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DIGITAL MARKETING IN MEXICO: EXPLORATORY STUDY OF THE MARKETING MIX
OF SMEs WITH TRUST SEAL

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MARKETING DIGITAL NUM PAÍS EMERGENTE: ESTUDO EXPLORATÓRIO DO MARKETING MIX DE PME COM SELO DE CONFIANÇA

RESUMO

O estudo de marketing digital responde às mudanças de tecnologia como parte da economia digital. No entanto, há pouca investigação científica sobre este assunto nas pequenas e médias empresas (PME) mexicanas. Esta pesquisa exploratória tem como objetivo apoiar o conhecimento contexto em Mexico através da observação de websites de PME com selo de confiança digital. Foram analisados os recursos digitais usados como parte do marketing mix que pode ser observado externamente nos websites. Os resultados mostraram que os recursos mais utilizados foram as redes sociais, e-mail, as relacionadas com a facilidade de navegação ea variedade de opções de pagamento. No entanto, outros recursos digitais foram subutilizados. Observou-se nas PME estudadas, pouca atenção em oferecer benefícios adicionais e serviços para os produtos e baixo uso de recursos relacionados ao atendimento ao cliente. Apesar de mostrar um grande interesse em redes sociais, um quarto das empresas com uma página no Facebook não dar manutenção a ele. Conclui-se que as PME mexicanas usando recursos digitais no marketing mix, ainda estão em um estágio básico e que o modelo de marketing mix é útil para observar os recursos digitais, mas que alguns recursos pode pertencer a mais do que um elemento de mix.

Palavras-chave: Marketing digital; Marketing mix; PME; Selo de confiança; México; Países emergentes.

DIGITAL MARKETING IN MEXICO: EXPLORATORY STUDY OF THE MARKETING MIX OF SMEs WITH TRUST SEAL

ABSTRACT

The study of digital marketing responds to technology changes as part of the digital economy. However, there is little scientific research of this subject in Mexican SMEs. This exploratory research aims to support the Mexican context knowledge through the observation to websites of SMEs with digital trust seal. The digital resources used as part of the marketing mix that can be observed externally in the websites were analyzed. The results showed that the most used resources were social networks, e-mail, those related to navigation ease and the variety of payment options. Nevertheless, other digital resources were underutilized. It was observed, in the SMEs studied, little attention in offering additional benefits and services to the product and low use of resources related to customer service. Despite showing a high interest in social networks, a quarter of the firms with a *Facebook* page did not give maintenance to it. It is concluded that Mexican SMEs are still at a basic stage in the use of digital resources in the marketing mix and that the marketing mix model is useful to observe the digital resources, but that some resources may belong to more than one element of the mix.

Keywords: Digital marketing; Marketing mix; SMEs; Trust seal; Mexico; Emerging countries.

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1 INTRODUCTION

Small and medium enterprises (SMEs) have been subject of study because of their important economic contribution and the high number of people they employ, mainly in emerging economies. For these firms, their inclusion in the digital economy and investment in information and communication technologies (ICTs) is necessary, since not involving actively in them could keep them aside and put them at risk of disappearing (Mazzarol, 2015).

In response to the changes generated by the digital economy, marketing practice increasingly includes the use of digital resources. There is evidence of the economic benefits that the use of ICT offers both large companies and SMEs (Johnston, Wade & McClean, 2007) and how the penetration of digital marketing in firms is associated with better performance and competitive advantage (Brodie, Winklhofer, Coviello & Johnston, 2007). However, no studies have been found for Mexican SMEs.

In other emerging countries, such as Malaysia or some of Latin America, few SMEs are involved in digital marketing activities and business transactions online have not widespread; many firms have their own websites but they only display their products and do not allow commercial transactions (Omar *et al.*, 2011; Luqman & Abdullah, 2011; Blanco-Lora & Segarra-Oña, 2014). In these countries, SMEs have not adopted digital resources as quickly as large companies (Novaes & Braz de Araujo, 2012; Quiñones, Nicholson & Heeks, 2015).

