Digital Marketing in the Survival and Growth Strategies of Small and Medium-Sized Businesses During the War in Ukraine

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Abstract: This article shows the impact of the war on small and medium-sized businesses in Ukraine during the full-scale invasion of the Russian Federation, which started on February 24, 2022, and ended in September 2023. The object of the study is small and medium-sized enterprises that carry out business activities in Ukraine during a full-scale invasion. The research objective is to determine the business strategies and Internet marketing strategies used by small and medium-sized enterprises after full-scale invasion. The purpose of this study is to identify the most effective Internet marketing strategies and Internet marketing tools that helped small and medium-sized businesses survive the full-scale invasion of Ukraine by the Russian Federation and continue to grow. The study was conducted through in-depth interviews with representatives of small and medium-sized businesses from different regions of Ukraine and from different fields of activity. Based on the categorical analysis of the responses, three periods of enterprise survival were summarized according to the chronology of military and political events in the country. The relevant Internet marketing strategies of small and medium-sized enterprises are identified. Business strategies and Internet marketing strategies that helped small and medium-sized enterprises increase their pre-war economic performance are also highlighted. Certain reasons for the deep crisis of small and medium-sized enterprises are outlined. The intensity and effectiveness of the use of Internet marketing tools by small and medium-sized businesses after a full-scale invasion are determined. The peculiarity of the results is the study of Internet marketing strategies and successful business strategies of small and medium-sized enterprises during the war. The scientific novelty of this study is that it classifies the periods of survival and growth of small and medium-sized enterprises and identifies the most effective Internet marketing strategies for these periods. The efficiency and intensity of using Internet marketing tools were also systematized. The results obtained in the study will help small and medium-sized enterprises overcome crisis conditions and identify areas for the effective use of digital marketing. The findings are of practical value for small and medium-sized enterprises in other countries where there is a possibility of armed conflict.

Keywords: business strategies for survival; business strategies for growth; war; internet marketing strategies; digital marketing tools; small and medium-sized enterprises.

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1. **Introduction.** SMEs play a key role in Ukraine's economic landscape, contributing significantly to job creation, entrepreneurial activity, and innovation. Despite their promising contributions, these businesses face serious challenges posed by the outbreak of war in 2022. In particular, a survey conducted by KPMG in 2022 showed that the war has caused a deep sense of uncertainty among many companies. Forty-six percent of SMEs expect a decrease in sales, 47% expect a decrease in profits, and 80% expect a long-term negative impact (KPMG, 2022). Before the full-scale military invasion of the Russian Federation (RF), SMEs were the main employers in Ukraine: approximately 75% of the country's workforce, or approximately 4.8 million Ukrainians, were employed by SMEs (Livch, 2022). Restoring business operations outside conflict-affected regions has proven to be a considerable challenge for SMEs. In particular, according to the Keep Going survey, 40% of small businesses either remained or continued to operate in war-affected areas (Dia Business, 2022). The outbreak of hostilities by the Russian federation caused the most significant economic downturn in Ukraine's modern history. In 2022, the country witnessed a rapid decline in gross domestic product, which amounted to 30.4% (Zhiry, 2023). It is important to study how SMEs manage to survive and develop under the new conditions of martial law in the country. Moreover, the war can last for years, and the country's survival depends on the functioning of SMEs. In the pre-war era, Ukrainian businesses actively used digital marketing tools, realizing their importance. Ukraine's internet penetration rate was comparable to that of developed countries and, according to recent research, reached 86% before the conflict (Newage, 2022). Armed conflict in Ukraine has significantly changed the digital marketing strategies used by SMEs. Therefore, it is important to assess how digital progress in SMEs and the digital literacy of the Ukrainian population contribute to business resilience and recovery under these challenging conditions.

In a conflict-affected country, the expected scenario includes capital outflows, market stagnation, and a decline in demand for nonessential goods. This will lead to job losses, the mass closure of enterprises, and economic decline. Ukrainian SMEs should adapt, use business strategies for survival and growth during the war, and effectively use online marketing. Therefore, the study of the multifaceted impact of the war on the business strategies and Internet marketing strategies of SMEs is relevant.

2. **Literature Review.** Research on the use of digital marketing by SMEs has focused mainly on the development of this area, its modifications, and its effectiveness. For example, Dwivedi et al. (2021) examined views in the fields of digital marketing, artificial intelligence, augmented reality, digital content, mobile marketing and advertising, B2B marketing, and e-WOM. The ethics of digital marketing have specific differences. However, there are still unresolved issues related to the use of digital marketing tools for the survival of small and medium-sized businesses during the war.

Skare et al. (2023) presented the results of research on the impact of digital technologies on small and medium-sized businesses by representatives of the European scientific community. SMEs that have switched to digital technologies are less concerned about traditional business issues related to attracting new customers, increasing production costs, and regulatory changes. However, issues related to the impact of digital technologies on the ability of SMEs to survive or develop during military operations remain unresolved.

The work of Swedish researchers (Tolstoy et al., 2022) analyses the activities of 99 e-commerce SMEs. Even in peacetime, the possibilities of digital technologies are limited. Ballerini et al. (2023) examined the importance of e-commerce for manufacturing SMEs in the context of the COVID-19 pandemic. Direct sales through their own websites allow them to convey information about products to consumers around the world. Indirect sales provide an opportunity to expand the boundaries of the market. Selling through agencies or third-party digital platforms integrates both possibilities. However, there are still unresolved issues related to researching the importance of these three distribution channels for Ukrainian SMEs during the war.

