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IMPROVEMENT OF ENTREPRENEURIAL BUSINESS MODEL FOR THE PROMOTION OF MARKETABLE PRODUCTS BY MEANS OF INTERNET TECHNOLOGIES

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Abstract. *The article considers methodological and practical tools for the development and optimization of an entrepreneurial business model for the promotion of marketable products based on modern Internet technologies. The world experience of introducing Internet technologies in sales activities and the technology of the formation and implementation of mechanisms for promoting products by Internet resources have been investigated. An organizational and economic mechanism for promoting products by means of Internet technologies and a progressive business scheme for an online store have been developed in the article.*

Keywords: *entrepreneurial structure, business model, business processes, electronic commerce, Internet technologies, promotion mechanism, online store.*

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Introduction

In the face of increased competition in European product markets, the organization of sales of marketable products and customer service requires systematic improvement. Thus, the introduction by trade structures of scientific and technological achievements and modern technologies into the mechanisms for promoting marketable products to the final consumer with the aim of attracting and expanding the contingent of buyers is becoming important (Safitri et. al., 2017). The use of Internet technologies in the marketing activities of European businessmen

engaged in the sale of marketable products arises as one of the important directions of their innovative development, and this requires a generalization of accumulated experience, its systematization, and the development of specific recommendations for the further development of various types of business models in electronic commerce.

Literature Review

The formation and effective functioning of commodity markets, as well as product promotion by entrepreneurs, have been studied by the following scientists (Chaffey 2010; Overby and Lee, 2006; Smith, 2004). The economic aspects of the functioning of marketable entrepreneurial entities on the Internet are highlighted in (Budiharseno, 2017; Pearson et. al. 2012; Rayburn & Voss, 2013). In scientific research, the issues of the role, methods, and channels of product promotion were considered, the theoretical and methodological foundations of sales planning using the Internet were described, and methods for their implementation in works were detailed (Punj 2011; Stoel and Ha, 2009). However, issues of promoting products using Internet technologies remain insufficiently substantiated in scientific journalism.

Methods

The methodological basis of the article forms an integrated approach to improving the processes of selling marketable products, a structural approach to building an economic promotion mechanism using Internet technologies, a methodological approach to holistic interaction within which elements of technological processes for delivering products to consumers take into account the features of working through an online store, available resources of the entrepreneur. The following general scientific methods were used to solve the problems of the article: abstract and logical method - to formulate theoretical generalizations, conclusions, and suggestions; logical analysis - to consider Internet technologies as a factor in economic transformation; factor analysis - to determine the degree of influence of factors on the effectiveness of the marketing policy of entrepreneurial entities; graphic modeling method - to formulate technological processes for the functioning of Internet projects.

Results

World experience in introducing Internet technologies in marketing activities

By introducing Internet technologies into their own marketing activities, entrepreneurial entities are forming the appropriate promotion mechanisms. At the same time, a developed communications infrastructure is a significant factor in the development of global electronic commerce.

World regions	Population as of the end of 2020, mln people	Number of Internet users as of the end of 2020, mln people	Number of Internet users as of the end of 2020, mln people	Share of users in the total population in 2020, %	2020 in % by 2016
North America	357,172	272,06	310	86,9	114,1
Australia, Oceania	37,157	21,29	27	72,1	125,8
Europe	827,566	476,21	582	70,4	122,3
South America	615,583	215,93	322	52,4	149,3
Middle East	236,137	68,55	114	48,1	165,7
Asia	4032,654	922,32	1 405	34,8	152,3
Africa	1158,353	118,61	319	27,5	268,6
Total in the world	7264,622	2094,97	3079,337	42,4	147,0

In most industrialized countries (USA, Canada, Japan, Finland), the infrastructure for electronic commerce is widely deployed and quickly modernized to introduce the latest technologies. In developing countries, the low level of development of information technology and telecommunications limits their participation in electronic commerce both in the domestic and global markets. At the same time, their insufficient development compensates for the extremely rapid development of mobile communications (Lubis & Lumbanraja, 2016). Thus, the introduction of Internet technologies in the field of commerce is a fundamental phenomenon in the formation, development, and functioning of the information society and the world economy (Table 1).

According to Table 1, one can see that today North America, in particular, the United States, is the leader in the use of electronic technology for shopping. The region is characterized by a high proportion of Internet users in the total population, Europe ranks third after Australia and Oceania. In these regions, the indicator significantly exceeds the value of the indicator in other regions of the world. The largest increase in the number of Internet users from 2016 to 2020 occurred in Africa, the Middle East, and South America. The number of users worldwide has increased by 48.2%.

