

How small businesses can benefit from online marketing.

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Abstract

This project looks into how small businesses can use online marketing technologies to promote themselves through the internet. The research felt that many small businesses could benefit from using online marketing, but do not understand the different methods available. This project focuses on the use of a traditional website, social media and mobile internet.

As part of this project a questionnaire was distributed, from which 42 small businesses within the UK gave their opinions and experiences of online marketing. This questionnaire found the current adoption rates of a website, use of social media and mobile internet technologies. 4 case studies were run with small businesses to test online marketing methods within the three areas of focus.

This research found that online marketing can be used to successfully promote small businesses. It found that small businesses show a greater confidence to and use of traditional marketing methods and therefore they showed a greater benefit to the business. This research shows that the usage of social media has overtaken that of a business website, but that mobile internet is not currently an effective marketing medium due to a lack of consumer awareness over how to use it.

This project has been used to create an online marketing guide which can be distributed to small businesses to help build their confidence in online marketing.

1 Introduction

1.1 Background and motivation

The researcher has previously worked for an online marketing firm and currently undertakes freelance online marketing work for eight small businesses. From this professional experience the researcher has noted that many small businesses are not confident when it comes to promoting their business through online marketing. In addition to this many are unaware of the different types of online marketing that are available, the potential benefits, drawbacks and knowledge of how they could be implemented into their marketing strategy.

The researcher would like to find out what problems and concerns small businesses have in relation to marketing their business online. He is interested to find out what methods small businesses currently use, both online and offline, and the success rates of these. The researcher is interested in helping more small businesses experience the benefits of promoting themselves through online marketing.

1.2 Aims

The aim of this project is gain insight into how small businesses can benefit from online marketing. This project will look into the current usage of online marketing compared to traditional methods. It will find out what benefits and problems small businesses find or associate with marketing their business online.

This project will have three main areas of focus. These are the use of a traditional website, social networking websites and mobile internet, with some comparison against non-web based methods.

1.3 Methods

This project will have two sections. Initially research will be conducted into the benefits and problems experienced by small businesses while conducting online marketing. This research will be look at the widespread use of online marketing by small businesses within the United Kingdom.

Secondly, this research will investigate the direct use of online marketing methods within four small businesses. This investigation will focus on the use of methods within the three areas of focus. This section will look at introducing and tracking new online marketing methods. It will also track any existing online marketing within these categories.

The researcher and business will determine how to implement online marketing methods within the three areas and how to track the success of them. The researcher will look into existing research in how to run marketing campaigns within these areas and develop specifications from this.

Once these new online marketing methods have been implemented they will be tracked for a period of four weeks to determine how successful and beneficial to the business they have been. During this period contact will be maintained with the businesses to look for improvements to the online marketing strategies and to gain a knowledge of the day-to-day impact of these methods.

Once the tracking period ends the data will be analysed along with discussing with the business the problems they faced, the benefits noticed and any advice they would share with other small businesses looking at implementing similar methods.

1.4 Ricks and open Issues

This project has a number of potential risks, especially as it requires input and involvement from real small businesses. The following risks and open issues have been identified and possible solutions to them are outlined.

1.4.1 Lack of business support

Throughout this project it is vital to gain support from small businesses. Without this support then it will not be possible to undertake this project.

Should the project not get support from small businesses then through the research stages existing academic research will need to be analysed and used.

For the business case studies, a fictional business could be created to test different online marketing methods. This approach is not uncommon when testing the viability for a new online business (Graham 2010).

The researcher runs a number of affiliate websites which create an income through commission based sales. Should there be a lack of small business support, then different online marketing methods could be trialled to promote these websites.

1.4.2 Online marketing does not work

The research may discover that online marketing is unsuccessful for small businesses, or particular types of small business. If this is discovered then the online marketing guide which is meant to encourage small businesses online, will instead be used to warn and advise of the difficulties.

1.4.3 Illness

The illness of the researcher or project supervisor could cause delays to the project. Should the project supervisor become unavailable then a replacement will be required.

1.5 Deliverables

The research from this project will be available to small businesses in the form of a short online marketing guide. This guide will help build confidence in small businesses, so that they can take their marketing efforts online.

In addition to this a report of up to 75 pages which documents the research will be produced. A poster will be used to summarise the report for assessment purposes.

1.6 Work Plan

The following tasks need to be completed for this project.

- Literature review
- Questionnaire preparation

- Implement questionnaires
- Analysis of questionnaires
- Plan social networking, traditional website and mobile internet case studies
- Run four experiments
- Analyse experiments
- Analyse all findings and write up results
- Create online marketing guide and poster

1.7 Gantt Chart

A Gantt chart was used to document the work schedule of this project. (Appendix A)

2 Literature Review

2.1 Introduction

This project is looking into how online marketing can be successfully used by small businesses. For the purposes of this project the definition of small business is that of the UK Government's. This is businesses of 50 or fewer employees. From this group the segment of businesses with 10 or fewer employees can also be known as micro businesses (HMRC 2003). This includes sole traders, partnerships and limited liability companies.

2.2 What is marketing?

Marketing is the process of managing profitable customer relationships (Armstrong and Kotler 2010). Marketing is said to have two primary roles, attracting new customers and retaining existing customers. Marketing is not simply the process of advertising and selling a product. Instead, marketing is the process of making selling redundant (Kotler et al. 2008). This means that a product or service is developed for which there is a need or want and therefore does not require an extensive selling process.

Therefore marketing is the process of showing how a product or service can help best meet a particular need of a consumer.

2.3 What is online marketing?

Online marketing is known under a number of other names, including e-marketing and internet marketing (Charlesworth 2009). While some academics give slightly different meanings to the term online marketing, for this project the following will be used.

"Online marketing is the process of using internet based technologies to enhance marketing strategies which both attract and retain customers" (Chaffey 2006).

2.4 Research Stage

Recent research by the Office of National Statistics (ONS 2008) has discovered that only 73.7% of small businesses have a website, compared to between 90 and 99.1% of medium and large businesses. However, as this research was only carried out on small businesses with 10 to 49 employees, it therefore ignores website adoption among the majority of micro business segment (1 - 10 employees). As micro businesses account for approximately 82% of all businesses of the UK it is a large proportion to exclude (ONS 2010).

Due to the significantly reduced proportion of small businesses promoting their business online it is important to determine why. To do this research will need to be conducted to find out the reasons behind this. Two frequent ways that past studies have done this is through the use of questionnaires or interviewing small businesses.

2.4.1 Questionnaires

From a study into Bed and Breakfasts and Small Inns in Canada and the United States, Lituchy and Rail (2000) looked into business' opinions of the internet. The research was based on a number of quantitative questions about if the business used the internet and about their use of the internet, as well as qualitative questions on what advantages and disadvantages the businesses associated with the internet.

One of the drawbacks of this research is that it asks questions on the business' use of a website. However, around 10% of those surveyed did not have a website but the study does not look into the reasons behind this. Had the research expanded into this area then it may have found what some of the possible barriers to entry are.

Some of the questions used in Lituchy and Rail's (2000) research are not compatible with this project. This is due to them focusing on the bed and breakfast and small inn industry, rather than a non-sector specific look at small businesses. This has resulted in some questions only being suitable for businesses within this sector.

Lituchy and Rail's (2000) main findings were that businesses liked how the internet was more cost effective than traditional marketing methods, but they were concerned with the loss of personal contact. Respondents also complained about technical difficulties, both with maintaining their website and also in having their website found by prospective customers.

The questionnaire used a mix of closed questions with open questions. The closed questions used a 7 point Likert scale to determine the use of the internet. This seems appropriate for the questions asked, rather than a standard 5 point scale or a higher scale. This is because it allows for greater differentiation amongst only moderately different answers to the questions. The questions follow a never to very often scale, rather than a strongly disagree to strongly agree scale which may be better suited to a 5 point scale. If a 5 point scale had been used instead, the results may not have shown smaller differences in use of different internet applications and marketing methods. By allowing the respondent more freedom in where they position their answer, the results can show a statistically significant difference (Dawes 2008).

From the open questions the results have been analysed and coded into numerical data for easier interpretation of the results (Seidel 1998). This method may be influenced and the results biased

by the researcher's opinions or interpretations of the answers. If different respondents had expressed similar answers to a question they may have grouped them together, where as another researcher may have considered them significantly different. The researchers have included some quotations from the answers received, but turning this information into statistical data does add an element of subjectivity. As this was an exploratory study it was an appropriate way of analysing the results, as it allows the respondent to offer more unusual views or views that the researchers may not have predicted. For a field as large as online marketing it would not be possible to have a predefined list of every answer a respondent may wish to give.

The questionnaire used was adapted from an earlier study by McCue (1998). McCue's (McCue et al. 1998) study ran experiments with 15 small businesses to help them set up a website and then they monitored the websites' success, as well as the opinions of the business during the process. These experiments found that businesses encountered a number of problems, including not having enough time to update their website, technical issues and a lack of visitors. All of these experiments were determined to be successful, but not as successful as the participants had initially assumed. Both studies have determined similar outcomes to the use of a website and the internet for businesses. As Litchy and Rail's (2000) work was based upon McCue's study (1998), there may be a shared bias which creates this outcome. However from looking at the questions it does not seem like this would be the case. This is because the questions are not weighted or leading.

Both of these pieces of research were carried out in the North American continent, however the methods used are culturally compatible. If these studies had been conducted within an Eastern culture, then differences in social interaction and how business is conducted may have made them inappropriate case studies.

These two pieces of research should be adapted for this project. As McCue's (1998) research was non-sector specific yet shares similar results to the Lituchy and Rails research (2000) it seems appropriate that both can be adapted for this project. As both of these research projects were carried out before the introduction of social networking websites and mobile internet, the studies will need to be adapted for these sections. By using a similar framework to these studies it will be possible to see how the use of a traditional website has evolved, as well as what concerns small businesses have with adopting and using newer online marketing technologies.

2.4.2 Interviews

An alternative method to using questionnaires is to interview a number of small businesses as part of a case study. This method was utilised by Poon and Swatman (1999) when looking into internet commerce issues of small businesses. This research determined some problems with researching into this area. It was not possible to back up the opinions of internet commerce issues due to the majority of the businesses interviewed not being willing to supply financial information. Along with this there was a bias in the information supplied as it was only from firms who were happy to speak about their internet use. Due to these problems the results of the research were compared to previous studies with any abnormalities being investigated.

The interviews were processed by the researchers who looked for patterns in the responses and de-

terminated themes for these. This was the same method that Lituchy and Rail (2000) chose. To ensure that no bias occurs while processing the results a framework for analysing qualitative data will be used for this project.

Poon and Swatman's (1999) study showed that the businesses within the micro category were more likely to have implemented their internet activities themselves, rather than using an outside expert. This was primarily due to the financial cost of seeking outside help. It would have been interesting to determine the success rates of internet use with businesses who developed their own systems, rather than using an outsourced contractor.

2.5 Online marketing experiments

To test theories behind online marketing by small businesses, this project is going to be running experiments with four small businesses. As shown from a number of research projects, including McCue (1998) and Poon and Swatman (1999). The advantage of this is that theories can be applied and tested in the real world, rather than having to make assumptions about how internet technologies could be used without any understanding of the business and consumer environment.

Poon and Swatman (1999) looked into the use of the internet for small businesses in Australia. The study claims that the sample was deliberately chosen from a variety of business sectors, however they have a table of the 23 businesses used and 7 are directly involved in IT, with others that come from technical backgrounds (such as an electronic engineer). It could therefore be assumed that these businesses will have a greater understanding of how to use the internet and therefore would show more advance applications of the internet. Along with this, these businesses may be inherently biased and not wish to share of any unsuccessful applications of technology in fear of damaging their reputation. While using IT businesses as part of the study is not necessarily a disadvantage, the study should mention how this might have influenced the results, which this study has overlooked.

This study has three criteria when selecting small businesses. They must be defined as a small business under Australian law. As this is a study of Australian businesses this is sensible. The businesses must also have a positive view of internet use. While this could be an advantage as it helps stop businesses with biased, sabotaging opinions of the internet from influencing the results, it could also cause the study to completely overlook some major disadvantages of the internet, or problems that the respondents associated with using the internet. Finally the study requires that the businesses are in a range of geographic locations. As with the business sample information provided showing a high proportion of IT businesses, these tables do not show the geographic locations of the businesses, and therefore it is not possible to determine if this criteria has been met correctly.

