

Digital Marketing Enterprises

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Marketing 346 - 13521 - Marketing Research

Tuesday 7:00 p.m.

May 14, 2025

Team Yellow

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Executive Summary

The ever-evolving digital landscape presents ongoing challenges for small businesses striving to maintain an effective online presence. Our research project delves into the various digital marketing challenges these businesses encounter and offers strategic recommendations to bridge the gap between marketing requirements and the execution capabilities of small enterprises. This analysis will leverage both primary survey data and secondary research insights. Through our primary research, we identified key factors such as preferred digital marketing platforms, budget constraints, staffing limitations, and performance trends that can enhance customer engagement. This comprehensive approach aims to pinpoint the most effective strategies for small businesses. Our group surveyed 32 small business owners from a range of industries, revealing that many entrepreneurs operate with minimal staffing and often lack full-time marketing personnel. A significant number expressed difficulty in determining an appropriate budget tailored to their specific needs. While there is a general awareness of the importance of digital marketing, many small businesses struggle to select suitable platforms and assess the effectiveness of their efforts. Our findings highlighted Instagram as the most utilized platform, followed by Facebook; TikTok emerged as particularly beneficial for visually-driven sectors, while Twitter ranked as the least used. In our statistical analysis, we found no correlation between gender or education levels and the success of digital marketing efforts. This implies that staffing and online engagement practices are more influential factors. Most participating businesses reported limited marketing budgets, typically ranging from \$100 to \$500 per month. However, they indicated a willingness to allocate additional funds if the return on investment is demonstrable. The literature review we conducted underscored the critical importance of implementing SEO strategies, the evolving role of personalized video content, and the effectiveness of social media engagement. These insights corroborated our primary research findings and informed our recommendations. Ultimately, marketing firms like ours recognize the need for accessible, customized digital marketing solutions. By offering clear pricing structures, strategic support, and educational resources, we can become essential partners in helping small businesses thrive in today's increasingly competitive online environment.

Introduction

In today's rapidly evolving marketplace, the digital presence of a business often dictates its survival, particularly for small businesses. These enterprises frequently encounter significant pressure to adapt to ever-changing digital marketing strategies. Relying heavily on limited financial resources and their own expertise, many small business owners find it challenging to navigate the complexities of maintaining a robust online presence. Consequently, without adequate knowledge or funding, attracting a consistent customer base that translates into sales can be a daunting task. This challenge is exacerbated by competition from larger companies that invest substantial resources into their digital marketing efforts, demonstrating the effectiveness of strategic engagement.

Our research has identified critical marketing gaps within the small business sector. Although digital marketing presents substantial opportunities, the path to success remains ambiguous due to numerous variables at play. Key questions arise regarding which social media platforms yield the highest engagement and the financial investments required for effective execution. To better understand the digital challenges faced by small businesses, our group conducted a survey targeting business owners and managers. The primary objective was to gather insights directly related to their marketing procedures, budgeting practices, and overall concerns regarding digital marketing tools and platforms.

The findings from our research revealed a common trend among small businesses concerning their digital marketing initiatives. Notably, many respondents lacked a defined marketing budget; some expressed uncertainty about the specific amount allocated to marketing, while others reported figures around \$260 to \$300. This lack of financial clarity highlights a significant issue: while business owners recognize the importance of marketing, they often struggle with the planning necessary to implement effective strategies.

Customer acquisition performance varied widely among respondents. While a few businesses reported generating around 25 leads per month, others indicated numbers as low as four leads or had little understanding of their metrics. This inconsistency suggests that many

small businesses lack the tailored strategies necessary to attract and retain a consistent customer base. When addressing open-ended questions, many respondents emphasized their desire for increased interaction with potential customers—a goal that remains vague and lacks measurable benchmarks.

Our survey also included demographic and operational questions, providing further context to the challenges these businesses may be facing. The majority of respondents were young male entrepreneurs, predominantly aged 25 to 26, with educational backgrounds ranging from high school diplomas to some college experience. Their businesses predominantly focused on labor and service-oriented sectors, such as construction, home remodeling, and painting. These entrepreneurs are often responsible for day-to-day operations while simultaneously tasked with strategic planning and marketing, which can become secondary to immediate revenue-generating activities.