So far, studies have focused mainly on the adoption of ICT, e-commerce and e-business in firms, initially these investigations regarding SMEs give a reference framework to understand the development of digital marketing. Unlike large companies, SMEs tend to neglect the strategic approach which is fundamental to invest in e-business (Meckel *et al.*, 2004). The characteristics of large companies and SMEs indicate that its strategic focus on adoption of ICT is different in each case (Meckel *et al.*, 2004; Dholakia & Kshetri, 2004; Reijonen, 2010; Resnick & Cheng, 2011). SMEs generally engage in e-business without any prior strategic analysis (Meckel *et al.*, 2004) and in terms of marketing, there is little planning and organization of work (Resnick & Cheng, 2011).

Large companies have been the dominant object of study on empirical research and in the

development of theoretical models regarding electronic business (Meckel, *et al.*, 2004; Johnston *et al.*, 2007; Corley, Jourdan & Ingram, 2013) and in terms of marketing, the situation is similar.

In Mexico, it is recognized the lack of information in academic journals on digital marketing and in particular in relation to SMEs. Therefore, this paper explores the current situation of these firms. Specifically, the objective is to identify and analyze the digital resources used by Mexican SMEs with trust seal⁴ on their websites that support their marketing mix. Being an exploratory research, the investigation offers an approach to better understand the behavior of these firms to help generate research lines on the use of digital resources.

To this effect the concepts of digital marketing and marketing mix are addressed. In particular, different studies regarding the evolution and changes on the marketing mix given by the incorporation of technology in the marketing activities are reviewed. Then, the classification of the different digital resources using the 7Ps proposed by Chaffey (2015) is selected for the study.

Afterwards, the current situation of the digital economy in Mexico and digital marketing in Mexican SMEs is described. Subsequently, the methodology used to watch digital marketing activities of SMEs with trust seal awarded by the Mexican Internet Association (AMIPCI) is detailed. This population of study is selected since the digital certification implies that these are firms with active use of digital networks.

The websites of the observed firms were classified into three types: those that are only informative but do not sell online are called *brick*; those that sell in physical stores and online are called *brick & click*; and those that sell exclusively online are called *click*. The study is transversal conducted between the last two weeks of September and first week of October 2015. Finally, the results are analyzed and discussed, and the document is concluded by stating limitations and new lines of research.

Besides contributing to the knowledge of digital marketing in Mexican SMEs, this study identifies that regarding digital resources, firms tend to focus more on determined elements of the mix, mostly *promotion*, while leaving other elements underutilized. The marketing mix model is useful to observe the use of digital resources on a website,

identified and committed to building trust online (Sellos de confianza, 2015)

⁴ Certification awarded by the Mexican Internet Association (AMIPCI) to web sites belonging to companies, organizations, institutions and individuals

nevertheless it was observed that some digital resources may belong to more than one element of the marketing mix. It is inferred that technology affects the marketing mix and this would need further investigation.

2 DIGITAL MARKETING

Marketing is a social and managerial process by which individuals and organizations obtain what they need and want by creating and exchanging value with others (Kotler & Armstrong, 2012). Changes in marketing, through digital marketing, allow firms to know and reach target markets faster, more accurately and in a cost-efficient manner, facilitating the retention and development of customers (Stone, 2014).

For some authors there is no difference between traditional marketing and digital marketing, it is simply the current marketing (Chaffey & Smith, 2012; Stokes, 2013; Ryan, 2014). To that end, Stokes (2013) clarifies that the aim of any type of marketing is to keep customers and stimulate sales in the future; digital communication resources make it possible to connect with customers and build long-term relationships. Digital marketing drives demand using the power of Internet, satisfying it in an innovative way as interactivity enables the exchange of value (Stokes, 2013).

Digital marketing is conceptualized as the strategic process of creating, pricing, distributing and promoting goods and services to a target market on the Internet or through digital resources (Boone & Kurtz, 2011) such as e-mail, videos, search engines and social networks. Ryan (2014) conceives it as the use of digital technology (Internet, software and electronic equipment) to connect people and build relationships that lead to the sale of products and services. Other authors agree with the Digital Marketing Institute referring to it as the use of digital technology to generate an integrated, direct and measurable communication to acquire and keep customers (Wymbs, 2011; Royle & Laing, 2013).

