The role and impact of information communication technology in developing marketing activities in small enterprises
Enterprises are constantly developing in a changing and dynamic environment, one of the main reasons is the widespread of information and communication technology in every aspect. The impact of digital transformation on organizations has been obvious in terms of how they perform their several activities such as management, production, finance, accounting, human resources, and marketing activities.

Marketing is among the organization’s activities that have changed drastically with the implementation of information and communication technology. Marketing has shifted from its traditional forms to digital or electronic forms through several applications, such as social media marketing.

This study is focused on showing the role and impact of adopting information and communication technology in enterprises marketing activities, especially small ones for the sake of better exposure and promotion of their products, and services and eventually more sales and profits.

<table>
<thead>
<tr>
<th>Keywords</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT, e-marketing, social media marketing, small enterprises</td>
</tr>
</tbody>
</table>
Contents

1 INTRODUCTION ......................................................................................................................... 1
  1.1 Research Background ............................................................................................................. 2
  1.2 Research Objectives & limitations ......................................................................................... 3
  1.3 Research Questions ............................................................................................................... 3
  1.4 Research Methodology .......................................................................................................... 4

2 Literature review ....................................................................................................................... 6
  2.1 Information communication technology .............................................................................. 6
    2.1.1 The concept and characteristics of ICT ............................................................................ 6
    2.1.2 The components of ICT .................................................................................................... 7
    Figure 1: The components of ICT (Javatpoint) ....................................................................... 8
    2.1.3 The benefits of ICT .......................................................................................................... 9
    2.1.4 The uses of ICT In the enterprise's activities ................................................................... 10
  2.2 E-marketing and small enterprises ....................................................................................... 14
    2.2.1 The Concept and Definitions of E-Marketing ................................................................. 14
    2.2.2 Characteristics Of E-marketing ....................................................................................... 15
    2.2.3 Impact of e-marketing on marketing mix ....................................................................... 16
    2.2.4 Social media marketing .................................................................................................. 18
    2.2.5 Small and medium enterprises definition ....................................................................... 19
    2.2.6 Small enterprises characteristics ................................................................................... 20
    2.2.7 Social media marketing benefits for small enterprises .................................................. 21

3 Empirical section (study case) ................................................................................................. 23
  3.1 Small enterprises in Finland .................................................................................................. 23
    3.1.1 SMEs In Finland .............................................................................................................. 23
    3.1.2 The city of Lahti .............................................................................................................. 24
    3.1.3 The Economy of Lahti .................................................................................................... 25
    3.1.4 The beauty care industry in Finland and Lahti ................................................................. 26
  3.2 Magic Touch and social media marketing .............................................................................. 28
    3.2.1 The enterprise background and history ......................................................................... 28
    3.2.2 Results And Suggestions ............................................................................................... 29

4 Conclusion ............................................................................................................................... 32

References ...................................................................................................................................... 34
1 INTRODUCTION

The constant need for enterprises to develop in a dynamic environment full of competition made the managers to take into consideration key factors such as information and communication technology and consider it as a key factor to achieve sustainability and success.

The excessive use of information communication technology (ICT) applications is due to several advantages and benefits it provides, whether for individuals or organizations. As individuals, they use their phones, electronic tablets, and computers when doing many things such as buying, paying, learning, booking, and many things (OECD 2019, 14). This technology has become an important part of our lives which is difficult to give up.

For enterprises, information technologies have become inevitable, since they provide many opportunities to increase the effectiveness of the enterprise's activities. ICT help enterprises to achieve their goals and ensure sustainability, in addition to innovation that allows the creation of new products and services.

One of the most important aspects created by modern information and communication technology in the field of business is the digital organization. It uses mostly technology to serve its structures and ways of performing other tasks. These digital enterprises coexist with the newest developments in terms of quality to improve their services.

Borowska (2018, 213) indicates that technology implementations have helped to increase productivity and revenues of many enterprises.

Many enterprises' old strategies have been changed as a result of technological development. Technology enabled us to see things from new perspectives and to approach what we were already doing in different aspects. It has also improved the business's performance. It is a great inspiration for start-ups and new enterprises (Barile 2020, 18).

Information technology is essential to every company's business-level strategy, since it directly impacts how businesses build and implement strategies to generate profits. The positive effects of information technology on organisational performance have been confirmed by many studies (Melville et al. 2004, 285). Information technology has become a major requirement in the work of all enterprises, due to the need for it in the implementation of many activities and operations, in addition to its positive effects on the organizational performance.

Information technology is involved in many businesses' operations such as communication, data management, process production, business planning, resourcing, innovation etc (Cabinet Mille-Alliance 2015, 8-10).
1.1 Research Background

Among the activities that have been greatly affected by information technologies is marketing activities, especially promotion and communication with customers.

This study seeks to reveal the importance of the use of information technology applications in the marketing activities of small enterprises, with more focus on the role of e-marketing through social media in promoting products and services.

This study seeks to determine the role & impact of the uses of information and communication technology applications on marketing activities in small-sized enterprises.

To understand better the subject of this study it is important to get to know and understand the key terms and the relationships between them.

Starting with information communication technology, according to (Mid-Pacific ICT Center, 2014) Information Communication Technology is defined as “skills around computing and communications devices, software and applications that are used, in addition to the systems that are built upon it”.

E-marketing or digital marketing is the use of the internet and other related digital technologies to achieve marketing objectives and to support other marketing activities such as supply chain management, customer relationship management, and production of high-quality services, claimed (Richard, 2015).

To better understand the term small-sized enterprises where, it’s important to know the term SME since there are factors that differentiate large, medium, small, and even micro enterprises.

There is no single comprehensive definition of small and medium enterprises, rather there are many definitions.

