

Article

Digital Transformation and Marketing Activities in Small and Medium-Sized Enterprises

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Abstract: Digital transformation which impacts business operations is one of the most fundamental social and economic occurrences of our times. The paper seeks to find out how digital transformation impacts marketing activities in small and medium-sized enterprises (SMEs) and to examine overall changes triggered by digital technology in the marketing concept, its instruments, and activities in SMEs in Poland. The main research question focuses on the direction in which marketing activities performed by organisations evolve nowadays. Analyses and considerations are based on logical inference, examination of results of empirical studies, critical literature review, and author's market observations. Conducted analyses have demonstrated that, in enterprises covered by the study, digital technologies are deployed in marketing rather widely, although in many instances these technologies belong to the category of traditional tools. IT technologies and digital tools also impact marketing, helping to build relationships with clients and creating the value of each organisation.

Keywords: marketing; Poland; digital transformation; small and medium sized enterprises



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1. Introduction

Digital transformation, most frequently identified with multi-factor effects of digital technologies on an organisation, is one of the crucial occurrences that describe our social and economic reality here and now across the globe. It manifests itself in the incorporation of digital technologies into all operational aspects of activities of an organisation.

In trying to keep pace with the technological progress and unrolling social changes triggered by the X, Y, and Z generations, businesses must stand up to the challenge and use diverse modern marketing communication instruments [1], including those linked with sustainable growth [2,3]. That is a must if they want to survive in the global market shaken by rapid and turbulent changes, where a contemporary customer becomes a co-creator of value. Technology, used previously to drive costs down and improve business processes, has revealed its potential to determine the overall direction of change in the functioning of an organisation.

Today we can observe a phenomenon referred to as “digital revolution” to denote fundamental changes in consumer behaviour and lifestyle, as well as in the organisation of economic relations. All of the above stems from the increasing importance of ICT (information and communication technologies) and the Internet, which have changed the way information and data are obtained and processed, as well as transformed the way in which people communicate and establish relations between themselves.

Digital marketing is defined as achieving marketing objectives through applying digital technologies and media [4,5]. In organisations in which digital transformation is at its outset, technology is viewed as a tool that improves organisational performance, leaving the previous operational framework and principles untouched. Technology brings greater potential and in its most advanced form it can lead to a complete organisational change based on modern tools [6] (pp. 16–18).

Digital transformation is mainly about the transformation of an organisation and processes taking place within it to bring in a new approach to products, customers, or

services. It is not about making the existing processes simply more smooth or effective with the help of modern technologies. The customer, his needs, and preferences are put at the centre of a business [7]. He also becomes a co-creator of value [8] which highlights the importance of marketing in the age of digital transformation.

Thus, conducting research addressing this issue with SMEs would contribute to knowledge in the area of digital transformation, marketing, and sustainability. The research gap was identified as a lack of research on how SMEs could use ICT tools and techniques to enhance digital transformation and achieve sustainable development.

Information and communication technologies (ICT) have determined the functioning of entire economies, societies, enterprises, other organizations, and also every human being. These changes, known as the Industrial Revolution 4.0, led to the development of the digital economy and digital transformation of enterprises. Technological progress completely changes the environment of enterprises, forcing a change in all decision-making areas of specific entities, and also in their development strategies or business models. Digital transformation is important due to the technical progress and development of the information society. ICT is widely used in households and enterprises all over the world.

The results from El Hilali et. al. [9]—which showed that customers, data and innovation, are drivers, and that companies should use marketing tools during a digital transformation—has a significant impact on companies' quest to reach sustainability. The digital transformation is to embrace sustainability, because it requires radical changes in strategy and the business model level. To achieve sustainability in a digital era SMEs should focus on three main axes: enhancing the customer experience and adopting customer centricity, building data analytics capabilities, and shifting innovation to the business model level. Marketing is one of the pillars of digital transformation in SMEs through the customer experience approach and marketing tools used [10]. Implementation of modern digital marketing tools allows sustainable development of SMEs [11]. Thus, a digital transformation needs to be carried out continuously to ensure that the company's value delivery to customers is better than that of its competitors. To sum up, digital transformation is not a single point process, but rather, it is a moving target [12].

Literature suggest that managerial capabilities foster successful strategic-level changes, such as digital transformations, and subsequently lead to enhanced business performance [13,14]. Other research results support these findings that the idea of managerial recognition must be simultaneously focused on digitality and a sustainable strategy to achieve high financial performance [15]. Digital marketing provides new tools to know customers effectively on a large scale, and to proactively develop and enhance customer experiences. The digital technologies themselves are also a force of change, as they have become a crucial part of society and in our daily life [16].

The main objective of this paper is to find out how digital economy technologies link with marketing in SMEs [17]. Marketing, which rapidly transforms under the influence of global Internet networks and IT solutions, evolves towards technology and becomes a crucial area of organisation's operations that determines its growth, openness to innovation, and a comprehensive change in how a business operates. The thesis assumes that specific tools and methods linked with digital transformation applied in marketing are used in practice among SMEs.

Digital transformation takes place when organisations use technology between platforms and functions to radically improve the quality of customer service in the major contact points. Before creating value for themselves, organisations must create value for customers [18]. For a successful transformation, organisations must be appropriately incentivised by factors such as culture, leadership, IT infrastructure, processes, etc.

2. Materials and Methods

Digital transformation is a comprehensive process, as a result of which organisation shifts to new working methods based on digital technologies. The process takes place at each level of the organisation, also in functional areas, such as marketing, finance, or

production. It develops around a man and his needs, stimulating an organisation to change the previous operational model and often to adopt a new approach to its products and services. Digital transformation is a much deeper and wider notion than digitalisation that is strictly linked with the development of technology; it is, above all, a technological and social change consisting in creating new market relationships.