Moreover, digital marketing has been positively associated with a better performance and competitive advantage for firms (Brodie *et al.*, 2007; Chaffey & Smith, 2013; Stokes, 2013; Ryan, 2014). Trainor *et al.* (2011: 162) define it as "the integration of complementary technology, business and human resources that, when combined, positively influence firm performance". But to achieve this, digital marketing objectives must be aligned with the overall strategy of the company (Stokes, 2013).

From these definitions it can be synthesized that digital marketing refers to the strategic use of the resources provided by digital technology for the execution of marketing practice in order to improve and optimize firm performance.

Digital marketing has rapidly evolved incorporating new technologies or new uses for existing technology to practice, nevertheless, firms in some emerging countries are just starting its use (Omar *et al.*, 2011; Luqman & Abdullah, 2011; Blanco-Lora & Segarra-Oña, 2014). Even though there is access to technology, the success of some firms over others respond to their strategic use to obtain the best results (Demuner, Nava & Sandoval, 2015).

The marketing mix

The key elements on which marketing strategies are developed are known as *marketing mix* (Constantinides, 2002 & 2006; Dominici, 2009; Kotler & Armstrong, 2012; Chaffey, 2015). This term was coined by Borden (1964), but popularized by McCarthy (1964) who points out these basic elements are *price, product, place* and *promotion*, known as the 4 Ps. Criticism to marketing mix over time has generated various proposals (Ohmae, 1982; Bennett 1997; Lauterborn, 1990). Among these, Booms and Bitner (1981) added *people, processes* and *physical evidence* to support service more specifically, giving rise to the 7 Ps mix.

Despite the inaccuracies it may have, the marketing mix continues to be a support mechanism for the development of marketing strategies in a firm (Dominici, 2009; Chaffey, 2015). Subsequently, a thorough search was held on what has been studied in relation to the marketing mix and digital resources. It was found that authors agree on the need to modify the elements of the marketing mix from the incorporation of technology.

Among these authors, Kalyanam and McIntyre (2002) developed a model of electronic marketing mix from the experience of retail sales, suggesting that besides *price, place* and *promotion*, product should be referred to as *variety* and *assortment*. Moreover, the online performance meant to include additional marketing mix elements which have to do with the specific use of digital resources. These elements are: *the website design, customer service, personalization, privacy* and *community*.

In addition to the traditional 4 Ps, Chen (2006) includes *precision, payment systems, personalization* and type of communication *policy*, generated by the company (push) or users (pull), proposing the model of Internet marketing mix of the 8 Ps. Also, Constantinides (2002b) suggests a model called the 4Ss comprised of *scope*, in relation to strategy and objectives; *site*, in reference to the experience of using the website; *synergy*, considering the integration of back-office, front-office and third parties; and finally *system*, in which

technology, technical requirements and website administration are included.

Meanwhile, Chaffey (2015) analyzes the digital resources that can be used for each of the 7Ps proposed by Booms and Bitner (1981) which are summarized in figure 1. For *product*, in addition to the core product or service, digital technology allows offering diverse types of additional benefits and services known as extended product, ranging from recommendations and customer feedback to specific resources to help the customer to use the product or service.

As for *price*, technology allows the development of new models such as auction prices or volume purchases, although it generally includes discounts, warranties and return policies, among others. *Place* is an element that defines distribution channels, it is analyzed whether the site has the sole purpose of communication, if it is a distribution channel to resellers or direct sales channel to final consumers. The variable of *promotion* in digital marketing offers a variety of alternatives which are

specifically used for advertising, sales, public relations, direct mail, exhibitions and more.