The mechanism for promoting marketable products using Internet technologies

So, in order to improve the sales process of marketable products and increase its efficiency, a conceptual approach to the formation of an economic mechanism for promoting marketable products using Internet technologies should be developed.

No.	Economic mechanism	Organizational mechanism
1	Decision-making on the formation of an economic mechanism for the promotion of marketable products using Internet technologies;	Decision-making on the formation of an organizational mechanism for the promotion of marketable products using Internet technologies
2	Diagnostics of economic efficiency of promotion and sales	Diagnostics of efficiency of management of promotion and sales
3	substantiation of the decision on the formation of promotion mechanisms, taking into account the identified features of the systems of promotion and marketing of marketable products	
4	determination of goals, objectives, concepts, and structure of promotion mechanisms using Internet technologies	
5	selection of the optimal format for the introduction of Internet commerce in accordance with the stated development objectives and financial and technical-technological capabilities	
6	formation of requirements for projects of online stores	
7	-	Development of methodological support for the promotion of marketable products by means of Internet technologies
8	Formation of the structure and determination of the amount of costs for the creation and implementation of the online store in the trading process	Organization of the creation and implementation of Internet technologies in the commerce activity
9	the creation of the system of information support of promotion by Internet technologies	
10	-	resolving issues on the administration and management of the site
11	integration of mechanisms for the promotion of marketable products by means of Internet technologies in the systems of promotion and marketing	
12	formulations, performance of tasks, and control to ensure the functioning of promotion mechanisms using Internet technologies	
13	-	defining the objectives of the strategy of advertising support for online stores
14	assessment of the impact of promotion by means of Internet technologies on sales efficiency	-
15	adjustments to the development and improvement of promotion mechanisms	

The basis of the approach is the structural and logical sequence of the creation and implementation of these mechanisms. Unlike the known ones, this approach provides for the distribution of promotion tasks to economic and organizational, which allows for the implementation of Internet technologies in electro trading activities (Table 2).

According to the proposed methodological approach (Table 1), the processes of formation and implementation of the economic and organizational mechanisms of promotion in entrepreneurial activity are characterized by general stages, therefore, they must take place simultaneously.

The main stage in the formation of promotion mechanisms is the definition of goals, objectives, concept, and structure of economic and organizational mechanisms. Considering the above features, the structure of the united organizational and economic mechanism for promoting marketable products using Internet technologies is formed (Figure 1).

