

An Empirical Study On Understanding Digital Marketing Efficacy And Its Strategic Importance For Small Businesses In Special Reference With Hyderabad Based Firm.

Dr.A. Mary Francina¹, Dr. Molly Chaturvedi², Ms. M. Jayasree (PhD)³

¹Associate Professor, St. Ann's College for Women, (Autonomous) Hyderabad

²Assistant Professor, School of Commerce, NMIMS, Hyderabad

³Assistant Professor, Hyderabad School of Business, Hyderabad

Abstract

Digital marketing efficacy refers to the effectiveness of digital marketing strategies and tactics in achieving desired business outcomes. Measuring and enhancing digital marketing efficacy involves various metrics, tools, and best practices. Here are some key components and strategies for assessing and improving digital marketing efficacy:

a) Clear Objectives: Define specific, measurable, achievable, relevant, and time-bound (SMART) goals.

b) Target Audience: Understand and segment the target audience to tailor marketing efforts.

c) Channels and Platforms: Utilize appropriate digital channels (e.g., social media, email, SEO, PPC) that align with the audience and goals.

d) Content Quality: Create high-quality, engaging, and relevant content.

e) Analytics and Metrics: Use analytics tools to track performance metrics such as click-through rates (CTR), conversion rates, and return on investment (ROI).

Keywords: Digital Marketing, Target Audience, Digital Efficacy, Tactics, Objectives

1.0 INTRODUCTION

Digital marketing efficacy refers to the effectiveness of digital marketing strategies and tactics in achieving desired business outcomes. Measuring and enhancing digital marketing efficacy involves various metrics, tools, and best practices. Here are some key components and strategies for assessing and improving digital marketing efficacy:

1.1 STRATEGIES FOR MEASURING EFFICACY

1. **Web Analytics:** Tools like Google Analytics provide insights into website traffic, user behaviour, and conversion rates.

2. **Social Media Analytics:** Platforms like Facebook, Twitter, and Instagram offer analytics dashboards to track engagement metrics.

3. **Email Marketing Metrics:** Measure open rates, click-through rates, and conversion rates for email campaigns.

4. **SEO Metrics:** Track keyword rankings, organic traffic, and backlinks using tools like Ahrefs and SEMrush.

5. **PPC Analytics:** Monitor ad performance using platforms like Google Ads and Bing Ads.

Valyouu Digital is a marketing and branding agency that helps businesses connect with their target audience. They develop creative and strategic solutions to meet the specific needs of each client. In today's competitive landscape, businesses require comprehensive marketing strategies that extend beyond traditional tactics. This paper examines Valyouu Digital, a multi-team marketing agency that adopts a holistic approach. Valyouu Digital goes beyond simple marketing execution; they delve into a client's core business objectives and tailor solutions based on a deep understanding of the brand and target audience. Their mission is to connect your brand with your target audience by building meaningful relations. The company values they follow are honesty, transparency, learning and growth. They follow a data-driven approach to develop effective marketing campaigns that engages their audience and drive conversions. They leverage the latest tools and technologies to optimize their campaigns and ensure that they get the best possible return on their investment. Company utilise time effectively to understand business, target audience, and client goals, so that they can create a personalised marketing plan that delivers results,

whether the customer is looking to building relations with their audience, increase brand awareness, drive website traffic, or generate leads and sales, they have the expertise and resources to help them achieve their goals. They tailor marketing strategies to meet the specific needs of client brands. They take the time to understand client's business, their target audience, and their goals, so that they can create a personalised marketing plan that delivers results.

1.2 RATIONALE AND SCOPE OF STUDY

There are multiple factors that have compelled us to undertake this particular research topic. These factors have been discussed below:

Exponential Reach: A digital presence allows businesses to tap into a global audience, transcending geographical limitations. Studies by Hootsuite and We Are Social (2024) report that over 4.7 billion people actively use the internet globally, presenting a massive potential customer base.

Brand Awareness Boost: Building brand recognition online has become paramount. Social bakers (2023) estimates that social media users spend an average of 2 hours and 27 minutes per day on these platforms, offering a prime opportunity for businesses to build brand awareness through engaging content and targeted advertising.

Measurable Customer Engagement: Gone are the days of relying solely on intuition. Online platforms offer detailed analytics. A study by HubSpot (2023) found that 80% of marketers say that social media analytics are crucial for measuring the success of their marketing campaigns. With this data, businesses can refine strategies for better customer engagement and conversions.

Competitive Edge: A strong digital presence can be a game-changer. According to a report by Salesforce (2023), 73% of customers say that customer experience plays a major role in their purchasing decisions. A well-crafted online presence fosters a positive customer experience, giving businesses a competitive edge.

1.3 -Challenges of Building a Digital Presence:

Resource Constraints: SMBs often face limited resources (budget, personnel) to dedicate to building and maintaining a strong digital presence.