Despite their limited resources, many entrepreneurs displayed a strong awareness of various digital marketing tools and expressed a keen interest in establishing an online presence. Most showed particular interest in platforms like Instagram, Facebook, and Google Ads, though they frequently expressed uncertainty about where to start and which options would be most beneficial for their businesses. The dynamic nature of digital marketing—characterized by evolving platforms, pricing models, and content formats—can often be overwhelming. As businesses strive to keep pace with trends, including the use of artificial intelligence and concise video advertising, the risk of falling behind increases.

We conducted a literature review encompassing current digital marketing research, revealing prevalent themes such as the importance of local SEO, personalized marketing tactics, the evolution of video content, and specific engagement strategies tailored to various platforms. These findings underscore the necessity for small businesses to master these digital marketing tools and prioritize their implementation, rather than relegating them to the background. Doing so will significantly aid in achieving their business goals. This paper aims to bridge the identified gaps by presenting both secondary and primary research that examines the factors driving small businesses to adopt digital marketing and the associated benefits. We will explore various pricing

models, campaign types, and determine the most effective platforms for specific business needs, ultimately providing actionable insights for small business owners.

Literature Review

	Title	Journal	Major Findings
1.	<i>Assessment of Trends in the Application of Digital Marketing</i>	Scientific Journal of Polonia University	Goes over the trends that have had the largest impact in marketing as of 2019. Because of the desire for personalization and targeted ads, artificial intelligence and augmented reality are noted as two of the largest trends to impact marketing strategies. Businesses will need to adapt to new trends should they want to survive.
2.	<i>The Importance of Local SEO for Small Businesses</i>	Aztek	Search Engine Optimization (SEO) is becoming increasingly important for the survival of local/small businesses. These businesses often lack online presence management skills and, as such, will need to educate themselves or be prepared to pay for a service in the future. Review management, content creation, and link building are some ways businesses can gain interaction.
3.	<i>Digital Marketing Trends for 2025 and Beyond</i>	Forbes	With new technologies on the rise, marketers will need to “prioritize personalization...and adapt to shifts in consumer behavior” in order to stay relevant. This article covers modern trends as well as the potential applications of new technologies in the marketing sphere. <ul style="list-style-type: none"> ● Augmented Reality as a way to

			<p>personalize shopping</p> <ul style="list-style-type: none"> • Voice searches and Ai interpretation for products or related items • Video formats being king in the age of short form advertisements
4.	<i>The Power of Social Media in Modern Marketing</i>	Forbes	<p>Provides information on social media marketing and strategies for success. Social media provides a platform for businesses to introduce their products to consumers and get direct feedback, as a result, marketers should know the impact of P.R.</p> <p>Effective social media marketing strategies:</p> <ul style="list-style-type: none"> • Develop a comprehensive service strategy • Create high-quality content • Engage with your audience • Stay on top of trends • Analyze marketing data
5.	<i>PPC Advertising: The Ultimate Guide</i>	Forbes	<p>Provides an overview of an advertising model where advertisers pay publishers per click (PPC) on the advertisement. Anyone can use PPC advertising campaigns</p>

			<p>Benefits of PPC over search engine marketing (SEM)</p> <ul style="list-style-type: none">• Greater budget flexibility• Increased measurability• More efficient targeting• Easier access to marketing data
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Research Questions

1. What are the primary factors influencing the decision of small businesses to hire a digital marketing firm, and how do these factors vary by industry?
 - This question is measurable through surveys or interviews with small business owners across different industries. Data can be collected and analyzed to identify key factors influencing their decision-making process.
 - The answer to the first part of this question would give our team insight into what would drive small businesses to hire marketing professionals. A marketing firm should understand the circumstances under which businesses would work with them. The second part of this question would help our firm and others understand how to properly vary pricing, services, and relationship management by industry.
2. How does the pricing structure of digital marketing services (hourly rates vs. package deals) affect customer satisfaction and retention rates for new digital marketing firms?
 - This question is measurable through customer surveys, tracking satisfaction levels, and retention data from firms using different pricing models. Data collection can be done by reaching out to firms within the first 8 weeks.
 - In order to better serve other businesses, our firm should understand what most affects satisfaction and retention. If there are certain pricing structures that other businesses strongly dislike, then the marketing firm would not advertise those strategies.
3. What are the most effective digital marketing strategies for attracting initial clients in the first 3 months of operation for a new digital marketing firm?
 - This question can be measured by analyzing marketing campaign results, client acquisition rates, and feedback from new firms during their first few months. Data can be collected from several new firms that track their early-stage marketing efforts.
 - Gaining interaction with business partners as a new firm is incredibly important for the survival of the firm; in order to stay competitive and alive, we should know the best strategies for gaining clients in the early stages of our firm.

