

# Usage of digital marketing in family farm and small businesses in Croatia

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UNIVERSITY OF ZAGREB

FACULTY OF ECONOMICS AND BUSINESS

**USAGE OF DIGITAL MARKETING IN  
FAMILY FARM AND SMALL BUSINESSES  
IN CROATIA**

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Zagreb, september, 2020

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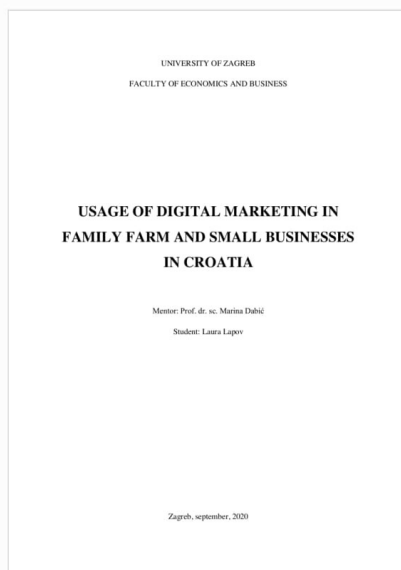


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## **1. INTRODUCTION**

Agriculture and family farms in various forms have existed for centuries. With the development of technology and of new occupations, interest in working in agriculture has decreased. Even though a big number of the smaller family farms were replaced by mass production, they haven't stop existing, and today new farms are forming fighting for their place at the market. With some new trends, new ideas and subvention plans the owners of family farms and small business are trying to be a valid competition to big companies.

Marketing has also evolved and with the development of the Internet and new technologies a new types of marketing was born, better known as digital marketing. Large companies with developed marketing departments have without doubt followed marketing developments and adjusted their marketing techniques and plans. They implemented digital marketing in their everyday marketing activities and it became a part o their marketing strategy. The main objective of this paper is to identify the usage of digital marketing in family farm and small business in Croatia. The survey was conducted on 59 family farms and small businesses to gain insight into their business and the use of digital marketing in their day-to-day business.

## 2. FAMILY FARM AND SMALL BUSINESSES

The definition of family farm varies across countries and contexts. (Garner, O'Campos, 2014)

Throughout history, several authors have dealt with the explanation and definition of the family farm, which was called or associated with the peasant economy.

T. Bergmann (1970) summarized individual features of the family farm: (Župančić, 2005)

- 1) the farm is not sold or bought, but inherited;
- 2) the institute of inheritance follows from the need to maintain the business,
- 3) farmers do not operate entirely economically, but management is often irrational;
- 4) the potential of the labor force on the farm is very flexible and is related to the family structure, depending on the gender and age of their members (Bergmann, 1970: 72).

Three important and constitutive elements of the family farm which can be considered also today are:

- 1) the household, which is usually a family group, ie a community of people living together and spending income to provide basic living expenses and needs
- 2) land ownership and means of work (family property and ownership),
- 3) and the farm in the narrower sense, as a dynamic combination of material and human factors in the process of work and other activities, and it is a labor and production unit, or economic entity in the legal-economic sense of the word. (Župančić, 2005)

In these distinctions and different combinations of individual elements are hidden the greatest misunderstandings of the very essence and development problems of family farms in the modern world. On the multifunctional nature of agriculture, some authors rightly conclude that it is "A very complex socio-economic unit" (Defilippis, 1993), because within the family farm, ie individual parts of it, biological reproduction of people is performed, various family functions are performed (socialization, protective, educational), and economic activities are realized, from production to consumption. (Župančić, 2005)



## **2.1. Family Farm Business in Croatia**

The definition of a family farm business in Croatia according to “the Law of family farm” is:

*A family farm is an organizational form of a business owned by a physical person (farmer) who, in order to generate income, independently and permanently performs the activity of agriculture and related ancillary activities, and is based on the use of own and / or leased production resources and work, knowledge and skills of family members. (2018)*

Agriculture in Croatia is not so popular such as some other occupations, especially with young people, but that does not mean that it does not exist and that it is still not developing. The Farmers' Register, a database that contains data on agricultural holdings and their resources, in 2019 had more than 160 thousand of family farm businesses registered. ([www.dzs.hr](http://www.dzs.hr))

The development of agriculture and small family farms is differently distributed among the areas in Croatia. Apart from development, the culture and products that are produced also depend on the location. For example, more family farms can be found on the north-east part of Croatia than on the south.

In rural areas, farming is a longer period of time within the family and it is common for the whole family to work on it, of course not all members have the same role and there is a division of labor. It is mostly a business that was done earlier in the family and developed over time, but there are some new projects that are emerging thanks to new trends, among which there is definitely a greater popularity of healthy eating and organic farming.

## **2.2. Successfulness of Family Farm Business in Croatia**

The competitiveness analysis of the Ministry of Agriculture and Forestry from 2001 showed that of the total Croatian agriculture, the production of chicken, eggs, corn, oilseed rape and apples is only to a certain extent competitive. Therefore, increasing competitiveness is one of the strategic tasks of Croatian agriculture. (Hadelan, Franić, 2006).

Today as a EU member, Croatia can offer preserved agricultural tradition and culture, as well as a significant wealth of agro-diversity. Ver important item for every economic entity is business financing. From the beginning of the negotiations of the Republic of Croatia for accession to the EU, it was possible to use funds from pre-accession funds, and later with the accession of the Republic of Croatia to the EU and the use of funds from EU funds. This was a great way to create additional opportunities to finance diversification and business expansion. Despite all the possibilities and the availability of very generous funds from EU funds, family farms in the Republic of Croatia did not sufficiently use the available funds. With the development of family farms and new projects more funds were used.

The share of agriculture, forestry and fisheries in Croatia in the gross domestic product for the period from 2000 to 2017 was about 4%, while in the gross value added it is about 5%. The share of agriculture in GDP and GVA is about 3% (Grgić and cop, 2019)

Development od agriculture was bigger in the area of continental Croatia which includes 13 counties and the city of Zagreb on the area of about 31,889 square kilometers. (Jež Rogelj, Glavota, Zrakić, Mikuš, 2020)

According the register of farmers (2018) the age structure of family farm owners shows that the share of people over 65 is higher than 35%, while the share of people under 41 is around 12%. The educational structure showed a lack of interest in educated farmers. The research of Jež, Mikuš, Zrakić (2020) showed that Croatian agriculture needs a generational renewal that would contribute to the improvement of the educational structure and a greater focus of funds on livestock production, which creates greater added value.

### **2.3. Small Business in Food Industry in Croatia**

Small businesses dominate the food industry with about 80%, medium make up about 10%, and large between 7-8%. Although small businesses make up 80% of the industry enterprises in them employed only 15% of employees, while large employ about 69% employees, and make up 7-8% of the company's industry.

Sales of private label food products have increased in recent years, indicating opportunities to increase sales of domestic producers selling under their own brand.

## **2.4. The Importance of Small Business in Food Industry**

Small businesses are one of the drivers of the economy in every country, regardless of the industry. Their enthusiasm and innovation are what makes them special. In the food industry, the importance of small businesses is diverse and manifests itself in several areas.

In Croatia, as in many other countries, the purchase of domestic products is encouraged. In small enterprises, imports are kept to a minimum and all or most of the production is domestic. Due to non-mass production, there is a greater focus on product quality with which the quality scale of domestic products is generally raised.

Small businesses do not have such a large volume of production to supply the entire market on their own, but they can meet local needs and, together with other companies, expand their distribution across the country. Precisely because of the quality of products and popularity, small companies can be found that export their products abroad.

