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IMPROVING USAGE OF DIGITAL MARKETING STRATEGIES IN THE DEVELOPMENT OF THE B2B FOOD MARKET

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Improving usage of digital marketing strategies in the development of the B2B food market

Annotation: Proposed methodological approaches of transforming traditional marketing strategies into digital marketing strategies that allows effective activities in the B2B market by analysing methods of using digital marketing strategies in the development of B2B food production market.

Keywords: Food products, B2B market, marketing strategy, digital marketing, marketing channels.

Introduction

Reforms aimed at creating a digital economy in the world of global business, effective customer service and changing their behaviour, growing role of technology platforms under the influence of information exchange liberalization and many other results of building a digital society create adequate opportunities for enterprise marketing activities. Accordingly, systematic research carried out in the countries of the world aimed at introducing innovative marketing technologies and methods in the B2B market based on digital technologies.

In his Address to the Oliy Majlis on January 24, 2020, the President of the Republic of Uzbekistan Shavkat Mirziyoyev pointed out: “In order to achieve sustainable development, we must deeply master digital knowledge and information technology, to enable us to take the shortest path to comprehensive progress. In today’s world, digital technology plays a crucial role in all areas. Therefore, accelerated transition to digital economy will come to be our priority for the next five years.”¹ In fulfilling these tasks, it is important to develop strategies

¹ President Shavkat Mirziyoyev’s Address to the Oliy Majlis. 25.01.2020. <https://uza.uz/en/politics/president-shavkat-mirziyoyev-s-address-to-the-oliy-majlis-25-01-2020>

improving the efficiency of the trade system based on the effective use of digital marketing technologies in the food industry and to studying scientific and theoretical issues in this area.

Literature review

The marketing activities of food manufacturers operating in the B2B market require regular improvement and need a creative approach to ensure effective market performance in the global information space. Constantly improving marketing activities of enterprises by introducing information and communication technologies is a privilege of ensuring competitiveness. Customer loyalty building is a key to successfully implementing marketing relationship in a dynamic business environment. One of the key areas of marketing communications is also to ensure effective interaction between the customer and the service provider, which leads to customer loyalty.² While interest in the B2B brand is growing more slowly than research on the role of brands in consumer markets, B2B branding is still becoming a relatively under-researched marketing research unit.³

Digitalization of the enterprises marketing activities affects every area and companies are changing their business because they will certainly face this new situation, that make them to use innovative tools developed in recent years provided by the Internet. The positive effects of digital marketing are evident for almost every business sector, but some sectors are struggling to apply their innovative tools. In Italy, for example, the fashion industry has been successfully covered by digital activities, but small and medium-sized enterprises of food industry do not use them fully for a number of reasons, it is mainly depend on socio-cultural barriers, including limited investment in the digital sector.

Different digital marketing strategies used for each sector of the economy, including food, which provides a number of benefits for food companies,

² Hennig-Thurau, T., Gwinner, K.P. and Gremler, D.D. (2002), "Understanding relationship marketing outcomes: an integration of relational benefits and relationship quality", *Journal of Service Research*, Vol. 4 No. 3, pp. 230-247.

³ Cf. Brown, B. P., Zablah, A. R., Bellenger, D. N., & Johnston, W. J. (2011). When do B2B brands influence the decision making of organizational buyers?: An examination of the relationship between purchase risk and brand sensitivity. *International Journal of Research in Marketing*, 28(3), 194–204, p. 194.

especially in Italy. Founded in Italy by Oscar Farinetti and formed by many shops specializing in the sale of high quality Made in Italy food products, the Italian food company and its associated small brands have begun the process of digitizing their marketing activities and achieving economic results.⁴

In international practice, most B2B companies still focus on encouraging customers to be more loyal and spending more time buying rather than identifying new customer needs. The main target of sellers for reaching ultimate goal is to focus more attention on the sectors and spheres, not the type of client. According to the results of a survey conducted by the «Omobono» business agency among European and American experts in the B2B market, digital transformation is to be achieved through the development of corporate culture and entrepreneurial skills, business strategies. Digital marketing strategies for B2B companies have been proven to deliver high performance in the following areas: brand awareness (55%), customer relationships (49%), brand promotion (39%), leadership thinking (34%), and understanding market movements (32%) and others.⁵

