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**Digital Marketing and SMEs: an investigation on  
the use of Instagram by SMEs of the oven's  
product sector in Triveneto**

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# Introduction

In today's business landscape, the importance of incorporating digital elements into company operations has become widely recognized. Establishing a strong online presence has evolved into an essential requirement for enterprises of all sizes, including even the smallest ones. Consequently, an increasing number of companies are preparing to venture into the online realm to harness its associated benefits.

This thesis arises from a desire to explore the digital presence and maturity of small and medium-sized agri-food enterprises in Italy. Specifically, it aims to investigate the utilization of Instagram among small and medium-sized enterprises (SMEs) in the Triveneto region specializing in the production of oven-related products. This research is conducted as part of the Agri-food Management & Innovation Lab, a research initiative led by the Management department of Ca' Foscari University. It involves gathering data on the dual transition, which encompasses the adoption of websites and social media, as well as sustainability initiatives undertaken by agri-food SMEs in the Veneto, Friuli-Venezia Giulia, and Trentino-Alto Adige regions. The primary objective is to assess their digital maturity and their progress in sustainability transformation.

The thesis is structured into six main chapters. Chapter 1 provides an overview of the research's background and rationale.

Chapter 2 commences by examining shifts in consumer behaviour attributed to digital marketing and proceeds to dissect various aspects of digital marketing. It dissects the fundamental components and tools, elucidating their roles in the current landscape. Each section aims to furnish a comprehensive grasp of the intricate digital marketing domain, equipping readers with the knowledge and insights necessary to make effective contributions to this dynamic field.

Chapter 3 delves into the specific context of digital marketing within SMEs and the food industry. Its objective is to offer a holistic comprehension of the complex interaction between digital marketing, SMEs, and the food sector. Through an in-depth exploration of each facet, readers gain profound insights into the adoption, challenges, and opportunities associated with digital marketing strategies in these contexts. Throughout the chapter, a multifaceted understanding of digital marketing in SMEs and the food industry unfolds, contributing to a comprehensive grasp of this field.

Chapter 4 shifts its focus to Instagram, a prominent social media platform. This chapter conducts a comprehensive exploration of Instagram's significance and impact in the realm of digital marketing. Its goal is to provide a thorough understanding of Instagram's role within the broader context of digital marketing and social media. By examining current social media usage patterns, analysing the influence of the pandemic on digital advertising, and scrutinizing Instagram's specific metrics and statistics, readers gain valuable insights into the platform's capacity to connect businesses with their target audiences.

Chapter 5 concentrates on the research methodology applied in this study. It outlines the strategies and approaches utilized for data collection and analysis, furnishing a comprehensive framework for the research. It also serves as the methodological blueprint that underpins the research endeavour. By defining research objectives, elucidating the study's significance, and detailing data collection methods, this chapter aims to provide transparency and rigor to the research process.

The sixth and final chapter centres on the critical phase of data analysis and findings presentation. This chapter represents the culmination of the research efforts, where insights and conclusions are drawn from the collected data. The objective is to deliver a robust and well-substantiated analysis, offering valuable insights into the research questions and objectives addressed in the preceding chapters.

# Chapter 1

## 1.1 Background and Rationale

The food industry is a diverse and ever-evolving sector that plays a vital role in meeting the nutritional needs and culinary preferences of consumers (Kumar & Petersen, 2017). It encompasses a wide range of businesses, including restaurants, cafes, food product manufacturers, bakeries, and more. Within this industry, small and medium-sized enterprises (SMEs) form a significant portion of the market (Goyal & Rahman, 2021). SMEs contribute to the overall growth and development of the food industry by bringing innovation, local flavours, and specialized products to the market (Santoro & Vrontis, 2019).

However, SMEs in the food industry often face numerous challenges in establishing a strong presence, attracting customers, and maintaining profitability (Doern et al., 2019). These challenges arise from limited resources, constrained budgets, intense competition, and the need to differentiate themselves from larger corporations. Additionally, SMEs often struggle with marketing their products effectively, as they may lack the knowledge, expertise, and financial resources to implement traditional marketing strategies on a large scale (Gupta et al., 2018).

In recent years, the advent of digital technologies and the widespread use of the internet have revolutionized the way businesses connect with their target audience. Digital marketing, which encompasses a range of online strategies and channels, has emerged as a powerful tool for SMEs to promote their products, engage with customers, and expand their market reach (Chaffey & Ellis-Chadwick, 2019). It provides SMEs with an opportunity to level the playing field and compete with larger companies on a more equal footing.

Digital marketing offers SMEs in the food industry numerous advantages (Hwang et al., 2016). Firstly, it allows for targeted and personalized marketing campaigns, enabling SMEs to reach their specific audience effectively. Through digital channels, SMEs can tailor their marketing messages, promotions, and content to resonate with their target market's preferences, demographics, and behaviours. This targeted approach increases the likelihood of capturing the attention and interest of potential customers, leading to higher conversion rates and sales.

Secondly, digital marketing provides SMEs with the ability to track and measure their marketing efforts accurately. Through various analytics tools and platforms, SMEs can gather valuable data on customer behaviour, engagement levels, website traffic, and conversion rates (Thackeray et al., 2012). This data-driven approach allows SMEs to gain insights into the effectiveness of their marketing strategies, identify areas for improvement, and make informed decisions to optimize their marketing efforts.

Moreover, digital marketing offers SMEs cost-effective marketing solutions (Chaffey & Ellis-Chadwick, 2019). Compared to traditional forms of marketing such as television or print advertisements, digital marketing channels often require lower upfront costs. SMEs can leverage social media platforms, email marketing campaigns, search engine optimization techniques, and content marketing strategies to achieve significant reach and engagement at a fraction of the cost of traditional marketing methods. This cost efficiency is particularly beneficial for SMEs with limited marketing budgets, allowing them to allocate their resources strategically and maximize their return on investment.

Furthermore, digital marketing provides SMEs with the opportunity to build and strengthen their brand identity and online presence (Chaffey & Ellis-Chadwick, 2019). Through consistent branding, compelling content creation, and engaging social media interactions, SMEs can establish themselves as reputable and trustworthy brands within the food industry. This brand recognition helps SMEs gain customer loyalty, foster positive word-of-mouth, and differentiate themselves from competitors.

However, despite the advantages, implementing digital marketing strategies can pose challenges for SMEs in the food industry (Vrontis et al., 2007). SMEs may face limited knowledge and expertise in digital marketing techniques, which can hinder their ability to develop and execute effective campaigns. Additionally, SMEs often operate with limited internal resources, making it challenging to allocate sufficient time and manpower to develop and maintain a robust digital marketing presence. Keeping up with the rapid changes in digital technologies and platforms can also be a challenge, as SMEs need to continuously adapt their strategies to remain relevant and competitive.



Considering the unique characteristics of SMEs in the food industry, focusing specifically on oven products in the Triveneto region, this research aims to explore the use of digital marketing strategies and their impact on the market reach and competitiveness of these SMEs. By addressing the challenges faced by SMEs and identifying best practices and recommendations, this study aims to provide valuable insights that can assist SMEs in optimizing their digital marketing efforts and achieving sustainable growth in the dynamic and competitive food industry.

# Chapter 2

## 2.1 Digital Marketing: Navigating Changing Consumer Behaviour

Over the last 25 years, the realm of marketing has undergone rapid and transformative changes. The pervasive integration of information and communication technology on a global scale prompted multinational corporations to increasingly recognize the paramount importance of establishing a substantial digital presence. In particular, the notion of cultivating a profound "digital relationship" with customers has gained substantial traction. Additionally, the emergence of digital innovations such as smartphones, the Internet of Things (IoT), and artificial intelligence has foreshadowed substantial shifts in consumers' lives in the foreseeable future. These shifts are substantiated by empirical data showcasing the burgeoning adoption of the internet worldwide: as of 2019, an estimated 43% of global consumers employed social networks to research products. This indicates that nearly half of the world's populace relies on social platforms for product discovery and purchases.

Furthermore, the swift surge in sales originating from mobile devices has accounted for an impressive 22% to 27% of overall online sales (Kannan, Li, 2017). In the context of the United States, online sales represented 7.4% of overall retail spending in 2015, marking the highest percentage since tracking commenced in 1999. Subsequently, within five years, this percentage rose to 11%. While this proportion might seem modest within the expansive sphere of e-commerce, it stands as an encouraging sign of the thriving state of the e-commerce sector. Anticipatively, this percentage is poised to reach 22% of global retail sales by the end of 2023 (Regan, 2023).

The landscape of online shopping serves as a particularly intriguing exemplar, given the abundant evidence indicating an increased willingness to embrace e-commerce compared to pre-pandemic levels. As highlighted by the Group Chief Economist at Sea Limited in a recent report co-authored by Bain and Meta, prior to the pandemic, e-commerce was predominantly confined to sectors like fashion, beauty, and electronics. While occasional forays into food and beverage purchases might have occurred, the majority of consumers refrained from considering groceries or fast-moving consumer goods (FMCG) online. However, this landscape has undergone significant transformation.

The convenience and flexibility experienced during online shopping have led to the entrenchment of these new habits (Kemp, 2023).

In essence, when individuals are compelled to adopt new behaviours and subsequently perceive their advantages, these habits tend to become deeply ingrained. However, it is important to recognize that people's shopping behaviours are not binary. The data also unveils that as COVID-19 restrictions eased, consumers hastened their return to physical retail stores.

Within this evolving context, digital marketing has assumed heightened significance. It is becoming increasingly evident that sales channels are moving towards the online domain, necessitating a corresponding evolution in marketing strategies. In fact, contemporary digital marketing is poised to be a strategic cornerstone for businesses across the board. Synonymous with terms such as "online marketing," "internet marketing," or "web marketing," the phrase "digital marketing" is interchangeably used in various regions. For instance, it is referred to as online marketing in the USA, web marketing in Italy, and digital marketing in the UK and many other parts of the world (Sathya, 2017).

However, the concept of "digital marketing" has progressed over time, expanding from its initial specific meaning concerning marketing products and services through digital channels to a more comprehensive definition encompassing the use of digital technologies to engage customers, shape preferences, enhance sales, and fortify brand visibility. The American Marketing Association characterizes digital marketing as an amalgamation of activities, institutions, and processes facilitated by digital technologies, all aimed at generating, conveying, and delivering value to customers and stakeholders. A broader interpretation views digital marketing as an adaptable, technology-driven process through which businesses collaborate with customers and partners to collectively generate, communicate, deliver, and sustain value for all stakeholders (Kannan, Li, 2017).

Dave Chaffey, a distinguished marketing authority and author of "Digital Marketing: Strategy, Implementation and Practice," defines digital marketing as the fusion of digital media, data, and technology with traditional communication strategies to achieve marketing objectives. This approach underscores the harmonization of diverse online company presence forms, including websites, social media company pages, alongside online communication techniques such as social

media marketing, search engine marketing, email marketing, online advertising, and partnerships forged with other websites (Chaffey, Ellis-Chadwick, 2019).

A prevailing objective binds these definitions together: to expedite business expansion through the acquisition of new customers and the provision of services to existing ones, all while forging durable, long-term relationships.

Looking ahead, digital marketing stands at a pivotal crossroads. The contemporary consumer landscape, shaped by digital innovations and shifting behaviours, necessitates an adaptable and dynamic approach to marketing strategies. With consumers more attuned to online experiences than ever before, the role of digital marketing in shaping brand perceptions, driving engagement, and fostering loyalty has never been more vital. As global spending patterns continue to evolve, businesses that harness the potential of digital marketing stand poised to thrive in an era of unprecedented connectivity and transformation.

## **2.2 Digital Marketing Tools**

In the process of crafting a robust and effective digital strategy, businesses encounter a crucial decision-making phase involving the consideration of three fundamental categories of media channels. These channels play a pivotal role in shaping an organization's online presence and influencing its engagement with the target audience (Tuten & Solomon, 2017). The selection of these channels is contingent upon a multitude of factors, all of which converge to align with the core operations and strategic goals of the company (Tuten & Solomon, 2017).

Undoubtedly, a comprehensive and integrated utilization of all available media channels presents the opportunity to not only bolster brand visibility but also to tap into a wider pool of potential customers (Li & Bernoff, 2011). This strategic choice is influenced by a range of intricate variables that extend beyond mere preferences, encompassing the company's size, available financial resources, and the human capital at its disposal (Tuten & Solomon, 2017). Moreover, the industry landscape within which the company operates adds another layer of complexity to this decision-making process (Anholt, 2016).

In today's dynamic and fiercely competitive business landscape, enterprises find themselves navigating through a labyrinth of consumer behaviours, preferences, and expectations (Winer,

2009). The modern customer journey is an intricate web woven across multiple touchpoints, necessitating a strategic approach that covers various online avenues (Lemon & Verhoef, 2016). This realization underscores the significance of strategic decisions surrounding the channels through which a company chooses to engage with its audience.

For marketers seeking to establish a compelling online presence and reach out to their target audience in meaningful ways, a strategic roadmap featuring three distinct media channels comes into play:

1. **Paid Media**
2. **Owned Media**
3. **Earned Media**

Incorporating a balanced blend of earned, owned, and paid media is pivotal to formulating a comprehensive and compelling content strategy. This dynamic fusion enables businesses to orchestrate a coherent and impactful digital marketing strategy that resonates with their audience across multiple touchpoints. This approach not only aligns with the evolving trends in consumer behaviour but also positions the company for success in the ever-evolving digital landscape.

### **2.2.1 Paid Media**

Paid media involves marketing activities that require a financial investment to achieve desired outcomes (Evans & McKee, 2010). These outcomes could range from attracting website visitors and expanding outreach to driving conversions and sales. Paid media encompasses a diverse array of strategies, such as “pay-per-click” advertising, search engine marketing (SEM), display advertising, paid influencers, retargeting, and paid content promotion. These initiatives require a dedicated budget allocation and strategic planning to ensure optimal returns on investment (Pauwels et al., 2016). By harnessing paid media channels, companies can strategically position their content and messages before their target audience, often in contexts that promise high visibility and relevance (Brynjolfsson, Hu, & Rahman, 2013).

### **2.2.1.1 Paid per click and SEM**

The practice of pay-per-click (PPC) entails a digital marketing strategy within online advertising, wherein advertisers compensate for interactions generated by users clicking on their digital advertisements (WorldStream, 2020). A prevalent iteration of this technique is paid search advertising, frequently adopted by businesses. These advertisements are prominently displayed during online searches conducted through search engines such as Google, especially in instances where users are seeking to make purchases. The nomenclature "pay-per-click" originates from the fundamental principle that companies are solely charged when a user engages with the ad by clicking on it.

