

## DEVELOPMENT OF A COMPREHENSIVE STRATEGY FOR IMPROVING THE EFFECTIVENESS OF DIGITAL MARKETING IN SMALL BUSINESSES

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### **Abstract.**

*All the activities of the entire humanity today are characterized by the trend of digitization. Digitization in marketing activities, like all components of economic activity, is progressing at a rapid pace. Developing digital marketing strategies is important for small businesses. Based on this, in this article, the development of digital marketing strategies in small businesses is researched.*

### **Keywords.**

*marketing strategy, digital marketing strategy, internal marketing environment, external marketing environment, external opportunities, external threats.*

A marketing strategy is a comprehensive plan for business development that includes all matters related to increasing profits and sales. A marketing strategy is usually a long-term plan for achieving a business's commercial and corporate goals. The marketing strategy is developed based on the analysis of the internal and external environment of the enterprise.

Marketing is one of the most important parts of the business process. It is the connection between the consumer and the seller in the market. Most small businesses use simple, one-line methods to market their products and advertise their brand to customers. Some marketing methods are based on the development of sites, advertising on social networks or direct mail (brochures, promotions, special offers, etc.). These methods are characterized by minimal costs and a significant increase in brand awareness, which leads to a higher level of business development.

The main advantage of small business is flexibility. Although a small business does not have a large amount of material resources to invest in the development of a marketing strategy, it must have the ability to quickly respond to the current situation and make quick decisions. A marketing strategy in a small business is a process that needs to be done continuously, almost every day.

Many simple marketing mechanisms can be launched at the same time, for example, daily mailings to an established base of potential customers, Internet blogging and rapid posting of new products or services on social networks, distribution of flyers, etc.

Marketing strategy is an important factor in the success of a small business. According to most researchers, a marketing strategy is a plan of action or a set of activities aimed at achieving certain goals and increasing sales.

As mentioned above, the development of the marketing strategy is carried out based on the analysis of the factors affecting the internal and external environment of the object being studied. At the initial stage of research, the internal environment is studied.

An important process in the analysis of the internal marketing environment is the study of the factors affecting digital marketing activities in small businesses. When assessing the level of influence of factors, it is appropriate to draw up a specialization matrix (Table 1).

**Table 1**

**Specialization matrix of the internal marketing environment of "Sam Sifat Plus" LLC**

Internal marketing environment factors	Business importance (A)	Impact on small business (V)	Direction of influence (S)	Level of importance (D = A+VS)
The slowness of the Internet network	2	3	+1	5
Small business entities have their own websites	2	2	+1	4
Inability to use the website as intended	2	2	-1	4
Lack of information about the target audience	3	2	+1	5
Growth of e-commerce turnover	3	3	+1	6
Growth rate of sales turnover	2	3	+1	5
Insufficient budget	2	2	+1	4
Inadequate digitization skills	2	2	+1	4
The power of digital marketing strategy	3	3	+1	6

In it, each factor is given an expert assessment according to the following indicators: importance for business (high - 3 points, average - 2 points, low - 1

point); impact on small business (strong - 3 points, average - 2 points, weak - 1 point, no impact - 0 points); direction of influence (positive +1, negative -1). Integral assessment (D) is created from the multiplication of expert assessments.

The main purpose of expert evaluations is to evaluate the effectiveness of digital marketing in small businesses. The multi-factor evaluation method for determining the effectiveness of digital marketing proposed for use in research work includes the following steps in small business:

1. Evaluation of the influence of internal and external environmental factors based on the results of an expert survey to analyze the marketing activities of small businesses.

2. Analytical assessment based on conceptual and logical models of the subject area of increasing the efficiency of digital marketing in small business.

3. Formation of an information-analytical system for evaluating the effectiveness of digital marketing for making management decisions.

Based on the results of the analysis of the internal and external marketing environment, a matrix of solutions is created, in which there are four possible solutions:

external opportunities - internal strengths of small business;

external opportunities - internal weaknesses of small business;

external threats - internal strengths of small business;

External threats are a combination of internal strengths of a small business.

Consequently, the highest threat (or opportunity) is rated with 9 points; a medium threat or opportunity is evaluated with 6 points, a low threat or opportunity with 2 points. After identifying the factors considered as the highest level of threats and opportunities for small business activity, it is transferred to the STEP analysis.

STEP-analysis procedure:

1. External strategic factors with a high (probability) level of occurrence and impact on small business activities are identified. The degree of impact of each event-factor on the strategy of small business is evaluated: "5" - has a strong impact, "1" - does not have an impact. 5 points, 6-4 points, 4-3 points, 2-2 points, 1-1 points are given to the factors with an integral evaluation of 9 points in the specialization matrix of the microenvironment.