Observations from research firm Bain & Company Inc. help B2B service providers understand the spectrum of customer preferences have suggested 40 key “value pyramid models” for customer relationship management. They divided into five categories: set percentages, tasks, ease of office work, personalization and motivational factors.⁶

Research agency McKinsey & Company, in its 2018 observations, concluded that B2B companies that can use effective digital marketing technologies in market operations will grow 5 times faster than traditional operators, and will be 30% more efficient. The survey found that 46 percent of shoppers would be willing to buy from suppliers through their website if the

⁴ Ch. Prof. Andrea Ellero. Digital marketing influence in the food sector. A case study: Eataly and its associated companies' analysis. Master's Degree programme – Second Cycle (D.M. 270/2004) in International Management.

⁵ Omobono. (2018). What works where 2018: Marketing's age of illumination. Retrieved from <http://landing.omobono.com/what-works-where-2018>

⁶ Eric Almquist , Jamie Cleghorn and Lori Sherer. The B2B Elements of Value. From the March–April 2018 Issue. <https://hbr.org/2018/03/the-b2b-elements-of-value>

opportunity arose and the service was effective. Those who shop online in the B2B market were just 10 percent in 2018.⁷

According to research, digital marketing channels that have the most positive impact on business profits are social media (SM) and search engine optimization (SEO), email marketing (email marketing), and content marketing. At the same time, the B2B environment values many traditional channels, including event marketing, co-marketing, and search advertising.

Seventy-eight percent of B2B sellers said that trade shows and events brought many benefits to their business, and 26 percent rated them “very high”.⁸ Good knowledge of digital tactics is essential for the B2B environment. The shopping cycle is a long and hard process that attracts many parties with different agendas. Jordan notes that B2B customers have more confidence in the company's websites. They are interested in “relationships with long-term suppliers, including support, observations, future improvements and additions”⁹. B2B websites often do not support buying behaviour; it only allows introducing the company and its product portfolio. Companies have to know that the website needs to be customized without separating them from each other, targeting the appropriate verticals for both users and decision makers. B2B companies need tailor-made marketing strategies to stand out. At any stage of the buying process, there should be many similar messages across different online and offline channels so that some can meet the needs of the customers.¹⁰

Analysis and results

According to the World Economic Forum, digital B2B platforms have begun to drive marketing across all sectors, enabling collaboration across vast ecosystems

⁷ McKinsey & Company. (2018). Digital sales and analytics: Driving above-market growth in B2B. Retrieved from: <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/digital-sales-and-analytics-compendium>

⁸ <https://www.displaywizard.co.uk/most-effective-b2b-marketing-channels/>

⁹ Jordan, B. (2018). What sales should know about modern B2B buyers. Gartner. Retrieved from: <https://www.gartner.com/smarterwithgartner/what-sales-should-know-about-modern-b2b-buyers/>

¹⁰ Popovici, V., Muhcina, S. & Popovici A. L. (2018). Traditional versus online marketing for B2B organizations: Where the line blurs. *Ovidius University Annals, Economic Sciences Series*, 0(1), 382-387.

and generating a projected \$ 100 trillion added value for business and society over the next decade. It turned out that more than half of these initiatives rely on the capabilities of B2B platforms. The statistics on the areas in which the B2B platform economy can create value for business and society by 2025 are presented in Figure 3.3¹¹.