A study by UK researchers (Ates & Acur, 2022) assessed the impact of digital technologies and digital marketing on the survival of SMEs. The improvement of the economic activity of enterprises is associated with the intuition and experience of entrepreneurs, which determines the speed of response to changing environmental changes. The paper (Setkute et al., 2022) presents the results of research on the relevance of digital marketing for entrepreneurs in the B2B market. However, issues related to the economic activities of SMEs in the B2C market during armed conflicts remain unresolved. Dwivedi & Pawsey (2023) presented the results of studies on the extent to which SME marketing innovations are driven by institutional factors and resources. It is shown that SME managers should distinguish between standard organizational practices and innovative marketing approaches. Cao & Weerawardena (2023) presents the results of research on the effects of social marketing (SM) on SMEs. It is shown that it provides two options for communicating with customers, namely, relationship management and brand management, which together create synergies to improve financial performance. However, the impact of SM on SMEs during the war remains unresolved due to a lack...
of empirical data. Zlatova (2022) showed that digital marketing tools can be used to develop businesses even during a war. The author gives examples of turning risks into opportunities and getting new customers during the war. Unfortunately, the study analysed the activities of a large enterprise, whose data the author shared. The issues of overcoming SME risks remain unresolved.

All of these findings suggest that it is advisable to conduct a study on the role of digital marketing in the survival and growth strategies of small and medium-sized businesses during the war in Ukraine.

3. Methodology and research methods. Digital marketing (DM) is a consolidated market strategy that has been widely used for a decade (Saura et al., 2021). CM was originally defined as a set of online techniques for persuading customers to buy a product or service (Saura, 2021). However, with the development of technology, this definition has evolved. Today, CM methods include search engine optimization (SEO), search engine marketing (SEM), social media marketing (SMM), and email marketing but also include non-Internet channels such as mobile phones, callbacks, and mobile ringtones on hold (Desai & Vidyapeeth, 2019). SMEs are known as one of the main drivers of economic growth and employment (Dahnil et al., 2014). Although SMEs play an important role in today's global economy, they still face challenges in adopting new technologies. Unlike large firms that have established business models, SMEs are usually limited in their marketing budget and commitments due to their small size and struggle for legitimacy (Eggers, 2020; Kraus et al., 2007). Therefore, online marketing has become one of the key strategies for SMEs to promote their brands and increase sales at low cost. The purpose of this study is to identify, classify and evaluate the effectiveness of online marketing strategies during the periods of survival and growth of SMEs during the full-scale invasion of Ukraine by the Russian Federation. This will enable small and medium-sized businesses to develop production and services more efficiently. The most effective business and online marketing strategies were used during the period of Russia's full-scale invasion of Ukraine.

To achieve this goal, the following research objectives were formed:

- to classify the Internet marketing strategies of SMEs during periods of survival and growth during the full-scale invasion of Ukraine by the Russian Federation;
- to identify business growth strategies and relevant Internet marketing strategies of SMEs during the full-scale invasion of Ukraine by the Russian Federation;
- to identify the reasons for the critical decline in SME business activity;
- to investigate the use of Internet marketing tools and their effectiveness in the activities of SMEs during the full-scale invasion of Ukraine by the Russian Federation.

The object of the study is small and medium-sized enterprises operating in Ukraine during a full-scale invasion. Prior to this study, several hypotheses were put forward, which a team of researchers from Ukraine and the UK tested based on the results of the analysis of the information collected.

1) The business strategies and Internet marketing strategies of small and medium-sized businesses changed during the Russian war against Ukraine (Oklander et al., 2023a).
2) Social media helped SMEs retain their customer base.
3) During the war in Ukraine, certain business growth strategies can be identified.
4) Active digital marketing is the key to the survival and growth of SMEs during the war.

To achieve the research objective, 20 semistructured interviews were conducted with the top managers of SMEs in Ukraine to identify the main issues that affect the application and use of digital marketing in uncertain times. It is assumed that members of senior management are familiar with the ideas within the firm and are the most appropriate sample for gathering information about strategic initiatives. In-depth interviews were chosen as a tool to determine the experience of survival and functioning of enterprises from different regions and different sectors of activity. The interviews took place in August 2023. Geography of the study: small and medium-sized enterprises from the East, West, South, North, and Center of Ukraine. Activity sector: services, manufacturing, offline and online trade. Both women and men participated in the interviews (Table 1).

All interviews were conducted online, with an average duration of 40 minutes. Before the interview, the participants were provided with an information sheet explaining the purpose and objectives of the study and asked them to give their consent to participate in the study by signing the appropriate form.