Digital transformation is based on innovation in how products and services are sold and how businesses interact with their clients at each stage of customer 'path to purchase'. It gains importance especially due to the fact that in the near future X, Y, and Z generations will constitute the majority of societies across the globe. One needs to bear in mind that these social groups see environmental issues, social responsibility, sustainable development, and building close relationships not only with the immediate surroundings but also with brands in the digital world as fundamental. Suffocated with aggressive advertising, consumers increasingly more frequently pay attention to brand authenticity.

The study, whose findings are discussed in this paper, was conducted in 2020 in Poland. The quantitative research design was used, and the SMEs group was studied [19]. The study population was defined as small and medium sized enterprises, which is 97% of the entire population of enterprises in Poland. The trial of the survey took place in July 2020 and gave the opportunity to clarify the questions and their order. Then, in the period 10–15 September 2020, the actual study was carried out.

The presented study used the method of diagnostic survey and the tool of a survey questionnaire based on an Internet form containing a structured set of questions to which the surveyed group of respondents voluntarily and anonymously provided answers. The study was exploratory in nature and a nominal measurement scale was used. Empirical studies were carried out using computer-assisted web interviewing (CAWI). The CAWI method was used in non-experimental research design. The study population was targeted via an online structured questionnaire which was entered into the database of SMEs in Poland (approx. 1.3 million economic entities). A request was made about the use of information and communication technologies (ICT) tools in the activities of enterprises—random purposeful sampling. As a result of the research, 115 correctly completed questionnaires were received, and at the end of the research period a further lack of people willing to participate was noticed. The survey provided numeric descriptions of selected attributes of a SME's population and the descriptive method was used to determine frequency of valuables in the population. The survey identified characteristics of the group of respondents at one point in time without exploration of the cause and effect of this characteristics. A summary of the results was made using the frequency distribution for a given variable, and they were compared by making an analysis and synthesis, which allowed formulation of final conclusions.

Due to the size of the sample, the results obtained during the empirical study are survey-based and cannot be generalised for the entire population of small and medium-sized enterprises in Poland.

The characteristics of the sample indicate a balanced diversity of the group of enterprises covered by the study (Table 1).

When analyzing the respondents' profile, in the survey managers constituted 53%, business owners 47%, and women constituted 50.4% of the respondents. Most of the respondents were young—54.8% of the respondents were aged 24–35. In the 36–45 age group there were 32.2% of the respondents, and the least numerous groups were people aged over 45 (13% of the total).

- Macro and micro perspective on digital marketing trends

Table 1. Respondents profile.

Enterprise	Attribute	N	In %
No. of employees	10–49 people	51	44.3
	50–249 people	64	55.7
Sector	manufacturing	27	23.5
	trade	38	33.0
	service	50	43.5
Type of ownership	limited company	80	69.6
	a sole proprietorship	35	30.4
Type of scope	international	29	25.2
	national	52	45.2
	regional	22	19.1
	local	12	10.4
Age	under 5	32	27.8
	5 years+	83	72.2

Trends connected with digital marketing can be divided into macro and micro trends. Macro trends impact consumer behaviour or fundamental economic principles. On the other hand, micro trends determine business, marketing or selling activities of market actors and impact customer decisions (Table 2).

Table 2. Macro and micro trends in digital marketing.

Macro Trends	Micro Trend
Big data	Personalisation and customization of services
Artificial intelligence (AI)	e-trade and e-commerce (multichannel, omnichannel, m-commerce)
Internet of Things (IoT)	Using smartphones
Cryptocurrencies	Changes in consumer communication (social media, content marketing, marketing automation)
Blockchains	Enhanced employee skills in using technology
3D Print	Changes in consumer behaviour
Drones	Neuromarketing
Cognitive computing ¹	Smart cities
Smart Robots	MarTech—marketing technology ²

Source: author's own compilation based on [20]. ¹ Cognitive computing, def.: A collection of technologies that result from studies on human brain. A combination of artificial intelligence and signal processing—two elements crucial to the development of machine consciousness technology, e.g., IBM Watson or Google Deep Mind. ² MarTech, def: The blending of technological tools (software, platforms, systems, and tools) with soft skills in advertising and promotion.

Macro trends change the previous approach to marketing and alter communication with customers. They often completely change the rules of the game by creating new market opportunities and segments [20] (pp. 214–216). Micro trends, in turn, facilitate and determine the evolution of previously undertaken actions which, as a result of changes, increasing the productivity and efficiency of marketing operations pursued by an enterprise.

- Small and medium-sized enterprises in Poland in the face of digital challenges of marketing

The subject-matter literature proposes many classifications of barriers and limitations faced by the SMEs in access to ICT. The lack of financial as well as human resources is one of the most frequently mentioned. The issue was already investigated in the 20th century. Blili and Raymond [21] distinguished four aspects that make the implementation of ICT in the SMEs different from their application in large enterprises or corporations. First, they pointed to differences in approach to corporate management. Second, they argued that SME development is predominantly organic, based on internal financing. The third aspect focused on SMEs usually acting as informal structures without departments or units, and,

finally, the fourth one highlighted problem in financing, planning, control, knowledge management, and adapting IT systems resulting from the lack of human resources [22–25].

Insufficient knowledge and skills are another barrier. New technologies and solutions are usually linked with knowledge and experience accumulated by business owners and employees. Gaps in knowledge, in particular in technical knowledge, become the key barrier to ICT implementation in the SMEs [22]. In addition, limited resources, skills, and knowledge, combined with limited impact on the market, were listed as the main barriers to SME development still before the digital era. These factors were later examined in the 21st century context by many researchers [26–30] and, importantly, remain pertinent today.

Compared to enterprises from other EU Member States, the performance of Polish SMEs in marketing is very weak. For most indicators used to describe digital transformation Polish SMEs rank below the EU average. In the Digital Economy and Society Index (DESI) ranking published by the European Commission for 2019, Poland ranked 25th amongst 28 EU Member States. Although over recent years the score of the country improved, together with the EU average, Poland failed to improve its ranking position [31] (p. 3).