Digital Landscape Evolution: The online world is constantly changing. Businesses need to stay updated on trends and adapt their strategies accordingly.

Data Security and Privacy: Digital marketing involves collecting and managing user data. Businesses need to ensure compliance with data privacy regulations and implement robust security measures.

Due to the multiple benefits of having a digital presence and also the challenges a small business owner faces in integrating a digital presence. We have decided to conduct research to analyse the specific factors that influence the buying behaviour of small business owners and how the challenged they face can be curbed by a digital marketing agency.

1.4- OBJECTIVES OF RESEARCH PAPER FOR CUSTOMER VALUE

Objectives in a research paper outline the specific goals or aims the study intends to achieve. They guide the research methodology, help frame the analysis, and focus the study's direction, ensuring clarity and purpose. Objectives are critical as they determine the scope and depth of the research inquiry.

Primary Objective: To assess the penetration of digital presence among small businesses, challenges faced and preferences of customers.

The secondary objectives of our study are:

- ✚ To understand the impact of various services provided by a digital marketing agency on a small business owner's preference. [Logistic regression]
- ✚ To understand the consumer perceptions about utilizing a digital platform for their small businesses to help them retain their customers. [Chi square analysis]
- ✚ To understand the factors affecting challenges faced in the integration of digital platforms into respondents' business operations. [Correlation Matrix]
- ✚ To understand the purchasing patterns of small business owners with regards to the services provided by a digital marketing agency. [Market Basket Analysis]

1.5- LITERATURE REVIEW

Literature review is a thorough examination and synthesis of existing literature, scholarly articles, and other sources relevant to a specific topic or research question. It serves as a foundational component of academic and research endeavours by providing insight into what has already been studied and published in a particular field. Through a literature review, researchers can identify gaps in knowledge, understand the context and significance of their own work, and establish the theoretical framework guiding their research. By critically evaluating and synthesizing previous research, literature reviews help researchers develop hypotheses, research questions, and methodologies that build upon and contribute to the existing body of knowledge. Overall, literature reviews play a crucial role in shaping the direction and depth of scholarly inquiry, facilitating the advancement of knowledge within a given field.

“Does Digital Marketing Platforms affect Business Performance, this article in depth discusses the following observation (Mohamad Arfiman Yosep, 2021)

Findings: This research found that digital marketing is one of the modern evolutionary platforms in marketing activities that are highly dependent on technology to create creative marketing content and product information. Micro entrepreneurs are required to be able to understand digital marketing strategies so that product information can be conveyed properly according to consumer demographic objectives. Also, the study found that employers' ability to leverage existing platforms, such as social media, is limited. There are still many entrepreneurs who have not been able to adapt to the development of social media. Along with current issues, this research provides an understanding of digital marketing platforms in achieving the micro-enterprise target market. Furthermore, a flexible model or a framework is needed to create a digital marketing strategy that can be customized to the condition of a country. In conclusion, this study finds that digital marketing is one modern evolution platforms in marketing activities that highly depends on technology to create creative marketing content and product information. Also, the targeted customers can easily access the offered product.

“The role of digital marketing in business performance with the moderating effects of environment factors among SME’s” (Nuseir, 2020) on the similar lines have emphasised on following observation

Findings: research investigates the influence of digital marketing efforts adopted by small and medium enterprises of United Arab Emirates to determine the business performance. The study examined the influence of digital marketing applications such as online advertisement, affiliate marketing, email marketing, social media marketing and search engine optimization on business performance. The results showed that digital marketing efforts made by applications influence the performance among SEMs of UAE, and that the utilization of the latest technology enables firms to approach customers remotely. It has been observed that the adoption of digital marketing applications takes place due to external competitive pressure that influences business performance. The results of the study are found to be significant in determining the impact of digital marketing on performance, but on the other hand, the environmental factors such as competitive pressure and competitive industry do not influence the business performance.

“The Role of Digital Marketing Platforms on Supply Chain Management for Customer Satisfaction and Loyalty in Small and Medium Enterprises (SMEs)” (Muhammad Adam1, 2020)in their work highlights the following observation

Findings: This study examines the effect of online media digital supply chain and consumer satisfaction and its structural relationship on the customer loyalty of SME product customers in the Aceh Province. The results indicate that online media has a positive but insignificant influence on consumer satisfaction, while digital supply chain were found to have a positive and significant impact on consumer satisfaction. Furthermore, the research results also show that while online media platforms and consumer satisfaction were related to the enhancement of consumer loyalty, product reviews were not found to significantly influence consumer loyalty which The results of this research are expected to provide valuable insights into the development of SME industries in terms of maintaining their sustainability and increasing consumer loyalty. The guidelines proposed in this research can also be used to enable SME industries as potential business actors, to support the economic growth of Indonesia by utilizing online media platforms (Facebook, Twitter, YouTube, etc.) as alternative media for SME product marketing.