Three main criteria were also taken into account to determine whether an enterprise is an SME:

- number of employees (< 250 annual work units);
- annual turnover (≤ 50 million euros);
<table>
<thead>
<tr>
<th>Region</th>
<th>City</th>
<th>Field of activity</th>
<th>Company size (number of employees)</th>
<th>Who was interviewed?</th>
<th>Gender</th>
<th>Respondent's code</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>Sumy</td>
<td>Production of hydraulic and pneumatic equipment</td>
<td>small (50)</td>
<td>Co-owner</td>
<td>man</td>
<td>P11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A sports club aimed at relieving eye pain and promoting a healthy lifestyle</td>
<td>micro (4)</td>
<td>Co-owner</td>
<td>woman</td>
<td>P16</td>
</tr>
<tr>
<td></td>
<td>Kharkiv</td>
<td>Growing vegetables and melons, root crops and potatoes</td>
<td>micro (3)</td>
<td>Co-owner</td>
<td>woman</td>
<td>P07</td>
</tr>
<tr>
<td>West</td>
<td>Lviv</td>
<td>Copywriting services</td>
<td>micro (3)</td>
<td>Owner</td>
<td>woman</td>
<td>P18</td>
</tr>
<tr>
<td></td>
<td>Ternopil</td>
<td>Handmade leather bags</td>
<td>micro (3)</td>
<td>Owner</td>
<td>woman</td>
<td>P12</td>
</tr>
<tr>
<td></td>
<td>Kropyvnytskyi</td>
<td>Production of automotive accessories</td>
<td>small (50)</td>
<td>Marketing manager</td>
<td>woman</td>
<td>P17</td>
</tr>
<tr>
<td></td>
<td>Uman</td>
<td>Handmade ceramics</td>
<td>micro (7)</td>
<td>Owner</td>
<td>woman</td>
<td>P04</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wholesale of machinery and equipment</td>
<td>medium (more than 100)</td>
<td>Owner</td>
<td>man</td>
<td>P13</td>
</tr>
<tr>
<td>Center</td>
<td>Vinnytsia</td>
<td>Operation of restaurants, provision of mobile catering services</td>
<td>medium (more than 100)</td>
<td>Owner</td>
<td>man</td>
<td>P20</td>
</tr>
<tr>
<td></td>
<td>Dnipro</td>
<td>SMM services</td>
<td>micro (5)</td>
<td>Owner</td>
<td>woman</td>
<td>P14</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Professional paints and varnishes for the furniture industry, B2B</td>
<td>medium (more than 200)</td>
<td>Marketing manager</td>
<td>woman</td>
<td>P15</td>
</tr>
<tr>
<td>South</td>
<td>Odesa</td>
<td>Sale of goods for children: toys, children's vehicles, goods for outdoor activities.</td>
<td>medium (more than 200)</td>
<td>Head of online sales department</td>
<td>man</td>
<td>P01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Production and sale of fashion footwear wholesale and retail</td>
<td>micro (6)</td>
<td>Owner</td>
<td>man</td>
<td>P06</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Takeaway sushi shops + delivery</td>
<td>medium (more than 200)</td>
<td>Marketing Director</td>
<td>woman</td>
<td>P02</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SMM services</td>
<td>micro (1)</td>
<td>Owner</td>
<td>woman</td>
<td>P05</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Commercial and management consulting</td>
<td>micro (5)</td>
<td>Owner</td>
<td>man</td>
<td>P19</td>
</tr>
<tr>
<td>North</td>
<td>Kyiv</td>
<td>Macrame clothing, furniture and home accessories</td>
<td>micro (7)</td>
<td>Owner</td>
<td>woman</td>
<td>P08</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Production of household and decorative ceramic products</td>
<td>small (35)</td>
<td>Co-owner</td>
<td>woman</td>
<td>P03</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Activities in the field of photography</td>
<td>small (12)</td>
<td>Owner</td>
<td>man</td>
<td>P10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wholesale and retail trade of lighting devices</td>
<td>medium (more than 200)</td>
<td>Marketing manager</td>
<td>man</td>
<td>P09</td>
</tr>
</tbody>
</table>

Sources: developed by the authors based on respondents’ answers.
The interviews began with general questions to help motivate and put the respondents at ease, such as the company's history, brand creation, professional experience in marketing and communications, and marketing performance before the war. In the second section, respondents were asked to identify the key changes in the market in which they operated after the outbreak of war and to share their impressions of marketing effectiveness and changes in consumer behaviour during the war. The interviews were directly recorded and transcribed upon completion, allowing the interviewer to capture any additional observations that arose during the interviews, thus maximizing their interpretability and descriptive validity. The respondents were assigned a participant number that replaced their name, and any names present in the recordings were replaced with a random initial. During the semistructured interviews, representatives of the enterprises were asked the following questions:

Q1: How did the company react to the beginning of the war?
Q2: Was the company able to resume operations and when?
Q3: How did the company survive and develop during the war?
Q4: Did the company use internet marketing after the start of the war, and how?
Q5: How did internet marketing strategies change during the business recovery period?
Q6: Did internet marketing affect a business's ability to function and grow during the war?
Q7: What Internet marketing tools does the company use, and how does it evaluate their effectiveness?

The different stages of the war in Ukraine and the corresponding business and online marketing strategies of SMEs were analysed. Of particular interest was the question of how digital marketing affected the ability of businesses to survive and grow during the war. The technique of grouping closely related responses was used to identify the most similar survival and growth strategies and their corresponding online marketing strategies.