4. What social media platform is the most effective for a business when it comes to advertisement, in terms of conversion rate, clicks per ad, and other customer engagement?
 - This question could be measured by researching and comparing key performance indicators of each major platform such as the average conversion rate per platform, cost per click, impressions that show the amount of times an ad is being viewed, engagement rates, and follower growth. Based on these metrics we could determine the best platform to advertise on or which platform(s) to prioritize.

5. What marketing goals are the most important , especially for small emerging businesses within the first few months of launching their company? why?
 - This question will help us align our services with the company's current priorities. It helps guide our team in creating content and an advertising strategy that will help boost website traffic, brand awareness and customer retention.

Findings

Our survey of 32 small business owners and entrepreneurs included valuable quantitative insights into their current marketing practices, budget allocations, platform preferences, and staffing limitations. The following findings are based on SPSS outputs, such as bar charts, frequency distributions, t-tests, and ANOVA tests. These data-driven observations help explain the realities small businesses face when they engage with digital marketing, and how factors such as gender, education level, and business type intersect with marketing performance.

From the sample, 50% of respondents identified as female, 43.8% as male, and 3.2% preferred not to specify. Regarding educational attainment, 41.9% had “some college” experience, while 19.4% held bachelor’s degrees and 16.1% graduate degrees. Only a small minority had not completed high school. This shows that while the majority of our participants were relatively

well-educated, many still reported uncertainty in areas like budget planning or platform selection and suggests that education alone may not translate into proficiency in digital marketing.

A key challenge identified by our data is the lack of dedicated marketing personnel within small businesses. A cross-tabulated bar chart compared the number of full-time marketing staff against different business types. Industries such as construction, catering, and home improvement reported relatively few marketing personnel despite their highly competitive environments. On the other hand, sectors such as school services, personal care, and TikTok/YouTube-based ventures showed higher staffing levels, with up to four or five full-time marketing team members.

This contrast shows that while some industries prioritize in-house marketing, others might prefer to rely on outsourcing or word-of-mouth promotion. For instance, several business owners stated that “it's a team that I pay for so it varies,”. This shows a reliance on part-time or freelance marketing assistance instead of full-time employees. These disparities would affect lead generation and brand visibility across sectors.

An independent sample t-test was conducted to compare average monthly leads generated by gender. While male respondents reported a much higher mean number of leads (479.36) compared to female respondents (41.54), this difference was not statistically significant ($p = 0.356$). The male group showed a very large standard deviation (1499.68) which suggests that a few businesses with unusually high lead counts skewed the average.

This high variability among male respondents with the wide confidence intervals states that gender alone does not determine lead generation success. Instead, the number of leads depends on other factors such as industry, platform usage, marketing strategy, or budget commitment.

These findings confirm the qualitative responses that highlighted inconsistencies in how businesses define a “lead.”

We conducted a one-way ANOVA using education level as the independent variable and average monthly budget as the dependent variable to understand whether formal education impacts spending on marketing. The p-value of 0.277 confirmed that no statistically significant difference exists between educational groups. Regardless of whether respondents held high school diplomas or graduate degrees, most invested between \$100 and \$500 per month in digital marketing.

Even Though the effect size suggests some practical variation, the overall conclusion is that budget decisions are driven by perceived Return On Investment, industry needs, or available capital instead of educational background. It is good to mention that a few respondents with lower education levels still reported relatively high marketing budgets which weakened the correlation between education and financial investment in digital strategies.

We also asked about platform preference and the majority of respondents indicated that Instagram and Facebook were their go-to platforms for reaching customers. These platforms were cited as generating the most leads with the best tools for engagement. However Twitter was reported as the least-used platform, with over 63% of respondents either never or rarely using it.