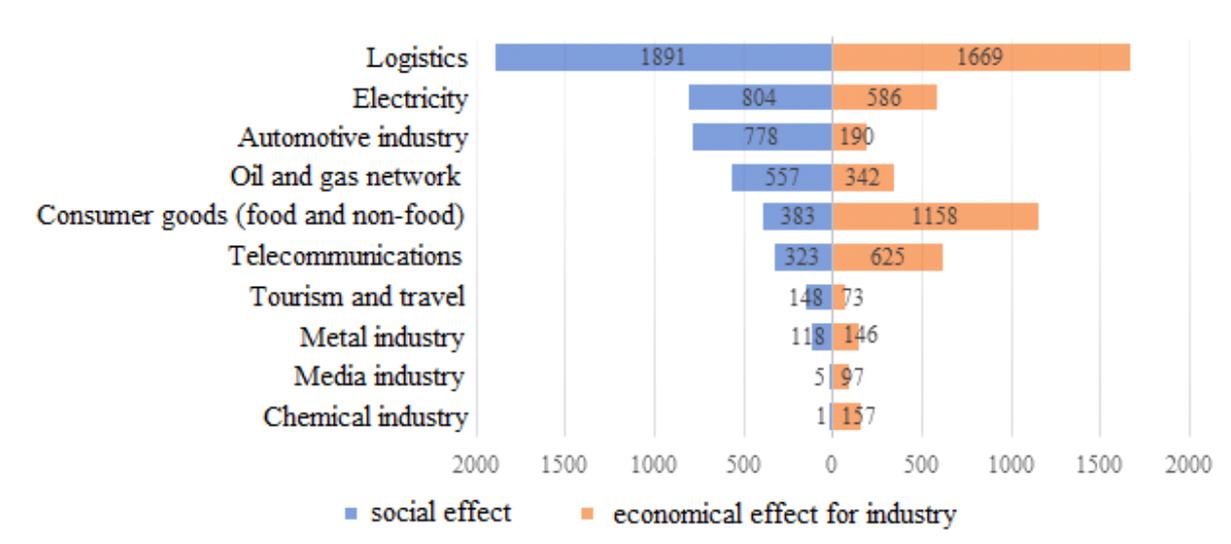


Figure 3.3. Effective for industry and society, expected by digital platforms in B2B by 2025, trillion dollars¹².

Transformation processes in the digital economy will not only change marketing practices, but also enable industries to take the necessary steps to set strategic goals for future.

Large-scale reforms are being carried out in all spheres and sectors of the country as a result of measures taken in the Republic of Uzbekistan aimed at the formation of the digital economy. The results of the digitalization policy pursued in Uzbekistan are widely used in the marketing of local brands based on Google search engines. These cases also confirm the “popularity” trend indicators, which are calculated on the basis of the Google Trends analytical system.

3.2-table

¹¹ World Economic Forum. (2017). White paper: Digital transformation initiative, unlocking B2B platform value. Retrieved from <http://reports.weforum.org/digital-transformation/wp-content/blogs.dir/94/mp/files/pages/files/wef-platform-report-final-3-26-17.pdf>

¹² White Paper. Digital Transformation Initiative: Unlocking B2B Platform Value. In collaboration with Accenture. March 2017. P-7/ <http://reports.weforum.org/digital-transformation/wpcontent/blogs.dir/94/mp/files/pages/files/wef-platform-report-final-3-26-17.pdf>

Popularity of the word “Uzbekistan” in the Google search engine¹³

The years	Uzbekistan: (in the world)	Uzbekistan: (in Russia)	Uzbekistan: (in Uzbekistan)
2015 y.	11	26	48
2016 y.	11	24	46
2017 y.	13	20	45
2018 y.	19	21	48
2019 y.	17	24	43
2020 y.	18	20	41

Table 3.2 shows the level of popularity of the word “Uzbekistan” in the world. This indicator is based on a 100-point system, where 100 points is the highest level of publicity, 50 point is the average level of publicity, and 0 points is the lack of information on this survey. According to the results, the interest of the international community in Uzbekistan is growing, but in Russia and Uzbekistan, the results of this assessment have declined over the years.

In the sphere of business and business systems, the popularity of the word “Uzbekistan” based on Google search engine is rated at the highest level during 2005-2020, while in 2018 it provides an average popularity of 80 points.

