DIGITAL EUROPE, BETWEEN WEAKNESSES AND PROMISES

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Abstract: Despite its 512 million people, its status as the second richest geographical area, its R&D expenditure reaching 300 billion euros, or 2% of its GDP (Eurostat) and its rate of urbanization and connected citizens, the European Union (EU) is struggling to establish itself as a digital power. This study shows that this observation is proven across different dimensions of digital: sectors, platform activities, venture capital. It then identifies the obstacles in the financial and institutional environments of digital. The size of the EU, its level of technological development and its digital ambitions lead us to compare it to the United States (established pioneer) and China (new competitor). Economies are becoming digital and, for once, they are not all becoming digital at the same speed. While the United States has dominated, from the development of Arpanet in the 1960s to recent platform activities, European countries appear to be much more behind. China has been sandwiching itself between the two since the 2000s and reinforcing the EU's position of withdrawal. Of course, the transition of economies to digital is not homogeneous within Europe: the Nordic countries are in the leading position, followed by the heart of industrial Europe. Beyond these singularities, the European Commission is trying to orchestrate the integration of the digital market, but its recent and ambitious efforts have not yet changed the European digital trajectory. As is known, the degree of digitization has a great impact on digital marketing, which facilitates and favors participatory marketing. In this review, we will first analyze the global situation of the digital revolution in Europe with its pros and cons, the competition with the USA and China and the strategy of digital marketing in small and medium-sized enterprises.
Keywords: European Union, Digital Marketing, Interactive Communication, Rapport Draghi, Social Media

1. INTRODCUTION

Experts found that the main driver of the growing productivity gap between the European Union and the United States was digital technology. Europe risks falling even further behind if it does not react properly. "Europe has failed to take advantage of the first digital revolution led by the Internet, both in terms of the creation of new technology companies and the spread of digital technologies in the economy. In fact, if we exclude the technology sector, the EU's productivity growth over the past twenty years would be broadly comparable to that of the United States," the paper said. That is why Europe seems to be lagging behind when it comes to new technologies capable of stimulating future growth. A bittersweet observation that sounds like a warning Although in France many tech start-ups have been crushed in recent months by economic pressure and a business climate that has turned gloomy and worsened by uncertainty, markets are increasingly troubled by the unfavorable economic situation. About 70% of the basic models of artificial intelligence have been developed in the United States since 2017 and three American hyperscalers (AWS, Microsoft Azure and Google Cloud) occupy more than 65% of the global and European cloud computing market, recalls Mario Draghi, knowing that the largest European cloud operator (Deutsche Telecom) represents only 2% of the EU market. "Quantum computing is poised to become the next big thing, but five of the top ten global tech companies in terms of quantum investment are based in the US and four in China," the report continues. But even though none are based in the EU and some digital sectors are probably already 'lost', Europe will still have the opportunity to benefit from future waves of digital innovation. "The EU's competitive disadvantage is likely to increase in the field of cloud computing, as the market is characterized by huge and continuous investments, economies of scale and multiple services offered by a single provider. » However, all is not lost: that is why European companies would have an interest in maintaining control over the areas related to the sovereign cloud. "Generative artificial intelligence is an emerging technology in which EU companies still have the opportunity to take a leading position in certain segments," the report notes. In France, the leading example is undoubtedly MistralAI which managed to distribute its LLMs in particular to numerous American suppliers. And that's not all: Europe has a strong position in autonomous robotics, with around 22% of global activity, and in artificial intelligence services, with around 17% of activity. "But innovative digital companies generally fail to scale up in Europe and attract funding, resulting in a huge gap between the EU and the US in late-stage funding," warns Mario Draghi (Draghi, 2024). The comparative position of Europe in relation to the USA and China in terms of technological specialization lags behind significantly. To support its ambitions, the EU must aim for a strong position over the period up to 2030, mainly in key industrial sectors such as advanced manufacturing and industrial robotics, chemicals, telecommunications and biotechnology, based on a set of main linguistic models and sectoral vertical models developed by the EU. But also develop the Euro-HPC computing capacity and network to serve both science and research as well as businesses; maintaining control over security, data encryption and residency

capabilities in EU companies and institutions and facilitating the consolidation of cloud computing providers and developing research excellence in the field of quantum computing and merging supercomputing facilities with testing laboratories in this field.Panda.S.(2024) . How can the EU overcome the delay in the field of numeracy in relation to the USA and China? What should be the main axes of development of the 28 member states? How and in what way to set small and medium enterprises in their digital strategy?

