THE IMPACT OF THE DIGITAL SINGLE MARKET ON MARKETING ACTIVITIES IN THE EU

Larisa TRIFONOVA, PhD., univ. lect.
ORCID iD: https://orcid.org/0000-0002-2080-9750
Universitatea de Stat din Moldova, str. Alexei Mateevici 60, Chișinău, Republica Moldova
larisa.trifonova@usm.md

Abstract. This article explores the impact of the Digital Single Market on marketing activities within the European Union. The Digital Single Market is a strategic initiative of the EU aimed at creating an integrated digital space where goods, services, capital, and data can move freely without barriers. The study highlights key changes in the marketing processes of European companies under the influence of digitalization and the unification of online trade regulations. Special attention is given to aspects such as the use of big data, artificial intelligence, automation programs, and digital platforms to enhance the efficiency of marketing campaigns. The impact of harmonized data protection legislation (GDPR) on marketing strategies is also analyzed, along with the role of e-commerce and digital advertising in strengthening companies' competitive positions in the EU's internal market. As a result of the research, the author offers recommendations for adapting marketing activities to the conditions of the Digital Single Market to maximize its opportunities.
Keywords: *EU, marketing activities, market, digital single market.*

Adnotare. În acest articol se examinează influența Pieței Unice Digitale asupra activităților de marketing în Uniunea Europeană. Piața Unică Digitală reprezintă o inițiativă strategică a UE, care vizează crearea unui spațiu digital integrat, în care bunurile, serviciile, capitalurile și datele pot circula liber, fără bariere. Studiul evidențiază schimbările cheie care au loc în procesele de marketing ale companiilor europene sub influența digitalizării și unificării regulilor de comerț online. O atenție deosebită este acordată unor aspecte precum utilizarea datelor masive (big data), inteligenței artificiale, programelor de automatizare și platformelor digitale pentru creșterea eficienței campaniilor de marketing. Se analizează influența armonizării legislației privind protecția datelor (GDPR) asupra strategiilor de marketing, precum și rolul comerțului electronic și al publicității digitale în consolidarea pozițiilor competitive ale companiilor pe piața internă a UE. În urma cercetării, autorul oferă recomandări pentru adaptarea activităților de marketing la condițiile Pieței Unice Digitale pentru a valorifica la maximum oportunitățile acesteia.
Cuvinte-cheie: *UE, activități de marketing, piață, piață unică digitală.*

Introduction

In the context of rapid digital progress and the integration of global markets, the concept of the Digital Single Market has become one of the key initiatives of the European Union, aimed at creating a harmonized space for the free movement of goods, services, and data. The Digital Single Market opens up new opportunities for companies, stimulating their innovative activities and enhancing their competitiveness in both domestic and international markets. However, the implementation of the Digital Single Market also requires organizations to significantly adapt their marketing strategies and technologies.

Given the new challenges and opportunities arising from digitalization, companies are obligated to reassess traditional marketing methods and integrate modern technologies, such as big data, artificial intelligence, and process automation. These tools not only enhance the effectiveness of marketing campaigns but also provide a deeper understanding of customer needs, which is a key factor for successful operations within the Digital Single Market.

This article is dedicated to exploring the process of adapting marketing activities of companies within the Digital Single Market. It examines key aspects such as data collection and processing, the implementation of artificial intelligence technologies, the diversification of digital channels, and compliance with legislative requirements. Additionally, it presents the author's ideas and recommendations for adapting marketing strategies and approaches, enabling companies to

effectively leverage the new opportunities offered by the Digital Single Market and strengthen their competitive positions in this context.

The impact of the Digital Single Market on the EU economy

The Digital Single Market is one of the key strategic initiatives of the European Union, aimed at creating an integrated digital space in which barriers to the free movement of goods, services, capital and data are removed. The concept of this market is based on the development of digital technologies and infrastructure, which allows market participants to interact with each other without restrictions related to national borders and guarantees uniform rules of operation for all EU member states [1].