To secure visibility within search engine results, ads undergo a process referred to as the Ad Auction. This automated mechanism, employed by significant search engines including Google, evaluates the pertinence and authenticity of advertisements featured on their result pages. The positioning of ads is influenced by their relevance and credibility, determined by a bidding system inherent to the Ad Auction. Advertisers participate in this system by bidding on specific keywords that are pertinent to their offerings and trigger the display of their ads. The precise selection of these keywords is pivotal as they directly dictate the sequence in which ads are exhibited.

For instance, in the context of Google, when a user initiates a search by inputting certain keywords, a sophisticated algorithmic calculation takes place as part of the Ad Auction process. This calculation dictates the ads to be showcased, their sequencing, and the associated advertisers. Since each click on an ad incurs a cost to the company, it is imperative to exclusively bid on keywords that align with the company's core business, ensuring a viable return on the ad expenditure.

This approach underscores the rationale behind the widespread utilization of the PPC strategy, wherein the monetary outlay for each user click is counterbalanced by the ensuing visits to the company's website (WorldStream, 2020).

Search engine marketing (SEM) represents a compensated digital instrument centered on augmenting the prominence of websites within search engine result pages. To contextualize SEM, it is pertinent to introduce a precursor in the realm of digital marketing known as search engine

optimization (SEO). This precursor is the foundation upon which SEM rests. The primary objective of SEO is to amplify the discoverability of a company's website within search engine landscapes. This is achieved through a meticulous analysis of the keywords employed by potential customers during their online investigations. These keywords, comprising phrases or terms, function as conduits that users employ to unearth pertinent online content, thereby facilitating enterprises in establishing connections with individuals seeking specific services or products. It is imperative for these keywords to exhibit a high degree of specificity while harmonizing seamlessly with the content encapsulated within the website. Furthermore, the precise terminology must be integral to the website's content. The efficacy of keywords is directly proportional to their specificity, consistency, and relevance, thus amplifying the overall visibility of the website (Digital Marketing Institute, 2019). Notably, the distinct advantage of SEO lies in its absence of financial cost, rendering it a cost-effective means for enhancing online presence.

In the domain of SEM, the emphasis revolves around refining and revising website content to secure superior rankings within search engine result pages. This multifaceted strategy hinges upon a fusion of remunerated advertising and website design optimized for search engines, as elucidated earlier. The central disparity between SEM and SEO lies in the pecuniary aspect; SEM necessitates financial investment, requiring brands to remit a fee to secure prime placement for their advertisements. Notably, while businesses recognize the import and value of SEO, SEM garners heightened efficacy. It not only propels businesses or websites towards prospective online clientele but also channels targeted traffic to the website. Conversely, SEO exclusively furnishes enhanced organic search outcomes. Conceptually, SEO can be envisaged as a constituent of SEM – a nuanced perspective that underscores SEM's focal point on procuring advertisements featured within the result pages of search engines like Google and Yahoo. The hierarchical arrangement of ads is contingent upon financial considerations, with higher bids yielding superior positioning. This encapsulates the essence of search engine marketing.

The evolution of this tool has been nothing short of remarkable in recent years. An impressive 61% of global internet users embark on online product searches, with 44% of online shoppers resorting to search engines. The worldwide web registers a staggering 130 billion monthly searches. The burgeoning preference for utilizing search engines as the primary avenue for discovering and procuring products has propelled search engine marketing into the echelons of profoundly effective

digital marketing techniques. This stratagem not only elevates a company's search engine ranking but also augments brand awareness, visibility, and facilitates the cultivation of a more relevant customer base (Ranga, Ranga, 2014).

### **2.2.1.2 Display advertising**

Display advertising constitutes a variant of online promotional endeavours wherein marketers harness banner ads and assorted visually engaging formats to propagate their products across websites, applications, and social media platforms. Within the context of the global digital advertising landscape, which is anticipated to surpass USD 333 billion in expenditures this year, grasping the nuances of display advertising is poised to become increasingly indispensable for brands (BasuMallick, 2021). This strategic avenue resonates profoundly with marketers aspiring to connect with and acquire customers. It employs an array of visual elements encompassing text, imagery, and videos, skilfully curated to seize the audience's attention. The deployment of display ads is strategically positioned within distinct sections of webpages as well as on social media platforms, typically manifesting in the form of banner ads, enriched by either textual or graphic content. Noteworthy is the inclusivity of all campaigns spanning text-based iterations to those leveraging captivating videos, all of which fall within the purview of display advertising. Optimal outcomes in display ad campaigns are frequently engendered through a symbiotic fusion of diverse visual media, an approach that substantially elevates a company's online prominence.

Commensurate with any digital marketing avenue, assessing the efficacy and performance of display advertising is imperative. Several salient key performance indicators (KPIs) serve as crucial barometers:

1. **"Reach"**: This metric gauges the quantum of users exposed to the advertisement, signifying the unique count of views garnered by the display ad. It hinges on the premise that newer viewers confer higher reach. Subpar alignment between these ads and the anticipated audience necessitates the refinement of targeted parameters.
2. **"Impressions"**: This index quantifies the frequency with which an ad is presented to an individual user on a website. Once established, these impressions serve as a backdrop against



which ad performance is juxtaposed with conversion rates. Should impressions rise while conversion rates stagnate, revisiting the strategic management of the display ad is warranted.

3. **"Click-Through Rate" (CTR):** Cited earlier, the CTR denotes user engagement with the brand, quantifying the count of individuals who actively clicked on the advertisement. A diminished CTR suggests the viability of exploring an alternative display ad strategy, particularly concerning content presentation.
4. **"Conversion Rate":** This paramount metric encapsulates the quintessence of ad campaign objectives. It corresponds to the percentage of users who ventured beyond ad interaction to access the landing page, subsequently culminating in a definitive action, such as purchasing a product (BasuMallick, 2021).

In summary, display advertising, an integral facet of the burgeoning digital marketing realm, propels brand visibility through an assortment of captivating visual media. Robust comprehension of key performance indicators facilitates nuanced assessment and optimization of campaigns, fostering enhanced engagement and conversions.

### **2.2.1.3 Paid influencer**

Web influencers have emerged as a pivotal and continuously expanding facet within the realm of compensated media. The ascent of influencer marketing in recent times is a testament to its remarkable impact. What initially stood as a \$1.7 billion industry in 2016 has swiftly undergone a meteoric transformation, propelling it to a substantial \$9.7 billion by 2020. This upward trajectory remained unswerving in 2021, with an even further expansion to \$13.8 billion. The subsequent year, 2022, witnessed an impressive escalation to \$16.4 billion. Projections continue to paint an auspicious picture, pointing toward a forecasted zenith of \$21.1 billion in 2023. Such exponential growth unequivocally underscores the profound influence and resonance of influencer marketing in the contemporary landscape of marketing strategies (Social Shepherd, 2023).

At the crux of an influencer's identity lies the fusion of two fundamental attributes. Firstly, the potency to sway the purchasing decisions of others, a power born from their authority, expertise, standing, and rapport with their audience. Secondly, their role as a prominent figure within a specific niche, their interactions resonating deeply with an engaged following. Social media influencers have

diligently forged a distinguished reputation rooted in their expertise within distinct domains. Their modus operandi involves consistent postings that cater to their specialized areas across their preferred social media platforms. This concerted effort has led to the cultivation of substantial followings, comprised of enthusiastic individuals who ardently absorb and embrace their insights. Leveraging the prowess of social media influencers is paramount for brands, as they wield the capacity to mould trends and galvanize their followers to embrace the endorsed products, thereby propelling sales and brand loyalty (Influencer Marketing Hub, 2023). In delineating the efficacy of influencer marketing campaigns, five pivotal key performance indicators (KPIs) warrant meticulous attention:

1. **"Conversion Rates"**: This metric quantifies the proportion of audience members who transition from mere viewers to active purchasers, offering insights into the campaign's efficacy in driving sales.
2. **"Engagement"**: Of paramount significance, engagement affords an in-depth perspective into the campaign's reception. This metric not only gauges the resonance of the campaign but also encapsulates the strength of the brand's relationship with its audience, its pertinence, and the ensuing customer loyalty. Diverse audience actions, including likes, reactions, shares, comments, clicks, votes, pins, and others, contribute to the gamut of engagement metrics.
3. **"Referral Traffic"**: This indicator elucidates the volume of users directed to a company's website through the influencer's promotional efforts, shedding light on the campaign's efficacy in driving web traffic.
4. **"Reach and Awareness"**: The reach metric gauges the extent of the campaign's dissemination and penetration within the target audience, indicative of brand visibility. Correspondingly, heightened brand awareness is reflected in the amplification of the brand's recognition within the target demographic.
5. **"Audience Growth"**: This metric reflects the expansion of an influencer's follower count over the course of the campaign, signifying the campaign's resonance and the influencer's efficacy in appealing to a broader audience.

These KPIs collectively furnish invaluable insights into campaign progression, success measurement, and alignment with marketing objectives (Digital Marketing Institute, 2018).

#### **2.2.1.4 Retargeting and paid content promotion**

The final two noteworthy facets within paid media merit examination, specifically retargeting and paid content promotion. Concerning retargeting, often termed remarketing, it constitutes a digital advertising strategy aimed at maintaining a brand's presence before bounced traffic subsequent to their departure from the company's website. Given that a mere 2% of online users convert after their initial visit, retargeting endeavours to tap into the remaining 98% who did not convert. This approach represents an optimal means to rekindle engagement with customers who have previously interacted with the brand online. Via this avenue, companies extend advertisements to customers on external websites or social media platforms, pertaining to the content they previously engaged with on the company's website (Edmondson, 2020).

From a technical perspective, retargeting operates on a cookie-based framework, employing discreet JavaScript code to anonymously "track" the company's audience across the web. Unobtrusively embedded within the company's website, this code leaves an inconspicuous browser cookie for new online visitors. As these visitors traverse the web, this cookie signals the retargeting provider to deploy ads, ensuring they are exclusively shown to individuals who have previously interacted with the company's website. Consequently, retargeting optimizes ad investments by focusing solely on individuals familiar with the brand and who have demonstrated interest. This targeted approach often translates to a superior return on investment, a trend observed by numerous marketers who opt for this marketing channel (Retargeter, 2023).

Turning to paid content promotion, a conspicuous pattern emerges as businesses persistently invest in content marketing. In the quest to amplify lead generation and traffic, a myriad of brands are channelling resources into paid content promotion. This digital marketing approach empowers companies to enhance the online visibility of their content, cultivate an expanded audience base, and expedite financial returns. Notably, paid content promotion exhibits a heightened precision, as it unfolds on pages where consumers already evince interest, thereby fostering a predisposition towards trusting the content. Furthermore, this digital marketing avenue wields a tangible influence on search engine rankings; the more individuals view, share, and link the promoted content, the more organic rankings ascend.

Chief among the avenues for paid content promotion is "native advertising". This approach empowers businesses to showcase their content on specific third-party platforms, with social media platforms and news sites being prominent venues. This content seamlessly blends with the platform's existing content, appearing alongside regular posts or beneath articles, often labelled as "sponsored" or promoted. Prevalent social media platforms for such promotions include Facebook, Instagram, Twitter, LinkedIn, YouTube, and Snapchat, all boasting extensive visibility and potential reach for brands. Notably, even beyond social media, Google remains a favoured platform for promoted content, given its widespread usage. Across all these platforms, companies are required to remit a fee, either on a pay-per-click or a cost-per-impression basis, in order to bolster the reach of their content (Justesen, 2019).

### **2.2.2 Owned Media**

This encompasses the array of online platforms that a company possesses and exercises control over (Tuten & Solomon, 2017). Ranging from the official website to the corporate blog, email lists, and even mobile applications, owned media channels act as the foundation of an organization's digital presence (Tuten & Solomon, 2017). These tools not only serve as an initial entry point into the digital landscape but also provide a platform for direct communication with the audience (Tuten & Solomon, 2017). Typically, these channels are harnessed in the initial stages of a digital strategy, primarily due to their cost-effective nature (Chaffey & Smith, 2013). The initial management and operation of these channels are often conducted in-house, enabling the company to retain control over its digital narrative (Tuten & Solomon, 2017). However, as a company's digital strategy matures, the demand for more sophisticated structuring and advanced functionalities might necessitate the involvement of specialized personnel or external consultants (Strauss & Frost, 2014).

#### **2.2.2.1 Website**

The initial focal point of analysis is a corporate website, which stands as a pivotal element within the realm of digital marketing channels. This platform serves as an essential conduit for imparting information about a brand, its offerings, and services to its audience. It functions as the foremost representation and manifestation of the brand, significantly influencing the initial perceptions of consumers. Serving as the inaugural point of interaction, it is imperative to possess a profound

comprehension of the intended audience and a well-devised content marketing approach (Aguila, 2023).

Irrespective of a company's scale, a website is indispensable for establishing an online presence that facilitates communication and prospective sales. Be it an e-commerce venture or one predominantly centred on services, catering to B2C or B2B demographics, the creation of a website holds paramount importance. By disseminating announcements through the website, brands provide both current and potential patrons with pertinent and invaluable content to address their queries and pain points. This platform's versatility enables the distribution of diverse content forms, including articles, infographics, and videos (Aguila, 2023).

Subsequently, crafting an effective digital marketing strategy should commence with the development of a user-friendly website (Aguila, 2023). Assessing website performance necessitates a consideration of multiple indicators, as articulated in literature and practiced by businesses. It's crucial to acknowledge that there isn't a universally "perfect performance indicator" due to the inherent diversity among companies and their respective goals. Metric preferences may diverge according to business nuances, thus mandating a tailored approach (Aguila, 2023).

To address the issue of evaluating website efficacy, a study published in "Expert Systems With Applications," a reputable international journal, delineates key performance indicators essential for assessing website effectiveness (Schafer & Kummer, 2013). This research integrates website objectives, web strategy, and pertinent metrics. The first objective pertains to commerce, focusing on converting website visitors into direct purchasers. This aligns with the strategy of cultivating brand equity by fostering customer loyalty. The corresponding metric is the conversion rate, denoting the percentage of visitors who execute the desired action of making a purchase. The second objective involves content and media creation designed to engage visitors and align them with the brand's values. The apt metric here is the engagement rate, reflecting visitor involvement through actions or extended time spent on the site. The final objective pertains to support and self-service, catering to user inquiries. It is linked to customer satisfaction, influenced by the accessibility of sought-after information. The applicable metric, in this case, is the page depth, signifying the average number of clicks required to reach specific pages from the homepage. A lower page depth implies a navigable and supportive website architecture (Schafer & Kummer, 2013).