The element of *people* involves what is related to service; therefore Chaffey (2015) mentions some digital resources that automate work that is usually performed by a person, including e-mail notifications, *autoresponders* (automatic replies to e-mails) and the answer to frequently asked questions. The variable of *process* refers to the back-office methods and procedures used by firms to accomplish their marketing activities, so it is a variable that cannot be observed externally.

Finally the *physical evidence* element indicates the tangible expression of the product, of how it is used or purchased, like the packaging. The website itself is another example of physical evidence since it comprises the user-centered design of the site (Chaffey, 2015). Although several aspects of the design can be verified by direct observation of a site, such as typography, colors and type of writing this research is limited to analyze more objective aspects as having a navigation directory, trust seal certification and privacy policies.

Marketing mix element	Main digital resources that support each element.
Product	Core Product and extended product (endorsements, awards, testimonies, customer lists, comments, warranties, money-back offers, customer service and resources to help customers use the product).
Price	Online pricing policies that may include basic price, discounts, warranties, refund policies, cancellation terms, add-ons and extra products or services.
Place	Internet channels can be a communication channel only, a distribution channel to intermediaries or a direct sales channel to consumers.
Promotion	Advertising (interactive display ads, search engines); sales (chat, virtual agents); sales promotion (coupons, discounts, loyalty programs); public relations (blogs, newsletters, social networks); online sponsorships; direct mail (newsletters and personalized e-mails); virtual exhibitions; merchandising (personalized recommendations); packing (packing displayed online); word of mouth (viral marketing).
People	Actions that can be automated: <i>autoresponders</i> , e-mail notifications, call-back facility, frequently asked questions (FAQs), virtual assistants.
Process	Back-office methods and processes to achieve the marketing functions.
Physical evidence	User-centered site, packaging, privacy policy.

Figure 1. Main digital resources that support the marketing mix

Source: authors' own work from Chaffey, D. (2015). *Digital Business & E-Commerce Management*, 6th ed. Pearson

Thus, figure 1 provides a summary of the main digital resources that support each element of the marketing mix based on the analysis of Chaffey (2015). This proposal aims to divulge the most used resources, however, in many cases they are not limited to one element of the mix, and the variety of the resources is not exhaustive since it is continually becoming wider.

Still, this classification is considered useful for analyzing digital marketing in firms, as it helps to observe systematically the use of digital resources and therefore describe in an orderly and comprehensive manner the strategic behavior of firms in their websites from an external point of view.

3 DIGITAL MARKETING IN MEXICO AND MEXICAN SMES

In Mexico, it is considered that ICTs contribute to improve the competitiveness and productivity of SMEs (Casalet and González, 2004; Barba-Sánchez et al., 2007; Presidencia de la República, 2013) so there has been a rise in their adoption. However, Mexican SMEs tend to use more basic technology resources such as personal computers, Internet and e-mail; and although the gap in basic technology infrastructure has been reduced, SMEs fall behind significantly when more complex and sophisticated ICTs are considered (Demuner, Nava & Gomez, 2014).

In respect to digital economy, Mexico is perceived with great growth potential (Nottebohm *et al.*, 2012; CEPAL, 2013). Approximately half of the country population uses the Internet, most of them young people with high use of social networks (AMIPCI, 2015; IABMexico, 2015). According to Comscore (2014) Mexico is the country with the highest reach of social network sites worldwide, followed by the Russian Federation. E-commerce has also steadily growth at double-digit numbers in recent years (AMIPCI, 2015b).

However, Mexico does not have the best conditions for the development of the digital economy (Nottebohm *et al.*, 2012; BCG, 2014; Bilbao-Osorio, Dutta & Lanvin, 2014), especially in aspects of digital infrastructure, electronic services cost and educational skills (Bilbao-Osorio, Dutta & Lanvin, 2014), as well as business participation and financial systems (Nottebohm *et al.*, 2012). Still, a large adoption of Internet technologies is displayed by Mexican SMEs, as from its use, they expect to obtain important benefits in revenue increases and cost reductions in the coming years (Nottebohm *et al.*, 2012).

