

**OPPORTUNITIES AND CHALLENGES OF DIGITAL MARKETING IN
THE DIGITAL ECONOMY**

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ABSTRACT

Modern digital technologies have infiltrated every person's life and the realm of socioeconomic connections. A new corporate information infrastructure is emerging from the ever-changing digital realm. Digital marketing technologies enable businesses to better traditional marketing approaches and become closer to their customers. Digital marketing prospects allow you to expand your shop area, establish new modes of contact, and develop novel ways to advertise your items. This article discusses the rising issues and potential for digitalizing marketing processes.

Keywords: marketing, digital economy, information marketing, IT, marketing models.

The term "information marketing" is used in two contexts: "computer science in marketing" and "marketing in computer science." The same marketing strategies are employed in both scenarios, but the information resources and technology utilised are different.

In reality, the distinction between the two is that "informatics in marketing" is used to advertise mass-consumption goods, information goods, and industrial goods. And "marketing in computer science" is intended to research the information market, find new clients, build information products and services, and run complicated advertising campaigns.

The basic principles of marketing are as follows: a thorough study of the market and demand, as well as potential customers' preferences and wishes; influence on the market and demand in the interests of the company; production response to market requirements; and designing and creating only those products that meet demand. When comparing consumer marketing with information marketing, we may conclude that consumer marketing remains superior since approaches and numerous methods of promoting high-demand goods and services have been studied for years. As a result, they are more solid and dependable.

The developments noticed in business are intimately tied to societal changes. Any Internet user now lives in a "transparent house," leaving a "digital imprint" [1]. Household gadgets, cellphones, and smart devices collect data about our important activities in order to display advertising items that we require. YouTube video hosting and its "Recommendations" section, which is based on neural networks, is an eye-catching example. Based on big data research, it analyzes information and movies that you enjoy and recommends new films to you. Users of Facebook, Telegram, and Instagram also leave a "digital imprint," which will be used to display your recommendations or relevant advertising. Voice communications via Telegram are another example of "digital traces" in action. If a user in conversation with another expresses a desire to purchase pizza, for example, he will almost definitely see the matching advertisement on the pages of social networks after a while.

One of the most significant developments in marketing brought about by digital technology has been the ability to mass personalize market offers. Individual demand has always been subject to the will of a certain topic. However, because fully individualizing the supply used to be quite difficult, such individual preferences were turned into more or less broad groupings, and a "typical" demand was generated. The forced translation of individual preferences into collective demand gave rise to the "consumer segment," a commonly utilized marketing concept [2].

At the same time, anytime there is some degree of choice, the uniqueness of preferences emerges, i.e., demand is personalized. The digital economy offers new chances for this, primarily liberating the consumer from the "difficult" decision process and suddenly providing just what he (the customer) requires. The key to the seller's extraordinary awareness is found in the same digital and information technology that produced the famed "brainchild of Jobs" - the smartphone. A smartphone is a remote control that allows a person to enter the virtual world. However, every time he takes up a smartphone, he "confesses" to the entire world, freely telling him of his skills, wants, whereabouts, goals, and so on. It is not difficult for a marketer to construct an individual image of a potential consumer and develop a distinctive offer using such information without resorting to surveys, interviews, round tables, focus groups, and other standard marketing research techniques. For example, the location of the broadcast may be established using the geolocation function:

- a potential consumer is a rural or urban resident;
- the location of the subject is the place of his permanent residence or short-term stay (business traveler, summer resident, country or city resident, etc.);
- how often and at what time of the year the subject visits this place, what is the duration of visits;

- what is the location of its placement on this territory (hotel, hostel, cottage, house, manor, etc.);
- in what way and mode of transport spatial movement is carried out (municipal, personal, walking, etc.; by train, bus, car, bicycle, etc.);
- what is the daily route and daily routine of the subject;
- which outlets he visits, and what is their price category (markets, stores of what price category).

The following are the benefits of digital marketing:

1. The absence of territorial constraints in the application of marketing concepts.
2. You can attract the target audience thanks to the widespread usage of the Internet and mobile communication.
3. Interactivity, in which the prospective customer actively engages with the brand.
4. Availability of the information resource.
5. Event management in real time.

You might also think about the evolution of various marketing models. In the 4P model, for example, the center represents the product that has been manufactured and must be purchased.