2.0 DATA DESCRIPTION

To gather the most authentic and reliable data this research paper seeks to collect information using primary data collection techniques. The customer sample size is 57 respondents. This refers to the number of individual customers who participated in our study. The company sample size is 15 respondents. Data collection type is cross sectional data collection which means collecting data from a large sample size at a single point of time and the type of sampling technique used is non-probability sampling which is defined as a sampling technique in which the researcher selects samples based on subjective judgement of the researcher rather than random selection. it is less stringent method.

Convenience sampling involves using respondents who are “convenient” to the researcher. There is no pattern whatsoever in acquiring these respondents—they may be recruited merely asking people who are present in the street, in a public building, or in a workplace. Unlike probability sampling, which relies on random selection, non-probability sampling methods are based on the researcher's judgment, convenience, or specific criteria. These methods can include convenience sampling.

3.0 MATERIAL AND METHODS

Objective 1: To understand the impact of various services provided by a digital marketing agency on a small business owner’s preference.

Logistic regression: is a predictive analysis used to model binary outcomes. It estimates probabilities using a logistic function, linking independent variables to a binary dependent variable.

Data Analysis: Here, we seek to analyse and answer the above objective. We look forward to understand which out of the 6 services offered by Valyouu digital chosen as independent variables has the highest impact on a small business owner in choosing a digital marketing agency to work with.

X range(Independent Variable)				
Customer Data Reports Frequency	Pricing of services offered	Search Engine Optimization	Data Analytics and Insights	Strategy and Consultation
Very Important	Very Important	Very Important	Very Important	Important
Important	Important	Very Important	Very Important	
Very Important	Neutral	Neutral	Very important	Neutral
Unimportant	Very Important	Very Important	Neutral	Important
Very Important	Very Important	Important	Important	Important
Important	Very Important	Important	Very Important	Very Important
Very Important	Neutral	Very Important	Very Important	Very Important

As mentioned in the figure,

X range: The services offered by Valyouu digital is taken as independent variables

Y range: dependent variables is the small business owner’s decision to work with a digital marketing agency.

Customer Reports	Pricing	SEO	Data Analytics	Consultation	Content marketing	Agency
5	5	5	5	5	4	0
4	4	4	4	4	4	0
5	5	5	5	5	4	0
5	5	4	5	5	5	0
4	3	5	5	4	4	0

Legend	
For all attributes	
Very Unimportant	1

Unimportant	2
Neutral	3
Important	4
Very Important	5

The above variables are coded from a scale of 1-5 from least importance to highest importance.

The legend on the left side indicates the coding done for the independent variables

The dependent variables is coded in the following format:

Yes - 1 and No - 0

Logistics Regression							
		#Iter	20		Alpha	0.05	
	coeff	s.e	Wald	p-value	exp(b)	lower	upper
Intercept	-1.86467	1.30297	2.048014	0.152405	0.154948		
Customer	0.077522	0.430649	0.032405	0.857142	1.080606	0.4644621	2.513254
Pricing	-0.16436	0.533578	0.094883	0.758059	0.848438	0.298152	2.414363
SEO	1.167513	0.535973	4.745013	0.029383	3.213991	1.124147	9.188952
Data Analytics	-0.3923	0.501452	0.612044	0.434019	0.6755	0.252807	1.804937
Consultation	0.215271	0.648859	0.11007	0.740065	1.240197	0.347681	4.423854
Content Marketing	-0.54018	0.51548	1.098119	0.049679	0.582645	0.212142	1.600225

Null hypothesis: There is no significant impact of the independent variable on the dependent variable

Alternate Hypothesis: There is significant impact of the independent variable on the dependent variable

Accept/Reject rule:

✚ P value > 0.05 we will accept the null hypothesis

✚ P value < 0.05 we will accept the alternate hypothesis

Conclusion: for the variables with a p value > 0.05, we conclude that the specific service will have highest impact on customers/ business owners who will choose a digital marketing agency to work with.

Classification Table			
	Obs Suc	Obs Fail	Total
Pred Suc	6	7	13
Pred Fail	16	28	44
Total	22	35	57
Accuracy	0.272727	0.8	0.5966491
Cutoff	0.5		
AUC	0.709091		

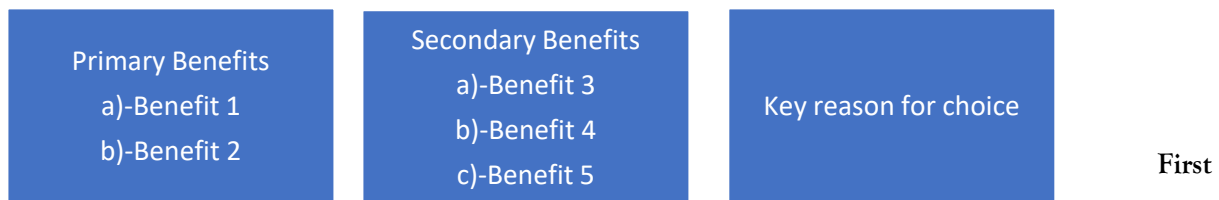
Here, the accuracy is 60% this shows that the model is fit and predicting the impact of independent variable on the dependent variables.