Interestingly, TikTok usage showed growth especially among entrepreneurs in visual or creative industries like beauty and personal branding. About 23% of respondents reported using TikTok often, therefore this platform is becoming more relevant for customer engagement in small business marketing. One respondent even identified TikTok and YouTube as their primary platforms for lead generation and brand exposure.

A recurring theme across the data was the difficulty small businesses face in managing marketing alongside daily operations. Approximately 25% of respondents had no full-time marketing staff despite the fact that they are part of highly competitive sectors. Moreover, many business owners mentioned being uncertain about their actual marketing budget or the number of leads generated monthly.

These findings suggest that although small businesses recognize the importance of digital marketing, still many lack the infrastructure or expertise to fully use strategic campaigns. Hiring a digital marketing agency or consultant can be a necessary step for many of these entrepreneurs. It goes without saying that budget remains a major barrier since 32% of respondents cited it as their biggest challenge when they try to manage digital campaigns.

Discussion

The responses collected from our student-led survey helped us answer our primary research questions, while offering insights into small businesses and their marketing strategies. We found a few common themes among business owners regarding the most important marketing goals for growing their business. We recorded a variety of quantitative and qualitative goals and motivations. Expanding the customer base and securing new customers was the most common response to this survey question. For almost all small businesses, acquiring customers is their number one marketing goal within the first few months. Acquiring customers early, aids in the sustainability and growth of a business.

Another common goal was expanding the company's digital and social media presence among several platforms. This was a common response among entrepreneurs who are in the music, beauty/wellness, commercial/home painting (hands-on businesses), or real estate

businesses. Social media allows small businesses to gain larger brand visibility. They can reach a wider audience at a relatively lower cost, allowing them to compete with larger competitors. Being active on social media helps the growing businesses engage with customers and encourages loyalty. Small businesses like lash technicians and home renovators can benefit from social media posts by providing visuals of their service and receiving interactions/ feedback. Posting across channels like Instagram, Tiktok and Facebook helps attract potential customers and further establishes brand personality.

New businesses often start off with traditional methods of marketing and then move into digital approaches. One of our survey respondents stated that their company has primarily focused on advertising and spreading brand awareness through company cards, company logos on uniforms and word of mouth. There are several limitations when approaching business marketing only offline. Their goal is to transition to the digital world in order to reach specific target audiences and get measurable results from their marketing efforts online. These measurable results may be tracked through metrics such as impressions, clicks, cost per lead, followers gained etc. This real time data lets businesses know what adjustments to make and helps business owners make marketing decisions.

We asked participants how many full time team members are currently involved in their marketing efforts and about 25% responded with None (0). Among these respondents were restaurant owners, beauty business owners, construction entrepreneurs, and real estate company owners. They are in highly competitive industries and yet they don't have full time marketing staff. The businesses with at least 1-2 members involved in their marketing efforts generated more new customers than those with 0. This finding highlights the fact that the primary reason businesses are generating a limited number of new leads every month is due to the lack of a

marketing team or manager and the need for digital expertise. This makes hiring a digital marketing firm an essential option for certain businesses in competitive industries. The performance gap is clearly a primary factor influencing business owners to hire a digital marketing firm.

Our team conducted a statistical analysis for the responses to the question, “How many leads do you typically generate per month from your current marketing efforts?”, to test reliable predictors of lead generation. We used the Independent Sample t-test and our grouping variable was gender, male and female. This analysis is comparing the number of leads generated between these two groups. We found a large difference in means, but also a large variability in the male group. The variances are shown to be significantly different and our p value from the t test was .356. This indicates that it is not statistically significant, meaning gender does not significantly affect the number of leads generated. Although the male business owner respondents appeared to generate more leads, the difference is not statistically significant. This provides valuable insights that successful early stage strategies should target operational challenges rather than demographic profiles. Businesses should focus on lead generating services such as ads and SEO and not gender groups.

