

**My digital business: *Bordados Domy* case****Mi negocio digital: caso Bordados Domy**

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**Abstract**

In Mexico, the backbone of the economy is found in Micro, Small and Medium Enterprises (MSME). According to data from Forbes, there are about 4.2 million SMEs, which contribute around 52% of the Gross Domestic Product (GDP) and generate 70% of formal employment (Guzmán, 2022). The objective of this project is to create a guide for entrepreneurs using the SOSTAC methodology, and information and communication technologies to connect and accompany Micro-enterprises in their digitization process. In the development of the project, the SOSTAC methodology (Chaffley, 2022) was considered, consisting of six phases that are: situation analysis, objectives, strategy, tactics, actions and control. As a result, a collaboration agreement was obtained with a Microenterprise called "Bordados Domy". In this work, a guide for entrepreneurs was created through strategies for the use of information and communication technologies to connect with their clients, promote their products, even with the fears that this implies or the digital divide in the use of ICTs.

**Entrepreneurs, Technology, SMEs**

**Resumen**

En México la columna vertebral de la economía se encuentra en las Micro, Pequeñas y Medianas Empresas. De acuerdo con datos de Forbes, existen cerca de 4.2 millones de MiPymes, las cuales contribuyen con alrededor del 52% del Producto Interno Bruto (PIB) y generan el 70% del empleo formal (Guzmán, 2022). Este proyecto tiene como objetivo Crear una guía que apoye a los emprendedores utilizando la metodología SOSTAC, el uso de las tecnologías de información y comunicación para conectar, impulsar y acompañar en su proceso de digitalización. En el desarrollo del proyecto, se consideró la metodología SOSTAC (Chaffley, 2022) consta de seis fases que son: análisis de situación, objetivos, estrategia, tácticas, acciones y control. Como resultado se obtuvo un convenio de colaboración con una Microempresa denominada "Bordados Domy". En este trabajo se pretende crear una guía para pequeños emprendedores puedan establecer estrategias del uso de las tecnologías de la información y comunicación para conectar con sus clientes, promocionar sus productos, aun con los miedos que esto implica o la brecha digital en el uso de las TICS.

**Emprendedores, Tecnología, MiPymes**

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## Introduction

E-commerce in Mexico reached \$401.3 billion pesos in 2021, having experienced a 27% growth compared to the previous year. As a result, it accounted for 11.3% of total retail sales. For the third year, Mexico ranked among the top five fastest growing countries in eCommerce Retail, on par with major markets such as India, Brazil, Russia and Argentina (Asociación Mexicana de Venta Online, 2022).

The habit of buying online according to various experiences gathered was not common due to shipping charges, not having a credit card, resistance to change or fear to make a purchase with someone you only know through a digital medium.

From another perspective, in an unprecedented event in 2020, many businesses were forced to close in the face of a health contingency, resulting in staff cuts, redundancies and premises closures due to the ravages of the pandemic. At the beginning, the government decided that only businesses selling basic necessities would remain open to the public, but after a certain period of time, other businesses began to close their doors because customers were afraid of becoming infected. Businesses that offered online or home delivery services began to stand out, some followed in their footsteps and others, because they did not have the support to migrate to digitalization, were forced to close down and lay off their employees.

In this work we intend to create a guide for small entrepreneurs to establish strategies for the use of information and communication technologies to connect with their customers, promote their products, even with the fears that this implies or the digital divide in the use of ICTs, in this work we accompanied, guided and trained Bordados Domi to publicize their creations through digital media.

## Problem statement

Undertake according to the Royal Academy of the Spanish Language defines it as "Undertake and start a work, a business, an undertaking, especially if they involve difficulty or danger", the same definition already raises to undertake as something not easy, a difficult path, added to this we think of the digital divide not only in technology, if not the lack of knowledge of the use of information technology to offer their products.

Bordados Domi is a microenterprise made up of a group of women dedicated to the creation of traditional embroidery from the Huasteca region, these artisans make this craft on different garments such as blouses, shirts, t-shirts, trousers; before the pandemic they left their homes to sell at local markets or go door to door, but the fear of the contingency stopped them from exposing themselves to other people, however one of the main limitations was their lack of knowledge in the use of a computer and social networks for the promotion of their products.

Nowadays, digitalization is key for many people who were forced to leave their workplaces or offices to work from home; events as well as face-to-face meetings have been replaced by virtual ones and e-commerce, digital marketing, social media, door-to-door deliveries are gaining unprecedented momentum. Digitalization not only allows for adapting to a crisis like the current one, but is also a driver to foster sustainability within organizations.

