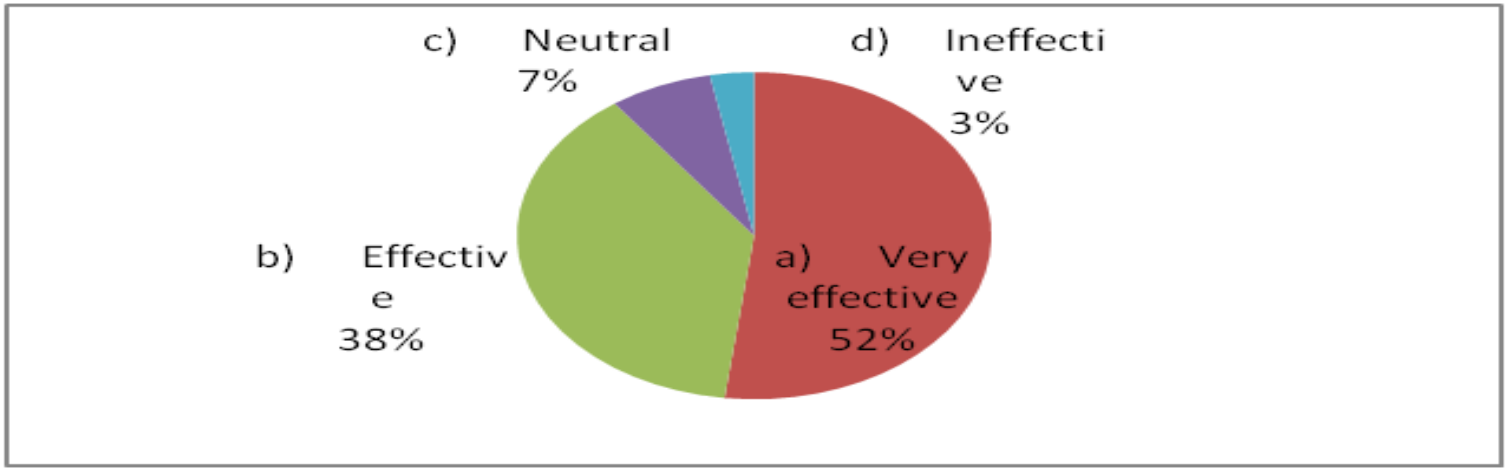


Figure 12. Effectiveness in achieving objectives

Implications

- The majority of respondents perceived digital marketing as having a positive effect, citing benefits such as increased brand visibility, expanded customer reach, higher engagement, and improved targeting.
- However, challenges such as a lack of expertise and strong competition from larger companies were identified. It is essential for SMEs to address these challenges by investing in digital marketing training, collaborating with industry peers, and seeking opportunities to enhance their digital infrastructure.
- By leveraging digital marketing effectively, SMEs in North Macedonia can enhance their overall performance, reach a broader customer base, and compete with larger enterprises.
- Continued efforts in adopting and optimizing digital marketing strategies will contribute to the growth and success of SMEs in the country.

Recommendations

- Improve digital marketing expertise
- Increase access to digital infrastructure
- Foster collaboration and knowledge sharing
- Focus on measuring ROI

Suggestions for Further Research

Limitations of the research:

1. The data come only from the north-western region of North Macedonia, therefore the research limits the generalization of the result.

2.The questionnaire does not contain specific questions about the level of sales, consumer perception and so on.

Future research in this area is recommended:

Future researchers could conduct similar analyzes in all the cities of North Macedonia and also to design a more in-depth questionnaire. This can help provide more accurate and comprehensive results for such research.

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