Beyond these metrics, other noteworthy indicators include the bounce rate, offering insights into visitor engagement. This metric gauges the percentage of single-page visits, signifying departures without further engagement. It's indicative of potential issues with user experience or content relevance (Healy, 2023). Additionally, tracking the count of unique website visitors is crucial, representing first-time visitors within a specific timeframe. This metric leverages IP addresses and browser cookies, offering insights into web traffic trends over time (Mod Girl Marketing, 2017).

Both the total number of visitors and the website traffic-lead ratio hold significance in comprehending how leads translate into customers. The latter metric aids companies, particularly those focused on online commerce, in gauging the quality and efficacy of their web traffic (Klipfolio, 2020).

#### **2.2.2.2 E-mail Marketing**

The subsequent tool in the realm of digital marketing extensively harnessed by businesses is direct email marketing. This methodology employs electronic mail to convey commercial messages to a designated audience, primarily focusing on the promotion of products and services. The ubiquity of this tool within companies' digital strategies can be attributed to several factors. First and foremost, it enables the dissemination of information to a substantial and targeted pool of potential customers, requiring a minimal investment and yielding swift delivery. Additionally, advertisers can proactively transmit messages to the intended audience while conveniently tracking message transmissions. Furthermore, this approach serves to augment online traffic, consequently elevating brand visibility (Aguila, 2023).

Initiating an email marketing campaign mandates a structured approach. The initial step necessitates the compilation of a mailing list, comprising email addresses to which messages are dispatched. This process ensures transparency regarding the acquisition of email addresses. Subsequently, with a prepared mailing list, the company proceeds to distribute newsletters to recipients (Vasudevan, 2013). Notably, email direct marketing affords the opportunity to tailor message content, enhancing personalization without straining the marketing budget (Aguila, 2023).

Assessing performance indicators in email marketing is elucidated by the Digital Marketing Institute, emphasizing its potential to bolster diverse business objectives. The foremost indicator to consider is the "Click Through Rate," gauging the number of users navigating to the website via the email link. While the open rate, denoting email opens, holds significance, the click through rate better assesses recipient interaction and engagement, along with conversion potential. This metric serves as a foundation for optimizing email marketing endeavours (Digital Marketing Institute, 2020).

The "Conversion Rate" stands as another pivotal metric, quantifying the proportion of users accomplishing specific actions or goals envisaged by the emails. These objectives may span from lead capture to soliciting responses or finalizing purchases. Precursor to computation involves defining the precise goal and subsequently selecting an appropriate base for measurement, whether it encompasses all sent emails or solely those prompting a click through. Calculation entails dividing total conversions by the chosen base (Serrano, 2023).

The "Subscriber List Activity" constitutes a final crucial metric, encompassing the monitoring of list expansion and attrition. Growth in the list signifies positive traction, enhancing the potential for subscriber engagement and conversions. In contrast, a decline in the list is a natural phenomenon, with marketing databases experiencing an annual reduction of around 22.5%. In instances of sustained growth, companies should delve into the underlying factors, investigating whether it is associated with specific content types, themes, or multichannel marketing endeavours (Digital Marketing Institute, 2020).

### **2.2.2.3 Mobile App**

In the context of mobile applications, this digital marketing tool has experienced significant growth due to the surge in mobile phone users. A Yahoo study revealed that approximately 90% of users' online activity is concentrated on app usage and gaming. Consequently, delivering promotional content to mobile users has become increasingly advantageous for businesses. Leveraging geo-targeting strategies, companies can recommend products or services based on the user's location. Additionally, mobile apps serve as repositories of customer data, which companies can exploit to craft effective mobile marketing strategies (Aguila, 2023).

Another benefit lies in audience expansion, as mobile apps facilitate enhanced engagement and interaction with businesses. This global accessibility empowers brands to transcend niche markets. Moreover, apps enable companies to push notifications to users, updating them about potential product or service enhancements (Nathaly, 2020).

Turning to key performance metrics, the "Retention Rate" holds paramount importance, indicating the proportion of customers a company successfully retains. Generally, this rate is calculated by comparing the number of users utilizing the app within a designated time frame against the number of users from a previous period. This computation yields the retention rate. Simultaneously, the "Churn Rate" can be calculated, measuring the percentage of users discontinuing app usage. The final two critical metrics are "Daily Active Users" and "Monthly Active Users." The former quantifies the number of users engaging with the app daily, offering insights into its indispensability for its users. The latter mirrors the same information on a monthly basis (Kearl, 2016).

Marketers must recognize the importance of utilizing these metrics to gauge the efficacy of their mobile marketing content. Furthermore, they should acknowledge the significant role of investments in mobile apps within the broader digital marketing strategy, ensuring alignment across various digital channels.

Transitioning to other owned media channels, blog sites have experienced a decrease in popularity, while social media platforms remain a globally favoured owned media avenue. These social media platforms will be further explored in a subsequent dedicated paragraph. Meanwhile, the narrative advances to outline the primary components of paid and earned media.

### **2.2.3 Earned Media**

The domain of earned media pertains to all discussions and content revolving around a company's brand or product, generated by external individuals beyond the company's realm. This encompasses existing and prospective customers, social media followers, brand enthusiasts, and any online users operating outside the company's proprietary channels. Earned media, essentially, emerges as a consequence of a company's exertions in both paid and owned media domains. It could be envisaged as an amplification of corporate activities, wherein news outlets and social media users serve as



catalysts, elevating brand campaigns and facilitating information dissemination. Earned media encompasses diverse digital activities conducted by external online participants. These activities encompass press coverage, shares, conversations, mentions, and reposts on social media platforms, along with product evaluations, brand-related comments, and externally managed blog posts. This intricate web of activities embodies the essence of word-of-mouth dynamics. Naturally, these dynamics burgeon with augmented visibility and extended content reach, primarily through heightened engagement on social media platforms. The synergy of effective investments in owned and paid media, both yielding robust engagement rates, can seamlessly nurture a potent and prolific earned media arena. Within this context, social media metamorphoses into a conduit for the customer's voice, inherently constituting the pulsating core of the marketing strategy. This phenomenon garners significance due to its intrinsic trustworthiness and credibility, ultimately bolstering the brand's stature (Smith, 2016).

However, it's important to acknowledge that while earned media brings an array of advantages, its fruition demands a substantial time investment. As aforementioned, earned media acts as the culmination of prior marketing endeavours. These preceding efforts necessitate meticulous content ideation, creation, and dissemination. This intricate process not only mandates proficient planning skills but also requires sustained updates to sustain content relevance. In addition to the temporal dimension of planning and content creation, assessing the impacts of earned media also entails a time-intensive course, spanning from several weeks to a few months. Immediate assessment is feasible through social metrics like likes and shares. Nonetheless, evaluating impressions, clicks, and the qualitative facets of comments and reviews entails a more protracted timeframe. Furthermore, earned media encounters certain drawbacks, such as the risk of unfavourable publicity and the intricacies surrounding accurate measurement. Accurately gauging the effort required for generating word-of-mouth traction poses a challenge. Moreover, isolating whether escalated traffic or heightened sales are solely attributed to earned media remains an intricate task. Despite these challenges, numerous companies perceive the investment in earned media as well-justified, given its capacity to instil genuine trust and loyalty toward the brand (Mosley, 2023).

# Chapter 3

## 3.1 Adoption of Digital Marketing by SMEs

In the contemporary business landscape, the rapid evolution of technology has brought about profound transformations in the way businesses function, interact with customers, and manage their marketing efforts (Kaplan & Haenlein, 2019). This is particularly noteworthy in the context of Small and Medium-sized Enterprises (SMEs), a crucial segment of the global economy that plays a significant role in generating employment opportunities, fostering innovation, and contributing to overall economic growth.

SMEs have become increasingly aware of the pivotal role that digital technologies play in shaping various aspects of business operations and customer engagement. As a result, the adoption of digital marketing strategies by SMEs has garnered substantial attention in recent times. This trend is driven by the recognition that digital marketing provides SMEs with the means to expand their market reach, enhance brand visibility, and achieve a competitive edge in an ever-evolving business environment (Chaffey, 2020).

The adoption of digital marketing by SMEs is a multifaceted process influenced by an interplay of several factors. These factors can be broadly categorized into technological, organizational, and environmental dimensions (Dwivedi & Rana, 2018). On the technological front, the availability and accessibility of digital tools and platforms significantly impact SMEs' ability to embark on digital marketing initiatives. With the proliferation of user-friendly and cost-effective digital marketing tools, SMEs are presented with an array of options to choose from when tailoring their digital marketing strategies to their specific needs and target audiences.

Organizational factors play an equally crucial role in the adoption of digital marketing strategies by SMEs. The extent to which an SME is willing and capable of integrating digital tools into its existing business processes determines the success of its digital marketing endeavours. This involves aspects such as the willingness to invest in training employees, restructuring internal workflows, and reimagining customer engagement models to align with the principles of digital marketing.

Moreover, environmental factors exert considerable influence on SMEs' decision-making regarding digital marketing adoption. The competitive landscape, prevailing market trends, and evolving customer preferences all contribute to driving SMEs towards embracing digital marketing strategies (Kotler et al., 2017). As consumers increasingly gravitate towards online channels for product research, purchasing decisions, and brand engagement, SMEs are compelled to adapt to these shifts by establishing a robust digital presence.

In conclusion, the contemporary business landscape's evolution, driven by rapid technological advancements, has propelled SMEs to re-evaluate their marketing strategies. The adoption of digital marketing practices has become a crucial consideration for SMEs seeking to remain relevant and competitive. The decision to embrace digital marketing is shaped by a complex interplay of technological accessibility, organizational readiness, and environmental dynamics. As SMEs navigate this transformative journey, they position themselves to harness the vast opportunities offered by digital technologies to engage with customers effectively and thrive in the modern business environment.

### **3.2 Benefits and Challenges of Digital Marketing for SMEs**

Digital marketing has emerged as a realm offering a plethora of potential benefits for SMEs, ultimately contributing to bolstered competitiveness and sustainable growth (Kaur & Singh, 2021). One prominent advantage that SMEs derive from adopting digital marketing strategies is the cost-effectiveness relative to traditional marketing methods. This economic viability empowers SMEs with limited budgets to cast their marketing nets wider, reaching expansive audiences without incurring exorbitant expenses. The democratizing nature of digital platforms enables SMEs to level the playing field, competing with larger counterparts on a more equitable footing.

Moreover, digital marketing extends higher levels of measurability and data analytics capabilities to SMEs, marking a significant departure from traditional marketing's often elusive metrics. This data-driven approach empowers SMEs with the ability to gauge the effectiveness of their campaigns in real time, extracting actionable insights from performance metrics. Armed with this invaluable information, SMEs can refine and optimize their marketing strategies, ensuring that their efforts align with evolving customer behaviours and preferences.

The growing number of people using the Internet daily has led to a transformative impact on business operations, where marketing has also undergone significant changes due to technological and digital innovations (Kaplan & Haenlein, 2010). The rise of home internet installations, affordable high-speed broadband connections, and the development of social media platforms such as Facebook have contributed to this digital revolution (Lamberton & Stephen, 2016). Scholars use the term "digital disruption" to describe the transformative impact of digital technologies on business, economy, and society (Christensen & Raynor, 2013). As the digital revolution unfolds, firms are faced with significant challenges and the need to adapt their practices to new technologies and evolving communication landscapes (Porter & Heppelman, 2014).

In addition to these technological advancements, the Internet revolution has led to the emergence of digital marketing, which has become an essential aspect of business strategies (Chaffey, 2020). This shift is characterized by a transformative perspective on marketing, where technology shapes and is shaped by markets and actors (Kaplan & Haenlein, 2019). The rapid rise of digital marketing spending underscores its increasing significance (Chaffey, 2020), demonstrating how businesses are adapting to the interconnected digital world.

As consumers' habits change, industries recognize the power of digital media channels (Chaffey, 2020). Digital media offers continuous, personalized conversations between marketers and consumers, a departure from traditional channels (Kaplan & Haenlein, 2019). Moreover, the benefits extend to users, enabling them to stay updated with products, engage with companies, find clear information, make purchases 24/7, and share content (Chaffey, 2020).

From a company's perspective, digital marketing offers high efficiency in managing customer information, penetration through various channels, and interactivity. This interactivity allows for precise and personalized responses to customer needs, enhancing relationships and redefining marketing roles (Chaffey, 2020). The paradigm shift from passive to interactive marketing is a driving force behind the transformation (Pendleton et al., 2012).

### **3.3 The Role of Digital Marketing in Enhancing Market Reach and Competitive Advantage**

As previously stated, digital marketing assumes a pivotal role in the strategic arsenal of SMEs, offering a means to not only expand market reach but also to gain a competitive edge (Pandey & Kumar, 2018). Through digital channels, SMEs can transcend the confines of geographical boundaries, granting them access to a global audience and facilitating the expansion of their customer base. This reach, unbound by physical limitations, opens doors to unprecedented growth opportunities for SMEs, enabling them to establish a presence far beyond their immediate locales.

A distinctive hallmark of digital marketing is its capacity to precisely target specific demographics and deliver tailored messages that resonate with individual preferences. This precision transforms marketing campaigns into highly effective endeavours, leading to elevated conversion rates and deeper levels of customer engagement. As SMEs harness data-driven insights to tailor their strategies, they create marketing initiatives that not only capture attention but also foster meaningful connections with their audiences.

Furthermore, the food industry provides a particularly pertinent context to illustrate the benefits of digital marketing for SMEs. Within this industry, digital marketing offers specific advantages. Firstly, it provides cost-effective marketing solutions compared to traditional advertising channels (Oliveira & Sarmiento, 2018). SMEs in the food industry can allocate their limited budgets more efficiently and measure the effectiveness of their campaigns through analytics and metrics. Secondly, digital marketing enables businesses to target specific customer segments more precisely, ensuring that their marketing efforts reach the right audience. Finally, digital marketing facilitates real-time customer engagement and feedback, allowing SMEs in the food industry to build relationships with their customers and address their needs more effectively (Kaplan & Haenlein, 2010).

Moreover, in the landscape of digital marketing, SMEs in the food industry also face their fair share of challenges. Despite the benefits, these businesses encounter various hurdles when implementing digital marketing strategies. Limited resources, including financial constraints and a lack of expertise, pose significant challenges for SMEs (Lundstrom & Stevenson, 2005). Additionally, maintaining a consistent online presence, managing multiple digital channels, and staying up to date with the ever-evolving digital landscape can be demanding for businesses with limited staff (Chaffey, 2020).