The main strategic directions of the Digital Single Market are the elimination of fragmentation between national digital markets, the creation of a unified approach to the regulation of e-commerce, data protection, cloud technologies and online services [2]. This will provide EU companies with the opportunity to use uniform standards and enter new markets with minimal transaction costs. For consumers, this means an expanded range, lower prices and improved quality of services due to increased competition.

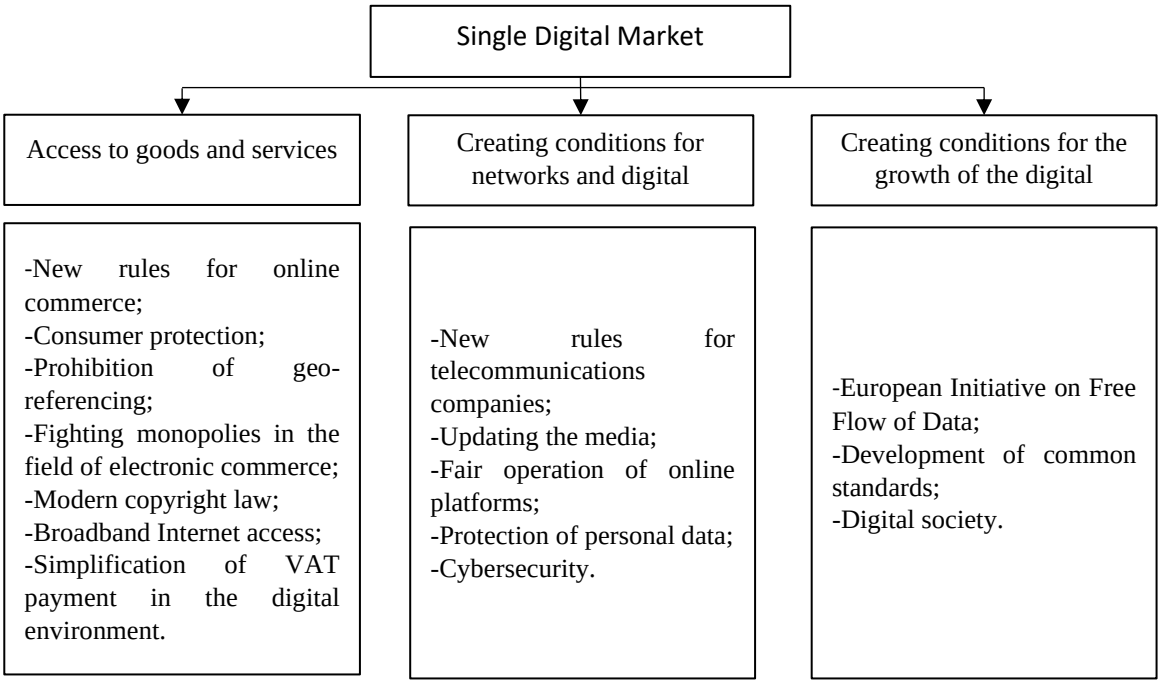


Fig. 1. Structure of the Single Digital Market by strategic directions

Based on the figure, the main objectives of the Digital Single Market include several key areas [7]:

1. Removing barriers to e-commerce and digital services. This includes harmonizing the tax and legal systems to create a level playing field for all market participants.

2. Data protection and privacy. An important objective of the Digital Single Market is to ensure a high level of protection for the personal data of EU citizens (in particular through the implementation of the Data Protection Regulation - GDPR).

3. Creating conditions for innovation. The EU aims to stimulate the development of innovation in the field of digital technologies, including the development of start-ups and the scaling of existing digital companies.

4. Integration of small and medium-sized enterprises. Special measures are aimed at helping small and medium-sized enterprises so that they can participate in the digital market on an equal basis with large companies.