2. DIGITAL: BEHIND CHINA AND THE UNITED STATES, EUROPE CAN BOUNCE BACK

In 2015, the EU-28 digital sector represented 8.4% of market value added (VA) in value. Only 11 countries individually were above this percentage. The observation of the digital VA of the Member States leads to two salient facts (graphs 1 and 2). In 2023, European companies have not reached the target of 75% adoption of AI, cloud and big data. Projections for 2030 indicate that only 64% of the population will use the cloud, 50% big data, and 17% AI (Filippone, (2024). In Europe, "there is still no big digital market (...), we have a patchwork of rules," notes Alexandre de Streel, a law professor at the University of Namur and an expert on digital regulations. Even when we have common rules, such as the General Data Protection Regulation (GDPR), they are applied differently, he notes: "the Irish privacy regulator is, for example, more flexible than its French counterpart". A European start-up is facing 27 different regulations that are slowing its development and pushing it to seek salvation in the United States. This is especially true because the culture of "venture capital" is poorly developed on the Old Continent. Europe also suffers from the absence of a common industrial policy, with public funds dispersed across a multitude of national projects. "Each country is trying to create its own centers", regions that concentrate universities, start-ups and large companies in the field of excellence, "but none of them have a critical size", unlike Silicon Valley or the largest Chinese metropolises, underlines Francois. Candelon, director of the BCG Henderson Institute think tank. Reasons for hope "The idea that there could be a European 'Gafam' is over." Let's forget that," says Mr. Candelon. According to him, Europe has already lost the battle for the general public on the Internet (social networks, search engines, etc.) and the challenge now is "the digitization of European leaders in various industries". For example, in the automotive industry where IT becomes decisive for Volkswagen, Daimler or Renault to remain at the forefront. The Europeans have already managed to impose several large specialized digital platforms: Spotify (music), Blablacar (transport), Zalando (distance selling), Booking (tourism)... According to investor Mathieu Lates from the fund White Star Capital, Europe, where the large fundraising is increasing, gaining momentum: "We have seen the emergence of new generations of entrepreneurs (...) who say 'I too can create a global giant.' "The value of European technology companies has quadrupled in the last five years. Europe has the largest number of high-level scientists in artificial intelligence (...) and more software developers than the United States," underlined the President of the European Commission, Ursula von der Leyen, at the WebSummit show. (AFP (2020). In 2007, only 55% of the inhabitants of the current Union of 27 used the Internet in the last 3 months, more than 91% of them used it in 2023. For example, 2019 reached almost 70%. Beyond its use for individuals, digital technology is generating enormous economic and industrial opportunities. It also raises important geopolitical and democratic issues. Faced with the dominance of foreign players in this sector, the Union strives to do well. The second priority of the European Commission led by Ursula von der Leyen, "Europe adapted to the digital age" has seen numerous developments since 2019. In 2022, 69% of EU companies have implemented cutting-edge digital technologies, including advanced robotics, big data analytics and artificial intelligence, compared to 71% of US companies. The European Union Commission five years ago identified 9 key digital technologies based on the following list: 1. social media, 2. mobile services, 3. cloud technologies, 4. the internet of things, 5. cybersecurity solutions, 6. robots and automated machines, 7. data analysis and big data, 8. 3D printing and 9. artificial intelligence. The data from the International Federation of Robotics (IFR) allow us to propose a comparison based on one of these 9 technologies: that relating to robots. The latter can be seen as a vector of transformation and modernization of existing production structures. If we relate the stock of operational robots to the number of European countries, then there is no doubt that robotization in China exceeds the levels of European and American robotization. This result is consistent with a recent OECD report (2018) which makes China the world's leading user of industrial robots.