In accordance with the problems posed, an alternative is proposed for MSMEs and family businesses to provide support in the correct use of technologies and their incursion into digitalization, to help companies to enhance the development of their commercial image, the use of company profiles, e-mail, search engines, geolocation, the use of social networks, search engine positioning, which helps micro-businesses to get closer to offering products or services to their customers.

## Theoretical framework

Emprender According to the Real Academia de la Lengua Española it is defined as "To undertake and start a work, a business, an undertaking, especially if it involves difficulty or danger".

In Mexico, the quarantine was officially initiated on 24 March 2020 by COVID-19, where the most affected economic entities are, without a doubt, the SMEs, due to the fact that most of them were closed by the State Commission for the Protection against Health Risks (COEPRIS) as they are not considered essential businesses like the large supermarket shops that supply basic necessities. At first, everything seemed to be under control; one month later, more than 80% of the businesses were closing their doors, causing a decrease in total revenues from 51% to 100% (ResearchGate, 2021).

MSMEs refer to micro, small and medium-sized enterprises that are those with no more than 250 workers in total, moderate turnover and less access to resources or tools compared to large companies or franchises. They form an important segment of the economy, particularly at the national level, as they generate a large contribution in terms of products and services. They also have a unique ability to adapt to new technologies, society and changing trends.

MSMEs promote economic development, market expansion, job creation and a more equitable distribution of wealth. In the case of the Mexican economy, MSMEs represent a large number of the country's enterprises. (Patiño, 2021)

MSMEs are very important for the development of the economy at regional, national and global level, as they represent more than 95% of the companies at national level, this has a high impact as they are major generators of employment, the argument used to formulate such a statement is based on the idea that these companies use more labor and less capital than large ones, i.e. they are less mechanized and more personalized companies.

In terms of the level of income they represent, it is observed that MSMEs are the best income distributor among the population and among regions, they are indispensable for large enterprises to exist and are a central factor for social development and economic mobility of people. MSMEs are a fundamental and indispensable link in national development (Saavedra, 2015).

The classification of MSMEs in Mexico depends on several factors and is measured by the range of the number of workers, the amount of sales in millions of pesos, as well as the combined ceiling, the latter is obtained by multiplying the total number of workers by 10% and adding the result of annual sales by 90%. The classification of MSMEs can be considered as follows:

- Micro-enterprises. They are from all sectors and must not have more than 10 employees. The maximum sales amount is 4 million pesos and the maximum ceiling is 4.6.
- Small enterprises. In the industry and services sector they can have from 11 to 50 employees and a turnover of up to 100 million pesos with a maximum ceiling of 95. In the case of small companies in the commerce sector the maximum number of employees is up to 30, they can have a turnover of up to 100 million pesos and have a ceiling of 93.
- Medium-sized enterprises. The commerce sector has between 31 and 100 employees while the services sector has between 51 and 100 employees, in both cases they have a turnover between 100 and 250 million pesos per year and have a maximum ceiling of 235. In the industry sector the range of employees is from 51 to 250, they have a turnover between 100 and 250 million pesos and have a maximum ceiling of 250.

Due to their size, MSMEs face some important challenges, such as speed of growth and scalability. Therefore, they are very sensitive to sudden changes in the economy since the slightest variation in the market can cause stagnation in their growth and negative effects on their sales. (BBVA Mexico, S.A., 2022).

MSMEs account for 90 per cent of enterprises, 60-70 per cent of employment and 50 per cent of GDP globally. As the backbone of societies, they contribute to local and national economies and to sustaining livelihoods, particularly among the working poor, women, youth and groups in vulnerable situations. It is essential that countries continue to support and empower MSMEs to boost their full potential and inspire innovation, creativity and decent work for all.

Micro, small and medium-sized enterprises are vital to achieving the Sustainable Development Goals (SDGs). Efforts to improve access to finance for MSMEs in all key sectors of national economies are an important element of SDG implementation. They are an important element in the implementation of Goal 8 (decent work and economic growth) and Goal 9 (industry, innovation and infrastructure) (United Nations, 2022).

On average, digital consumers mentioned the main reasons for shopping online, recognizing the benefits, among which stand out for receiving purchases at home with 55%, 46% for saving time and travel to physical shops, finding products that are not available in a physical shop with 43%, being able to make purchases from anywhere you are with 40% and finally because online you can find more promotions than in a physical shop with 39%. Online shopping is increasingly becoming part of consumers' daily lives.

