



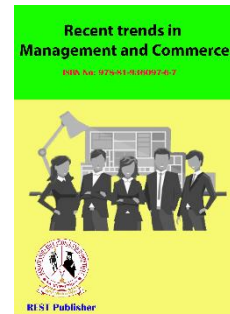
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Impact of digital marketing development on entrepreneurship

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Abstract: *The article the influence of digital marketing on modern entrepreneurship and the restructuring of business models. It highlights how the rise of the Internet and social media has empowered consumers, prompting firms to rethink their marketing approaches. While much research focuses on the consumer perspective, this study takes the firm's viewpoint, examining how companies can leverage digital marketing and social media for growth. The second generation of Internet tools enables companies to communicate innovatively and co-create with customers. Firms' involvement in digital marketing is shaped by perceived benefits, and the study emphasizes the importance of relationship-driven customer interactions to enhance engagement. The article also provides examples of firms already adapting to this shift.*

1. INTRODUCTION

The passage emphasizes the transformative role of social media and digital marketing in modern human interaction and business development. It highlights that the rise of web-based platforms has significantly altered how people communicate, create communities, and share knowledge globally. Entrepreneurship, a relatively recent factor in the economic system, has gained prominence as it contributes to economic progress by focusing on profit maximization and consumer satisfaction.

The article explains that the widespread use of the Internet has reshaped business structures, with digital marketing emerging as a key strategy. Digital marketing leverages online channels, which are dynamic and constantly evolving, driven by market trends and consumer behavior. These channels facilitate brand- consumer relationships, helping businesses to analyze, promote, and interact with their audience effectively.

The shift toward digital marketing is underscored by the need for firms to follow their customers into social media spaces. In the past, traditional marketing tools like email, telemarketing, and websites were used to disseminate information. However, today, firms are increasingly using digital platforms to manage reputation, communicate with consumers, present services, and build brand recognition.

The passage concludes that in the digital age, where Internet access is widespread, it is logical for companies to intensify their use of digital marketing, focusing on reputation management, effective communication through social platforms, and enhancing brand awareness.

2. LITERATURE REVIEW

The literature review highlights the profound shift in communication and marketing brought about by digitalization, particularly the rise of social media and other digital channels. As Malvern points out, digitization marks a significant phase shift in communication history. Fader (2012) adds that while the 1990s were focused on e-commerce, the 21st century has become the era of social commerce, further reinforcing the role of digital marketing in modern business. IBM's research (2011) identifies four key challenges in marketing: data explosion (big data), social media, channel proliferation, and changing consumer demographics, three of which directly relate to the growth of digital marketing.

Kung notes that shifts in technology and consumer behavior have consistently driven changes in media strategies, but the complexity of these factors poses challenges. Professor George Day also underscores the growing gap between market complexity and marketers' ability to cope, driven largely by the expansion of the Internet.

Definitions of digital marketing emphasize the importance of using digital technology to build integrated, measurable, and targeted communication strategies, with a focus on customer relationships. The Digital Marketing Institute (DMI) stresses the importance of measurable outcomes and integrated approaches, while Simply Digital Marketing emphasizes the effective use of digital channels to promote products and maintain communication with stakeholders.

The review also highlights the importance of the Internet in the marketplace. Jamal notes that by 2007, U.S. consumer spending online exceeded \$100 billion, with demand for information products growing rapidly. Social media has transformed the creation, distribution, and consumption of brand content, shifting power from marketers to consumers.

Stefan notes the growing prevalence of digital communication technologies, with around 87% of adult Americans using the Internet by 2017, and nearly a third of global advertising spending projected to be on digital channels. Kaplan's definition of mobile marketing further extends this trend, emphasizing the continuous connection of consumers via personal mobile devices.

Were time and Fenwick stress the need for marketers to adapt to where consumers' attention is increasingly focused: the digital space. Blogs, social networks, and other online platforms are vital tools for promoting brands and driving sales. Ziyadin further reinforces the role of global Internet marketing as the most popular way to promote products and services across industries.

In summary, the literature reveals the transformative effect of digital marketing, propelled by technological innovation, changing consumer behavior, and the proliferation of online and mobile channels. These trends require marketers to adopt more integrated, relationship-focused, and strategic approaches in the digital realm.