Cut off is calculated by $1 - \text{level of significance}$ the level of significance is assumed at 95%, therefore cut off is 0.5. The AUC if closer to 1 is considered a good sign.

Interpretation/Finding

Here, based on the analysis done we understand that SEO and Content Marketing are the most important services provided by digital marketing agency which have the highest impact in the minds of small business owners when they choose an agency to work with.

Another interpretation can be that data analytics and strategy and consultation have higher variance when analysing the impact of independent variable on the dependent variable which is choosing a digital marketing agency to work with



suggestion: Valyouu digital should focus on highlighting their POD (point of dominance) through their digital advertisements and promotional campaigns, they should mention how they have an edge in SEO and Content marketing when compared to other competitors. These strategies when done will help Valyouu reach a wider audience.

This positioning can be used by Valyouu digital, multi benefit positioning. Highlighting the primary benefits as SEO and content marketing and the other services provided can be the secondary benefits. This positioning will help them in gaining a competitive advantage in the market.

Second suggestion: Since, the small business owners have not chosen Data analytic reports and strategy and consultation therefore this variable has little impact on consumers when they are deciding to choose a digital marketing agency. However, these services are important and Valyouu digital in its advertisement and promotions spread awareness about the services, when consumers are aware they will want to avail the service which can help Valyouu digital cross sell and up sell its offering - increasing customer lifetime value - increasing profitability.

Data Analysis and Interpretation

Objective 2: To understand the consumer perceptions about utilizing a digital platform for their small businesses to help them retain their customers.

Chi-square analysis: is a statistical test used to determine if there's a significant association between categorical variables. It measures the discrepancy between observed and expected frequencies in contingency tables.

Data Analysis: The questionnaire asked the small business owners if they feel that having a digital presence for their businesses would help them in achieving the marketing objectives set, one such objective was also retention of their customer. Therefore, we seek to analyse if an important objective like retention of customers has any relation with having a digital presence using chi square.

Chi Square	Agree	Disagree	Neutral	Strongly agree	Grand Total
Important	1.303711201	0.7175	0.08470	0.133558897	2.22373626

Neutral	0.025303644	0.79605	0.1523	0.018421053	0.99203297
Not important at all	0.456140351	0.07018	2.317	0.04235589	2.88571429
Somewhat Important	0.101985734	2.31704	5.329	2.530898675	10.2789639
Very Important	1.923161269	0.5614	1.9649	2.726347118	7.17582418
Grand total	3.810302198	4.44643	9.848	5.451581633	23.5562716

this formula is utilised in the above table:

On the basis of the formula the Chi square value is 23.556

Formula

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

χ^2 = chi squared
 O_i = observed value
 E_i = expected value

Degree of Freedom	12
Critical Value	11.34

Null Hypothesis: There is no relationship between having a digital presence and retaining business's customers.

Alternate Hypothesis: There is a relationship between having a digital presence and retaining business's customers.

Accept/reject rule:

Chi square value > Critical value = Reject the null hypothesis
 Chi square value < Critical value = Accept the null hypothesis

Conclusion: Since the chi square value is greater than critical value. We reject the null hypothesis. Which states that retention of business customers and having a digital presence are dependent and have relationship with each other

Interpretation/Finding

The chi square test results showed that there is a relationship that exists between the variables mentioned above this means that small business owners think that meeting their objective of retaining their customers can be achieved by having a digital presence. This shows that when a small business considers to go digital, they can, not only increase their customer base but also reduce their costs significantly because retention objectives will be made and retention strategies will be improved which would cause an increase profit and reduce consumer churns.

Suggestions

Valyouu digital can specially focus on providing personalized retention strategies to its clients when they provide the service of consultation, strategy development, data analytic reports.

When the clients notice this small detail of highlighting retention strategies it would help in satisfying their need. Valyouu would be able to identify the right needs and want of its client and satisfy them. This would lead to building equity in the customers mind due to positive associations with Valyouu digital.

Data analysis and interpretation

Objective 3: To understand the factors affecting challenges faced in the integration of digital platforms into respondents' business operations.

A correlation matrix: is a table displaying the correlation coefficients between several variables. Each cell in the matrix shows the correlation between two variables. The values range from -1 to 1, It's used to summarize data, as an input into more advanced analyses, and to detect collinearity between variables.