Choosing a range of businesses from different geographic locations and business sectors is important when looking at the needs of small businesses as a whole. For this project it may not be feasible to do this, so it will be important to explain how differences in geographic location and any relevant technical knowledge held by the business may influence the results. For instance, an IT business may have more success when implementing new technologies than a non-IT business. In a similar way businesses in built up cities may find the application of certain internet technologies more beneficial than those in rural areas.

2.6 Traditional website

For this study the following definition is being applied to the term traditional website. The traditional website is used to provide "information to stimulate purchase and build relationships" (Chaffey 2006) and that the website is being used to "generating enquires or leads from potential customers" (Chaffey 2006). For this study a traditional website can be used to encourage offline sales as well as providing the ability to make purchases through the website (Chaffey 2006). This study will focus on marketing websites which aim to influence the consumer into making a sale or completing a marketing goal rather than a corporate website which is set up to provide information about a company rather than generate sales (Kotler et al. 2008).

For this research McCue's study (1998) will be developed. For this study they set up websites for 15 businesses and studied them for two years. By recruiting this number of businesses it allowed for them to get a good overview of how setting up a website benefited the business, along with any negative aspects or problems faced. It also allowed for greater comparison and the ability to see if the benefits and problems faced were universal or unique to one business. Running the experiments for two years gave time for the business' new websites to become established. Running experiments with this number of firms for this time period is not feasible for this project. Therefore for the traditional website experiments it is important to choose businesses who already have a website which has been running for a length of time to allow it to become listed in search engines. Due to the time restrictions it will therefore be important to discuss how limiting the experiment's time length may have influenced results and reduced the possibility of problems that do not appear until a later stage.

McCue's study (1998) found that the businesses thought their websites would be more beneficial than they were. The reason for this could be that the experiments were run during the dot com boom and therefore there would have been a lot of hype about the benefits of the internet. The experiments did however show that having a website was beneficial and an appropriate use of marketing funds and time.

Another reason for the businesses believing that a website would be more beneficial could also have been due to a lack of established criteria to test performance of marketing on the web (Hoffman and Novak 1996). It will therefore be important to make the expectations of the experiments run through this project realistic, while allowing for the area of marketing to be a sensible choice for small businesses.

2.7 Online social networking

Online social networking, or social media, is a relatively new addition to the internet, with social networking websites like Facebook only launching in 2004 (Phillips 2007), YouTube in 2005 (YouTube 2010) and Twitter in 2006 (Arrington 2006). Due to this is it not an area which has been subject to serious academic research (Harris and Rae 2009). Online social networking is "where people with a common interest can gather to share thoughts, commons and opinions" (Weber 2009) and where businesses can try to create "sustained engagement with the consumer" (Harris and Rae 2009).

Online social networking has been successful for a number of large organisations, such as BMW's Mini division (Weber 2009) and The Royal British Legion (Harris and Rae 2009). However, the use of online social networking "may be easier and more effective for a relatively small or medium-size company to take maximum advantage" (Weber 2009). This could be due to the ability of small business

to be able to make quicker decisions to adopt the technology, without having to go through a number of slow processes before using it. However, as previous research into the internet has shown, small businesses may lack time, financial or the technical experience to use these technologies (Lituchy and Rail 2000). Using online social networking as part of a business' marketing mix is important. This is due to their influence on a younger audience and an increasing uptake by the older community. Therefore if marketers do not adopt these new technologies they may miss a group of developing consumers.

With online social networking the business cannot control the message. Therefore critics to a brand can damage a business' reputation. However, a recent case study with car manufacturer, General Motors, shows that by reaching out to a business' critics and tailoring experiences to change their opinion can turn the critics into highly influential brand followers (Li 2007). Within the UK research has shown that consumers are influenced by the opinions of others on online social networking websites and have made a purchase because of other people's view (Harris and Rae 2009). Therefore it could be an important area for small businesses to adopt.

A criticism of a lot of the existing research into online social networking is that there has been a lack of quantitative figures to analyse the benefits of them (Harris and Rae 2009). Therefore when running experiments on online social networking it will be important to be able to assign quantitative figures to their benefit.

2.8 Mobile internet

Mobile internet is "is a combination of the Internet with mobile devices" (Kim et al. 2002). The development of mobile internet has been around since the launch of a high speed mobile internet network, 3G in around 2004 (BBC 2004) however it was predominately being described as an unsuccessful medium. It was not until the 2007 launch of the Apple iPhone and later release of the Google Android operating system that the medium started to increase in use (Charlesworth 2009). Recent statistics show that 71 million Europeans spend an hour a day accessing the internet through a mobile device (Murphy 2010).

Due to a lack of academic research into the use of mobile internet for marketing (Bauer et al. 2005), it will be important to use some less reliable resources for this section, such as news articles and other resources. A lot of the current uses of mobile internet are at an experimental stage, with the full benefits not currently being publicly quantified.

It is clear from the literature available that academics are unsure of how mobile internet is being used and what advances will be made in this area. This is due to the very recent, sudden growth of mobile internet. Charlesworth (2009) suggests that possible uses for mobile internet will be in proximity marketing. This is where when mobile phone users are within a certain distance of a particular business they will be sent a relevant piece of marketing, such as a discount voucher. While currently this use has not been adopted in the UK, a recent Facebook conference shows how they will be implementing this strategy (Shiels 2010). During this conference Facebook gave examples of how the technology had been successfully been implemented with a number of large businesses in tests, but that it would also allow for small businesses to implement proximity marketing campaigns as well. The use of proximity marketing has been described by academics as a potentially revolutionary application of mobile internet

(Bauer et al. 2005).

The Facebook conference does highlight how online social networking tools and mobile internet are being used together to create new marketing opportunities. There a number of other technologies which can help link mobile internet users with websites.

The use of QR Codes (quick response codes) is growing in the publicity of products and services offered by large organisations. QR codes allow smart phones to take a photo of a 2D bar code which will then redirect the user to a web page (Warner 2010). This reduces the lengthy process of having to manually enter a long web address into a mobile phone. QR codes can be used to run other functions, such as creating email templates, storing a contact for a mobile phone book and so forth.

Supermarket chain Tesco has recently used QR codes in conjunction with the launch of a new computer game. They have allowed for the results to be published online and it shows that the QR code was used over 4000 times in anticipation of the launch of the new computer game (Tesco 2010). While this use does not show how the use of QR codes benefited the advertising campaign, it does show that, to some degree, they were used by consumers.

While Tesco used QR codes to promote a computing related product, firms like Pepsi and Coca Cola are also using them (Warner 2010). This should show that these can be used without the end users being solely from a technical background.



Figure 1: An implementation of a QR code to promote the release of a Family Guy DVD box set

While the use of QR codes is new to the UK, they have successfully been used in Japan for over the past decade (Weir 2010). QR codes were developed by Japanese car manufacturer, Toyota, in 1994 (Weir 2010). Their adoption by Japanese consumers has become so prevalent that they are even being used on tombstones to offer mourners additional information about the person who is buried there

(Morley and Parker 2010). Weir (2010) acknowledges that it took time and education for Japanese consumers to become accustomed to using QR codes, and so it is important to note that they may be of limited benefit until British consumers become so too.

QR codes can be used to allow quick access to a website. For full benefit this website should be mobile phone friendly (Shrestha 2007). These are websites which are optimised for use on mobile phones.

Mobile marketing is very much in its infancy and as many consumers have lacked the chance to experience it there has been minimal commercial use (Bauer et al. 2005). Bauer (2005) proposes a theoretical framework of mobile marketing acceptance by consumers. Consumers will need to perceive a benefit from receiving mobile marketing messages. This model explains one of the risks at this early stage is that due to a lack of experience of mobile marketing by consumers, they associate it with a high risk activity and therefore try to reduce this risk by avoiding it or avoiding mobile marketing messages.

2.9 Conclusion

This literature review has found that use of online social networking and mobile internet are very new areas for academic research. Therefore modifying a successful framework for testing the success of a traditional website will be important.

With these newer methods the benefits should be expected to be lower with the possibility of future research showing greater adoption and therefore a greater level of commercial viability for the small business sector.

3 Research methods

This project is an information system projects as it looks at the role of "humans and social behaviour" (Galliers 1994). A research approach is a method in which an information systems project can be studied. Galliers (1994) identifies that there are a number of research methods which can be used for an information systems project, such as experiments, case studies and surveys. There is no perfect way to study an information systems project, but the researcher decided that the methods outlined within this section were most appropriate.

3.0.1 Quantitative

There are two ways in which information can be presented, the first is in a quantitative form. This is where data is in a numerical form and allows for mathematical operations to be completed (Singh 2007). It does not include the translation of variables into numbers, Singh (Singh 2007) uses the example of representing gender as 1 and 2 for male and female. This is a form of qualitative data.

3.0.2 Qualitative

There are two forms of qualitative data which are metric or non-metric. Non-metric is where data has a defined number of options for which it can be, such as gender, where-as metric data allows for a greater number of variables, such as job title (Singh 2007).

For an information systems project a combination of both data types will be used. Quantitative data will be more prevalent with the business case studies when collecting information on how many visitors access a businesses website. Qualitative data will be more frequent, as this project is looking at gaining an insight of the opinions of small businesses in relation to online marketing.

3.1 Research into small businesses use of online marketing

In the late 1990s McCue (1998) and Litchuy and Rail (2000) studied the use of online marketing within North American businesses. The focus on their investigations was the use of websites. Since then, a number of newer online marketing technologies have been developed. It was of interest to see if the benefits and problems faced by the small businesses over a decade ago are still being faced today. It was also of interest to update these studies to include social media and mobile internet.

To investigate the usage of online marketing by small businesses in the UK an investigation was carried out.

3.1.1 Research methods

There were a number of different research methods which could have been used to investigate this. As this investigation is a form of social research, which "aims to find patterns of regularity in social life" (Babbie 2010) the following social research methods could have be used.

3.1.2 Questionnaires

There are three ways in which questionnaires can be conducted. These are postal questionnaires, internet based questionnaires and face-to-face clip board questionnaires (Denscombe 2007).

Denscombe (Denscombe 2007) identifies that the use of questionnaires is most beneficial when:

- Distributed to respondents in a variety of locations.
- Where information needed to be collected is simple.
- When people are prepared to answer honestly on the subject.
- The questions are universally understandable without further explanation.
- When data collected needs to be standardised.

Denscombe (2007) suggests that internet based questionnaires might be the easiest to distribute, as projects using postal questionnaires will need to factor in the additional time taken to print, distribute and collect them. When conducting face-to-face questionnaires the manner in which they are conducted must be considered, so that the data collector does not influence the way in which the respondent would answer.

In addition to these advantages, Denscombe (2007) warns that it is important for the researcher to be clear if the information they gather is based upon facts, the respondent's opinions or a combination of the two.

One disadvantage of questionnaires is that it can be hard to develop respondent's answers and an interview is more appropriate if this is required Walliman (2006).

3.1.3 Interviews

There are three types of interviews which are structured, semi structured and unstructured (Walliman 2006). In a similar style to a questionnaire, a structured interview could be used. These use a predetermined list of fixed questions which the interviewer will ask, without going off topic.

A semi-structured interview can offer more flexibility due to allowing the interviewer to use the predetermined questions as a guide. This means that the interviewer can encourage the respondent to expand their answers so that a greater amount of information can be obtained.

The final option is for an unstructured interview. The interviewer will generally have a question guide, or themes to discuss, but will give the respondent a greater opportunity to decide what questions they wish to answer.

During interviews it is important for the interviewer to adequately document the process. This can be done through transcribing an audio recording or through taking comprehensive notes during the interview.

Interviews can be carried out in person or through a telephone. Face-to-face interviews are of most benefit due to the researcher being able to analyse more than just the spoken answers. This includes body language which might influence how an answer could be interpreted (Walliman 2006).

For this part of the research, due to the size of audience which is being explored, one-on-one interviews would have been too time-consuming. An alternative would have been the use of focus groups.