The methodology section outlines the research approach used to analyze the impact of digital marketing on business in the Republic of Kazakhstan. It emphasizes the use of statistical and economic analyses as primary methods for gathering and interpreting secondary information.

3.METHODOLOGY

1. Data Sources: The study relied on secondary information, primarily collected from departmental bodies that provided basic data on the researched production market within Kazakhstan. This data serves as a foundation for understanding the market landscape.
2. Statistical Analysis: The research utilized statistical data from the Kazakhstan Association of Internet Business and Mobile Commerce. This data helps assess the current trends and developments in the digital marketing sphere and its influence on businesses.
3. Economic Analysis: Alongside statistical data, economic analyses were employed to understand the broader economic context of digital marketing in Kazakhstan. This could involve examining factors such as market growth, consumer spending patterns, and the overall impact of digital marketing strategies on business performance.

TABLE 1. Classification of the main models of interaction between marketparticipants

Model	Interaction	Organization of interaction
B2C	Business-to-customer (business end user) - sale of goods to the end user	Online retailing Real-time sale of services: transport, education, tourism, finance, etc. B2C web shop windows Internet catalogue
G2E	Government-to-everybody E-government (e- government) - provision of services by public authorities to individuals and legal entities	Government and other government portals where information, online requests, services and transactions can be obtained
B2B	Business-to-business An enterprise sells goods to another enterprise	1) Electronic Vertical Markets - the trading community in a particular industry 2) B2B-community - trading floors of suppliers 3) B2B - Web Screens 4) B2B auctions - trading platforms for exchange of offers between suppliers and buyers of industrial goods; 5) B2B-electronic exchanges (in the KASE) - trading platforms for automated selection of sellers and buyers of industrial goods;
C2B	Consumer-to-business (consumer-business) - the consumer offers the enterprises the price	6) Interbank B2B portals - trading platforms uniting markets of different industries Reverse electronic auctions

Let's define the areas of application of information technologies in the organization of business processes:

1. Providing information by creating databases of offered products, vacancies, prices, etc;
2. Internet communications - organization of videoconferences, as well as the use of Internet telephony to manage business processes at a distance;
3. Internet media (media outlets) - providing information to market participants;
4. Internet-education-distance learning, testing and digital library services;
5. Internet advertising and PR- corporate and departmental sites and blogs, promotional sites (demonstration sites), development of advertising networks and a special platform for social, political and commercial advertising;
6. Global automated process control systems (APCS): MES (Manufacturin Execution System) in production; ERP (Enterprise Resource Plannin) and CRM (Customer Relationship Management) systems in business;
7. e-commerce through electronic means of communication;
8. e-government - organization of interaction between the state and information and communication technology market participants.

Table 2. Advantages and disadvantages of e-commerce for various participants of economic relations

Comparison	Consumer	Manufacturer
Advantages	Ubiquity (consumers cansatisfy their demand anywhere) Wide range of products Anonymity	Reduced costs (promotioncosts will be lower if they are online) Globality (potential consumer base is locatedall over the world)
Disadvantages	Lack of trust in Internetservices It is impossible to assess thequality of the product possible difficulties and losses in returning goods	Problems of legalization and regulation of activities onthe Internet

Nowadays large corporations transfer business processes to the network, which allows to reduce not only the costs, but also time from the origin of the idea to its implementation. As for the possibilities of using information technologies by Kazakhstani enterprises, there are a number of obstacles here.

First, for successful implementation of e-commerce, electronic enterprises are required, and the degree of automation of business processes at Kazakhstani enterprises remains at a low level. Complex structure of ERP (enterprise resource plannin) - a conductor of the system is an expensive product that can afford the subdivisions of industrial enterprises of the Republic of Kazakhstan.

Secondly, only those industrial enterprises that are interested in expanding the range of potential customers or choosing suppliers may be interested in e-commerce, but the search for contractors in Kazakhstan is limited to monopolization of production in some areas and the relatively risky nature of the economy.

Third, Internet business is more efficient if it is carried out on the basis of an electronic trading platform, i.e., on the basis of exchange traditions that are in their infancy and development in Kazakhstan.