When it comes to digital technology integration in enterprises, Poland finds itself at the 26th position in the EU. Polish enterprises increasingly more often avail themselves of opportunities offered by e-trade: 12% of SMEs sell their products and services online which is more compared to DESI 2018 but still places Poland below the EU average of 17%. Only 4% of all SMEs engage in selling their products or services online to customers in other countries, while online sales account on average for 7% of the total revenue of all Polish SMEs. Social media are used by 10% of enterprises (EU average is 21%) and 26% of enterprises use electronic data interchange devices (compared to 21% in 2016) [31] (p. 9).

Although Polish SMEs more often and to a greater extent realise benefits inherent to the use of ICT (information and communication technologies), still a substantial share of small and medium-sized enterprises do not put digital solutions in place. According to the report of the Lewiatan Confederation, less than 40% of SMEs make use of ICT potential [32] (p. 12). Empirical studies suggest that enterprises which use data in an effective way grow 35% faster than their peers obtaining annual profits higher by almost 33% [33] (p. 79).

When it comes to marketing, Polish SMEs most willingly use new solutions that do not require any major financial outlays, e.g., ads on the Internet, search engine marketing, or social media. Most of them carry out marketing activities using their internal resources (57.4%), a smaller group outsources marketing to external operators (42.6%) [34] (p. 39). The most frequently used tools include e-mail marketing, social media, and video marketing. Modern marketing terms and more advanced marketing strategies with modern tools, such as growth hacking, programmatic marketing, gamification on the Internet, and proximity marketing, are still little known and even less used. Remarkably, increasingly more enterprises start collaborating with influencers or plan to do it (11.5% already collaborate with influencers and 7.5% are planning to use the tool in the forthcoming 12 months) [34] (p. 39).

It needs to be stressed that marketing activities in SMEs are designed predominantly to support tools used to boost sales rather than improve customer service. Small enterprises allocate on average 23% of their marketing budget for digital operations, including marketing, and online marketing expenditure increases proportionally to the size of the enterprise up to 27% in medium-sized organisations [34] (p. 40).

3. Results

3.1. Digital Technologies Applied in Marketing

To analyze the results descriptive statistics were used. Descriptive statistics were used to characterize and discuss the features of the data in the study. The study was descriptive in nature, which sought to define the current status of categorical and nominal variables. The nominal scale was used which allows only for qualitative classification. The nominal level of measurement is qualitative and has no mathematical interpretation [35–37]. Descriptive statistics are commonly used for summarizing data frequency. Relative frequency analysis was used to show the number of occurrences of each response chosen by the respondents.

In terms of statistical techniques, frequency estimations and percentage fractions were used; the significance of different measures was analyzed. Graphs and tables were used to visualize aggregated data, as they form the analytical generalization of the study. Data derived from a descriptive research design reveal the phenomena of digital transformation in marketing area across the population of SMEs.

Transformations observed in marketing in the digital age are reflected in tools used by enterprises in marketing communication. The use of marketing communication tools, including those that are most popular recently and online instruments, is presented in Figure 1.

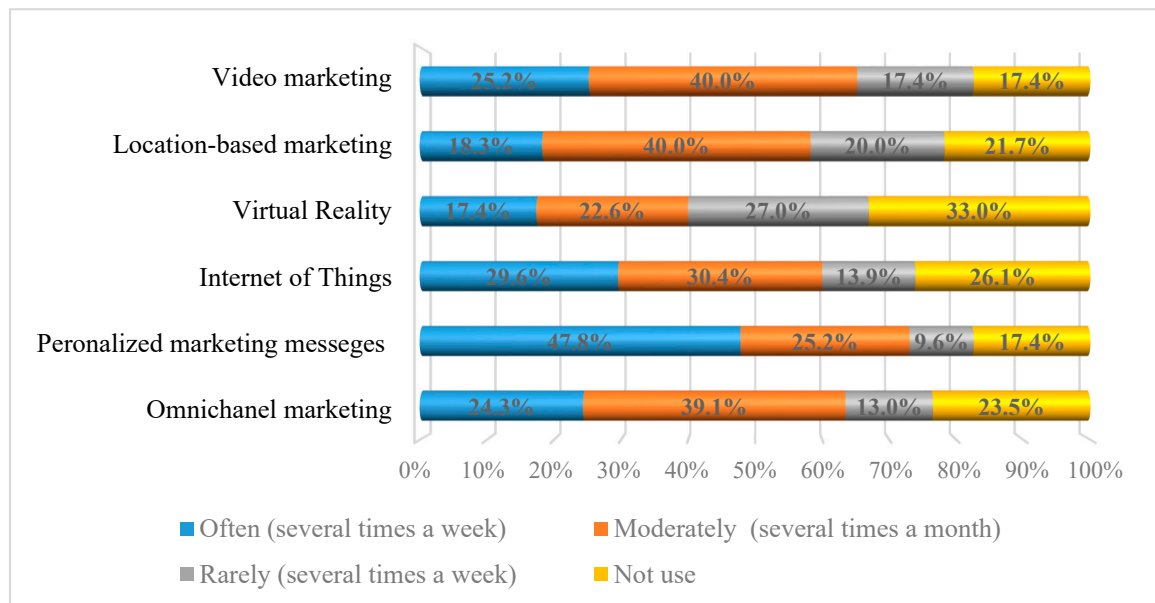


Figure 1. Frequency of using digital technologies in marketing in examined enterprises, % of responses. Source: empirical study conducted by the Institute of Management of the Warsaw School of Economics 2020, $n = 115$.

The analyses have shown that in analysed enterprises most often make use of personalised marketing messages (47.8% of responses). Further places are occupied by the Internet of Things (29.6%) and video marketing (25.2%). One fourth of them often use multi-channel marketing to communicate with their customers.

Amongst tools that are used frequently, i.e., several times a month: video marketing (40.0%), location-based marketing (40.0%), and multi-channel marketing (39.1%) dominate. Surveyed enterprises rarely avail themselves of virtual reality (VR)—(27.0%). This is also the tool most frequently not used by the enterprises participating in the study (33% of responses). Not all are predisposed to use such sophisticated instruments as virtual reality because their products or services do not induce the use thereof.