The digital shopper during 2021 showed growth within the female segment, mainly among populations with purchasing power between 25 and 64 years old. The middle and lower socio-economic level shopper is reactivating, showing the democratization of online shopping. At the regional level, the Southeast has the highest participation. The devices most used to make online purchases are smartphones with 98% of digital shoppers and 70% using laptops.

Digital shoppers recall on average 2.6 financial institutions spontaneously when they think of buying products and services online, among which the following institutions stand out: BBVA with 64%, Citibanamex with 47%, Santander with 28% and Banorte with 25%.

During 2021, multiple categories managed to position themselves within the online shopping preference, the products that lead the list of categories is food delivery with 72%, fashion with 64% and electronics with 55%, also highlights the growth of appliances with 47%, furniture and home decor with 42%, sports products with 40% and tools likewise stands out with 40%. (Mexican Association of Online Sales, 2022).

Social media marketing comprises those digital marketing activities in which the brand uses social media to engage consumers and involve them in communications or other initiatives promoted by the brand. It uses observation methods and technologies to track, analyze and learn from the public conversations of users and consumers on social media. It also promotes and develops virtual communities that revolve around the brand; engages consumers and other audiences of interest in open innovation initiatives; assists and supports them through social media; and, ultimately, ensures that it promotes and facilitates a close dialogue with consumers and social media users that contributes to marketing objectives. (Rodríguez, 2014).

Nowadays, social networks have become one of the main marketing tools for companies, but apart from being an excellent tool to manage the relationship between client and company, these institutions also use them for many other purposes.

Marketing is one of the main uses that companies give to social networks, now they also influence the way we do business, it is a tool that we implement to generate content in our work environment, which so far has been very helpful for new generations of entrepreneurs and new businesses that want to position themselves and be recognized for their brand with less budget. Social networks are evolving more and more every day, bringing with it positive factors for marketing processes, and implementing new forms of advertising through these communication networks (Peñarroya, 2014).

In January 2022, revealed that WhatsApp is the social network with the highest percentage of users in Mexico. Some 94% of social network users had access to this network. Facebook was the second most used platform by Mexicans, with 93% of users. In third place was Facebook Messenger, with 80% (Statista Research Department, 2022).

## Methodology

According to (Chaffley, 2022) this model proposes a set of common-sense states and consists of a series of 6 work phases (Situation Analysis, Objectives, Strategy, Tactics, Actions and Control) that organizes and segments quite well everything that a strategic plan requires for projects of a certain quality. Each phase establishes a work priority and allows for feedback from each other.



**Figure 1** SOSTAC model

Source: (Dr. Dave Chaffey: Digital Perspectives)

Note: The SOSTAC model is a framework for planning a digital marketing strategy.

### Situation analysis

At this point, an analysis of the situation in which the business finds itself is proposed, and through the aspects that are being generated, steps for digitalisation are defined.

### Strengths

- The customer decides the design of the embroidery.
- Embroidery on different articles according to each client.
- Diversification of handicraft products.
- Handmade products with original designs.
- Handcrafted products with unique and personalized designs.
- Handcraft products of good quality.

### Weaknesses

- Lack of social networks.
- Limited staff to process large quantities of orders.
- Not having staff to deliver orders.
- Lack of knowledge in the use of social networks.
- Lack of knowledge in the use of computers.

### Opportunities

- Training
- Having a presence on the Internet
- Improve the way they promote their products.
- Selling products over the Internet allows selling anywhere, anytime, to anyone.
- Interact with customers on social networks.
- Improve the quality of images for better performance and for the optimisation of the content offered on the Internet.

*Threats*

- Fear of fraud on the part of the customer, who does not know if he/she will lose the money invested when buying in the shop.
- Increasing competition in the market.
- Increasing number of competitors on social networks.
- Promotion on the internet by competitors.

After the analysis, it was determined that a series of steps should be followed to guide small entrepreneurs towards digitalization. At this stage, it was decided to consider the target audience, the selection of strategies, how to reach the customer using ICTs and the internet, and a marketing plan, considering the initial diagnosis of the case being analyzed.

## Step 1: Profile of the target audience.

- A form was designed to find out the details of potential customers:
- Demographic data.
- Gender
- Interests and needs.
- What are the problems related to the product or brand.
- What are the preferred channels of communication.

Step 2: Selecting strategies to realize the objectives.