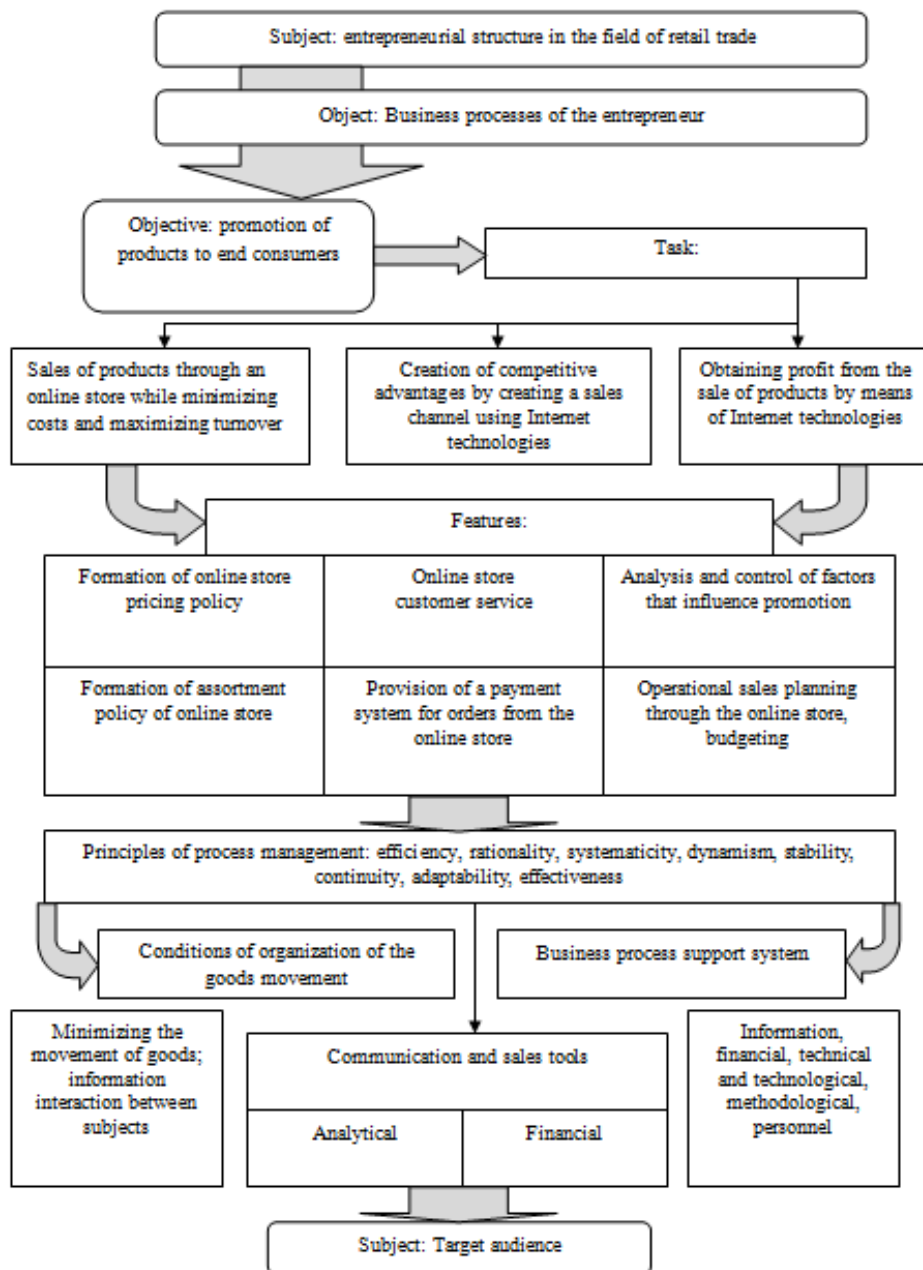


Figure 1. The structure of the organizational and economic mechanism for the promotion of marketable products by means of Internet technologies

So, the tools of the organizational and economic mechanism include analytical ones - monitoring, diagnostics, express analysis of the process of delivering products to the final

consumer, and financial ones - combines the financial assets of the entrepreneur, which are used in the promotion process. The organizational mechanism tools combine marketing tools (advertising, sales promotion, public relations, personal selling), as well as logistics tools (ordering, warehousing, packaging, transportation, service).

The analysis of the effectiveness of promotion and sales has provided an opportunity to determine the tasks for improving the processes of promoting marketable products. The decision on the formation of mechanisms for promoting marketable products by means of Internet technologies is justified on the basis of identified problems of an economic and organizational nature, as well as the availability of working capital reserves, and technical and technological and labor resources for the entrepreneur, the business owner (Ha & Lennon, 2010). The generalized structure of the online store and its modules, which is detailed depending on the objectives of the development of entrepreneurial entities (Fig. 2) is considered.