Data Analysis: The challenges faced by small business owners can be due to multiple reasons and those can be analysed better with qualitative data collection. Here, we have considered age of the business owner and length of their business operations to analyse if these variables have any sort of correlation with the

challenges faced by the company to integrate a digital presence. This can prove to help us in understanding and recommending strategies for a digital marketing agency.

Correlation Matrix

		Years in business	Age of owner	Challenges faced
Years in business	Spearman's rho	-		
	df	-		
	p-value	-		
Age of owner	Spearman's rho	-0.784	-	
	df	55	-	
	p-value	<.001	-	
Challenges faced	Spearman's rho	0.079	0.030	-
	df	55	55	-
	p-value	0.280	0.412	-

A correlation matrix is a table that displays the correlation coefficients between many variables.

Correlation Coefficients: Pearson for Continuous data, Spearman for ordinal or non-normal data whose data points are more than 30, and Kendall's tau-b for ordinal or non-normal data whose data points are less than 30.

The p-value of correlation in a statistical test assesses the significance of the correlation coefficient.

Null Hypothesis (H0): Suggests a correlation exists (correlation coefficient is not zero).

Alternative Hypothesis (H1): Assumes no correlation (correlation coefficient is zero)

Decision Rule

P-value < 0.05, reject null, then correlation exists.

The +ve value shows a positive correlation and the -ve value shows a negative correlation. (Look at the value of correlation coefficients - in this case, it is Pearson's r).

Conclusion: the p value for years of business, age of business owner and challenges face is above 0.05, which means we accept the null hypothesis and the correlation between these variables exists. The pearson r value shows the direction and degree of correlation between the variables.

Interpretation/Finding

This analysis showed us the correlation between age and years in business and if that impacts the challenges faced in integrating

Firstly, we saw that there is no correlation between age of the business owner and years the business has been in operation. Therefore, the young owners can own a business for a longer tenure and the aged owners may own a business for a shorter period.

Secondly, when considering the years in business and challenges faced, we see that correlation between the two variables exist and it is a positive correlation. Which means when the length of business operations increases the challenge to incorporate a digital presence increase. This correlation is stronger than the one between age and challenges faced.

Thirdly, when we look at the correlation between age of the business owners and the challenges the face, the results point out towards a positive correlation between the two variables which shows that as and when the age of the business owner increases the challenges the face in integrating a digital presence increases. However, this relationship is not that strongly correlated therefore, the changes in both the variables are not in the same amounts.

Suggestions

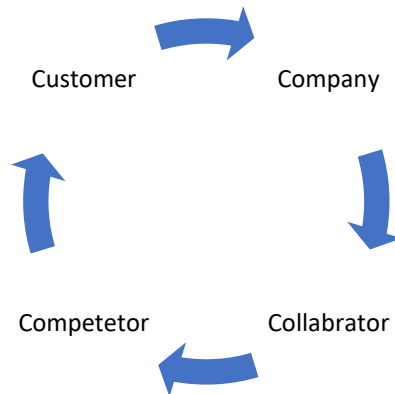
The correlation matrix helped us understand that as and when the years of operating in the business increases or the age of the business owner increases then the challenges in incorporating a digital presence increases. This could be because the environment is dynamic and constantly changing meaning that as the business tenure grows due to change in environment the challenge to incorporate a digital presence increases.

The same is true for age of the business owner However, this correlation a little weaker than years in

business because age of the owner doesn't define his capabilities to integrate a digital platform for his/her business.

Valyouu digital can focus on targeting such companies or small business owners with low operational time and those who are closer to their inception time. When Valyouu digital focuses on doing that it will collaborate with a company from the very start of their business and that would help Valyouu capture more value from their customers as whenever there would be challenge the face in the digital atmosphere the one company they would look for help is Valyouu digital which would increase revenues and profits for them.

COMPANY AND COMPETITIVE VALUE EXCHANGE



Value capture: Value capture in the 6V framework of data management refers to the process of extracting economic benefits or insights from processed and analysed data. It emphasizes converting the actionable insights derived from big data into tangible business value, such as increased revenue or efficiency.

Objective 4: To understand the purchasing patterns of small business owners with regards to the services provided by a digital marketing agency.

Data analysis: Here, we have conducted a research study called the market basket analysis. This study literally goes by its name which means that it seeks to analyze what all the consumer has added into his basket. This help the marketer to understand which products/services are considered as complementary and purchased together and which ones are not. The marketer then accordingly can decide bundling strategies, price premiums or discounts to be provided. We have considered 5 different services that can be selected for purchase which are: Consumer data reports, SEO, Strategy and consultation, Content Marketing, Data analytics reports, we will observe the consumer buying patter with the same.

Data Reports	Pricing	SEO	Data Analytics	Consultation	Content marketing
5	5	5	5	5	4
4	4	4	4	4	4
5	5	5	5	5	4
5	5	4	5	5	5
4	3	5	5	4	4

The above data is coded with the legend mentioned on the right side

Legend
For all attributes

Very Unimportant	1
Unimportant	2
Neutral	3
Important	4
Very Important	5

Assumption: If the individual variable is above the benchmark of 4, then the customer will purchase the particular service.