- Develop an advertising campaign on social media.
- Development of social media content.
- Disseminate products through images.
- Provide training in digital tools to the staff of the microenterprise.
- Use email marketing.
- Designing a website.

## Step 3. The customer on the internet

- The customer should be at the centre of the strategy and campaign.
- Offer quality customer service.
- Empathise, and be very clear about who the target customers are in order to personalise the argument in communication and sales.
- Offer customers the possibility of instant contact through various channels (Facebook, website chat, Twitter, WhatsApp, etc.).
- Engage in social media topics with the aim of generating conversation.
- Listen to customers, understand what they want and be interested in their opinion.
- Create content that is interesting, relevant and provides value to users.

## Step 4: Marketing plan

- Register your business on Google My Business
- Determine who is responsible for the use of social media.
- Create accounts in the different social networks in which you will have an online presence.
- Create a company image on social networks.
- Select the right keywords.
- Create a video marketing plan
- Decide on the technical equipment and editing software to be used.

Become familiar with the use of social networks and observe the dynamics of the competition.

In addition to this information, a diagnosis was made of the use of technologies, with a scale (null, medium, high). As a result, it was determined that the company did not use social networks, they do not know how to use the computer, they did not have a catalogue of their embroidery, they do not have email, one of the members has a personal Facebook account but never logs in, the few images of their products have very low quality, as can be seen, they are entrepreneurs with no knowledge in the use of technology, which represented a challenge for the work team. One thing that was clear was that there are many businesses in the same conditions as this one, offering products and services that support their families but lacking the techniques to make them known or increase the reach of their potential clients.

Objectives

According to an analysis, the following points are considered to promote the incursion of the business in the digital world considering the profile of the target audience.

At this point it was determined that the demographics: of the customers are over 18 years old.

Gender: 20% of their customers are male and 80% are female.

Their current channel is word of mouth, through recommendations. Customers' favorite channel to communicate or search for products is WhatsApp, Facebook Marketplace and Facebook shopping and sales groups.

Use of ICTs: The disadvantage that was found is the lack of knowledge of the craftswomen in the use of social networks and ICTs to make their products known.

Preferred methods of payment: 80% by transfers, 20% cash. But the entrepreneurs do not have an account for transfers. They make the garments to order by requesting a cash advance or selling door-to-door.

Interests: as they are traditional garments they use them for festivities, school events, regional events, fashion.

Region: Currently they have clients from the Huasteca region, they go personally to deliver them.

Socio-economic level: Their clients have a medium socio-economic level.

Strategy

At this point it was decided to start with the creation of a company image (brand), with the use of social networks for the promotion of the products, since the group of artisans has mobile equipment, to be in contact with their clients. And according to the diagnosis of the use of technology, their level of knowledge is null in the use of computers, but they do use WhatsApp to communicate.

As a strategy, the Entity Relationship Model was designed with the aim of helping the business in the digitalization process and, in a second stage, to create a website.

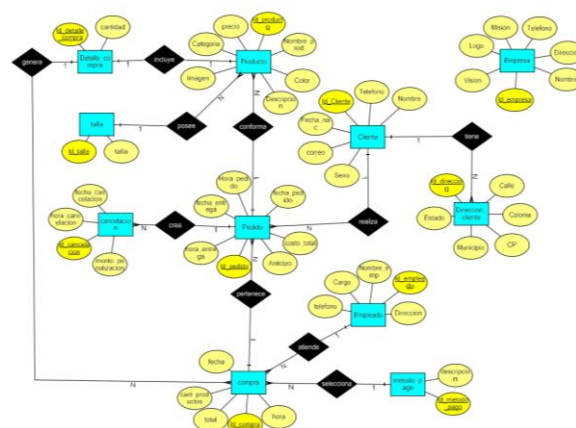


Figure 2 Design of the entity-relationship model  
Source: Own elaboration

In addition, the following site structure map was created to distribute, organize and hierarchies the content of the web structure indicating the main bases of the site.

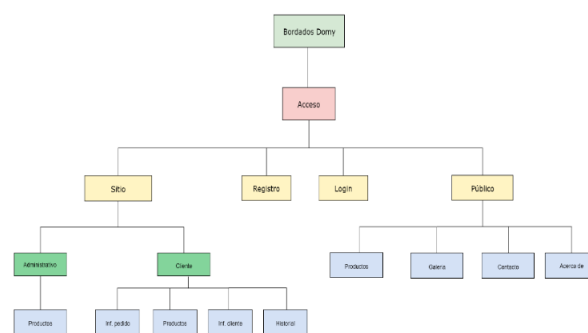


Figure 3 Map for the site structure  
Source: Own elaboration

Tactics

As a tactic, the presence of the business in social networks will be implemented, an email was developed for the company, a Facebook page and a WhatsApp business account and email marketing, to give it formality and the value that the image of the business implies.