Although large companies employ a larger number of workers, small companies are also not negligible when it comes to employment. They mostly employ locals who often have the opportunity to work in a somewhat family atmosphere. The hierarchy is arranged differently, but workers have the opportunity to learn, show initiative, develop ideas, perhaps more than in large companies with a much larger number of employees.

By producing quality products with some special characteristics and exporting such products outside the country, it can also be used as marketing for the entire state. In small businesses in the food industry, tradition often plays an important role. There are products that have traditionally been produced for many years in certain areas, and small businesses have managed to preserve this tradition. The areas are often known for these products, which are also known abroad and have proven to be a successful tourist promotion.

### 3. TRADITIONAL MARKETING

There are many definitions of marketing, and the most famous definitions gave Kotler, Keller and Armstrong. An approved definition from American Marketing Association (American Marketing Association, 2017.) is:

*„Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.“*

Marketing starts with human needs and desires, and every good marketer needs strive to understand needs, desires, and demand.

For a long time, and often even today, marketing has been equated with sales or promotion, ie advertising, without actually fully understanding its conceptual approach. This is mostly the result of the fact that marketing has evolutionarily inherited the sales concept, which, in turn, contained the remnants of the production concept. (Meler, 2005)

Evolutionary stages (Meler, 2005):

1. Production concept
2. Sales concept
3. Marketing concept
4. Marketing-control and domination
5. Nonprofit marketing

Philip Kotler, who made a special contribution to the elaboration of specific areas of marketing functioning, states four axioms when elaborating his generic concept of marketing:

- 1) Marketing involves two or more entities.

- 2) At least one subject expects a specific reaction from one or more subjects in relation to a particular object.
- 3) The probability of a market reaction is not firmly positioned.
- 4) Marketing is an attempt to produce the desired reaction by creating and offering market value. (Meler, 2005)

According to Bazala (1991) marketing process consists of the following phases: (Bazala, 1991)

- 1) Market research,
- 2) Defining marketing goals,
- 3) Defining marketing strategy,
- 4) Development of a program for entering the market (marketing mix),
- 5) Marketing control.

### **3.1. Concept of Marketing Mix**

A marketing program or program to enter the market, in marketing it is self commonly referred to as a marketing-mix.

Neil Borden identified 12 controllable marketing elements in the 1960s (1964). It was considered that if they were used in the right way and if they were properly managed, the result would be a profitable business operation. Jerome McCarthy (1964) reduced the mentioned 12 elements to 4 basic ones which were later expanded to 7 and are considered elements of the marketing mix. (Constantinides, 2006, pg 2 (408)).

The 4 main elements of a marketing mix are:

- 1) Product
- 2) Price
- 3) Promotion
- 4) Place

These elements of the marketing mix have been widely accepted in the market. According to Kotler, Brassington, and Petit (2003) the identification of 4P as controllable parameters is likely to influence consumer purchasing process and decisions. An additional advantage of

4Ps is that they are easy to understand, remember and apply. (Constantinides, 2006, pg 4 (410)).

In the 1980s, Booms and Bitner (1981) expanded the marketing mix and added 3 more to the existing 4 elements. They believed that the marketing mix is not a management theory derived from scientific analysis, but a conceptual framework that emphasizes the main decisions a marketing manager makes in configuring would meet customer needs. (Lin, 2011, pg.2)

Booms and Bitner (1981) defined 7P's marketing mix:

- 1) **Product** - A tangible product (or specific service) that must provide a certain value to a customer
- 2) **Price** - The price should be formed in a way that brings financial profit but also that it is competitive in the market.
- 3) **Place** – A place where customers can buy the product but also the way how the products can get to that place.
- 4) **Promotion** - It means the ways on how to communicate with customers and present to them the product or the service what is offered in the best possible way.
- 5) **People** - Includes customers but also management employees who are involved in the business
- 6) **Procedure** - Includes the methods and procedure of providing the service.
- 7) **Physical (evidence)** - includes the experience of using a product or service.

### 3.2. Advertising

As a response to changes that happened in the media and market environment, advertising has been constantly evolving, since the birth of modern advertising at the turn of the 20th century. (Helberger et al, 2020, pg.2)

When the advertising industry was mentioned earlier, it mainly referred to advertising agencies and their business, examination of creative philosophy, advertising theory and agency-client relationship. With the advent of more data after the digital technology revolution and all the innovations it involved, there was a change in the concept of advertising. There have been new notions and concepts of advertising and the advertising industry. (Helberger et al., 2020, pg.2)

Message creation, targeting and delivery have taken on completely new forms today, and more participants are involved in the process itself. (Helberger et al., 2020, pg.3)

Advertisers saw an opportunity to use the data collected online, to customize it and to target users more precisely. In the digital world, user data is easier to collect, and results in a wide range of information, from their web visits, terms and question typed in search engines, articles and texts read on the Internet. It is much easier to get information about what users are interested in, and target groups are formed more precisely. This phenomenon is called online behavioral advertising (OBA). (Boerman et al. 2017) According to Keller (2016) and Kumar and Gupta (2016) OBA was believed to be part of the future of advertising. (Boerman et al. 2017, pg2).

## **4. DIGITAL MARKETING**

### **4.1. A brief history of Digital Marketing**

The digital age most similar to the one we know today began with the development of the Internet and Web 1.0 platforms. In 1995, the total number of Internet users was about 16 million, and in 2002 it was to 558 million. Due to the slow growth and adaptability of the Internet and accessibility, popularity has remained limited. (Kamal, 2016)

When talking about advertising, the first clickable banner appeared in 1993, and with the founding of Google in 1998, new technology entered the digital market. (Google, 2020) Google expanded its business, improved its search engine, and later created Google AdWords and AdSense. They were not the first to use targeted ads but helped develop an algorithm that analyzed queries that users typed into search engines as well as their other interests, and they used the information obtained to display ads relevant to them. They also later targeted these users with other relevant ads. (Source: [digital-marketing-strategy.weebly.com](http://digital-marketing-strategy.weebly.com))

In the development of digital marketing, it is inevitable to mention the popular "cookie" which had a great impact. At first it was developed to help analyze users and their browsing habits, but was gradually developed and became an important part of the e-commerce sector. (Source: [digital-marketing-strategy.weebly.com](http://digital-marketing-strategy.weebly.com))

The early 2000s are marked with the development of numerous social networks and platforms. It became possible for companies to connect users in a different way, because of the communication which was developed on social networks. Users were given the opportunity to communicate with other users and with companies. (Chakravorti, 2010) The term Digital Marketing was created and was really recognized at the time. (Kamal, 2016)

The platforms were gradually called social media, not all were equally popular. The most popular can be considered Facebook, which was founded in 2004 and dominated the market.



Its popularity only grow with time and today it has milions and milions of users. After global brands started using Facebook, together with some other networks as a digital marketing channel, there was a development of marketing on social networks. (Lamberton, Stephen, 2016)

#### **4.2. Key terms and concepts of Digital Marketing**

Digital Marketing is part of marketing that deals with creating an online / digital strategy in order to brand and improve the company's presence and visibility through as many digital channels as possible.

Kotler and Armstrong (2009) gave the definition of Digital marketing: (source: kbmanage.com)

*"Digital marketing is a form of direct marketing which links consumers with sellers electronically using interactive technologies like emails, websites, online forums and newsgroups, interactive television, mobile communications..."*

There are also more definitions of digital marketing and the next one is worth mentioning:

*"Digital Marketing is the management process responsible for identifying, anticipating, and satisfying customer requirements profitably."* (Chartered Institute of Marketing, 2015., Marketing and 7Ps: A brief summary of marketing and how it works, pg 2)

Using the internet for several hours each day is a normal part of most people's day to day life, and everyday use of the Internet, especially Social Media, could make digital marketing seem like something which can be done by anyone with a little time, and writing skills. But it is a full-time job and requires full dedication. It can bring great results for the business but when not taking it seriously, it can do harm in a short time.