Table 1. Objectives and effects of the Digital Single Market

Goals	Mechanisms for achieving	Effects
Simplifying access to goods and services	- Implementation of uniform standards for goods and services. - Elimination of geoblocking and other barriers to online trading. - Creation of platforms for e-commerce and digital services.	- Increase in trade volumes and reduction in prices for consumers. - Expanding the choice of goods and services for consumers. - Increasing the number of participants in the market.
Promoting innovation and growth of the digital economy	- Support for start-ups and small and medium enterprises (SMEs) through funding and access to resources. - Development of infrastructure for digital technologies (broadband, 5G, etc.). - Simplifying access to funding for research and development.	- Increased number of new businesses and job creation. - Improved access to the internet and digital services. - Accelerated pace of innovation and development of new technologies.
Improving the level of security and data protection	- Implementation of the General Data Protection Regulation (GDPR). - Creation of uniform cybersecurity standards for companies and users. - Training and informing users about the safe use of digital services.	- Increased consumer confidence in digital services. - Reduced cyber attacks and data leaks. - Increased user awareness and responsibility.
Promoting digital services and networks	- Simplifying the licensing and regulation process for digital services. - Creating a legal framework for digital platforms and services. - Developing and supporting cross-network interaction and cooperation between states.	- Increasing the number of available digital services. - Ensuring fair conditions for all market participants. - Increasing the integration of digital markets between countries.
Ensuring fair competition in the digital market	- Adoption of antitrust measures and control over the behavior of large platforms. - Facilitation of interaction between various market participants.	- Stability and diversity in the market. - Sustainable economic growth and new business opportunities.

The existence of the Digital Single Market has a significant impact on the EU economy, contributing to the competitiveness of European companies, stimulating economic growth and creating new jobs. According to the European Commission, the implementation of this market could bring up to 415 billion euros annually to the European economy by improving the digital conditions for businesses and consumers [8]. Thus, the main aspects of the impact of the Digital Single Market on the EU economy include:

• Growth of e-commerce. Removing barriers to online trading stimulates an increase in cross-border transactions, leading to increased revenues for both large corporations and small businesses.

• Increased productivity. Digital technologies such as automation and the use of artificial intelligence are increasing the productivity of European companies, leading to GDP growth and the creation of highly skilled jobs.

• Development of new digital services. An integrated market creates new opportunities for start-ups and companies providing digital products and services. Innovative platforms and applications gain access to a wide market of consumers.

Digitalization has significantly transformed trade and marketing, accelerating the transition to online platforms and new ways of interacting with customers [3]. Among the most notable changes are:

1. E-commerce and mobile apps. Advances in digital technologies have significantly expanded the possibilities for e-commerce, speeding up the processes of purchasing, delivery and return of goods. This has influenced the growth of online sales and active use of mobile apps.

2. Data-driven marketing. Big Data has become an important tool for understanding consumer behavior and personalizing marketing campaigns. Companies use data analytics to predict demand, improve communication with customers and optimize advertising budgets.

3. Automation of marketing processes. With the advent of automation programs, marketing departments have been able to speed up tasks such as customer segmentation, content strategy development and real-time campaign management.

The Digital Single Market has become an important strategic direction for the EU, as it not only promotes economic development, but also addresses the problems associated with digital inequality between member states. In the context of global competition, the market helps European companies adapt to the challenges of digitalization and actively develop in the global market.

