

## PERCEPTIONS OF DIGITAL MARKETING TOOLS IN NEW MICRO-ENTERPRISES

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### **Abstract:**

Digitalization is continuously forming our daily lives and routines. It offers us not only new and fascinating opportunities as consumers but also creates possibilities that were previously perceived as unavailable to companies. Digital marketing as a new medium in various business contexts has received much attention among researchers and practitioners. However, little research has been conducted on digital marketing in new micro-enterprises. Furthermore, the influence of human perceptions concerning the adoption and the utilization of digital marketing tools is under-researched. This study aims to fill this gap by examining how digital marketing tools are perceived in new Finnish micro-enterprises.

In this case study, perceptions of digital marketing are presented, based on interviews with three representatives of new Finnish micro-enterprises. The results show that perceived benefits in cost efficiency, targeting, performance measurement and building relationships and company brand encourage new business enterprises to adopt and to utilize digital marketing. In contrast, the time-consuming nature of digital marketing activities and the creation of interesting and valuable content are perceived as challenging. These issues may lead to decreased digital marketing activity and the adoption of an abridged digital marketing tool set. Thus, to carry out digital marketing effectively, a marketing plan should be conducted, and the set of utilized digital marketing tools should be defined as manageable in terms of both time and knowledge resources.

*Keywords: new micro-enterprise, start-up, digital marketing, perceptions of digital marketing, Finland*

## 1. INTRODUCTION

Digitalization and technological development are continuously shaping our daily lives and routines. For example, 72% of 16–89-year-old people in Finland use the Internet multiple times a day (Statistics Finland, 2016). Thanks to technological development, it is also possible to use the Internet whenever and wherever we like. Considering the Internet's volume and influence in today's environment, it can be argued that independent of a company's size, age and product and/or service it is crucial to utilize the opportunities offered by digitalization and technological development. In the current business environment, seldom, if at all, can a successful and efficient marketing strategy be developed without accompanying any digital marketing tools with those perceived as traditional (Kalyanam & McIntyre, 2002). Digital marketing is becoming an increasingly important source of competitive advantage in both business-to-business (B2B) and business-to-consumer (B2C) markets (Leeflang, Verhoef, Dahlström, & Freundt, 2014).

The Internet as a global marketing and communication platform is at a new phase, characterized by information "pull" rather than "push", user-generated content, openness and sharing, collaboration, communities, social networking and interaction (Hamill, Tagg, Stevenson, & Vescovi, 2010). Although there are different definitions of digital marketing (see e.g., Armstrong, Adam, Denize, & Kotler, 2014, p. 413-414; Smith, 2007; Strauss & Frost, 2001), one key element is their emphasis on the significance of interaction. Interaction in turn influences a company's performance by increasing customers' attention, facilitating the development of stronger brand relationships and thereby enhancing satisfaction (Simmons, 2007). Digital marketing is about the best way to communicate with customers, how to meet their ever-changing needs and how to build sustainable relationships and loyalty (Wymbs, 2011). Thus, digital marketing is not only traditional marketing bolstered with digital ingredients but a completely new approach (Järvinen, Tollinen, Karjaluoto, & Jayawardhena, 2012).

Despite all the recognized potential benefits, previous research indicates that many small- and medium-sized enterprises do not utilize the full potential of digital marketing tools (Taiminen & Karjaluoto, 2015). Examining digital marketing, especially in the context of new micro-enterprises, is important since they significantly contribute to the overall economy. Small- and medium-sized enterprises, of which micro-enterprises comprise the majority, account for 99% of the businesses, provide 67% of the jobs and create 85% of all new jobs in Europe (European Union, 2016). In Finland, businesses with less than 10 employees account for 94.7% of the companies and 17.4% of the total turnover generated by these firms and provide 27.1% of all jobs (Statistics Finland, 2016). In this research, *a new micro-enterprise is defined as no more than five years old and an independent company that employs less than ten persons.*