Even though the conditions for the development of the digital economy are improving in Mexico, major changes are required in both infrastructure and behavior of Mexicans to openly embrace activities such as online shopping (Garcia-Murillo, 2004).

According to the National Institute of Statistics and Geography in Mexico (INEGI, 2009) over 95% of firms are micro businesses and employ 45% of the population. SMEs cover only 4.3% of all economic units in the country but generate almost 30% of the sources of employment. Due to their importance to the economy of the country there are many initiatives to support their inclusion in ICTs (National Digital Strategy, 2013; INADEM, 2014).

Through newspapers and magazines it is known that Mexican SMEs are incorporating the use of digital resources in their marketing strategies, however, there is little academic research on digital marketing in SMEs. There were not found any published studies describing the situation of Mexican SMEs regarding the practice of digital marketing and more over the impact it has had on their performance.

It is a reality that the increasing number of Internet users in Mexico motivates firms to allocate more money in digital strategies. According to the Interactive Advertising Bureau in Mexico (IABMéxico) advertising investments in electronic media increased by 32% in 2014, continuing a trend of steady growth representing 17% of the total media investment (2015). The sectors with the highest advertising investment in electronic media were telecommunications, beverages, retail, automotive and the food sector.

It is noticeable that large enterprises in Mexico mainly belong to these sectors, so it is inferred that firms that have most invested in digital marketing practices are big businesses. There was not found information on the amount of investment by Mexican SMEs. Even the latest study on digital marketing and social networks made by the Mexican Internet Association in 2014 focuses exclusively on the largest 100 companies in Mexico (AMIPCI, 2014).

The information here exposed scarcely explains the use of digital resources in marketing by Mexican SMEs. Consequently the need for an exploratory research was detected.

4 METHODOLOGY

The lack of scientific studies on the practice of digital marketing in Mexican SMEs drives this exploratory research in order to examine the situation to increase knowledge and understanding (Malhotra, 2004). Additionally, despite an exploratory research comprises a broad approach, it identifies key elements that can be deepened later with further research.

This exploratory investigation is based on field research by observing the websites of Mexican SMEs with trust seal; it is also quantitative and applied. The research design is trans-sectional non experimental. The methodology used is the structured observation to websites of firms. Even though exploratory research through observation, including online, is considered as qualitative

(Malhotra, 2004; Ritchie *et al.*, 2013; Mann & Stewart, 2000), this investigation is quantitative since it is based on the systematic registration of variables specifically observed (Hair, Bush & Ortinau, 2010) to websites of Mexican SMEs with trust seal.

Since the research required analyzing Mexican SMEs that effectively used digital networks, the firms certified by the Mexican Internet Association (AMIPCI) with the trust seal were selected. This seal certifies the authenticity of the online business in order to build trust, therefore this population of firms was considered convenient⁵.

The AMIPCI offers a public list of the organizations that have applied for the trust seal nationwide and of different economic sectors. Initially the list was obtained in 2014 and compared to the list in mid 2015. Of the 370 organizations that appeared to September 2015, 184 also appeared on the list as of March 2014; only these were considered taking into account a filter of continuity and permanence with the trust seal. Of the 184 listed organizations, many did not exist or did not effectively have the trust seal, either because the label did not appear on the page or it was canceled. Institutions and non-profit organizations were not contemplated.

Some firms had more than one website, so only one firm was considered. Finally, when reviewing each firm in the list of the National Statistics Directory of Economic Units of Mexico (DENUE), a little more than 7% were large firms according to the number of employees established in the stratification of the National Institute of Statistics and Geography of Mexico (INEGI, 2009)⁶. The rest of the firms had a corresponding number of employees of a micro, small or medium business, either for industrial, service or commercial sectors. In some cases, companies were not listed in the DENUE, which was last updated in 2014, for the purpose of this investigation they were considered as new businesses and included in the study population. In total, 84 micro, small or medium firms with authorized trust seal in both 2014 and 2015 were identified and all of them were observed.