Transactions	Data reports	SEO	Data Analytics	Consultation	Content marketing
1	1	1	1	1	1
2	1	1	1	1	1
3	1	0	1	1	0
4	0	0	0	0	0
5	0	1	0	0	1
6	1	1	1	1	1
7	1	1	1	1	1

The data was further coded into 0 and 1 which indicates: 1- The service will be purchased

0- The service will not be purchased

Based on the logistic regression we decided to understand the purchasing pattern of consumers for various services bundled together.

	Total transaction	57			
	Data reports	SEO	Data Analytics	Consultation	Content Marketing
Count	39	38	24	15	43
Probability	0.68	0.67	0.42	0.26	0.75

The first step is counting the different services with a value of 1 meaning the consumer has purchased the particular product

Subsequently we calculated the probability of each individual service.

Considering the purchase of SEO and content Marketing together (based on the logistics regression in customer value)					
	Both purchase	37			
	Prob	0.649123			
	Lift	1.290698			

Here the formula used is: probability of both purchase / probability of one service*probability of another service.

The final conclusion: the lift value here is 1.2 this indicates that the consumers will purchase the products together and that too voluntarily

Considering the purchase of strategy consultation and Data Analytics together (based on the logistics regression in customer value)					
	Both purchase	13			
	Prob	0.22807			
	Lift	0.142544			

Here the formula used is: probability of both purchase / probability of one service*probability of another service.

The final conclusion: the lift value here is 0.14 this indicates that the consumers will never purchase the products together.

4.0 RESULT AND DISCUSSION

Our findings were quite interesting and were based on the previous logistic regression study that was conducted.

The most frequently chosen variable for participating with a digital marketing agency were SEO and Content marketing therefore we tried to understand if these two services would be purchased together by a small business owner and the answer was yes. These two services would be adding to the basket together and that too voluntarily

Then we considered the two variables with least impact in logistic regression that was Data Analytics report and Strategy and consultation, when these two variables were considered, the results were expected as they lift value proved that they will never be purchased together.

After, analyzing both the situations we thought to change the bundling strategy and combine the fast-moving service SEO with the slow-moving service Data Analytic reports and to our surprise the customer would purchase these two services together.

Suggestion and Recommendation

Valyouu digital should focus on how the customer are purchasing products and their buying behaviours because when those are considered then Valyouu would be able to decide its marketing initiatives to increase sales and profits. The offerings can be made premium or have their value reduced to stimulate or trigger purchases.

Therefore, now lets consider a building strategy where the company will sell a fast moving service with a slow moving one to increase sales					
	Both purchase	23			
	Prob	0.403509			
	Lift	1.4375			

this shows us that if both are combined the lift value increases to 1.4 that means now the consumer will purchase it together.

One such strategy we suggested through calculations was bundling the SEO and Data Analytics report service with simulated purchase in the consumer's mind.

Here,

Strategy suggestion for company:

If Seo and Content Marketing are provided together Valyouu digital should move upscale and

preimmunise one of the services amongst the 2.

However, if due to cost barriers the two slow moving products have to clubbed together then Valyouu digital should move the offering downscaled and reduce the value. Connecting both customer and company value together

Analyzing the dimension of customer value with respect to functional, monetary and psychological value and recommending suggestions to the company

We used bar graphs in tableau to understand that which specific dimension is the highest weighted when it comes to choosing a digital platform for the business. The three values were masked and not directly asked to the consumer. The most prominently chosen was monetary value followed by functional value and lastly the psychological value. (Chernev, 2014)

Let's analyze the possible reasons for selection and the suggestion for the company:

Psychological value: the question asked here was "Status achieved and emotional satisfaction provided by digital presence."