According to many countries and organizations, different classification criteria such as the size of employment, the volume of production, and sales volume, where the largest criteria used the size of employment. The world international Bank (2010) defined SME based on the criteria of the number of workers. Enterprises that employ less than 10 workers are considered micro enterprises, those that employ between 10 and 50 are considered small enterprises, and those that employ between 50 and 100 are considered medium enterprises.

The importance of this study is highlighted by the following:
- Saving time, effort and improving productivity in the practice of e-marketing and e-management
- Achieving the competitive feature and being ahead among other enterprises in town to get more customers and bigger portions of the market share.
- Guiding small business managers on how to employ effectively information technology, especially in marketing activities

### 1.2 Research Objectives & limitations

This study aims to examine the necessity and importance of relying on information Communication technologies in marketing activities of small enterprises in order to increase sales and profits.

More specific objectives will be mentioned below:
- Introducing information and communication technology and the importance of its use in the activities of organizations.
- Demonstrating the importance of adopting electronic marketing by enterprises for the advantages it provides.
- Demonstrating the need to adopt social media platforms in marketing activities of small enterprises to decrease the intensity of competition from larger enterprises.
- Providing suggestions to improve the effectiveness of SSM marketing through social media to promote small enterprises.

The limitation of this study is focused mostly on its practical aspect since it is based on a small enterprise managed and owned by one person, located in the city of Lahti (Finland). The results of this research are specific for this enterprise only. Therefore, its results cannot be generalized upon other small, medium, and large enterprises. However, the thesis may reflect the reality of small enterprises in the field of beauty care in the region.

### 1.3 Research Questions

Among the most important changes and transformations in the external environment of enterprises is the technical development based on information communication technologies, which has led to a drastic change in the work, and management of enterprises. This technology has also changed marketing activities from their traditional form towards a new form known as electronic or digital marketing. Electronic marketing depends mainly on information technologies available on the Internet, including social media platforms.
E-marketing has become indispensable for every enterprise, regardless of its activity or size, to better meet the needs of markets and customers.

According to (Mckinsey) small and medium enterprises (SMEs) in OECD In countries, around the world, they represent about 99 percent of firms. They play great roles in value creation and international trade.

SMEs face great competition from large enterprises, which leads many of them to leave the market, or suffer from the inability to have sufficient financial resources to introduce them, their products and services.

This thesis aims to answer the following main research question: What is the role of information communication technology in the marketing activities of small enterprises? To help answer the main question, the thesis focuses on the following subordinate research questions:

- How Information communication technologies impact on organisations performance?
- How SMEs use e-marketing to promote their services through social media platforms?
- How can Magic touch enterprise benefit from social media platforms in its marketing activities?

1.4 Research methodology

This study uses the qualitative method in collecting data and information, based on observation, interview and organizational documents. In its theoretical part, this research is based on books and scientific articles that focused on Information and communication technology, electronic marketing and small enterprises. In the other hand, empirical research data was based on the interviews with the owner of the enterprise as well as his social media platforms. The interviews with the owner provided information about the history and activities of the enterprise, its strategy and the uses of ICT in strengthening the marketing activity, and the questions related to the current research. The website also provided more information on how to promote the enterprise's services more efficiently.

As for the theoretical the study will use books, articles and scientific research related to this topic, previous studies, journals and articles provided on the school online library services and the latest trends and newest update of our intended research.
Several sources and references will be used in order to dig deep into the terms and aspects of the impact and roles of information communication technology aligned with marketing activities in small businesses through e-marketing and social media platforms.
2 Literature review

2.1 Information communication technology

What makes enterprises special nowadays is the consistent change in the external environment in which they operate, and the social, economic, political, cultural, technological developments they are seeing. No one denies that technological development is one of the most important and biggest changes in this environment, as it has radically changed the work of individuals and the way enterprises are managed and organized.

Currently we use more tools of information technologies as individuals inside our homes, in our shopping, and in our communication with other people. Also, ICT occupies a bigger space in our professional activities, in our relationships inside and outside the enterprises.

2.1.1 The concept and characteristics of ICT

In some countries, ICT is considered as a synonym for information technology (IT), but the two terms can have slightly had different meanings and can be used different contexts. For example, in the United States the term IT is used when discussing about technology in business operations, while the term ICT is used more often in the context of education and government.

As said by (Ratheeswari 2018, 45) ICT refers to technologies that provide access to information through telecommunication. It is similar to Information Technology (IT) but focuses primarily on communication technologies. This includes internet, wireless networks, cell phones and other communication tools.

According to (Mid-Pacific ICT Center, 2014) Information Communication Technology is defined as "skills around computing and communications devices, software and applications that are used, and systems that are built upon it" corresponding to (Griffor, 2016) Information and communications technology (ICT) is an umbrella term that includes any communication device or application, including: radio, television, cellular phones, computer and network hardware and software, satellite systems, and so on. He mentioned as well as the various services and applications associated with it, such as video conferencing and distance learning.

The term information and communication technology (ICT) has been taken to describe the total of hardware, software, networks, as well as the individuals responsible of provision and running the system.
The use of information technologies within the enterprises appears through electronic management. The transactions between organisations employers and economic dealers take place by using information technologies and electronic devices such as computers in collecting, classifying, storing, transferring and retrieval of data and information.

Ali Alqudah (2021, 67) points out that electronic management is the use of all electronic means in the completion of all enterprise transactions, such as the use of e-mail, electronic transfers of funds, electronic exchange of documents, faxes, electronic bulletins, and any other electronic means.

It is clear that electronic management depends mainly on the use of information and communication technologies when completing many functions and activities, in order to increase the effectiveness of its performance and improve its competitive position.

