

# Entrepreneurship Opportunities in Management of Digital Marketing Advertising Campaign – with Special Focus on the GCC Region

Aleksandar DJORDJEVIC  
Faculty of Business in Belgrade  
Singidunum University  
32 Danijelova, Belgrade 11000  
SERBIA  
email: adjordjevic@singidunum.ac.rs

## Abstract

The primary purpose of this paper is to explore and identify the possibilities for development of entrepreneurial initiatives through exploitation of opportunities arising from management of digital media channels, while particularly focusing on the Gulf Countries Council region in the Middle East. As for the methodology outlay, the research nature of this paper is relying on methods such as quantitative (analyses of secondary research data) as well as qualitative (several case studies and literature review) analyses. The author's professional experience and personal scientific intuition has led this research from the foundation, while supported with relevant and credible sources and data throughout the development. Conclusions of this paper can help the strategic involvement in particular areas of entrepreneurial development and SME fund support, particularly in the area of digital marketing application, as an outsourcing activity aimed at cost optimization and measurable ROI for the organizations. Although the aim of analyses puts focus particularly on the problem implications to the specifics of the GCC region, the author suspects that the proposed solutions would be applicable to a wider range of geographic regions with modest modifications.

**Key words:** entrepreneurship, digital media, campaign management, GCC, business optimization, marketing management

## 1. Introduction

During the last several decades, it has become rather apparent that many governments around the world, including but certainly not limited to the economies of the GCC region, have recognized the positive effect that entrepreneurship has on the economy and invested vast resources in the development of this particular sector.

The technological breakthrough, particularly in the ICT and ICT-related areas, has allowed for (arguably) a free flow of information partnered up with advancements to the global supply chains, that jointly led to the manifest of the so called "*Globalization 2.0*" which we have been witnessing for the last couple of decades or so.

By simply observing some of the entrepreneurial-fueled global business – that tend to live off of the large-volume of sales and

decentralized operations through the process, until a point very close to the point of sale - a common conclusion appears that there is a large potential to further develop and support entrepreneurship that leans onto these, Web-oriented, business models.

## 1.2. Business model of global online based retailers

The global phenomenon such as Alibaba's *Aliexpress*, compared to one of its biggest competitors Amazon - as these two are in the inept set for many, when discussing successfully online e-commerce stores - shows exactly the power of entrepreneurship-fueled business model. As Mourdokutas from Forbes points out, during the 2016 and 2017 Alibaba shares have gained 146.15%, while Amazon's shares have 121.44% over the same period.

*“Amazon’s approach in the US was essentially to move the ‘Walmart economy’ online, creating a large retailer based on a high-volume, low-cost model that relied on massive scale and technology to create cost savings. Alibaba’s approach, by contrast, was to bring collective entrepreneurship online”.* Although Amazon’s overall sales beat Alibaba’s to the punch, at 2018 Q1 total revenues of \$178B versus Alibaba’s \$30B, Alibaba’s formula of success consistently beats Amazon’s in a key metric: operating margins. In the Q1 of 2018, Alibaba’s operating margin was 31.25% while Amazon’s was 2.31% only (Forbes, 2018).

According to Yazdanifard, the marketing strategy of Alibaba plays an important role in achieving the overall strategic plan. The focus of Alibaba’s marketing strategy relies heavily on market segmentation or target market, marketing mix that made up of factors under its control such as product, price, location, and promotion. Alibaba has put in marketing analysis and planning to find its best marketing mix (Yazdanifard, pp. 2, 2014).

Although Alibaba relies on its network of entrepreneurs to (1) produce, (2) somewhat promote, (3) logically process the products, and that the (4) competitive costing comes from the wider-economic picture of the area, accompanied with the economies of scale, it becomes clear that Aliexpress has opened the door for an entire supportive industry that leans on to Alibaba’s great success.

Alibaba’s core business DNA is designed towards putting together, through its platform, the global consumers and B2B markets from one end, with the entrepreneurial producers mainly located in mainland China on the other end. This primary design doesn’t necessarily translate to a top-notch targeted promotion strategies of segmenting and targeting its targeted audiences online. Granted – Alibaba, and particularly its Aliexpress brand, did in the past and certainly still does a rather decent job at marketing its umbrella branding in terms of brand-recognition and awareness, positioning it to be perceived as a global, good-value vendor.

## 2. Problem Formulation

The elementary problem, hereby defined, presents itself in the fact that some of the digital marketing activities, particularly the periodic activities for which there is not necessarily

ongoing year-around need to dedicate long-resources towards. These activities could be tackled by offering services of digital media management by entrepreneurial entities.

The strategic and obviously intentional lack of focus on promotion (as one of four key instruments of the marketing mix) at the “last mile” targeted advertising, through profiling via the now-traditional channels of digital marketing, is opening a door of opportunities in the world for entrepreneurial endeavors that would take advantage of such circumstances.