Before starting any marketing campaign or digital marketing activity, just like in traditional marketing, a detailed analysis needs to be done. Business owners, regardless of the size of the company, need to understand who their target audience is, what products and services are most profitable and what KPI's should be set up.

Digital and traditional marketing are different in several elements, but the biggest difference can be considered the medium through which the message is transmitted, or through which

the target audience receives it. Traditional marketing also uses traditional media, such as magazines, posters, advertisements in daily newspapers while digital marketing uses digital media. There are also divisions of digital marketing that include media such as television, radio, websites and social networks, while the term Internet marketing refers to channels on the Internet.

Here are some simple pros and cons for both, traditional and digital marketing.

## **TRADITIONAL MARKETING**

### **Pros:**

- Impactful, present for a long time, familiar and easier for users to understand. A billboard, TV or radio commercial have been part of peoples lives for a long time.
- Printed marketing materials could be more permanent
- More memorable
- More different channels which do not include Internet, more suitable for different generations.

### **Cons**

- Expensive
- Difficult to measure
- No direct interaction with audience
- Often one-way street of communication with the audience, meaning no feedback

## **DIGITAL MARKETING**

### **Pros**

- New options for engagement
- Easier to measure, possibility for accurate and more detail reports
- More detailed targeting – clever targeting
- Creating a loyal community
- Often less expensive than the traditional marketing

### **Cons**

- Digital ads can become more easily as annoying

- Less permanent – expiration date and when scrolling ads can be seen for a short time or not seen at all.

Digital marketing channels include:

- Search Engine Optimization (SEO)
- Search Engine Marketing (SEM), Google Ads
- Social networks profiles and advertising
- Email marketing
- Content marketing
- Inbound marketing

Companies that use digital marketing and have a detailed plan for their marketing activities, use a combination of different elements and types of digital marketing. This often includes search engine optimization (SEO) and search engine marketing (SEM) along with social media marketing (SMM) while content is important for all channels. (Lies, 2019; Palos-Sanchez, Saura and Martin-Velicia, 2019)

#### **4.2.1. Search Engine Optimisation (SEO)**

One of the first steps to having an online presence is to have a business website. The website should be high quality, informative, intuitive, and attractive to users. The goal is to attract as many users as possible and keep them on the website long enough to make a purchase decision.

When making a purchase decision, the second step for future customers after the need for a particular product arises is research, and today the most popular way to research and access information is through the Internet. The information that users want can be found on a website. In order to get to it at all, for the users not looking directly for a particular website, it is necessary for that website to appear in search results on search engines such as Google, Yahoo!, and Bing. The results that appear can be organic or paid.

According to the HubSpot's research 75% of users will never scroll after the first page on the results on search engine, and that is why it is crucial to put a lot of effort to appear on the first page of any search engine results.

Google decides on the position on search engine results using algorithms that measure how the website is optimized. According to Sharma, Sharma and Sharma (2016) characteristics of the website considered by the algorithms are

- 1) Website's relevance to what the searcher is looking for.
- 2) Popularity of the site elsewhere on the net
- 3) Size and profile of the website
- 4) User experience
- 5) Mobile friendliness
- 6) Load speeds.

Another explanation of SEO is that it involves optimizing the content on a website that includes keywords and inbound links. When it comes to keywords, it doesn't mean that the text should be stuffed with words that don't make sense and are not connected with the rest of the sentence. Sentences and the text that is created must be written meaningfully. It should always be in mind that no matter how well someone wants Google to index it, the text is written for users and not for Google. Likewise, Google can recognize keyword stuffing, which ultimately harms SEO itself. (Source: Huspot.com)

There are many tools and plugins which can be used to measure the SEO and according the reports and analysis adjust the content. The content important for SEO does not just include texts on the website it also includes, text in „url“ meta tags and meta description.

### **4.2.2. Search Engine Marketing (SEM)**

SEM or short for Search engine marketing is a term for a business using paid advertisements which will appear on search engine results pages (or SERPs). Advertisers bid on keywords that they suggest users of services such as Google and Bing will enter when looking for their products or services. The most popular way is Google AdWords.

Google AdWords is an online advertising platform for creating ads which will be sent out to potential customers looking for services or products offered. The tool allows a way to reach out to potential and future customers at the time it matters the most – when they are looking for it. (Klein, 2019) The ads can appear right at the beginning of the search result list, and on the right side of the result page of the search engine. These ads are the result of “search campaigns” and they look similar to organic search results. Display campaigns for an example are a different type which includes banners appearing on other websites. Creating campaigns for Google is possible in different forms depending on the goal trying to achieve.

*"Google started working with the AdWords system in 2000 as part of their monthly advertising services. The search engine originally ran campaigns for people who sent information with their membership fees. Google was able to change the platform of AdWords over time in order to create a self-service setup where the users now have more control over the way that their marketing performs." (Klein, 2019, pg 7.)*

### **4.2.3. Content Marketing**

Having great content is the key and always will be. (Klein, 2019) Investing in advertising and campaigns brings a certain profit, but for long-term sustainability and creating a community of loyal customers, a dedication to the content that is served to customers it is necessary.

Different digital marketing channels require both different and customized content. For example, a website should have specific information, be intuitive and filled with the necessary details about products and services. Texts enriched with photos, and parts of the page specially created for sale and order. Social networks unlike websites work differently. They imply active communication, and with many similar profiles it is necessary to find their own

way to stand out and move away from the competition. Communication is more relaxed but professionalism should not be lost. Depending on the type of service or product offered, and the community wanting to attract, it is necessary to recognize or find the language and the best way in which the desired goals will be communicated.

The content should be true to begin with, useful and relevant, but at the same time interesting and attractive. It is not read only by the visitors, but also by Google and other search engines and for that reason it should be user friendly and good for SEO. (Sharma, Sharma, Sharma 2016)

It is often a mistake to consider content marketing the same as copywriting. The goal of content marketing is to increase brand awareness, and to create or increase loyalty of the target group. This is achieved by serving useful information to them. Copywriting is a term with a narrower meaning and mainly focuses on the goal for which a more specific direction is determined and most often involves the purchase of a product or service. (Baltes, 2015)

#### **4.2.4. Remarketing**

Remarketing campaigns are used to show ads to users who have visited the specific site or used the app. These campaigns offer additional settings and reports to help the businesses reach previous visitors and users. When the first remarketing campaign is set up, the business owners also go through the process of creating a remarketing tag and list. (Google, 2020)

Remarketing is extremely important to the owner's website because it reminds site visitors of the business and creates a connection with the brand. By linking the AdWords and Google Analytics accounts, the owners can turn random visitors into loyal visitors, and ultimately "take" their expectations by conversion. (Plaviured.com, 2019)

Many marketers and business owners use remarketing advertising to: (kuhada.com)

- brought back to the website visitors who did not do the desired work such as shopping, sending inquiries, etc.
- affected potential customers who put the product in the cart but did not buy
- sell more products or services to existing customers

- increase brand awareness

How does remarketing work? (jasnoiglasno.com)

1. First step is adding a remarketing tag (part of the code obtained from Google Adwords) to all subpages of the website.
2. Making remarketing lists.
3. Once people visit certain subpages of the site, they will be added to the remarketing lists.
4. Creating ad campaigns dedicated to these visitors.
5. The final step is ad campaign tracking, ad optimization, and conversions.