## 2. DIGITAL MARKETING IN THE CONTEXT OF NEW MICRO-ENTERPRISES

Especially for small enterprises, digital marketing offers a chance to develop successful businesses by utilizing previously unavailable global resources and opportunities to communicate and conduct business with customers, both new and existing, in an integrated and easy way (Eid & El-Gohary, 2013). Additionally, previous research indicates that the utilization of digital marketing positively influences companies' marketing performance and effectiveness (Eid & El-Gohary, 2013; Taiminen & Karjaluoto, 2015) and can also benefit them by reducing costs and facilitating both internal and external communication (Chong & Pervan, 2007). Diverse efficiency also allows small companies with limited resources to stand out among larger firms in highly competitive markets, considerably diminishing the economies of scale and scope enjoyed by large corporations (Watson, Zinkhan, & Pitt, 2000).

Although digital marketing offers exciting opportunities for companies, it also introduces completely new challenges to be overcome. According to Leeflang and colleagues (2014, p. 2), the three most central challenges in digital marketing are (1) *the ability to generate and leverage deep customer insights*, (2) *managing brand health and reputation in a marketing environment where social media plays an important role* and (3) *assessing the effectiveness of digital marketing*.

The first of these three challenges refers to the opportunity for attaining competitive advantage through effective utilization of data. The three main characteristics of data – volume, velocity and variety (Laney, 2001) – make it very difficult, if at all possible, to process it manually. Especially for small companies, such as new micro-enterprises, whose resources are usually perceived as limited (Chong, Bian, & Zhang, 2016; Cronin-Gilmore, 2012; Medina, Ramírez, & Noriega, 2013; Street & Ann-Frances, 2007; Weinrauch, Mann, Robinson, & Pharr, 1991; Wymer & Regan, 2005), it can be challenging to acquire

the necessary tools and expertise to utilize big data. Regarding the second main challenge, social media is gaining an increasing amount of attention and influence in today's business (Atanassova & Clark, 2015; Kaplan & Haenlein, 2010). At the same time, social media is offering companies the possibility to build trust and reach broad audiences in a cost-efficient manner (Leeflang et al., 2014), as well as to stimulate and to measure the social dependencies among consumers (Xinlei, Chen, & Xiao, 2013). It can also be perceived as taking control of companies' brand reputation (Leeflang et al., 2014). Social media's influence and effectiveness pose a substantial challenge for companies; when they fail to engage customers, the latter can turn into value destroyers instead of value creators (Verhoef, Reinartz, & Krafft, 2010). The assessment of digital marketing effectiveness as the third main challenge (Leeflang et al., 2014) refers to the difficulties in translating the online measures into financial outcomes and pointing out the real impact of digital marketing activities on companies' performance (Chong et al., 2016; Leeflang et al., 2014). The factors leading to these kinds of perceptions include the personnel's low analytical skills (Leeflang et al., 2014), differences between traditional and digital marketing's cost structures (Abou Nabout, Skiera, Stepanchuk, & Gerstmeier, 2012; Alford & Page, 2015) and the large and increasing number of different metrics (Leeflang et al., 2014). These factors can be regarded as especially challenging for small companies with limited resources, particularly in terms of expertise and time (Carson, 1990; Gabrielli & Balboni, 2010; Taiminen & Karjaluo, 2015).

The characteristics that affect the adoption of digital marketing can be classified under three main categories, as follows: (1) firm-specific and owner–manager factors, (2) resource-related factors and (3) environmental factors (Karjaluo & Huhtamäki, 2010). The first category stands out because an owner usually exerts a strong influence on not only the company's actions and decision making but also the company as a whole (Fillis, Johansson, & Wagner, 2003). The owner's attitudes and motivations towards digital marketing and technological knowledge and skills are therefore viewed as the most important set of factors affecting the adoption of digital marketing (Chia-An & Chandra, 2012; Eid & El-Gohary, 2013; Fillis et al., 2003; Karjaluo & Huhtamäki, 2010; Sanders & Galloway, 2013). A strong sales orientation (Reijonen, 2010) and both incoherent and unpremeditated marketing activities can also be regarded as small enterprises' characteristics (Gilmore, Carson, & Grant, 2001; Hill, 2001).