Actions

The Google My Business account that was created for Bordados Domy allows linking the search engine with the geographical environment and with other businesses in the area, allowing for greater visibility within Google Maps and a prominent result in local search listings.

The creation of the company profile gives the business Bordados Domy the possibility to send all its information ranging from location, address and contact details to potential customers, in addition to being able to receive reviews and opinions of its customers, which future buyers or customers can take as a reference to decide if it is the best option.

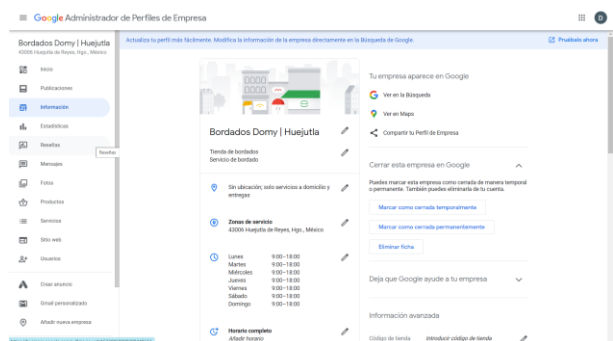


Figure 4 Google My Business account  
Source: Own elaboration

The Facebook Business account is optimal for Bordados Domy as it serves at a geographical level, increases the radius of action and influence to be reached, in addition to offering corporate presence of the business aimed at the public of interest.

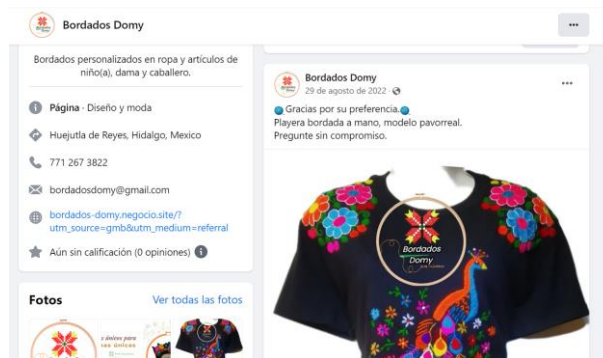


Figure 5 Facebook Business account  
Source: Own elaboration

The WhatsApp Business account allows for a verified business profile so that customers can trust who they are talking to. This allowed you to create a catalogue so that your potential customers can get an idea of the products you offer.

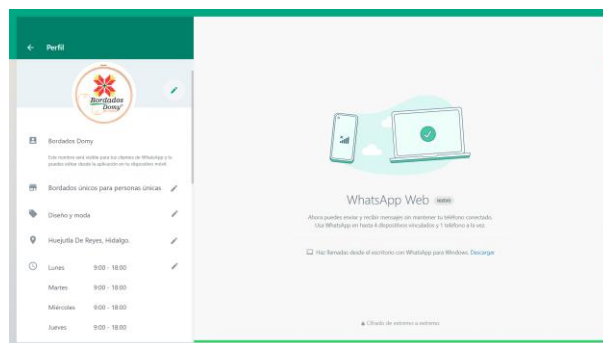
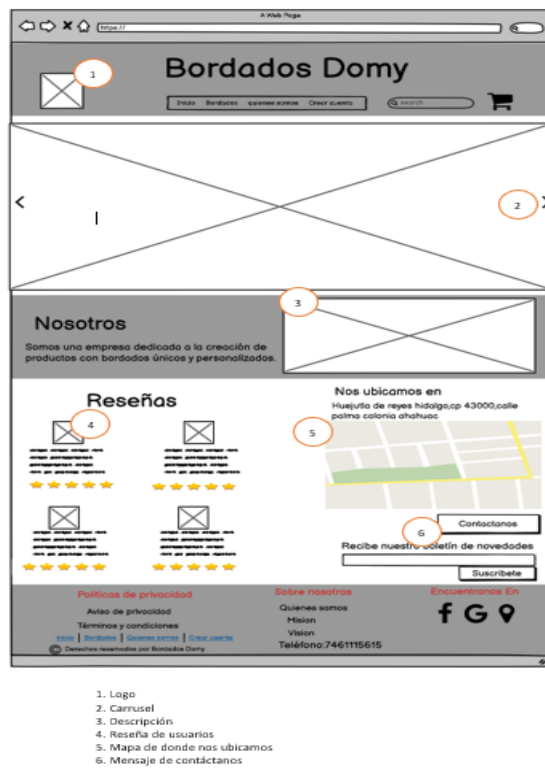


Figure 6 Creating a WhatsApp Business account  
Source: Own elaboration

The content manager allows Bordados Domy to know the support structure for the creation, administration and publication of content for the website, by administrators, editors and other users.