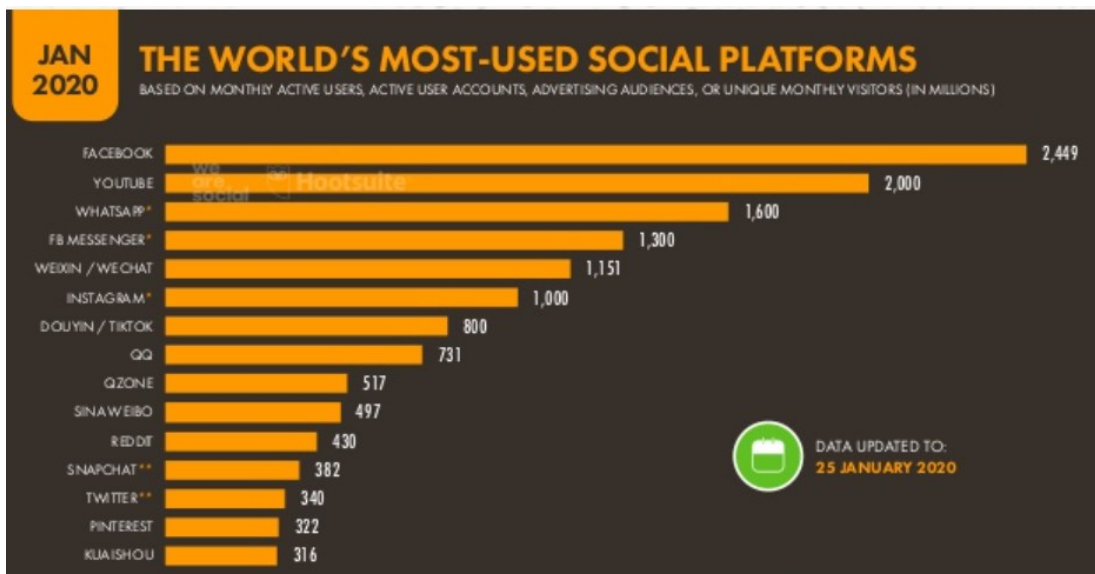
Remarketing can show ads to anyone who has visited your website, and it can also show ads only to a specific group of site visitors, such as visitors who put a particular item in the online store but left the page before making a purchase. The advertiser can identify them through remarketing and then show them discount ads if they decide to buy, offer them special benefits and the like. (jasnoiglasno.com)

#### **4.2.5. Social Media Marketing**

*„Social media is defined as “a group of internet-based applications that build on the ideological and technical foundations of Web 2.0, and that allow the creation and exchange of user generated content” (Kaplan and Haenlein, 2010, p. 61)*

Social Media Marketing (SMM) is a part of internet marketing that uses social networks as a marketing tool. The goal of SMM is to create compelling content which can encourage users to engage in a particular engagement. User reactions can be, comments or likes, but also sharing on their profiles and thus help the branding of the company and expand the reach to potential audiences or customers. It is also important for better positioning of the owner's website on the search engine. (Sharma, Sharma, Sharma, 2016)

**Photo no.1: Resurch results for most used social platforms**



Source: We are social and Hootsuite research for 2020 (<https://wearesocial.com/digital-2020>)

Social networks are a great tool when it comes to reaching users who usually share a common interest or activity. User profiles are filled with their interests, needs and desires, and thanks to this available information, targeted marketing is possible that can ultimately contribute to the success of the company at a relatively lower cost than classic advertising. (Assad, Gomez, 2011)

Social networks can help companies to spread good news quickly, but it should be careful with them, because due to high user connectivity and wide availability, bad news can spread very quickly. Often if customers are angry or dissatisfied with a product or service, they find the easiest and fastest way to vent their anger, and this often involves social media. In order to keep such situations under control, managers must also have a good command of crisis communication. Another difference compared to traditional media is that social networks are not censored to such an extent that dissatisfied users can say what they want and the way they want it. (Assad, Gomez, 2011)

The use of social networks is possible in several ways, also companies can be present for different reasons, These reasons are not necessarily the presence or creation of a loyal community, it is possible that companies are present on social networks for research reasons. They can monitor what is being said about them and respond in a timely manner as needed.



Analytics tools can also be used to analyze users, and highly targeted ads are used to reach a specific audience. (Buffer.com)

It has become more present with the increased popularity of Facebook, Instagram, Twitter, LinkedIn, YouTube and each of the social networks has its own peculiarities. (nivago.hr)

The most popular social media platforms (at the moment) are Facebook, Instagram, Twitter, LinkedIn, Pinterest, YouTube, and the latest TikTok, and the decision on which social network to use depends on the specifics of the business and the goals the owners want to achieve in terms of marketing.

#### **4.2.6. Advertising on Social Media**

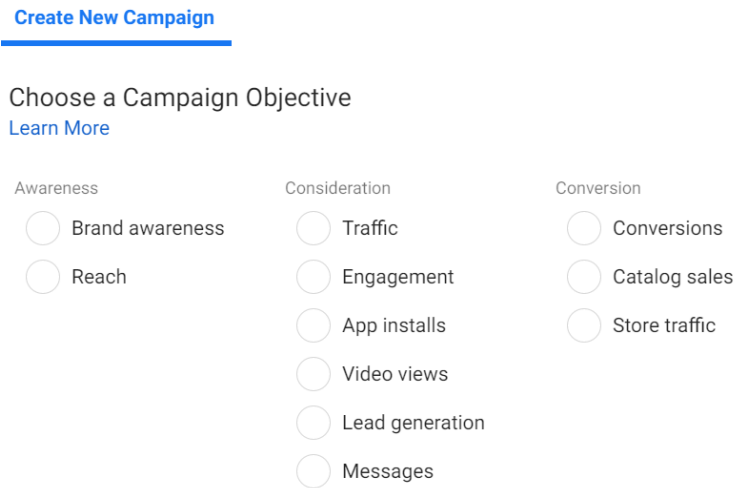
*„Social media represent a hybrid element of the promotional mix, with the combined features of the traditional tools of Integrated Marketing Communications (B2C) and a significant channel of word of mouth communication (C2C) where marketing professionals cannot control the type, the range and the distribution of information“ (Chatzithomasl, Boutsoukil, Hatzithomas, 2014. pg 2)*

According to Scot (2015) *“The proliferation and prevalence of social media and social networking sites continue to change the rules of advertising, marketing, and public relations.”*

Social media platforms like Facebook, Twitter, YouTube, Instagram, or LinkedIn offer different ways of advertising. They give the companies a possibility to pay in exchange of targeting consumers through display ads and promoted posts or other content. The price of social media advertising depends on the network but it is mostly less expensive than, for example Google advertising. The most popular is Facebook and Instagram advertising. When deciding on social media advertising it is necessary to know which networks uses the target audience. Targeting on social network can be done very accurate considering the location, gender, age, and among other things their interest and behavior on Internet.

Different types of advertising are possible, and the choice depends on the goal trying to achieve. Post boosting is used to gain bigger reach, and provoke reaction from the users. When the goal is to create bigger community and attract new fans and followers Page like campaigns can be used. It is also possible to attract potential customers and through social network lead them to web site where they can purchase the product, sign up for a newsletter or simply to get more information about the business and the products or services offering.