Second, resource-related factors can be further divided into human, financial and technological capital (Taiminen & Karjaluo, 2015). Knowledge and time can be considered scarce resources in small businesses, thus complicating the adoption of new technologies (Carson, 1990; Gabrielli & Balboni, 2010; Taiminen & Karjaluo, 2015). Moreover, marketing as a whole is perceived as more difficult for small businesses due to their limited financial capital, time and expertise (Gilmore et al., 2001). Third, environmental factors refer to external features that companies cannot directly influence. External pressures, such as competition, the need to expand markets and the availability of outside support, have been identified as significant factors affecting the adoption of digital marketing (Taiminen & Karjaluo, 2015). However, the new micro-enterprises' small size and often less rigid and complex organizational structure can offer them competitive advantage since they possess the necessary flexibility for continued success (Hill, 2001).

## **2.1 Digital marketing tools with the most potential for new micro-enterprises**

Considering the identified opportunities and challenges of digital marketing and the characteristics of new micro-enterprises, assumption of the commonly utilized digital marketing tools for new micro-enterprises can be developed. The selection of these tools can be rationalized from a resource perspective – new micro-enterprises tend to have limited resources; thus, simple and user-friendly tools with relatively low starting investments can be considered the most appropriate options. This set of digital marketing tools includes a *corporate website*, *search engine optimization (SEO)* and *advertising (SEA)*, *banner advertising*, *e-mail*, *social media* and *mobile marketing*.

A *corporate website* is an important channel for providing information on a company and its products and services and can thus be regarded as the most central digital marketing tool (Hernández, Jiménez, & Martín, 2009; Miranda González & Bañegil Palacios, 2004; Taiminen & Karjaluo, 2015). A website can offer benefits by generating sales, enhancing customer service and communication efficiency and strengthening a brand (Taiminen & Karjaluo, 2015). However, creating a high-quality website requires resources and special expertise, which can be challenging for small companies to acquire (Lawson, Alcock, Cooper, & Burgess, 2003). Closely related to the website are *SEO* and *SEA*, which play a crucial role in terms of online visibility (Taiminen & Karjaluo, 2015). The higher the website is ranked, the higher amount of attention it is likely to draw from consumers (McGaughey & Mason, 1998). Additionally,

preferable rankings in search engine result pages, and this way, SEO and SEA, can be viewed as affecting the creation of a company's brand image and brand recall (Dou, Lim, Su, Zhou, & Cui, 2010). Moreover, SEO and SEA are characterized by the results' measurability, relatively low utilization costs and ease of use (Taiminen & Karjaluoto, 2015).

*Banner advertising* is the most widely used form of online advertising, delivering information and creating an interactive channel between advertisers and consumers (Chi, Yeh, & Chiou, 2012). Banner advertising offers low costs in terms of both time and money, allowing it to be utilized in an agile manner (Chi et al., 2012), thus making it suitable for new micro-enterprises. Plenty of user-friendly services are also available for planning and executing banner advertising, lowering the barriers of adoption emerging from the limited expertise and knowledge available. Similar to banner advertising, *e-mail* is characterized by low costs and user friendliness as well (Eriksson, Hultman, & Naldi, 2008; Taiminen & Karjaluoto, 2015). It can be utilized in delivering information, advertising, and building and maintaining customer relationships (Simmons, 2007). However, its use also poses challenges; in case the communication is perceived as disturbing or unworthy, it might damage the company's image or even alienate customers (Wajtrakul & Drennan, 2005). Thus, the quality and the recipients' perceived value of its content play an important role in e-mail marketing.