4. Results.

4.1 Classification of business survival strategies and corresponding Internet marketing strategies for small and medium-sized enterprises. SMEs' business strategies were closely linked to the situation at the frontline, as well as to foreign policy, economic, and military support for Ukraine from countries around the world. A study of SME business strategies that can be attributed to survival strategies has identified several periods (Oklander et al., 2023a):

- the beginning of the full-scale invasion— from 02/24/2022 to mid-March 2022;
- mid-March 2022 - mid-summer 2022;
- mid-summer 2022 - fall 2022.

The majority of interviewed representatives of small and medium-sized businesses did not expect the start of the war. The full-scale invasion came as a shock to all the SMEs the research team spoke to. Representatives of SMEs make decisions regarding business activities in a state of severe stress, which affects the effectiveness of these decisions. For example:

- "With the beginning of the war, we were forced to leave the business in Kherson. We have left the company, restaurants, and coffee shops and moved to Chernivtsi. We lived with other people with our children." P20.
- "We were expecting a third child and left for Chernivtsi from the first days of the war. The business remained in Kyiv, but it did not function." P10.
- "Since the start of the full-scale invasion, supermarkets have refused to accept food and have taken what is left to kitchens to prepare food for civilians and the military." P07.
- The "sumy region was occupied in the first month of the war, so the company stopped working and was able to resume it only after deoccupation in April 2022." P11.
- "The company ceased operations with the beginning of a full-scale invasion and focused on the development of new devices for the army during the first month of the war." P13.

Based on the results of interviews with SME representatives during the first period of Russia's full-scale invasion of Ukraine, the following conclusions can be drawn:

- The SME sector, like the entire country, was in a critical state during the first weeks of the full-scale invasion. Almost all businesses suspended their operations.
- The primary concern of SMEs in the first few weeks was to save the lives of their loved ones and employees.
- During this period, SMEs focused on helping citizens and the army. Most business representatives said that they worked as volunteers or sent products to the military.
The online marketing strategy of most of the surveyed SMEs during this period was to disseminate information about events in Ukraine on social media to counter Russian disinformation, help citizens, and support the army—a public relations strategy. During this period, businesses did not care as much about their own survival as about the survival of the country and its citizens. From mid-March 2022 to mid-summer 2022, small and medium-sized businesses began to resume operations and look for new opportunities to survive:

- The "summer region" was occupied until mid-April. The company resumed its work after being deoccupied. The company was forced to deliver products to customers in Kazakhstan via Lviv and Turkey P11.
- "We ceased operations and engaged exclusively in charity. Popular products were sold, and the money earned was given to the volunteers. Online sales resumed one month later. The products were transported from Kyiv to Lviv" P03.
- "From Chernivtsi, we decided to go to Vinnytsia. Everything we had remained in Kherson. However, with the help of the people of Vinnytsia, we opened two cafes. After the liberation of Kherson, they were partially able to export production equipment" P20.
- "We transported some equipment from Kyiv to Chernivtsi, and 1.5 months after the start of the war, we started receiving orders for services. Customers sent film by mail and received digital scans of it. In May, we opened a workshop in Kyiv, which initially worked for a few hours a day." P10.
- "Since the beginning of the war, the agency has completely lost clients, and the demand for social media promotion services began to recover only in the summer of 2022." P14.
- "For the first two months after Russia’s full-scale invasion of Ukraine, the company did not work, like most businesses in the country. Then, we decided to return to work and launched the Marathon of the Ukrainian Business Revival. It was a free series of events to which the company invited experts in stress management, crisis management, marketing, and HR to conduct training and workshops for visitors. Gradually, corporate clients began to return to training. The business has adapted to working in the war zone" P19.

Based on the results of interviews with SME representatives regarding the second period of Russia’s full-scale invasion of Ukraine, the following conclusions can be drawn:

- Most SMEs were able to resume their operations during this period.
- Businesses began to realize that the war would not end quickly and that they needed to look for opportunities to work in the new realities.
- Many business activities at this stage were aimed at charity and support for citizens and the army, but these activities cannot be called ordinary PR. It was understood that only the support of each other would allow the country to hold on, withstand and defeat the insidious enemy.
- Reduced competition in the market has led to improved marketing performance, including in digital marketing: lower advertising costs and improved organic search rankings. There was an overall reduction in marketing costs by an average of 70%, while sales increased. According to one of the respondents, the cost per 1000 reached users in Facebook ads decreased from $0.41-2.18 to $0.15-0.61. The cost per transaction decreased from $3.14-4.24 to $0.58. The cost per app installation decreased from $0.81 to $0.45 (Figures 1, 2). The growth of positions in the organic search results ranged from ~10 to ~3 (Figure 3).

![Figure 1. Facebook ads effectiveness, 2021](Figure 1. Facebook ads effectiveness, 2021)
Sources: developed by the authors based on Facebook Ads Manager data.
The Internet marketing strategy of most of the surveyed SMEs during this period was to spread information about their charity events, customer support, and efforts to retain their customer base. Several areas of activity have led to a significant increase in the number of social media followers and new SME clients. These include clearly defining their position during the full-scale Russian invasion of Ukraine, supporting citizens and the army, holding charity events and offering discounts to their customers. For example:

- "I posted my course on targeted advertising on the YouTube platform to support small businesses during the war. Approximately 20,000 people joined it. It also increased the number of my social media followers." P05.
- "In the first months of the war, business owners used social media channels to communicate information about the aggressor's actions to international partners. This included interviews with international media, as well as military-themed products, such as silk scarves depicting Ukrainian saints from Bukovyna defending the country from the enemy with arms, which were sold on foreign markets. We increased the number of subscribers both from Ukraine and abroad." P03.
- "The free Marathon for the Revival of Ukrainian Business, launched in May 2022, has increased the number of social media followers and website visitors." P19.