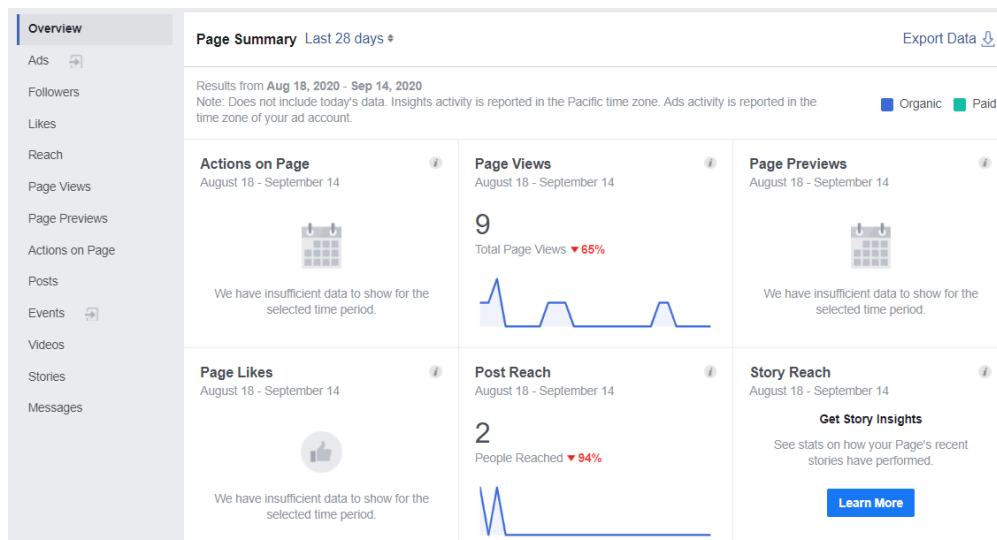
**Photo no.1: An example of the objectives for a Facebook campaign**



Source: Author's work – First in creating a Facebook Campaign in Business Manager.

Extremely useful element in social media advertising is the possibility of detailed reports with all the campaign results. Having access to such reports with the information of user's behavior helps the page owners to adjust the campaigns and achieve better results. Photo no.2 shows how does a simple interface where one can get insight into user activity and more detailed reports looks like.

**Photo no.2: Facebook „Owerview“ of a business Facebook page interface example**



Source: Author's work – screenshot of a Facebook interface

#### 4.2.7. E-mail Marketing

E-Mail Marketing is a very commonly used digital marketing technique which has evolved significantly over time. It is extremely useful when businesses want to send information to existing users or to attract new ones. A few years ago, with more strict rules regarding the GDPR, many businesses using the e-mail marketing needed to adapt and implement the new rules to their strategy. This type of electronic communication is direct communication, so this form of marketing can be considered direct marketing.

There are more possibilities and tools to make a successful email marketing campaign and the choice depends on the needs of the business. It is not just sending an email, it also includes the research, the statistics, the strategy, multiple user accounts, and various customizable reports.

The content of the Email should be tailored to the audience. A well-structured and interesting email starts with a title that grabs the reader's attention, it needs to have an attractive and easy to read content and direct and understandable information. It is also very important to mention that the content should be accurate (no false information) and that it often includes a Call To Action stated in the right place.

Another important element of a successful email marketing campaign is the design. Having an attractively designed newsletter and an email is just as important as choosing the target audience for the content of the email. High-quality and structured e-mails can achieve higher CTR and bring more visitors. Many email service providers have their own solutions when it comes to design and offer their own email template. The chosen design of the email should be in line with the design of the website, like using the same colors, fonts and visual identity.

Email marketing has several benefits that include:

- much cheaper and faster version than standard mail,
- simple method of promotion,
- the ability to analyze feedback on consumer behavior,
- the possibility of targeting consumers,
- direct address to the consumer as opposed to address on social networks,
- the ability to test the performance of different methods and campaigns.

#### **4.2.8. Influencer Marketing**

Influencer marketing has been experiencing a wave of popularity in recent years, and already in 2017, when it was a relatively new term, was predicted to be the strategy of the year. (Johansen, Guldvik ,2017)

The popularity of social networks has created space not only for new marketing methods but also for new marketers. (Wijnen, 2019) „According to Forbes, influencer marketing can be defined as a form of marketing in which focus is placed on specific key individuals rather than the target market as a whole.,(Glucksman, 2017, pg 77)

Word of mouth has been an important factor in making a purchase decision for a long time especially in combination with traditional marketing methods. People sometimes feel more secure and make decisions more easily if the product is recommended to them by a person

they trust. Influencers are people who have achieved their popularity by creating a community of fans. „*First, when people would think of influencer marketing, they would think of a celebrity appearance in a TV commercial or a famous person posed on a billboard along a highway.* „(Glucksman, 2017, pg 78).

Over time, fan communities started to create people who became popular for the first time after using the social network. The content they shared with users was interesting or engaging in different kinds of ways. Schivinski and Dabrowski in 2014 stated that the user-generated content such as influencer posts on social media and consumer reviews, have a positive influence on the brand attitude of other consumers. (Wijnen, 2019)

Many companies have recognized the opportunity in influencers to raise brand awareness and in the end increase sales. (Wijnen, 2019) By paying influencers to mention or recommend their products in their posts, they get more people to know about them. It can be especially successful for young brands that are not yet so well known.

Today, there are a very large number of influencers, both better and worse. When choosing an influencer, it is important to consider several factors, such as the size of the community, the structure of the community, but also the credibility itself. As much as they can bring benefits, they can also do harm by choosing the wrong influencer.

There are different types of influencers and they can be divided in different groups.

For example "*influencers can be grouped into celebrities and social media influencers*" (Khamis, 2016, pg 3). Another way of grouping is through the channel on which they are the most active, like YouTube influencers, Instagram/Facebook influencers or the latest TikTok influencers. Third way of dividing and grouping influencers is connected with their content, for example beauty influencers, fashion influencers, travel influencers, sport influencers etc. They all have their audience and a community that consider their content relevant.

#### **4.2.9. Customer Relationship Management (CRM)**

*„Customer relationship management (CRM) is a combination of people, processes and technology that seeks to understand a company's customers. It is an integrated approach to*

*managing relationships by focusing on customer retention and relationship development.*“  
(Chen, Popovich, 2003, pg. 1)

It also serves as a way to maximize customer relations, which include "e-customers" but also employees in distribution channels, or suppliers. In this way, which implies today's mining techniques and a strategy that is aimed mostly to the customers, the company can offer and sell more products and services. Customer loyalty can be maintained for a longer period of time. With the growth of Internet, a new meaning to building customer relationship was developed. (Chen, Popovich, 2003)

## 5. CASE STUDY – USAGE OF DIGITAL MARKETING IN CROATIAN FAMILY FARM AND SMALL BUSINESSES

Digital marketing has already been adopted as a standard part of the marketing strategy of larger companies. Within the marketing departments, digital marketing experts are employed. Their job is to follow new trends on a daily basis and use all the benefits of digital marketing, while at the same time making sure that threats do not harm them. In small companies, it is often that there are no marketing departments, and one person, often the owner or a family member, performs several functions, including marketing activities. The purpose of this research was to find out how familiar are the owners and employees of family farm and small businesses in Croatia with digital marketing and how much they use it in their everyday business.