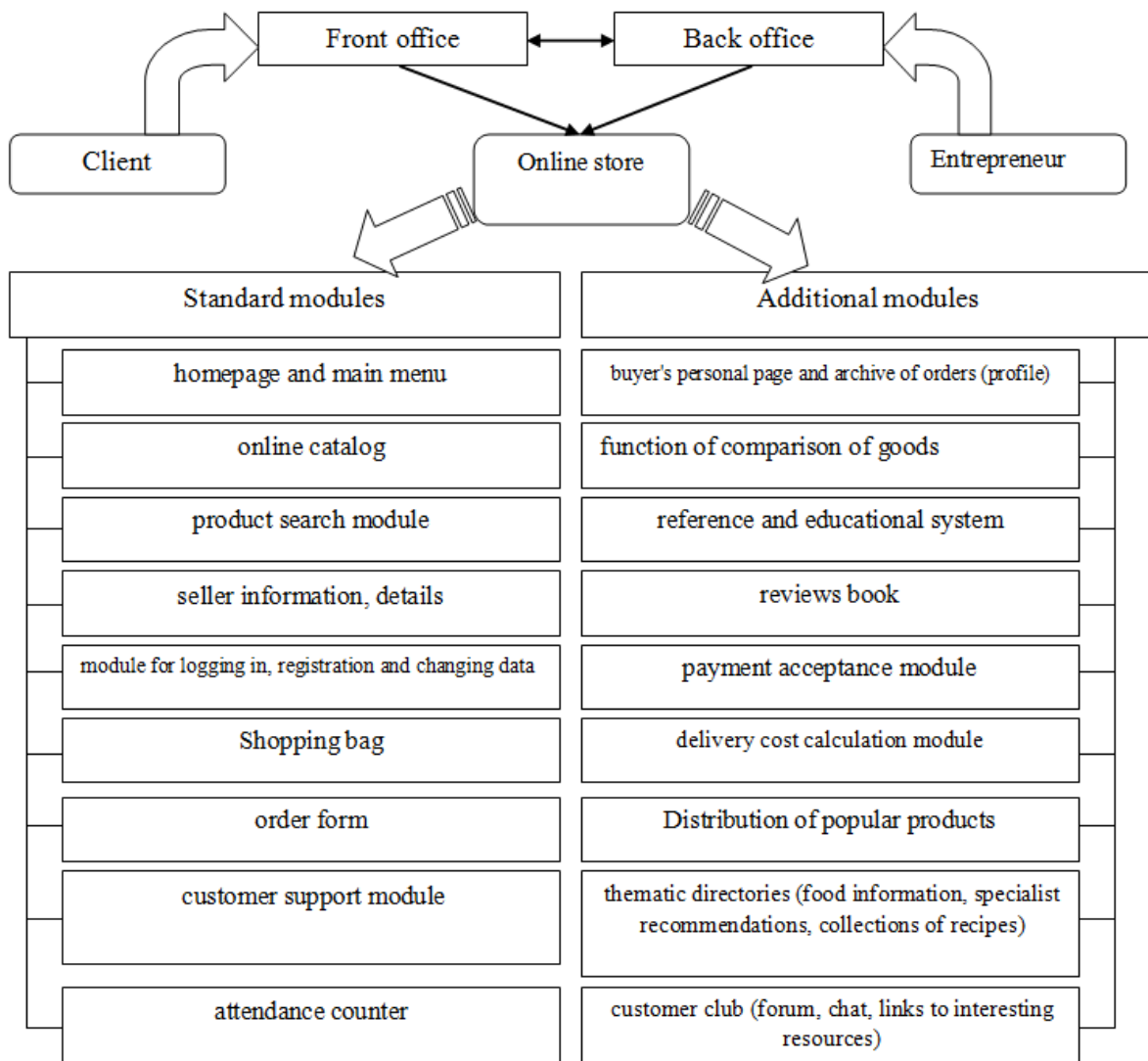


Figure 2. Progressive business scheme of the online store (developed by the authors)

The scheme of the online store that the authors propose to apply for the development of entrepreneurship in the field of electronic commerce (Figure 2) consists of two parts. The front office is available to the buyer and serves as an Internet showcase with standard and additional functional modules. Under the control of the entrepreneur, there is a back office integrated with the front office, which provides the employees of the entrepreneur-seller with the reference, accounting, and static information necessary for carrying out commerce activities. Additional modules are configured depending on the functional tasks assigned to the online store (Wang et. al., 2010). When developing an online store with an incomplete service cycle and an automatic online store,

their structure also is integrated with: an electronic payment system, a database of the entrepreneur-business owner, the availability of stocks of goods and profiles of registered customers, as well as a system for processing orders and monitoring their execution

Discussion

The authors formulate further studies and recommendations within the framework of systematizing the types of effects from the introduction of Internet projects for promoting marketable groups of goods through a complex combination of the results of economic, logistics, communication, financial, social, technical, and resource effects. Such an approach will create an opportunity in the future to obtain an assessment of the effectiveness of Internet projects based on the results of their functioning, as well as to determine the impact of promotion mechanisms on the internal business environment and its environment when planning, adjusting, and implementing sales policies.

Conclusion

A conceptual approach to the formation and implementation of the organizational and economic mechanism for the development of entrepreneurial activity by means of Internet technologies is proposed. Its basis is the structural and logical sequence of the creation and implementation of mechanisms and, in contrast to the already known ones, it provides for the distribution of promotion tasks to economic and organizational ones and makes it possible to implement Internet technologies in the commercial activities of entrepreneurial entities.

An approach has been developed that provides an integrated system of elements of technological processes for delivering products to consumers, takes into account the features of the sale of goods through an online store, the available resources of an entrepreneur, and is focused on a set of interconnected promotion tasks - managing the communication environment, assortment, pricing, and the list of services provided to customers of online stores, their staff, as well as the delivery of goods to customers. This approach made it possible to develop proposals for improving the sales of inventories by means of Internet technologies for entrepreneurial entities.

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Conflicts of Interest: The authors declare no conflict of interest.

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