From the middle of July 2022 to October 2022, the majority of SME representatives resumed operational activities and found new directions and ways of functioning under new conditions, for example:

- "With the beginning of the war, we had two ways of survival:
  - the first - development of products for military purposes;
The second is the search for new sales markets for manufactured products.

We have developed a Bandera Power multichannel fast charger for charging mobile devices and lighting roadblocks and pillboxes. In addition, they also began to look for new markets for products. 

"Our company did not work until the middle of the summer of 2022. In 2022, sales were only 10% of the previous year. With the beginning of the war, my sister left Kharkiv for the Poltava region, where she opened a new enterprise for the production of canned goods. These products are in great demand among the military." P07.

"Due to the growing demand for Ukrainian-made products among Ukrainian citizens and foreigners, the business is developing, and sales in Asia, Europe and North America are increasing." P03.

Based on the results of interviews with SME representatives regarding the third period of Russia's full-scale invasion of Ukraine (mid-summer 2022 - fall 2022), the following conclusions can be drawn:

- SMEs not only resumed their activities but also began to actively seek directions for further development during this period. These areas of development can be characterized as diversification of production to manufacture products for the newly created market (military products), deepening penetration of the existing market, and entering new markets with existing products.
- By the fall of 2022, all SMEs had resumed business activity either in the cities of their prewar location or had created opportunities for full-fledged work in their new city of residence. The story of the sisters from the Kharkiv region who founded a family business producing microgreen is illustrative in this regard. The Russian invasion of eastern Ukraine, which began in 2014, forced the sisters to move from their native Donetsk region with their families to Kharkiv and start life from scratch. They received training and founded the first microgreen farm in Ukraine. However, the war in 2022 forced them to separate, and one of the sisters moved her children to the safer Poltava region, where she founded a retort canning business.
- Representatives of online marketing agencies note that since the summer of 2022, the demand for social media promotion services has recovered and started growing again. This is because both small and medium-sized businesses have started to recover and because people who lost their jobs during the war are starting their own small businesses and trying to promote them on social media.
- Due to the victories of the Armed Forces of Ukraine at the front, in the fall of 2022, the morale of Ukrainian citizens began to rise, and, accordingly, their willingness to spend money as consumers or invest in business as SMEs. The general characteristics of the consumer market noted by respondents during the interviews can be summarized as follows (Figure 4).

![Figure 4. Features of the consumer market according to respondents, % of answers](image)

**Figure 4.** Features of the consumer market according to respondents, % of answers  
Sources: developed by the authors based on respondents’ answers.

The online marketing strategy of most of the surveyed SMEs during this period was to retain existing customers and attract new ones through a customer-centered digital marketing strategy. SMEs offer discounts on goods and services, new products, and some free services to existing and new customers. For example, the founder of a fitness club in Sumy could not provide services to her clients because the Sumy region was occupied for some time. To keep in touch with her clients and support them, she held classes online, offering large discounts, as she realized that people needed help and had lost the opportunity to work and earn money.
All the SMEs indicated that they had little or no opportunity to spend money on online and social media promotion. Therefore, most SMEs promoted their products and services through social media content, including expert articles, active communication with customers, and articles with positive information, which is very much in demand during the war. These results suggest that brands have become closer to their consumers during the war.

4.2 Identification of business growth strategies and corresponding online marketing strategies for small and medium-sized enterprises

Most of the respondents had resumed production by the summer of 2023 and reached prewar operating performance. As a result of the study, two areas of activity were identified that allowed SMEs to develop during the war.

– The first is the development of products for the market, which is related to military needs;
– The second is the interest of Ukrainians and the international community in goods and services related to Ukrainian culture.

The company that manufactures power equipment in Vinnytsia operated according to the first strategy. The production of charging stations for the military, the production of searchlights for drones, and the construction of solar power plants. Another example in this area is the production of canned goods for the needs of the military. A fitness trainer and rehabilitation specialist from Sumy has developed a program that helps wounded soldiers return to normal life through a set of special exercises. The second direction is related to interest in everything Ukrainian, both in the country and abroad. Here, as an example, we can cite the company "Let us do text", which offers a mobile application for learning Ukrainian. The application is fun; it is easy to learn Ukrainian. It was created during the war, and in five months, it gained 40,000 downloads and entered the top ten Apps in Ukraine.

Another example is the Gunia Project brand. The enterprise produces products in Ukrainian traditions from ceramics and glass. The company also offers clothes and accessories with a Ukrainian theme. During the war, the demand for the company’s products increased significantly, especially abroad. Several new representative offices have appeared in Asia, Europe and North America. During the war, SMEs began to attract new customers through social networks. Therefore, the owner of a company that produces energy equipment advertised new products on Facebook and Instagram with the help of targeted advertising. The absolute majority of new customers who purchase products are attracted through social networks.