Among the fundamental reasons that pushes enterprises to use IT, in addition to keeping pace with environment changes, two factors must be mentioned, customer pressures and competitors’ pressures (Cabinet Mille-Alliance (2015).

Customers always want to have quality goods, as they have become more knowledgeable, informed and have more urge. They can make comparisons between several goods before making a purchase decision, and this is through the adequate information provided by information technologies, especially social media such as Facebook and Twitter. The customer who is satisfied by the goods and services for which he pays will express his feedback through these social media platforms.

On the other hand, digital enterprises are experiencing a hard competition, as they have been able to establish a strong interaction with their customers thanks to their presence on the Internet. The fast decision making, reducing their production costs and offering them new products and services with better quality. These enterprises, as a result of their common use of information technologies, they have been able to apply great pressure on their competitors who have not been able to keep pace with the developments happening in the environment, such as KODAK, which declared bankruptcy when it failed to adapt to the digital new revolution.

2.1.2 The components of ICT

Information and communication technology is the combination of a set of components from computers, programs, applications, the internet and other electronic technologies, in addition to the human element that possess the necessary competencies to manage the system of information and communication technology.
The following figure shows the information and communication technology components in a better way.

![Components of ICT Diagram](image)

**Figure 1: The components of ICT (Javatpoint)**

**Hardware**

It is the physical technology. Hardware can vary in size from a pocket-sized smartphone to a supercomputer that takes up a whole building. Additionally, hardware includes computer accessories like keyboards, routers, and external hard drives. Sensors that connect with computers are becoming more and more popular in common life thanks to the Internet of Things, which allows everything from home devices to cars and clothing to receive and send data.

**Software**

The software's purpose is to instruct hardware on how to operate. The two groups into which the software can be split are system software and application software.

The primary component of the system software that manages how the hardware operates is the operating system, such as Windows or iOS.
Service runs an application made to carry out certain activities, such as keeping a database, generating a document, or building a website.

**Telecommunications**

This component establishes a network by connecting the hardware. Ethernet cables and fibre optic connections are examples of wired connections. Wireless connections like Wi-Fi are also an option. A network can be built to connect computers in a specific area, such as an office or a school, using a local area network (LAN). Computers that are farther distant are connected by a wide area network (WAN). The internet might come to mind as a collection of networks.

**Cloud computing**

The concept is typically used to refer to data centres that are accessible to several users online. Services from central servers are frequently spread across several locations by large clouds, which are common nowadays. Enterprise clouds are only available to one business, public clouds are accessible to lots of enterprises, and hybrid clouds combine both of these options (hybrid cloud). Amazon AWS is the largest public cloud.

**Database and data warehouse**

A database is a huge file in which the information that we want to store can be arranged in an order, and this information can be retrieved and modified at any time.

Therefore, its importance lies in processing and storing user data in one place easily. It's important for the development of information systems (Bhojaraju G)

**Human resources**

The most important component of information systems is the human factor: the staff required to run the system and the protocols they follow so that the knowledge present in the sizable databases and data warehouses can be transformed into knowledge that can explain what has happened in the past and guide future action.

**2.1.3 The benefits of ICT**

Many enterprises all over the world of different sizes and activities are racing to use information technologies as a result of worldwide of different sizes and activities are racing to use information technologies due to its many benefits.

In addition to facilitating communication processes inside and outside the organization, ICT contributes to improve the quality of managerial and organizational work and reducing
costs, but its importance is more in business transactions with suppliers, distributors and customers through e-business such as (B2B) and (B2C) (Richer 2017, 38).

According to (Ongori & Migiro, 2010, Brown C. et al. 2012, Celina Solek-Borowska 2018, Basu, 2017) the most important benefits of using information communication technology can be mentioned as follows:

- promoting the company's products and services with lower costs compared to traditional marketing
- Increasing the number of customers due to the role of electronic shopping mechanisms around the clock.
- Strengthening interaction and fluidity between the enterprise and customers due to the use of electronic communication channels.
- The fast commercial transactions by reducing the time due to electronic dealing
- The possibility of entering new markets, including those that are geographically far.
- The possibility of publishing more detailed information and data about the enterprise's goods and services, which what customers' needs at the current time.
- Creating direct channels of communication between the producer and the customers through the interactive feature provided by social media.
- The ability to study the market and consumers through the information collected through the Internet, thus provide goods and services that fulfil the needs of the market and consumers.

2.1.4 The uses of ICT in the enterprise's activities

Many fields in developed countries have been dominated by the phenomenon of digitalization, whether at the level of daily private life or at the level of enterprises. For enterprises, digitization represents a strong motive to achieve growth and ensure adaptation to the requirements of the new digital economy, through the implementation of digitization in many activities and functions, especially in communications and business transactions.

The last two decades have witnessed the appearance of many applications, programs, the Internet of things, and artificial intelligence which have caused a major transformation in the way individuals and organization work. The activities of enterprises and their managerial activities have shifted from bureaucracy, physical communication, and paper dealing ... to electronic dealing, and therefore electronic management emerged, which led to the
digitization of many of their functions and activities, thus contribute to increase organizational effectiveness and making it more flexible.

Scientists strongly suggests increasing investments in ICT, especially in these fourth Industrial revolution technologies (Artificial intelligence, internet of things, robotics) and the huge benefits that ICT bring to organizations (Atkinson 2018, 35.)

Enterprises not only use information technology to communicate with their employees within workplace, economic partners and customers abroad, but also, they use it in development, design, manufacturing, promotion, distribution, knowing the reaction of clients of their products and services, and other things that facilitate and accelerate the completion of many tasks and activities.