Thus, it can be concluded that online trading in the B2B model is beneficial to Kazakhstan in industries where competition is developed, the degree of standardization of products (stock exchange trading conditions) is high and there are significant financial opportunities. The main problems of B2C model development are relatively small number of Internet users, the scale of Internet usage and the factor of mentality of Kazakhstani consumers who do not trust Internet shops because of inertia and preference of traditional distribution channels, as well as underdevelopment of the service of Kazakhstani Internet shops and the aspect of security of transactions in the network.

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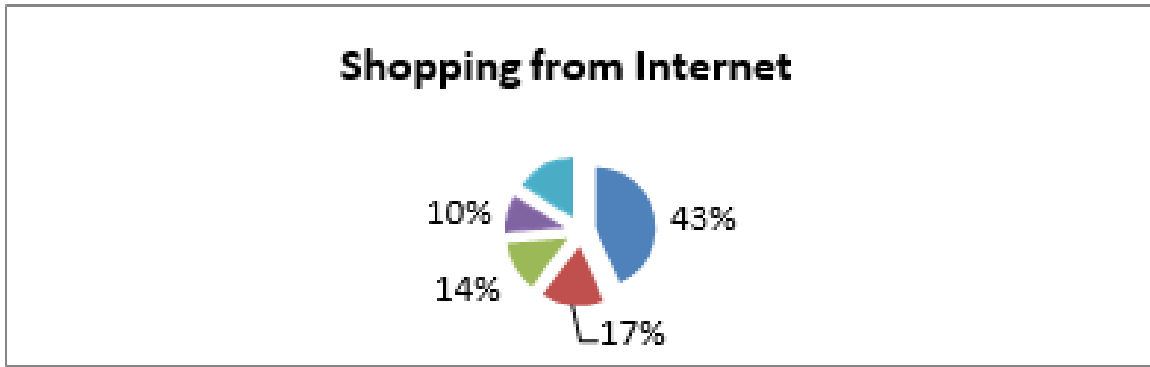


FIGURE 1. Shopping at online stores .

In particular, out of the total number of Internet users 73.29% of users make purchases in online stores; the structure of purchases is dominated by the order of air and rail tickets (45.39%), also through the network consumers buy clothes (14.76%), computers and digital equipment (13.54%), household appliances (10.23%) and other goods (more than 16.08%).



FIGURE 2. E-commerce market volume in Kazakhstan (2014-2018) billion tenge

According to the data of the Kazakhstan Association of Internet Business and Mobile Commerce, the volume of the e-commerce market amounted to 129 billion tenge, in 2015- 165 billion tenge. That is, the capacity of the e-commerce market increased by 50%.

In 2016, the market volume amounted to \$226.4 billion in 2017-264.52 billion tenge. According to the latest statistics, the e-commerce market volume in 2018 amounted to 269 billion tenge. Thus, we can see that over the past five years, the e-commerce market has grown significantly.

In the present era, that is, at present, even if the term does not have a clear definition, it plays an active role in the socio-social and production relations of countries striving for civilization throughout the world.

4. CONCLUSION

Digital marketing has revolutionized the way businesses interact with consumers by leveraging internet channels that are dynamic and responsive to market trends. This form of marketing encompasses regular review, analysis, interpretation, and promotion, playing a crucial role in building strong consumer-brand relationships. The impact of digital marketing has been profound, significantly influencing sales and customer acquisition, thereby enhancing commercial processes.

From this study, we can highlight several key features of digital marketing in the formation and development of business structures:

1. **Attracting a Large Target Audience:**
 - Digital marketing employs a variety of techniques aimed at capturing the attention of specific customer segments. Methods such as Search Engine Optimization (SEO), email marketing, contextual advertising, and social media advertising are widely discussed in the literature for their effectiveness in targeting potential buyers.
2. **Increase in Sales:**
 - The rise of e-commerce, facilitated by internet marketing, simplifies the purchasing process for consumers. Online stores provide comprehensive information about products, enhancing the ease with which customers can buy goods and services.
3. **Defining Competitive Directions:**
 - Internet marketing enables businesses to identify competitors within the market. By analyzing competitor behavior, companies can stimulate competition, leading to optimization and improvement in production processes.
4. **Cost-Effective Resource Utilization:** Digital marketing requires relatively low material and financial resources compared to traditional marketing.

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