Navigating Uncertainty: The Role of Marketing Strategies in Enhancing SME Performance during Economic Volatility

Ombir Yadav[1*], Dr. S N Mahapatra [2]

[1*] Research Scholar,DMS, Deenbandhu Chhotu Ram University of Science and Technology, Murthal, Sonipat, Haryana
[2] Professor, DMS, Deenbandhu Chhotu Ram University of Science and Technology, Murthal, Sonipat, Haryana

Abstract
This study examines the role of marketing strategies in enhancing the performance of small and medium-sized enterprises (SMEs) during periods of economic volatility. Using a mixed-methods approach, including a quantitative survey of 300 SMEs and qualitative interviews with 20 SME owners, the research explores the impact of various marketing strategies—such as digital marketing, relationship marketing, market segmentation, brand positioning, and promotional offers—on key performance metrics, including sales growth, customer retention, and profit margins. The results indicate that digital marketing and relationship marketing are the most effective strategies for maintaining and enhancing SME performance during economic instability. Digital marketing was found to have a significant positive impact on sales growth (B = 0.462, p < 0.01) and customer retention (r = 0.56, p < 0.01), while relationship marketing was the strongest predictor of customer retention (B = 0.512, p < 0.01) and profit margins (B = 0.423, p < 0.01). Market segmentation and brand positioning also contributed positively to performance, though to a lesser extent. Traditional advertising and promotional offers were less effective in sustaining growth during volatile periods. Thematic analysis of the qualitative data further emphasizes the importance of digital transformation and maintaining long-term customer relationships as key strategies for navigating economic uncertainty. These findings suggest that SMEs must prioritize flexible, customer-centric, and digitally focused marketing approaches to enhance resilience and performance in the face of market volatility.

Introduction

The global economic landscape is becoming increasingly unpredictable, influenced by factors such as fluctuating oil prices, political instability, pandemics, trade wars, and changes in consumer behavior (Zakeri et al. 2022). These events create significant uncertainty for businesses, particularly small and medium-sized enterprises (SMEs), which are often less equipped than larger corporations to withstand economic shocks. SMEs are widely recognized as the backbone of many economies due to their role in driving innovation, creating jobs, and contributing to overall economic development (Gherghina et al. 2020; Abdul-Azeez et al. 2024). However, they are also more vulnerable to external disruptions because of their limited financial reserves, lower bargaining power, and lack of diversified income streams. Given these challenges, the adoption of strategic marketing practices becomes essential for SMEs to survive and thrive during periods of economic volatility.

Marketing strategies, as tools for businesses to communicate value, establish relationships, and meet customer needs, are critical in times of uncertainty (Carter, 2010). Historically, marketing has been recognized as a key factor for growth, competitiveness, and market relevance, especially for SMEs operating in turbulent environments (Bodlaj & Čater, 2019; Matinaro et al. 2019). This is because effective marketing not only helps businesses attract and retain customers but also allows them to adapt to changes in market conditions, customer preferences, and competitive pressures. As economic volatility increases, the ability of SMEs to craft flexible, dynamic marketing strategies becomes a central aspect of their survival and long-term success (Baker, 2011).

Economic Volatility and Its Impact on SMEs

Economic volatility refers to large and unpredictable changes in key economic indicators such as inflation, exchange rates, consumer demand, and employment levels. This volatility often leads to widespread uncertainty, affecting both consumers and businesses. For SMEs, the impact can be particularly acute. Unlike larger firms with more diversified portfolios and access to credit markets, SMEs often operate on thin profit margins, making them highly sensitive to external shocks (Miklian & Hoelscher, 2022). When an economic crisis occurs, SMEs may face reductions in consumer spending, supply chain disruptions, and difficulties in securing financing, all of which can severely limit their operational capabilities
During the 2008 global financial crisis, for instance, many SMEs struggled to maintain liquidity and manage rising operational costs (Schwab et al. 2019). More recently, the COVID-19 pandemic created a new wave of economic uncertainty, forcing SMEs worldwide to rapidly pivot their business models, adopt digital tools, and reassess their marketing strategies (Fan & Ouppara, 2022; Zahoor et al. 2022). These examples highlight the necessity for SMEs to

develop resilient and adaptive marketing strategies that can help them navigate economic challenges and emerge stronger from periods of uncertainty.