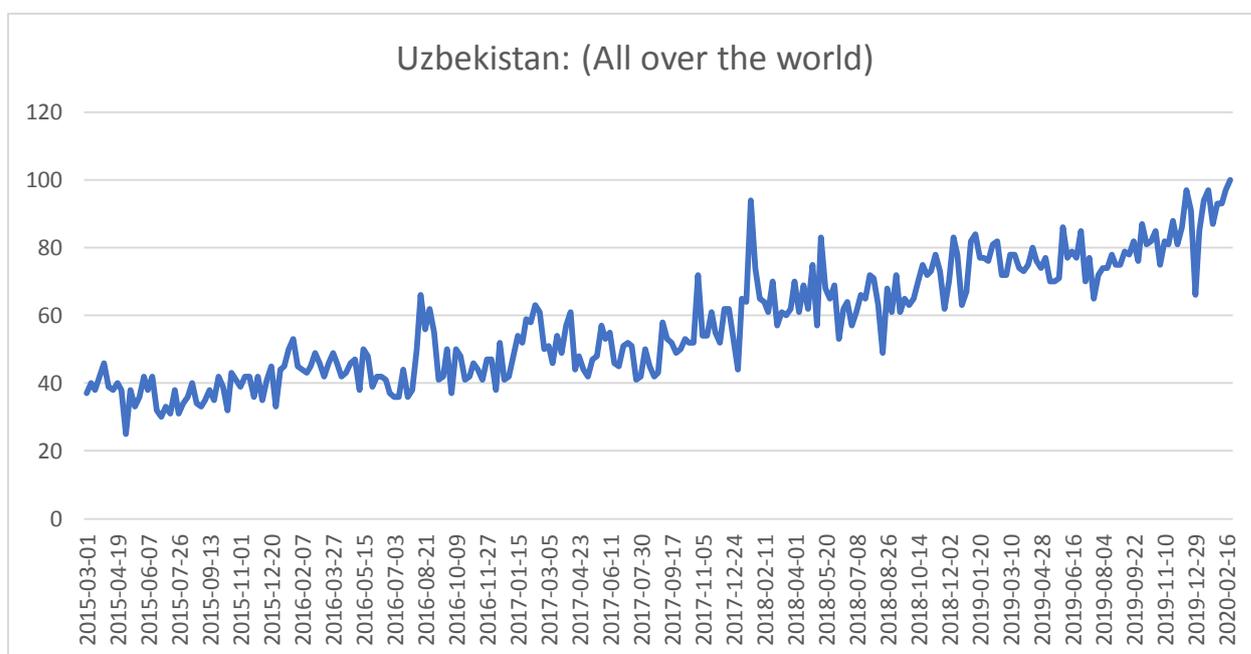


Figure-3.4. The popularity of the word “Uzbekistan” in the Google search engine,¹⁴ points

¹³ <https://trends.google.ru/trends/explore?date=today%205-y&geo=UZ&q=Uzbekistan>

In addition to search engines, Google also effectively leverages social media channels in the B2B market in Uzbekistan. In today's digital age, social media has become the main marketing channel for many companies, since about 37% of the world's population is actively involved in social media platforms.¹⁵ The following marketing strategies used in social media marketing opportunities in businesses:

- 1) e-WOM;
- 2) product promotion;
- 3) non-advertising format;
- 4) opportunities for interactive communication;
- 5) mass and multifaceted audience;
- 6) minimum budgetary expenses.

Facebook has become one of the most popular social media platform in the world and considered the most popular platform on global business platforms with over 2.5 billion monthly active users. Nearly 794 million monthly users, 38% from Asia Pacific, as well as have 364 and 239 million monthly users in Europe and the USA, respectively.

Based on the results of the study suggested a methodological approach to transforming traditional marketing strategies into digital marketing strategies that will enable food manufacturers and wholesalers to operate effectively in the B2B market (Table 3.3).

Table 3.3

Transformation of traditional and digital marketing strategies of enterprises in the B2B market¹⁶

Activity	Traditional system	Modern system
Strategy	Salesman, uninformed customer	An informed buyer based on marketing
Marketing	Move-oriented, mass, customer experience; mobile	Transformation of digital media, customer orientation, customer

¹⁴ <https://chrome.google.com/webstore/detail/website-seo-checker-free/nljcdkjpjnhlilgepggmmagnmebhadnk>

¹⁵ Spredfast. (2018). The 2018 Social Media Audience. Retrieved July 4, 2018, from www.spredfast.com: file:///C:/Users/User/Downloads/2018-Social-Media-Demographics--Spredfast.pdf

¹⁶ Compiled by the author based on data from Internet sources.

	communication	experience; mobile centralization
Channels of marketing	Often offline (e.g. events, traditional media)	Combined digital and offline; consumer-pleasing behaviors, use of video and social media
Analysis	Small offline database	Automated, technology-based, connected / real-time data, big data
Measurement	Activity-based, periodic, focused on end results	Result-based, consistent, focused
Organization	Usual	Integrated
Management	Creativity	Technological, analytical
Culture	Vertical	Flexible, based on relationship

Many enterprises require a radical renovation of their organizations to stay in touch with their customers and establish an advantage over their competitors.

