

The digital marketing structure of SMEs in tourism as an element of sustainable development of regional economy

Tatyana Golubkova, Lada Širjajeva*

Baltic International Academy, Lomonosava str.1

**Corresponding author's e-mail: shirjajeva.lada@gmail.com*

Abstract

The article examines the influence of marketing digitalization on the market of tourism services. The level of digitalization of small and medium-sized enterprises in the field of tourism in the Baltic countries is analyzed. Digitalization development trends and their influence on the tourism market are studied. The future changes in the tourism business are analyzed.

Keywords: Digital marketing, Tourism business, Small and medium –sized enterprises, economy

1 Introduction

The goal of the research was the analysis the level of digitalization of small and medium-sized enterprises in the field of tourism in the Baltic countries, as well as changes which entail digitalisation to this organisation and regional economy. The issue of research. Changes that have to come to the tourism industry required a different approach to marketing and appropriate actions from the government. The research methodology includes the analysis of theoretical information; comparison of different authors and primary sources; analysis of information obtained from the survey. The methods of logical and statistical analysis are used. To assess these issues, the author takes a cross – country approach and considers changes of SME's in tourism industry within the framework of digital marketing

2 Research object and methods

The unwillingness of many tourism-related SMEs to switch to digitalization is determined by the high cost of digital technologies, the difficulty of understanding such technologies, they also fear of hidden costs and have the lack of confidence in Internet technologies due to data insecurity. It is a mistake to assume that if tourism-related SMEs sell their services through the Internet, it can be called tourism and the marketing structure is digital. Digital tourism is the adaptability and flexibility of business processes and operations with the use of a new generation of ICT, allowing personalizing a product or service.

In the survey conducted in the Baltic countries, it was revealed that SMEs, operating in the field of tourism have mastered basic internet technologies such as internet website and the promotion of services through social networks, but only a small percentage organizes and tries to move to the next level. The differences between SMEs are characterized by low and medium level of digitalization. Within the framework of the survey, SMEs were asked about the technologies that they currently use at their enterprises and how it influences on their marketing strategy. The results showed that SMEs operating in the tourist industry already included many basic technologies related to electronic business in their activity, such as promotion on social networks, having a newsletter, and their own website,

using Internet banking. ICT associated with average and higher levels of digitalization was not so common. Managers noted that they didn't have sufficient knowledge and resources to change their marketing strategy in favor of digitalization. Unsurprisingly, that SMEs characterized by an average level of digitalization, were interested in implementing new digital technologies because they have a clear vision of the role of digitalization in their business.

3 Results

The results showed that SMEs operating in the tourist industry already included many basic technologies related to electronic business in their activity, such as promotion on social networks, having a newsletter, and their own website, using Internet banking. ICT associated with average and higher levels of digitalization was not so common. Managers noted that they didn't have sufficient knowledge and resources to change their marketing strategy in favor of digitalization. Unsurprisingly, that SMEs characterized by an average level of digitalization, were interested in implementing new digital technologies because they have a clear vision of the role of digitalization in their business. Today, a basic set of digitalization can't achieve competitiveness on the market. If previously, it is was enough for companies to have their own website, a page on social network and software, then at the moment this can't attract the consumer. But despite the global economy's desire for digitalization, many tourism –based SMEs don't even use half of low digitalization. Not everyone has an account on social networks, especially with regard to the direction associated with the carriage of passengers (tourists). Few people use cloud storage of data, believing that it to be unsafe. Of the three Baltic countries, Estonia leads on all indicators by a small margin.

4 Conclusions

1. Tourism –related SMEs should become a part of the regional policy of the state. If the state doesn't support the digitalization of tourism, not everyone has the resources to do it independently; tourists will simply use the services of other enterprises, more active on the Internet. But the profit of these enterprises will not go to

- the budget of the country.
2. Tourism in Latvia, as in other countries is no longer a self-sufficient sector and is only partially connected to other sectors of economy. That is why it is so important to approach a digital marketing strategy with all responsibility and the government should be in this ally. The state needs a unified digital marketing structure.
 3. To make tourism sustainable, there must be good, effective infrastructure, fast, accessible Internet. Travel companies that are working on a change in their marketing concept must constantly monitor the digital channels of methods of promotion and marketing of goods and services, analyze data, using

- intelligent technologies that allow entire cities to respond to each new visitor in real time, helping new visitors easily respond to various scenarios, such as flight delays or hotel reservations.
4. Intelligent technologies offer opportunities to attract tourists. A tourist should interact with the city, give and receive feedback. Such interaction can only be organized through digitalization. A smart city is a living organism that helps to distribute the tourist flow, measure energy consumption and traffic density, offer a solution. The information should come online, segmenting tourists by type of tourism (business, recreational, etc.), age, interests.

References

- [1] Tony Joseph 2019 *Emerging Technology Trends* **E-source:** <https://www.fingent.com/blog/emerging-technology-trends-in-travel-tourism-industry>. Access: 16.01.2020.
- [2] Peceny U S, Urbančič J, Mokorel S, Kuralt Kuralt V, Ilijaš T 2019 *Tourism 4.0: Challenges in Marketing a Paradigm Shift* **E-source:** <https://www.intechopen.com/online-first/tourism-4-0-challenges-in-marketing-a-paradigm-shift>. Access: 16.01.2020
- [3] *Travel industry* **E-source:** <https://www.reportlinker.com/market-report/Travel-Services/509046/Travel?> Access: 16.01.2020
- [4] Graham Charlton 2020 *Digital Trends in the Travel Industry* **E-source:** <https://www.salecycle.com/blog/featured/digital-trends-travel-industry-12-fascinating-stats/> Access: 12.02.2020
- [5] State of Marketing report 2020 *Marketing statistic* **E-source:** <https://www.hubspot.com/marketing-statistics> Access: 01.01.2020
- [6] Gestrin M V, Staudt J 2018 *The digital Economy* **E-source:** [http://www.oecd.org/investment/investment-policy/The-digital-economy-multinational-enterprises-and-international-investment-](http://www.oecd.org/investment/investment-policy/The-digital-economy-multinational-enterprises-and-international-investment-policy.pdf) policy.pdf Access: 16.01.2020
- [7] European Commission 2019 *Statistics explained in tourism* **E-source:** <https://ec.europa.eu/growth/tools-databases/vto/eurostat-statistics> Access: 01.01.2020
- [8] European Commission 2019 *Digital Single Market* **E-source:** https://ec.europa.eu/commission/sites/beta-political/files/a_digital_single_market_benefit_all_europeans_en_20190319_1230.pdf Access: 16.01.2020
- [9] European Commission 2019 *Smart Cities* **E-source:** <https://ec.europa.eu/digital-single-market/en/smart-cities> Access: 16.01.2020
- [10] Colin Blackman, Simon Forge 2019 *5G Deployment* **E-source:** [https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/631060/IPOL_IDA\(2019\)631060_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/631060/IPOL_IDA(2019)631060_EN.pdf) Access: 11.01.2020
- [11] European Commission 2019 *Towards 5G* **E-source:** <https://ec.europa.eu/digital-single-market/en/towards-5g> Access: 10.01.2020