In sum, digital marketing is no longer a mere option but a strategic imperative for SMEs in the food industry seeking to navigate and excel in the contemporary business environment. The benefits, including cost-effectiveness, precise targeting, and real-time engagement, stand juxtaposed with challenges tied to limited resources and expertise. Nevertheless, the potential for SMEs in the food industry to capitalize on digital marketing's prowess for competitive differentiation is substantial. This potential empowers SMEs to engage with customers in novel ways, extend their market presence, and cultivate enduring brand relationships. As subsequent chapters delve deeper into the intricacies of digital marketing strategies, a holistic comprehension of its applications and implications for SMEs in the food industry will undoubtedly unfold.

### **3.4 Digital marketing in the food sector**

As previously mentioned, it is essential for brands across various industries to embrace the internet and leverage the advantages offered by digital marketing tools. Whether through websites, social media, ecommerce platforms, or email marketing, these tools play a pivotal role in enhancing customer engagement and bolstering brand reputation.

The Italian agri-food sector stands out as one of the most promising domains for capitalizing on digital marketing and ecommerce endeavours. This is primarily because food is an inherently straightforward subject to communicate online. The visual appeal of food imagery and videos inherently stirs sensations related to taste and pleasure, making it exceptionally relatable and engaging. This characteristic should not be overlooked by small-scale "Made in Italy" food and wine producers who often struggle with self-promotion.

Furthermore, contemporary consumers increasingly rely on the internet, and ecommerce has become a prevalent method for purchasing food products. According to data presented at Netcomm Focus Food, the online food sector has witnessed remarkable growth, surging to a value of 1.6 billion euros. In 2019, it emerged as the fastest-growing industry, exhibiting a remarkable 42% increase compared to 2017. Notably, Italy currently boasts a user base of 9 million individuals who engage in online food shopping. While this figure may appear relatively modest in comparison to some European counterparts, the trajectory of growth remains unstoppable (Varpi, 2019).

Statistical data from Statista reinforces this trend, showcasing a steady ascent in the value of the online food sector in Italy. The figures reveal a progression from 0.8 billion euros in 2017 to 1.1 billion in 2018, 1.6 billion in 2019, 2.9 billion in 2020, 4 billion in 2021, and 4.8 billion in 2022. Although there was a slight deceleration in growth over the last year, the sector still experienced an impressive 81% increase in 2020 (Statista, 2023).

However, despite the dynamic nature of the industry, its presence in Italy remains relatively limited, accounting for only 5% of the total Italian B2C eCommerce market, which is valued at 31.6 billion euros (Finotto, Mauracher, Procidano, 2020). This indicates a significant untapped potential for Italian agri-food companies to invest in digital channels for growth. Compared to other sectors like health & wellness, which experienced a 39% increase in 2017 over the previous year, and fashion, which saw a 28% rise (Finotto, Mauracher, Procidano, 2020), online transactions of food and beverage products are still in their early stages.

Nevertheless, there is a noticeable shift in consumer behaviour towards online shopping in the agri-food industry. Customers are increasingly drawn to the convenience of mobile access to online stores, allowing them to select products and services at any time of the day, thereby reshaping the shopping experience (FAO, 2017). Overcoming traditional 'touch and feel' prejudices is essential for customers to fully embrace this digital shopping habit.

Furthermore, customers today are showing a growing demand for environmentally responsible products, and they are willing to pay more for 'green' products that exhibit both quality and a commitment to social responsibility. These attributes must be effectively conveyed online to create an e-commerce structure that combines speed and convenience with quality and transparency (Singh & Pandey, 2018).

Many Italian food companies are already making strides in the world of e-commerce and digital communication. To delve deeper into this shift, a survey conducted in 2019 by Soluzione Group in collaboration with Mark Up and Gdowee examined over 150 Italian companies in the agri-food sector, encompassing various segments such as meat and cured meat, dairy products, fruit and vegetables, and wine, with a collective turnover of 10 billion euros.

The survey findings revealed that 67% of companies view digital tools as an integral part of their ongoing strategic efforts, while 33% primarily employ them for individual campaigns supporting products or events. Interestingly, the majority (60%) relied on Marketing Managers to chart their digital course, with 20% placing their trust in Sales Managers or company owners, and just 8% having dedicated digital marketing specialists. This suggests that digital marketing and communication have not yet assumed central importance within the broader corporate strategy and are often considered secondary activities.

Furthermore, collaboration with external agencies specializing in web and social media marketing is on the rise, with 60% of companies following this approach, 20% engaging with freelance professionals, and only 10% opting for internal management. This highlights that companies are seeking external expertise due to a lack of in-house digital marketing proficiency.

In terms of communication budgets, more than 50% of respondents allocated between 1 and 10% to digital communication, while 26% invested less than 1%. A mere 15% of companies devoted more than 10% of their communication budgets to digital channels. Notably, the survey revealed that as the budget increased, digital communication became more integrated into ongoing strategic efforts. The meat and cured meat sector led in terms of digital investment, with approximately 20% allocating over 10% of their communication budgets to digital, followed by pasta and flour, and wine industries, where about 16% each invested more than 10%, whilst in the oven's product sector only 12% invested more than 10%. On the other hand, dairy and cheese companies allocated a modest 1 to 3% of their budgets to digital communication, making them the lowest spenders in the agri-food category.

Interestingly, nearly 80% of companies invested in digital communication with specific objectives in mind, indicating a clear understanding of their digital goals. The most important objectives included enhancing brand reputation, increasing brand awareness, driving engagement, and boosting sales. On the contrary, listening and advocacy were the least emphasized goals for food companies. Additionally, 17% based their investments on the previous year's results, while a smaller portion used competitor expenses on digital communication as a reference point, likely reflecting the varying levels of digital marketing maturity among companies.



The survey also shed light on the most commonly used digital communication channels. Nearly all companies (95%) utilized websites or company blogs, while 93% harnessed the power of social networks. SEO was employed by 48% of companies, and 42% engaged in direct marketing through newsletters. Social advertising and paid influencer campaigns, though suited to the food industry, were employed by only 30% of companies. More interactive channels such as "call to action," online contests, "drive to store," social listening, social selling, augmented reality, podcasts, and chatbots remained underutilized, showcasing the untapped potential for innovation in digital marketing strategies.

Among social media platforms, Facebook was the clear leader, with 92% of companies utilizing it, leveraging its popularity among Italian users aged 16 to 64. Instagram followed closely, with over 70% of companies opting for its visual storytelling capabilities. YouTube was used by 50% of companies, while LinkedIn and Twitter garnered usage from 33% and 24% of businesses, respectively. Pinterest remained less popular, with only 10% incorporating it into their digital marketing strategy. Emerging tools like Snapchat, Google Plus, and others were the least employed (Soluzione Group, 2019).

Content-wise, companies predominantly focused on promoting their products through photos and videos, accounting for 96% of content. Brand values and brand image were frequently communicated by 87% of food companies. Less frequently, 66% shared information about events and recipes, while a minority addressed ingredients and the food supply chain. Wellness and price promotions were the least emphasized content types.

In conclusion, the survey findings suggest that Italian agri-food companies are currently in a "Neanderthal era" when it comes to digital adoption. Despite an increased focus on digital communication, many companies still rely on traditional digital tools and have not fully embraced more advanced options, such as artificial intelligence. However, there is a consensus that a combination of these tools may offer the most effective solution.

To optimize their digital marketing strategy, experts recommend that Italian agri-food companies prioritize social media, with Facebook, Pinterest, and Instagram leading the way due to their visual

storytelling potential. High-quality product photos, coupled with the narrative behind the product, should be regularly featured. Additionally, companies should keep customers informed about daily offers, projects, and events to foster customer relationships. Leveraging current events to promote products (news-jacking), creating price promotions, organizing competitions, and offering customer incentives are also smart digital marketing practices (Minchenok, 2016).

Moreover, harnessing the power of word of mouth on the internet (e-WOM) and incorporating social commerce into their social media marketing strategies can prove highly effective for driving sales of Italian agri-food products (Scuderi, Sturiale, 2015).

In summary, Italian agri-food companies have significant room for growth in their digital marketing endeavours, with website and social networks remaining the primary tools of choice. Increased investment in digital communication, coupled with a willingness to embrace innovative digital tools, can position these companies for greater success in the digital era.

# Chapter 4

## 4.1 Social Media Usage in 2023

After the pandemic and lockdown measures, which significantly impacted the social media habits, extensive research in this field ensued. The COVID-19 lockdowns brought about substantial changes in social media usage, resulting in remarkable growth in key performance indicators for major platforms. (Arora & Kumar, 2022).

This prompts a critical query: did the sudden and profound transformations witnessed in the second quarter of 2020 result in enduring digital behaviours? In essence, the answer leans toward the affirmative, but it demands some nuanced consideration.

The most compelling evidence of a long-lasting impact can be found in the global numbers of social media users (Kemp, 2023). A comprehensive analysis by Kepios underscores that the global social media user base has surged by nearly 30% since the pandemic's onset, equating to over one billion new users added over the past three years (Kepios, 2023).

The growth trajectory in recent years further emphasizes how COVID-19 acted as a catalyst for the adoption of social media (Kemp, 2023). As depicted in Figure 4.1, the annual growth rate between 2020 and 2021 nearly doubled compared to the preceding twelve months, and this momentum continued at a double-digit pace from 2021 to 2022.

However, it is essential to acknowledge that growth has significantly decelerated in the most recent year (Kemp, 2023), with the global growth figure reported in We Are Social's Digital 2023 publication being the lowest ever recorded. Nevertheless, the crucial point to emphasize is that user numbers are still on the rise.

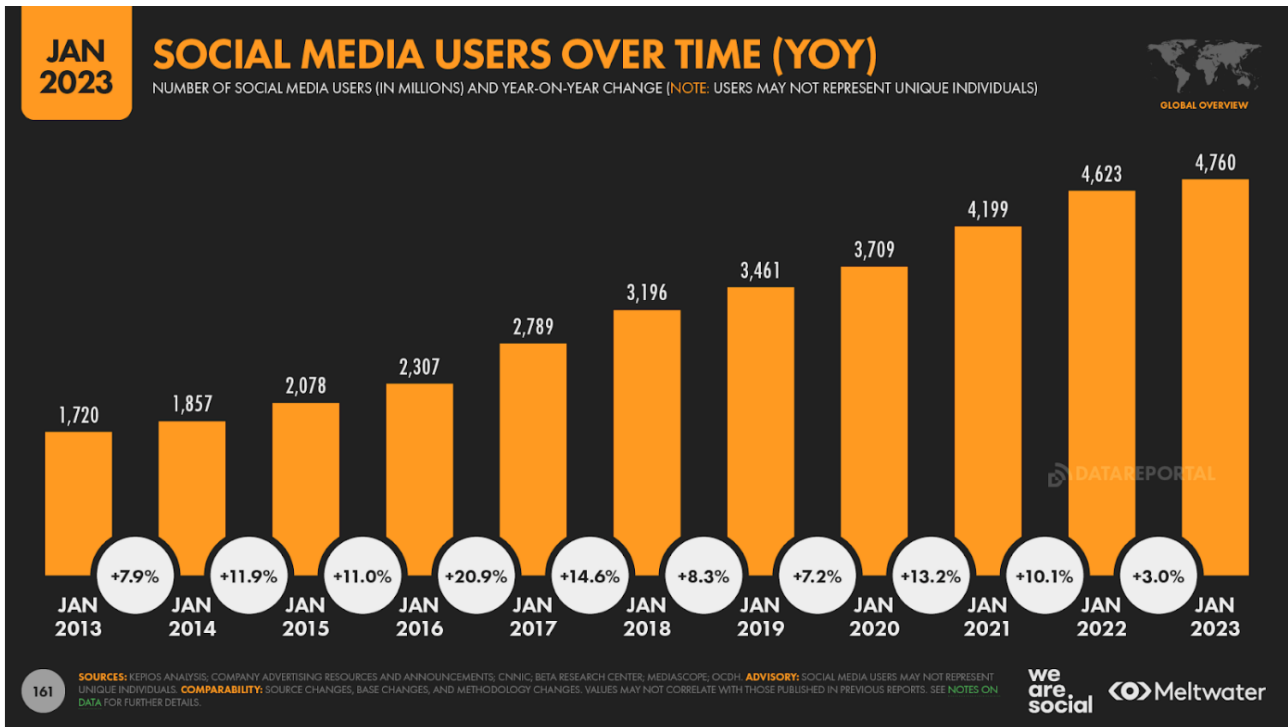


Figure 4.1 – Social media users over time (Kemp, 2023)

#### 4.2 The Pandemic's Impact on Digital Advertising

The digital advertising industry has emerged as a significant winner amidst the changes brought about by lockdown measures (Kemp, 2023). According to data from Statista there has been a notable increase in digital's share of the total global advertising expenditure, rising by 27.7% relative to 2019. As shown in figure 4.2, in concrete terms, digital advertising revenues have surged by a substantial 78 percent over the last three years. This growth is evident when comparing pre-pandemic figures of just under \$375 billion in 2019 to the impressive \$667 billion in 2022 (Kemp, 2023).

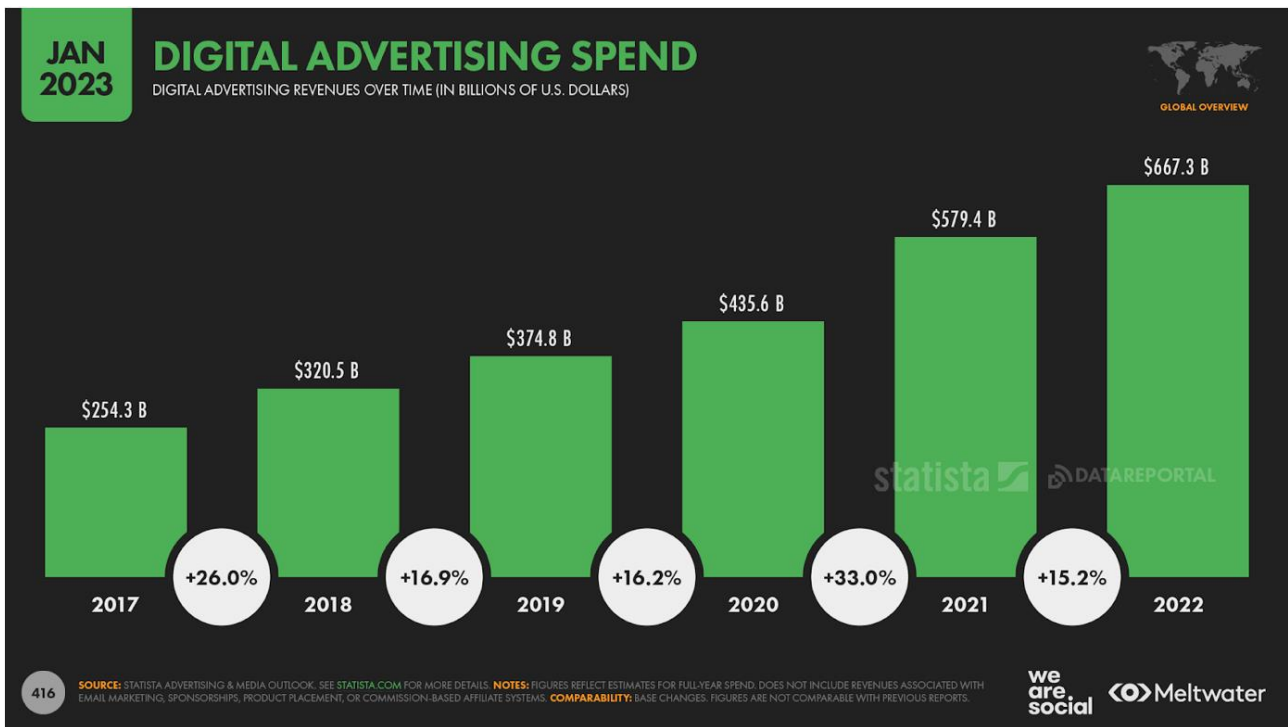


Figure 4.2 – Digital advertising spend (Kemp, 2023)

A significant spike in global digital advertising revenues occurred in 2021, with a one-third increase compared to spending in 2020 (Kemp, 2023). In essence, the COVID-19 pandemic has induced a profound transformation in global advertising investments, and the enduring shift toward digital platforms is evident.