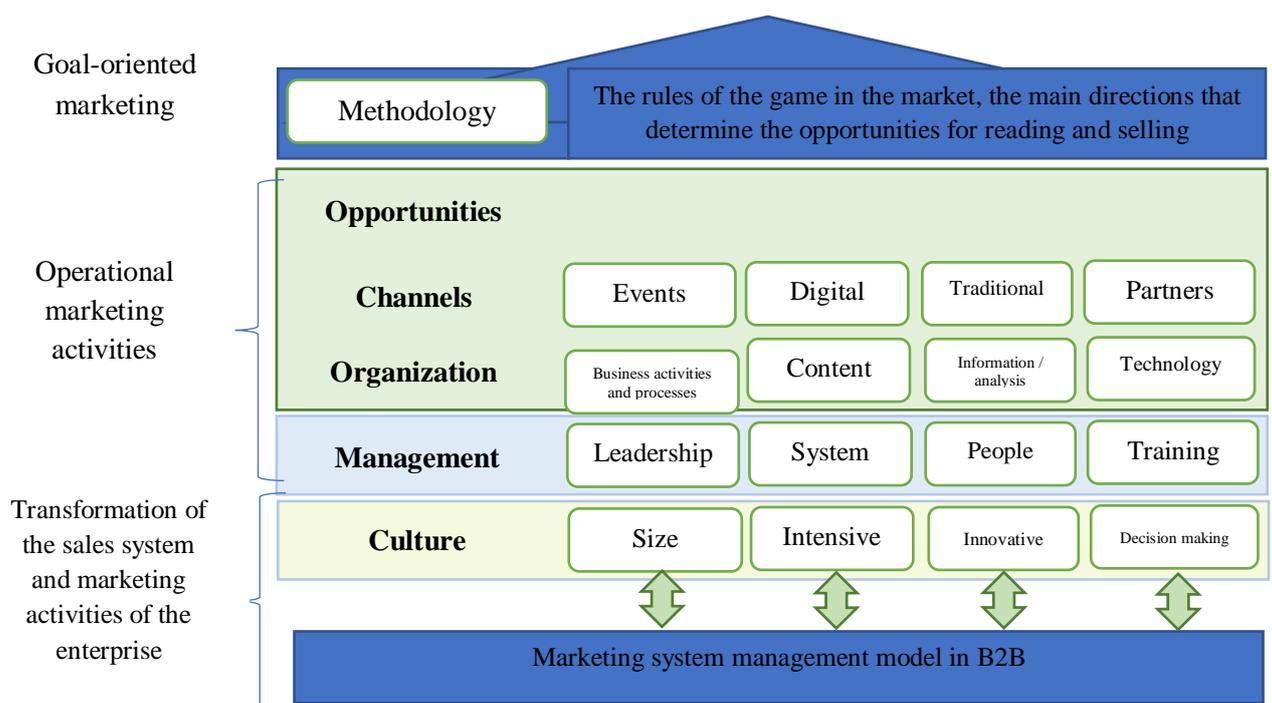


Figure 3.5. Transformation of digital marketing in the food production B2B market¹⁷

The digital marketing transformation process for B2B companies starts with choosing the right market strategy, increasing or developing marketing opportunities. Most companies need to rethink existing opportunities such as brand marketing, events and content. Defining digital tools for working in these areas

¹⁷ Author's elaboration

fosters interactivity and creates unique opportunities for the rest of the organization. Creating new marketing opportunities such as digital approaches, data and digital media analytics is more challenging. Companies also need to acquire or develop the necessary technical skills and rethink their organizations to operate in the digital world.

For many B2B companies, the intensified role of internal marketing and the importance of technical skills require an organizational rethink. Not only the enterprises of our country, but also the food industry enterprises of the world do not have clear criteria for a digital marketing strategy; we can see that companies have been successfully organized according to a variety of criteria, including products, channels, geography, features and segments. This means that it takes more effort to be successful in marketing and sales than before. In addition, B2B businesses also need to have relevant information and measurement capabilities at the time of purchase to be successful.

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