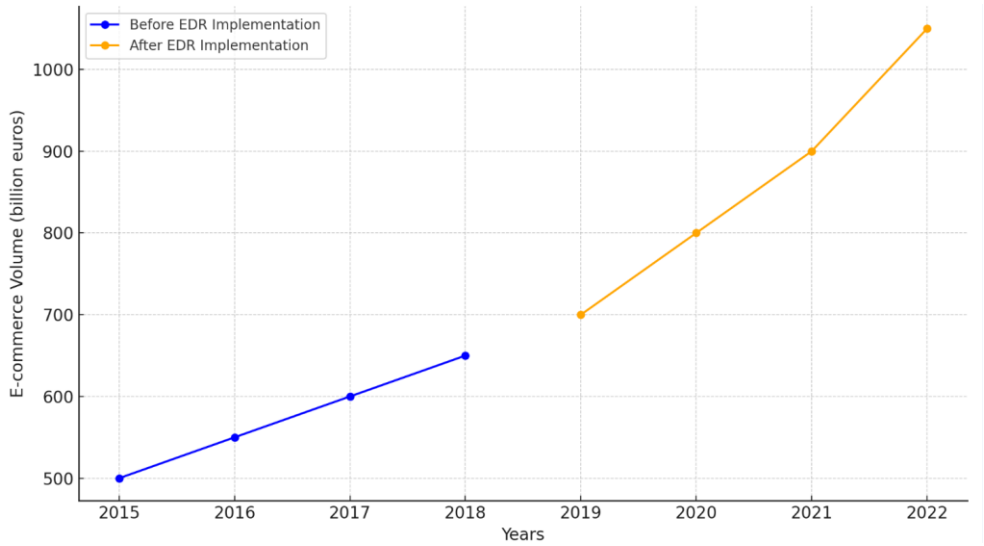


Fig. 2. Growth of e-commerce volumes in the European Union before and after the implementation of the Digital Single Market

The graph shows the significant growth of e-commerce volumes in the European Union since the implementation of the Digital Single Market. While in the pre-DSM period (2015-2018) e-commerce volumes grew moderately, after 2019 there was a sharp increase, reaching €1,050 billion by 2022. This sharp increase highlights the positive impact of the DSM initiative on economic performance, stimulating innovation, increasing access to digital services and increasing the competitiveness of companies in the domestic and international markets.

The Digital Single Market thus creates conditions for innovative development, stimulates the growth of e-commerce and contributes to the effectiveness of the marketing activities of European companies, making it an integral part of the EU's digital strategy.

Features of the Single Digital Market in the context of marketing strategies and technologies

The Digital Single Market is having a significant impact on the marketing strategies and technologies of European companies, transforming their approaches to customer interactions and data management. In the context of digitalization, marketing is also undergoing significant changes associated with the use of advanced technologies and the unification of rules for online trading.

One of the key changes is the active use of Big Data to analyze consumer preferences and forecast demand [4]. Companies in the EU can now collect, process and analyze huge amounts of data, allowing them to develop more accurate and personalized marketing campaigns.

Another important trend is the introduction of **artificial intelligence and automation programs** into marketing processes. These technologies allow for the automation of many routine tasks, such as audience segmentation, setting up advertising campaigns, and real-time interaction with

customers through chatbots and voice assistants [6]. Thanks to artificial intelligence, companies are able to quickly adapt to changes in the market and improve customer service.

Compliance with the **General Data Protection Regulation (GDPR)** has become an integral aspect of digital marketing in the EU. Harmonization of data protection legislation has had a significant impact on marketing strategies, especially in the context of collecting and processing personal information. Companies are now required to ensure transparency of their actions, provide users with the right to control their data and consent to its processing.

E-commerce and digital advertising play a key role in strengthening the competitive position of companies in the EU internal market. Removing barriers to cross-border trade facilitates the growth of e-commerce, allowing companies to expand their customer base and increase sales. Digital advertising, based on data analytics and targeting, helps companies effectively promote their products and services, strengthening their position in domestic and international markets.

The Digital Single Market thus facilitates the integration of innovative technologies into the marketing strategies of European companies, ensuring greater efficiency and improving their competitive position.