3.2. Application of Communication Tools

Every day small and medium-sized enterprises face development challenges linked with the need to modernise their businesses and keep pace with changes taking place in the marketplace. Rapid scientific and technological changes, referred to as the Industrial Revolution 4.0, delineate the directions of changes and enterprise growth. Organisations which fail to understand the need to adapt to these changes risk tangible losses in revenue. Changes occur in human resources, sales, and in other areas related to development. Today's technology and available instruments modernise each of them. When it comes to marketing (external communication), the online market grows every month, and tools used by the 21st century marketing are not supposed to boost sales *sensu stricto*, since it is ever more important to communicate with customers creating the sense of being always available online and always ready to communicate.

Thus, capable managers are likely to be very quick to adjust to the changes caused by the digital transformation, which can explain the positive moderation effect of a sustainable strategy in the relation between managerial capability and financial performance [15]. Other research shows that when companies try to achieve financial progress with a sustainable strategy, digitizing company operations and developing the operational capability of the digital business strategy are not enough. Companies need to start the process, by digitalizing the flow of information and knowledge across companies, their supply chains, service deliveries, and marketing, that can help the companies receive and maintain a competitive advantage and achieve better performance [38].

Some studies suggest that managers have to make strategic decisions about the digital transformation in companies to avoid risks resulting from incorrect identification and deployment of processes and resources, as well decisions about which sustainability values, in addition to economic values, have strategic importance [39,40].

What is important in this area is proper using of the online toolkit to build the brand image, boost sales, develop customer loyalty, impact customer decisions, incentivize, and engage clients. The bigger the enterprise, the more tools it uses in its marketing activities. While the difference between small and large enterprises is significant, medium-sized companies' performance in this area is close to the large ones. More expensive activities, such as TV commercials, product placement or sponsorship, are usually pursued by larger companies. The biggest difference is observed in the case of press ads: small companies use this form of advertising much less frequently than large ones.

Examination of the frequency with which communication tools are used is relevant for the analysis of the degree of marketing digitalisation in small and medium-sized enterprises participating in this research (see Figure 2). From the analysis of the results, it can be concluded that website and e-mail communication are used the most frequently. 72.2% of all respondents often use this form of communication. Social media (55.7%) and search engine activities (39.1%) are next in line. On the other hand, the following tools are used most often in the several times a month category: corporate leaflets and newsletters (37.4%); press, radio, or TV advertising (34.8%); and search engine marketing (33.0%). The enterprises included in the study use the following tools several times a year the most frequently: event marketing (29.6%) and promotional gadgets (27.0%). Telemarketing (38.3%) and outdoor billboards (34.8%) are most frequently not used by the enterprises in question.

Deeper analysis of results reveals that tools such as websites and email are often used by service companies (86%). Also search engine marketing was used more frequently by representatives of the service sector (48%). Wholesale and retail traders more often opted for more intense use of leaflets and newsletters (31.6%). Other categories of communication tools were more frequently used by manufacturing companies.

When examining the tools used several times a month by companies participating in the study, it is interesting to observe that the following tools are used more often by wholesale or retail businesses: press ads, radio and TV commercials (44.7%); search engine marketing (39.5%); outdoor billboards (31.6%); and telemarketing (34.2%). On the other hand, event marketing was most often selected by manufacturing companies (40.7%) together with the following tools: promotional gadgets (37%), newsletters (37%), banner ads or video marketing on the Internet (37%), and sponsoring (33.3%). Considering further differentiation of answers across industries represented by enterprises taking part in the study, one needs to note that wholesale and retail companies most often declared that they rarely use event marketing (42.1%). Notably, service companies more often decided not to use marketing communication tools.

