Digital Marketing Strategies to Promote E-commerce: Evidence of SMEs Importing Cosmetics in Peru

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Abstract

The aim of this article is to describe which digital marketing strategies are applied to promote the e-commerce of SMEs in the cosmetics sector in Peru. It presents a quantitative approach and a descriptive design. The instrument used was an adapted 11-item questionnaire, non-probabilistic convenience sampling was used and it was applied to a sample of 14 importing SMEs in the sector. The results obtained were analysed using tables and figures based on descriptive and inferential statistics, which showed, through the dimensions, that social networks are one of the main strategies applied by SMEs (71.4%), followed by email marketing (57.1%), mobile marketing (50%), and finally, SEM (21.4%). In conclusion, it was possible to identify the most used strategies in the e-commerce of some SMEs, which allows them to have online presence and trust in customers; however, it is important to take into account the sector to which the company is directed for its correct application. Therefore, this study contributes to know which strategies are used by SMEs for the development of e-commerce in the cosmetics sector.

Keywords
Digital marketing strategies, SMEs, Cosmetics sector, E-commerce, E-commerce.

1. Introduction
The internet has evolved the exchange of goods and services between seller and buyer, which has turned e-commerce into a reliable alternative for companies to grow in business. In this way, e-commerce is the process by which commercial transactions are carried out through digital platforms such as a website and social networks that
provides growth opportunities for companies, as it allows them to be more competitive (Limas et al. 2019). In the last 10 years, Latin America recorded a three-fold increase of up to USD 53.28 billion, placing Brazil, Mexico, Colombia and Peru in 6th place in terms of growth of commercial transactions through e-commerce. In addition to this, after the health crisis caused by covid-19, e-commerce experienced a 50% increase (Capece 2021; Statista 2021).

Based on the above, 2020 was a decisive year in terms of the change in consumer buying habits, and businesses have had to adapt to the new normal by using e-commerce as a tool to survive. For large companies, this was more feasible, as they have the necessary size and prominent brand recognition. In comparison to small and medium-sized companies, which were forced to face a challenging scenario, as they had to look for alternatives to efficiently use their resources and thus overcome the crisis (Caicedo et al. 2018). In this sense, to further increase their development, the intervention of digital marketing strategies is important, which have different tools that allow the promotion and development of e-commerce in organisations (Bricio et al. 2018; Limas 2017).

For small and medium-sized enterprises, which form a fundamental part of a country's economy and contribute to the creation of new jobs, it is necessary to know which strategies are most used and how to apply them to take advantage of the benefits of e-commerce, grow and expand their businesses (Perdigón et al. 2018, Njuguna and Khara 2019). Importing SMEs, especially in the cosmetics sector, have greater opportunities in the market as they account for 78% of imported value in Peru (Copecoh 2021). Although many Peruvian SMEs have ventured into e-commerce, it is still difficult for some of them to adapt their businesses to this new model, as they lack knowledge about the digital marketing strategies they can use. This may be because they invest less than 10% of their annual budget in digital transformation, so that at the beginning of the pandemic there were approximately 30.2% of SMEs in Peru that did not have a website and only 5.8% of them made online sales (León-Velarde 2021; Zeballos 2021). Therefore, the objective of this research is to describe which digital marketing strategies are applied to promote e-commerce in SMEs importing cosmetics in Peru.

2. Literature Review

In the literature, digital marketing strategies are defined as the planning of tools and steps to follow so that companies can meet their objectives through the use of digital platforms such as social networks, mobile marketing, SEM, etc. (Algamarca, et al. 2019; Andrade, 2017). Similarly, e-commerce or electronic commerce is a digital channel used to make the purchase, sale and communication between the user and the company adapting to different stages, from pre-sale and post-sale of the product, to have commercial relations through online media. (Guzmán, 2018, Hernández-Barrueco and Hernández-Ramos, 2020).