3.1.4 Focus groups

The use of focus groups allows for an interview to be conducted with a number of respondents at the same time. According to Walliman (2006) focus groups have a different dynamic to one-on-one interviews due to them encouraging group discussion. This means that the interviewer's job is to guide conversation and keep it on topic, rather than taking an active role in the discussions.

While focus groups may be more time-efficient than interviews during the data collection stages, it can be incredibly difficult to arrange a mutually convenient time for the researcher and all respondents.

3.1.5 Observations

The final method for collecting data for social research is the use of observations. Observations allow for the researcher to monitor what the participant does and take notes. O'Leary (2004) states that the main "disadvantage is how complicated it can be for researchers to work through the process of receiving, reflecting, recording and authenticating their observations".

For the project observations would have been unsuitable as the online marketing efforts of the business being observed may be outsourced and therefore observations would show up very little. Whereas the use of a questionnaire or interview would allow for respondents within the business to explain the types of online marketing that the business uses, even if they do not maintain it on a technical level.

3.1.6 Chosen method

For this section of the project an internet based questionnaire was chosen, due to the ability to efficiently and economically distribute the questionnaire throughout the UK.

It would not have been feasible to complete interviews or focus groups nationally as part of this project. This is because of the financial constraints of the researcher to travel throughout the country and time constraints in organising sessions.

The advantage of using questionnaires was the ability to directly compare results for identical questions. The questionnaire needed open questions which the researcher analysed to find potential themes. This method was used by Lituchy and Rail (2000) in their questionnaire as it would not have been possible for the researchers to have identified every possible answer for certain questions, such as the advantages and disadvantages a participant has faced having a website. Having the data in this form allowed for an easier comparison as most respondents gave their open answers in short lists. While the use of interviews may have led to more developed answers, they would also have been harder to analyse due to the additional time in correlating and justifying any themes which were found.

To analyse qualitative data, Seidel's (1998) qualitative data analysis method (QDA) was used. This method has three stages.

- Noticing: Initially the researcher takes notes on what they are studying from which the researcher then codes. Coding is the process of noticing interesting themes.
- Collecting: This stage involves grouping the interesting themes into categories.
- Thinking: Finally the researcher looks for patterns within the themes and looks to make discoveries about what they are researching.

Seidel (1998) uses the metaphor of completing a jigsaw puzzle to explain the process. For instance, with a jigsaw puzzle a method to complete it might be to group the pieces into their individual attributes, such as sky or buildings, from which you decide how they fit together.

3.1.7 Sections to questionnaire

The questionnaire updated the two studies which it was based upon, to include the newer online marketing technologies which are being studied. The following sections were included within the questionnaire.

Information on the respondent This section of the questionnaire was used to gain an insight into the person answering the questionnaire. Lituchy and Rail's (2000) study showed that it was important to confirm that respondents are of an appropriate position in the organisation to respond. Their survey was predominately responded to by a business' owner or manager, but they did include a response from a receptionist. This respondent may have had an inferior knowledge of the business' online marketing so their response may be less accurate. For this study responses were only accepted from individuals who own, manage or are in a marketing position within the business.

This study expanded this section to look into how an individual's age and internet use may play a role in their business' adoption of online marketing.

Information on the respondent's business Within this section the questionnaire will confirm that the business conforms to this studies definition of a small business. This study collected information on the age of the business so that new to market business' use of online marketing can be compared to established firms. The geographic location of the business was required so that it is possible to access if the knowledge gained can be used to advise on the usage of online marketing by small businesses throughout the UK or not.

Since the previous studies e-commerce websites have become a lot more prevalent and therefore this study asked respondents if their business was a web-based business or not. It was felt that a web-based business may have a higher reliance on online marketing than a non-web based business and in turn skew the results.

Current marketing methods used by respondent's business This section used open questions to discover the types of marketing, both online and offline, which the respondent's business partook in. Due to the many varieties of marketing methods available this allowed the respondents to list their efforts. From this the researcher categorised them into an answer list so that the prevalence of a method could be accessed.

While the respondents were asked about their use of a website, social media and mobile internet in more detail within the next section of the questionnaire, the open questions allowed for discovery of what other methods they used were also popular.

Respondents were also given the opportunity to state their confidence marketing online and offline. The aim of the question was to discover how respondents felt using the different marketing methods and if there was a comparison between being confident with one type but not the other.

Forms of online marketing used by respondent's business The questionnaire moves onto ask more specific questions into the types of online marketing conducted within the three areas of focus for this research.

These sections allowed for responses if the respondent did or did not currently use these methods. For those who did use the methods the aim was to gain information that would be useful for those who did not use these methods. This included the advantages and disadvantages of methods.

For respondents who did not use the specified method the questionnaire looked into the reasons why and if they planned to adopt the marketing method in the future.

3.1.8 Pilot study

A pilot study was used to test a respondent's abilities to answer the questionnaire accurately. This allowed the way questions were phrased to be tested and allow user input on any problems they faced.

The pilot study received 13 responses, from which 3 respondents gave feedback. The first stated they faced "no problems", with the second respondent suggesting that it was hard to answer the questions on cost of their website. To address this, the final questionnaire asked for the initial cost of the website and also for the annual ongoing costs.

The third reply stated that the questionnaire was "not fully optimised for internet only based businesses.". There was no clear way of improving the questionnaire for this purpose, as the questionnaire had to be suitable for a wide range of business types. The questionnaire does ask "Are your business' products or services primarily sold or supplied over the internet?". Therefore answers given by respondents who answer yes to this may less accurately describe their use of online marketing.

In addition to making improvements from user feedback, improvements were also made where the researcher decided that a request for additional information would benefit the study. The following improvements were made.

- Inquired about respondent's internet usage.
- For respondents who stated their business did not have a website, but were going to be implementing one in the future, they were asked what benefits they hoped to achieve.
- The question on issues faced using mobile friendly websites was removed as no answers were given and had been answered as part of the disadvantages section.
- Respondents were asked to explain the functions that their mobile friendly website used.
- The social media section was improved to include the use of paid social media advertising and if social media is a strategy that the respondent's business will use in the future.

Respondents for the final questionnaire were also given the opportunity to give feedback at the end. This allowed for any further information or details to be given.

3.1.9 Limitations and caveats of chosen method

The following limitations of this study are acknowledged.

Distribution of questionnaire The questionnaire was published through Google Docs which allowed for web based questionnaire submissions. There was no paper version and the distribution of the questionnaire occurred through the internet. Therefore the results will all be from individuals who have a computer with internet access, and the results may not show the concerns or the reasons behind non-internet users' decisions not to apply online marketing within their business' marketing strategies. The views of these businesses are less relevant to this study.

It was not feasible to offer a non-web based version, due to the expense of publishing, sending and receiving the questionnaires. In addition to this it would be very time consuming to digitise the results, and also delays in receiving completed questionnaires would have been likely (Denscombe 2007).

Every respondent stated they used the internet at least 5 to 7 days a week, with 93% using it everyday. It is fair to say that the respondents are frequent internet users and their responses may differ from infrequent internet users.

Geography of respondents The questionnaire allowed for responses from through the United Kingdom with the primary method of distribution being through the researcher's professional contacts. These contacts are focused within Surrey and Norfolk. 74% of responses came from businesses within these regions with a further 12% from London. While this could should that the results are not representative of small businesses nationally, Government data shows that London, South East England and the East of England have the largest make up of private sector enterprises (BIS 2010). While the frequency of locations of respondents does not completely match this data, it does show that the locations sampled offered a fairly representative sample.

The questionnaire was also distributed through a number of web-based UK small business forums, which helped encourage responses from across the United Kingdom.

The questionnaire did not receive any responses from outside of England, so the results may not be compatible for small businesses within Wales, Scotland or Northern Ireland.

Grouping of qualitative data The qualitative data supplied by respondents has been categorised by the researcher into quantitative themes. This is in keeping with methods outlined in Seidel's (1998) QDA method and used by Lituchy and Rail (2000) through their study of online marketing by bed and breakfasts.

While this allows for comparison of the data, it also means the data is subject to the researcher's interpretation of answers and subjectivity. For open questions relating to the types of online and traditional marketing carried out by respondents, most listed their chosen methods: "Website, social Media, Networking", with a few going into more detail: "Website, all social media, event listings, some ads on other sites, a few small cheap ads in local compatible publications, editorial when I can get it.". For open questions which asked for an opinion or reason the answers were mostly quite detailed: "I repair computers and broadband connections so when my customers need me they generally have no internet connection or pc as they are broken." with a minority of responses giving listed answers: "Fact". The answers which were given in list form allowed for less subjectivity by the researcher, with longer answers requiring themes to be identified which could be influenced by the researcher's subjectivity.

Lack of business categorisation The questionnaire did not ask for details of the industry which the small business was part of. A criticism from some respondents was they felt that there would have been some difference if the business offered B2B (business to business) or B2C (business to consumer) transactions. However, it would have been difficult to have options for each particular industry and as the questionnaire was not focusing on one particular sector, it does not seem to be a criticism of that much merit.

Lack of development of information The questionnaire combined the use of set answers for quantitative data, but also space for respondents to write answers for qualitative data. This qualitative data allowed for some expansion of answers, but had an interview been carried out with each respondent then answers would possibly have shown greater depth. This is a disadvantage of questionnaires on the whole, with the use of the four case study businesses in the second section allowing for an opportunity to gain this greater insight.

Questionnaire did not meet respondent targets The questionnaire received 42 responses, which fell short of the target response rate of 50. As there are over 1,187,000 small businesses within the UK (BIS 2010) the results of this study may not scale up accurately. The response rate is comparable to the previous studies which this was based upon, which used data from between 15 and 114 small businesses.

Focus on micro segment of small businesses With the exception of one response all respondents worked for a business with 10 or fewer employees. The UK Government categorises these as the micro segment of small businesses. From this segment 61% of respondents ran their business individually. Therefore the results from the questionnaires may not fully show the benefits and issues faced by small businesses with between 11 and 50 employees.

3.2 Business case studies

This section of the project was involved with implementing and tracking online marketing within four small businesses.

The selection requirements were:

- Being a small business (50 or fewer employees).
- UK based.
- Enthusiasm for online marketing.
- Business had an existing website.

The businesses were required to be enthusiastic about trying new online marketing methods. This was so that the participating businesses were more likely to give the required effort to see if the method benefits them, rather than giving up too easily. This requirement was based upon one of Poon and Swatman's (1999) requirements for their study.

As this study was looking at modernising McCue's (1998) case study into the benefits of small business use of a website, it was required that the businesses already had a website. There was no requirement for the participating businesses to use social media or mobile internet, although some already did.

The following businesses were chosen.

3.2.1 Paula's Beauty

Paula's Beauty offers beauty and holistic therapy within Norwich city centre. The business is run by sole trader, Paula Middleton and has been run since 2000.

The researcher and Middleton had taken part in a business development course together, but did not have a prior professional relationship.

3.2.2 Vortex Pressure Cleaning

Vortex is a professional driveway cleaning business based within Surrey. The business is run by Sean Loughman who is a sole trader. His business started in early 2010, but he had been running other cleaning businesses for over 30 years.

Sean Loughman's existing website had already developed by the researcher as a freelance project.

3.2.3 The Whisky Tasting Club

The Whisky Tasting Club sells whisky tasting packages through their e-commerce website. The business started in 2010 and is a limited company owned by four individuals. The business is based within Norfolk, but sells nationally throughout the United Kingdom.

The researcher worked with Pat Barrow, who was also supervisor for this project.

3.2.4 Code Wise

Code Wise offers a programming service for the affiliate marketing sector. The business was set up in 2000 and is a limited company owned by David Macfarlane. This business is based within Surrey and completes work nationally and internationally.

The researcher was formerly employed as a web developer by this business.

3.2.5 Research methods

A case study method was chosen, making use of interviews and questionnaires as part of the research focused the use of a traditional website, social media and mobile internet. Interviews were conducted with the participating businesses to determine how to best implement new online marketing method within their business.

3.2.6 Website

Participating businesses were required to have an existing website so that this work could follow on from McCue's (1998) study. The use of Google Analytics website tracking software was used to monitor visitors to their websites.