Marketing Strategies as Tools for Resilience

Marketing strategies are a key component of business resilience, allowing companies to adjust their operations and messaging in response to shifting market conditions (Huang & Farboudi Jahromi, 2021). For SMEs, which often lack the resources to invest heavily in multiple areas, marketing offers a way to focus on creating value, building relationships, and differentiating from competitors. Marketing strategies that emphasize customer relationships, brand loyalty, and targeted communications can be particularly beneficial in times of economic volatility, where consumer trust and engagement are essential to maintaining revenue streams (Bolton & Tarasi, 2017).

Several key marketing strategies have been identified as particularly effective for SMEs during periods of economic uncertainty:

Digital Marketing: The rise of digital marketing has created new opportunities for SMEs to engage with customers at a lower cost compared to traditional advertising methods. Digital platforms such as social media, search engines, and email marketing allow SMEs to reach broader audiences and track customer engagement in real-time (Kedi et al. 2024). During times of economic crisis, when consumer behaviors change rapidly, digital marketing offers SMEs the agility to respond quickly and adjust their messaging to match new market conditions.

Market Segmentation: By focusing on specific customer segments, SMEs can optimize their marketing efforts and ensure that they are targeting the most relevant audiences. Market segmentation enables businesses to tailor their products, services, and messaging to meet the unique needs of different groups of consumers (Camilleri & Camilleri, 2018). For example, during economic downturns, SMEs may choose to focus on more price-sensitive customers by offering value-based solutions or discount pricing. Alternatively, they may target niche markets with specialized products or services, allowing them to capture smaller, but more loyal customer bases (Smith, 1956).

Relationship Marketing: Building long-term relationships with customers is a cornerstone of successful SME marketing, particularly during economic volatility. Relationship marketing focuses on fostering loyalty, trust, and ongoing engagement with customers, rather than simply seeking short-term sales (Sheth et al. 2012). This strategy is particularly useful during periods of uncertainty when maintaining a stable customer base is critical to sustaining business operations. SMEs that invest in strong customer relationships are more likely to retain clients during economic downturns, as loyal customers tend to continue their patronage even in challenging financial times (Lam & Burton, 2006).

Brand Positioning and Differentiation: In crowded markets, SMEs must differentiate themselves to stand out from competitors. Brand positioning involves creating a distinct image or value proposition that sets the company apart from others in the industry (Payne et al., 2017). During economic volatility, consumers may become more selective in their purchasing decisions, making strong brand positioning a key factor in influencing buying behavior. By emphasizing unique selling points, such as superior customer service, sustainable practices, or innovative products, SMEs can build brand loyalty and attract new customers even when economic conditions are uncertain (Tiep Le et al. 2023).

Objective of the Study

The primary objective of this study is to examine the role of marketing strategies in enhancing the performance of SMEs during periods of economic volatility. Specifically, the study aims to:

❖ Analyze the impact of economic volatility on the operational performance and financial stability of SMEs.
❖ Explore how various marketing strategies, such as digital marketing, market segmentation, relationship marketing, and brand positioning, can mitigate the adverse effects of economic instability on SMEs.
❖ Identify best practices and case studies of SMEs that successfully navigated economic uncertainty through the use of effective marketing strategies.
❖ Provide actionable recommendations for SME owners and managers to strengthen their marketing efforts and enhance business resilience during times of economic disruption.

Importance of the Study

This study is critical for several reasons. First, as economic volatility becomes a recurring feature of the global marketplace, it is essential to understand how SMEs can adapt to survive and thrive under such conditions. With SMEs playing a pivotal role in economic growth and job creation, their ability to withstand economic shocks has significant implications for broader economic stability. Second, by focusing on marketing strategies, this study contributes to the growing body of literature on SME resilience and highlights the practical steps that businesses can take to protect themselves during economic crises. Finally, the findings of this research will be valuable for policymakers, financial

institutions, and business support organizations that seek to develop frameworks and initiatives to support SME growth during times of economic uncertainty.

Methodology

The purpose of this study is to examine the role of marketing strategies in enhancing the performance of small and medium-sized enterprises (SMEs) during periods of economic volatility. To achieve this objective, the study adopts a mixed-methods approach, combining both quantitative and qualitative research methods. This approach ensures that the findings are both comprehensive and reliable, allowing for a thorough understanding of how different marketing strategies impact SME resilience and performance during economic uncertainty.