Socially significant projects, such as the "Let us do text" application, are often written about by the media. Therefore, attracting new customers occurs organically, with almost no promotion costs.

Additionally, during the war, online sales in SMEs increased. Therefore, the owners of the Gunia Project brand noted that they are constantly growing. Based on the results of semistructured interviews with SME representatives, a matrix was compiled with business strategies and corresponding digital marketing strategies for all stages (Table 2).

Table 2. Stages of SMEs’ survival and growth and corresponding digital marketing strategies, % of responses

<table>
<thead>
<tr>
<th>Steps/Actions</th>
<th>Countering Russian disinformation</th>
<th>Dissemination of information about own charity events</th>
<th>Customer support</th>
<th>Trying to keep your own customer base</th>
<th>Attracting new customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>The first stage: The beginning of the full-scale invasion – from 02/24/2022 to mid-March 2022.</td>
<td>90%</td>
<td>85%</td>
<td>80%</td>
<td>25%</td>
<td>10%</td>
</tr>
<tr>
<td>Second stage: mid-March 2022 – mid-summer 2022.</td>
<td>50%</td>
<td>75%</td>
<td>75%</td>
<td>80%</td>
<td>15%</td>
</tr>
<tr>
<td>The third stage: mid-summer 2022 – fall 2022.</td>
<td>35%</td>
<td>70%</td>
<td>70%</td>
<td>85%</td>
<td>70%</td>
</tr>
<tr>
<td>The fourth stage: Fall 2022 – May 2023</td>
<td>30%</td>
<td>35%</td>
<td>65%</td>
<td>90%</td>
<td>85%</td>
</tr>
</tbody>
</table>

Sources: developed by the authors based on respondents’ answers.

Therefore, we can conclude that certain business strategies correspond to certain online marketing strategies. This correspondence was established through a categorical analysis of in-depth interviews with
SMEs. The active use of online marketing helped SMEs maintain their customer base, retain business, and subsequently gain new customers and grow.

4.3. Reasons for the critical decline in the business activity of small and medium-sized enterprises

It should be noted that businesses that are less active or not engaged in online marketing have lost the opportunity to restore their prewar economic performance. For example, a pump manufacturing company from Sumy did not pay much attention to online marketing. The company operated in the B2B market and believed that finding customers was not a task for social media or a website. As a result, the company's website could not be found online, and it had no social media pages. The company's main client was a business partner from Kazakhstan, and the company is currently facing major challenges. The current economic indicators are 50% of the prewar level. The company does not cooperate with Ukrainian customers. That is, a company that has the ability to manufacture sophisticated technological products and could benefit the country and enable its employees to work fully is losing these chances. For example, a company that produces microgreens does not have its own website but offers its products on aggregator sites. Its social media pages are promoted solely through word of mouth. The founding sisters of the company said that they lacked knowledge of digital marketing tools that could help many more people learn about their business and become fans of their products. Perhaps this was the reason why in 2022, the economic indicators were 10% of the prewar level.

4.4. Using Internet marketing tools and their effectiveness in small and medium-sized businesses

- **Website**
  Not all respondents indicated that they had a website. In general, the larger a company is, the more likely it is to have a website. For example:
  - "The website is administered by employees. Any changes to the UX/UI or creation of landing pages are outsourced. The website, also known as an online store, accounts for a small share of total sales. However, there was a strategy for its development that was not implemented due to the war" P09.
  - "Currently, I do not have my own website, but I cooperate with the marketplace "It is Kraft", for 25-30 percent of the cost of the dishes they advertise and send me the generated orders." P04.
  - "The company's first website was on the Shopify platform. The site worked for three years without attracting large investments. The next site was ordered from an IT company, and a team of designers and programmers was already working on it. Currently, advertising is not used." P03.

- **SEO**
  Most respondents said that they do not use search engine optimization. Only a few companies with more employees said they actively used it. For example:
  - "Yes, we use it. The goal is to bring products with relatively high profitability to the top. It is a cost optimization strategy to strengthen the position of those products and categories where we can actually earn relatively more. Examples of success include a high degree of automation of text generation processes. We use language models (for example, chatGPT), synonymizers and text generators. Failure - At the beginning of the war, we refused to hire an SEO specialist when we had some doubts about the prospects. We lost six months in this direction." P01.
  - "This is how we use it. We have come to the conclusion that at this stage, organic traffic is the most effective for us, as it makes up the majority of sales" P09.
  - "Yes, we have just started" P20.

- **SEM, PPC**
  Search advertising is also used by large companies that have more revenue and resources. For example:
  - "Yes, we use it. The strategy is to gradually increase the effectiveness of advertising. The main target parameter for us is ROAS—return on investment in advertising. We use it to calculate the market size for planning, the relative competitiveness of products and, as a result, their cost." P01.
  - "Yes, the goal is no more than $10 per transaction. This is not always achievable. Successful strategies in advertising cannot be made sustainable" P17.