In addition to applying the electronic communications inside and outside the enterprises, the use of digital technologies in the processes of production, control, maintenance, supply, distribution, and other activities is increasing day after day.

Here are some of the uses of information technology in some of the main functions of the organization.

- **The use of IT in production activities**

  The Production process has gone through several revolutions, starting from the first industrial revolution during the eighteenth century to the fourth industrial revolution that we are witnessing today. It was the great development of information and communication technologies that created the Fourth Industrial Revolution (4IR) through nanotechnology, artificial intelligence, the Internet of things, self-propelled robots... and led to the emergence of smart factories. These factories use programs, advanced technologies and wireless sensors in many designs, manufacturing and controlling processes with a great accuracy, and contributed to the organization’s flexibility, improving quality and reducing costs.

  There are many technology tools that have transformed the manufacturing processes whit ing production in enterprises. For example, among the uses of information technologies in the industrial field, the following can be mentioned:

  - Computer Aided Design (CAD): using computer technology to design the components based on various criteria.
  - Computer-Aided Manufacturing (CAM): using computer technology for converting the virtual models to physical products with the use of Numerical Control (NC) machines.
− Computer Integrated Manufacturing (CIM) to control the production process by data communication and automation with the help of robots
− Lean Manufacturing (LM) to reduce time in the production process.

There are various advantages using information technologies in the industrial field, including:

− Increasing productivity as a result of the digitization of many operations that were previously made by workers
− Reducing costs due to the digitization of maintenance and control operations.
− Improving product quality due to precise digital technology
− Improving customer satisfaction with the response of products to their requirements, and the accuracy of digital technology with quality controls.
− Flexibility due to reprogramming digital technology and create new designs and products.

• **The use of IT in financial activities**

The advantages offered by information technology applications in this field reveals through the electronic accounting information system, including:

− Accounting data is registered and stored in programs, so that it can be easily accessible.
− Fast and accurate accounting operations due to use of accounting programs more data details can be stored easily
− Speed of preparing accounting and financial documents
− Fast financial decision making by managers
− Sharing financial and accounting information easily between various departments of the enterprises and its branches, regardless of the distance between its departments.
− The possibility of predicting future financial results based on the analysis of current and past accounting information.
− Protection and security of financial data are guaranteed.
Several studies (Adenike 2017, 73; Trabulsi 2018, 17,) have indicated the importance and role of the electronic accounting information system in improving the performance of enterprises through the quality provided by this system.

- **The use of IT in human resources activities**

  Human resource management includes many activities, human resource planning, recruitment, training, performance appraisal, rewards and career path management ... and this department occupies an important position in the organizational structure of the enterprise.

  The fast development of information technologies and their use in the activities and functions of the enterprises has led to a significant change in the management of human resources and made it take a strategic vision and turn into E-HRM after it was only based on administrative activities.

  There are many uses and advantages that E-HRM provides through the human resource management information system, including the following:

  - **E-recruitment** by opening a portal or a page on the institution's website related to recruitment, which has increased the effectiveness of the process of attracting and selecting more candidates, thus increasing the possibility of hiring qualified employees.

    What shows the importance of electronic recruitment is the presence of software that helps to sort and analyse many candidates’ CVs, which helps to find the most suitable candidates for the job position.

    - Training and development: Among the most important tasks of the Human Resources Department is the development of human resources to improve their capabilities, skills and competencies to help them adapt to technical developments and job requirements. Information technologies have greatly assisted in this field by providing opportunities for training, learning and improving the level of individuals.

    - Automation of many routine administrative tasks such as managing payroll, leaves and absences..., in addition to not using paper in many cases as a result of the total reliance on electronic digital tools.

    - Creating and managing data, records of workers in the organization, which includes a lot of data and information about them, such as the history of their employment,
their qualifications, their work positions that have been filled, and the results of their performance evaluation.

according to Lawler III (2015, 101) Information technology can make HR transactions, record keeping, and many other administrative tasks easier, quicker, and more accurate.

- **The use of IT in marketing activities**

  Among the fields which have been greatly affected by information technology are marketing activities, where the emergence of the Internet and digital technologies helped the expansion of e-commerce which occupy more than 50 percent of the commerce transactions over the world whether between enterprises and their customers or between them and other enterprises. As for the organization's marketing activities, the processes related to the product, pricing, distribution and promotion, have seen a significant increase in the organization's effectiveness and this is reflected in improving customer service and satisfaction.

  Without detailing the importance of enterprises using information technologies in their marketing activities and the benefits of that, the third part of this study will spot more light everything related IT roles in marketing activities including (e-marketing, especially marketing through social media).

### 2.2 E-marketing and small enterprises

E-marketing have a critical role in the digital transformation of business as a result of the integration of information communication technologies into the organizational environment. It has become necessary to adapt with the technological developments taking place and the widespread use of these technologies by individuals and enterprises.

Some Scientists uses online marketing or digital marketing as synonyms for E-marketing (Chaffey 2013, 42 ; Strauss 2016) to express the marketing practices of enterprises through the various tools available on the Internet.

#### 2.2.1 The Concept and Definitions of E-Marketing

E-marketing is seen as one of the traditional marketing practices through the tools available on the Internet, and generally refers to the use of information and communication technology provided by the Internet in the practice of many terms and tools for enterprises such as advertising, distribution and sales ...

There are many definitions and concepts of E-marketing we mention some here:
according to (McDonald and Wilson 1999, 29) the term E-marketing refers to any use of technology to achieve marketing objectives.

According to a definition provided by (Lumar & Chen 2006) E-marketing generally implies the promotion of goods and services over the internet.