*Social media* offers companies its benefits in terms of time, audiences and relationships (Kirtiř & Karahan, 2011), and it is perceived as performing a central role in current companies' marketing and business undertakings (Atanassova & Clark, 2015; Kirtiř & Karahan, 2011; Steinman & Hawkins, 2010). Furthermore, social media is considered relatively user friendly; thus, it is easier for small companies to adopt than other possibly more complicated and expensive collaborative technologies (Chui, Miller, & Roberts, 2009; Zeiller & Schauer, 2011). While social media offers great advantages, it can also be viewed as challenging. Contrary to the findings of Kirtiř and Karahan (2011), Moyle (2012) reports that social media can be challenging for small companies due to its time-consuming nature and required heavy workload. Additionally, as mentioned earlier, companies cannot control the conversations emerging from social media channels; thus, social media can be perceived as taking over companies' brands (Leeflang et al., 2014; Taiminen & Karjaluoto, 2015). Similar to social media, *mobile marketing* offers benefits through its broad reach, effective targeting and cost efficiency (Watson, McCarthy, & Rowley, 2013; Xu, Liao, & Li, 2008). Mobile marketing allows companies to reach potential customers individually and thus develop customer relationships (Xu et al., 2008). However, since mobile phones are highly personal devices, utilizing these as marketing channels can be regarded as irritating, intrusive and disturbing among consumers (Tsang, Shu-Chun, & Ting-Peng, 2004; Watson et al., 2013), negatively affecting customer attitudes towards companies and their products and services.

## 2.2 Theoretical framework

The theoretical framework (see Table 1) illustrates the adoption process of digital marketing and the new micro-enterprises' perceptions that affect it. The framework is developed based on the presented examination of reach literature sources, and divided into the following three main topics: (1) *recognizing the significance of digital marketing*, (2) *revealing the opportunities offered and the challenges posed by digital marketing from new micro-enterprises' perspective* and (3) *suggesting digital marketing tools with the most potential for new micro-enterprises*, based on the identified characteristics and perceptions about digital marketing and its tools, as well as new micro-enterprises.

**Table 1:** Theoretical framework (developed by authors)

<b>Recognition of the significance of digital marketing</b>			
Digitalization	Technological development	Changing routines of consumers	Environmental factors
<b>Opportunities and challenges of digital marketing in new micro-enterprise context</b>			
Resource related		Owner specific	Business related
Financial capital, Human capital, Time		Attitudes and motivations, Skills, Knowledge	Efficiency, Reach, Competitive advantage, Differentiation, Measurement
<b>Digital marketing tools with the most potential for new micro-enterprises</b>			
Website, SEO and SEA, Banner advertising, E-mail, Social media, Mobile marketing			

### 3. METHODOLOGY

This research's main objective is to provide a deeper understanding of how digital marketing and its tools are used and perceived in new micro-enterprises. Specifically, the perceptions about the possible opportunities and challenges that influence the adoption of digital marketing tools have been scrutinized. By focusing on new micro-enterprises, this research offers valuable insights and findings in a context perceived as under-researched.

A case study was conducted to reveal the perceptions prevailing in new micro-enterprises regarding digital marketing and its tools. A case study is an empirical inquiry that investigates a contemporary phenomenon in its real-life context (when the boundaries between the phenomenon and its context are not evident) and uses multiple sources of evidence (Yin, 1989, p. 23). The data was gathered from three theme interviews, which took place in 2016. All interviewees played a central role in their respective companies' decision making and actions. Two of the interviewees were founders of the new micro-enterprises they represented; thus, they likely had an excellent overall understanding of their own companies and corporate actions. As presented in the theoretical review, owner-managers seemed to wield significant influence on the adoption of new technologies for their companies' use, which rationalized the selection of founders as interviewees. The companies were chosen from both B2B and B2C markets, and their products and services differed from one another (Table 2).