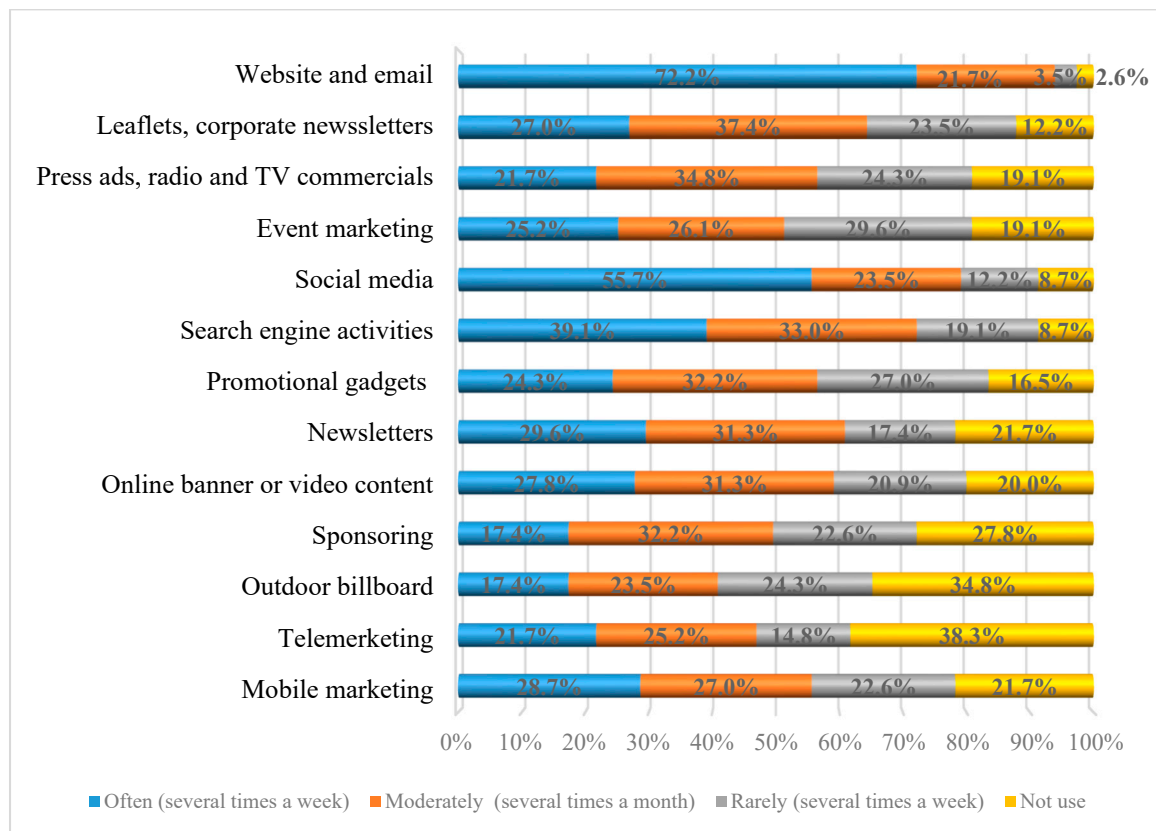


Figure 2. Frequency with which communication tools are used by enterprises included in the study, % of answers. Source: empirical study conducted by the Institute of Management of the Warsaw School of Economics 2020, $n = 115$.

The scope of business operations also determines the intensity with which communication tools are used in marketing. Remarkably, multinational enterprises more often than others (several times a week) use all categories of marketing tools. On the other hand, companies active at local or regional levels more often declared that they use individual communication tools moderately, i.e., several times a month. Local companies also more often than others declared that they do not use marketing communication tools. Looking at the age of examined enterprises, those which have been around the longest (more than 5 years in the market) admitted that they were not using marketing communication tools more often than their younger counterparts.

3.3. The Relevance of Content Marketing

Content marketing consists in creating valuable content that responds to the needs of customers of the enterprise in question and in distributing content intended to attract and win the attention and engagement of clients [18]. This content may take diverse forms, such as, e.g., articles, films, webinars, or multimedia presentations. In content marketing both the form in which it is published as well as its substantive aspect are very important. It is a tool designed to establish long-term and intensive emotion-based relationships with a brand. Content marketing tools used the most frequently are: social media, newsletters, articles published on websites, photos, videos, blogs, specialist e-journals, infographics, and mobile applications.

Further analysis of digital technologies used by the SMEs taking part in the study examines types of content marketing deployed by these enterprises (see Figure 3).

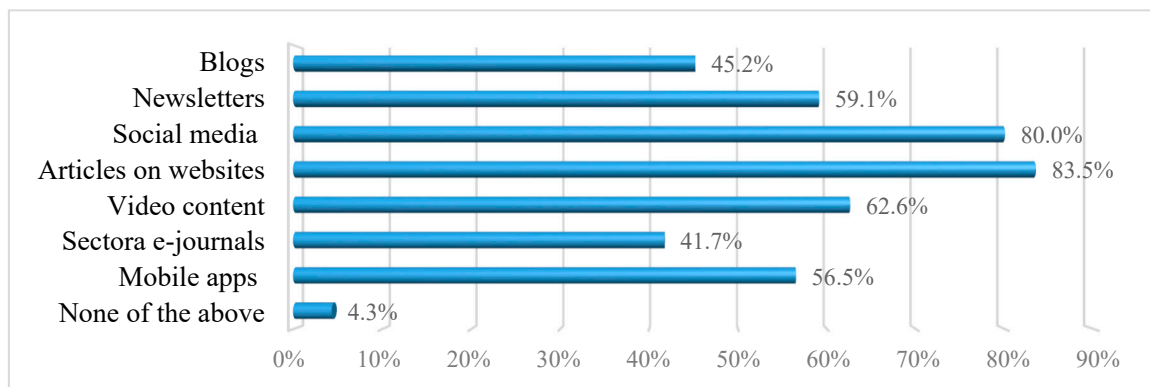


Figure 3. Types of content marketing in examined enterprises, % of answers. Source: empirical study conducted by the Institute of Management of the Warsaw School of Economics 2020, $n = 115$.

The analysis of results shows that a vast majority of respondent enterprises use articles published on websites (83.5%) and social media (80.0%). These tools can be viewed today as very conservative, however, not all enterprises avail themselves of them to establish lasting relationships with their clients. Social media offer opportunities and tools that make it possible to offer customer services that are flexible, direct, and available 24/7 without any major financial investment. They also become sales platforms and significantly impact the development of content marketing.

Video content (62.6%) and newsletters (59.1%) were further in the ranking order. On the other end, these are the least often used sectoral e-journals (41.7%) and blogs (45.2%). Interestingly, 4.3% of enterprises covered by the study declared that they do not use content marketing.

Further analyses focused on the use of content marketing tools by enterprises of different sizes (see Figure 4).

When analysing the results, we need to observe that the biggest differentiation was found in the intensity with which the companies used blogs and video content; attention should also be paid to the fact that almost 8% of medium-sized enterprises do not use content marketing tools.

Blogging is used by 50% of medium-sized enterprises covered by the study and almost 40% of small companies. Video content is more widely used by medium-sized enterprises (67.2%) and slightly less (by 10%) by small companies.

When further investigating into results of empirical studies viewed in the context of respondents' characteristic features, one may observe that articles on websites were used the most frequently by service companies (86.0%) while mobile apps were most typical of wholesale and retail businesses (71.1%). Manufacturing companies, more often than businesses in other sectors, used video content (74.1%), blogs (59.3%), and sectoral e-journals (48.1%).

Studied limited companies more often declared the use of the following content marketing tools: social media (82.5%), articles on websites (87.5%), or video content (66.3%). Sole proprietorships, more often than limited companies, did not use content marketing in their strategies (8.6%).

Research showed that participating multinational enterprises active in the international market tended to use the following content marketing tools: newsletters (82.8%), video content (72.4%), mobile apps (65.5%), and blogging (62.1%). Those surveyed companies which operated in the domestic market more often availed themselves of articles on websites (90.4%), social media (84.6%), and sectoral e-journals (44.2%). Almost 9% of local or regional businesses did not use content marketing.