### 5.1. The results of the questionnaire

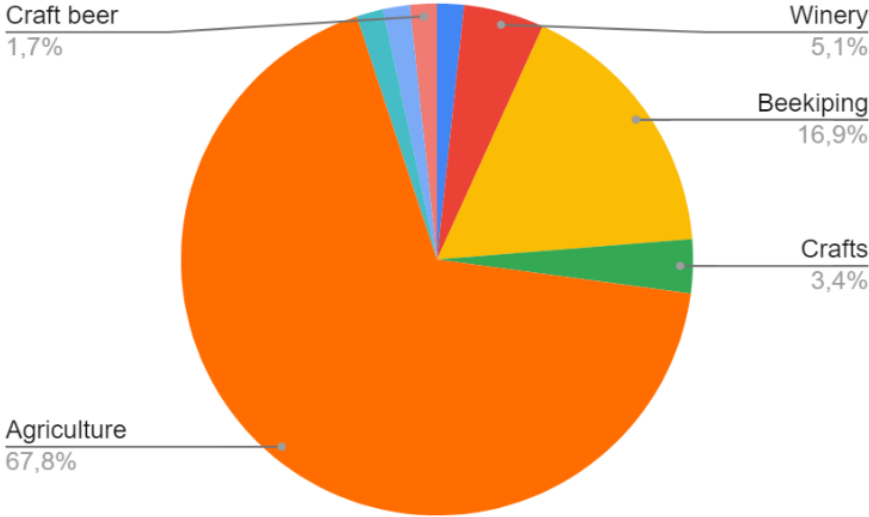
The research was conducted on 59 Croatian family farms and small businesses. The majority of the participants are owners or employees in agriculture (67,8%), and beekeeping (16,9%). Entire business classification of the participants is shown in table no.1.

Table no.1: **Business classification of businesses participating in survey.**

Business classification	Number of businesses participating in survey.
Hazelnut production	1
Winery	3
Beekeeping	10
Crafts	2
Agriculture	40
Poultry	1
Bakery	1
Craft beer	1

Source: Author's work

**Chart 1: Business classification of businesses participating in survey.**



Source: Author's work

In the first part of the research, the aim was to find out more information about the habits of the participants in using the Internet. They were asked to mark how much time a day they spend on the Internet and Social networks, and the result showed that 80% of participants spend from 1 do 6 hours surfing on Internet pages or Social network.

**Table no.2: The amount of time spent by the participants on the Internet or social network.**

	Less than 1 hour	1 to 2 hours	2 to 4 hours	4 to 6 hours	6 and more hours
How much time a day do you spend on the Internet or social networks?	7 (11,86%)	17 (28,81%)	19 (32,20%)	12 (20,34%)	4 (6,78%)

Source: Author's work

Table 3 shows the online shopping habits in private life of the participants. Each of the participants at least once bought something online, and 73% of participants stated that they sometimes or often buy products online.



**Table no.3: Online shopping habits in private life**

	1 - I never buy products online	2 - I rarely buy products online	3 - I sometimes buy products online	4 - I often buy products online	5 - I buy products online all the time
In my private life I buy products or services online:	0 (0%)	13 (22,03%)	25 (42,37%)	18 (30,51%)	3 (5,08%)

Source: Author's work

After getting to know the participants and little bit of their habits in using the Internet in their private life, they were asked to answer the questions regarding usage of the Internet and Social network in their business.

The majority use Internet in their business often or all the time. According to the results, it can be noticed that social networks are more popular than E-mail, but not all social networks have the same popularity. As expected, most participants use Facebook “often” or “all the time”, Instagram is a little less used in business, and 93% of the participants stated that they never use Twitter.

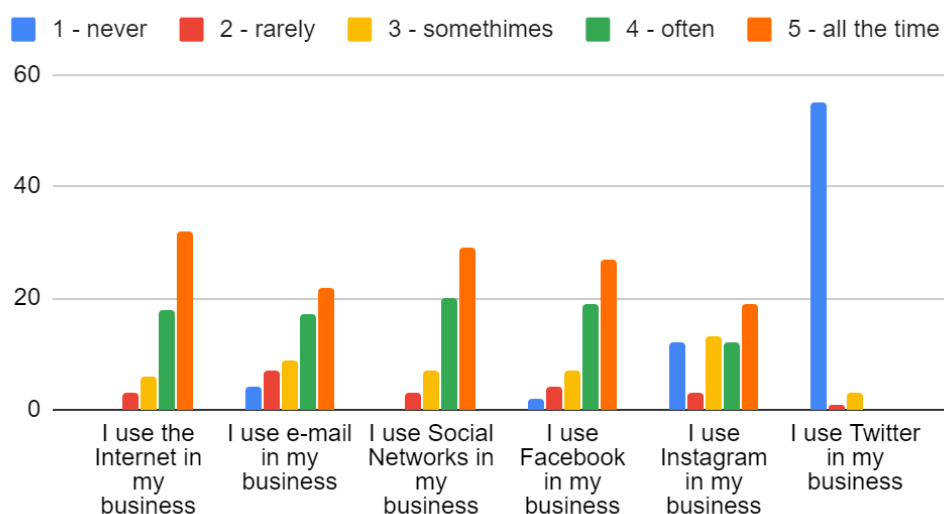
**Table no.3: Habits of using the Internet in everyday business**

	1 - never	2 - rarely	3 - sometimes	4 - often	5 - all the time
I use the Internet in my business	0 (0%)	3 (5,8%)	6 (10,17%)	18 (30,51%)	32 (54,24%)
I use E-mail in my business	4 (6,78%)	7 (11,86%)	9 (15,25%)	17 (28,81%)	22 (37,29%)
I use Social Networks in my business	0 (0%)	3 (5,08%)	7 (11,86%)	20 (33,90%)	29 (49,15%)
I use Facebook in my business	2 (3,39%)	4 (6,78%)	7 (11,86%)	19 (32,20%)	27 (45,76%)
I use Instagram in my business	12 (20,34%)	3 (5,08%)	13 (22,03%)	12(20,34%)	19 (32,20%)
I use Twitter in my business	55 (93,22%)	1 (1,69%)	3 (5,08%)	0 (0%)	0 (0%)

Source: Author’s work

**Chart no.2: Habits of using the Internet in everyday business**

## Habits of using the Internet in everyday business



Source: Author's work

An interesting result can be seen regarding the participants having a business webpage. 52% of the participants do not have a webpage, between those having a web page, 8 participants have a WEB Shop. Considering the fact that Internet has a huge role in everyday life of both the owners but also the customers, and that the Internet is among the first places where customers go to get more information not having a business webpage could be the first sign of missing initiative for digitalisation of marketing activities.

**Table no.4: The number of participants having a business webpage**

	Yes	No
Do you have a business web page?	28 (47,46%)	31 (52,54%)

Source: Author's work

**Table no 5: The number of participants having WEB Shop**

	Yes	No
Do you have WEB Shop?	8 (13,56%)	51 (86,44%)

Source: Author's work

The goal of the research was not only to get the information of using the internet, but also to find out do the participants use all of the possibilities of Internet and which elements of digital marketing they implement in their business.

Main hypothesis this research will test is:

**H1: Croatian family farm and small businesses use digital marketing in their business**

Additional questions used for a more detail analysis and for being able to test the hypothesis are:

- 1) *Do Croatian family farm and small businesses use SEM and SEO as part of marketing activities in their business?*
- 2) *Do Croatian family farm and small businesses use Social Media marketing as part of the marketing activities in their business?*
- 3) *Do Croatian family farm and small businesses use influencer marketing as part of the marketing activities in their business?*
- 4) *Do Croatian family farm and small businesses use email marketing as part of the marketing activities in their business?*
- 5) *Do Croatian family farm and small businesses use content marketing as part of the marketing activities in their business?*
- 6) *Croatian family farm and small businesses use remarketing as part of the marketing activities in their business*

Second hypothesis will be to does the opportunity for development and growth of digital marketing exists with the family farm and small business.

**H2: Croatian family farm and small business have interest in using and developing digital marketing**

In order to answer the questions above the participants were asked to answer several questions regarding different parts of digital marketing.