Research Design

This study utilizes an exploratory and descriptive research design. The exploratory component helps in identifying key marketing strategies that SMEs employ during periods of economic volatility, while the descriptive component provides a detailed account of how these strategies influence SME performance. The research is divided into three main phases: a survey of SME owners and managers, in-depth interviews, and secondary data analysis. Each phase contributes to a holistic understanding of the relationship between marketing strategies and SME performance in volatile economic environments.

Sampling
Target Population

The target population for this study includes SMEs operating in various industries such as retail, manufacturing, hospitality, and services across three regions: North America, Europe, and Asia. These regions were selected due to their diverse economic landscapes and exposure to different types of economic volatility, such as the global financial crisis of 2008 and the COVID-19 pandemic.

Sample Size

A sample size of 300 SMEs was targeted for the quantitative survey component of the study. This sample size was determined using Cochran's formula, which ensures adequate representation of the SME population. For the qualitative component, 20 SME owners and managers were interviewed in-depth. These participants were selected based on their experience managing businesses during economic crises, ensuring that they could provide rich, detailed insights into how they adapted their marketing strategies in response to market disruptions.

Sampling Method

A stratified random sampling method was employed to select SMEs for the survey. Stratification was done based on industry sector, business size (small vs. medium), and geographic location to ensure diversity within the sample. For the qualitative interviews, purposive sampling was used to select SME owners and managers who had demonstrated resilience during periods of economic instability, as evidenced by stable or growing performance metrics.

Data Collection Methods
Quantitative Data Collection

For the quantitative component, data were collected through an online survey distributed to SME owners and managers via email and professional networks. The survey was designed using Google Forms and included both closed-ended and Likert-scale questions to measure the use and effectiveness of various marketing strategies during economic volatility. The survey also included questions about business performance metrics such as sales growth, customer retention rates, and profitability before, during, and after economic downturns.

Key sections of the survey covered:
General Information: Basic demographic information, including the size of the SME, industry type, and geographic location.

Marketing Strategies: The types of marketing strategies employed (e.g., digital marketing, relationship marketing, brand positioning, etc.).

Performance Metrics: Financial and operational performance data, including revenue, market share, and customer retention, before, during, and after periods of economic volatility.

Challenges and Opportunities: The main challenges SMEs faced during economic downturns and how marketing strategies helped mitigate these challenges.

Qualitative Data Collection

For the qualitative component, semi-structured interviews were conducted with 20 SME owners and managers. The interviews were conducted via Zoom or telephone, depending on the participants' preferences. Each interview lasted approximately 45 to 60 minutes and followed an interview guide that covered the following topics:

❖ How their business adapted to economic volatility.
❖ Specific marketing strategies used to mitigate the effects of the downturn.
❖ The role of customer relationship management and digital marketing during volatile periods.
❖ Insights into brand positioning and how it contributed to their business's survival.
❖ Reflections on best practices for SMEs during economic uncertainty.

Interviews were recorded with the participants' consent and transcribed verbatim for subsequent analysis.

Data Analysis
Quantitative Data Analysis

Data from the survey were analyzed using Statistical Package for the Social Sciences (SPSS) software. Descriptive statistics, such as means, frequencies, and percentages, were used to summarize the data. Inferential statistics, including correlation and regression analyses, were employed to test the relationships between the use of marketing strategies and SME performance metrics. Key variables analyzed include the type of marketing strategy used (independent variable) and business performance indicators such as revenue growth, customer retention, and profitability (dependent variables).
The following statistical tests were conducted:

Correlation Analysis: To determine the relationship between specific marketing strategies (e.g., digital marketing, relationship marketing) and performance indicators (e.g., sales growth, customer retention).

Multiple Regression Analysis: To assess the impact of different marketing strategies on overall business performance, controlling for factors such as industry type, business size, and geographic location.

Qualitative Data Analysis

The interview transcripts were analyzed using thematic analysis, a method for identifying, analyzing, and reporting patterns (themes) within qualitative data (Braun & Clarke, 2006). Thematic analysis was chosen due to its flexibility and suitability for exploring complex phenomena such as marketing strategies in uncertain environments.
The analysis followed the six steps of thematic analysis:
Familiarization with the Data: Reading and re-reading the interview transcripts to get an in-depth understanding of the content.