It's noted from the above definitions that some of them summarizes the concept of E-marketing in a traditional form of marketing, but through using the mechanisms provided by information technologies, while others perceive E-marketing as a new philosophy that includes every marketing activity which provides a service or a value to customers, clients and society overall, through information technologies implementations.

In this study, we define er E-marketing as a practice of performing marketing activities and adding value to customers using electronic formats like e-mail, marketing, customer relationship management, internet marketing, mobile marketing, and electronic data interchange.

According to (Strauss & Frost 2016, 23) E-marketing affects traditional marketing in two ways. First, it increases its efficiency and effectiveness. Second, the technology of E-marketing transforms many marketing strategies. This transformation also appears in new business models that add customer value and/or increase company profitability.

### 2.2.2 Characteristics Of E-marketing

Few references (Charlesworth 2018, Kingsnorth 2019, 6) refers to a set of characteristics that demonstrate E-marketing, we mention the most important ones:

- **Digitalization**

  Digitization is the ability to represent a product, or at least some of its benefits, as digital bits of information. Digitization allows marketers to use the Internet to distribute, promote, and sell these features regardless of the physical item itself. Especially for users with a better access to the Internet that allows streaming audio, video and other new technologies.

  According to (Kotler et al. 2020, 4) If enterprises did not have digitalized transformation, they will eventually collapse. Waves of digital marketing sweep through all society aspects, because the current social environment is facing great changes: digitalization, is involved in every field of modern society.

- **Accessibility**

  The Internet, where e-marketing is held, provides a lot of information that can be obtained from enterprises and customers together. The organization can store a lot of information
about its website, visitors and social media, and use it for direct advertising and mail messages when needed. Customers can also, through their electronic devices, access accurate information about the products and services of competing enterprises and compare them based on price, quality and the feedback of previous clients.

- **Interactivity**

Interactivity means the ability of customers to express their desires and needs directly to the organization through the website and various social media platforms. They can also present their concerns and share their experiences with other customers. This feature also means the organization's interaction with its customers by communicating with them and responding to their inquiries, as well as commenting on posts that may harm the reputation of the organization.

According to (Kotler 2020, 4) Compared with traditional radio, newspapers and magazines, interactions on new media account for 90% of all media interactions.

- **Mass service**

e-marketing allows dealing with customers continuously and without interruption, and thus gives the organization access to many supplies directly. The media used also allows communicating with any customer in the globe without considering the geographical restrictions through the electronic accounts of customers, which they use to submit their orders from anywhere and at any time, without worrying about the restrictions of traditional marketing.

### 2.2.3 Impact of e-marketing on marketing mix

The marketing mix reflects the main activities of marketing, which are summarized in product, distribution, promotion and pricing (4Ps). How do information technologies and e-marketing affect these processes?

In general, there are many advantages, including speed and ease of communication with customers, shortening the distance between them, and reducing costs and selling prices due to the extensive use of digital media in promotion.

The most important advantages of each element of the marketing mix can be summarized as follows:

**The effect of e-marketing on the product:**

- Enabling customers to know a lot of information about the products and services.
- Enable the enterprise to diversify its products and services.
– Enable the enterprise to provide after-sales services.
– Enable the organization to add new features and services very quickly and at a low cost.
– Enable the organization to know the needs and desires of customers and design products and services accordingly.

The impact of e-marketing on distribution:
– Reducing distribution channels to reduce costs and prices.
– Reducing costs due to concentrated distribution channels.
– Fast delivery, especially for digital products (reservations, consultations, ...).
– Direct communication between the enterprise and customers and express opinions and suggestions without an intermediary.

The impact of e-marketing on promotion:
– Reducing advertising costs
– Creativity in promotion using the most advanced technical tools (image, audio, video...)
– The enterprise’s knowledge of the reactions of customers and visitors to the site and the extent of advertising success and customer satisfaction.
– Improving communication between the enterprise and its customers through personal selling via the Internet.

The impact of e-marketing on pricing:
– Low prices compared to traditional marketing, especially digital services and products (books, software, music, movies...);
– Customer participation in determining the price of the products and services of his choice and the ability of the enterprise personalized designs.

At the present time, it is difficult to imagine any organization, (regardless of its activity or size), to promote its products without using of the e-marketing tools, so the organization must keep pace with technical developments to ensure its survival in the market and increase its sales and growing opportunities...
Therefore, achieving these goals depends on the availability of Efficient human resources capable of using the means and techniques in e-marketing, including social media.

2.2.4 Social media marketing

Neti (2011, 2) indicates that the meaning of the term ‘social media’ can be derived from two words which constitute it. Media generally refers to advertising and the communication of ideas or information through publications/channels. Social implies the interaction of individuals within a group or community. Taken together, social media simply refers to communication/publication platforms which are generated and sustained by the interpersonal interaction of individuals through specific tools.

One of the most prominent advantages offered by social media is the ease of communication and interaction, whether between individuals or between them and enterprises or between enterprises. These social media were initially a means for friends and family members to communicate with each other, but their effectiveness pushed enterprises to use and benefit from them in introducing them and their products and getting to know consumers’ reactions towards it.

Social media such as Facebook, Twitter, Google Plus, Instagram and blogs have been widely adopted in various economic fields, and large enterprises were the first to notice the importance and advantages of using this tool in their marketing activities and managing their relationships with customers, and little by little these social media became an essential part of its marketing strategies, the so-called Social Media Marketing has emerged, in which the organization sees an opportunity to improve its digital presence.

The website Statista indicated that social shopping around the world has generated revenues of approximately 724 billion US dollars during the year 2022, and the site predicted that the annual growth will be 30.8% from 2022 to 2030, so the revenues are expected to reach This sector is estimated to be worth approximately $6.2 trillion per second year. According to several specialized websites (hootsuite, kepios, Statista, ...), the number of social media users by the end of July 2022 reached about 4.70 billion people, which represents 59 percent of the population of the earth.