### 5.1.1. Familiarity of participants with digital marketing

Before any question regarding the usage of digital marketing it was important to see if the participants are familiar at all with digital marketing and how well they understand it. As shown in table no.5 the majority feels mostly familiar with digital advertising. Unfortunately, 8% of them are not familiar at all, and 13% of them feel that they are mostly not familiar.

**Table no.6: Opinion of the participants on how familiar are they with digital marketing**

	1 - I am not familiar at all	2 - Mostly I'm not familiar	3 - I am not sure	4 - Mostly I am familiar	5 - I am completely familiar
I feel familiar with digital marketing	5 (8,47%)	8 (13,56%)	7 (11,86%)	30 (50,85%)	9 (15,25%)

Source: Author's work

Given the results from tables no.3, and no.6. it can be assumed that the participants feel familiar with digital marketing, and that they are more familiar with social network marketing than they will be with SEM.

### 5.2.2. Usage of digital marketing in business

#### 5.2.2.1. Usage of SEO and SEM

***Do Croatian family farm and small businesses use SEM and SEO as part of marketing activities in their business?***

In the table no. 7 are shown the results of how often do the businesses owning a webpage use Google Analytics and track the traffic and general reports on the site. Between the participants having a webpage, 15% of them never or rarely tracks traffic reports, 11% does it sometimes, and 20% of the participant does it often or all the time. The results can be considered as a sign of the lack of information and lack of recognition of the importance of Google analytics.

**Table no.7: Frequency of tracking traffic and general traffic reports on the website**

	1- Never	2- Rarely	3- Sometimes	4- Often	5 - All the time
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Do you track traffic and general traffic reports on your site (e.g. Google Analytics)?	3 (5,08%)	6 (10,17%)	7 (11,86%)	9 (15,25%)	3 (5,08%)
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Source: Author's work

In table no.8 are shown the results of how familiar are the participants with SEO and 49% of the participants is not familiar with SEO at all, while only 25% is mostly or completely familiar. The results are not completely surprising considering the number of participants not having a website.

**Table no. 8: Familiarity with SEO among participants**

	No, not at all	Mostly, I am not familiar	I am not sure	I am mostly familiar	Yes, I am completely familiar
Are you familiar with the concept of SEO (Search engine optimization)?	29 (49,15%)	5 (8,47%)	10 (16,95%)	12 (20,34%)	3 (5,08%)

Source: Author's work

Only 7% of the participants use SEO often or all the time, and 17% use it sometimes. Considering a larger number of the participants not familiar with the SEO the results shown in the table no.9 were also expected.

**Table no.9: Usage of SEO among participants**

	1 - I never use it	2 - I rarely use it	3 - I use it sometimes	4 - I often use it	5 - I use it all the time
I use SEO (Search Engine Optimisation)	37 (62,71%)	8 (13,56%)	10 (16,95%)	1 (1,69%)	3 (5,08%)

Source: Author's work

The participants were also asked are they developing SEO strategy at the moment or for their future work and unfortunately 88% of them stated that they are not.

**Table no. 10: Plans for SEO Strategy among participants**

	Yes	No
Are you developing your SEO strategy?	7 (11,86%)	52 (88,14%)

Source: Author's work

Google Ads are also not popular within the participants because almost 90% of the participants stated that they are not using Google Ads as a digital advertising technique. A prerequisite for Google ads is a functional website.

**Table no.11: Usage od Google Ads among participants.**

	Yes	No
Are you working on Google Ads advertising?	6 (10,17%)	53 (89,83%)

Source: Author's work

Cosnidering the answers from the participants where it can be seen that in the majority they are not familiar and not using SEO and Google Ads, it can be said tha the majority of Croatian family farms and small businesses does not use SEO and SEM as part of their marketing activities.

#### 5.2.2.2. Usage of Social Media Marketing

#### *Do Croatian family farm and small businesses use Social Media marketing as part of the marketing activities in their business?*

Unlike using Google Ads, according to the results shown in Table no.12, participants use social network advertising more, almost 68% of them is actively working on advertising on social networks. Table 13 shows how often they use it, and it can be seen that the 47% use advertising on Social Networks often or all the time, and 27% use it sometimes.

According to the results, it can be stated that the majority uses Social media marketing as part of their marketing activities in their business.

**Table no.12: Usage of social network adverstising**

	Yes	No
Are you actively working on advertising on social networks such as Facebook, Instagram and YouTube?	40 (67,80%)	19 (32,20%)

Source: Author's work

**Table no.13:**

	1 - I never use it	2 - I rarely use it	3 - I use it sometimes	4 - I often use it	5 - I use it all the time
I use advertising on	9 (15,25%)	6 (10,17%)	16 (27,12%)	12	16 (27,12%)

<b>Social Networks</b>				(20,34%)	
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Source: Author's work

### 5.2.2.3. Usage of influencer marketing

#### *Do Croatian family farm and small businesses use influencer marketing as part of their marketing activities?*

Influencer marketing is getting more and more popular in Croatia. Different influencers have different audiences but due to the general popularity and promotion of healthy living and natural domestic products this type of promotion can be appealing to more groups of both influencers and their audience. The goal was to find out are business owners recognizing influencer marketing as an opportunity or they don't feel like that is the right channel for them to reach their audience and potential customers. The results are shown in the table below.

**Table no. 14: Usage of influencers as part of marketing activities**

	1 - never	2 - rarely	3 - sometimes	4 - often	5 - all the time
<b>We use influencers in product promotion</b>	<b>18 (30,51%)</b>	<b>4 (6,78%)</b>	<b>6 (10,17%)</b>	<b>1 (1,69%)</b>	<b>0 (0%)</b>

Source: Author's work

30% of the participants never used influencers in product promotion, 6% used them rarely, 10% sometimes uses influencers as part of their digital strategy. As the main reasons for using influencers in their product promotion the participants stated the bigger reach because of the number of followers, ability to reach the targeted audience, and as trying out new ways of promotion. According to the results it can not be confirmed that Croatian family farm and small businesses use influencer marketing as part of their marketing activities.

**Table no. 15: The most popular reasons to use influencers**

<b>Reasons to use influencers in product promotion</b>	<b>Number of busiesses</b>
<b>To gain more reach/number of their followers</b>	<b>4</b>

<b>Great promotion for the right audience</b>	3
<b>Trying out new ways of promotion</b>	1

Source: Author's work

#### 5.2.2.4. Usage of email marketing

*Do Croatian family farms and small businesses use email marketing as part of the marketing activities in their business?*

Email marketing as part of marketing activities is not very often used according to the results shown in table 16. Only 7% of the participants use it often or all the time, and 52% never used it, which answers the question and it can be said that the majority of Croatian family farms and small businesses does not use email marketing as part of the marketing activities.

**Table no.16: Usage of email marketing**

	1 - I never use it	2 - I rarely use it	3 - I use it sometimes	4 - I often use it	5 - I use it all the time
<b>I use Email marketing</b>	31 (52,54%)	16 (27,12%)	8 (13,56%)	2 (3,39%)	2 (3,39%)

Source: Author's work

#### 5.2.2.5. Usage of content marketing

*Do Croatian family farms and small businesses use content marketing as part of the marketing activities in their business?*

27% of the participants don't create content for their business, while only 5% creates educational content all the time.

**Table no.17: Habits in creating content**

	1 - never	2 - rarely	3 - sometimes	4 - often	5 - all the time
<b>I create educational content for my website or social</b>	16 (27,12%)	8 (13,56%)	19 (32,20%)	13 (22,03,%)	3 (5,08%)



networks					
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Source: Author’s work

When creating content, most of the participants don’t use help. They create content by themselves. Business owners know their business and their audience the best. It is possible for them to create quality and useful content, but it is always useful to invest in gaining knowledge of the standards and techniques of creating content which can bring good results. Considering the results in table no. 17 it can be answered that the Croatian family farms and small businesses partly use content marketing as part of their marketing activities. It is more as giving the necessary information to customers on social media than planned content strategy.

