

## **Digital marketing strategy as a tool for business adaptation to the conditions of the digital economy**

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**Abstract:** The digital transformation of business and the development of information technologies open up new opportunities and challenges for enterprise marketing activities. In the context of the modern digital economy, the effective development of digital marketing strategies has become a critical condition for business success. The authors emphasize that a digital marketing strategy is a comprehensive action plan that includes the use of digital platforms and tools to engage with target audiences and achieve marketing goals. The focus is placed on various levels of engagement: from digital marketing as a communication channel to creating new business models based on innovation and process automation. The article also substantiates the importance of integrating all levels of a digital strategy to achieve sustainable competitive advantage and adapt to changes in the digital economy.

**Keywords:** digital marketing, business digital transformation, digital marketing strategy, digital economy, competitive advantage, target audience.

In the context of the digital economy, the importance of adapting to new digital realities has become evident for every business. Thus, the development of effective digital marketing strategies emerges as one of the key tasks for ensuring market competitiveness.

A digital marketing strategy is a crucial tool that enables companies not only to interact effectively with consumers through various digital channels but also to implement innovative product promotion methods, enhance customer engagement, and significantly improve the efficiency of marketing efforts. It allows businesses to optimize marketing costs while maintaining a high level of personalization and precise targeting of their audience. Amid the digitalization of business processes and the rapid shift toward online platforms, the development and implementation of such strategies are essential factors for success in the market.

The digital transformation of businesses creates new opportunities and challenges for enterprise marketing activities. Traditional methods are gradually giving way to digital marketing, which provides broad opportunities for achieving success in today's competitive environment. In the modern digital economy, the development of effective digital marketing strategies is a critical element of business success. Rapid technological advancement and increasing market competition compel companies to adopt innovative approaches to promoting their products, making this topic particularly relevant.

The mechanism and stages of forming an effective marketing strategy have been extensively studied in the works of numerous foreign and domestic scholars, including G. Assel, J.-J. Lambin, G. Armstrong, P. Drucker, M. Porter, F. Kotler, M. McDonald, Yu. Hudz, Yu. Kravchyk, L. Pronko, and others. Their research spans a wide range of aspects related to marketing strategy development, from theoretical foundations to practical implementation methods, and has significantly contributed to the evolution of modern marketing approaches.

Despite the widespread adoption of digital technologies and the introduction of digital marketing, there remain insufficiently explored aspects concerning the creation of comprehensive digital marketing strategies, particularly in the context of integrating digital platforms and tools to achieve marketing objectives. The challenge lies in adapting traditional marketing approaches to the new conditions of the digital economy, requiring novel theoretical and practical solutions. The

development of digital strategies is a critical step in building competitive advantages and, therefore, demands further scientific research, especially to identify the most effective methods for their implementation in the face of rapid market changes and technological advancements.

The purpose of this article is to examine the role of digital marketing strategy as a tool for business adaptation to the conditions of the digital economy, analyze its key elements and development approaches, and identify effective implementation methods to ensure the competitiveness of enterprises in the digital economy.

A well-designed marketing strategy forms the foundation for successfully managing marketing activities, adapting products or companies to market conditions, and achieving competitive advantages. Over the years, this concept has been explored by various international and domestic scholars who have proposed diverse approaches to its definition.

The wide variety of approaches to defining a marketing strategy stems from the scale and depth of the terms «strategy» and «marketing». However, after analyzing various definitions of the essence of a marketing strategy, we can identify its key characteristics, such as:

- Goal-oriented nature: All definitions emphasize the importance of setting objectives that a company aims to achieve through the implementation of its marketing strategy. It should be based on specific tasks and directed toward achieving measurable and realistic results.

- Long-term perspective: A marketing strategy is a part of strategic planning that considers not only current but also future consumer needs.

- Adaptability: Strategies must be flexible to respond to changes in the external and internal environment as well as market dynamics.

- Use of marketing tools: The implementation of a strategy involves the application of various marketing tools to achieve the set objectives.

- Creation of competitive advantages: Many definitions highlight that the purpose of a marketing strategy is to create and maintain competitive advantages.

Marketing strategies are a key element of success for any business, as they help attract the attention of the target audience, expand the customer base, and increase profits.

In the current market environment, characterized by the rapid development of information technologies and the digital transformation of businesses, there is a need for a specialized approach to forming marketing strategies that leverage the opportunities and tools of the digital space. This has given rise to a distinct category: digital marketing strategy. Despite its growing relevance, the scientific exploration of this concept remains underdeveloped, creating a need for deeper analysis and a unique approach to its definition.

To begin, let us analyze the term «digital strategy» and the approaches of domestic and foreign researchers to its definition in various contexts. The concept of «digital strategy» is interpreted differently in scientific literature, depending on the context and research objectives. Here are some approaches to interpreting the term:

Entrepreneurial approach: Digital strategy refers to the process of selecting information technologies for which funding will be allocated. This strategy is relevant when organizations complete the initial stage of investing in digital technologies and require further planning [1].

Marketing approach: Bharadwaj et al. define digital strategy as an organizational strategy formulated and implemented using digital resources to create differentiated value [2]. This definition focuses on creating unique value for consumers through the use of digital technologies, characteristic of marketing strategies that emphasize the differentiation of products and services in the market.