This was introduced to Paula's Beauty's website. While The Whisky Tasting Club already used the software, they were unsure how to analyse it. The Whisky Tasting Club and Paula's Beauty were both shown how to analyse the data provided through Google Analytics. Code Wise and Vortex Pressure Cleaning had prior experience with Google Analytics.

3.2.7 Social Media

Facebook and twitter were the focus of the social media section. This was due to being the most commonly used social networking websites by the respondents of the initial online marketing questionnaire. Accounts on the social networking websites were set up where the business had no previous involvement with social media.

Facebook was not used with Code Wise as the business wished to keep their professional and social lives separate. LinkedIn was used instead. The business continued to use an industry specific message board called affiliates4u.com.

As Sean Loughman of Vortex Pressure Cleaning only had a basic computing ability, and as he acknowledged he did not wish to spend time updating social networking websites, a recommendation button was added to the website rather than creating a business profile.



Figure 2: Demo of recommend button used with Vortex Pressure Cleaning

3.2.8 Mobile Internet

Mobile internet is one of the latest developments in how the internet can be used to promote businesses. As discussed within the literature review there was limited information on how the technologies could be best implemented. From the information which was available and evaluation of current industry uses, the use of QR codes and a mobile friendly website were the focus.

While smart phone applications are growing in popularity and use (Allen et al. 2010), their development is very time consuming and more suitable to study individually. The initial research questionnaire found that the use of mobile friendly websites were the most popular choice of implementation of this technology.

Mobile friendly web pages For The Whisky Tasting Club a mobile micro website (m.thewhiskytastingclub.co.uk) was set up. Wordpress was used in-conjunction with the WordPress Mobile Pack, as it easily allowed for mobile friendly websites to be created. This offered visitors a smaller amount of information on what the business offered, in the aim of attracting them to visit the primary website on a computer and ordering with a unique mobile website discount code.

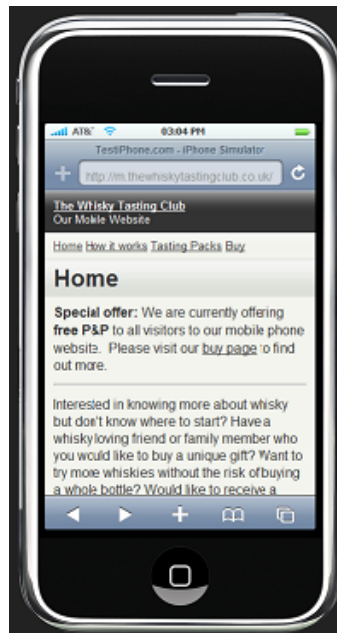


Figure 3: Demo of mobile friendly website used by The Whisky Tasting Club

It was not possible to gain the support of Paula's Beauty's website provider and no mobile friendly website was set up. QR codes were still used, but pointed to the business' normal website.

A mobile friendly website was not set up with Code Wise, as their existing website had been inadvertently developed in a way in which browsing on a smart phone was easy. This was due to the minimalist layout of the website.

Vortex Pressure Cleaning's website had been built in Wordpress, so the Wordpress Mobile Pack was installed. This meant that if a visitor accessed the normal Vortex Pressure Cleaning website through their smart phone, they would be shown all of the same content, but through the mobile friendly theme which was also used by The Whisky Tasting Club.

QR codes Bit.ly was used to generate and track click through rates on QR codes. QR codes were placed on marketing materials and linked to the business' mobile friendly website.

Paula's Beauty placed a QR code outside their shop and within the salon that their business rented a room from.



Figure 4: Demo of a QR code used with Paula's Beauty

The Whisky Tasting Club included a QR code on a poster advertisement which they displayed within The Whisky Shop in Norwich.

Vortex Pressure Cleaning and Code Wise both placed a QR code on their websites, so that visitors could scan the code and read about the businesses on their mobile phone.

3.2.9 Tracking of case studies

For this study the following factors were being monitored

- Success of marketing methods used by participants.
- Participating business' views of methods introduced.

To do this interviews and questionnaires were used for different stages.

3.2.10 Use of interviews

Before, during and after the case study tracking period, representatives of the businesses were interviewed. A semi-structured interview plan was written for before and after the case study period, with unstructured interviews being used during the period.

Before the tracking period commenced each business was interviewed about their current marketing strategies and experiences of online marketing. From this an implementation strategy was decided and launched. While a structured interview could have been used, this would not have allowed for any flexibility in developing the participant's responses.

During the case study period contact was maintained with the participating businesses. An unstructured interview was used so that the business could talk about how the implemented methods were going,

as well as their business in general. These interviews were more informal and some took place over the phone.

After the case study period each business was interviewed, using a semi-structured approach. This interview covered how the implemented marketing methods worked, their thoughts behind using them and any problems they faced.

3.2.11 Use of questionnaires

Each business was given a questionnaire for customers to fill in. These were used to discover how a customer had found the business and what methods of marketing they had encountered (Appendix B).

The questionnaire was developed with Paula's Beauty from which a one week pilot was run. From this the following question was removed "Have you accessed our website, Facebook group or twitter page on a mobile phone?". The same questionnaire was adapted for the other three businesses.

3.2.12 Limitations and caveats of chosen method

The methods used suffered from the following limitations.

Focus on Paula's Beauty For this study the focus of the results is on Paula's Beauty due to receiving a greater amount of data from clients in regard to the marketing they had seen before their appointment. As this business involved a face-to-face appointment it was a lot easier for the questionnaire to be given to each customer, unlike with some of the other businesses taking part in the case studies.

While the tracking methods used did acquire some results from the other participants, it was to a much lesser extent. This was due to a combination of factors. The Whisky Tasting Club did not have a way of implementing the questionnaire into their existing purchasing structure and sent it around as part of a competition afterwards. Vortex Pressure Cleaning did not have any customers for the tracking period, due to being a seasonal business and suffering from poor weather. Code Wise scaled back their operation for the tracking period due to personal problems affecting the owner.

Focus on micro businesses The case studies used three businesses with a single employee and one business with four. The information found may be more representative of the micro population of small businesses rather than those with up to 50 employees.

Results may not be generalised While the results found have been turned into a guide to help small businesses, the results found from these participating businesses may vary for other businesses. For instance, a successful marketing campaign for one of the case study businesses may not work as well within another business sector.

Short tracking period McCue's (1998) study was run over a period of 2 years. It would not have been possible to have run this case study over such a period and it should be acknowledged that only short term benefits and issues can really be identified from this research.

3.2.13 Flow chart of research method

(See appendix C)

4 Analysis of research findings

This section will look at the results from the research.

4.1 Introduction to questionnaire findings

There was a total of 42 usable questionnaires completed, with 98% of businesses being part of the micro segment of small businesses. The majority of businesses were run as a sole trader (62%) or as a private limited companies (33%), with 1 partnership and 1 business being a private limited company by guarantee. The focus of respondents was within the East of England (55%), South East England (19%) and Greater London (12%). The majority of respondent's did not run web based businesses (79%). The age of the businesses ranged from 1 year and below (7%), to 21 years old and above (14%) with a modal average of 2 to 5 years (38%).

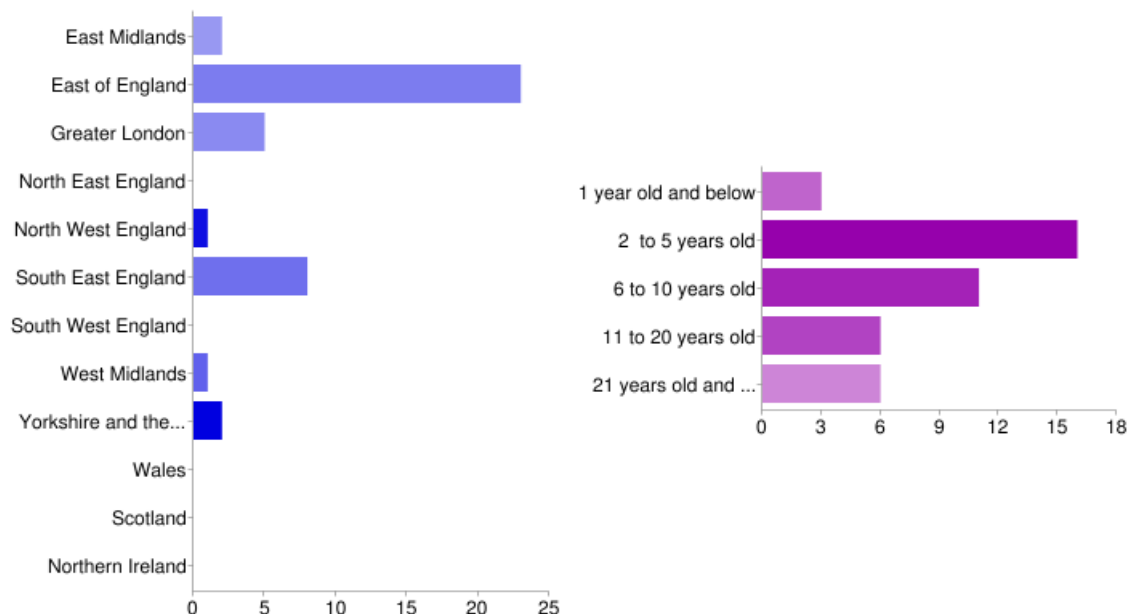


Figure 5: Left: In which region of the UK is the business primarily based? Right: How old is the business?.

Most respondents were the businesses owner (90%) or a manager (5%), with one respondent stating they were the marketing manager and another stating they were 1 of 4 directors. The modal age range of respondents was between 41 to 50 years old (48%), but respondents ranged from 20 years old and below, to 60 years old and above.

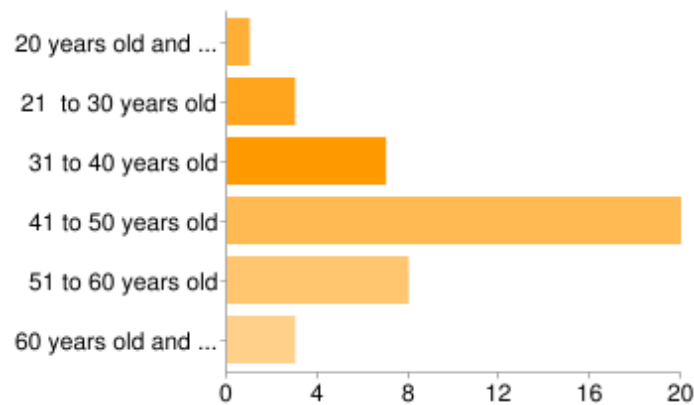


Figure 6: How old are you?

All respondents were frequent internet users with 93% using the internet every day and the final 7% using it between 5 to 6 days a week. While the sample size of respondents who did not use the internet everyday was smaller ($n = 3$), it did not appear to reduce their use of online marketing. They each had a website, used social media and claimed use of mobile internet marketing, even though they were unsure of the methods used.

4.1.1 Marketing completed by respondents

Respondents were asked to explain their online and traditional marketing strategies. The answers given were analysed and categorised into a number of themes using the qualitative data analysis method (Seidel 1998). The most frequent answers involved the use of a website, social media or email newsletters or use of email in general. No respondents mentioned using any mobile internet functions within this section, although did when prompted to answer more specific questions on the subject later. This contrasts to social media where some respondents went into detail about the different networks they were part of and even gave guidance on what tools to use "I have used Hootsuite to link social medias together and that works but I need to use it more".

In addition to the three most mentioned methods, small businesses used pay per click search engine marketing (primarily Adwords) ($n = 9$) to help promote their website. Respondents mentioned adding their details to web directories, or through the use of profiles on other websites ($n = 8$). The use of web directories appeared popular with some respondents making clear that they would only add their business website to free ones.

Table 1: What methods do you use to promote your business through the internet?

Marketing Methods	Results
Website	35
Social media	25
Email and e-Newsletters	23
Pay per click (EG Adwords)	9
Profiles on other websites and web directories	8
Search Engine Optimisation and natural search listings	7
Blog	5
Paid advertisements	4
Yell.com	3
Networking	2
Magazines	2
Ebay	1
Research	1

Respondents were given the opportunity to discuss their traditional marketing, from which the most beneficial was word of mouth, referrals and recommendations. While this was the most powerful method, print advertising in the form of business cards, flyers and posters was very popular (n = 17). 16 respondents attended networking events with 15 respondents placing adverts or writing editorials within publications such as newspapers and magazines. Direct marketing appeared popular (n = 9) with most respondents describing their process, rather than formally categorising it: "Approaching businesses and arranging meetings".