**Table no.18: Using help with creating content**

	I have help	I create content by myself
If you actively use social networks in your business, do you create the content (photos and text) by yourself or do you have help (co-workers, family, agency)?	17 (28,81%)	42 (71,19%)

Source: Author’s work

5.2.2.6. Usage of remarketing

***Do Croatian family farm and small businesses use remarketing as part of the marketing activities in their business?***

According to the results shown in table no 19, the participants are not very familiar with the term remarketing, although they stated that they were working to get back customers after they buy the product. That gives the answer that the Croatian family farms and small businesses do not use remarketing as part of their marketing activities. When looking at the results in table 20 it can be assumed that there might be some space for additional education on how to use remarketing to achieve the goals.

**Table no.19:Familiarity with remarketing among participants**

	1 - not familiar at all	2 - mostly not familiar	3 - I am not sure	4 - I am mostly familiar	5 - I am completely familiar
I am familiar with the concept of remarketing	26 (44,07%)	3 (5,08%)	17 (28,81%)	10 (16,95%)	3 (5,08%)

Source: Author's work

**Table no. 20: Working on plans to get the customers back**

	1 - never	2 - rarely	3 - sometimes	4 - often	5 - all the time
Are you working to get your customers and / or customers back after they buy the product?	2 (3,39%)	3 (5,08%)	6 (10,17%)	16 (27,12%)	32 (54,24%)

Source: Author's work

At the end of the first part of research it can be concluded that a significant amount of the participants use Social Network marketing but other activities in digital marketing, specifically SEM, SEO, influencer marketing, content marketing, email marketing and remarketing are not significantly used by Croatian family farm and small businesses. The hypothesis H1 can not be confirmed. The participants are aware of the missing knowledge, and as shown in table 21, more than 60% mostly or completely agree that they need an education in the field of digital marketing.

**Table no. 21: Opinion on the need for education among participants**

	1 - I do not agree at all	2 - Mostly do not agree	3 - I am not sure	4 - I mostly agree	5 - Yes, I completely agree
I think we need education in the field of digital marketing	5 (8,47%)	6 (10,17%)	6 (10,17%)	28 (47,46%)	14 (23,73%)

Source: Author's work

As it could be seen in the first part of the research the participants do not use completely digital marketing as part of their marketing activities, but it can be seen that the interest for it exists. They think they need education, and the participants are trying to use it. Several

questions were asked regarding the current activities and future plans regarding the usage of digital marketing.

Table no 22 shows that most of the participants works alone on digital marketing, and 35% has some kind of help.

**Table no 22: Working on developing digital marketing in the business**

	<b>I work alone</b>	<b>I have help</b>
<b>If you work on developing digital marketing in your business, do you do it yourself or do you have help (in the form of an associate, family member, or agency engagement)?</b>	38 (64,41%)	21 (35,59%)

Source: Author’s work

Table 23 shows some of the most common or most interesting answers why participants use or want to use digital marketing in their business.

**Table no: 23: The list of most common reasons the use digital marketing among the participants**

<b>Reasons to work on digital marketing</b>
<b>Promoting products in a way that brings the quality of the product virtually closer to all potential customers</b>
<b>Selling products to the end customer, reaching new customers</b>
<b>We want to bring our business closer to people from all over the EU and present our products to them and increase sales.</b>
<b>Independent business, without the need to place their products through resellers, stores, etc.</b>
<b>We want to be recognizable and in that way reach new customers</b>
<b>Switch the entire sale to digital sales.</b>
<b>Higher sales of own products</b>
<b>Get closer to the end user</b>

Source: Author’s work

It can be noticed that most of the participants have similar goals and that is to increase sales, get new customers and inform them. They want to create brand awareness and digital marketing is a great way to achieve this. It is also good to see that the participants want to work on developing a connection with the customers.

Table 24 shows the answers of the participants not working on digital marketing and their reasons why not.

**Table no. 24: The reasons why participants are not working more on digital marketing**

**The current reason is the lack of finances and unfinished business around marketing authorizations. I hope to work more on digital marketing soon (in the next year).**

**No time**

**I don't know**

**Personally I am not interested, but there is also a lack of education**

**I do not consider it desirable and necessary to pay for ads through social networks. Our sales take place on the doorstep, so digital marketing does me no good.**

**Additional education is needed.**

**We are not familiar with that**

**I am not familiar and it is not necessary**

**I already have all the tools I need for a successful business**

Source: Author's work

It can be noticed that there is a lack of education and there is part of the participants considering that they don't need digital marketing for their business to be successful. Considering the theoretical part of this paper regarding the small business and family farms in Croatia and the research results the second hypothesis can be confirmed. Croatian family farms and small business at the moment may not have completely included digital marketing in their marketing activities, but they have interest for it, they are willing to work on it, and their reasons for working on it are the right one because through digital marketing channels they could accomplish their goals.

## 6. CONCLUSION

Family farms and small businesses in Croatia face many problems. From the creation to the maintenance of the business, state regulations, unfavorable situation in the state and on the market, lack of skilled labor and many others, but still this did not prevent the bravest and most interested to embark on such a project and business.

With all the above problems, interest in the products offered exists, and even if it is not always to the expected extent, it is enough to maintain the business and gradually develop it. It is commendable that new trends and new products are emerging in Croatia in recent times, more innovative and in line with these trends. Unfortunately, the age and educational structure of business owners, lower location development, and lack of time still leave some consequences, and are mostly reflected in the implementation of digitalization within the business. Yet most owners and family members are still traditionally inclined and have a greater focus on production than on marketing. They are not fully acquainted with the new trends in marketing, so they do not use all its advantages in its full power.

According to the results of the research, the facts mentioned above were confirmed. The participants were found to use channels and activities familiar to them from private life in their business. Social networks are used the most. Rarely who is not today present on at least one social network or if not personally then there is always at least one a member of a family present on social networks. Google and SEM are something they don't encounter on a daily basis and haven't had a chance to get to know more. Due to the lack of information, interest in has not developed enough to be used now. Also Social Networks are potentially easier to use and to understand, they get in touch with ads on a daily basis, communication is more relaxed and it is possible to do social media marketing with less concrete education. It may not be done perfectly or professionally like a digital agency, or social media specialist would do it, but it still can be acceptable to users, and goals can be achieved. Google and SEM, however, require some more specific education in order to start doing something in general. Budgets need to be bigger and more time needs to be invested.

With this paper was tried to investigate whether there is any potential in family farms and small businesses in Croatia for the development of digital marketing. It can be said that it is a branch of the economy in which digital marketing can exist and thrive. We can say that the further development of the business shows the potential for digital marketing. It is possible that an increasing number of producers and owners of family farms will turn more and more to digital marketing because it is a great way to achieve the desired goals within the budget. Small businesses have better relationships with their customers, they are closer to them and their communication is different compared to large companies. It is this relationship with customers that makes an excellent potential for digital marketing because among the main goals of digital marketing is the creation of a community of loyal customers, two-way communication, partly an individual approach.

In the end it can be concluded that due to the existing age structure, tradition, focus on the production and products, and habits of owners and members of family farms digital marketing is not fully involved in their business of family farms and small business, but it can be assumed that with further development, education of owners and members, digital marketing will be increasingly used as it is a great way to promote their products, create a customer community, increase sales and expand business.

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