In terms of the age of a company, we need to observe that, according to respondents, young enterprises with a history not longer than 5 years would use content marketing

(with the exception of one tool) more often. Articles on websites were used as a content marketing tool more often by companies older than 5 years (86.7%).

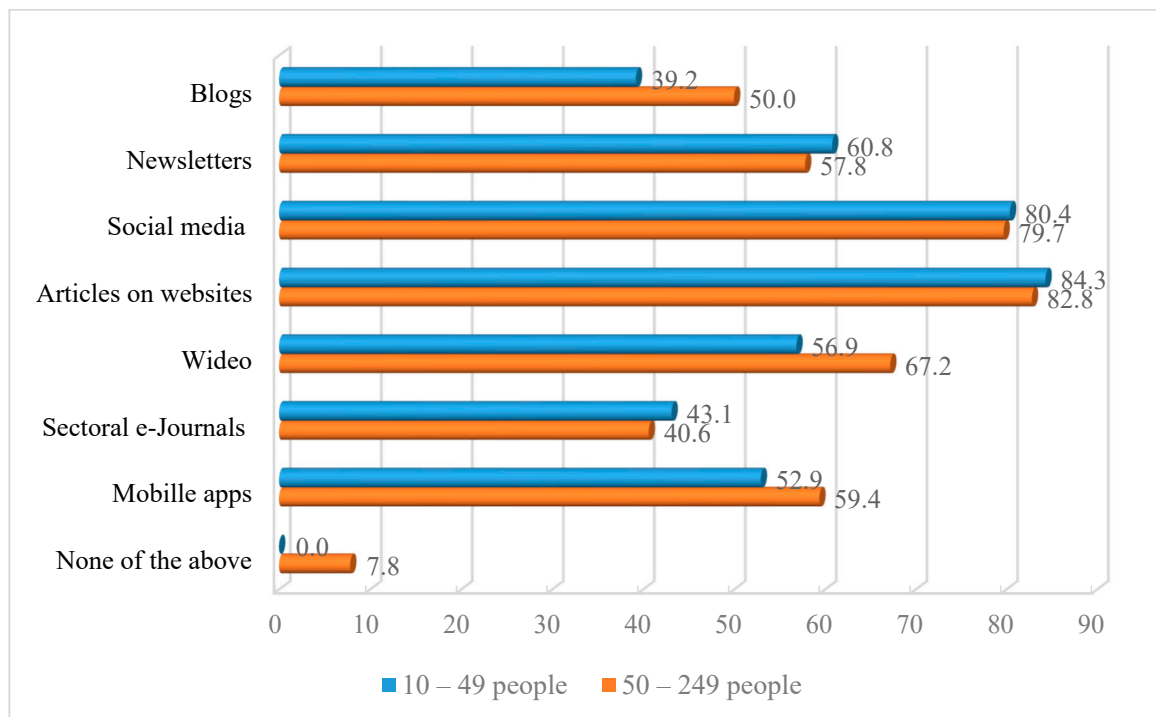


Figure 4. Types of content marketing in examined enterprises by size, % of answers. Source: empirical study conducted by the Institute of Management of the Warsaw School of Economics 2020, $n = 115$.

3.4. SME Digital Technology Budget

Implementation of digital technologies in enterprises, also in the marketing domain, can be rather costly. In fact, it is not only financial resources that are needed but also an adequate body of knowledge and human resources. Further analyses focus on how much participating enterprises invested to finance digital marketing activities (see Figure 5).

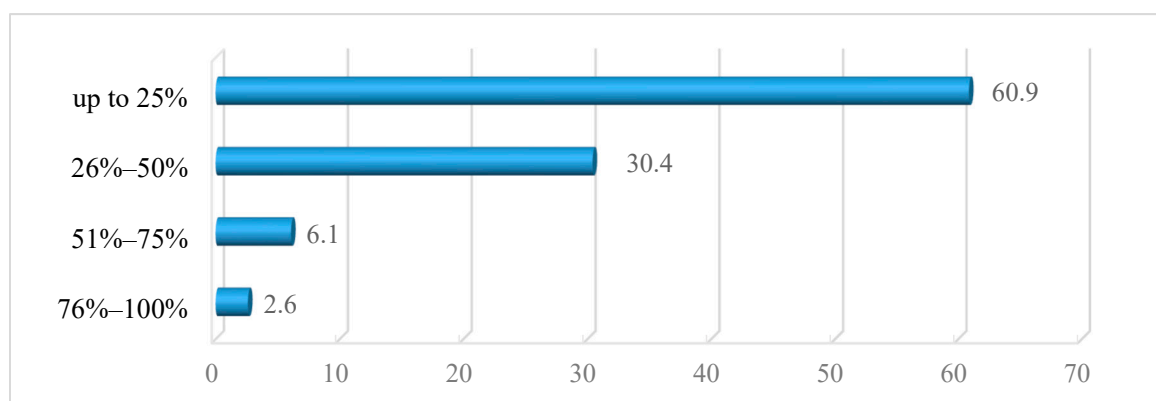


Figure 5. Total digital marketing expenditure in enterprises included in the study, % of answers. Source: empirical study conducted by the Institute of Management of the Warsaw School of Economics 2020, $n = 115$.

Notably, the clear majority, almost 61% of the examined enterprises, declared that they allocated up to 25% of the total marketing budget to finance digital tools. A further 30% of enterprises allocated between 26% and 50% of the marketing budget to pay for digital

technologies. Less than 3% of respondents claimed they allocate all of their marketing budget (100%) to finance digital tools.

An in-depth analysis was carried out to identify the amounts spent on digital marketing by surveyed enterprises of different size (see Figure 6).