Within the digital advertising landscape, social media platforms have emerged as the primary beneficiaries of this digital transition (Kemp, 2023). Statista's analysis reveals that social media's share of global digital advertising expenditure has expanded from approximately a quarter of the total in 2019 to over a third in 2022. Even more striking, Statista's Advertising & Media Outlook data demonstrates that worldwide spending on social media advertisements has more than doubled since the onset of the pandemic, reaching a staggering \$226 billion in 2022 (Kemp, 2023).

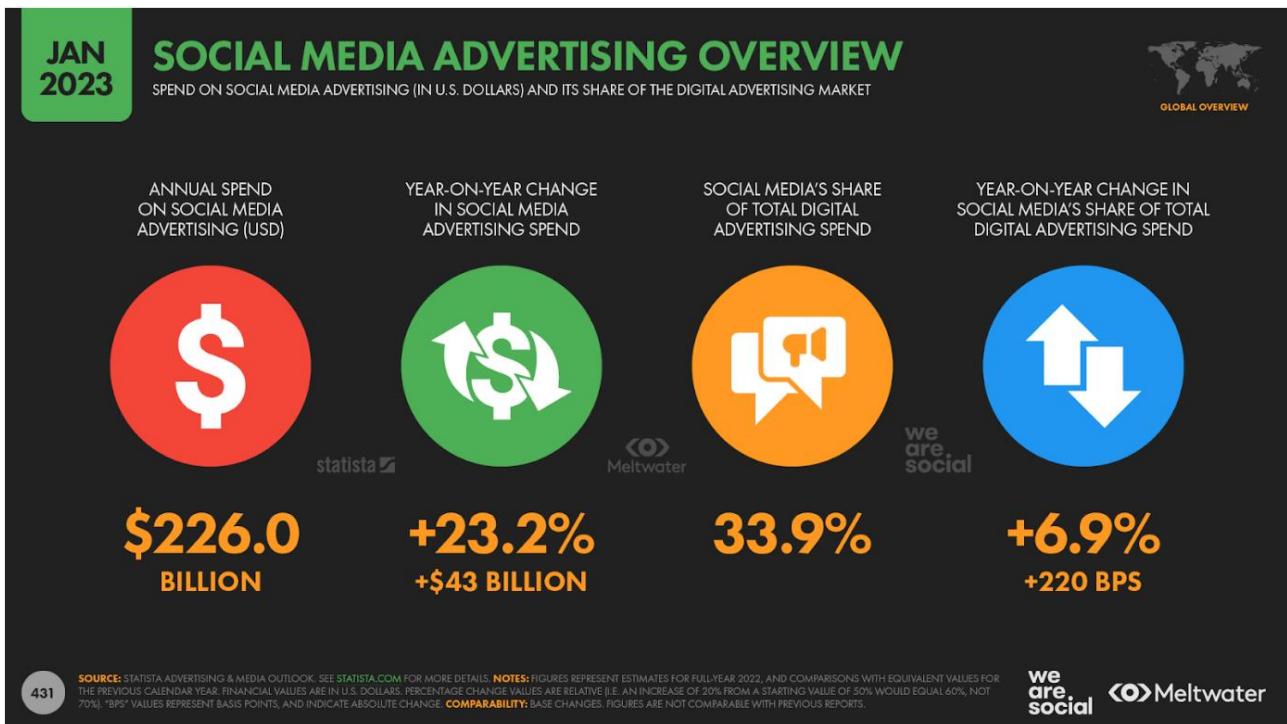


Figure 4.3 – Social media advertising overview (Kemp, 2023)

### 4.3 Instagram figures

Launched in 2010 by Kevin Systrom, a 27-year-old Stanford University graduate, Instagram is a photo and video-sharing social media application counting a staggering 1.628 billion Instagram users by April 2023, positioning it as the fourth most 'engaged' social media platform worldwide. This data indicates that approximately 25.9% of individuals aged 13 and older worldwide are currently active users of Instagram. However, when we exclude individuals in this age category residing in China, where Instagram remains inaccessible, the platform's adoption rate among eligible users rises to 32.2% (DataReportal, 2023).

Furthermore, data available through the company's self-service advertising tools demonstrates Instagram's rapid expansion in advertising potential over the past quarter.

Within the three months leading up to April 2023, the aggregate audience reachable through advertising on Instagram surged by approximately 310 million, marking a remarkable 23.5% growth (DataReportal, 2023).

These recent statistics highlight that around 20.3% of the global population is presently engaged with Instagram. It is worth noting that Instagram's 'eligible' user base is likely even higher than these statistics suggest, given the platform's age restriction of 13 and above (DataReportal, 2023).

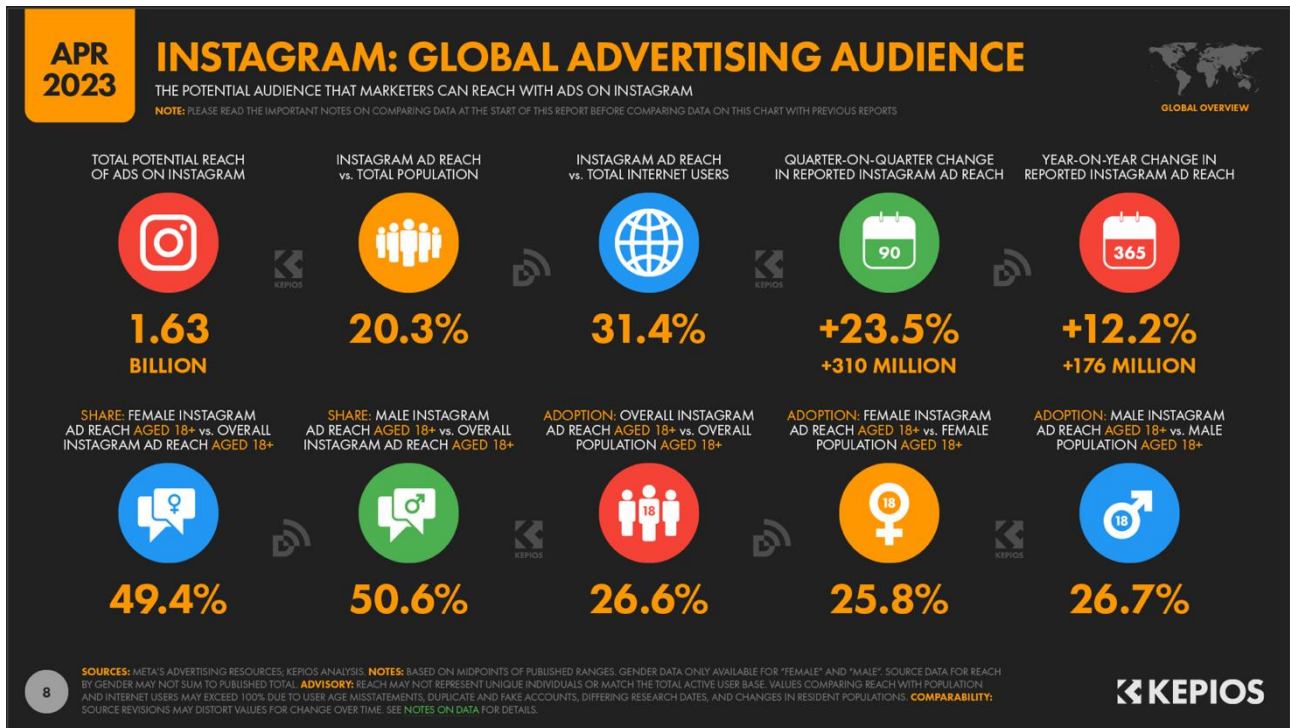


Figure 4.4 – Instagram: Global advertising audience (Kepios, 2023)

Recent data disclosed in the company's self-service advertising tools reveals that Instagram's advertising audience has expanded by 12.2% in the last year (Kepios, 2023).

To offer some perspective on this growth, advertisers now have access to 176 million more Instagram users compared to the same period a year ago (DataReportal, 2023).

These statistics indicate that Instagram's advertising reach has exhibited a swifter growth rate when compared to the rate of growth in advertising reach on Facebook over the preceding 12 months (Kepios, 2023).

To draw a parallel, Facebook's data indicates that the global advertising reach of its primary platform increased by 5.0%, equating to an additional 108 million users in the 12 months leading up to April 2023 (DataReportal, 2023).

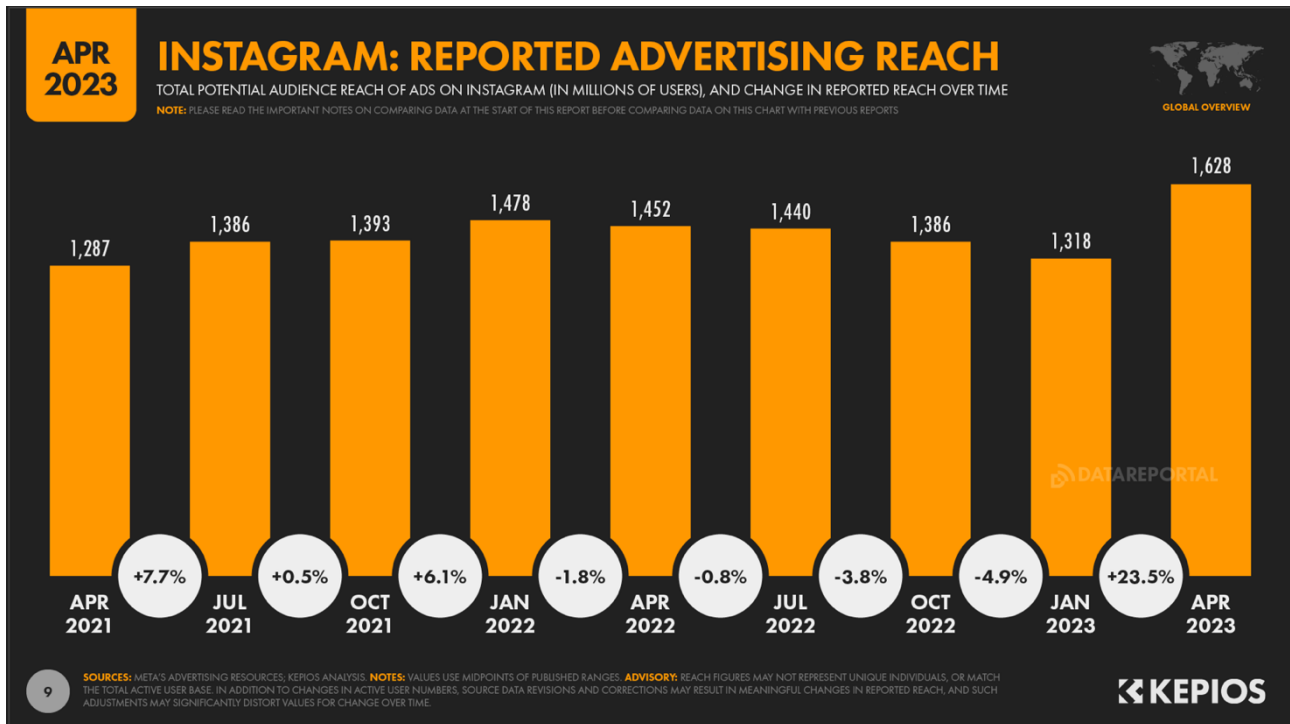


Figure 4.5 – Instagram: reported advertising reach (Kepios, 2023)

Data published in the platform’s self-service advertising tools in April 2023 indicated that marketers could reach the following worldwide audiences using ads on Instagram (DataReportal, 2023):

- 131.1 million users aged 13 to 17 (8.1% of Instagram’s total ad audience)
- 517.7 million users aged 18 to 24 (32.0% of Instagram’s total ad audience)
- 488.7 million users aged 25 to 34 (29.6% of Instagram’s total ad audience)
- 246.3 million users aged 35 to 44 (15.3% of Instagram’s total ad audience)
- 132.2 million users aged 45 to 54 (8.2% of Instagram’s total ad audience)
- 68.2 million users aged 55 to 64 (4.2% of Instagram’s total ad audience)
- 41.5 million users aged 65 and above (2.6% of Instagram’s total ad audience)