**Table 2:** Case companies

Case company	Year established	Number of employees	Product/service
X	2014	4	Competitive tendering service
Y	2013	4	Business consulting
Z	2015	9	Health-and-wellness gadgets

The interviews were conducted by following the same structure, based on the theoretical framework, and the questions asked were mainly identical across the interviews. According to Saaranen-Kauppinen and Puusniikka (2006), in a theme interview, a conversation-like situation proceeds according to predefined themes by asking identical or almost identical questions. During the interviews, the conversation about each topic was comprehensive and provided a deeper understanding of it; this is regarded as one of the possibilities of a theme interview (Saaranen-Kauppinen & Puusniikka, 2006). The recorded interviews were then transcribed and summarized to accentuate the most central information from the research objectives' perspective (Koskinen, Alasuutari, & Peltonen, 2005, p. 232). This information was then reflected on in the larger context, in this case, the presented theoretical framework. The quotes presented in the results section are direct excerpts from the interviews. To protect the anonymity of the interviewees and their companies, the persons are referred to by their titles, and the three companies are called X, Y and Z, respectively.

### 4. RESULTS

#### 4.1 Perceptions of digital marketing in new micro-enterprises

The interviewed representatives of new micro-enterprises generally perceive digital marketing as constituting all the marketing activities performed through digital channels. When examining the new micro-enterprises' objectives for digital marketing, new customer acquisition, maintenance and development of customer relationships, and brand creation are the ones that stand out. These findings correspond to previous studies' perceptions about the possibilities of digital marketing and its tools in terms of building customer relationships (Kirtiř & Karahan, 2011; Martin & Matlay, 2003; Smith, 2007; Wymbs, 2011) and brands (Barwise & Strong, 2002; Christodoulides, 2009; Dou et al., 2010; Taiminen & Karjaluo, 2015), as well as the significance of sales orientation and new customer acquisition in new micro-enterprises (Reijonen, 2010; Taiminen & Karjaluo, 2015).

The results support previous research indications that digital marketing can offer benefits through cost efficiency (Chong & Pervan, 2007), efficient communication (Chong & Pervan, 2007; Eid & El-Gohary,

2013; Taiminen & Karjaluoto, 2015) and enhanced targeting (Watson et al., 2013; Wymbs, 2011; Xu et al., 2008). According to the interviewees, especially cost efficiency and accurate targeting can be regarded as beneficial. The paradigm of the existing dependency between online presence and reality (Taiminen & Karjaluoto, 2015) is perceived as true; thus, online visibility is considered highly important. Measuring the performance of digital marketing is also viewed as important and as an opportunity to seize; contrary to previous research findings, it is regarded as relatively easy to carry out as well.

The findings that digital marketing can be challenging for small businesses due to their limited resources (Chong et al., 2016; Cronin-Gilmore, 2012; Medina et al., 2013; Street & Ann-Frances, 2007; Weinrauch et al., 1991; Wymer & Regan, 2005) and lack of time and expertise (Carson, 1990; Gabrielli & Balboni, 2010; Taiminen & Karjaluoto, 2015) are supported by our results. Building deep customer relationships through digital channels and creating interesting content are also perceived as challenging. Corresponding with the perception that time is a scarce resource, generating and taking advantage of deep customer insights by analyzing and utilizing the data efficiently are considered challenging as well, supporting Leeflang and colleagues' (2014) findings. Again, contrary to previous research results, collecting customer data and evaluating the effectiveness of digital marketing activities are perceived as relatively manageable. This perception can be partly explained by the high level of automaticity and addressability that can be achieved through a variety of sophisticated and user-friendly systems.

The interviewees' statements support previous research findings about owner-managers' notable influence on the utilization of new technology (Chi-An & Chandra, 2012; Ritchie & Brindley, 2005; Sanders & Galloway, 2013), emphasizing the significant role of owner-managers' knowledge, skills and attitudes. The technologies and the tools with which owner-managers are comfortable tend to be adopted for their companies' use as well, whereas technologies that are perceived as complex or annoying will not be adopted, or at least, not in the first place. In addition to the owner-manager factors, the characteristics of a company's product and/or service seem to influence the adoption of digital marketing – marketing is performed in channels that are most suitable for presenting them.