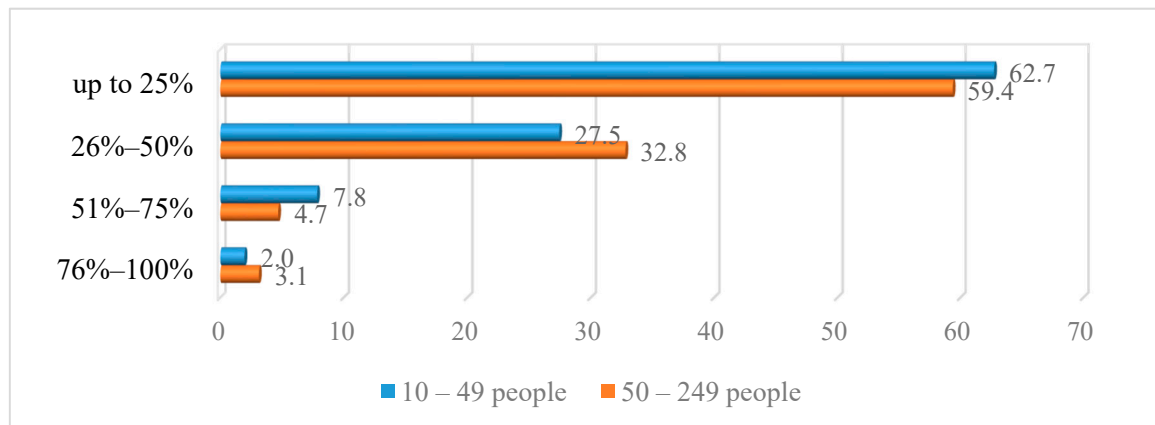


Figure 6. Digital marketing expenditure in enterprises included in the study by enterprise size, % of answers. Source: empirical study of the Institute of Management of the Warsaw School of Economics 2020, $n = 115$.

Medium-sized enterprises taking part in the study more often declared an expenditure representing 25–50% (32.8% of responses) and 76–100% (3.1% of responses). On the other hand, small enterprises more often allocate up to 25% of their marketing budget and between 51% to 75% (7.8% of responses) of the marketing budget on digital tools.

Looking from the sectoral point of view, one may observe that analysed service companies more often decided to invest up to 25% of marketing expenditure in digitalisation (70%). Manufacturing companies more often declared their level of expenditure to be between 26% to 50% (37.0% of responses). Wholesalers and retailers taking part in the study invest between 51% and 75% of their marketing budgets in digital tools (10.5% of responses).

Considering the scope of business operations, local or regional companies covered by the study most frequently allocate up to 25% of their marketing expenditure to finance digital tools. Companies active in the domestic market more often declared expenses ranging between 26% and 50% (34.6%), while enterprises active in international markets more frequently allocate between 76% and 100% of their marketing budget to finance digital tools (6.9%).

Participating young companies present in the market for less than 5 years more often claimed that up to 25% of their marketing expenditure is spent on digital tools (65.6%). The same companies more often declared investing 51%–75% of their marketing budget in digital solutions (9.4% of responses). Companies whose presence in the market exceeds 5 years more often declared expenses representing between 26% and 50% (32.5% of responses) and between 76% and 100% (3.6%) of marketing expenditure on digital marketing tools.

4. Discussion

Industry 4.0 is not just an approach to technology and manufacturing of products but also a new approach to sales management. Enterprise 4.0 has changed the pattern of communication and provision of information about a product to the customer. In practice it is about the transition from a collaboration model, B2B or B2C to H2H (human-to-human), based on personalized messages targeting customers and business partners. Using available tools, such as, e.g., social media, the seller shortens the distance between a company and a customer or between a company and its business partners. The ICT and a shortened distance help Organisation 4.0 collect an extensive body of information and

provide the client with a product meeting his preferences and expectations. Therefore, nowadays companies attract customers with the possibility to pick and choose product components. Obviously, being realistic, such an option cannot be available for each product category. Some products are complete and come as one piece. The more quickly a company can adapt to personalization, the more quickly its revenue will grow. Such changes and adaptations are much easier for SMEs than to large corporations which, in case of any change, need to work out a project and launch a process of change management.

Digital marketing opens up new business opportunities. In the age of ultra-fast advancements in ICT the relationships between an enterprise and the market develop along new lines. IT technologies and digital tools impact marketing and facilitate building relationships with customers [7] and the value of each organisation. An immediate relevant response to customer behaviour and preferences, and the ability to exploit the synergy data and their analyses will be crucial.

Research shows that managerial recognition of the digital transformation of the company is the key to attain an increased financial performance through the facilitation of a sustainability strategy [15].

To transform a marketing system, a new approach to the organisation of marketing activities is needed. A new marketing system has a customer at its heart. After the elements of the system and relationships among them have been carefully planned, interactions with products can be stimulated and clients can experience emotions and add on new value.

The latest trends in marketing include content marketing, video content, search engine activities (SEO iSEM), mobile, big data, and personalization (better targeting) of marketing messages [41] (p. 14). Hence, the key skills desired at the Marketing Department in any SME are being able to identify new trends and technologies, good communication skills, and being creative.

Enterprises from the SME sector which were analysed in the study engage in digital marketing mainly through frequent (several times a week) application of marketing tools, such as a website, email, and social media. There are other tools that they use several times a month, e.g., leaflets and newsletters, press ads, radio and TV commercials, and search engine activities. Event marketing is used much more rarely in digitalisation processes while sponsoring, outdoor billboards, and telemarketing are not used at all.

Content marketing and tools used to create and communicate marketing content to customers are important for the digitalisation of enterprises. Tools used the most frequently to convey the content are articles on websites, social media, and video content. It is worth stressing that over 91% of the surveyed companies spend up to 50% of their total marketing budget on digital activities.