Table 2: What methods do you use to promote your business without the internet?

Marketing Methods	Results
Word of mouth recommendations and referrals	34
Print advertising	17
Networking (Exhibitions, presentations, conferences, fairs and events)	16
Publications (Newspapers, magazines, journals: adverts and editorials)	15
Direct marketing	9
Radio (Interviews and advertisements)	5
Tenders	1
Local chamber of commerce	1
Professional body	1
PR	1
Relationship marketing	1
Freebies	1
Merchandise	1
Sports	1

Respondents showed a greater confidence in traditional marketing methods. Respondents were asked to state their confidence on a likert scale between 1 (not at all) and 7 (very confident), with traditional marketing received an average confidence level of 5.33, compared to a mean confidence of 4.6 for online marketing. 24% of respondents had an equal confidence level with over half feeling more confident using traditional marketing methods (55%).

Half of respondents thought that traditional marketing was the more beneficial to their business, with only 26% preferring online marketing. When asked to justify this answer a frequent theme was that they were equal (an option which had not been anticipated) and that online marketing helped back up traditional marketing - "awareness is created using the internet", "most people find my website after a recommendation".

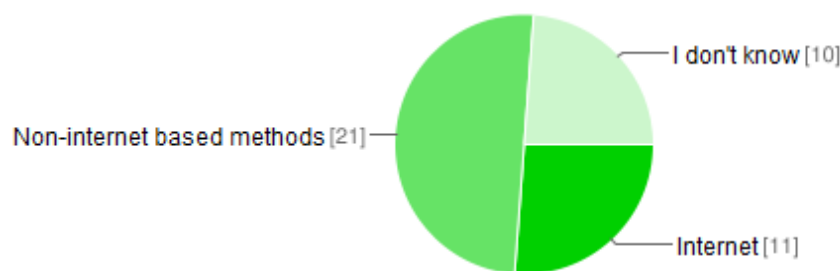


Figure 7: Which form of marketing most benefits your business?

Respondents were asked to justify their answer, with the most frequent justification being the use of formal, or informal monitoring of their marketing return (n = 18). For the most part respondents had made informal observations about which marketing method had most benefit: "Because people come

to me and say ... "I kept your leaflet for five years".", rather than keeping formal records. This was a frequent theme from the case studies, with 3 of the participating businesses making informal observations and not cataloguing data on how customers found them, with the 4th participating business not originally collecting any formal or informal information on how customers found them.

While these responses could be used to justify that traditional marketing is more powerful than online marketing, it would be more appropriate to say that as respondents were more confident with traditional marketing methods, they were more likely to implement traditional methods and therefore they had a greater impact on their business.

4.1.2 Traditional website

81% respondents had a functioning website ($n = 34$), which is 7.3% increase from the Office of National Statistics research in 2008. This research showed an increased adoption rate of 1.96% a year (average between 2004 to 2008) which means this figure is in line with what should be expected for 2011 (expected = 81.6%). This shows that the respondents used have given a representative sample. This figure is lower than Lituchy and Rail's (2000) study where 89.2% of respondents had a website. These differences may be explained as their study was sector specific and they may have chosen a sector with a higher website adoption rate.

94% of respondents with a website were satisfied and believed that having a website did benefit the business. With one respondent not knowing if it brought in benefits, but admitted it was "essential for credibility" and the respondent who replied no said "it's a larger version of the business card" and that for their business "sales are only generated on the back of face to face discussions".

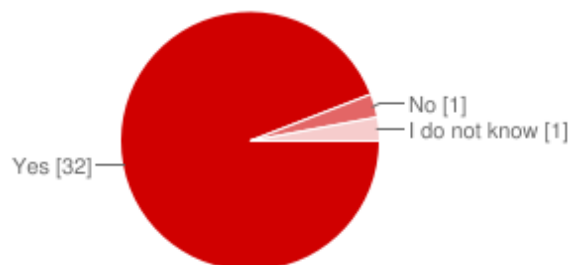


Figure 8: Does having a website benefit your business?

Respondents were asked to justify their answer. The main benefit of having a website was that it met a requirement by consumers that businesses should have one ($n = 12$) and that it could be attributed to sales ($n = 8$). A number of other themes emerged, which related to consumers' expectations of businesses having a website, including how a website is like a "shop window", it helps portray a professional image or how respondents felt it is a useful point of reference for customers ($n = 7$).

Several respondents admitted to having low expectations of what a website could do (16.2%), with the most frequent use of a website being as a central information point and internet presence (32.4%).

It would appear that small businesses have become more realistic in the aim, goals and objectives that they hope their website will achieve as the majority of respondents said their website had met their initial aims ($n = 26$). The respondents in McCue's (1998) study were widely disappointed about the

success of their website. While a website had benefited them, they had initially hoped it would have a greater impact. Where-as now that respondents had lower expectations, they widely acknowledged that their website had benefited them to the extent they had initially expected.

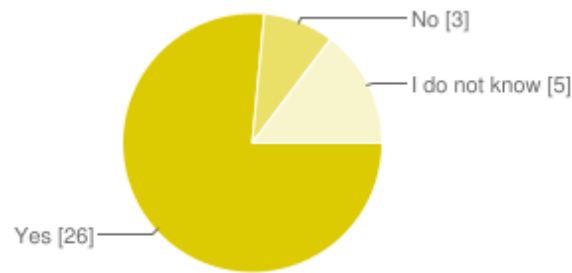


Figure 9: Did a website meet the respondent's initial expectations?

The main expectations respondents had before having their website set up was that it would give them an internet presence and could be used as a central information point ($n = 12$), that it would generate sales and enquires ($n = 6$) or that they did not have any initial expectations ($n = 6$). Those who were disappointed complained about a lack of visitors ($n = 3$), with those who were unsure having broadly just set up their website and feeling it was too early to comment ($n = 4$).

Lituchy and Rail (2000) said how respondents had expressed difficulties in updating their website and had faced other technical difficulties. This is a constant theme with this research, with 8 respondents facing difficulties updating their website and 5 expressing other technical problems. McCue (1998) found that businesses were "frustrated that search engines did not list the site prominently". This was the third most cited issue that respondents still faced ($n = 4$). A solution to this was offered by one respondent: "Understanding optimisation and realising the necessity to pay for good optimisation".

While only one respondent cited how a website was cost-effective, compared to 27.1% of respondents in Lituchy and Rail's (2000) study, the costs did not appear to be excessive. Respondents did say that they were initially unaware of what the cost of a website should be ($n = 3$) and that this had been an issue to begin with. The majority of respondents had paid an initial fee of between £101 to £500 for the website ($n = 11$) and annual costs of between £51 to £150 ($n = 10$).

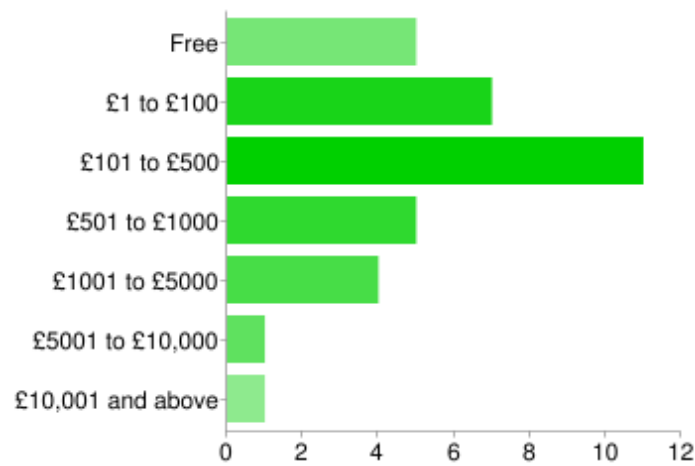


Figure 10: How much did your website cost?



Figure 11: What is the average annual cost of your website, or what will it be?

While no information on the size or function of the respondent's website was asked for, it was widely acknowledged that they used their website as a reference point ($n = 7$) or as an online portfolio or shop window ($n = 7$) and that as such they did not generate sales through the website but used it to back up their traditional marketing. These modal prices therefore may be most representative for an entry level website, without e-commerce abilities and where they are not promoted in a way to gain business without traditional methods.

This study looked into who had created the website as the literature review had shown that small businesses are more likely to create their own website. The majority of respondents had used a third party web designer (52.9%), but the second largest proportion was using websites created by the business (35.3%). Both respondents who stated "other" had answered "me" which would increase this segment to 41.3%

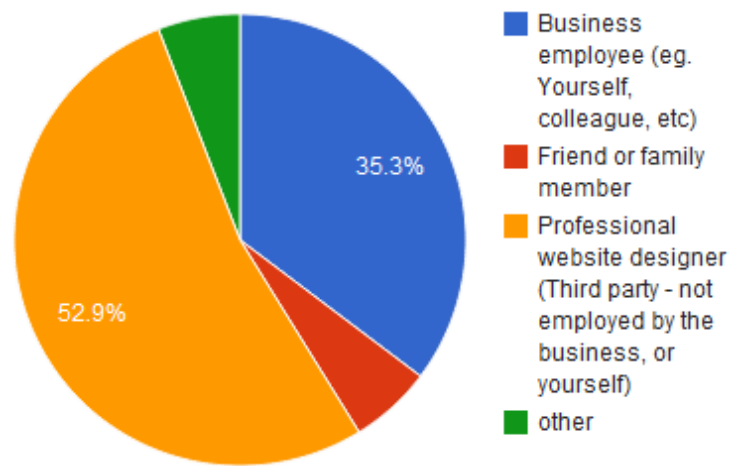


Figure 12: Who created the respondent's website.

4.1.3 Respondents without a website

From the respondents without a website ($n = 8$) 75% were planning on introducing a website in the future with several respondents having a website which was being developed at the time of the questionnaire ($n = 3$). Respondents stated how they did not feel it was necessarily for their business to have a website or that there was "no requirement". Other respondents had decided not to have one to save expenses ($n = 1$) or because of past experience showing that they did not need one ($n = 1$).

Respondents who were actively planning on introducing a website had realistic views of the benefits they could receive. The most common reason was to simply have an internet presence ($n = 4$), with increased sales ($n = 3$) being second. One respondent stated that if their website did not increase sales that they would use it for other, unspecified internal benefits. This list of 3 anticipated benefits contrasts McCue's (1998) study where respondents had stated over 20 potential benefits they hoped a website would help them achieve.

4.1.4 Mobile internet

Mobile internet has previously been acknowledged as the newest development of online marketing being covered by this research. Several respondents said they did not know what it was ($n = 12$). 40% of respondents said that their website was not mobile phone friendly with just 24% making use of mobile internet technologies.

From this segment a mobile friendly website was the most popular use of mobile internet ($n = 5$) followed by respondents not knowing what mobile internet functions their business used ($n = 4$). QR codes, mobile phone applications and Facebook were of equal value with just 1 response each. It was clear that the majority of respondents did not understand what mobile internet was or how it could be used. This is perhaps not surprising considering how new the technology is.

The majority of respondents had discovered no advantages (no advantages = 9) and no disadvantages (no disadvantages = 8) to using mobile internet. As respondents did not seem to understand how they used mobile internet, it therefore correlates that they do not understand how it affects them either. Respondents

who did notice benefits enjoyed the increased usability it offered ($n = 1$) and future benefits as more people use smart phones and tablets ($n = 1$). These respondents noticed that mobile internet received very little use ($n = 1$), it was hard to count visitors ($n = 1$) and that it was an expensive method ($n = 1$).

Respondents who did not use mobile internet ($n = 17$) were asked if they would use it in the future. While the majority said no ($n = 6$), or that they did not know what it was ($n = 6$), 5 respondents were planning on using it, at some point, in the future.