3. PUBLICATION OF THE 2023 DIGITAL BAROMETER - CASE STUDY FRANCE

This study, carried out for Arcep, Arcom, CGE and ANCT, aims to take stock of the digital practices of French men and women aged 12 and over. The study covers many topics: equipment and uses, risks and even "digital environmental awareness". While digital uses are becoming more widespread, it should be noted that social disparities remain marked. For example, while 74% of higher education graduates consider that digital technology makes daily life easier, this figure falls to 30% for non-graduates. It is also interesting to note that one in two people limit their use of digital technology, due to the excessive cost of equipment and/or subscriptions (22%); a feeling of lack of control (18%), disinterest (13%) or voluntary rejection (11%). The massification of uses is accompanied by a

massification of digital risks with figures that should give food for thought, particularly for digital mediation actors. For example, more than one in ten people have already been the victim of insults, harassment and defamation online, with strong disparities according to income since 22% of low incomes report having been exposed to insults, harassment or defamation compared to 4% for high incomes. Similarly, 27% of low incomes have been exposed to online scams or fraud (compared to 9% of high incomes (Oriol, 2024). The specificities of digital technology complicate the harmonization of the internal market. The European Union's digital policy covers a wide range of areas: personal data protection, regulation of large platforms, development of the digital society, etc. Among its flagship projects: Digital Markets Legislation (DMA), Online Services (DSA) and Artificial Intelligence. A fragmented market: A common market for coal, steel or agricultural products is not a common digital market. While European integration is gradually reducing obstacles to the free movement of goods, services, capital and people, the digital market continues to face numerous challenges. It therefore suffers from strong fragmentation. As measured by the European Digital Economy and Society Index (DESI), economic, social and infrastructural differences between member states do not place them on equal footing. And for public access to digital tools and for the digitization of administrations and businesses. Three large groups can be distinguished: the best-performing states in the north, those in the more average range in the west and center, and finally those lagging behind in the south and east. This fragmentation is also observed at the legislative level, with each member state essentially applying its own rules to a sector that mostly ignores borders. Or who, on the contrary, uses these differences to their advantage. A situation highlighted by geoblocking, which restricts or prohibits Internet users' access to sites, content and services offered in another member state. In 2018, the European Union banned this discrimination for online commerce and paid audiovisual subscriptions. For several years, the EU has been trying to harmonize national legislation while overseeing the sector's activities through its own regulatory model. Among the most symbolic measures of this Europeanization, the 2017 regulation eliminates roaming charges for all passengers. Mobile phone users can now make calls, send SMS messages and browse the internet abroad at the cost of their country of origin, facilitating free movement within Europe. Finally, the European Union is trying to facilitate the deployment of high-speed networks like fiber optic and 5G across its territory. From 11 May 2024, the Gigabit Infrastructure Act (GIA) came into force, proposing to reduce the administrative burden and deployment costs for operators in order to achieve broadband coverage for all EU citizens by 2030. The deployment of connectivity networks in Europe is also funded by European programs such as Connecting Europe Facility (CEF) and the Digital Europe program.

4. LATEST TRENDS UN DIGITAL MARKETING

In 2023, digital marketing is constantly evolving, with the emergence of new trends that affect the way companies position themselves in the market. A. Artificial Intelligence in Digital Marketing The prevalence of artificial intelligence (AI) in digital marketing is becoming increasingly clear. AI can help businesses automate certain tasks, such as email list segmentation and content personalization, and provide more detailed analytics on market data. Businesses can also use AI to create smarter chatbots that help customers find answers to their questions in real time. Artificial intelligence-based technologies such as natural language processing (NLP) are also gaining popularity; NLP allows machines to interpret human language and respond with relevant content or advice. B. The Growing Use of Video Marketing Like motion design, the use of video marketing is becoming an increasingly popular marketing tool. Videos allow businesses to showcase their product or service in a creative and engaging way, which can help capture consumer attention and build loyalty. In addition, videos can be easily shared on social media, which can help expand a brand's reach. C. Personalization in Digital Marketing Personalizing the customer experience has become essential to the success of web marketing campaigns in recent years; Customers want brands to show them that they understand who they are and what they need, without having to manually search pages or pages themselves. To effectively achieve this, it is necessary to conduct detailed data analysis so that marketers can tailor messages based on customer behavior patterns. D. Digital and Web 3.0 Marketing Web 3.0 is shaking up the world of digital marketing by bringing new opportunities with its technologies such as blockchain, NFT, cryptocurrencies and many others. This trend represents a major digital transition for the marketing industry, enabling greater transparency, better data protection and greater security of online transactions. In particular, NFTs provide new opportunities to create exclusive content and new ways to monetize that content. In addition, the increased use of blockchain enables greater transparency in data management and greater security of online transactions. Cryptocurrencies also enable new online payment opportunities for marketers. Users can now transact securely online and without worrying about market volatility. This can help businesses build customer loyalty and increase customer engagement (Thai, 2024).