These particular circumstances were recognized by a large group of entrepreneurs worldwide, who saw the gap in the supply chain, focused on the marketing strategy and implementation with the existing products and inherited cost-efficient processes, and added value through enhanced communication. This business phenomenon is popularly recognized as “*dropshipping*”. *Dropshipping* is a method of selling products in which the seller does not physically store them. This method usually generates more profit per unit sold due to the cost savings that occur when retailers outsource the warehousing and distribution process (Zajac, 2014).

It is an alarming issue that SMEs are held below the bottom in the competing world regarding earning of profits compared with multinational companies mainly because of not employing modern techniques like DM in the business activities, marketing and the advertising campaigns. Consequently, it is imperative that a study be undertaken to identify and highlight the probable benefits, attached deficiencies and managing options for the potential disadvantages of DM so that SMES could join the economic and business competition with the rapidly growing companies (Nuseir, 2018).

### 2.2 Proven outsourcing as an entrepreneurship business models concepts that reflect a solution to the problem

By its design, the *dropshipping* checks most of the boxes that entrepreneurs are looking for while planning a business venture:

- Entry barriers are fairly low; both in terms of required financial investment as well as from the legal, legislative standpoint.

- The competitors in this area choose to differentiate and compete on the basis of know-how. Mastering the digital marketing channels is the most important instrument of the marketing mix for the “*dropshippers*”, and it is the sole factor that gives the edge to the successful competitors.
- The formal education qualification, *per se*, is not legally required. Furthermore, the supply scale of formal education in the fields of digital marketing and advertising is somewhat underwhelming globally (Shaltoni, 2016). Other than very few educational systems such as USA and UK, followed by a smaller number of European universities, and with fairly lonely examples of H.E. institutions from Singapore, China and Korea in the top-ranked degrees in digital marketing. This circumstance is actually fairly logical in explanation, due to several reasons: (1) the digital marketing area is fairly dynamic, with changes happening in the real-time much faster than traditional academic curricula, pressured by QA standards, would be able to adapt to; (2) the informal education in digital marketing is ever-accessible through practical online courses, tutorials, guidelines and community-support; (3) the connection between the student engagement and self-regulated learning seems to be strong, which is beneficial to the circumstances (Ackerman, 2014)

Various researchers have pointed out that business that present themselves online have to identify factors that contribute with a considerable extent to attracting and maintaining a profitable customer segment, and on the other hand to determine those factors that undermine this objective (Kuslcar, 2017)

The appearance of the social networking, particularly Web 2.0 has changed the strategies of traditional marketing, providing an opportunity to address marketing from a new perspective (Watfa, 2013).

### **2.3 Relevance of the problem application to the GCC region**

Alongside the economic growth of the GCC economies, heavily supported by the natural resources, the governments are now shifting

towards the risk diversification through development of entrepreneurial sectors. In this regards, the GCC economies have dedicated significant financial resources towards the fulfillment of the projected goals. Below is the table summarizing how much financial resources (in the form of subsidies, and-or subsidized loans) are the GCC countries planning to invest into the entrepreneurship development until 2022 (and inclusive of the investments into the SMEs since 2014).

*Table 1: GCC states investment into SME*

| Fund                         | Country      | Fund size in Millions of US Dollars |
|------------------------------|--------------|-------------------------------------|
| Oman SME Fund                | Oman         | 230                                 |
| Qatar Development Bank       | Qatar        | 100                                 |
| National Fund - Fund for SME | Kuwait       | 7,000                               |
| Bahrain SME fund - Temkeen   | Bahrain      | 158                                 |
| Dubai SME                    | UAE          | 15,240                              |
| KSA PIF                      | South Arabia | 1,000                               |
| <b>Total</b>                 |              | <b>23,728</b>                       |

Availability of the funds in the region opens up the door of opportunity for small, digital marketing specialized entrepreneurial activities suggest there is a vast opportunity to be assessed, given the communication of value of such an outsourced service can be communicated well to the decision makers. Again: a marketing skill in need.

### **2.4 Importance of marketing and digital marketing**

As Chi-Shen rightfully points out, transactional content defines four types of purposes for which people use social networks to communicate: (1) exchange of affect, (2) exchange of influence or power, (3) exchange of information, and (4) exchange of goods and services (Tichy, 1979). A social network may have the characteristics of internal and/or external linkages, and people may not be equally important in the social network nodes in terms of the role they play (Mathwick, 2008).

A proven way to begin assessing the digital marketing opportunities would start with SEO as a service. SEO has a dominant role in the digital promotion strategy, since it influences

the positioning of digital channels available to an organization such as: web sites, blogs, social network accounts, etc. So, web pages can be optimized to become "the most attractive" for the search engines in order to be first displayed when searches are performed using browsers (Patruti-Baltes, 2016).