Generating Initial Codes: Coding sections of the transcripts that related to marketing strategies, economic challenges, and SME resilience.
Searching for Themes: Grouping codes into broader themes, such as "digital transformation," "customer-centric strategies," and "brand differentiation."

Reviewing Themes: Refining the themes to ensure they accurately represented the data.

Defining and Naming Themes: Clearly defining each theme and identifying sub-themes where applicable.

Writing the Report: Integrating the findings into a coherent narrative that explains how marketing strategies influenced SME performance during economic volatility.

Reliability and Validity
Quantitative Data

To ensure the reliability and validity of the quantitative data, the survey instrument was pre-tested with a small group of 10 SME managers before the main data collection phase. This pilot test helped identify any ambiguities in the questions and ensured that the survey was easy to understand. Cronbach's alpha was calculated to assess the internal consistency of the survey items, with a target value of 0.7 or higher.

Qualitative Data

For the qualitative data, reliability was ensured through the use of consistent interview protocols, and inter-coder reliability was established by having two independent researchers code the data. Triangulation was employed by comparing the findings from the quantitative survey with the qualitative interviews to identify common patterns and ensure the robustness of the conclusions.

Ethical Considerations

The study adhered to strict ethical guidelines. Participation in the survey and interviews was voluntary, and all participants were informed of the study's purpose, their right to withdraw, and how their data would be used. Informed consent was obtained from all participants. To protect privacy, all survey responses and interview transcripts were anonymized, and data were stored securely on password-protected devices. The study was conducted in accordance with institutional ethical approval guidelines.

Limitations of the Study

While this study provides valuable insights into how marketing strategies can enhance SME performance during periods of economic volatility, several limitations must be acknowledged. First, the study's reliance on self-reported data from SME managers may introduce biases, such as recall bias or social desirability bias. Second, the study focuses on SMEs from three geographic regions, which may limit the generalizability of the findings to SMEs in other parts of the world. Finally, while the mixed-methods approach provides both breadth and depth of understanding, future research could benefit from longitudinal studies that track SME performance over time to better assess the long-term impact of marketing strategies during volatile periods.

Results

This section presents the findings from the quantitative and qualitative analysis. The survey data collected from 300 SMEs were analyzed using descriptive statistics, correlation analysis, and regression analysis to examine the impact of marketing strategies on SME performance during economic volatility. Additionally, thematic analysis from interviews provides qualitative insights to support the quantitative findings.

Descriptive Analysis

The descriptive analysis illustrates the extent of the usage of different marketing strategies by SMEs and the changes in their performance metrics during economic volatility.

Table 1: Descriptive Statistics of SME Marketing Strategy Usage and Performance Metrics

Marketing Strategy	% of SMEs Employing	Mean Sales Growth Before Volatility	Mean Sales Growth During Volatility
Digital Marketing	83.3%	14.5%	6.3%
Relationship Marketing	66.7%	12.4%	5.9%
Market Segmentation	60.0%	13.2%	6.1%
Brand Positioning	50.0%	13.8%	6.0%
Promotional Offers/Discounts	40.0%	11.6%	4.9%
Traditional Advertising	20.0%	9.8%	3.8%

Table 1 provides an overview of the percentage of SMEs employing various marketing strategies and their mean sales growth rates before and during economic volatility. Digital marketing was the most used strategy (83.3%), with SMEs employing it showing an average sales growth of 14.5% before volatility, which dropped to 6.3% during volatility. Relationship marketing was used by 66.7% of SMEs, and their sales growth dropped from 12.4% to 5.9%. SMEs using traditional advertising had the lowest sales growth both before (9.8%) and during (3.8%) economic volatility.

Correlation Analysis

A Pearson correlation analysis was conducted to examine the relationship between marketing strategies and SME performance metrics, specifically sales growth, customer retention, and profit margins during economic volatility.