The observation to each of the websites of the selected firms was directed towards the main digital resources used as part of the marketing mix (detailed in Annex 1). The classification of the resources that best support each element of the

marketing mix was based on Chaffey's (2015) analyses and for the sole purpose of this investigation, since the use of resources may not be limited to a single element of the marketing mix.

At first, it was identified if the site was only informative with physical store sales, those sites were called *brick*; those with sales exclusively online were called *click*; sites of firms with online sales as well as in physical stores were termed *brick & click*. Subsequently three observations were made, one at the website of the firm where the use of digital resources such as blog, chat, search engine, apps, logging option, FAQs, among others, were verified. The site content was analyzed to know if they made publications such as comments, reviews and recommendations. Product availability as well as payment and shipping options, were also checked.

The second observation was made in the search engine *Google* to find whether they appeared in the paid ads when searched. The third observation was to the *Facebook* page of each of the firms to know the last publication date and the number of publications per month as elements to determine the maintenance to the social network. Since there was a wide variation in the number of publications made by firms in *Facebook*, making at least one publication per week was considered as giving maintenance to the page. *Facebook* was selected for the study since it is the most used social network in Mexico (AMIPCI, 2015; IABMexico, 2015)

The observations were recorded systematically over the last two weeks of September and first of October 2015 using the guidance in Annex 1.

5 RESULTS

In a broad sense, the results indicated that there is willingness from the Mexican SMEs with trust seal to use various digital resources, but there is opportunity to take more advantage of them. The most used resources were social networks and e-mail through the logging option from the *promotion* variable. The search engine on the site, related to customer service primarily by firms selling online, as well as offering various payment options from the *price* variable, were also widely used (figure 2). The rest of the digital resources were considered underutilized.

⁵ To obtain the seal, the firm is required to pay a fee, display privacy notice, terms and conditions, contact lines and a security platform for online financial transactions, among other requirements. Besides, the legal documents of the company are reviewed (Sellos de confianza, 2015).

⁶ Stratification of companies in Mexico considers micro enterprises those with 10 employees or less, small those with 11 to 50 for industry and up to 30 for services and commerce. Midsized companies are those with up to 250 employees in industry and 100 employees in the commerce and services sectors (INEGI, 2009).

Digital Resources	Brick	Click	Brick & Click
<i>Promotion</i> –It uses social networks	87%	81%	82%
<i>Promotion</i> – Clients or users are asked to log in	47%	78%	78%
<i>People</i> – There is a search engine on the site	53%	70%	67%
<i>Price</i> – The site offers more than one payment option	20%	78%	84%

Figure 2 - Percentage of firms that use the digital resources
Source: authors’ own work from research results.

From the observations to the websites of SMEs with trust seal it was found that 54% were *brick & click* firms, 29% *click* and 18% of the sites were *brick*. These results describe the *place* variable, indicating that most of the sites analyzed sell online being consistent with the e-commerce growth reported in the country.

Regarding *product*, the websites focused on the core product and showed limited interest in

offering an extended product (figure 3). Warranties were what most firms presented followed by recommendations from customers. The *brick* firms were the ones that most displayed a list of customers, although it was only 20% of them. Very few firms showed photos or data of personnel and only seven of all firms offered an app. This indicates a low tendency to offer an extended product.

Extended product offering	Brick	Click	Brick & Click
The site offers warranties	27%	44%	38%
The site shows customers recommendations	27%	30%	40%
The site displays a list of the customers	20%	11%	9%
The site displays photos or data of personnel	7%	7%	16%
The site offers an app	7%	7%	9%

Figure 3 - Percentage of firms that use the digital resources related to extended product
Source: authors’ own work from research results.

As *price* components, firms selling online, *click* and *brick & click*, offered various payment options by 78% and 84% respectively and offered discounts or sales promotions 67% each. Although these numbers cover most of the firms studied, the elements analyzed are significant in the consumer decision making, so it is considered that the resources are underutilized. With respect to the return policies, 62% of the *brick & click* firms included them while only 48% of the *click* did. *Brick* firms offered very little reference to these price concepts.