Our data collected for the question “Which of the following has been your biggest challenge when dealing with digital marketing?” has provided clear insights into what drives small businesses to consider hiring a digital marketing firm. Budget was one of the most common barriers for many small businesses. About 32% of respondents said budget was their biggest challenge, making cost effectiveness a consideration when hiring a digital marketing firm. Affordability is most likely a primary driver in their hiring decisions. If budget is the main challenge among small businesses, then unclear complex pricing models (hourly billing) are a

barrier. Clients lean towards clear pricing that aligns with their budget, therefore offering tiered packages make costs more predictable. Budget conscious businesses will mainly work on social media platforms that deliver high ROI at low costs. Offering starter packs that are tailored to match platforms to the client's budget would be a great strategy to implement.

The bar chart we generated titled “Monthly Marketing Budget Distribution” provides a visual representation of the number of businesses with a high or low marketing budget. A majority of the surveyed businesses are investing moderate to high amounts in marketing monthly. We see a high number of businesses allocating high monthly budgets of \$500- 1000+ , a majority within the range of \$100-500 and very few operating on a low marketing budget (under \$100). This indicates that marketing is viewed as a critical operational cost for the majority of small businesses we surveyed. Our data helps us draw conclusions for our research questions. Knowing the budget brackets of businesses allows our marketing enterprise company to build pricing tiers that match market expectations. It may also help our company recommend specific platforms that offer the best ROI per dollar.

We ran a One-way ANOVA test for the monthly average marketing budget and the p value was .277. Since it is greater than .05, this indicates that there are no significant differences in marketing budgets across the different businesses we compared. The businesses had different average budgets , some high, a few low, but those differences were not statistically significant. Most business owners fell within the same marketing budget ranges. Most of them valued marketing and were willing to pay as long as they received measurable results. Since budget is a challenge for several businesses, they prioritize marketing , but still focus on affordable options and strategies.

After running a cross tabulation analysis for Twitter and Gender, we concluded that the vast majority of respondents (about 63%) either never or rarely use Twitter for marketing. Slightly more females reported never using Twitter than males. This makes Twitter the least preferred platform among our participants for marketing purposes. About 47% stated they don't use Tik Tok, but it is clearly still more popular than Twitter for small business marketing. Males and females were daily balanced in terms of Tiktok usage. This is taken into consideration when formulating marketing strategies online. Tiktok is actively gaining traction and users are engaging regularly on that platform. Some small businesses would benefit from shifting their marketing efforts towards the more active platform. About 23% of owners use Tiktok often while only 7% use Twitter. Prioritizing Tiktok can help businesses grow based on the data we collected and analyzed from our survey. Based on this data, our marketing firm is in a strong position to serve as a business ally, helping small business enter and navigate through these underutilized platforms. The limited use of social media platforms demonstrates that business owners may not have the capacity to handle marketing efforts on their own, driving them to hire experts within that space.

We did a descriptive analysis test on the question asking "What is your highest level of education?" and generated a frequency distribution table. The data we collected helps explain how the education level of business owners is a strong indicator of their knowledge and familiarity with digital marketing tools. Owners with less education may have limited experience, leading to decreased confidence in digital marketing efforts. To address this, we emphasize support and convenience in the marketing services we offer to small businesses.

Recommendations

Based on the responses to the question regarding what the main business goal each business wants to achieve, we created some of the most effective recommendations that would help achieve this goal by the end of the year. As stated before, the common answers that the respondents answered to this question were to gain new clientele, boost financial resources, and increase brand awareness. For this reason we created specific recommendations that aim to achieve these objectives. Additionally, in order to achieve these objectives and successfully fulfill your expectations we would need each business to trust our company and work with us closely. This way we can organize and design the perfect plan for each specific goal the business would like to achieve.

Our first suggestion is to prioritize marketing on Instagram and Facebook. In our survey, the majority of the respondents rated Instagram and Facebook as their most preferred platforms for digital marketing because it brought them the most leads monthly. After doing additional research, we can conclude that both of these social media platforms are statistically the best platforms to market on. The rationale behind this is that both of these platforms have the highest number of active users, with Instagram having about 2 billion users and Facebook having about 3.1 billion users. Meaning, that your advertisement has the ability to reach more people compared to other platforms. In addition, both of these social media platforms are considered to be the most versatile platforms of them all. Giving you the ability to choose between what content you choose to post. For example, on Instagram you could choose to post images, stories, or even Instagram reels which are short videos that can be made to create a more personal feel with the consumer. While for Facebook, you can post anything from statistical data to a meme.