The following table shows information on the use of social media at the end of July 2022
2.2.5 Small and medium enterprises definition

Many statistics and studies have shown the importance of small and medium enterprises in the growth of the national economy, as they represent between 95% and 99% of the total of the businesses depending on each country.

Enterprises are usually divided into two categories large enterprises and small and medium enterprises (SMEs). If large or big enterprises are known for their large size, big investments and large market... then the second category of enterprises, which includes the largest number, is difficult to define due to the variant definitions between countries, and the different criteria adopted in determining them. However, the most widely used criteria is the number of workers, where a line is drawn between SMEs and large enterprises. For instance, in the United States of America, an enterprise is considered SME if the number of its workers does not exceed 500, in the European Union 250, in Japan 300, and in some East Asian countries 100. Also, as a result of technological development, many countries are not contented with the criteria of the number of workers only to define SMEs, rather, they add to it other factors such as the number of business and market share...

According to the European Union, SMEs criteria is based on the number of workers, the annual turnover and the annual balance sheet total of each of the small and medium enterprises as follows:
- Small enterprises are defined as enterprises that employ fewer than 10 persons and whose annual turnover or annual balance sheet total does not exceed EUR 2 million.

- Small enterprises are defined as enterprises that employ fewer than 50 persons and whose annual turnover or annual balance sheet total does not exceed EUR 10 million.

- Medium-sized enterprises are defined as enterprises that employ fewer than 250 persons and either have an annual turnover that does not exceed EUR 50 million, or an annual balance sheet not exceeding EUR 43 million.

The following table determines the number of workers, the annual turnover and the annual balance sheet total of each of the small and medium enterprises.

Figure 3: SME definition in the European Union (European Commission, 2015)

### 2.2.6 Small enterprises characteristics

There are many characteristics that separate small enterprises from large enterprises, for example, they cannot employ high talented employers, and many of them cannot compete in the markets with large enterprises, in addition to the following most important characteristics:

- **Ownership**: It is often owned by one person or one family.

- **Management**: Often the management, organizing and control of the enterprise is by its owner. Every operation in his view is important, and in some situations can be done by the owner himself, such as production, marketing, finance...

- **Local Targeting**: The market for a small enterprise is usually local or regional and rarely has a national or international presence or a restricted area of operations. This presence in a specific region is due to several reasons, including the production and financial capabilities.
- **Intensive Labour**: meaning that they depend more on the work force than on technology, for reasons including the lack of ability to acquire advanced technology, whose costs are high, which small enterprises cannot afford.

- **Flexibility**: Unlike large enterprises, small businesses are characterized by simplicity of management and uncomplicated rules, which makes them more flexible and responsive to the external environment changes.

However, despite this lack of capabilities, the reality shows that small, medium and even small enterprises use ICT in their work, including the use of social media in their marketing activities to reduce the intense competition they face from bigger enterprises.

### 2.2.7 Social media marketing benefits for small enterprises

There are many studies that shed light on the adoption and use of information technologies by small and medium-sized enterprises in several areas, including E-marketing (Fillis 2002; Fillis 2004; Eida 2011). Further, recent studies showed the benefits of SMM for small enterprises.

Before explaining the importance of SMM, we need to distinguish marketing practices in small business compared to large enterprises.

Some studies indicated that there is a difference between marketing practices in small enterprises and larger ones, such as the absence of a clear, formal and planned marketing strategy. Small businesses’ marketing is usually occasional, unplanned, and acting in response to market opportunities. It depends more on direct communication between the marketers and customers.

A common marketing practice in small enterprises is the marketing word of mouth (WOM) strategy, when customers talk about brand, product, or business to others (Krishnan 2018).

Information technology and social media have changed the management and organization of small enterprises, especially how to promote their products and services, and have redefined the internal communication with their customers.

According to a study conducted by King (2018, 71) about Marketing Strategies, all small restaurant owners agreed on the importance of social media as a successful marketing strategy & emphasized on the significance of having an active social media presence as a marketing strategy. Furthermore, the study stated that small restaurant should apply market information via social media management to grow its market value, profits, and enhance organizational performance.
As it mentioned above, one of the characteristics of marketing practices for SMEs is word of mouth marketing (WOM), that takes place between individuals regarding the enterprise, its products and services. This practice has gained great importance in the context of digital economy based on ICT, and the wide spread of social media, has transformed traditional WOM marketing into electronic word of mouth (eWOM).

Selvei (2016, 116) stated that the internet has facilitated this form of communication by providing ever-increasing space for consumers to share personal opinions and experiences. In a recent study about 254 Micro, Small and medium-sized enterprises in Indonesia, Syaifiullah (2021) found that E-marketing had a significant impact, especially during the coronavirus era. It has turned out that the good use of social media such as Facebook, Instagram, and WhatsApp, had a positive impact on the performance of these enterprises, by increasing communication with customers, responding to their demands and eventually increasing their sale.
3 Empirical section (study case)

3.1 Small enterprises in Finland

3.1.1 SMEs In Finland

Before to the COVID-19 pandemic, the Finnish economy had experienced a stable growth. The pandemic and the unpredictability of the global economy led Finland to enter a recession in 2020, with a 2.9% fall in GDP.

In Finland, SMEs consist of 157316 businesses, with more than +88,350 and medium enterprises: +68,966, about 99.1% of all enterprises, and they employ 1.4 million people and 57% of the work force. If non-employers are counted as well, the SME proportion of employment rises to 64% (Finnish Venture Capital Association FVCA).