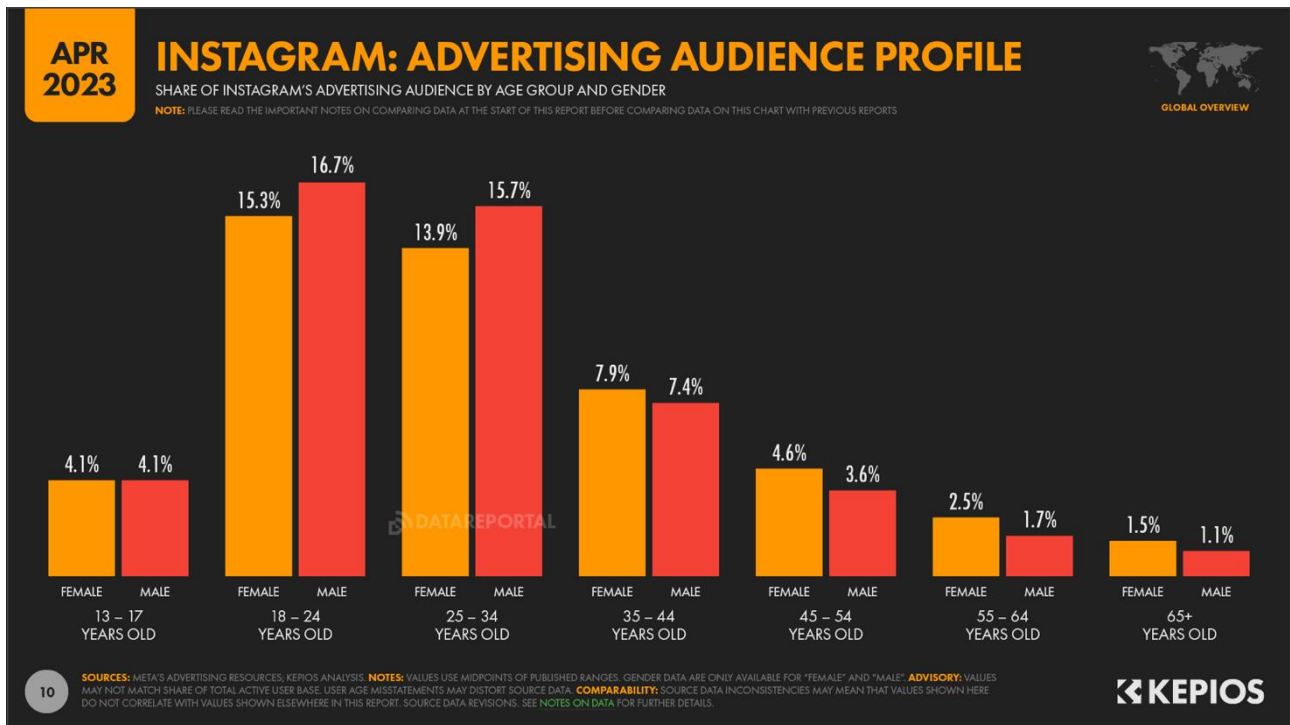


Figure 4.6: Instagram: advertising audience profile (Kepios, 2023)

Instagram has always maintained its primary focus on showcasing visual content, particularly photos taken using mobile devices. Users have the opportunity to create free accounts, enabling them to upload photos and videos, apply filters, and include location information and hashtags. Hashtags, denoted by the "#" symbol, are a distinguishing feature of Instagram, allowing users to categorize posts under specific topics (Blyston, 2023).

Additionally, users can share multiple images or videos within a single post and choose between a public or private profile. Public profiles make all user posts visible to anyone on Instagram, while private profiles grant users' control over who can view their content. Similar to Facebook, Instagram users can engage with others' posts by liking, commenting, or sharing content. Users can also follow one another, leading to the display of a user's photos and videos in their feed (Blyston, 2023).

Instagram also offers the option for private messaging, allowing users to chat with their Instagram contacts. Notably, one of Instagram's standout features is "Instagram Stories," introduced a few years ago, allowing users to share photos or videos for a limited 24-hour period before they disappear. This feature has gained immense popularity, with approximately 500 million daily users (Bojkov, 2023).

Another noteworthy addition is "Instagram Highlights," enabling users to create collections of Stories that remain accessible on their profiles indefinitely, in contrast to the ephemeral nature of regular Instagram Stories (Bojkov, 2023).

Furthermore, Instagram introduced "IGTV," allowing users to share high-quality videos of up to 60 minutes in length (Hotmart, 2023). These videos often encompass diverse content such as cooking demonstrations, tutorials, celebrity interviews, and product reviews.

The platform's popularity has grown significantly, with user numbers increasing from 90 million in 2013 to a staggering 1 billion in 2018 (Iqbal, 2023). Notably, 90% of Instagram users follow at least one business account, and 60% of users discover new products through the platform (Abed, 2018).

Moreover, Instagram has proven its effectiveness in various industries. For instance, Adidas' CEO attributed a 40% increase in online sales during the first quarter of 2019 to Instagram, labelling it as "the most important thing for our online sales" (Joseph, 2019).

Given these compelling statistics, it's clear that investing in marketing on Instagram can yield significant benefits. To do so effectively, companies should optimize their profiles, ensuring consistency with their brand values. Crafting an impactful "Instagram bio" is crucial for conveying the brand's identity and value proposition (Decker, 2017).

In addition to profile setup and content creation, there are essential paid marketing techniques. The first is "Instagram advertising," where companies pay to promote content, typically photos or videos, to engage a larger and more targeted audience. This strategy aims to increase website traffic, generate leads, and nurture potential customers. Instagram ads are cost-effective and have led to impressive results, with over 120 million users visiting websites, making calls, sending emails, or direct messaging businesses based on Instagram ads (Whitney, 2022).

Another valuable technique is "Influencer marketing", where brands leverage influencers' credibility to reach new audiences. Instagram boasts a remarkable average engagement rate of 3.21%, making it a powerful platform for influencer collaborations. Recommendations from influencers are often

perceived as personal endorsements, providing brands direct access to their target markets at a lower cost compared to traditional advertising. Costs for influencer posts can vary based on their Instagram follower count but may reach over 1 million dollar per sponsored post (Demeku, 2023).

To assess the effectiveness of their Instagram marketing strategy, companies should monitor key metrics. These include the "follower growth rate," which indicates how the brand's reach is expanding, and "engagement per follower," measuring followers' level of interest. "Engagement rate by follower" gives you a clearer picture of how many followers interact with your content. "Engagement Rate by Reach" helps to understand engagement from users who may not necessarily follow a brand business page but still interact with their content in some capacity. "Website traffic" metrics provide insights into website visits originating from Instagram. "Comments per post" reflect user engagement, with comments signifying higher interest. "Instagram Stories Engagement" metrics encompass views and exits, revealing audience preferences. Lastly, "Reach" measures the total number of people who have seen a post (Kindness, 2023).

Figure 4.7 illustrates that, on average, each business account experiences a monthly follower growth rate of 0.96%. Additionally, these accounts tend to post an average of 1.48 times per day on their main feeds, with content distribution comprising 45.7% photos, 35.7% videos, and 18.6% carousel posts (DataReportal, 2023).

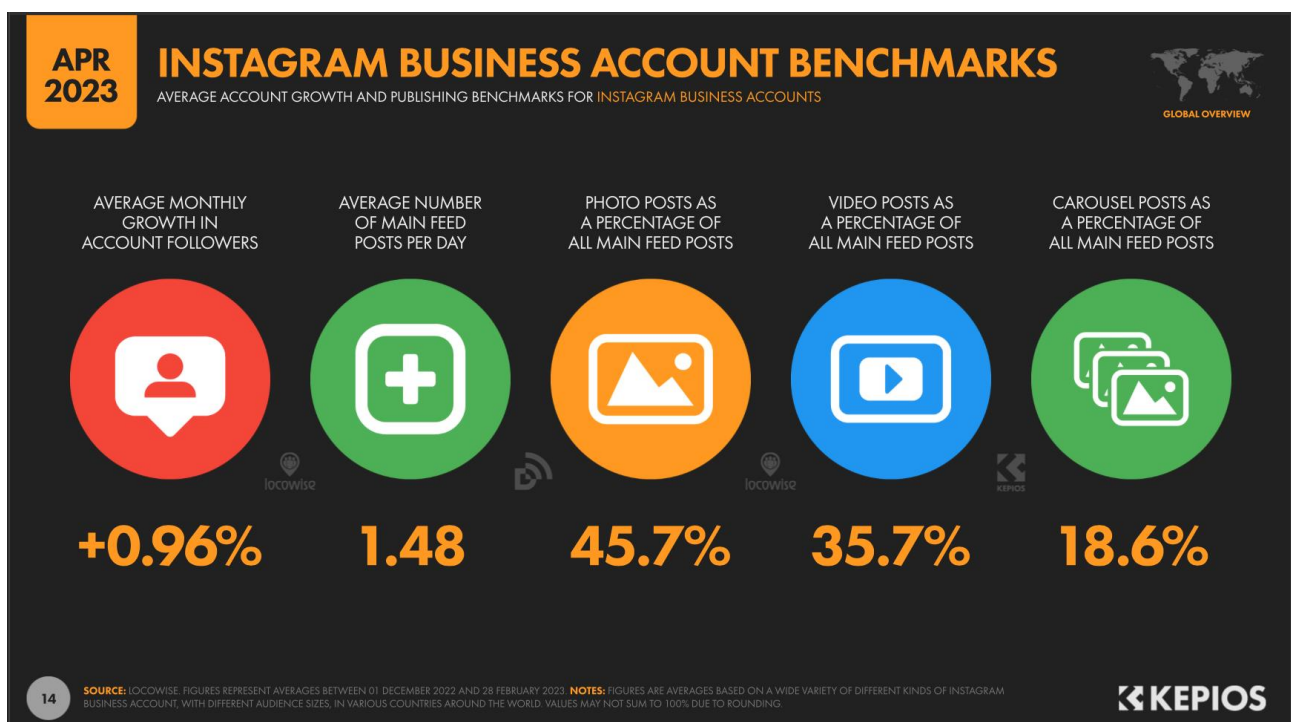


Figure 4.7 – Instagram business account benchmarks (Kepios, 2023)

It is also important to keep in mind that engagement rates vary meaningfully depending on the size of the publishing account’s audience as shown in figure 4.8.

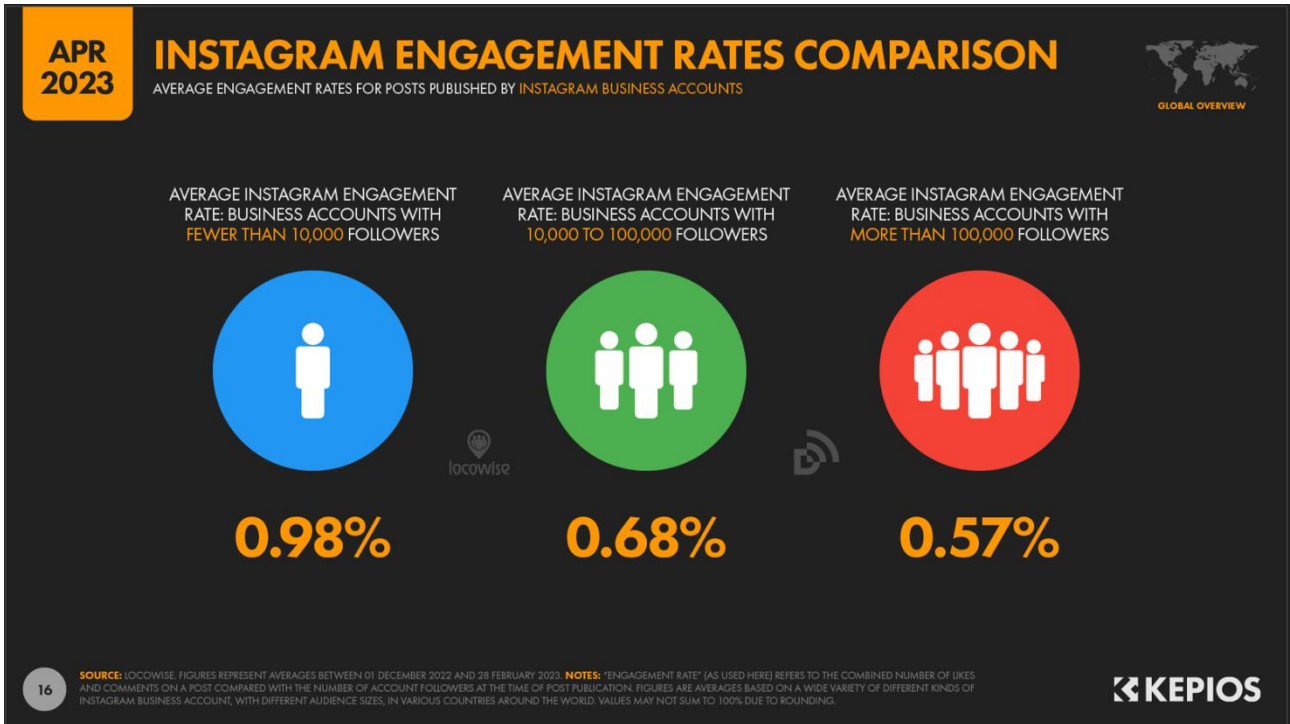


Figure 4.8 – Instagram engagement rates comparison (Kepios, 2023)

# Chapter 5

## 5.1 Research Objectives

The purpose of the research conducted in this dissertation is to assess the level of digital maturity and examine the digital marketing initiatives undertaken by small and medium-sized enterprises (SMEs) in the Triveneto region, specifically in the oven products sector, with a particular emphasis on their use of Instagram. This investigation is part of the ongoing efforts of the Agri-Food Management & Innovation Lab, a research centre established by the Management Department of Ca' Foscari University of Venice. The lab is dedicated to exploring various aspects, including digitalization, consumer behaviour, business model evolution, and sustainability within the Italian agri-food industry.

The research discussed in this thesis focuses on the realm of digitalization and engaged professors, researchers, and students in the study of the online presence of agri-food companies located in Trentino-Alto Adige, Friuli-Venezia Giulia, and Veneto. The study specifically delves into how these companies in the oven products sector utilize Instagram, in addition to other digital platforms. Data collection and analysis were performed to understand the extent and effectiveness of their social media and website usage.

This data collection served as the foundation for students to develop their research thesis, allowing them to delve into and gain a deeper understanding of specific segments within the agri-food industry. As mentioned previously, the author of this thesis opted to investigate the oven products sector's use of Instagram as a key aspect of their digital marketing strategies.

## 5.2 Significance of the Study

The significance of this research lies in its contribution to the understanding of the use of Instagram and other digital marketing platforms by SMEs in the food industry, with a specific focus on oven products in the Triveneto region. By investigating the digital marketing strategies employed by SMEs in this niche, this study aims to shed light on the effectiveness and significance of digital marketing in enhancing their market reach and competitiveness within this unique regional context.

One key significance of this study is the exploration of the Triveneto region as a specific context for examining digital marketing strategies in the food industry. The Triveneto region, encompassing Veneto, Friuli Venezia Giulia, and Trentino-Alto Adige, is renowned for its rich culinary heritage and the production of oven-based products such as bread, pastries, pizzas, and baked goods. By focusing on SMEs in this region, the research takes into account the unique characteristics and dynamics of the local food industry, providing valuable insights that can be applied to similar regional contexts.

Additionally, this study contributes to the existing literature on digital marketing in the food industry. While there is a growing body of research on digital marketing strategies, there is still a need for more specific studies that explore the application of these strategies in the context of SMEs in the food industry, especially in niche segments such as oven products. This research aims to fill this gap by providing empirical evidence and practical insights into the use of digital marketing techniques in Instagram by SMEs in the Triveneto region.