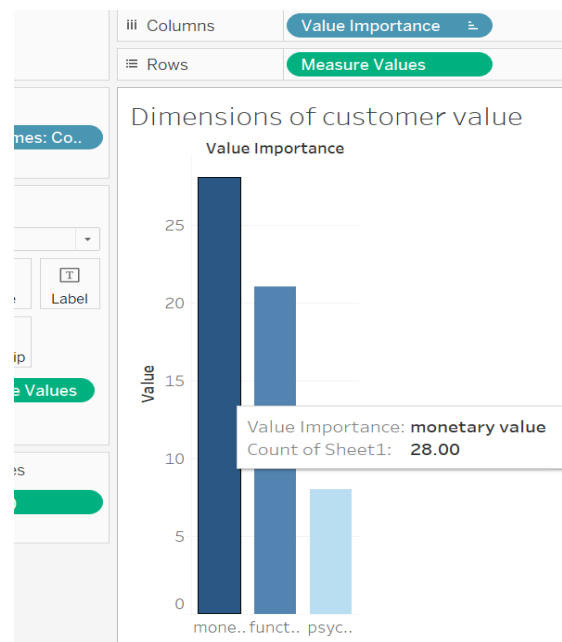
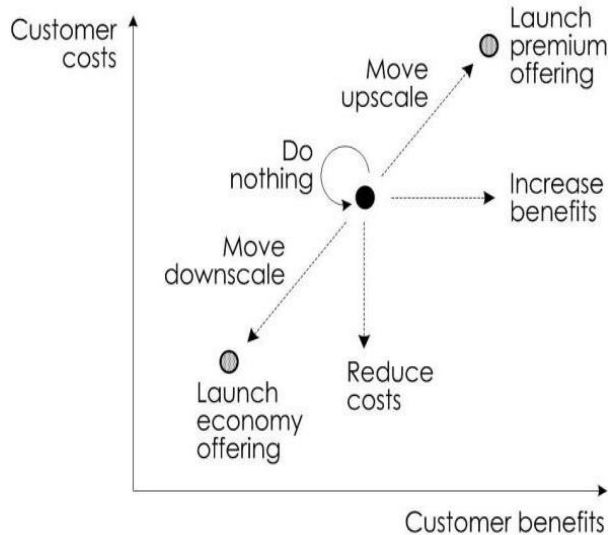
The consumer may have chosen this option the least number of times as now they feel that it is a competitive imperative, this means that they don't think that digital presence is point of differentiation anymore it has become a point of parity, every competitor now has a digital presence, therefore it does not lead to any status or emotional benefits.

Functional value: the question asked here was "Platform to showcase your business products with its features and benefits."

This particular response was also filled by multiple people which shows that a digital presence integration may not just be for profits but also have a utilitarian benefit attached to them. This would help Valyouu digital in their positioning strategies.

Monetary value: the question asked here was "A possibility of increased sales and profits due to digitalisation."

This was the most chosen answer by the small business owners which shows that in the end a digital presence is chosen because of the possible effects it may have on the profitability of the business and the consumer may not terminate the service because of opportunity cost which can be efficiently explained with the concept of Loss Aversion (how consumers can evaluate a company's offering)



The suggestion here is:

Using the particular aspect of loss aversion when it comes to evaluation of company offerings:

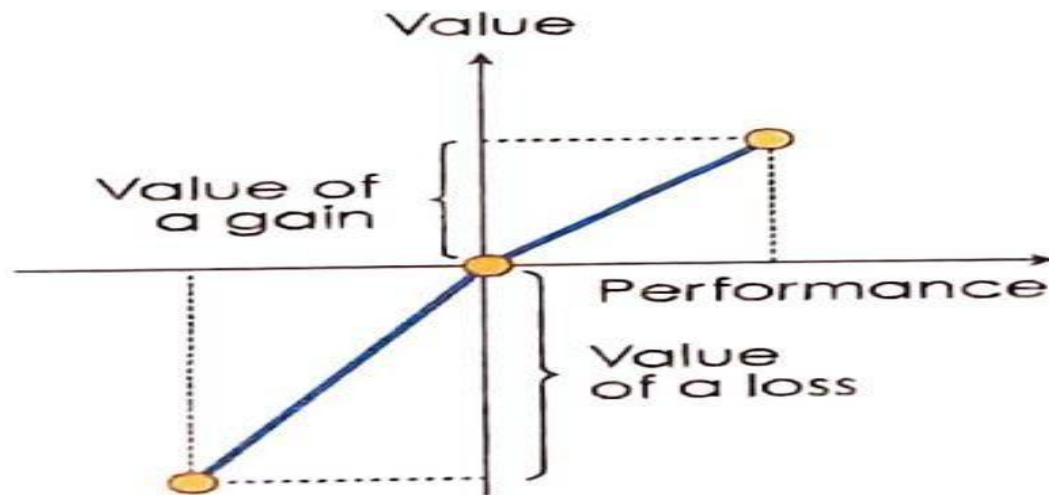
The loss aversion states that:

The impact of value in the minds of customer is affected more when the customer faces a loss rather than a gain.

This principle dictates that opportunity cost should be focused upon and consumer will select a particular offering if the opportunity cost is higher.

Therefore, since the monetary value is the most highly chosen the basic promotional strategy needs to be telling small business owners how they are losing out on profits if they don't have a digital presence.

The fear appeal of losing out on an opportunity will act as a stimulus for small business owners to act on a purchase.



Value function

This represents the relationship between the attributes of an offering and value (utility) it creates for the target customer. It basically seeks to compare performance of the attribute, importance of attribute for the customers and finally the value derived by the customer.

If the company doubles or increases its performance on a certain attribute will the overall benefit/value derived by the end consumer increase? This is what we can analyse with the value function.

