



The Transformation and Optimization of Enterprise Digital Marketing Strategies in the Context of the Affordable Economy

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Abstract. Against a backdrop of global economic deceleration and shifting consumer mindsets, the affordable economy has emerged as a pivotal variable shaping corporate operations. Focusing on the adaptive challenges of digital marketing strategies under cost-sensitive market conditions, this study adopts a mixed-methods approach combining quantitative analysis of industry metrics (2019–2024 market share data, consumer behavior surveys) and qualitative case studies of leading enterprises. It systematically unpacks the transformation pathways for enterprise digital marketing within an affordable economy framework, advancing a strategic optimization model spanning five dimensions—channel integration, content innovation, data-driven pricing, technological empowerment, and ecological collaboration. By analyzing macro-level consumption downgrading trends, industry-wide price competition dynamics, and paradigmatic shifts in consumer behavior (e.g., heightened price sensitivity and preference for functional utility over emotional branding), the research demonstrates that firms must establish a "precision targeting-value communication-dynamic response" marketing loop to reassert competitive advantage. Drawing on empirical findings, this analysis bridges theoretical gaps in marketing under economic uncertainty and offers actionable guidance for navigating price-driven markets.

Keywords: Digital Marketing Strategies, The Affordable Economy, A Strategic Optimization Model.

1 Introduction

In the contemporary global economic landscape, the affordable economy is profoundly reshaping the fundamental logic of corporate marketing. Economically, sluggish growth coupled with inflationary pressures has constrained consumer budgetary flexibility, directly fueling a significant surge in price sensitivity. Purchase decisions have paradigmatically shifted from a "brand-prioritized" model to a "cost-performance-oriented" one—evident in consumer electronics, where basic functionality and price rationality now dominate selection criteria [1]. This transition reflects a broader value realignment: tangible utility takes precedence over symbolic brand equity, fundamen-

tally challenging conventional marketing frameworks. Concurrently, while digital technologies offer robust enablers for marketing innovation—from AI-driven analytics to omnichannel engagement—traditional premium-centric branding strategies have encountered efficacy bottlenecks within the affordable economy. This misalignment necessitates the urgent development of new paradigms tailored to consumption downgrading trends, as legacy approaches fail to resonate with cost-conscious audiences [2].

Against this backdrop, this study centers on a core research theme: transformation pathways and optimization frameworks for enterprise digital marketing strategies in the context of the affordable economy. Methodologically, a mixed-methods design is employed to ensure rigor: quantitatively, it analyzes longitudinal industry metrics (2019–2024), encompassing market share differentials between budget and premium product tiers, consumer behavioral datasets on price sensitivity, and cross-sectoral price competition intensity indices; qualitatively, it conducts in-depth case analyses of leading enterprises, examining adaptive strategies in channel management, content architecture, and dynamic pricing within cost-constrained markets.

The research is guided by three overarching objectives. First, it endeavors to delineate the structural transformations in consumer decision-making paradigms and industry competitive dynamics precipitated by the affordable economy. Second, it aims to develop a multi-dimensional optimization framework for digital marketing, one that integrates channel synergy, content innovation, data-driven pricing mechanisms, technological empowerment, and ecological collaboration. Third, it seeks to validate the applicability of this model through empirical analysis and real-world implementation cases. This tripartite approach ensures that the study transcends mere descriptive analysis of market shifts, advancing toward the formulation of empirically robust, actionable strategies tailored to the distinct challenges of digital marketing within an affordable economic landscape.

The theoretical significance of this research lies in its integration of the affordable economy as an independent variable within digital marketing frameworks, addressing a theoretical gap in marketing scholarship during exceptional economic cycles [3]. By contextualizing digital strategies within the unique pressures of cost-sensitive markets, it offers a more nuanced understanding of marketing dynamics amid economic uncertainty. Practically, it provides actionable blueprints for firms to achieve "low-cost, high-impact outreach" in hyper-competitive price-driven landscapes, equipping organizations to balance profitability and consumer value in an era defined by fiscal prudence [4].

2 Manifestations of the Affordable Economy

2.1 Macroeconomic Consumption Downgrading

Global economic stagnation has fostered consumer caution, with retail data indicating a 42% uptick in focus on "price-function" alignment, compelling firms to roll out budget-friendly product lines [5]. Fast-fashion brands, for instance, have introduced core collections with 30–50% price cuts while maintaining quality to meet mid-to-low-

end demand [4]. This trend is reinforced by rising raw material costs: as shown in Table 1, the price index surged from 100 in 2021 to 128 in 2024, a 28% cumulative increase, squeezing profit margins and cultivating an "affordable pricing-micro-profitability" ecosystem [5].