Figure 4. Small and medium enterprises in Finland (Finnish Venture Capital Association FVCA)

76.3 percent of SMEs in Finland are micro-enterprises with less than 10 workers. While the number of self-employed has increased drastically in the recent years, meanwhile the number of employments businesses continues to shrink According to the Finnish Venture Capital Association (FVCA).

The total Turnover of businesses in Finland in 2020 was 425 billion euros, small enterprises contributed with 82 billion, medium with 93 billion and micro enterprises with 71 billion contributions.
Figure 5. Percentage of enterprises type in Finland (Finrepo, 2020)

3.1.2 The city of Lahti

This study reveals the environment where the enterprise this study is based on operates. It's very necessary to analyze some aspects of this area especially the economic and business ones in order to understand some important factors since the working environment differs from one to another based on the economy, culture, and population of the country. Therefore, it's decided to do overall research and explore some important statistics about this city.
Lahti, located in southern Finland, it is the regional center of Päijät-Häme. It is Finland's 8th largest city and 6th largest urban area with a surface of 517.63 km², which 459.49 km² is land and the remaining 58.14 km² is inland water (January 1, 2022), with more than 120,202 inhabitants (September 30, 2021). Lahti is a city with a consist growth of population, where the growth of the capital region also extends. Commuting from Lahti to the capital region has increased and sped up, especially with the construction of the Helsinki–Lahti highway (Lahti Business Area).

3.1.3 The Economy of Lahti

Lahti have a very diversified economy with a total turnover of almost 10 billion euros in all industries (Statistics Finland. 2019). More than 10,200 enterprises are in Lahti and neighbors' towns in Päijät-Häme province. Several Small and Medium enterprises are involved
in the economy and exporting in the area. In 2019, more than 49,000 people were employed by Päijät-Häme province enterprises.

These enterprises have a mixed economic structure, social and health services or industrial represent more than one-third of the region's employment opportunities. Still more than the national average is the importance of the industrial sectors in the province. Päijät-Hämeen manufactures clothing, furniture, beverages, and sewing machines. Also, plastic and sawmill industries, as well as excellent environmental technological knowledge. Furthermore, trade and construction employ a lot of people.

Lahti is also known for family businesses and Family entrepreneurship which covers many industries sizes and categories, which is common this in this area more than other city in Finland.

![Industries](image)

**Industries**
The largest industries in the Lahti region according to the number of companies

![Figure 7. Largest industries in Lahti by numbers (Finder Finland)](image)

**3.1.4 The beauty care industry in Finland and Lahti**

In 2022, the Cosmetics industry in Finland generated approximately US$217.80 million in revenue. The market is anticipated to expand by 5.76% yearly (CAGR 2022-2026).

By 2022, non-luxury products will account for 58% of Cosmetics segment sales.

The Finnish cosmetics industry was worth approximately 1,04 billion euros in 2018.
In the upcoming years, it's anticipated that the number will rise. (Kaupanliitto 2019) Customers in Finland spend money mostly on hair care products. Its market share as a whole is 34%. Skincare items possess a 24% market share and are in the second position. Next, come personal care items (20%), color cosmetics (18%), and perfumes (4%).

Compared to earlier years, men's cosmetics are now even more popular. Social media platforms are one of the factors contributing to their popularity rise.

Figure 8. Market shares of different cosmetics categories in Finland (Teknokemian Yhdistys, 2018)

In Lahti even though it’s the 8th biggest city in Lahti but it has also contributed to the beauty care industry in Finland with a total of 190 businesses in the city of Lahti itself. Most of these enterprises are small enterprises as an entrepreneurial mindset in dominating this field. (Finder Finland 2020)

In order to dig deeper into this study and understand better this industry in the city of Lahti a case study will be held and take part of an agreement with one beauty care small enterprise called magic touch based in Lahti. Several interviews with the owner of this enterprise in order to retrieve valuables information's on how this enterprise operates.
3.2 Magic Touch and social media marketing

3.2.1 The enterprise background and history

The story of Magic touch started with Kirsi the owner of this enterprise, who started her career in a completely different field. While she was studying to be a nail technician, she had the opportunity to practice her passion and what she has learned from her studies by working at home in 2014. Throughout these years Kirsi built a good reputation in town and the number of her clients started to increase. Kirsi learned a lot through these years and realized that she had bigger ambitions and visions for the future, and she can do way better if she has her own salon. This dream finally saw the light in March 2022 and Magic touch was eventually opened and Kirsi now is working on her own trying to find her way in this wide beauty care industry in lathi with several competitors who have been in the field for years.

3.2.2 Magic Touch Position in The Marketing Environment

Since “Magic Touch” salon is a new small enterprise that has been just recently opened and currently operated by one person, few limitations and problems have been noticed that might stagnate and slow down the growth of this new business and generally all the new small enterprises entering the market.

First, financial problems which are a global issue for all types of business in every field but small new enterprises like «Magic Touch» due to the high cost of new modern information technology implementations. Unfortunately, it will face more difficulties adapting to rapid continuous technological changes, which could lead to obsolescence and be more susceptible to miss the latest trends of the beauty care industry circumstances and eventually bankruptcy.

Another thing noticed as well is that this enterprise is operated by only one person but is seeking growth in the future. It requires more than one person for a business to grow bigger and usually talented individuals seek to be hired high reputed big enterprises therefore smart and well-qualified workers will often be more motivated to develop their talents in larger enterprises due to the larger boundaries which these type of business offers to establish a decent career.