An offering's ability to create value for the customer is defined by three key components: The attributes defining the company's offering (VA)

The importance of these offerings in the minds of the target consumer (W_i) The offerings performance on these attributes (A_i)

Therefore, the value function is nothing but: $VA = f(W_i, A_i)$

Performance rating on attributes by company					
Customer reports	Pricing	SEO	Data Analytics	Consultation	Content Marketing
3	4	5	3	5	4
3	4	3	4	4	4
3	2	4	4	5	5

The above represents the $[A_i]$ component of the formulas, however to give a wholesome picture, I have assumed the average value of performance on attributes.

Importance of attribute rating from customer pov					
Customer	Pricing	SEO	Data Analytics	Consultation	Content

reports						Marketing
3	4	5	3	5		4
3	4	3	4	4		4
3	2	4	4	5		5

The above represents the [W_i] component of the formulas, however to give a wholesome picture, I have assumed the average value of performance on attributes.

Average values (Company)	3	4	3	4	3	4
Average values (Customer)	2	4	5	2	4	5

Based on the value function and formula used the value function would be:
 $V_a = f(3*2, 4*4, 3*5, 4*2, 3*4, 4*5)$

When we add all of these values it comes to a total of 77.

This number can be increased by focusing on increasing performance on those attributes which are of higher importance for the consumer. This will help increase value for customers.

For example: The performance in SEO is 3 but the importance for customer is 5, therefore when the multiplication will be performed with weights it will lead to an increase in value for the customers and more sending for Valyouu digital.

5.0 -CONCLUSION

Collaborator Value

Forward Integration

Collaborator value refers to the benefits that arise from partnerships or alliances between businesses or individuals. By collaborating, parties can leverage each other's strengths, resources, and expertise to achieve mutual goals that might be unattainable individually.

✚ This value can manifest in increased innovation, shared risks, access to new markets, enhanced operational efficiencies, and improved product offerings.

✚ Collaborations can also lead to cost reductions through shared infrastructure and investments.

✚ Ultimately, the value of collaborators is in creating synergistic relationships that enhance competitive advantage, drive growth, and deliver greater value to stakeholders than any of the parties could achieve on their own.

STRATEGY SUGGESTED: -

Taper Vertical Integration Strategy:

Taper vertical integration strategy is basically when a company seeks interest in another company which can potentially help the business operations.

✚ The main company invests in such a company through which it can increase revenues and customer base.

✚ Investment is made and equity is taken this can possible be with companies that either help in providing raw material or reaching the end consumers. Usually, it is more considered for reaching the end consumer.

Collaborating with CRM companies: CRM (Customer Relationship Management) companies provide software that helps businesses manage interactions with current and potential customers. Their tools streamline processes, store customer information, enhance customer service, support sales management, and enable targeted marketing strategies, ultimately aiming to improve business relationships and drive

growth.

Hyderabad has a lot of small-scale CRM companies with lower economies of scale.

✚ When Valyouu Digital will collaborate with them, it will create multitude of benefits in terms of increasing the customer base.

✚ The clients of CRM companies are usually those people who are interested in purchasing software solutions for themselves. Software solution aligns with the services provided by Valyouu digital

✚ Therefore, the customers of CRM companies can be convinced to increase their purchase value and also include the service of a website, branding, UI/UX etc.

✚ It can also lead to leveraged secondary associations when the positive brand equity of one company can rub off on another and create a positive impression in the customer's mind.

Collaborator Value

Backward integration

The suggestion we came forward to is collaborating with Tech startups can provide significant benefits, expanding its business offerings and enhancing the value it delivers to clients. Collaboration between the digital marketing company and tech startups can be highly beneficial for both parties, as it can leverage each other's strengths to achieve common goals.

Here are several ways of collaboration:

✚ **Strategic Partnerships:** Company can form strategic partnerships with tech startups to provide complementary services. For example, the marketing company could collaborate with a startup that offers a new marketing automation tool or analytics platform.

✚ **Content Collaboration:** Tech startups often need content to educate their audience about their products or services. Thus they can provide content creation services such as blog posts, whitepapers, case studies, and videos to help startups showcase their offerings effectively.

✚ **Beta Testing and Feedback:** Startups can provide the company with early access to their products or services for beta testing. In return they can provide valuable feedback on user experience, features, and market fit, helping startups improve their offerings before the official launch.

✚ **Data Sharing:** The company often has access to valuable customer data and insights. By sharing anonymized data with tech startups, both parties can gain valuable insights into customer behavior, preferences, and trends, enabling them to optimize their marketing strategies and product offerings.

✚ **Cross-promotion:** The company can promote tech startups to their existing client base or through their marketing channels, such as email newsletters, social media accounts, or blogs. In return, startups can promote their services to their audience, helping both parties expand their reach and attract new clients

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