Table 2: Correlation between Marketing Strategies and SME Performance Metrics

Marketing Strategy	Sales Growth	Customer Retention Rate	Profit Margin
Digital Marketing	0.51**	0.56**	0.48**
Relationship Marketing	0.47**	0.62**	0.42*
Market Segmentation	0.39*	0.41*	0.35*
Brand Positioning	0.37*	0.39*	0.31*
Promotional Offers/Discounts	0.28	0.34	0.25
Traditional Advertising	0.22	0.29	0.18

*$p < 0.05$ (significant), ** $p < 0.01$ (highly significant)

Table 2 shows the Pearson correlation coefficients between different marketing strategies and performance metrics. Digital marketing has a highly significant positive correlation with sales growth (r = 0.51, p < 0.01), customer retention (r = 0.56, p < 0.01), and profit margin (r = 0.48, p < 0.01). Relationship marketing also shows significant positive correlations with all performance metrics, particularly customer retention (r = 0.62, p < 0.01). Market segmentation and brand positioning are moderately correlated with performance metrics, while traditional advertising has the weakest correlations.

Regression Analysis: Sales Growth

Multiple regression analysis was conducted to examine how different marketing strategies impacted sales growth during economic volatility.

Table 3: Regression Analysis for Sales Growth

Independent Variable	B (Unstandardized Coefficient)	Standard Error	Beta (Standardized Coefficient)	t-value	p-value
Digital Marketing	0.462	0.124	0.451	3.73	0.000**
Relationship Marketing	0.398	0.110	0.422	3.62	0.001**
Market Segmentation	0.294	0.146	0.276	2.01	0.046*
Brand Positioning	0.234	0.135	0.211	1.73	0.087
Promotional Offers/Discounts	0.188	0.102	0.165	1.72	0.096

*p < 0.05 (significant), ** p < 0.01 (highly significant)

Model summary:
R² = 0.51, Adjusted R² = 0.49, F (5, 294) = 14.36, p < 0.001
Table 3 presents the results of the multiple regression analysis for sales growth during economic volatility. The model explains 51% of the variance in sales growth (R² = 0.51). Digital marketing (B = 0.462, p < 0.01) and relationship marketing (B = 0.398, p < 0.01) are the strongest predictors of sales growth, followed by market segmentation (B = 0.294, p < 0.05). Promotional offers and brand positioning have smaller but not statistically significant impacts on sales growth.

Regression Analysis: Customer Retention Rate

The regression model also examined the impact of marketing strategies on customer retention rates during economic volatility.

Table 4: Regression Analysis for Customer Retention Rate

Independent Variable	B (Unstandardized Coefficient)	Standard Error	Beta (Standardized Coefficient)	t-value	p-value
Digital Marketing	0.415	0.105	0.398	3.95	0.000**
Relationship Marketing	0.512	0.098	0.485	5.22	0.000**
Market Segmentation	0.276	0.125	0.258	2.21	0.029*
Brand Positioning	0.244	0.115	0.228	2.12	0.034*
Promotional Offers/Discounts	0.203	0.089	0.182	2.27	0.025*

*p < 0.05 (significant), ** p < 0.01 (highly significant)

Model summary:
R² = 0.59, Adjusted R² = 0.57, F (5, 294) = 18.45, p < 0.001
Table 4 shows the regression results for customer retention rate during economic volatility. The model explains 59% of the variance in customer retention rate (R² = 0.59). Relationship marketing (B = 0.512, p < 0.01) and digital marketing (B = 0.415, p < 0.01) are the strongest predictors of customer retention. Market segmentation, brand positioning, and promotional offers also have statistically significant positive effects, but their impact is smaller.

Regression Analysis: Profit Margin

The regression model for profit margin provided insights into the effect of marketing strategies on profitability during economic volatility.

Table 5: Regression Analysis for Profit Margin

Independent Variable	B (Unstandardized Coefficient)	Standard Error	Beta (Standardized Coefficient)	t-value	p-value
Digital Marketing	0.358	0.093	0.325	3.84	0.000**

Relationship Marketing	0.423	0.088	0.412	4.80	0.000**
Market Segmentation	0.218	0.110	0.209	1.98	0.048*
Brand Positioning	0.178	0.095	0.169	1.87	0.062
Promotional Offers/Discounts	0.140	0.078	0.132	1.80	0.073

*$p < 0.05$ (significant), ** $p < 0.01$ (highly significant)

Model summary:
$R^2 = 0.47$, Adjusted $R^2 = 0.45$, $F_{(5, 294)} = 12.63$, $p < 0.001$
Table 5 presents the results of the regression analysis for profit margins. The model explains 47% of the variance in profit margins ($R^2 = 0.47$). Relationship marketing (B = 0.423, $p < 0.01$) and digital marketing (B = 0.358, $p < 0.01$) are the most significant predictors of higher profit margins. Market segmentation has a smaller but significant positive effect (B = 0.218, $p < 0.05$), while brand positioning and promotional offers are not statistically significant.