Based on this concept, which was swiftly developed in the early 2000s, Robert F. Lauterborn's model 4C debuts, with the customer already in the center [3]. 4C is made up of the following components:

- Cost;
- Customer needs and wants;
- Convenience;
- Communication.

When a consumer purchases a smartphone, laptop, or other device from Apple, they become the owner of not only a product, but a full ecosystem with its services and upgrades. Services, wearables, Macs, and iPads drove the company's 82.96 billion U.S. dollars in the third quarter of 2022 fiscal year [4].

Marketing has evolved dramatically in 2019. It has shifted from product to outcome marketing. A basic illustration of this is the procedure of acquiring a bank loan. When a customer applies for a loan, his purpose is not to obtain a loan, but rather to acquire a car as an alternative. As a result, it is suggested that a new idea of digital marketing, 5E, be considered. Its components will be as follows:

- Experience;
- Exchange;
- Engagement;

- Everyplace;
- Evangelism.

A company that can adapt to the present model, that is, comprehend exactly what the outcome that its customer desires should be, would undoubtedly gain a significant competitive edge.

The introduction of components of the 5E model into business and society has changed the old job of a marketer, where the core abilities were connected to creativity and uniqueness, to consumer metrics and big data analysis.

We may draw a new type of marketing development from this—Big Data Driven Marketing. This is a type of marketing in which all choices are based solely on data analysis and flexible consumer segmentation.

Flexible customer segmentation is the multi-factor grouping of a company's consumers into groups based on a range of variables, including but not limited to gender, age, and occupation. Based on this data, four levels of client "knowledge" may be distinguished in marketing.

- Stage 1: demographics, income, and e-mail newsletter history
- Stage 2: call center behavior, site behavior, geodata, and social network profiles
- Stage 3: user search data, surveys, application contact with the firm, cross-validity;
- Stage 4: reaction history to marketing initiatives; detailed study of hidden linkages between various forms of data.

Thus, marketing operations will be based on data analysis expertise rather than marketers' subjective evaluations.

On the one hand, digital marketing will assist in ensuring speedy coverage of a large target population and, on the other hand, in establishing engagement with potential consumers while attempting to communicate as individualized as possible. As a result, a natural conclusion about the benefits of marketing in the digital era will be a list of benefits supplied by digital technology to marketing.

Advantages of Digital Marketing:

- Improved target audience coverage;
- Capability to target;
- Contact is rather inexpensive.
- Message transmission rate is high.
- Feedback in real time;
- "Online marketing" or staying in touch with customers.
- Actual outcome measurability;
- The capability of automating procedures.

All of the above are the unconditional advantages of digital technologies that have been utilized in marketing in the form of tools, communication channels, and communication techniques. Because the benefits are evident, we shall carefully examine the negatives of digital marketing.

The issues of digital marketing are inextricably linked to technical advancement, and they are only updated over time as a result of breakthroughs and a growth in the power and availability of computers [5]. The biggest downside of e-marketing is the vast volume of superfluous advertising that customers do not require and is seen as spam. A person frequently receives a high quantity of communications that include unneeded information. Unnecessary information is a sort of advertising for a firm that provides services or commodities. The majority of these letters are never opened and just wind up in the trash, harming the company's reputation.

Despite its numerous benefits, online marketing has a number of drawbacks.

— **Internet scam.** You can come across unethical or deceptive internet marketing methods. Without authentication, fake trademarks and logos can be utilized. It has the potential to harm your reputation.

— **Advertising placement.** This can clog up the web page and cause the client to fail.

— **It requires special expertise.** Mastering Internet marketing necessitates a mastery of search engine technologies, advertising tactics, content development, and reasoning, in addition to fundamental marketing.

— **Impregnable.** This option may not be available in remote locations. Furthermore, the old and illiterate are less likely to use internet purchasing.

— **Product reviews that are negative.** They have the potential to significantly decrease your business.

Of course, using digital marketing tools improves the efficiency of the company's operations and development, lowers expenses, and raises awareness. However, transitioning to digital railroads is impossible without rising population digitization. As a result, the advancement of the digital marketing period entails the digitization of the economy as a whole as well as the enhancement of digital marketing instruments. No matter how technology advances, marketing will always have a human face, and a customized approach to the client is unlikely to be replaced by another employment alternative very soon. Internet marketing tools are broad and have vast technological capabilities, but they will be ineffective unless they are properly applied, that is, unless work is built around the audience and its demands.

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