Even when digital marketing has been the most natural marketing technique for all the interviewed company representatives, the possible challenges of utilizing digital marketing as the only marketing approach are well recognized. According to the interviewees, marketing purely through digital channels can be inefficient and even narrow-minded. Consumers' different attitudes towards traditional and digital marketing can determine whether or not the marketers' objectives, for example, in terms of trust and image building, will be achieved. Therefore, it can be argued that to avoid the pitfalls generated by consumer attitudes, it is important to combine both digital and traditional marketing channels.

Based on the data, any generalization of new micro-enterprises' activities with particular digital marketing tools cannot be presented due to their varying utilization. However, what all three new micro-enterprises share in common is that none of the interviewees feels that his or her company engages actively enough in digital marketing, especially in social media. This finding supports that of previous research, which indicates that despite the adoption of digital tools, such as social media, these are not actively utilized (Taiminen & Karjaluoto, 2015). The time-consuming nature of digital marketing has been recognized as the main reason for this.

#### **4.2 Commonly utilized digital marketing tools and perceptions associated with them**

All of the interviewed representatives of new micro-enterprises report utilizing their websites, e-mail and social media. However, Company Y does not use e-mail actively in marketing but as a tool to communicate both internally and externally. The SEO method is considered important in all three companies, but only Companies X and Z perceive it as a continuous process and actively apply it. Additionally, these two companies utilize SEA, which is not employed in Company Y. Banner advertising and mobile marketing are used only in Company X, but the latter one in an inactive manner.

The interviews confirm previous research indications of a website as the most central digital marketing tool and its potential in providing information (Hernández et al., 2009; Miranda González & Bañegil Palacios, 2004; Taiminen & Karjaluoto, 2015), generating sales, enhancing customer service and communication efficiency and strengthening a brand (Taiminen & Karjaluoto, 2015). A website can be regarded as not only a tool to generate new sales and deliver messages but also the home of a brand (Christodoulides, 2009), making it a crucial medium in the sense of the first impression projected by a company. However, the interviewees also claim that creating a high-quality website can be challenging

since it usually requires resources and special expertise. The interviewees also point out search engine visibility as one of the main challenges. The importance of SEO and SEA in achieving online visibility is thus well recognized. Especially, the ranking in search engines' result pages plays a crucial role because the higher the website is ranked, the higher amount of attention it is likely to draw from consumers (McGaughey & Mason, 1998). In this regard, the interviewees present the need to outperform competitors, the possible ineffectiveness of the performed activities and the required special expertise as challenges in SEO and SEA.

Our findings conflict with the perceptions about banner advertising's inexpensiveness in terms of time and money (e.g., Chi et al., 2012). According to the interviewees, banner advertising can be very challenging and time consuming, especially when including sound or video. The costs and the capabilities in targeting also tend to vary when considering different channels. Additionally, banner advertising is perceived as more suitable for the B2C market than the B2B market. Based on this study, building and further developing the brand is one of the greatest opportunities offered by banner advertising. However, the channel in which banner advertising is displayed plays a central role. Brand building through banner advertising in social media is not perceived as efficient as in the more challenging and respected channels, such as well-known online magazines and newspapers. Moreover, the interviewees are concerned about the possibility of their advertisements being shown on websites that include inappropriate content, allowing consumers to form unfavourable associations regarding their companies.

As presented in previous research, e-mail is widely and actively utilized and is perceived as one of the most important digital marketing tools (Eriksson et al., 2008; Taiminen & Karjaluoto, 2015). The present study also supports Taiminen and Karjaluoto's (2015) findings about e-mail being one of the most essential tools to facilitate communication between a company and its customers. The interviewees also express concern about potential undesirable outcomes, identified by Watjatrakul and Drennan (2005) as challenges for e-mail marketing. However, from the marketing perspective, the data does not provide unanimously interpretable results; while Company X utilizes e-mail in its marketing activities, in Company Y, e-mail marketing is not perceived as suitable for active use, mostly due to the owner-manager's attitudes.