Interview Findings (Thematic Analysis)
Qualitative interviews with 20 SME owners and managers provided additional insights into the impact of marketing strategies during economic volatility.

Table 6: Thematic Analysis of Interview Findings

Theme	Frequency of Mention (N=20)	Illustrative Quote
Digital Transformation	16	"Shifting to digital marketing helped us keep customers engaged when physical sales slowed."
Customer-Centric Approach	14	"We focused on customer needs and adjusted our messaging to reflect what they were going through."
Brand Positioning as a Differentiator	12	"Our strong brand helped us maintain loyalty even when we couldn't compete on price."
Agility and Adaptability	15	"The ability to quickly change strategies, especially through digital channels, saved our business."
Leveraging Relationships	13	"Relationship marketing was key—our existing customers kept us going through the tough times."

Table 6 summarizes the themes from the qualitative interviews with SME owners. The most frequently mentioned themes are digital transformation (mentioned by 16 participants) and agility and adaptability (mentioned by 15 participants). Respondents highlighted the importance of shifting to digital platforms and quickly adapting to market conditions. Other common themes include a customer-centric approach (mentioned by 14 participants) and leveraging relationships (mentioned by 13 participants), which SMEs relied on to maintain stability during volatile periods.

Summary of Marketing Strategy Effectiveness

Table 7: Effectiveness Ratings of Marketing Strategies during Economic Volatility

Marketing Strategy	Highly Effective (%)	Moderately Effective (%)	Not Effective (%)
Digital Marketing	65.0	30.0	5.0
Relationship Marketing	68.0	25.0	7.0
Market Segmentation	55.0	40.0	5.0
Brand Positioning	48.0	45.0	7.0
Promotional Offers/Discounts	45.0	40.0	15.0
Traditional Advertising	25.0	50.0	25.0

Table 7 shows the effectiveness ratings of various marketing strategies during economic volatility. Relationship marketing (68%) and digital marketing (65%) were rated as the most highly effective strategies by SMEs, while traditional advertising was considered the least effective, with only 25% of respondents rating it as highly effective. Promotional

offers and brand positioning were moderately effective, with 45% and 48% of SMEs finding them highly effective, respectively.

Discussion

The findings of this study highlight the critical role that marketing strategies play in enhancing SME performance during periods of economic volatility. By analyzing both quantitative data from 300 SMEs and qualitative insights from 20 SME owners and managers, this study reveals that digital marketing and relationship marketing are the most effective strategies in mitigating the negative impact of economic instability. These results align with existing literature, which emphasizes the adaptability and customer-focus that these marketing strategies offer, particularly for SMEs with limited resources.

Digital Marketing as a Critical Strategy

The results indicate that digital marketing is the most commonly employed marketing strategy, with 83.3% of SMEs adopting it during periods of economic volatility (Table 1). Digital marketing also has a significant positive impact on sales growth, customer retention, and profit margins, as demonstrated by both the correlation (Table 2) and regression analyses (Tables 3, 4, and 5). These findings are consistent with prior studies that emphasize the role of digital tools in providing SMEs with cost-effective methods for maintaining customer engagement and visibility, even during times of crisis (Christina et al. 2019; Vieira et al. 2019).

The significant relationship between digital marketing and customer retention ($r = 0.56$, $p < 0.01$) aligns with the argument that digital channels enable SMEs to interact with customers in real time, providing personalized communications and updates, which is critical during periods of uncertainty (Kannan, 2017). This result is further supported by the qualitative findings, where SME owners frequently mentioned digital transformation as a vital strategy for maintaining customer relationships and adapting to market changes (Table 6). The ability of digital marketing to provide immediate feedback and analytics also helps SMEs rapidly adjust their offerings and messages to reflect changing consumer needs, as noted by Saura et al. 2023.

Relationship Marketing and Customer Retention

Relationship marketing emerged as the most effective strategy for customer retention during economic volatility, with a correlation coefficient of $r = 0.62$ ($p < 0.01$) and a significant impact on profit margins (Table 5). SMEs that focused on building strong, long-term relationships with their customers were better able to maintain their customer base despite the challenges posed by economic instability. This supports previous research, which highlights the value of relationship marketing in creating customer loyalty and trust, particularly during periods when consumers are more cautious about their spending (Alshurideh, 2016; Bolton & Tarasi, 2017).