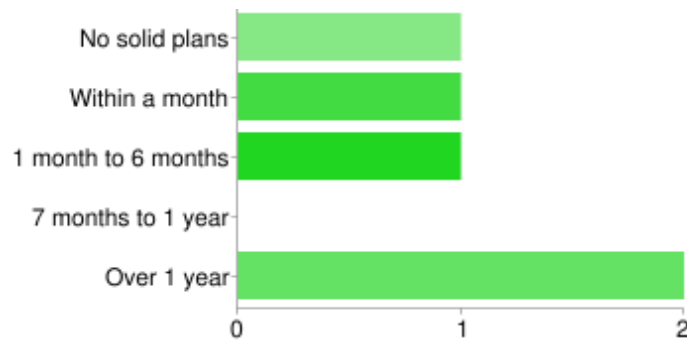


Figure 13: When are you planning to implement a mobile friendly website?

These respondents hoped to achieve the benefits which had been achieved by the minority of respondents who already used mobile internet marketing. These were extending usability ($n = 2$) and keeping up to date with technology ($n = 2$).

4.1.5 Social networking websites

When respondents were initially asked to explain their online marketing, social media was the second most popular choice ($n = 25$) but when respondents were prompted to talk about their business' use of social media a staggering 93% of respondents stated they currently used it. From this sample the use of social media has overtaken that of the use of a traditional website by 12%.

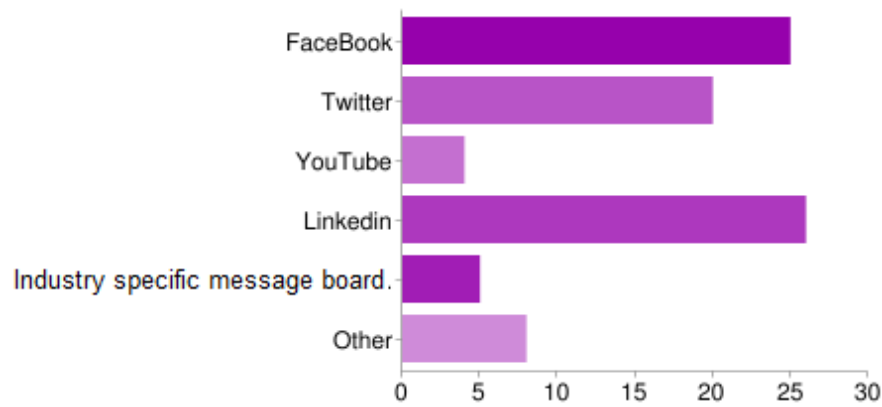


Figure 14: Does your business currently use social media?

When asked about the benefits they had noticed through using social media the most frequent response was that there were none or that it was unknown ($n = 13$). Some respondents justified this by saying they had only just started to use it and that it would be too early to comment: "too early to tell yet, only just set up!". From the respondents who had more experience of the benefits, they used it successfully to build and sustain relationships ($n = 9$), to increase word of mouth marketing ($n = 7$) and to increase credibility and trust ($n = 3$).

In a similar way to the primary benefit of having a website (increased credibility and an expectation from consumers) several respondents stated that consumers expected them to use social media ($n = 3$): "many guests said they do not stay anywhere without using Trip Advisor".

Just as with the advantages, the biggest response for disadvantages faced was again none or the respondent did not know. From respondents who did know, the most prevalent was that it could be very time consuming ($n = 11$) and easy to lose focus of business strategy while using social media ($n = 3$). In addition to this some respondents were worried about their professional contacts seeing what they did in their personal time and vice versa ($n = 2$).

From the respondents who used social media, only 1 used paid advertisements on social networking websites.

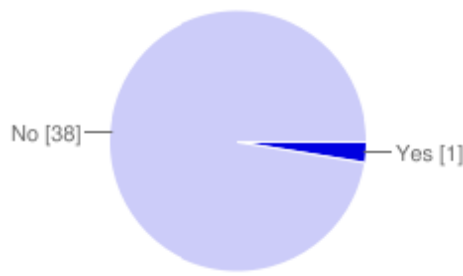


Figure 15: Do you use paid social media adverts?

The respondents who did not use social media within their marketing strategy said it was of "no value" to them (n = 4), due to a lack of technical knowledge (n = 3) or lack of time (n = 1).

4.1.6 Summary of questionnaire findings

This survey of small businesses use of online marketing has found that small businesses are still less likely to have a website than a medium or large business, but that the adoption rate of a website is steadily increasing from the last published Government figures.

Initial expectations of a website had widely been met by most respondents, with all but 2 businesses still receiving a worthwhile benefit from it.

The adoption rate of social media has already overtaken that of a website for small businesses, with the largest acknowledged issue being the level of time which needs to be dedicated to it. Respondents liked how it allowed them to network online and generate word of mouth recommendations.

Mobile internet has the lowest adoption rate with most respondents not knowing what it is. For those who did use it the benefits appeared minimal but those who understood what it was were looking to introduce it within the future.

4.2 Findings from case studies

Case studies were run with four small businesses to test different online marketing technologies, and to gain feedback of their use from participants. These case studies were tracked for a period of four weeks and then analysed.

The most successful case study was with Paula's Beauty due to gaining the most amount of data from the business. A focus will be placed on this case study, but the methods used had similar success rates throughout all 4 participating business.

4.2.1 Before case studies

Before the 4 week tracking period each of the participating businesses were interviewed about their business structure, use of marketing (both online and traditional marketing), issues they had faced to date and what benefits they would like to see from the use of new online marketing methods.

4.2.2 Paula's Beauty

Paula's Beauty had grown through word of mouth, her website and through a monthly offer she sent out via an e-newsletter. When the business was founded in 2000 an advert was placed within the Yellow Pages which did not generate any business.

Middleton had been recommended to start using social media by her business contacts and also from her clients. Her website developer had offered to start a Facebook group and Twitter account for £800. The business could not afford this and an attempt had been made to start a Facebook business page, but had been left unused since.

During the initial interview with Paula's Beauty, Middleton expressed that she did not know how to use, or what to do with the Facebook page and because of this had left it alone. She was keen to try out social media marketing but realised she needed help to do so.

While Middleton did have an iPhone and made use of mobile internet through her smart phone, she was not aware of how mobile internet could benefit her business. She was however keen about trying any method which could have potential benefits.

Paula's Beauty had the best marketing tracking method from the 4 case study participants. She had a form which clients had to fill in at the start of an appointment, giving health and personal details, and as part of this she asked how they found her. She only used this information anecdotally and did not have any formal methods of using the data, such as documenting it in a spreadsheet.

4.2.3 Implementations for case study

During the case study period a questionnaire was given to each client regarding the marketing they had seen before their appointment. If they had opted for the monthly special offer treatment then they were also asked how they found the offer.

45 questionnaires were completed by clients during the 4 week case study tracking period . 76% of respondents were existing clients of Paula's Beauty.

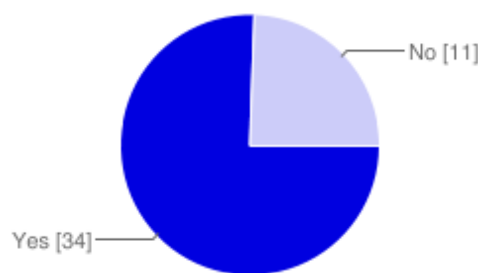


Figure 16: Have you visited Paula's Beauty before?

In keeping with the findings of the small business survey, word of mouth recommendations were the most beneficial marketing method used by Paula's Beauty. To aid word of mouth recommendations Paula's Beauty runs a gift voucher scheme, where existing clients can purchase treatments for their friends or family.

While word of mouth recommendations were how most clients found out about Paula's Beauty,

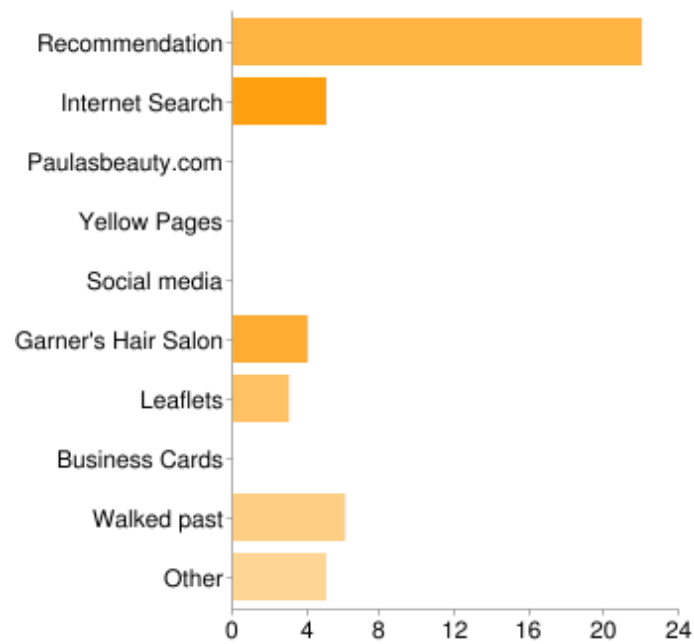


Figure 17: How did you initially hear about Paula's Beauty

the results did indicate that the internet was the main place which clients had turned to for additional information, with an internet search being most popular ($n = 16$), followed by accessing the business's website ($n = 7$). While traditional marketing had been accessed for information ($n = 6$), it made a smaller impact than the online marketing conducted by the business ($n = 35$). This is in keeping with the findings of the small business survey, where one of the main benefits of a website was to help increase a business' credibility and as a central information point. Middleton noted in the final interview that some of her customers did not have a computer, so a combination of traditional and online marketing method was important for the business.

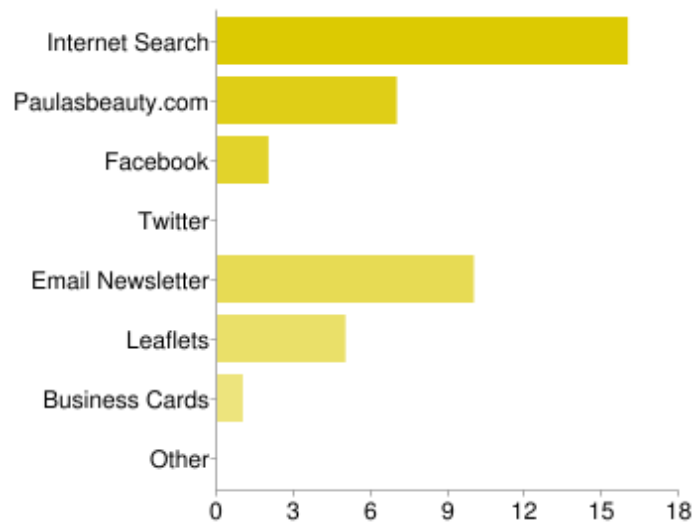


Figure 18: Which of the following places have you accessed for information on Paula's Beauty?

4.2.4 Traditional website

Paula's Beauty had a website which could send an email newsletter. A monthly offer was sent to 451 subscribers and during the tracking period 9 clients took advantage of the special offer. This newsletter only offered a 2% conversion rate, but Middleton found it to be a vital marketing tool for the business. For the tracking period the offer was also made available through a poster outside the shop with a QR code on, within Garner's Hair Salon and as well as posting it onto the Facebook group and twitter accounts.

6 clients found out about the offer from the e-newsletter, with the other 3 clients not responding. As the tracking period was just 4 weeks, the Facebook group may not have had enough time to establish itself and this could explain the lack of benefits.

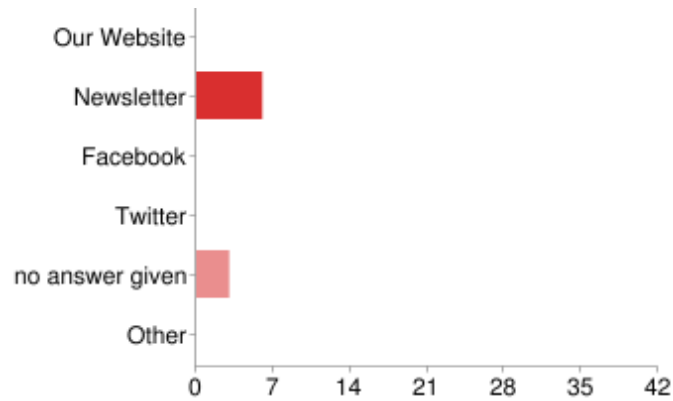


Figure 19: Where did you find the promotional offer which you are using?