In recent years, e-commerce has been part of a business model that depends on the internet, which is why it is important to apply digital marketing strategies to promote its growth within organisations (Chauhan 2016). In this sense, it is known that a large majority of small businesses are cautiously entering this new medium, which will allow them to improve their productivity and be more competitive, because there are various benefits that bring the application of these strategies in e-commerce (Barrientos 2017).

In relation to strategies, social networks provide users with a space through which they can have contact, worldwide, Facebook, YouTube and WhatsApp are the most popular social platforms (Global Digital Overview 2021). This coincides with research conducted in Peru, where the first place is occupied by Facebook (31%), WhatsApp (28%), YouTube (21%) and Instagram (20%), highlighting the first two for being the most reliable means that users find to interact with the company and in some cases so that the purchase can be made. YouTube, on the other hand, allows users to search for recommendations regarding products or services. Like Instagram, which stands out as a network that helps to attract new customers through sweepstakes (Ipsos 2020).

A study conducted by Mónaco (2018) analysed the digital marketing strategies applied in SME consultancies in Buenos Aires, Argentina through a qualitative-descriptive study where he conducted an interview with a sample of 7 SMEs, in which he concluded that social media is very prominent and that it generates greater customer attraction. This is complemented by a research carried out in Ecuador, where the actions carried out by companies on their social networks were explained in detail. An interview and survey were used, both applied to a sample of 23 companies. The result was that 70% of companies have a Facebook account, which confirms that it is the most used.
On the other hand, he mentions that many companies do not know about the content they should publish; therefore, he concludes that it is essential to be updated on the subject to take advantage and exploit their resources (Angueta 2018).

On the other hand, it is important to mention that mobile marketing plays an important role for digital businesses. The Asian market, for example, has presented a growth of more than 100% in e-commerce, as approximately 70% of its population spends time on mobile applications (Weiguo 2020). In relation to this, many companies in Peru implement this type of strategy, in which mobile applications, predetermined short messages, etc. stand out. In this regard, Castillo et al. (2018) studied the benefits of applying this strategy in an e-commerce, which showed a considerable increase in visits to the company's website; and it was concluded that the use of advertising through mobile applications provided multiple benefits, including online presence, which generates competitiveness.

There is also a need to know the effect of digital marketing strategies on the growth of oil and gas distribution SMEs (Njuguna and Kihara (2019) found that email marketing and SEM contribute significantly to the development of SMEs. In Brazil, for example, a study was conducted to examine the digital marketing strategies used in a company to develop its e-commerce. Through this, results were obtained that highlighted the evolution of the company by applying marketing strategies, where social networks and search engine positioning through SEO stood out, as the company had a greater number of visitors and buyers on its website (Márquez et al. 2018).

The cosmetics sector in Ecuador shows that the use of email marketing is highly considered by companies, as the vast majority of customers agree to receive advertisements by email, and 54% check their email every day (González et al. 2017). It should be noted that this strategy must be complemented with other strategies to generate a greater impact. In this sense, there are studies that show that digital marketing enables business growth by establishing better communication with customers, and it is also important to define specific strategies that allow the company's objectives to be met (García-Antonio et al. 2020).

3. Methods
A descriptive, basic study with a quantitative approach and a non-experimental design. The companies were selected on the basis of their sector, the activity they carry out and the year in question; these are cosmetics importing SMEs with a B2C business model in central Peru, i.e. located in the city of Lima, which imported only in 2020. A total of 47 importing companies were extracted from the Veritrade database. Non-probabilistic convenience sampling was used (Mertens 2015); therefore, a sample of 14 SMEs was considered.

The study technique was the survey and a validated Likert scale questionnaire from authors Njuguna and Kihara (2019) in their article Effect of digital marketing strategies on growth of small medium enterprises in liquefied petroleum gas distribution in Nairobi city county, Kenya was used as an instrument. This survey was adapted for application in Peru and subjected to a judgement of 3 experts in the field to determine the validity of the content and adapt it to the country context. Subsequently, a pilot test was conducted and for data collection, the 11 questions were elaborated in a Google forms questionnaire, which was divided into 4 parts, one for each strategy to be evaluated, the first on social media, the second regarding mobile marketing, the third in relation to search engine marketing (SEM) and finally, email marketing. This was sent via a link to 14 marketing managers in the study sample, who were contacted via email, social networks such as Facebook, LinkedIn and Instagram.