The *promotion* variable used the most digital resources. It was observed that e-mail was a widely used tool, 58% of the *brick & click* firms requested an e-mail for sending a newsletter and 78% asked customers or users to log in. Although only 44% of *click* firms requested an e-mail, 78% asked for the registration of customers or users. Only 47% of *brick* firms requested the registration.

Approximately one third of all types of sites had a blog communicate with the users or customers. It was noted that *brick* firms most used search engine paid advertising by 80%, while only 40% of firms selling online turned to it. This means that promotional resources could be more exploited.

As for social networks, it was the most used digital resource for the firms studied, although there were some that showed no interest in them. Approximately 83% on average of the three types of firms used social networks but based on the number of publications per month and the last publication date it was observed low maintenance. Of those that effectively had a *Facebook* account, an average of 72% of the three types of firms had more than four publications in the month and approximately 82% on average had made publications in the last month (Figure 4). This shows that nearly a quarter of the firms failed to follow up on their communication through this network, at least on the date on which

the study was conducted. Notably, the greatest interest to the *Facebook* page was given by the *brick* firms while *click* firms gave the least.

Maintenance to <i>Facebook</i> (from firms that use the social network)	Brick	Click	Brick & Click
The last publication on <i>Facebook</i> was made in the last month	92%	67%	86%
The number of publications in <i>Facebook</i> in a month is four or more	85%	58%	73%

Figure 4 - Percentage of firms that give maintenance to the *Facebook* page
Source: authors' own work from research results.

Service was analyzed through the *people* variable. The sites of firms that sell online, *click* and *brick & click*, gave more use the related resources. About 70% of these firms included a search engine on the site, however, only about half of them made possible to check availability of products and a third part allowed to trace the shipment. These numbers remain low since online customers are becoming more demanding and require this kind of information before proceeding with the purchase process. Almost 60% of firms that sell online displayed frequently asked questions and about 54% of these firms offered online chat to communicate at the moment with the customer. This denotes an opportunity for the analyzed firms to improve customer service with the use of these resources, even when they do not sell online.

Having the distinctive trust seal is an item of *physical evidence*, as to obtain it, firms are required to comply with requirements such as privacy notice. The navigation directory is also considered part of the *physical evidence* variable making it easier for users to navigate the site; 67% of the *brick & click* firms used this tool while less than half of the other type of firms did.

6 DISCUSSION OF RESULTS

It can be said that in Mexico, *brick* firms use mainly social networks to communicate with customers giving more maintenance to their *Facebook* pages than the other type of firms. They also use blogs, e-mails and substantially, paid search engine advertising. However there is a very low use of other resources related to *product*, *people* or *physical evidence*. This indicates that although they have online presence for findability and contact with customers, traditional media may still be more relevant to them. The results showed these sites belong essentially to the services sector or business to business (B2B) firms.

It should be verified whether these firms can identify customers obtained from their website

and the strategic use they give to e-mail and social networks to optimize customer relations.

Brick & click firms significantly use social networks too, but the maintenance is low considering the high use Mexicans give to this media. There is also an important use of e-mail and the resources related to *price*, possibly because they are factors that encourage consumers online such as payment options, discounts and return policies. These companies use more the resources that support the *promotion* variable, moderately those that automate customer service (*people*) and paid little attention to offer an extended product.

The behavior of the *click* firms is very similar to the *brick & click*, but in a lesser degree. The majority of the firms that sell online are in the commercial sector and are directed to the final consumer (B2C), some are directed to other businesses too (B2B).

The above results show that depending on the type of firms, they are more inclined towards some element of the marketing mix. The *brick* firms focus more on *promotion* resources and although it may be considered reasonable, not selling online, once they drive users to their website, they could use other elements of the marketing mix for a more comprehensive and customer-centered strategy.

On the other hand, firms that sell online, either *click* or *brick & click*, use more some *promotion* and *price* resources and less *people* and *product* resources. Similarly a wider range of elements of the marketing mix could be used.

The results also indicate that the model of the marketing mix is a useful tool for the analysis of marketing strategies. In the case of digital marketing, it helps to evaluate and infer (at least externally) with what objectives the firms use certain tools and resources.