Furthermore, the findings of this study can have practical implications for SMEs in the food industry, particularly those involved in oven product manufacturing and sales. By identifying the digital marketing strategies that are effective in enhancing market reach and competitiveness, SMEs can gain valuable guidance on how to optimize their digital marketing efforts. The recommended best practices and insights derived from this research can help SMEs in the Triveneto region and beyond to leverage digital marketing effectively, attract new customers, foster customer loyalty, and achieve sustainable business growth.

Lastly, this research contributes to the broader understanding of digital marketing as a strategic tool for SMEs. By investigating the advantages and challenges faced by SMEs in implementing digital marketing strategies in Instagram this study provides insights into the resource allocation, skill development, and strategic planning required for the successful adoption of digital marketing tools. The research also examines the effectiveness of digital marketing in enhancing market reach and competitiveness, contributing to the understanding of the impact of digital marketing on SME performance.

In conclusion, this study holds significance in terms of its focus on oven products in the Triveneto region, its contribution to the literature on digital marketing in the food industry, its practical implications for SMEs, and its contribution to the broader understanding of digital marketing as a strategic tool for SMEs. Through its exploration of digital marketing strategies used on Instagram and their impact on SMEs in the Triveneto region, this research aims to provide valuable insights that can inform and guide SMEs in optimizing their digital marketing efforts and achieving sustainable growth in the competitive food industry of this specific regional context.

### **5.3 Data collection method**

For this thesis a mapping was conducted on the use of digital tools and activities related to sustainability and digitalization, referring to a sample of 145 small and medium-sized food businesses in the Triveneto area. The original sample was extracted from the AIDA-Bureau Van Dijk database, considering only limited liability companies with a workforce of between 10 and 250 employees (SMEs according to ISTAT classification). The extraction was based on the ATECO code 10.7. The final sample consists of 145 companies: 23 from Trentino-Alto Adige, 15 from Friuli-Venezia Giulia, and 107 from Veneto, representing a total of 163 brands.

Desk analysis was conducted on the entire sample, with the aim of mapping the online presence of these companies and their communication of sustainability through their websites. Regarding the first aspect, information was collected from proprietary online spaces (websites, blogs, social networks), investigating their performance in terms of fan base, editorial practices, content publication, frequency and methods of channel utilization, and the presence of proprietary e-commerce initiatives. As for editorial practices, content from a 6-month period (July-December 2022) was analysed.

For each company, data related to online presence at the corporate level and at the level of individual brands were collected, if the corporate website indicated the existence of product or product line brands with their respective online presence. A total of 163 different bakery and flour product brands were identified, linked to 140 websites.

# Chapter 6

## 6.1 Variables

Prior to commencing the analysis, it is crucial to delineate the primary variables under examination. It is noteworthy to mention that, given the specific focus of this master's thesis on the Instagram presence of SMEs, certain collected data points may be excluded from the analysis. Furthermore, it is important to specify that most of the data were acquired between November 2022 and January 2023.

The dataset used for this study was provided by the Agri-Food Management & Innovation Lab, sourced from the AIDA-Bureau Van Dijk database. This dataset encompasses key attributes including the business name, business identification number, geographic region of the business, brand name, brand identification number, the number of employees in 2021, and the sales revenue of the company in 2021.

The data collection process was initiated at this juncture and can be organized into distinct overarching categories.

**Website**-related variables encompass several critical aspects, including its existence, functionality, multilingual capabilities, the inclusion of social media icons, the presence of an e-commerce (e-shop) section, the associated e-shop URL, the utilization of e-commerce intermediaries, and the availability of contact information.

**Instagram**-related variables are the presence of an Instagram profile, the associated profile URL, the inclusion of a link to the website, the count of posts made in 2021 (supplied by the Agri-Food & Innovation Lab), the count of posts made in 2022, the number of followers in 2022, and the number of pages followed in 2022.

**Facebook**-related variables are the presence of a Facebook profile, its respective URL, the number of likes in 2022, the count of followers in 2022, the monthly post counts for the period from July to December 2022, and the tally of Meta advertisements.



**Twitter**-related variables are the existence of a Twitter account, the presence of a website link, the total post count, the number of followers, and the year of the most recent published tweet.

**Pinterest**-related variables are the existence of a Pinterest profile and the date of the most recent post.

**LinkedIn**-related variables are the presence of a LinkedIn account and its official status, the inclusion of a website link, the count of followers, the date of the most recent post in 2022, and the year of the most recent post overall.

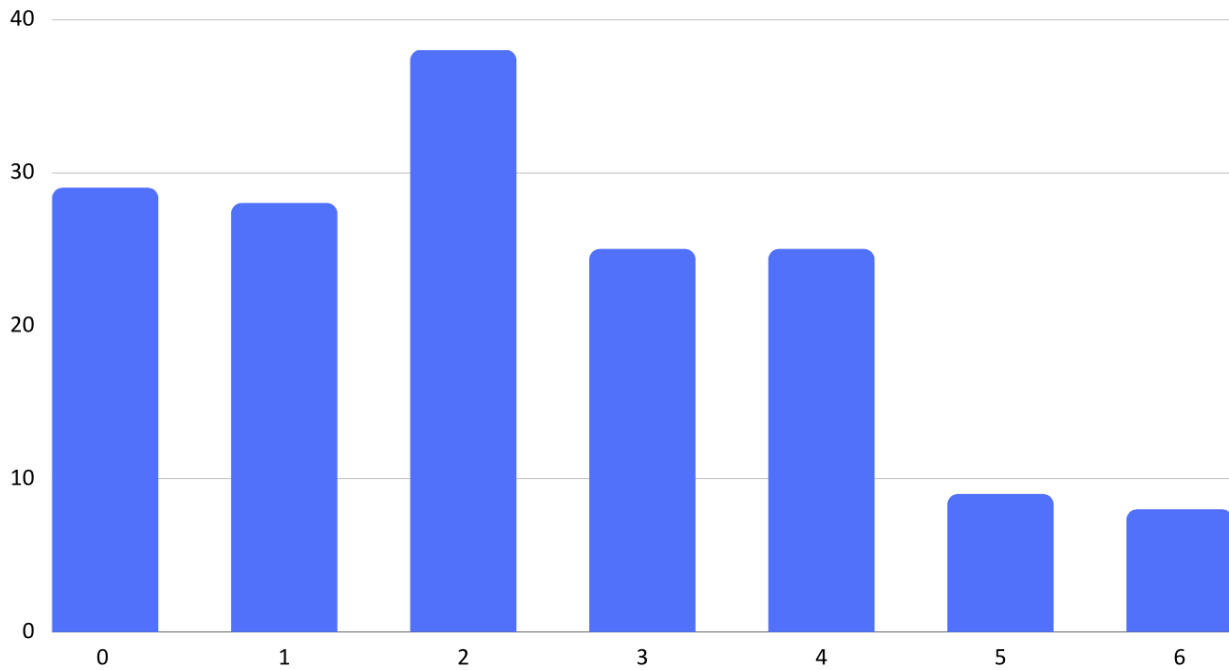
**You-Tube**-related variables are the existence of a YouTube channel, the inclusion of a website link, the count of subscribers, the number of views, and the date of the most recent post.

**TikTok**-related variables are the presence of a TikTok account, the associated account URL, the count of followers, and the tally of posted videos.

## **6.2 Analysis and findings**

In this paragraph, a comprehensive analysis of key factors related to the digital presence, financial performance, and workforce size of SMEs in the Triveneto region specializing in oven product manufacturing is presented. Graphical representations to visually convey our findings is utilized.

Graph 6.1 visually represents the digital presence of SMEs in the Triveneto region that specialize in oven product manufacturing. The x-axis displays the number of social media accounts, ranging from 0 to 6, while the y-axis indicates the number of brands falling into each category. The data, gathered through a comprehensive desk analysis of 163 brands, reveals a compelling distribution: 29 brands have no social media presence, 28 have just one account, 38 maintain two accounts, 25 have 3, another 25 maintain 4, 9 have 5 and only 8 have 6. This chart illustrates a significant portion of SMEs within this sector still lagging behind in terms of digitalization, with the majority possessing limited or no social media engagement. The limited number of brands with five or six social media accounts emphasizes the underutilization of digital marketing channels, confirming the prevailing consensus in prior research regarding the slow digitalization process within this industry.



*Graph 6.1 – Number of social media*

Table 6.1 presents a comparative analysis of the number of social media accounts (ranging from 0 to 6) and the corresponding average sales revenues in thousand EUR for the year 2021 among SMEs in the Triveneto region. On initial examination, there appears to be a slight correlation between these variables, suggesting that, on average, SMEs with a higher number of social media accounts tend to have higher sales revenues. This trend is evident as we observe an increase in average revenues as the number of social media accounts rises from 0 to 5. However, it's worth noting that the correlation coefficient calculated for this dataset is 0.1378199, indicating a very weak and practically negligible correlation. Interestingly, the data also reveals a drop in average revenues when SMEs maintain 6 social media accounts, suggesting that there might be other factors influencing this relationship. These findings suggest that while there is a modest association between the number of social media accounts and sales revenues, other variables likely play a more significant role in determining revenue levels within the SMEs studied.

| Number of social media account | Average Sales Revenues in Thousand EUR (2021) |
|--------------------------------|---|
| 0                              | 10390.16                                      |
| 1                              | 7180.201                                      |
| 2                              | 8139.789                                      |

|   |          |
|---|----------|
| 3 | 13817.94 |
| 4 | 11226.83 |
| 5 | 30011.58 |
| 6 | 11023.36 |

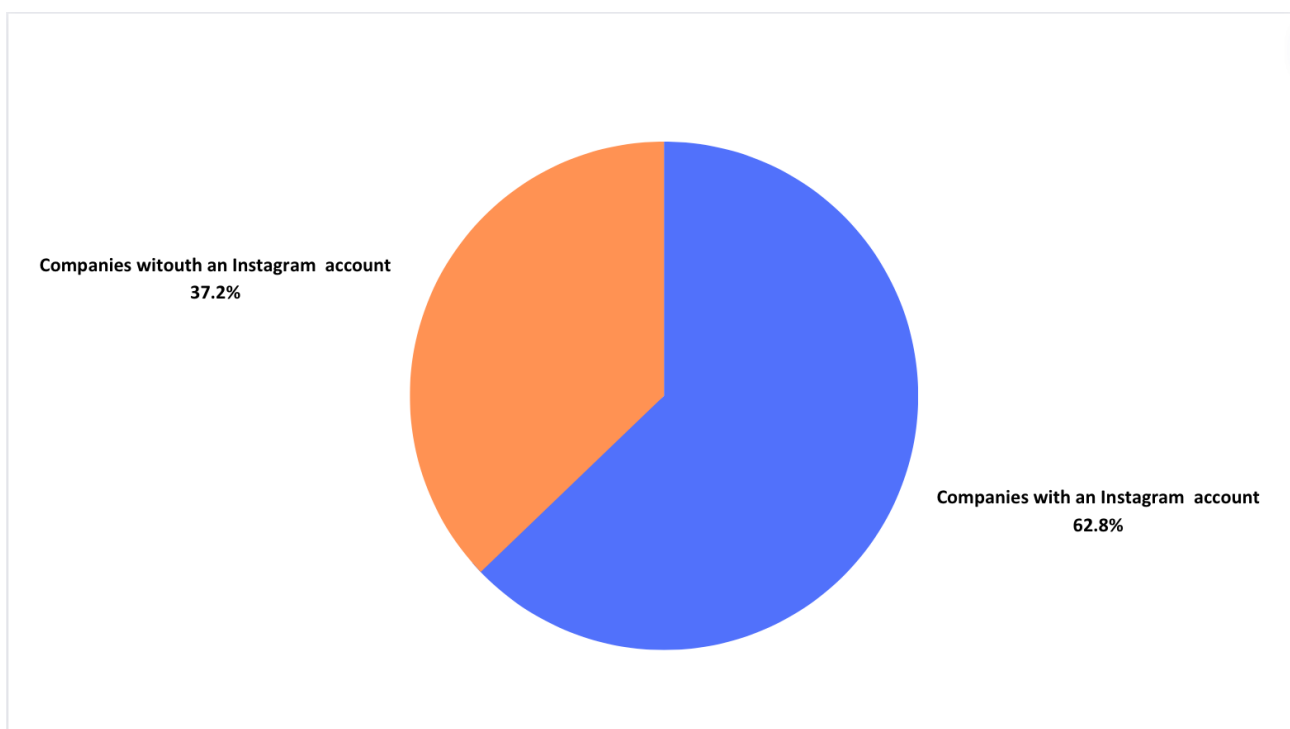
*Table 6.1 – Relationship between number of socials and average sales revenues in 2021*

In a similar vein, table 6.2 presents a comparative analysis of the number of social media accounts (ranging from 0 to 6) and the corresponding average number of employees in the year 2021. Much like the previous table, there appears to be a slight correlation between these variables, suggesting that, on average, SMEs with a higher number of social media accounts tend to have a higher number of employees. This trend is evident as we observe an increase in the average number of employees as the number of social media accounts rises from 0 to 5. However, similar to the previous data, it's important to note that the calculated correlation coefficient for this dataset is 0.2123439, indicating a very weak and practically negligible correlation. Additionally, there is a notable drop in the average number of employees when SMEs maintain 6 social media accounts, which suggests the presence of other variables influencing this relationship. These findings suggest that while there is a modest association between the number of social media accounts and the number of employees, other factors likely play a more significant role in determining workforce size within the SMEs studied.

| Number of social media account | Average Number of employees in 2021 |
|--------------------------------|-------------------------------------|
| 0                              | 33.31034                            |
| 1                              | 34.28571                            |
| 2                              | 36.05263                            |
| 3                              | 47.08                               |
| 4                              | 49.91667                            |
| 5                              | 102.8889                            |
| 6                              | 36.5                                |

*Table 6.2 – Relationship between number of socials and average number of employees in 2021*

Graph 6.2, 'Percentage of Companies Present on Instagram', offers a clear visual representation of the Instagram presence among a sample of 163 brands within the SMEs of the Triveneto region. The chart is divided into two distinct segments. The larger segment, representing 62.8% of the total, indicates the proportion of companies within the sample that maintain an Instagram account. Conversely, the smaller segment, accounting for 37.2%, signifies the companies that do not have a presence on Instagram. These findings underscore that a majority of the sampled SMEs, constituting nearly two-thirds, have recognized the importance of establishing a presence on the Instagram platform, aligning with the trend of using social media for marketing and brand visibility.