5. KEY DIGITAL MARKETING STRATEGIES AND TECHNIQUES

Web marketing strategies and techniques are many and varied. Various digital marketing tactics can be used to reach consumers in different ways and enable effective promotion of a company's products or services. Here's a quick overview of some of the most common digital marketing levers: A - The Different Levers of Digital Marketing 1. Search Engine Optimization (SEO) Search Engine Optimization (SEO) is a digital marketing technique that aims to improve visibility and page ranking on website in the results of search engines such as Google. The goal is to optimize web pages so that they are considered relevant and trustworthy by search engines, which will increase the likelihood that users will click on the page. 2. Content Marketing Content marketing is a digital communication technique that consists of creating and distributing quality content to attract and retain a target audience. It is a strategy focused on creating and distributing informative, useful and engaging content such as blog posts, videos, infographics, podcasts and more. The goal is to build trust with the audience by providing them with valuable content without immediately selling it. 3. Inbound Marketing Inbound marketing involves attracting customers to your website through various channels (SEO, social media marketing, advertising, email marketing, etc.). It helps build relationships with potential customers and generate leads that can be converted into customers. Content marketing is one of the key elements of inbound marketing. 4. Social Media Marketing Social media marketing is a digital marketing technique that consists of promoting products, services or brands through social networks, such as Facebook, Instagram, Twitter or LinkedIn. The goal of social media marketing is to increase online visibility, connect with consumers, drive website traffic, and build brand awareness. 5. Pay Per Click (PPC) Pay Per Click (PPC) is a pricing model used in SEA (Search Engine Advertising), ie. search engine advertising. Also called paid search, SEA aims to improve a website's visibility to search engines by purchasing ads. In the case of PPC, the advertiser pays each time a user clicks on their ad. The cost per click is determined by bidding on keywords related to the ad and depends on the competition for that keyword. This digital marketing technique is used on platforms such as Google AdWords, LinkedIn Ads, Facebook Ads, among others. Through their SEA campaigns, advertisers create ads and place them on websites or social networks that target their target audience. 6. Affiliate marketing Affiliate marketing is a digital communication strategy in which an affiliate company (the affiliate) receives a commission for promoting the products or services of another company (the merchant). Affiliate marketing is often used to improve online visibility, increase sales, and drive qualified traffic to a merchant's site. Affiliates may promote a merchant's products or services through tracking links, banner ads, or social media posts. 7. Email Marketing Email marketing is a digital marketing strategy that involves using email to promote products or services, build relationships with current and potential customers, and inspire them to take action, such as making a purchase or visiting website. Businesses can send newsletters, special promotions, product announcements and other email communications to a mailing list of customers or potential prospects. Email marketing is often considered an effective and cost-effective way to generate traffic, sales and leads for businesses.