Mubarak in his survey of the GCC region's top rated outsourcing activities, rightfully points out that the majority participants ranked the assistance with marketing above other required assistance, as shown in the table below.

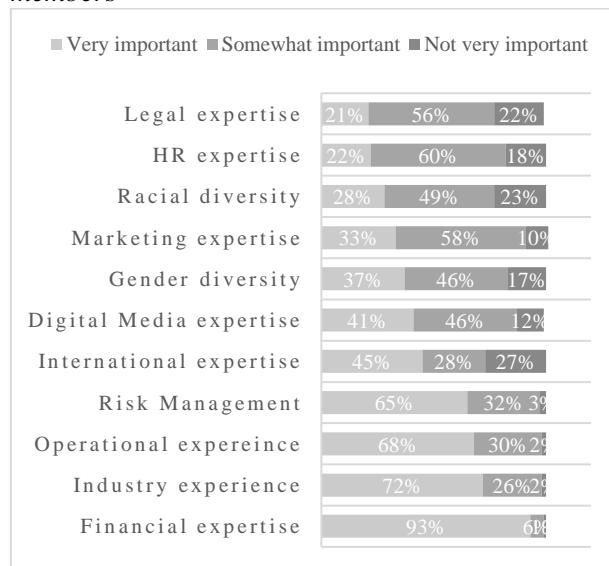
*Table 2: Importance of services that support the entrepreneurship*

| Service                                   | Number of Respondents | Per cent |
|---|-----------------------|----------|
| Marketing assistance                      | 41                    | 100      |
| Help with business                        | 40                    | 98       |
| Linkages to strategic partners            | 39                    | 95       |
| Networking activities                     | 37                    | 90       |
| Internet access                           | 35                    | 85       |
| Help with accounting/financial management | 35                    | 85       |
| Linkages to angel or capital investors    | 35                    | 85       |
| Help with presentation                    | 34                    | 83       |
| General legal services                    | 34                    | 83       |
| Shared administrative/office services     | 33                    | 80       |
| Business assessment                       | 33                    | 80       |
| Personal development                      | 32                    | 78       |
| Intellectual property management          | 32                    | 78       |
| Shadow advisory boards/mentors            | 31                    | 76       |

Source: (Mubarak, 2010)

Additionally, the PwC in their annual report for 2014 points out that the majority of their surveyed globally, pointed out that some of the top rated skills in company management is in the areas of digital media and expertise and marketing expertise, above legal and HR expertise (Jovanovic, 2016).

*Table 3: Desirable knowledge of board members*



Source: PwC, (Sikes, 2016)

Apparently the management of marketing activities is considered a very important task, and leadership globally considers that in this area - especially in development of young and small companies - leys a great area for business optimization.

### 3. PROBLEM SOLUTION

The above defined problem of the exiting gap in between the need for management of digital marketing campaigns, and the unused capacities of entrepreneurs in providing the needed service.

Therefore, the below laid out model suggest the pathway of action needed to develop the capacities for the supply on the system-wide level.

1. Milestone 1: Analyze existing research to design the primary research on the topic. Convey the primary market-research regarding the quantifiable needs of the digital marketing campaign management in the targeted market. Draw conclusions to guide the design of the action to follow.
2. Milestone 2: Analyze the macro-level effects on potential of systemizing the process. Carry out the feasibility study on each of the national-national level SME funds and other entrepreneurship drivers.

3. Milestone 3: Organize informal education for the digital marketing tools, supported by the SME funds.
4. Milestone 4: Carry out the controlled development and growth of the service delivery, nurtured through the business incubators in the development stages of the project.
5. Milestone 5: Carry out continuous evaluation and goal alignment to the projected KPI's and Project goals.

The proposed model is aimed to guide the process of capacity exploration for the particularities of the GCC markets, that invest heavily into the entrepreneurship culture while sharing many of the common forces and overall business climate.

#### 4. CONCLUSIONS

It is important to note that hereby presented findings do not necessarily pinpoint the practical tools for digital marketing campaign management. The findings here offer a solution through a macro-model that will establish the framework for action. The particular set of tools for actually managing a digital campaign will be offered after a more thorough research, regarding this topic.

The return on investment, though the use of this model is also more precise, regardless of whether the measuring methodology would eventually be through the CPA or CPC. The Cost-Per-Action (CPA) is the model of online advertising payment, in which the payment is based solely on qualifying actions such as sales or registrations. The actions defined in a cost-per-action relate directly to sales and registrations. There are also actions based solely on solely clicks, which are referred to specifically as *cost-per-click* or *CPC*. The *cost-per-click* or *CPC* is the cost or cost-equivalent paid per click-through. The terms pay-per-click (PPC) and cost-per-click (CPC) are sometimes used interchangeably, but also as distinct terms. When used as distinct terms, PPC indicates *payment* based on click-throughs, while CPC indicates *measurement* of cost on a per-click basis for contracts not based on click-through (Doupleana, 2008).