As part of this case study website analytic software was installed to monitor visitor numbers and how they found the website. There were 193 unique visitors, which on average spent 1 minute 39 seconds browsing the website. The bounce rate for the website was 50%, which meant that half of those who found the website quickly closed it without much thought. This bounce rate was in keeping with the average bounce rate of all 4 case studies (49.89%).

This bounce rate can be partially explained by the visitors who are finding the website. 5.83% of visitors were from outside of the United Kingdom. While the focus of visitors was from Norwich, this only accounted for 30% of the total visitors to the website. As the business does not operate outside of Norwich, visitors who are not in this area will most likely have quickly left which would explain the bounce rate. The bounce rate from visitors in Norwich was lower at 40.06%, which shows the importance of a business' website gaining relevant visitors rather than just high visitor numbers.

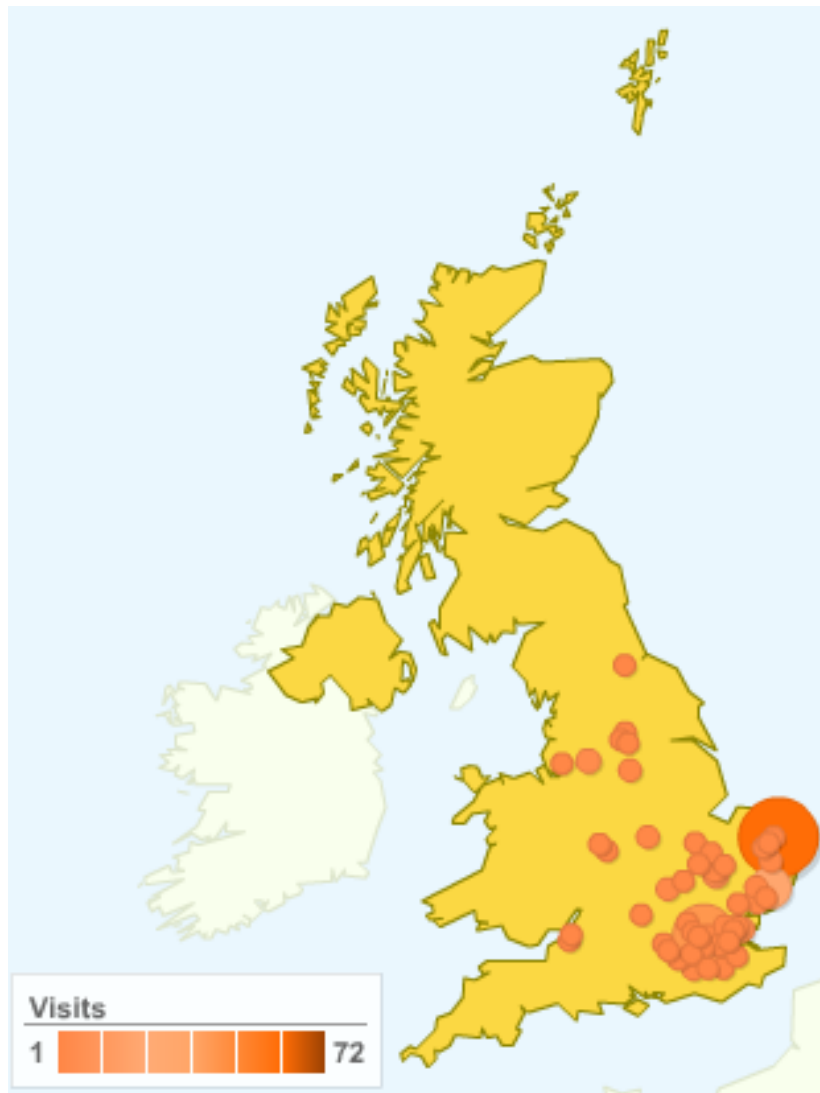


Figure 20: Location of visitors to PaulasBeauty.com from the UK.

In addition to this, the way in which the visitor found the website was also monitored. This was mostly through search engines (67.5%), with the most popular search engine being Google which accounted for 61.67% of visits to the website. Yahoo was second but accounted for just 2.08% of visits. Direct traffic, which is people typing the website address manually into their browser accounted for 20.42% of visits with referrals from another website accounting for 12.08% of visitors.

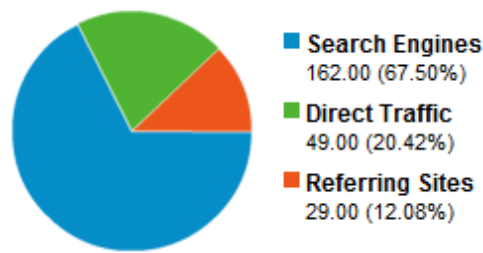


Figure 21: Methods used to find PaulasBeauty.com.

Most visitors who had found the website through a search engine had searched for the businesses name with phrases like "Paula's Beauty" (n = 18) and "Paula's Beauty Norwich" (n = 6). This shows the importance that a website has in the decision making process of consumers, by allowing them to find out additional information about the business through the internet.

Visitors also found the website searching for services, such as "ear piercing Norwich" (n = 8), so a website can be a powerful tool in building consumers' knowledge about a business when they are looking for the services that it offers without previous knowledge of the business.

During the case study period Paula's Beauty's relationship with the website developer deteriorated which induced worries about whether the website would remain active. Middleton also expressed difficulty in getting changes made to her website and wished she had asked the following questions before having her website developed:

- What future changes can be made and what would these cost?
- Can a third party developer make changes to the website?

4.2.5 Social media

The business was set up with a Facebook business page and a Twitter account. The Facebook page was used by the business and clients alike, where as the Twitter account remained relatively unused.

To promote the use of social media the business sent an invitation to members of the e-newsletter, as well as by placing posters around the business' premises inviting clients to sign up. Middleton did not take an active role in telling people about the use of social media due to not having enough time between appointments to talk about it. This method gained the business 31 Facebook fans within the 4 week case study which was higher than Middleton had expected from the effort she put in. This goes to show that social media can be an asset to businesses where their customers are pleased with the service they receive and wish to engage with them through these platforms. As Paula's Beauty received 45 clients during the case study, this could show a 69% uptake from them for the Facebook page. While this figure is most likely a little high, due to past clients being informed through the e-newsletter, it does show the willingness of consumers to involve businesses within their personal Facebook experiences.

The Twitter page received just 2 followers, the first being the business's existing website developer with the other being the researcher for this project. Middleton had planned to tweet beauty tips, but did not find time or motivation to tweet them and left the Twitter feed unused. While Middleton thought it

could benefit businesses which sell products rather than services, as a place in which potential customers could ask questions, she could not see it having an impact for her business due to rarely receiving queries on the services offered by the business.

One of the most frequently cited disadvantages of social media within the small business survey was that it could be very time consuming (n = 11). Middleton found this to be the biggest limitation to her use of social media to promote her business, saying "When I'm done at work, I just want to go home and to relax. I don't want to have to think of things to do on Facebook". While Middleton said she used Facebook every other day, she admitted to easily losing focus and spent time look at her friends' profiles, rather than trying to promote her business. As Middleton did not use a computer at work, the management of social media marketing did not fit into her work schedule as well as it might for a business which is computer-facing or has a greater IT focus.

Middleton was surprised that with her minimal effort to promote the Facebook page, that clients had signed up and even posted unprompted reviews.

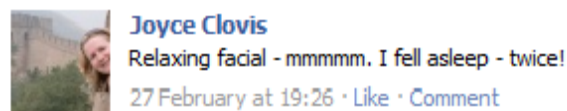


Figure 22: Unprompted review of Paula's Beauty on Facebook

Middleton thought that while social media could show some promising uses, it would probably be of more benefit to a new business. As the business was established and running smoothly there was little motivation to spend time managing social media accounts, especially as she would not have had time for an increase in client numbers. Had she just started in business then she thought she would have been more inclined to spend time using it.

This case study has shown the need for a strong initial strategy on how social media will be used and for what end benefit. Small businesses need to schedule time to manage their social media accounts as it is can be time consuming, while remaining motivated to use the technology for longer than the set up period.

4.2.6 Mobile internet

The business used a QR code on their message board outside their shop, within Garner's hair salon who owns the building, and on their website. The QR code got clicked on twice with one visitor being an existing client. During the final interview Middleton explained that an existing client saw the QR code in Garner's hair salon and was interested to see what it did, with the second click remaining unaccounted for.

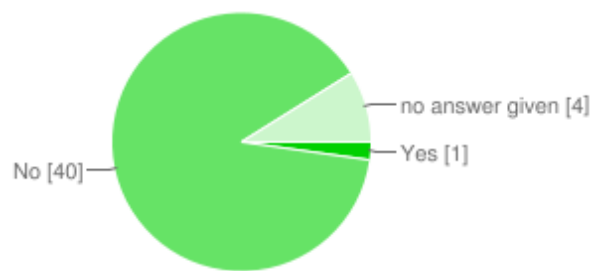


Figure 23: What you taken a photo of our QR code to access our mobile internet information?

The low usage of the QR code was expected due to a lack of consumer knowledge about what they are. Middleton acknowledged this was an unexpected benefit for Paula's Beauty. Middleton had placed a QR code on each hair dresser's mirror within the building in which her business was based, and as customers to Garner's hair salon had their hair cut, many inquired about what it was which lead onto a conversation about Paula's Beauty and what the business offered. While this research could not quantify the benefit this actually brought, the use of a QR code certainly became a good talking point.

Even with the limited success of using QR codes, Middleton thought that they could offer potential future benefits to her business. She commented that they had been her favourite part of the case study due to being able to say that her business was an early adopter of the technology. In addition to this, while she accepted they had little use at the moment for her business, she could see them becoming more prevalent as consumers began to understand how to interact with them.

For this case study a mobile friendly website was not set up due to difficulties in gaining support of the business' existing website supplier. Their website was visited by users on mobile phones and this accounted for 8.75% of the visitors to their website, which was the second highest from the 4 case studies run.

During the final interview, Middleton noted that although she could see that there is a growth within the mobile internet market, a mobile phone friendly website is not something that she would upgrade to unless there became a requirement to do so.

4.2.7 Future marketing by Paula's Beauty

As part of the final interview the future marketing of Paula's Beauty was discussed. Middleton said how being part of this case study had made her evaluate her marketing efforts and was getting ready to post letters to past clients with her latest price list in. While the business could have looked into using or growing its online marketing efforts, Middleton had more confidence with this traditional method. This backs up the earlier findings that small businesses showed more confidence to traditional marketing, and were therefore more likely to implement traditional marketing over the use of online methods.

Middleton and her clients had also been impressed with the questionnaire used to discover what marketing her clients had seen before their appointment. Both Middleton and her clients could see the benefit of completing it, with Middleton planning on running a monthly questionnaire on other areas of her business. She thought it was an easy way to run market research, so that she could find out how she could progress her business.

4.3 The Whisky Tasting Club

The Whisky Tasting Club admitted to doing very little in the way of marketing their business. This was primarily down to the costs involved and worrying about receiving a return on investment. They were willing to give anything a go which had low, or no costs, but did not mind investing time. Their marketing effort seemed a little disjointed and unplanned, with the business acknowledging after the case study that they "haven't advertised properly".

At the start of the case study period, the business had a website, regularly used social media marketing but had not engaged with mobile internet marketing. In addition to these online methods, the business had sent out trial packs of their products to several newspapers, which had resulted in articles being written. They also placed leaflets within The Whisky Shop in Norwich.

Before the case study started the business felt that their social media marketing was not resulting in any sales, but they performed no tracking to assess where customers came from. While their website did have analytic software to monitor visitors, the business did not understand how to read it.

4.3.1 Customer questionnaire

The Whisky Tasting Club received less feedback from their clients than Paula's Beauty. This was due to not being able to implement the questionnaires into their ordering system, and instead sent to their customers, via an e-newsletter which offered a competition prize to respondents. There were 4 respondents, each of whom had ordered from The Whisky Tasting Club before.