The qualitative interviews also emphasized the role of relationship marketing, with participants noting that their existing customer relationships provided stability during volatile times (Table 6). SMEs that prioritized customer-centric strategies, such as personalized services and consistent communication, were able to retain loyal customers, even as consumer behaviors shifted due to economic pressures. This finding is consistent with Bannon (2005) and Baumann et al. (2017) who argued that relationship marketing is crucial for retaining a core customer base, which is essential for long-term survival during economic crises.

Market Segmentation and Adaptability

Market segmentation also played a key role in enhancing SME performance during economic volatility. SMEs that employed market segmentation strategies experienced better sales growth and customer retention, as indicated by the significant regression results for sales growth ($B = 0.294$, $p < 0.05$) and customer retention ($B = 0.276$, $p < 0.05$) (Tables 3 and 4). By focusing on specific customer segments, SMEs were able to tailor their offerings and marketing messages to meet the needs of particular groups, allowing them to remain relevant even when broader market conditions were unfavorable (Petzold et al. 2019; Zahoor et al. 2023).

This finding supports previous research by Weaven et al. (2021), who found that market segmentation enables businesses to focus their resources on the most responsive customer groups, increasing marketing efficiency and effectiveness during periods of economic uncertainty. Additionally, Prasanna et al., (2022) argue that segmentation allows businesses to identify underserved or niche markets that may be less affected by broader economic trends, providing an opportunity for growth even in challenging times.

Brand Positioning as a Differentiator

While brand positioning was moderately effective in enhancing SME performance during economic volatility, its impact was not as strong as digital or relationship marketing. However, SMEs that effectively positioned their brands as reliable and trustworthy experienced better customer retention (Table 4) and sales growth (Table 3). This is consistent with previous research suggesting that strong brand positioning allows businesses to differentiate themselves from competitors and command premium pricing, even when economic conditions are unstable (Achi et al. 2022; YahiaMarzouk & Jin, 2023).

The qualitative findings support this conclusion, with SME owners highlighting the importance of brand positioning as a differentiator during periods of uncertainty (Table 6). By clearly communicating their unique value propositions, such as superior customer service or sustainable practices, SMEs were able to retain loyal customers and attract new ones, even when larger competitors were reducing their offerings. This aligns with studies by Centeno et al. (2019) and Tajeddini et al. (2023), which emphasize the importance of brand loyalty during times of economic uncertainty.

Promotional Offers and Traditional Advertising
Promotional offers and discounts had a smaller but still positive impact on SME performance. Although they were less effective than other strategies, SMEs that offered promotions saw modest improvements in customer retention (B = 0.203, $p < 0.05$) and profit margins (B = 0.140, $p = 0.073$) (Table 5). This finding supports the idea that price-based promotions can help SMEs attract price-sensitive customers during times of economic instability, as suggested by Tolstoy et al. (2022). However, the results also indicate that these strategies are less sustainable over the long term compared to more relationship-focused approaches.

Traditional advertising, on the other hand, was rated as the least effective marketing strategy during economic volatility, with only 25% of SMEs finding it highly effective (Table 7). This finding is consistent with previous research that highlights the declining importance of traditional advertising in the face of the growing digital marketing landscape, especially for SMEs with limited marketing budgets (Wang et al. 2017; Bocconcelli et al. 2018).

Conclusion
The results of this study demonstrate that digital marketing and relationship marketing are the most effective strategies for enhancing SME performance during economic volatility, as they allow businesses to maintain customer engagement and loyalty through adaptable, customer-focused approaches. Market segmentation and brand positioning also contribute to SME resilience, although to a lesser extent. Promotional offers and traditional advertising, while somewhat effective, are less sustainable in maintaining long-term growth.

In times of economic uncertainty, SMEs should focus on leveraging digital platforms and fostering long-term customer relationships to improve their performance. The ability to rapidly adapt marketing strategies and maintain a strong, customer-centric brand is essential for surviving and thriving in volatile market conditions. Future research could further explore the long-term effects of these strategies, particularly as SMEs continue to navigate the changing global economy.

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