Thirdly and most importantly marketing and promotions issues, after observing and analyzing the marketing environment of these types of businesses, “Magic Touch” has been doing great so far considering the stage of this enterprise its life span, and its size. It implements traditional marketing techniques, client networking, and salon placement in addition to social
media marketing. One of the common problems faced by small enterprises in the field of marketing is they often do not possess any marketing strategies, which leads to their products comparison unfavorably with the quality of the products and services of large-scale enterprises. Therefore, they suffer from unfair competition from bigger businesses.

It is known that small and medium-sized enterprises suffer from the intensity of competition from bigger enterprises, but in spite of this, these enterprises have shown great capabilities to ensure their survival and create opportunities for their growth. Among the characteristics of businesses at the present time is the widespread use of information and communication technologies by individuals and enterprises, which is what said by many researchers like (Ongori 2010, Brown 2012, Borowska 2018, Basu, 2017).

3.2.2 Results And Suggestions

Even though Magic touch enterprise have been already using some social media marketing platforms to promote its services and products however we saw that some platforms can be used in an optimal better way and some other platforms we suggested that the enterprise should start using.

- Facebook

The enterprise has a Facebook page already and uses it on a free basis by only sharing limited content like clients before and after gigs mostly and a new service launch or some special occasion sales. Therefore, we suggested to the owner to use the paid version of Facebook which is a Facebook business platform to take advantage of several benefits like contacting and targeting a specific audience directly, growing their follower numbers, and posting frequent updates. Facebook Ads is a PPC (Pay-Per-Click) advertising system that enterprises can use to target the appropriate audience by segmenting based on factors like age, gender, location, and more. A Facebook advertising tool called Power Editor is meant for bigger marketers who need to make a lot of advertisements at once and have fine control over their campaigns. The target audiences can like the messages and share them on their Facebook walls to spread the word. Facebook sites have a "Call to Action" button that allows users to email, call, or text the company. On top of that the budget for these ads is flexible, which means it's suitable for any type of enterprise as the ads price could be as low as 5 euros.
Another underestimated thing is launching a game contest on Facebook for free, through social shaker. This game increases the traffic and interactivity, the number of fans and their engagement rate.

- **Instagram**

The enterprise uses also Instagram more often than Facebook even though these two platforms are under the same company meta since, but Instagram is more exclusive as it allows the users to shoot videos and photos and share them privately or publicly.

since the numbers of users of Instagram is growing rapidly to the point where it exceeds Facebook. The advertising system of Instagram is almost the same as Facebook since it has also instream paid ads which have more conversions than Facebook ads and «Magic Touch» uses a very common effective tool which is inviting well-known influencers specialized in beauty content and offers them some services in free in return the influencers promote the enterprise services in their big fan page.

It is also very important to use Hashtags in the enterprise advantage where it could attract users with the same interest as the business services and to analyses the trending hashtags there are several online tools that determine which hashtag have the highest click rate in the beauty industry. Then it will be easy to plan, manage, and schedule the social media posts and content.

Offering a free special giveaway to attract new customers to the enterprise products and services and grow the community.

- **TIKTOK**

The platform has kept its title as the most downloaded app worldwide as of this year. It is primarily the expertise domain of Younger Generations. The app currently has 1 billion monthly active users and is projected to have 1.8 billion users by the end of 2022.

On TikTok, it doesn’t really matter how many followers a content creator has or what kind of brand presence they have. The special algorithm used by TikTok will identify the content that it believes is most important to you. Unlike Facebook and Instagram, where users are provided content through the pages they follow. Therefore, we advised Magic touch enterprise to start using Tik Tok as a way of promotion since unknown or small fan base content creator on TikTok will have the potential to become popular and get more traffic toward other social media platforms and website and eventually sell get more customers and sell more services.

- **Optimizing Google My Business**
When we try to find something first thing, we do is type it up in google search, Google My Business has always been so essential Because it is typically the first result customers will see when searching for anything. Customers will find it easier to locate the business on the most popular mobile map and directions app in the world thanks to Google Maps.

Luckily Magic touch has been using also google for my business and has the optimal benefits. We had to emphasize these three most important factors which every beauty services brand/shop should have on Google My Business. The first thing is adding the website immediately, for professionalism also booking, etc. The next step is to include a good description as well as a contact method for new clients to reach out. High-quality photos are also a huge plus they are a great asset for authenticity and sociability as a lot of customers buy through appearances. Finally, we suggested the owner to have a strategy to encourage Google reviews feedback from customers who have tried its services this not only makes the enterprise look good, but it can also affect the ranking in search results among other enterprises in the region.
4 Conclusion

The current study found that adopting information communication technologies can help enterprises be more responsive to environmental changes and keep up with competitors in their trendy activities.

Information technologies made a huge transformation to the management and organization operation, and it was necessary for enterprises, including small and medium-sized, to adopt these technologies, because of their many advantages that reduce the intensity of competition they face from large enterprises.

Our current study focused on e-marketing as tool provided by information technology, and we mainly focused on the use of social media, such as Facebook, Instagram, and TikTok, to promote enterprises' products and services.

As for the empirical study, we focused on the case of the "Magic Touch" studio specialized in nail care, a small newly opened enterprise, located in the city of Lahti, founded by Mrs. Kirsi after receiving special training in this field.

The interviews that took place with the owner of this enterprise, who is managing it, enabled us to collect many information about the enterprise and its activities, especially the marketing ones. "Magic Touch" uses social media marketing, in addition to its website. By analysing the content of the different social media accounts, it was found that Mrs. Kirsi has the ability to use these tools to promote her services.

We have shown the advantages offered by these tools in marketing activities, especially in promotion, for small enterprises, which is more than necessary to invest more money in order to develop their marketing activities and maximise the benefits.

At the end of the research, we suggest other mechanisms adopted by successful enterprises in the same field, that can improve the efficacity of the enterprise marketing activities.
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