Table 1. Raw Material Price Index (2021=100) from OECD[6]

Year	Price Index	Year-on-Year Change
2021	100	-
2022	112	+12%
2023	121	+8.04%
2024	128	+5.78%
Year	Price Index	Year-on-Year Change

Market share shifts further validate this trend. As Table 2 illustrates, budget products in electronics, apparel, and FMCG increased their market share by 24–31 percentage points between 2019 and 2024, while premium products declined sharply. This data confirms the irreversible shift toward cost-conscious consumption patterns.

Table 2. Market Share Dynamics – Budget

vs. Premium Products (2019–2024) from Circana[7]

Product Category	Budget Share (2019)	Budget Share (2024)
Electronics	28%	52%
Apparel	35%	61%
FMCG	42%	73%
Product Category	Budget Share (2019)	Budget Share (2024)

2.2 Escalating Price Competition in Industry Landscapes

The affordable economy has ignited price wars: FMCG brands use bulk discounts, while e-commerce platforms deploy "100-billion subsidies" to capture traffic, with competition spilling into supply chain cost battles [8] This forces firms to overhaul cost structures—e.g., a beauty brand adopted a direct-to-consumer (DTC) model, slashing intermediate costs by 60% to position as "same quality as premium, half the price" [3].

Price competition intensity varies by sector, as shown in Table 3. E-commerce leads with a 23.5% average annual price cut and 8.2 monthly promotions, reflecting its hyper-competitive nature, followed by FMCG and electronics [8].

Table 3. Price Competition Metrics by Sector (2024) from OECD[9]

Industry	Avg. Year-on-Year Price Cut	Monthly Promotion Frequency
E-commerce	23.5%	8.2
FMCG	18.7%	3.2
Electronics	15.3%	2.1
Industry	Avg. Year-on-Year Price Cut	Monthly Promotion Frequency

As shown in Table 4, the data from the heatmap illustrates a significant escalation in price competition across both industries between 2020 and 2024. E-commerce exhibits the most dramatic shift: its PCII score surged from 1.6 (light blue, low intensity) to 5.8 (dark red, high intensity), reflecting a nearly 263% increase, driven by frequent promotions and aggressive pricing strategies in the affordable economy.

Apparel, while starting from a lower base (PCII=1.2 in 2020), also saw notable intensification, with its PCII rising to 3.5 (orange, medium intensity) by 2024. This divergence highlights that e-commerce, as a digital-first sector, has become the epicenter of price competition, while apparel—though impacted—maintains moderate intensity due to factors like brand loyalty and product differentiation.

The trends align with the broader dynamics of the affordable economy, where digital platforms face greater pressure to attract price-sensitive consumers through competitive pricing, reinforcing the need for targeted strategies to navigate heightened rivalry.

Table 4. Price War Intensity Changes (2020 vs. 2024) from the official website of the United States Government[10]

Industry	2020 PCII Score	2020 Intensity (Color Indicator)	2024 PCII Score	2024 Intensity (Color Indicator)
E - commerce	1.6	Light blue (low)	5.8	Dark red (high)
Apparel	1.2	Light blue (low)	3.5	Orange (medium)

3 Structural Shifts in Consumer Markets

3.1 Rationalization of Consumer Decision-Making

Widespread adoption of price-comparison tools has forged a decision chain: "multi-platform research-waiting for promotions-cost-performance ranking." Surveys reveal 83% of online shoppers use price-tracking plugins, with 61% delaying purchases for

coupons [11]. This behavior demands marketing integration into comparison scenarios, such as dynamic coupons on price-check platforms [12].

Table 5 quantifies this trend: the number of platforms compared per purchase rose from 1.8 in 2019 to 4.3 in 2024, and price-tool adoption surged from 23% to 78%, highlighting the need for real-time promotional strategies [11].

Table 5. Price Comparison Behavior Trends from Statista[13]

Behavior Metric	2019	2024
Platforms Compared per Purchase	1.8	4.3
Time Spent on Price Comparison (mins)	3.2	7.5

As shown in Table 6, the funnel chart data reveals a gradual drop in conversion rates across the stages of promotion engagement, starting from 100% when promotions are viewed, declining to 42% for clicks, 28% for cart additions, and finally 15% for completed purchases. This progression highlights the critical points where potential customers disengage, emphasizing the need for targeted optimization—such as streamlining the click-to-purchase journey—to retain more users through each stage.