2. The importance (probability) of each event is assessed by giving it a specific weight (from 0 to 1). In this case, the sum of all weights should be equal to 1.

3. By multiplying the influence of each factor by its importance (weight of the factor), a relative (comparative) assessment is given to it.

4. The overall relative (comparative) assessment of threats is determined.

5. A general relative (comparative) assessment of capabilities is determined.

6. By determining the ratio of the overall relative (comparative) assessment of opportunities to the overall relative (comparative) assessment of threats, the level of readiness of the enterprise to respond to existing and predictable factors is determined.

Determining weight coefficients is one of the important problems in the implementation of strategic analysis. The weight coefficient represents the increasing or decreasing tendency of the impact of one or another factor on digital marketing activities in small business. Thus, the forecast of the development of the situation in small business is reflected in the weight coefficient.

**Table 2**

**Determination of weight coefficients**

External strategic factors	Color (factor importance)	Weight coefficient
The state of the legal, political and economic environment in the field of digitization in the country, digital technological changes in small business, the high level of innovative activity	5	$5/30 = 0,167$
Support of digitization processes in small businesses	5	$5/30 = 0,167$
State support of the IT sector	4	$3/30 = 0,133$
Increase in the volume of electronic sales in competitive small business entities	3	$3/30 = 0,1$
Personnel training and qualification of specialists in the field of IT	4	$4/30 = 0,133$
Changes in the standard of living of the population	3	$3/30 = 0,1$
Application of CRM technologies in marketing activities	4	$4/30 = 0,133$
Development of suppliers, intermediaries and logistics companies	2	$2/30 = 0,067$
The sum of colors	<b>30</b>	
Sum of weight coefficients		<b>1</b>

Methodology (style) of calculating weight coefficients:

1. All the factors that need to be determined by the weight coefficient are distinguished.

2. Each factor is given a certain color depending on the degree of forecasting its importance: "5" - the probability of the occurrence of the event is high (the factor has a tendency to increase its influence), "1" - the occurrence of the event unlikely.

3. The sum of the colors of all factors is determined.

4. The weight coefficient is determined by dividing the factor color by the total sum of all colors.

5. The sum of all weight coefficients must be equal to one.

The calculation of weight coefficients is shown in Table 2, and the color assigned to one or another factor reflects the forecast of its importance increasing or decreasing over time.

The external environment can be under the influence of extreme changes. Therefore, at the stage of preliminary analysis of the environment and assessment of its impact on small business, it is necessary to take into account the development of events in at least the following three directions: realistic development of events (taking into account the current situation), pessimistic development of events (the environment has the highest negative impact on small business 'secret shows'); optimistic development of events (changes in the environment have a positive effect on the activities of small businesses).

**Table 3**

**Relative evaluation of the influence of environmental factors**

External strategic factors	W eight	Rat ing	Relative rating
<b>Opportunities</b>			
The state of the legal, political and economic environment in the field of digitization in the country, digital technological changes in small business, the high level of innovative activity	0, 167	5	0,835
Support of digitization processes in small businesses	0, 167	5	0,835
State support of the IT sector	0, 133	4	0,532
Personnel training and qualification of specialists in the field of IT	0, 133	4	0,532
Application of CRM technologies in marketing activities	0, 133	4	0,532
			<b>3,266</b>
<b>Threats</b>			
Increase in the volume of electronic sales in competitive small business entities	0, 1	3	0,3
Changes in the standard of living of the	0,	3	0,3

population	1		
Development of suppliers, intermediaries and logistics companies	0,067	2	0,134
			<b>0,734</b>

For this reason, it is necessary to draw up three tables for assessing the impact of environmental factors, taking into account three options for the development of events. Table 3 shows the relative assessment of the influence of environmental factors on digital marketing activities in small businesses.

After identifying opportunities and threats from the analysis of the internal and external marketing environment, the internal marketing environment of a small business is analyzed through the following five parameters:

1. Effectiveness of the (current) strategy used by the small business entity.
2. Determination of resource potential, strengths and weaknesses of a small business entity.
3. Competitiveness of the small business subject in terms of price and costs.
4. Stability of a significant (main) competitive position in comparison with the main competitors.
5. Strategic problems of a small business entity.

The expert method was also used to assess the internal and external environment of a small business entity. At the first stage, a survey of the established experts was carried out. 21 small business entities, marketing and SMM specialists operating in various enterprises were selected as experts.