- **E-mail marketing.**
  Email marketing is the least popular among clients. Out of 20 respondents, only three said they use it. For example:
  - "Yes, but due to the small customer base, it accounts for less than 5% of all orders" P17.
  - "Yes, we use it on a regular basis. Mainly for communication with the customer base" P09.
  - "Yes, we use it to attract and retain customers" P18.
  - "Younger customers do not use email. They do not read or respond to emails. Therefore, we communicate with this group exclusively through the messenger P10.
• SMM

All respondents said that their businesses are very active in social media. Almost all of the surveyed businesses have pages on networks such as Facebook and Instagram. Some said they have their own YouTube channels. Much less than Facebook and Instagram respondents use newer social networks such as TikTok and Pinterest. For example:

– Yes, the company has Facebook and Instagram pages. All the work is currently done by employees. Social media is now more of a part of the company’s digital ecosystem because of its full and comprehensive functioning. It is also important to receive feedback from the end user, so social media is also a kind of platform for communication with the client.” P09.

– "Instagram, Facebook. All this is administered by the company's team. Social media proved to be very effective during the war” P13.

– "Instagram, Facebook, Spotify, Telegram, YouTube. They administer it themselves. The efficiency is very high” P18.

It is interesting to note that the majority of respondents, regardless of the size of their business, managed their social media pages themselves and felt more connected, engaged and supported by their customers.

Respondents use online marketing tools either regularly or quite often. Answers about the frequency of use are given without specifying companies:

A1: "All the time".
A2: "We always publish all the new products on the page, give or take 2 posts a week, and provide information about discounts."
A3: "Social media all the time".
A4: "Email marketing every two weeks, social media every day".
A5: "We use social media and search engine advertising on a daily basis".
A6: "For business purposes, we use email marketing most of all".
A7: "I use social media every day".
A8: "I would say that SMM is regular, but since I do not like it, it happens with interruptions of a few days or even a week.”

Regarding social media channel monitoring, all respondents indicated that it is an extremely important part of online marketing activities, and they communicate with customers on a daily or very frequent basis regarding complaints and other customer issues. Almost all respondents also indicated that they monitor their competitors’ SM channels, but this is not done on a daily basis: some indicated that it is done once a quarter, and some once a week. When asked how the use of digital marketing changed between the current period and the prewar period, the responses received indicate that digital marketing played a crucial role in the survival of enterprises during the war and played a significant role in development. For example:

– "Digital marketing has replaced other channels. During the war, the time spent on digital devices increased, and a significant number of people switched to remote work and study, which also led to an increase in the time spent on digital devices. In terms of online sales, digital marketing has allowed us to retain a significant number of customers who temporarily moved from cities to villages and towns at the beginning of the war.” P01.

– "Currently, many people are in a hurry to sell online, the competition is much higher, and leads are much more expensive.” P06.

– "The company's position on the war in the country has become important, and it needs to be demonstrated on social media and on the website.” P03.

Table 3 shows the results of a survey of small and medium-sized businesses in Ukraine on the frequency of use and evaluation of the effectiveness of Internet marketing tools.

<table>
<thead>
<tr>
<th>Table 3. Frequency and effectiveness of digital marketing tools</th>
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<tbody>
<tr>
<td><strong>Business size</strong></td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td><strong>Frequency of use</strong></td>
</tr>
<tr>
<td>Medium</td>
</tr>
<tr>
<td>Small</td>
</tr>
<tr>
<td><strong>Performance evaluation</strong></td>
</tr>
<tr>
<td>Medium</td>
</tr>
<tr>
<td>Small</td>
</tr>
</tbody>
</table>

Sources: developed by the authors based on respondents’ answers.
Thus, all the research hypotheses were confirmed. SMEs’ business and online marketing strategies have been changing throughout Russia’s war against Ukraine. Social media helped SMEs maintain their customer base. During the war in Ukraine, certain business development strategies can be identified. Active digital marketing is key to the survival and growth of SMEs during the war.

5. Discussion. The findings of the study can be explained by the fact that SMEs have been adapting to the negative business environment for some time: first during the annexation of Crimea and the outbreak of hostilities in eastern Ukraine and then during the 2020 pandemic. The article periodizes the business survival strategies of SMEs by time. After two months of shock and the liberation of the North of the country, SMEs in Ukraine began to return to business activities with the active use of social media (Table 2). A certain outflow of competitors at the beginning of the war even led to better performance in reducing advertising costs and improving positions in organic search (Figures 1-3). The second period of applying a business survival strategy is characterized by small and medium-sized enterprises conducting research to adapt to the new business environment. They began to study the needs of the Ukrainian and international markets, adapt and diversify production and services, and actively use online marketing strategies to retain existing customers and attract new ones. The third period of SME survival is characterized by SMEs determining the directions of their further existence and development in the war. The use of online marketing tools during the war by SMEs has demonstrated the growing importance of social media in keeping in touch with existing customers and attracting new ones. Other Internet marketing tools, such as social media, did not play a significant role in the survival and growth of SMEs (Table 3). We identified strategies for SME growth during the tea war. These include, first, the diversification of production to new markets. These include the production of technical products for the military, the production of food in convenient packaging for the military, and the provision of physical rehabilitation services for the military. The peculiarity of the approaches to determining the business strategies and Internet marketing strategies of SMEs obtained in the study is that SMEs operate during the war. In contrast to the results obtained in (Ates et al., 2022, Dahnil et al., 2014, Dwivedi et al., 2023, Eggers, 2020), the SME growth strategies identified in the study allow us to increase economic performance, obtain new customers, and adapt to newly created markets in wartime. In contrast to the results of (Cao et al., 2023), digital marketing strategies for the development of SMEs with rather small budgets are identified. The conditions for applying the proposed solutions are military actions in the country where SMEs operate. The full-scale invasion of Ukraine by the Russian Federation is a negative example of a violation of the world order established after World War II. This is a threat to new centers of armed conflict. In-depth interviews with 20 representatives of small and medium-sized businesses can help identify the main trends in changes in the business and online marketing strategies of SMEs. The main drawback of the study is the qualitative nature of the research. Further research could focus on quantifying the share of SMEs that use a particular online marketing strategy and achieve a particular result. The study did not address the third basic business strategy, which is to stop doing business. It is clear that many SMEs in Ukraine have ceased operations since the beginning of the full-scale invasion. There are cases of businesses moving to European countries. There are also reports of many destroyed businesses, both small and medium-sized and large. Ukrainians went to defend the country, and among the defenders, many stopped their business activities before the war ended. All these events have led to a decrease in competition in certain business areas. During martial law, it is difficult to study changes in the number of enterprises in certain types of business: the situation changes almost daily, and statistical reporting is suspended during the war. Therefore, the authors of the study consider the following questions to be debatable:

- How the decrease in competition between certain business sectors has affected the change in digital marketing strategies of those who stayed in the country and kept their businesses;
- How the outflow of people from Ukraine to other countries has affected certain types of businesses and what tools and digital marketing strategies they use to retain those consumers who have remained;
- Whether businesses located in regions relatively distant from hostilities, where a significant number of Ukrainian citizens have moved, are changing their digital marketing strategies.

This study could be further developed by quantifying the patterns of business activity and digital marketing use by SMEs. Such a study could be based on a questionnaire survey of SME representatives. The difficulties that researchers may face are both methodological and technical. Methodologically, it is difficult to determine approaches for aggregating the responses of SME representatives from regions close to hostilities and relatively calm regions. Technically, it is difficult to obtain data from SME representatives from regions close to hostilities.
6. Conclusions. In this study, the periods of survival, growth, and online marketing strategies were divided according to the chronology of political and military events in the country. The survival strategy is characteristic of the period from February 24, 2022, to mid-autumn 2022. This period was classified into three stages according to the respondents’ answers. From 02/24/2022 to mid-March 2022—the first stage. Mid-March 2022 - mid-summer 2022 - the second stage. Mid-summer 2022 - fall 2022 - the third stage. Each of these stages was characterized by specific business and online marketing behaviours of small and medium-sized enterprises. Certain business strategies of SMEs led to a significant increase in economic performance, even compared to pre-war levels. The first growth strategy is business diversification to meet the needs of the military. The second is to enter international markets with traditional Ukrainian national products (pottery, jewellery, clothing). The third is to popularize the Ukrainian language. The inability to adjust the business to the new realities of war, as well as the neglect of digital channels of communication with customers, led to the decline of certain businesses. Active digital marketing is one of the most important factors for the survival and development of small and medium-sized businesses during the war in Ukraine. According to the survey, its effectiveness is very high. The respondents unanimously agree that the importance of digital marketing is growing, and its principles remain relevant and effective in times of war, although marketing metrics are changing. During full-blown invasion, social media became an important tool for supporting a company’s customers. On these platforms, SMEs could communicate their position on the war, measures to help the army and communities, new products and current discounts. Most SMEs emphasize that their customer base on social media grew significantly during the war.

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Conflicts of interest: The authors declare no conflicts of interest.

Data availability statement: Not applicable.

Informed Consent Statement: Informed consent was obtained from all the subjects involved in the study.

References
Цифровий маркетинг у стратегіях виживання та зростання малого та середнього бізнесу під час війни в Україні

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У статті досліджено вплив війни на малі та середні бізнеси в Україні під час повномасштабного вторгнення російської федерacji, починаючи з 24 лютого 2022 року і до вересня 2023 року. Об’єкт дослідження – малі та середні підприємства, які здійснюють бізнес-діяльність в Україні під час повномасштабного вторгнення. Проблема дослідження – визначення бізнес-стратегій інтернет-маркетингових стратегій, які використовували малі та середні підприємства після повномасштабного вторгнення. Мета дослідження – визначити найбільш ефективні інтернет-маркетингові стратегії та інструменти інтернет-маркетингу, які допомогли встояти малому та середньому бізнесу після повномасштабного вторгнення російської федерacji в Україну і в подальшому зростати. Дослідження проводилось за допомогою глибинних інтерв’ю з представниками малого та середнього бізнесу з різних регіонів України та з різних сфер діяльності. В результаті категоріального аналізу відповідей було узагальнено три періоди виживання підприємств: період після вторгнення, період зростання і період впливів війни на малі та середні підприємства. Авторами визначено вплив війни на розвиток інтернет-маркетингу малого та середнього бізнесу в Україні. Висновки проведеної дослідження підтвердили актуальність і значність вивчення інтернет-маркетингу малого та середнього бізнесу в Україні.

Ключові слова: війна, стратегії виживання, стратегії зростання, інтернет-маркетинг, малі та середні підприємства.