*Graph 6.2 – Percentage of companies present on Instagram*

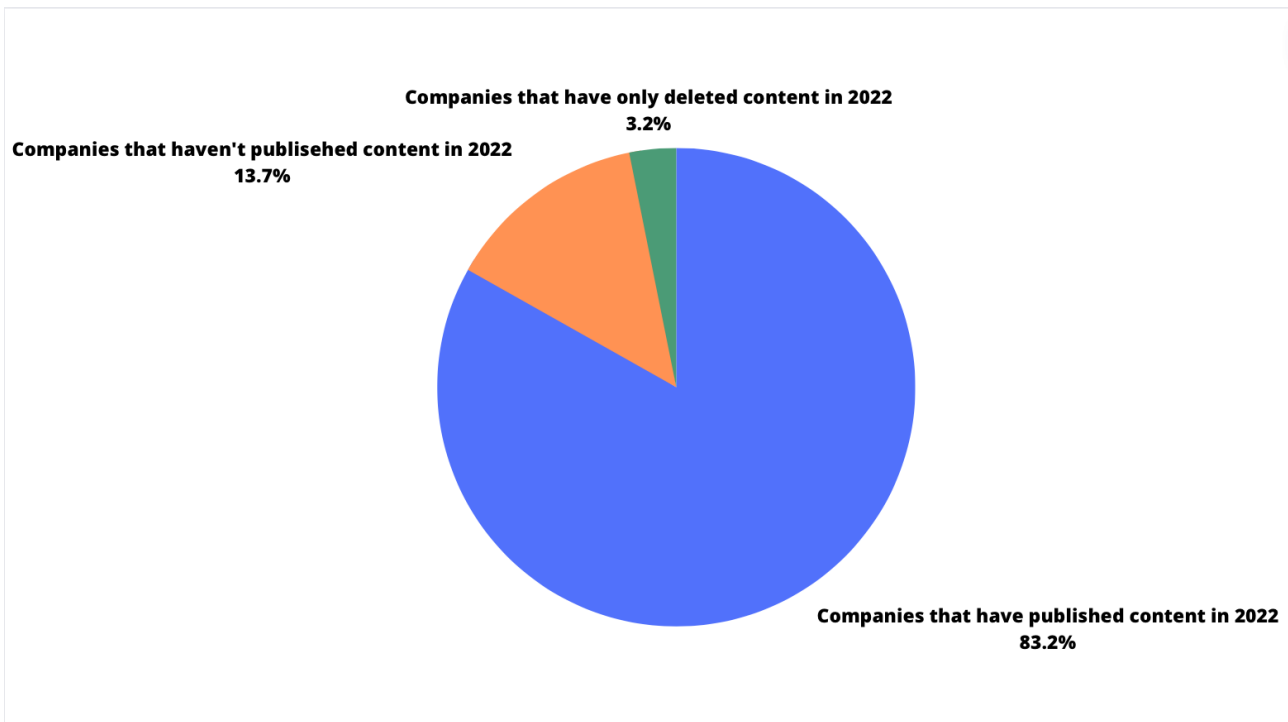
Graph 6.3 focuses on the Instagram activity of companies within your sample who maintain an Instagram account. It provides insights into whether these companies have actively engaged with the platform by publishing content in the year 2022. The chart divides the companies into three distinct segments based on their Instagram activity:

1. **Active Publishers (83.2%):** The largest segment, representing 83.2% of the companies with Instagram accounts, indicates that these businesses have actively used the platform. They have published content in 2022, with a range of posts. This group has demonstrated

consistent engagement with a median of 52 posts and an average of 83.29 posts. Some have even posted as many as 1527 times during the year.

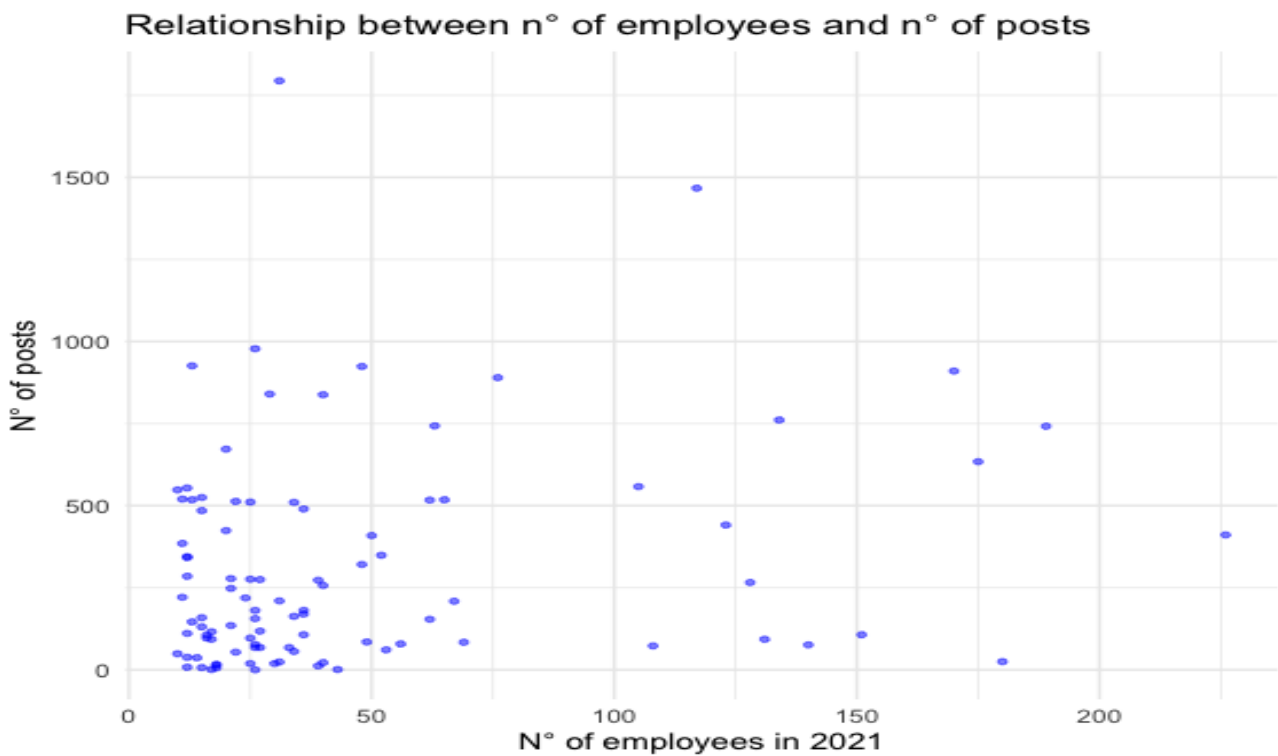
2. **Non-Publishers (13.7%):** The second segment, accounting for 13.7% of the companies, signifies those that did not publish any content on Instagram in 2022. This group chose not to actively engage with the platform during that year.
3. **Content Deleters (3.2%):** The smallest segment, making up 3.2% of the companies, includes those who initially had an Instagram presence but decided to delete their previous content in 2022. This choice could reflect a strategic decision to either rebrand or reduce their social media presence as well as the company being subject to cyber attacks.

This chart offers valuable insights into the level of activity and engagement of these companies on Instagram in the specified year. It highlights the substantial majority of companies that actively use Instagram for content sharing and showcases the diversity in their posting behaviour, ranging from frequent posters to those who have chosen not to participate or have strategically cleared their content.



*Graph 6.3 – Percentage of companies that have published in 2022*

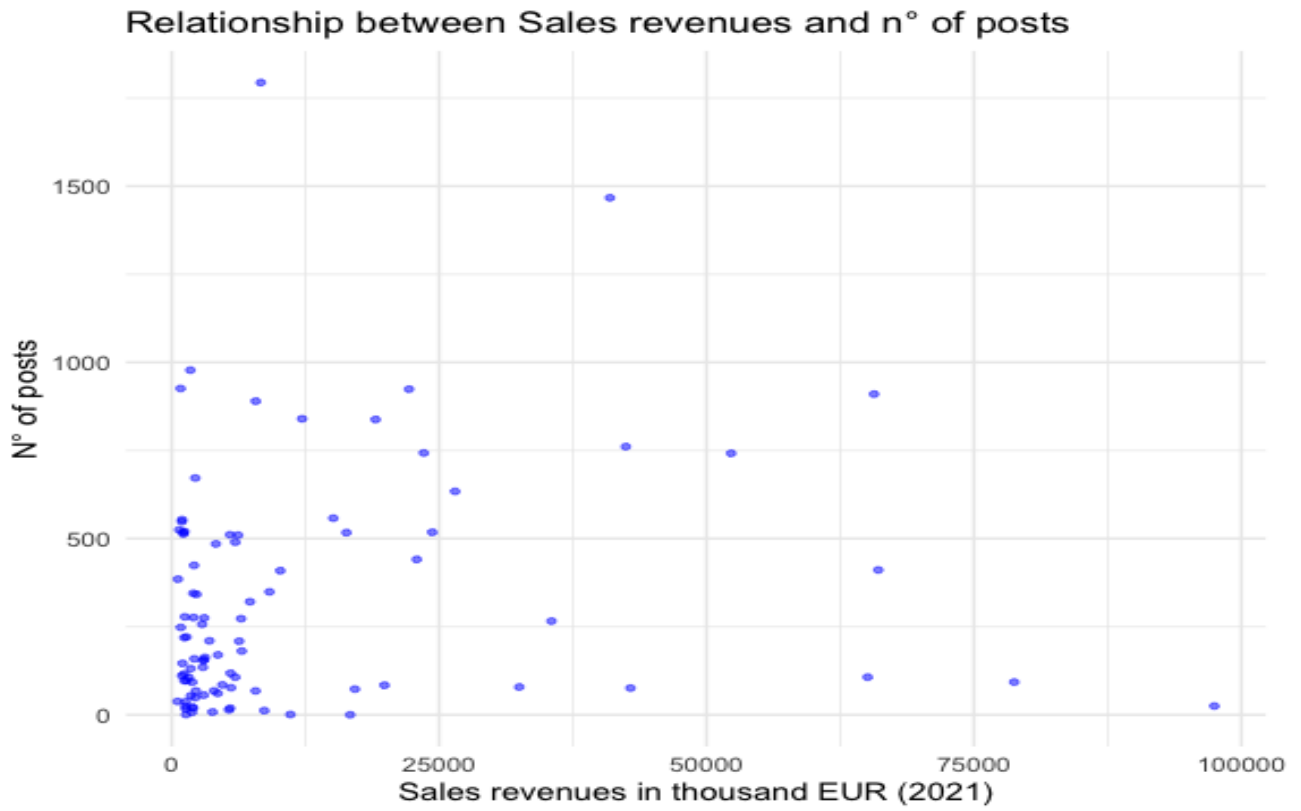
Graph 6.4 explores the potential correlation between the number of employees in SMEs for the year 2021 and their Instagram activity in 2022, as measured by the number of posts. On the x-axis, it represents the number of employees, while the y-axis displays the number of posts. However, similar to previous findings, this graph reveals a relatively weak correlation between these two variables, with a calculated correlation coefficient of 0.2173007. This suggests that the size of the workforce within these SMEs has only a modest impact on their Instagram posting activity, reaffirming the notion that factors beyond employee count contribute to their digital engagement.



*Graph 6.4 - Relationship between n° of employees and n° of posts*

In a similar manner, graph 6.5 delves into the potential link between the annual sales revenues (in thousand EUR for the year 2021) of the SMEs and their Instagram activity in 2022, represented by the number of posts. On the x-axis, it illustrates sales revenues, while the y-axis showcases the number of posts. Much like the previous graph, this chart unveils a relatively low correlation between these variables, with a calculated correlation coefficient of 0.1691278. This finding suggests that the financial performance of these SMEs, as measured by sales revenues, does not significantly impact their Instagram posting activity. These results collectively indicate that digitalization,

specifically the number of posts published on Instagram, is influenced by factors beyond both sales revenues and the number of employees.



*Graph 6.5 - Relationship between Sales revenues and n° of posts*

## Conclusion

In conclusion, this paper illuminates the growing significance of digital marketing in the context of SMEs, with a particular focus on its pivotal role in the food industry (Kumar & Kumar, 2023). While embracing digital marketing strategies can be beset by challenges, such as limited resources and expertise, the benefits they offer in terms of cost-effectiveness, precise targeting, and the ability to measure and track marketing efforts far outweigh these obstacles (Chaffey & Smith, 2023).

This study underscores the critical importance of both paid and owned media in the realm of effective digital marketing. Search engine marketing (SEM) and the strategic use of keywords emerge as potent tools for enhancing website visibility (Riemer, 2023), while corporate websites stand as indispensable pillars of a robust digital marketing strategy (Chaffey, 2020).

Furthermore, the adoption of various digital marketing tools, including website analytics, email marketing, and mobile applications, equips SMEs with valuable insights, empowering them to remain competitive in a dynamic landscape. The burgeoning digital food sector presents SMEs with a unique opportunity to extend their reach and carve out a competitive edge (Kumar & Kumar, 2023).

Moreover, our research highlights the untapped potential within Italian agri-food companies, accentuating the urgent need to prioritize social media and innovative digital tools (Chaffey, 2020). Particularly, the paper showcases the ascendance of social media platforms like Instagram as potent channels for advertising and marketing. However, it also calls for further efforts to enhance digital engagement and sustainability communication within SMEs operating in the food industry, especially those in the Triveneto region (Gaudio & Sisto, 2023).

Notably, our study acknowledges the profound global impact of the COVID-19 pandemic, which has led to a surge in social media usage and digital advertising (Chaffey & Smith, 2023). This reinforces



the imperative for SMEs to adopt digital strategies as a means of thriving amidst evolving market trends.

However, it is essential to recognize certain limitations of this paper. First and foremost, the research is constrained by the geographical focus on the Triveneto area of Italy, which might limit the generalizability of its findings to SMEs in other regions or countries. The reliance on the AIDA-Bureau Van Dijk database and the specific ATECO code 10.7 for sample selection might introduce selection bias, as it excludes companies outside this classification. Additionally, the study primarily relies on desk analysis of online content, particularly websites and social media platforms, which may not capture the full spectrum of digital marketing strategies employed by SMEs. The analysis period, spanning from July to December 2022, may not account for potential seasonal variations or longer-term trends in digital marketing practices. Lastly, the paper's findings are based on available digital data, and factors not accessible through online channels, such as offline marketing efforts or internal organizational factors, are not considered. These limitations should be kept in mind when interpreting the results and considering the applicability of the findings in broader contexts.

In light of these findings and limitations, it becomes evident that continual adaptation and innovation in digital marketing strategies are not just desirable but imperative for the survival and growth of SMEs, particularly those operating within the food industry (Kumar & Kumar, 2023). As the digital landscape continues to evolve and integrate further into our daily lives, SMEs that embrace these changes will position themselves for long-term success and resilience in a dynamic business environment (Chaffey & Smith, 2023).

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