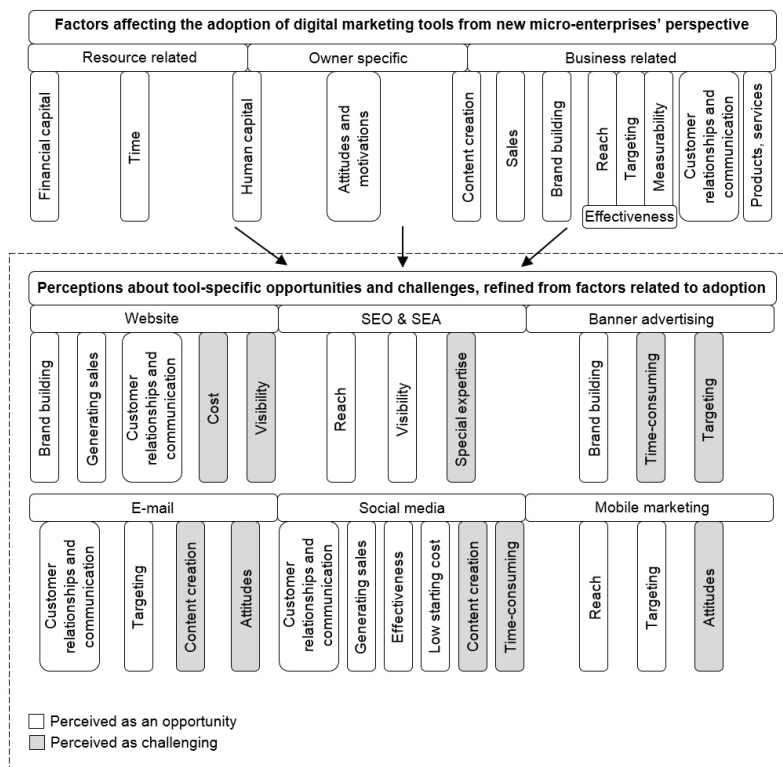
Social media plays a significant role in companies' marketing and business endeavours (Atanassova & Clark, 2015; Kirtiş & Karahan, 2011; Steinman & Hawkins, 2010). Social media offers companies benefits in terms of time, audiences, relationships and costs (Kirtiş & Karahan, 2011). Despite the recognized potential advantages and opportunities that social media can offer, its utilization, especially in an active manner, is currently at a low level in small Finnish companies (Taiminen & Karjaluoto, 2015). The data supports these observations reported in previous research; all of the interviewed representatives of new micro-enterprises utilize social media but according to them, not actively enough. Most of the potential benefits presented by Kirtiş and Karahan (2011) are also well recognized in the interviewed companies and cited as reasons for engaging in social media. However, contrary to previous research (Kirtiş & Karahan, 2011), utilizing social media is perceived as costly, especially in terms of time. The observations about the time-consuming nature of social media support the findings of Moyle (2012), who points out that the workload caused by using social media is deemed challenging in small companies. Similar to the case of most of the other digital marketing tools, creating interesting and valuable content is considered challenging as well.

The last of the digital marketing tools scrutinized in this study, mobile marketing, is utilized only in Company X although its use is described as quite inactive. The findings support the potential benefits in terms of reach and efficient targeting as presented in previous research (see e.g., Watson et al., 2013; Xu et al., 2008). Previous research claims that consumers might perceive mobile marketing as annoying, intruding and disturbing (Tsang et al., 2004; Watson et al., 2013) are also expressed by the interviewees. Furthermore, because these undesirable outcomes have been recognized in new micro-enterprises, the approach to mobile marketing is extremely careful, causing it to be scarcely utilized. Contrary to previous research results (Xu et al., 2008), our findings do not unambiguously support cost efficiency. One of the interviewees points out that even if the short message service (SMS) cost was low, it would be relatively expensive when compared to other tools, such as e-mail.