With the data extracted, a descriptive register and analysis was carried out in Microsoft Excel with formulas that allowed tables and figures to be generated to explain the findings in more detail. The responses were managed in the way they were originally received, so as not to alter the final results. With regard to ethical aspects, during the research process, the confidentiality of the respondents was ensured by means of an informed consent form in which the individual agreed to participate voluntarily. Likewise, it was ensured that the information shared was truthful, which allowed us to obtain reliable results that contributed to the research.

4. Results and Discussion
The results of the study are presented in the following Table 1, it is known that the study sample consisted of 14 importing SMEs in the sector. Table 1 shows a descriptive statistic summarising the average of the answers in which it is detailed that question number eight had a value of 2.21, that is, a lower figure compared to number one, which
presented a higher estimate of 4.57. In relation to this, the most chosen answer was option five, which is always attributed, which means that the strategies are constantly applied by these companies. The standard deviation is between 0.53 and 1.66, which shows a low dispersion of data, with respect to the arithmetic mean data, which ensures a more homogeneous group of responses and results that are associated with each other.

Table 1. Descriptive statistics of the results

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<th>P1</th>
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Figure 1 shows the results obtained for the first dimension Social networks. 71.4% of the SMEs surveyed always use this strategy in the development of their activities, this is because it allows them to generate attractive content, in the same way it gives the possibility to develop and increase the relationship that exists with their customers, this through the promotion of their brands, as the management of this medium is simple and easy to access. On the other hand, 28.6% of respondents answered that they sometimes use this strategy, this may be due to the fact that many companies, once they have created their accounts on the social network, are unaware of the content they can publish and, therefore, their profiles appear outdated, which causes the customer to lose interest in the company.

![Figure 1. Results of the social media dimension of the digital marketing strategy variable](image)

In relation to Figure 2, the results obtained from the second dimension Mobile marketing are recorded. 50% of the SMEs surveyed always use this strategy and all the benefits it entails, as it allows them to share personalised information about the products they offer through mobile advertisements when using an application. In addition, 28.6% indicated that they sometimes use this strategy, i.e. they do not consider it to be one of their main functions, while 21.4% of respondents answered that they never use it, as it is not necessary for the promotion of their brand.
For the third dimension Search engine marketing (SEM), as shown in Figure 3, 50% of SMEs surveyed detailed that they never use this strategy, losing the opportunity to be the first option for the target audience (Figure 3), this may be due to the fact that it is not well known and its high cost of application. At the same time, it is perceived that 28.6% of respondents sometimes apply it to increase traffic to their website, while only 21.4% say that they always take advantage of the benefits offered by this strategy.

Figure 4 shows the results obtained from the fourth dimension, email marketing, in which it is concluded that 57.1% of the SMEs surveyed always use this strategy, as they have a personalised email address through which they increase accessibility to their products. On the other hand, 14.3% sometimes use it to provide direct information to their customers about the new products they offer, while 28.6% never use the strategy, as they do not consider it essential in the development of their activities.
In relation to social media strategy, Angueta (2018) shows that they are important because SMEs tend to use them to promote their brand. Similarly, Mónaco (2018) mentions that their use contributes to the sale of products, as it allows communication with customers. This is consistent with the results obtained in the study, where 71.4% of respondents indicate that they applied this strategy through Facebook to advertise their products and Instagram to show the range and variety of products. Guzmán (2018) complement this information with their results, where they observed an increase in orders and the use of WhatsApp to make sales. These findings are considered to be related due to the fact that some Latin American countries such as Ecuador, Argentina and Peru have been affected by covid-19, which evidences a massive use of social networks by small and medium-sized enterprises.