6. MARKETING STRATEGY AND MARKETING PLAN IN CURRENT EU CONDITIONS

How to turn a marketing plan into business success? A marketing plan is a report that outlines a marketing strategy for products or services that may be applicable for the coming year, quarter, or month. What are the elements of a marketing plan and how to design one? A marketing plan is an essential strategic roadmap for any business that wants to optimize its marketing actions and achieve its marketing goals. It allows small and medium enterprises to structure efforts to promote products or services in a certain period, whether it is a quarter, a semester or a year. How to design an effective marketing plan by integrating tools such as SWOT analysis, the SMART method and key performance indicators (KPIs). What is the importance of competitive analysis and PESTEL analysis to maximize market share and reach target audience. But first of all let's see what is a marketing plan? A marketing plan is a road map that outlines all the activities needed to achieve the overall marketing goals. A marketing plan provides detailed information about the key steps a company should take to achieve its desired goals. Regardless of the size and complexity of this plan, the idea remains the same: a marketing plan is created to organize, execute and measure the success of the company's marketing strategy. What is the difference between a marketing plan and a marketing strategy? The marketing strategy represents the overall vision and long-term goals of the company, such as increasing market share and improving the brand image. It defines the main activities to achieve these goals, such as customer loyalty or capturing new customer segments. In contrast, the marketing plan focuses on the practical implementation of this vision. Details of specific tactics, marketing actions and campaigns to be executed, such as SEO efforts or social media campaigns. In short, the strategy dictates the "what", while the plan determines the "how". So, to be successful, a business must align its marketing plan with its marketing strategy to effectively organize, execute and measure its marketing initiatives (MacNeil, 2024).

7. METHODS FOR CREATING A COMPANY'S NUMERICAL MARKETING

The most common methods used are 1. SEO and SEM Optimization, or search engine optimization, and SEM, or search engine marketing. With their help, it is determined how the sites and the web of the company will be ranked. SEO naturally increases traffic, while SEM increases traffic and positioning in search engine results through advertisements (AdWords campaigns). 2. Content marketing includes all the content you publish, including your videos, blog posts, and eBook's you've written and published. Companies of all sizes and types offer content creation, like Discovery Digital Studio. 3. Social networks and WMO: Every day, social networks gain more than a million new users. By social networks, we mean any type of social media (eg: Facebook, Twitter, LinkedIn, Instagram, Snapchat, etc.) originating from an online community that allows the exchange of information. SMO (Social Media Optimization) is therefore a strategy aimed at optimizing the optimization of social networks, by implementing targeted hashtags for example. Community management is also part of SMO. 4. Email Marketing: Email marketing is an effective alternative to the traditional mail approach. This method allows you to quickly and inexpensively get in touch with new prospects and customers. 5. Online Advertising: Although it can be expensive, online advertising is effective in driving traffic to your sites and web properties. It allows you to select the content to be shown on each of the affected channels. 6. Websites and their design: On the Internet, business is represented through the company's website. Therefore, the latter must be as tidy as possible and offer a unique design. A website is a reflection of a company's brand image. Indeed, it is one of the first places visited by potential customers who want to know more about the company and products. 7. Digital data: Analyzing various digital channels provides valuable data and insights. This information enables improvements to be made to current and future digital strategies. 8. The Mobile Experience: Obviously, the mobile experience is impossible to miss when nearly 70% of internet traffic is generated from mobile devices. As soon as digital marketing actions are taken, the design and handling of the mobile phone must also be considered. The mobile experience should be as seamless as the desktop experience.

8. CONCLUSION

It is a general conclusion that the European Union is lagging far behind the USA and China when it comes to the digital transformation of companies. The weaknesses manifested in the EU countries regarding the digital industry also threaten the goals of reforms in this domain that were planned until 2030.In this sense, the following gaps are evident: • Digital skills • High-quality connectivity • Adoption of artificial intelligence (AI) • Use of data analysis by companies • Semiconductor manufacturing • Startup ecosystems. Regardless of the worrying situation in the field of digitization, the EU has undertaken several activities, primarily with the help of Mario Draghi, to produce an analysis and perspective patterns and trends for the development of the digitization of the EU countries. In this direction, digital marketing has found a significant place. There are several methods for developing marketing strategies and marketing plans for small and medium-sized companies. In this text, nine stages are proposed in the realization of the marketing strategy of the company. At the same time, it should be taken into account that in this matter there are more methods, proposals in eight, nine, or twelve steps in the elaboration of the marketing strategy. Regardless of that, the business community lives in a new world of digitalization and owes its marketing to adapt according to the spirit of the new time.

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