Additionally, both of these platforms also have the highest conversion rate between all of the social media platforms. For example, Instagram Reels have the best engagement rate compared to any other content you could post on social media with almost double the rate of other post types. Also, both Instagram and Facebook have their unique features that make it beneficial for all types of businesses. For instance, Instagram develops new filters and features by the hour which gives businesses' the opportunity to interact with their followers and target audiences in a new way every day. While Facebook has something called Facebook Groups which are online communities with similar interests who interact together. These Facebook Groups benefit businesses because it creates a community for them and enables direct interaction with the customer since these groups give the consumer the chance to communicate with the business. Meaning, this is a perfect way to get feedback and create a more personal relationship with your customers.

The next suggestion that we recommend is opting for a budget-friendly strategy. According to our survey, the majority of our respondents wrote that they didn't have the sufficient funding to go all out on digital marketing, but still wanted to achieve their online marketing goals. Our recommendation is to focus on making organic content, such as creating Instagram reels since they have the highest engagement rate or continuously keeping up with new trends and using the new hashtags that are being created daily. These are cost friendly content that can cost little to no money, but still be very effective if created correctly. Additionally we recommend to use low cost paid promotions that have a specific target audience rather than trying to reach multiple audiences. With this strategy, you would focus on the target audience that benefits you the most. This gets rid of the risk of getting low engagement due to focusing on new audiences.

Another recommendation that we suggest is using a tailored strategy based on what works best for your business. For example, in our survey we had over 30 businesses and over 15 different industries respond. Each business has a different target audience and will need its own unique way to decide what content to post. Due to this we offer industry-tailored strategies for all businesses. For instance, Instagram and Facebook are ideal for showcasing how a project looks before and after whether it is through photos or a video, making it the ideal content to post if one were a construction or remodeling business which some of our respondents were. Additionally, Facebook is known to benefit businesses in the E-commerce and retail industries since the majority of its users are mainly millennials, who have been statistically proven to shop the most online. Meaning, this makes Facebook the ideal platform for a business in the E-commerce or retail industry.

Lastly, the last suggestion we recommend is to let us as a company educate you on how important and effective digital marketing can be to your business regardless whether it is big or small. Our survey findings indicate that half of the respondents expressed uncertainty about the amount of money they should spend on digital marketing monthly and the amount of leads they receive monthly. Due to this reason, we offer simple guides on templates that make it easy and convenient for businesses who have little to no experience with digital marketing. This way all you have to do is input your information onto the template and customize it as you wish. Another thing we offer are free consultations that could help you evolve your business not just in online presence but as a business general. This consultation will help your business understand how you should be specifically manipulating digital marketing platforms to your advantage.

Section	Contents	approximate page length +points possible
Title Page	Project title Names of all group members in alphabetical order Your group color	1 page 3 points
Table of Contents	List of all sections and the corresponding page numbers	1 page 2 points
Executive Summary	Present an overview of the entire project Focus on the research questions, conclusions, and recommendations Write this last!	1-2 pages 10 points
Introduction	Overview of the marketing problem/opportunity you confronted Your approach to the project Your research questions should end the section	2 pages 10 points
Literature Review	overview of all the articles you read and reported upon in stage 2; this should be in a table with the title of the paper, the journal, and the major findings	Embedded table 10 points
Research Questions	restate your research questions from stage 3 but elaborate on the reasons why these research questions are important to ask and find answers to	1 to 2 pages 10 points
Findings	present the statistical and/or textual responses to your research questions	3 to 5 pages 20 points
Discussion	what do your findings tell you about the problem you are addressing? Explain how marketing strategies/tactics/principles can be applied to solve the problem	3 to 5 pages 20 points
Recommendations	Create new knowledge that synthesizes your literature review and results from your primary research. Come up with new ideas that are specific to your research questions and relevant to those consumers you used as a sample in the study. What are some action steps that would help to create, change, or augment their current strategy based on the data you collected and principles you have applied?	3 to 5 page 15 points
Final paper		15-23 pages 100 points