Still, when talking about digital resources, the marketing mix model is not clear since there may be some resources that belong to more than one element of the mix. For example, the website is part of the *physical evidence*, but it can also be *place* as contact channel and *promotion* strategies can take place in it. The effort of some authors to identify new

elements of the mix from the use of technology were already mentioned, but it is required to deepen in the validity of the model from the use of new digital resources in the marketing activities. It may be that these new resources, along with other variables such as context, make the line that divides the mix elements fade.

The 7Ps model has allowed, for this study, to explore the use of digital tools in Mexico, but there are other aspects that are not observed and which are critical to the marketing mix. These have to do with segmentation and positioning, among others. Research in this line would complement the results of this study.

7 CONCLUSIONS AND FUTURE RESEARCH

Digital marketing in Mexican SMEs is in an initial stage since it is identified that diverse digital resources are underutilized. The marketing mix used by the studied firms primarily included the use of digital resources related to *promotion*, such as social networks and e-mail. In addition, those related to the ease of navigation like search engine on the site, navigation directory and FAQs as well as variety in payment options, were widely used. However, there was a low maintenance in the *Facebook* page at least in a quarter of the firms that use the social network. It was also noted that the sector and the type of client were variables that determined the use of the digital resources.

Moreover, if it is taken into consideration that the firms analyzed are of the most interested in digital activities as to acquire a digital certificate as the trust seal, this suggests that the situation of Mexican SMEs in the use of digital marketing is in a basic stage, and it should be verified with further research.

Brick firms lean towards more *promotion* resources, while firms that sell online, prefer *price* resources as well as *promotion*. This indicates that all kinds firms could use more elements of the mix in order to offer a more comprehensive and customer-centered strategy.

The study contributes to the knowledge of digital marketing in Mexican SMEs, and being an exploratory investigation, it detects new research lines. The suitability for these firms to use more resources to facilitate their customer service should be studied. Likewise, it should also be considered whether the resources related to the extended product could offer other benefits to customers. Another research line could relate digital resources to sales through a model with dependent variables.

Another contribution is that the marketing mix model was a useful tool to observe the digital resources of the websites of the firms, but there are

other variables that affect the mix that could not be observed using this methodology.

Since the study was conducted externally, it is not possible to verify the strategic use that firms give to the information they obtain on the online consumer behavior, the follow up given to e-mail activities or the general use of analytics, therefore it is recommended to analyze the internal activities of the firm and their outcomes.

Furthermore, it is required to deepen in the validity of the model in the future from the use of new digital resources in the marketing activities. It is not clear in some cases to what element of the marketing mix the digital resources belong to, inferring that the line that divides the mix elements may fade.

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ANNEX

Annex 1. Checklist to the websites of firms with trust seal

Marketing mix	Observations	Yes / No
Product	The site offers warranties The site shows customers recommendations The site displays a list of the customers The site displays photos or data of personnel The site offers an app	
Price	The site offers more than one payment option The site offers discounts or add-ons to shopping online The site describes return policies.	
Place	It is a <i>brick</i> firm site It is a <i>click</i> firm site It is a <i>brick & click</i> firm site	
Promotion	The site includes a blog There is an e-mail request for a newsletter Clients or users are asked to log in It appears on paid advertising at <i>Google</i> search It uses social networks The last publication on <i>Facebook</i> was made in the last month The number of publications in <i>Facebook</i> in a month is four or more	
People	There is a search engine on the site The site provides online chat The site shows FAQs It is possible to check product availability It is possible to track the shipment	
Process	[It is internal, it cannot be observed]	
Physical evidence	The site has a navigation directory The site includes a trust seal The site includes privacy policy	

Source: authors' own work from the most popular resourcing options for digital marketing according to Smart Insights & the Technology for Marketing and Advertising (TMF&A) (2015) *Managing Digital Marketing in 2015* and Chaffey, D. (2015). *Digital Business & E-Commerce Management*, 6th ed. Pearson.