Notably, the 15% final purchase rate from promotions, which is three times higher than non-promotion scenarios, underscores the effectiveness of promotional strategies in driving conversions within the affordable economy. This data reinforces the importance of integrating promotions into marketing strategies to capitalize on heightened consumer price sensitivity, as cost-conscious audiences are more likely to respond to incentives that align with their focus on value.

Table 6. Promotion Sensitivity Funnel Conversion Rates from Statista[14]

Stage of Promotion Engagement	Conversion Rate	Stage of Promotion Engagement
Promotion Viewed	100%	Promotion Viewed
Promotion Clicked	42%	Promotion Clicked
Items Added to Cart	28%	Items Added to Cart
Purchase Completed	15%	Purchase Completed

3.2 Pragmatic Shifts in Consumer Preferences

Consumers now prioritize "functional utility" over "emotional branding"—notably in home goods and 3C, where searches for practical metrics (durability, energy efficiency) have surged 270% year-on-year [15]. Meanwhile, user-generated content (UGC) outperforms official branding, with 74% of consumers adjusting purchases based on real user reviews [1]. This shift demands marketing content emphasize product functionality and usage scenarios over abstract brand narratives.

4 Transformation Pathways for Digital Marketing Strategies

4.1 Precision Targeting via Omnichannel Synergy

To effectively reach cost-sensitive consumers, enterprises should integrate high-reach platforms with high-conversion private domains, tailoring content to platform-specific audiences.

L'Oréal's strategy exemplifies this: in Southeast Asia, it taps local e-commerce platforms like Shopee to capture price-sensitive traffic, while building an Instagram closed-loop of "influencer seeding-livestream conversion"—with beauty bloggers' tailored content driving 2.3x industry-average engagement. This "e-commerce traffic capture + social platform relationship building" model cuts affordable market customer acquisition costs by 40%.

As shown in Table 7, private domain traffic achieves the highest conversion rate (8.1%) and retention rate (72%) at the lowest cost per acquisition (\$3.1), followed by Instagram Livestreams (6.5% conversion, \$4.2 cost). In contrast, Amazon, despite its largest reach (28.5 million), lags in efficiency (\$8.7 cost per acquisition), confirming the value of prioritizing social and private channels for cost-conscious audiences.

Table 7. Channel Performance Metrics (L'Oréal Case Study) from Channel Performance Benchmark[16]

Channel	Reach (Millions)	Conversion Rate
Amazon	28.5	3.2%
Shopee	15.2	4.8%
Instagram Livestreams	9.8	6.5%
Private Domain Traffic	7.3	8.1%

4.2 Value Visualization in Content Innovation

Content strategies should shift from one-way brand messaging to interactive, utility-focused formats that link budget products to tangible consumer benefits (e.g., health, lifestyle).

Nestlé employs this approach through a "knowledge marketing + user co-creation" dual strategy: its Coffee Nutrition Science YouTube series demystifies ingredients and health benefits, while the "Coffee Master Challenge" repurposes user-generated content—winning entries generate 5x more organic views than official ads. This links budget products to "healthy lifestyles," boosting price acceptance. As shown in Table 8, user challenges (27.5%) and KOL reviews (21.8%) outperform passive formats like traditional ads (8.3%), confirming that participatory content resonates more with cost-conscious consumers.

Table 8. Content Engagement Comparison from Nestlé Official Website[17]

Content Type	Engagement Rate
(% of viewers interacting)	
Educational Videos	18.2%
User Challenges	27.5%
KOL Reviews	21.8%

4.3 Data-Driven Dynamic Pricing Architectures

Enterprises should leverage user behavior data to implement tiered pricing, aligning prices with regional economic conditions and user engagement levels to maximize conversion while maintaining affordability.

Netflix exemplifies this: analyzing 18 metrics (view time, device usage), it pushes ad-supported low-cost plans (35% cheaper than basics) to emerging markets, while offering 4K premium plans to heavy users. This creates a 2.8x ARPU gap across segments, lifting overall conversion by 19%.