McDonald M. views digital strategy as a form of strategic management and business decision-making that is part of an overall business strategy. It involves the use of new technologies in business activities to meet consumer and market needs [3].

Market approach: Mitas, Tafti, and Mitchell argue that digital strategy is «... the extent of a company's engagement in any category of IT activity... (and it) arises from the interaction between a company's digital strategic posture and its industry environment» [4].

Consumer approach: Organizations face many key decisions regarding digital strategy, but a thoughtful consideration of the digital context serves as their starting point. The definition by

Andersen and McGyver emphasizes the importance of accounting for the digital context and a company's ability to respond to changes, including external digital opportunities and threats. This aligns with the consumer approach, as such strategies often rely on consumer needs and demands in the digital environment [5].

As seen, the concept of «digital strategy» has various interpretations depending on the context. These approaches highlight the multifaceted nature of business digital transformation, its impact on entrepreneurial decision-making, consumer satisfaction, and the development of new business models. Despite differences in interpretation, a commonality is the use of digital technologies as a key element in achieving business strategic goals. Another significant aspect is the flexibility of digital strategies, enabling businesses to adapt to dynamic market conditions and changes in the technological environment.

As previously mentioned, in the context of marketing, digital transformation has led to the emergence of the term «digital marketing strategy», which also requires a clear definition. In domestic scientific literature, including works by V. Dalyk, O. Prodeus, Z. Fedorih, and S. Babiy, this concept is interpreted as an action plan describing how a company uses digital media platforms and other online tools to achieve its marketing goals [6].

Based on the analysis of approaches to defining the essence of the terms «marketing strategy», «digital strategy», and «digital marketing strategy», we propose the following definition:

Digital marketing strategy is a comprehensive action plan that involves the use of digital platforms and tools to achieve marketing goals and interact with the target audience.

Similar to a traditional marketing strategy, a digital marketing strategy includes long-term planning and aims to achieve specific objectives. However, its specificity lies in emphasizing the effective use of digital tools, as previously discussed, for interacting with consumers in the virtual environment. It allows for precise audience targeting, real-time performance measurement, and rapid adaptation to market changes.

A digital marketing strategy can encompass various levels of engagement, each contributing to the gradual transformation of a business (Fig. 1). When a company employs all levels simultaneously, it enables evolution and adaptation to modern digital trends. Let's examine each level in detail:



Fig. 1. Levels of Engagement in a Digital Marketing Strategy

**Digital marketing as a communication channel:** At this initial level, companies utilize digital channels (social media, websites, email campaigns) to connect with their customers. This serves as the foundation for building trust and fostering interaction with the target audience.

**As a sales channel:** At the next level, companies integrate digital tools into their sales processes. This facilitates process automation, enhances efficiency, and expands market reach.

**Creating new value for consumers:** By leveraging digital strategies, companies can develop new products or services or upgrade existing ones to deliver additional value to their customers. This helps attract and retain a larger consumer base.

**A new business model:** At the highest level of transformation, digital marketing transcends being merely a communication or sales tool and becomes the foundation for creating a new business model.

This allows companies to adopt innovative approaches to generating revenue, such as subscription platforms, digital products, or services.

Advancing through all levels of digital transformation not only enhances a company's flexibility and adaptability but also enables it to respond effectively to the challenges of the modern market. Digital marketing evolves from being an additional tool to becoming the foundation of a company's strategic development.

Building a new business model, as the final level of engagement, unlocks vast opportunities for companies.

Enhanced understanding of customer needs: It facilitates a more personalized approach to products and services, fostering stronger customer relationships and increasing loyalty.

Development of innovative offerings: New business models may include online platforms, automated services, or mobile applications, providing customers with convenient and swift access to products and services. This not only boosts a company's competitiveness but also reduces operational costs through process automation.

Improved consumer behavior analysis: The use of digital technologies enables a deeper analysis of customer behavior, leading to better-informed decisions regarding marketing campaigns, product assortment management, or new product development. Such analytics help optimize business processes and improve operational efficiency.

Additionally, digital transformation allows companies to respond more quickly to market changes and incorporate innovations into their strategies faster than competitors who have yet to embrace this path. Engaging in all levels of a digital strategy creates a sustainable competitive advantage.

Thus, companies that fully integrate all levels of digital marketing into their operations not only enhance the effectiveness of their marketing campaigns but also revolutionize their approach to business, unlocking new growth and development opportunities.

The process of developing a marketing strategy must be well-structured and include all the necessary components for success. Scientific literature provides numerous approaches to defining the characteristics and sequence of the key stages in forming a marketing strategy. However, based on the analysis of academic research [7...9], we propose a scheme for developing digital marketing strategies that considers modern challenges and the specifics of the digital environment (Fig. 2).



Fig. 2. Stages of Digital Marketing Strategy Development [developed by the author based on sources [7–9]]

In conclusion, digital marketing strategy has been identified as a key tool for adapting businesses to the conditions of the digital economy, ensuring flexibility and competitiveness. Analyzing the role of digital marketing reveals that its implementation enables businesses to target audiences more effectively, optimize costs, and quickly respond to market environment changes. Digital marketing serves not only as a means of communication but also as a source for creating new business models based on innovation and digitalization of processes. This allows businesses to not only adapt to the challenges of the digital economy but also achieve sustainable competitive advantages.

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