**Figure 7** Domy Embroidery website structure

Source: Own elaboration

### Measuring results

With the help of the statistics being generated by social networks and monitoring on Google My Business, the number of views and the impact of searches that are emerging after finding the business: you can make such reports: Facebook, WhatsApp and Google My Business statistics.

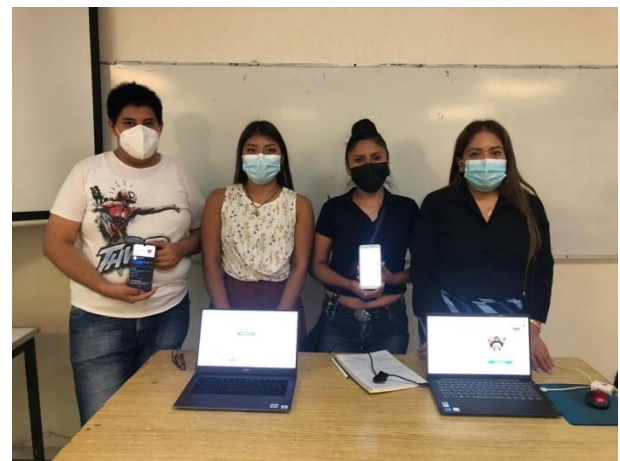
Expect response from followers and potential customers, send automatic replies when customers send messages outside service hours.

Interaction with the public, observe the audience and how far the level of interaction with customers goes.

### Results

In this project an assessment tool was developed, which allows to get an overview of the level of interactions of MSMEs with technology. As a result, the risks identified within the Micro-Business Embroidery Domy were the following:

- The company does not have trained staff to migrate to the digital world: this was a challenge for the work team, their lack of knowledge was a great opportunity to promote and empower this group of entrepreneurs in the digital world and teach them that beyond the markets and going door to door there are other options to enhance the potential of their products. Therefore, the company's staff was trained for their incursion into digitalization.



**Figure 8** Delivery of elements developed for the Domy embroidery company

Source: Own elaboration

- Not having a staff that specializes around marketing.
- The company does not implement digitalization in its processes. So digitalization was implemented within the company, through digital advertising and interaction with customers through the company profile and having an online shop where the entire purchasing process can be carried out with the possibility of receiving payments by transfers.
- It did not have a company profile on the Internet: In order to have a presence on the Internet, the following accounts were created: company email account, company profile on Google My Business, WhatsApp Business account, Facebook Business and the design of a website for the sale of the products offered by the company.

- In this phase of the project, a website was designed as a tactic to boost the connection of MSMEs, as a result, the relationship entity model and relational model were designed, considering: company, customer, customer address, product, size, order, cancellation, purchase, employee and payment method.
- It was determined to implement the operation of the business with the use of social networks, search engines and geolocation as part of the call to action, as a result we obtained the Facebook Business account, search engines and the geolocation of the business on Google Maps.
- Reports were generated to help MSMEs to recreate new marketing strategies through key performance indicators (KPIs).

## Conclusions

Bordados Domy is just one of the cases presented in this work. It was a challenge because the group of entrepreneurs had no knowledge in the use of ICTs, but they knew how to write messages on their phones, so social networks have been an ally in this process of digitization.

This project was developed with resources from the Academic Body of Information Technologies, the needs were human resources, so two students collaborated.

It is worth mentioning that there are many cases of women entrepreneurs such as Domy embroidery, proof of which is that there was an approach with the Instancia de la Mujer and there are many situations in which single mothers, street women or women who have suffered violence are trained to learn a trade and the challenge they face is to make their products known and to approach technology. The pandemic was an unprecedented event that forced us to look for other communication alternatives. Whoever decides to start a business knows that it will be a winding road, this work does not intend to provide a solution to all entrepreneurs, but it does provide a guide to how there are other ways of offering their products, establishing strategies to incorporate information and communication technologies in their enterprises.

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