The factors that impact the use of digital technologies in the area of marketing are, to a large extent, dictated by the industry structure of Polish SMEs. Most of them are micro and small enterprises operating in the service and trade sectors while manufacturing enterprises are less numerous but usually much bigger. Their poor economic potential makes them focus on current activities rather than on making investment decisions. In the vast majority of SMEs, decisions are made by the owner and are based on intuition rather than on careful analysis of data. This explains why the SMEs are not interested in putting in place ICT-based systems that would support the decision-making process. The age structure of owners of the Polish SMEs is another important reason why the digitalisation of these companies is low. Most owners are middle-aged or older. At the time when they started their respective businesses no IT support was available so, in most cases, they do not see the cost effectiveness of using ICT. In addition, the relatively low level of SME internationalisation does not force them to keep up with changes taking place at their more digitally advanced competitors. A higher degree of internationalisation of Polish SMEs would prompt their digitalisation.

The use of social media is also important, as it influences consumer behaviour. Organisations use social media for marketing purposes, to communicate with customers and change the way they operate, allowing for innovative creation of relations between the

organisation and the customer. Recommendation systems (e-word of mouth) based on data originating from consumers play an important role [42]. Nowadays it is important not only to be present in social media but also to use proper platforms. As shown in the diagram below, consumer preferences change dynamically also in relation to social media platforms.

Social media are an excellent tool to communicate with customers, however, to successfully accomplish marketing goals and reach the right target audiences, enterprises must actively follow consumer behaviour and preferences at each level.

5. Conclusions

Digital technology has changed the way business operates forever by abolishing any barriers between customers and their needs. Today, almost all organisations are aware of the need to transform their previous practices. If they maintain the *status quo* they risk being pushed out of the market by more advanced competitors. Although most enterprises feel the urgency of change, they are petrified by the prospect of transformation. To successfully digitalise an organisation, it is vital to understand the aspects of the process and decide when the transformation should start.

In a dynamically changing environment, consumers should be provided with services quickly and smoothly. They expect user-friendly payment solutions and transparent rules underpinning their relations with the brand or organisation. Enterprises wishing to be successful in a digital future must continuously monitor the environment and adapt their strategies to newly emerging trends within the shortest time possible to meet customer needs.

Technological changes occur very quickly exerting a significant impact on the economy and society, thus it is hard to predict the future of marketing in the digital age. One may only anticipate trends and deploy new technologies to implement changes in the organisation. The present times are described as the 'golden age' of marketing. Digital transformation and the plethora of tools that enable widely sketched and in-depth analysis of data open up new optimisation opportunities to companies that were still unattainable two decades ago. Marketing in a way becomes an analytical department, always maintaining a place for empathy to customers.

Nowadays, technology has become an inherent part of marketing and organisations cannot decide any longer 'whether' they should follow changes in the market, but they need to think 'how' they should change to be able to compete in the market and meet consumer requirements.

Under the new concept of marketing 4.0, enterprises feel obliged to develop collaboration platforms. They are necessary to ensure interaction between a traditional seller and purchaser. This is the only way in which a consumer in his new role as a prosumer will be able to interact with a company. Importantly, using such platforms should be simple and easy for prosumers. It needs to be stressed that the heart of the new marketing concept 4.0 does not lie in rejecting the previous principles of marketing and effects of researchers' studies. It highlights changes occurring in the role played by a consumer, relationships as well as feedback between diverse market actors. Most importantly, the traditional division into manufacturers and consumers gets blurred. With prosumers becoming increasingly more relevant in the market, manufacturers are forced to give up some of their competences in favour of final users so that they could co-create the value of a product and/or service.

Personalization of content targeting individual consumers is an important trend. Customers are reached through databases and the content is transmitted directly to a consumer and adapted to her/his individual needs. Contemporary consumers expect marketing messages to directly meet their needs.

Customers create networks of influence and can dynamically respond to a brand message and communicate with it. The role of a customer evolves from being a stakeholder of an enterprise to becoming a partner or an advocate of an organisation or brand. New technologies help a customer co-create a product at the development stage and later, by

expressing opinions about the product or making recommendations at the stage when the product is used. Thus, a consumer may improve a product but also influence brand reputation and co-create it.

Even though Polish enterprises have achieved a certain degree of digital maturity, there are key (intervention) areas on which they should focus to be able to fully tap into digital transformation. Customers are the critical intervention area. Today, they expect a series of concrete marketing activities reaching them through social media and mobile apps communication, however, enterprises must be aware that more traditional clients would like to stick to traditional communication channels. When it comes to products and services delivered by an enterprise, digital consumers prefer offers that are tailored to measure or personalised. Organisations which are highly mature in the field of digital technologies follow smart personalisation as their core strategy. Clients also expect that they can communicate with the enterprise 24/7 and in real time. Using the Internet and social media to browse for information or as a source of entertainment shows that customers positively assess any personal emotional experience available to them in relation with the brand concerned. The more advanced the communication among clients, the bigger the impact of segments that so far have often been ignored.

Despite the relevance of online marketing, it has not replaced traditional marketing. Enterprises must understand that both types should coexist to ensure the best experiences to clients. In the world of advanced technologies and no direct contact between human beings, personalised approach to customers becomes a distinctive feature and gives comparative advantage. Immediate response relevant to customer behaviour and preferences and the ability to combine data and the analyses thereof will be crucial. Some experts believe that organizations and consumers are already in the post-digital stage based on the fact that one cannot distinguish between traditional and digital marketing [43] (p. 168). Today, each aspect of marketing activities consists in using digital tools and IT technologies [20].

Digital marketing means new business opportunities. In the era of the ultra-fast advances in information and communication technologies, company's relations with the market are changing. Information technologies and digital tools affect marketing, enabling to build relationships with clients and build value for each organization. An important role will be played by the immediate response to customer behavior and preferences and the ability to combine and analyze data in synergy [5].

In conclusion, enterprises use digital technologies most frequently to personalize marketing messages. They deploy digitalisation with medium frequency in video marketing, location-based marketing, and multi-channel marketing. On the other hand, the Internet of Things (IoT) is the tool that is not used the most frequently because it is rather complicated and not always feasible.

In summary, SMEs should get support at financial, substantive, and technical levels in their efforts undertaken to implement product and process innovation which will favour internationalisation and, by the same token, digitalisation [44,45].

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