Regarding mobile marketing, Castillo et al. (2018) indicate that the way to use it is through promotions in applications, which provided a development in e-commerce and that throughout its implementation the online presence of SMEs increased by 40%. Similarly, Algamarca, et al. (2019) found that although users are exposed to online advertising through apps, they prefer to receive it through the social media application itself, such is the case of video advertisements on Facebook. The information is similar to the results obtained in the research, as 50% of SMEs surveyed indicated that they apply it through advertising in mobile applications and the use of predetermined short messages. Thus, it is highlighted that, despite the difference in sectors, mobile marketing has precedence to be applied because it generates benefits as Barrientos (2017) points out, who explains that SMEs are cautiously entering the world of digitisation, so that they can reach places where it was not possible before and internationalise.

With regard to SEM, 50% of all respondents do not use this strategy, missing the opportunity to generate traffic to the website through various advertisements, as well as not being the first choice in the search for potential customers. However, this information contradicts Njungu and Kihara (2019) who in their research point out its importance. In this case, the way in which this strategy is applied is through the use of display adverts and google adwords, as it improves visibility and growth. While it is true that the results do not coincide, this may be due to the development of digitalisation, technological progress and support for SME investment in Kenya, the country where the article was developed, which in turn may have influenced the use of this strategy. Likewise, Márquez et al. (2018) recommend search engine optimisation (SEO) to increase web positioning as it requires less investment and fits the budget of these companies.

On the other hand, González et al. (2017) demonstrated in their study that email marketing is not a priority for the industry. Similarly, Alcca et al. (2020) found that the vast majority had zero application of this tool as they did not continuously send emails to their customers. However, this does not coincide with the results obtained in the research, as 57.1% of SMEs send emails to their customers with information about the stock of products on a continuous basis, and they also have personalised email addresses, which increases their accessibility. Likewise, Gomez-Vázquez et al. (2020) indicate that this is the most widely used strategy. In this case, despite the fact that the articles compared are from Latin America, it should be noted that the difference in the study sample can generate this type of discrepancy in terms of the results, and it is also noted that the cosmetics sector in Ecuador, the country where the first article mentioned above was carried out, does not apply this strategy much from the customer's perspective.

6. Conclusions
In conclusion, the application of digital marketing strategies generates competitiveness in the market which allows to have online presence and trust in customers, this is reaffirmed with the studies found in the research where it is mentioned that a correct management can achieve a significant change in the company.

On the other hand, it was possible to identify the most used and its application in the e-commerce of some SMEs, in which the use of social networks stands out. At the beginning of the research it was considered that Instagram would have a greater use by SMEs, due to its impact on users and its easy access, however, the results show that Facebook is the most used.

With regard to mobile marketing, it is understood that it is a strategy that has been little researched by the authors, as the study shows a low number of articles that mention it; however, some SMEs use certain tools such as predetermined messages. In relation to SEM, it was found that its implementation is not the most applied due to its high cost, which is beyond the budget of Peruvian SMEs, specifically in the cosmetics sector. It is also highlighted that email marketing is a strategy valued by these companies, as they consider that it allows them to increase the accessibility of their products.
In terms of limitations, access to a network of direct contact with the companies that were part of the sample reduced the possibility of being able to expand the results. Language was also a limitation in terms of finding articles related to the topic, as there were some articles in other languages such as German and Romanian that could not be considered.

The implications of the present research are related to the theoretical aspect because it allows to expand the information that is already known about digital marketing strategies. This allows us to show new findings to those already found in various articles. It is also a contribution for future research as it shows a different context in terms of the importance of digital media during the covid-19 pandemic. On the other hand, on the practical side, it was found that the research provides more information on the management of digital marketing strategies in the cosmetics sector.

Therefore, digital marketing strategies and their correct management can help SMEs to strengthen and promote their e-commerce. However, they depend on the sector and target audience the company is targeting, as it has been observed that there are some discrepancies with previous studies.

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Biographies

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