Figure 1 illustrates the prevailing perceptions about digital marketing and its tools in new micro-enterprises. Differing from the theoretical framework, this model does not include general factors, such

as digitalization and technological development, since they are irrelevant to our study's interests at this stage.

**Figure 1:** Perceptions of digital marketing in new micro-enterprises (developed by authors)



## 5. CONCLUSION

Our findings are similar to those of previous research regarding the owner–manager's significant role in the adoption of digital marketing (see e.g., Chia-An & Chandra, 2012; Fillis et al., 2003; Ritchie & Brindley, 2005; Sanders & Galloway, 2013; Taiminen & Karjaluoto, 2015). The owner–manager's technological skills, knowledge, and attitudes and motivations towards digital marketing and its tools can be considered determinants of whether or not to adopt digital marketing tools. The research also indicates that the adoption of digital marketing depends on a company's products and services, their characteristics and nature, which have not been paid attention in previous research. Furthermore, it could be argued that there might be a connection between new technologies' and digital marketing tools' roles in an owner–manager's life cycle and readiness to adopt these technologies. The technologies that the owner–manager has grown with and is familiar with are perceived as more attractive to adopt than those that are deemed either new or old.

Cost efficiency, targeting, and performance measurement and tracking are considered the most central opportunities in digital marketing, whereas the time-consuming nature and creation of content are regarded as challenging. None of the interviewed representatives of new micro-enterprises has expressed complete satisfaction in terms of active engagement in digital marketing, especially when considering social media. This can be explained by the scarcity of available time, forcing new micro-enterprises either to be less active in digital marketing or to utilize a more abridged set of tools. Based on the results, the website, e-mail, social media and SEO are commonly utilized in new micro-enterprises, whereas banner advertising, SEA and mobile marketing are employed in a rather inactive manner. Additionally, the new micro-enterprises strive to use blogs, which have not been included as representing a type of digital marketing tool in this study. All of the included tools are perceived as offering varying sets of opportunities and challenges, as presented in Figure 1.

To be efficient in digital marketing, it can be argued that planning should be included. Activities should be performed according to the plan to ensure their coherence and to give guidance for content creation. Furthermore, knowing the upcoming topics allows the content to be created continuously and in



advance, easing the time-related challenges. Second, the set of utilized digital marketing tools should be defined as manageable in terms of both time and knowledge resources. Although the results indicate that a company should be simultaneously present in various channels, especially from the brand-building perspective, the range of the tool set should be considered. Focusing on an abridged set of tools and being able to capture the benefits of the tools included will likely be more advantageous for a company than scarcely utilizing various tools and failing to capture their full potential.

When interpreting this study's findings, certain key limitations should be considered. First, the results are limited by the research context, as is the situation with any case study. Second, the data has been gathered from one region (Northern Finland); therefore, the results might not have a broader application. Third, the sampling includes only three new micro-enterprises, making it questionable whether the findings represent the whole group. Thus, further research could use a larger sample of new micro-enterprises. The question of whether the adoption of digital marketing depends on a company's products and services should also be further investigated. Different kinds of products and services, and industries should be taken into consideration to reveal the possible differences in companies' approaches to digital marketing, for example, in terms of utilized tool sets. Moreover, it can be assumed that perceptions about digital marketing vary among companies serving different markets; as found in this study, digital marketing is perceived to perform differently, depending on whether it is utilized in a B2B or a B2C market. It would also be interesting to examine whether the perceptions prevailing in new micro-enterprises are realistic and in line with the actual performance outcomes of digital marketing tools. Thus, measuring and evaluating the performance of digital marketing tools and comparing the results with the prevailing perceptions in a company-specific context would point out possible conformities and contradictions. When recognized, these findings would offer companies valuable insights and guidance to support their decision making regarding the adoption of digital marketing.

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