Managing digital marketing campaigns appears to be an interesting opportunity for the entrepreneurs as its requires only informal education, relies on know-how, and is fairly easily quantifiable and measurable – nearly in real-time - in comparison to other promotion investments.

These conclusions drawn from the paper analyses direct towards a modeled solution that would be highly applicable in the GCC region; however, the research by its design doesn't intentionally limit the possible application to the GCC region alone but it rather focuses on methodology that would likely be applicable to other national systems, given some necessary adjustments to the system design.

The author believes that this research has established an authentic scientific inquiry and provided some possible solutions to the problem, through the prism of problematics of GCC region specifics, but limited to. The original findings of this paper are expected to contribute positively to the development of scientific thought, and to set trace to the future, more focused research in this area that should benefit the both the theoretical and practical knowledge base in the entrepreneurial use and management of digital marketing channels for promotion campaigns.

## References

- [1]. Ackerman, D. S., Gross, B. L., & Sawhney Celly, K. (2014), "Having Many Choice Options Seems Like a Great Idea, But... Student Perceptions About the Level of Choice for a Project Topic in a Marketing Course", *Journal of Marketing Education*, Vol. 36 (3), pp. 221-232
- [2]. Chung-Chi Shen G., Chiou J., Hsiao C., Hsien Wang C., Li H. (2016), "Effective marketing communication via social networking site: The moderating role of the social tie" *Journal of Business Research* 69, Page 2268
- [3]. Duguleana, L. and Duguleana, C. (2008). "Marketing Industry in the Digital Era". Proceedings of the 6th WSEAS Int. Conference on Environemnt, 68th Bulletin of the Transilvania University of Brasov, Series V, Vol. 9 (58), page 29
- [4]. Kulcsar E., Sandor T. (2017), "In The Maze Of E-Commerce. Online Trade Defining Variables In Romania." *Management & Marketing Journal* 15.1, page 126.
- [5]. Mathwick, C., Wiertz, C., & Ruyter, K. (2008), "Social capital production in a virtual community." *Journal of Consumer Research*, 34(6), 832–849.
- [6]. Mourdoukoutas, P. (2018), *Why Alibaba Is More Profitable Than Amazon*, Forbes magazine, May 6<sup>th</sup>2018, Article retrieved from <https://www.forbes.com/sites/panosmourdoukoutas/2018/05/06/why-alibaba-is-more-profitable-than-amazon/#60ae8a331678on> January 19, 2019
- [7]. Mubarak Al-Mubarak H., Busler M., (2010) "Business Incubators: Findings from a Worldwide Survey, and Guidance for the GCC States", *Global Business Review* 2010; 11/1 DOI: 10.1177/09721509090110010
- [8]. Nuseir M., (2018), "Digital Media Impact on SME Performance in the UAE", *Academy of Entrepreneurship Journal*, Volume 24, issue 1, 1528-2686-24-1-134, page 3
- [9]. Patruti-Baltes, L. (2016). "Inbound Marketing-the most important digital marketing strategy" Bulletin of the Transilvania University of Brasov. *Economic Sciences. Series V*, 9(2), page 64
- [10]. Sikes, R., (2015) "Corporate governance in the Boardroom: A Practical Experience", PwC's Annual Report on Risk and Resilience, retrieved from the link <https://www.pwc.com/ee/et/publications/pub/corporate-governance-in-the-boardroom.pdf> on January 21st 2019.
- [11]. Shaltoni, A. M. (2016), "E-marketing Education in Transition: An Analysis of International Courses and Programs", *The International Journal of Management Education*, Vol. 14 (2), pp. 212-218.
- [12]. Tichy, N. M., Tushman, M. L., & Fombrun, C. (1979). Social network analysis for organizations. *Academy of Management Review*, 4(4), 507–519.
- [13]. Watfa, M. K., Najafi, N. and Bakkar, M.(2013), Targeted Online Marketing using Social Networking, *International Journal of Online Marketing*, 3, no. 3, pp. 37-50
- [14]. Yazdanifard R., Tan Hunn Li M. (2014) "The Review of Alibaba's Online Business Marketing Strategies Which Navigate them to Present Success," *Global Journal of Management and Business Research: E Marketing*, Volume 14, (2014), ISSN: 2249-4588, page 21
- [15]. Zajac D., (2014). *Dropshipping as Logistics Business Model of e-Commerce*, Logistyka, 4, 5069-5074, page 337