Adaptation of marketing activities of companies in the context of the Single Digital Market

Based on the above material, in the author's opinion, the adaptation of companies' marketing activities in the context of the Single Digital Market requires a revision of traditional management methods and the introduction of new approaches focused on digital technologies and regulatory requirements. With the introduction of the Single Digital Market, companies are faced with the need to flexibly respond to changes in legislation, consumer behavioral shifts, and competitors' digital transformation. In these conditions, successful adaptation of marketing requires the integration of innovative solutions and compliance with regulatory requirements.

The first step to adaptation is to review the way **data** is handled. Companies must implement data management systems and analytics tools that enable the collection and analysis of customer data in line with the GDPR. This is necessary to build personalized strategies aimed at satisfying customer needs and increasing their loyalty. An important element of adaptation is compliance with all GDPR requirements, which requires the integration of data control and protection systems, as well as the development of mechanisms for obtaining user consent to the processing of personal data.

As part of adapting marketing strategies, it is important to consider the use of **artificial intelligence** and **process automation.** These technologies allow companies to improve the efficiency of customer interactions through chatbots, automated mailing platforms, and personalized recommendations. Marketers can implement artificial intelligence systems to predict customer behavior, optimize advertising campaigns, and increase conversion rates.

Flexibility in the use of **digital promotion channels** is important for successful adaptation of marketing activities. In the conditions of a single digital market, companies must diversify their marketing channels, actively using social networks, content marketing and e-commerce platforms [5]. It is important to create multi-channel strategies that will be synchronized with the behavioral characteristics of customers in various digital environments. Developing content strategies focused on different market segments helps to strengthen the company's position and increase its competitiveness.

Thus, the proposed concept for adapting a company’s marketing activities in the context of the Single Digital Market consists of integrating innovative technologies, complying with legal requirements and creating flexible strategies capable of effectively interacting with consumers on digital platforms.

Conclusions

This article examines the key aspects of adapting companies' marketing activities in the context of the Single Digital Market. The study of changes caused by digitalization and unification of trade rules demonstrates that successful integration of new technologies and approaches is becoming an integral element of the strategic development of organizations in the context of modern challenges. The author proposes a unique approach based on a three-pronged adaptation model, which includes

data collection and management, implementation of artificial intelligence technologies and process automation, as well as diversification of digital channels.

This model allows companies not only to improve interaction with customers, but also to increase their competitiveness in the market. The uniqueness of the model proposed by the author lies in the integration of several key aspects of marketing into a single whole, which allows companies to effectively adapt to the requirements of the Single Digital Market. Systematization of adaptation steps and practical examples of the use of new technologies provide companies with specific tools for implementing effective strategies. Thus, the results of the study emphasize the need for an integrated approach to adapting marketing strategies in the context of the Single Digital Market. The application of the ideas and solutions proposed by the author can significantly increase the chances of companies' success in a dynamically changing digital environment.

Bibliographic references

1. BORO K., BARMAN R.D. E-commerce and digital marketing: a synergy with artificial intelligence. In: The spectrum of knowledge, 2024, nr.3, p. 103-121.
2. CHAFFEY D. Digital Marketing: Strategy, Implementation, and Practice. New York: Pearson Education. 2021. 698 p.
3. IAN T. The impact of the General Data Protection Regulation on digital marketing and analytics. In: The Peer-Reviewed Journal, 2019, nr. 4(3), p. 194-205.
4. KHAN A. The Role of Big Data in Marketing. In: International Journal of Business and Management, 2019, nr.12(8), p. 42-52.
5. RUST R.T., HUANG M.H. The Service Revolution and the Transformation of Marketing Science. In: Journal of Marketing, 2014, nr. 78(1), p. 1-18.
6. SHANKAR V., BOLTON R.N. An Integrative Framework for Marketing and Service Management. In: Journal of Service Research, 2022, nr.6(4), p. 299-306.
7. EU Digital Strategy. https://eufordigital.eu/ru/discover-eu/eu-digital-strategy/
8. European Commission. A Digital Single Market Strategy for Europe. https://ec.europa.eu/digital-strategy/our-policies/digital-single-market_en