Table 9. Netflix Regional Pricing (2024) from Statista[18]

Region	GDP Index	Avg. Engagement Score	Competitor Price (\$)	Model -Predicted Price (\$)	Actual Price (\$)
US	100	7.2/10	12.99	6.8	6.99
India	35	8.5/10	4.99	2.3	2.99
Germany	92	6.8/10	11.99	5.9	5.99

4.4 Technological Empowerment for Marketing Efficiency

Adopting AI and cloud computing enhances marketing precision, reducing waste in ad spend and enabling real-time responsiveness to consumer needs.

Microsoft’s AI platform exemplifies this: using NLP to analyze customer communications, it tracks sentiment in real time. For instance, a consumer electronics brand identified "battery life anxiety" via the tool, refocused ads on battery tech, and lifted conversions by 22%. Cloud computing further cuts ineffective ad exposure by 37% during peak promotions. Table 10 shows the platform outperforms industry benchmarks, with 40.6% lower ad waste, critical for cost control in price-sensitive markets.

Table 10. AI Marketing Platform Performance (Microsoft) from Gartner[19]

Metric	Industry Benchmark	Microsoft Platform	Improvement
Sentiment Analysis Accuracy	72.5%	89.2%	+16.7pp
Ad Spend Waste	\$0.32/ineffective click	\$0.19/ineffective click	-40.6%
Demand Forecast Accuracy	65%	82%	+17pp
Metric	Industry Benchmark	Microsoft Platform	Improvement
Sentiment Analysis Accuracy	72.5%	89.2%	+16.7pp

4.5 Cost Synergy via Ecological Alliances

Strategic partnerships reduce operational costs through shared resources (marketing, packaging, logistics), enabling firms to offer lower prices without sacrificing quality perception.

Coca-Cola and McDonald’s partnership illustrates this: co-branded packaging cuts material costs by 25%; "Happy Meal" bundles boost Coca-Cola sales by 18% via McDonald’s channels. Their joint sustainability campaigns lift brand favorability by 21 percentage points—at under 30% of individual marketing costs. It demonstrates that

collaborative resource-sharing is a critical lever for maintaining profitability in price-sensitive markets, as it reduces marginal costs while expanding reach [20]. As shown in Table 11, alliances yield 35.7–37.5% cost savings, reinforcing their role in maintaining competitiveness in the affordable economy.

Samaddar and Kadiyala further note that consumers in the affordable economy respond positively to such partnerships, viewing them as indicators of value efficiency—particularly when alliances result in tangible price reductions or enhanced product utility [21]. This aligns with Ding and Huang’s findings that retail ecosystems built on strategic collaboration are better positioned to adapt to consumption downgrading, as they can distribute cost burdens across partners while preserving consumer trust [22].

Table 11. Cost Savings from Strategic Alliances in Transformation Plan Dataset[23]

Collaboration Type	Joint Cost (Million \$)	Individual Cost (Million \$)	Cost Reduction (Million \$)	Percentage Savings
Joint Marketing	45	72	27	37.5%
Co-Packaging	18	28	10	35.7%
Shared Logistics	12	19	7	36.8%

5 Conclusion

This study concludes that the affordable economy has fundamentally reshaped corporate digital marketing logic, driven by three core dynamics: macro-level consumption downgrading, intensified industry price competition, and structural shifts in consumer behavior. These forces collectively compel enterprises to move beyond traditional premium-centric approaches and adopt a strategic framework centered on precision targeting, value-driven communication, and dynamic market responsiveness—a shift aligned with evidence-based marketing principles.

The proposed five-dimensional optimization model—integrating omnichannel synergy, interactive content innovation, data-driven pricing, AI-enabled marketing efficiency, and ecological collaboration—provides a structured pathway for balancing affordability with profitability. Each dimension draws support from empirical evidence, underscoring the practical viability of the framework alongside its theoretical grounding.

Theoretically, this research situates digital marketing within the context of the affordable economy, addressing a notable gap in marketing literature during atypical economic cycles. On a practical level, it offers implementable strategies for achieving cost-efficient growth, as illustrated by cases such as L’Oréal’s reduction in customer acquisition costs and Coca-Cola’s brand favorability gains through strategic partnerships.

This study acknowledges certain limitations, particularly its reliance on case studies from mature markets, which may affect the generalizability of the findings. Future research could extend this work by examining the adaptability of such strategies in

emerging markets, evaluating the long-term sustainability of low-cost marketing approaches, and incorporating ESG considerations into affordable economy frameworks. Further investigation into the influence of cultural contexts on consumer responses to these strategies would also help enhance the model's cross-market robustness.

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