Data processing and interpretation was carried out by analyzing interval distributions and interface tables in Excel layouts.

During the analysis of the results of the expert survey, the internal and external factors preventing the improvement of digital marketing efficiency of "Sam Sifat Plus" LLC were identified. Appendices 1 and 2 provide an expert assessment of the importance of internal and external factors affecting digital marketing activities in small businesses.

The composition of identified factors was also compiled by experts. That is, the list of factors affecting the effectiveness of digital marketing of small business entities was first formed. Then a survey of experts on the influence of factors was carried out (Table 4).

Among the internal factors affecting the effectiveness of digital marketing of small businesses researched on the basis of a survey of experts, the most important place is related to the fact that the small business entity does not use its website for

the purpose, and believes that there is no need for digital marketing channels and instruments at the moment. it's happening. The lack of development of a clear marketing plan and marketing programs affects the effectiveness of working with the target market and ensuring competitive advantage. Also, the opportunities to enter new sales markets and diversify the product range are being used at a low level.

**Table 4**

**Internal factors influencing the improvement of digital marketing efficiency of "Sam Sifat Plus" LLC**

Answer options	Percentage of respondents, %
A small business entity does not use its website for the purpose, and cannot consider that there is no need for digital marketing channels and instruments at the moment.	27
Lack of complete information about the target audience, low use of digital marketing channels in attracting the target audience	21
Lack of development of clear digital marketing strategies	14
Low market position of the small business entity brand	12
Low utilization of opportunities to enter new sales markets and diversify the product range	11
Lack of skilled digital marketing professionals	9
Others	6

**source: Author's calculation based on expert assessment**

At the next stage of the research, the digital marketing strategy will be developed. A digital marketing strategy is a long-term plan necessary for business growth. It is done by using different marketing channels.

There are several basic types of digital marketing strategies. The action plan always depends on the type of product and its target audience. The most common digital marketing strategies include:

1. Social Media Marketing.

SMM is a good opportunity to promote a product or service on social networks. The main and most popular platforms for advertising campaigns: Facebook. Instagram. Twitter.

2. Video Content.

Video is a very powerful tool for influencing your audience. Types of videos used to achieve goals in digital marketing:

a) Educational. Show the consumer how the product can benefit. Create a mini-course or small blog with tips.

b) Interview. An expert's recommendation is a strong argument for someone who is thinking of buying their product.

c) Comments. The customer gets the impression that a real person is talking to him. Therefore, as a seller, the small business entity has a credit of trust.

d) Video from events: seminars, meetings, meetings, parties. Creating the illusion of presence from the audience.

e) Demonstration. These videos are necessary for the buyer to get to know the product better.

### 3. Google Ads.

Paid ads at the top of Google searches look almost exactly like regular ads. Except for one detail - they all have the particle "Ad". These results are displayed at the top of the search page based on the auction. Many users simply click on the first link and don't think it's an ad.

### 4. Email Marketing.

The most popular and effective method of digital marketing. Of course, if the small business has an accumulated email database. Buying anonymous email addresses is a risk of spam and negative brand perception by users.

### 5. Search Engine Optimization.

SEO optimization of a small business website will increase the number of potential customers.

### 6. Marketing Analytics.

This method helps to analyze the current state of the business and determine the prospects for development. Marketing analytics are needed by marketers to track user behavior on a site page. The main disadvantage of this method is the large amount of data that must be processed constantly.

It should be noted that marketing is a complex approach, and each of its methods must be used to achieve high results. The methods described in the development of a marketing strategy include:

1) Market contraction. For this, the manager must assess the "portrait" of the ideal customer, his appearance, thoughts, the world around him and imagine where exactly such a person can be found. There is no need to refer business to people who do not fit this "ideal customer" description.

2) Differentiation. At this stage, a small business entity should discard everything known about its product or service and gradually build a logical chain



to reach its central idea. Next, you need to create a marketing strategy starting from it, without forgetting the uniqueness of the product.

3) Creation of promotional materials for educational purposes. At this stage, it is necessary to produce all promotional activities (flyers, booklets, billboards, etc.) not with the simple goal of selling the product as quickly as possible, but to educate potential customers.

4) Business automation. To do this, it is necessary to reach as many communities on the Internet as possible, create knowledge about the product and service being sold, conduct contests and spread information about the product being sold to potential customers themselves.

5) Planning. A very important part of marketing strategy is planning. It doesn't have to be long-term, small business can develop plans both for the year and for the day. Accordingly, it is necessary to constantly monitor the implementation of plans and ensure the correct direction of all material flows.

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