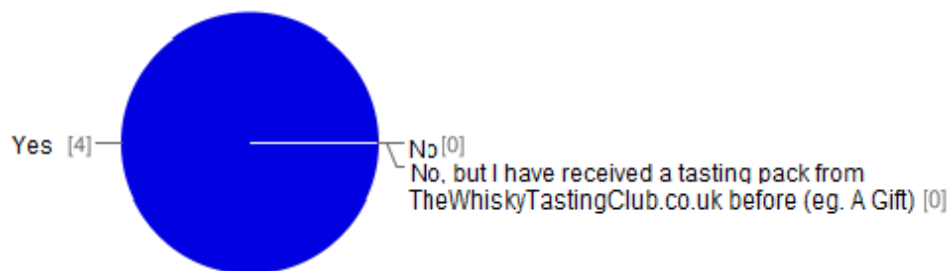


Figure 24: Have you ordered from The Whisky Tasting Club before?

Half of respondents had found out about the business through the businesses existing use of social media, with another being recommended to the business and the final respondent finding the business through an internet search. Compared to Paula's Beauty, the way in which customers heard about The Whisky Tasting Club was primarily web based ($n = 3$) with the use of social media being most beneficial ($n = 2$). This may be explained as The Whisky Tasting Club is an e-commerce business, but also that they had large membership base on their social media pages.

Respondents went on to answer what places they accessed to find out more information on the business. In keeping with the findings of the small business survey and case study at Paula's Beauty, the internet was the way this was done. Their website was most popular ($n = 4$), followed by an internet search ($n = 3$), then use of their Facebook ($n = 2$) and Twitter pages ($n = 1$).

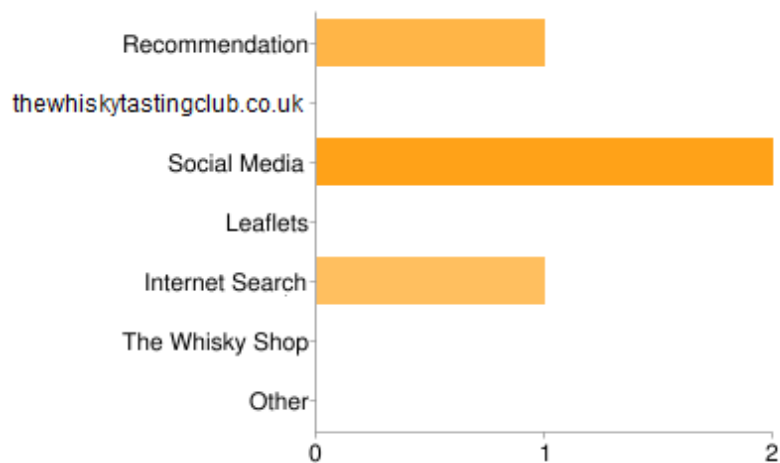


Figure 25: How did you initially hear about The Whisky Tasting Club?

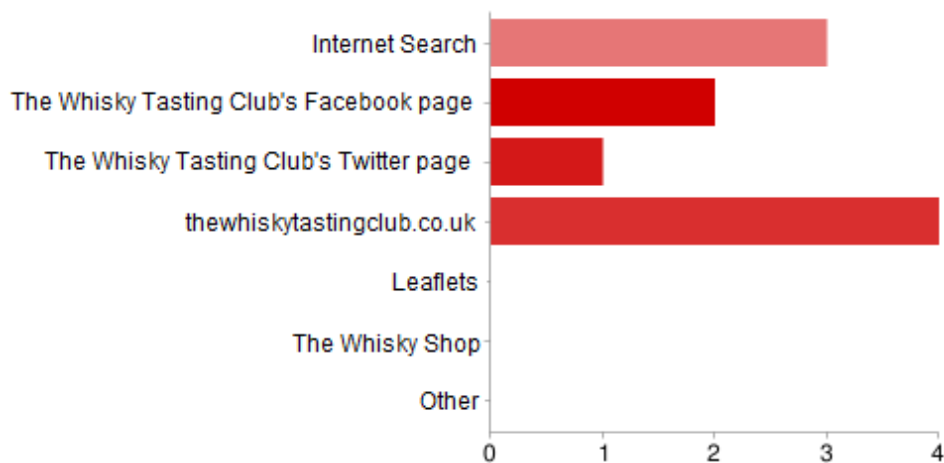


Figure 26: Which of the following places have you accessed for information on The Whisky Tasting Club?

4.3.2 Traditional website

The Whisky Tasting Club received 1460 unique visitors to their website during the case study. Visitors spent an average of 2 minutes browsing the website. The businesses website had the highest bounce rate at 56.1%.

Over half of the visitors (55.9%) were based in the UK and as the business did not sell internationally the remaining visitors were of no benefit to the business. The majority of visitors were from London (8.59%), Norwich (6.91%) and Edinburgh (3.41%). The business had sent trial packs to newspapers in other locations from which visitor numbers were minimal and therefore deemed by the business as less beneficial than they had previously thought.

The business' website was found mostly found through the Google search engine (40.1%). Search phrases used mixed between the businesses name and the names of the whiskies it offered.

11.36% of visitors were referred from Facebook which was higher than the business expected, and again built their confidence in spending time promoting their Facebook page. Twitter had a lesser impact,

referring just 2.86% of visitors.

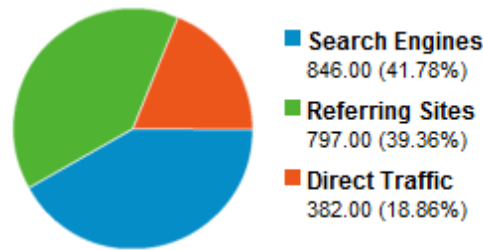


Figure 27: How visitors had found The Whisky Tasting Club's website.

During the case study period the business suffered a malicious attack on their website's message board but managed to fix this. No other technical difficulties were faced with their website.

4.3.3 Social Media

The business had previously thought that their social media marketing was of little benefit, but the customer questionnaire showed that it was generating interest and sales. The business was pleased that they could see that the use of social media was beneficial and this gave them more confidence in continuing their use of it.

During the tracking period the business made 11 posts on Facebook, each of which received likes and comments. The business successfully engaged with their audience with periodic and relevant posts which their followers were interested in. While the Facebook page had over 1300 fans, only a small proportion of these were active on the Facebook page.



Figure 28: Customers interacting with The Whisky Tasting Club on Facebook.

The business did not suffer any major problems with their use of social media, with the only issue being that Twitter occasionally would stop working. This meant that they had to reschedule the time they spent on it.

4.3.4 Mobile internet

A mobile friendly mini-website (m.thewhiskytastingclub.co.uk) had been set up and linked to through a QR code on a poster advertisement in The Whisky Shop. This resulted in one click which did not result in any sales. As mobile internet is a very new method of marketing it would appear that consumers are not aware how to use the technologies available and therefore it has a low up-take rate.

Most respondents to the questionnaire had only accessed the website via a computer, with one respondent saying they had accessed the website via a mobile phone.

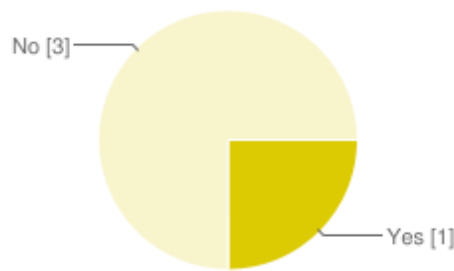


Figure 29: Have you accessed The Whisky Tasting Club's website on a mobile phone?

The main website's analytic software showed that 9.43% of the website's visitors had used a mobile phone to access the businesses main website. This was the highest rate from all four case studies, with the business putting this down to "nerds like whisky".

While little had been done to make the businesses main website mobile phone friendly, it was an area in which the business acknowledged needed work and that could be implemented on a larger scale. If the business would ever implement such a strategy remained unknown, but certainly something which they may consider in the future.

4.4 Code Wise

Before the case study period Code Wise successfully used social media to attract business. Their effort was focused on an industry specific message board called Affiliates4u.com. The business stated that the majority of their work came from interacting with members of this website. While no formal methods were used to collect data on how they found customers, informal observations were made by the businesses owner, David Macfarlane.

4.4.1 Client questionnaire

The business supplied the client questionnaire to their new and existing clients via an e-newsletter. The business received one response from a new client, but stated that business had been slow that month due to private problems faced by the businesses owner. These private problems had severely reduced the business' operating hours.

4.4.2 Social media

While Twitter and LinkedIn had been introduced to the business to use during the case study period, they had been considered too time consuming for the business to use and had been left unused.

The business had been active on Affiliates4u.com, although it was explained that this was to a much lesser extent than they would normally have been. The respondent to the questionnaire had found the business through Affiliates4u.com.

4.4.3 Traditional website

The respondent had used the business' website and an internet search to find additional information on the business. This finding has been consistent throughout and enforces the importance of a website and being listed on the internet is for consumers when choosing businesses to work with.

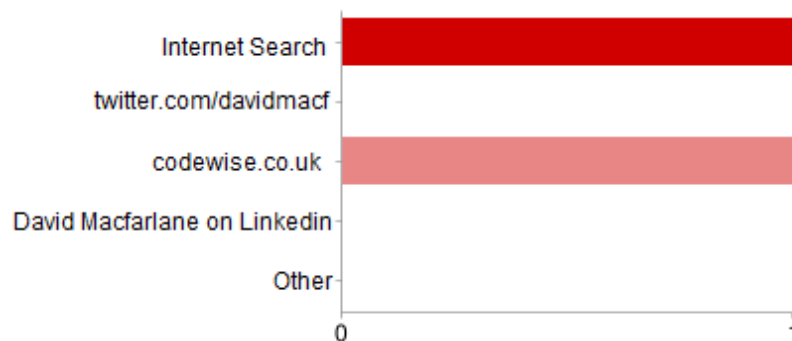


Figure 30: Which of the following places have you accessed for information on Code Wise?

The business's website had been visited by 74 unique visitors, who spent an average of 1 minute 58 seconds on the website. The website had a slightly above average bounce rate (52.83%) but the rate was generally in-keeping with the other case study businesses.

71.7% of visitors to the website were from the United Kingdom, but the business worked with businesses internationally as well.

Most visitors found the website through a referring website, with the biggest being Affiliates4u.com (20.75%), after this it was mostly through direct traffic which shows that they were aware of the business before accessing their website. Search engines made up the smallest proportion, with the most frequent search phrases being variations of the business' name and then individual searches for the niche services that the business provides.

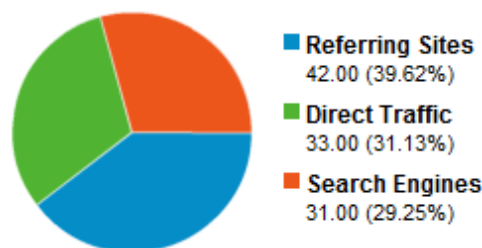


Figure 31: How visitors had found Code Wise's website.

4.4.4 Mobile internet

The business placed a QR code on the sidebar of their website. It was not clicked on through the tracking period. The respondent to the business' questionnaire had not accessed the website through a mobile phone with only 0.94% of website visitors accessing it on a mobile phone. This was the lowest rate of all case study businesses.

Even though mobile internet had been an ineffective part of the business's marketing, they were keen to keep using the QR code as they felt with a greater promotion of the business by themselves might see an increased click-through rate on the QR code.

4.5 Vortex Pressure Cleaning

For the case study period Vortex Pressure Cleaning did not complete any client work. The business is seasonal and during the case study period weather was not suitable for work to be carried out.

4.5.1 Traditional website

The website was visited by 30 unique visitors, of which 11 were within the business' service area. 67.85% of visitors to the website had used a search engine. The majority of search phrases were highly targeted to the business, such as "driveway cleaning Surrey" (n = 3) and "driveway cleaning" (n = 2). The website had a below average bounce rate at 40.62%.

Other traffic sources were not targeted to the services offered by the business, with the exception of 1 visit from the Yellow Pages website.

The website had a very low level of direct traffic (3.12%) which could be explained by consumers searching for the services the business offers with few having prior knowledge of the business.

During the final interview with the business, Loughman talked about improvements he wanted to have made to his website. These included improving the written copy, adding photos and a YouTube demonstration video of how the pressure cleaning offered by the business worked.

Loughman had received a cold call from a business offering to optimise his website which he turned down. Cold calls were the only negative affect that he noticed from having a website.

4.5.2 Social media

The business did not truly use social media, but had a Facebook recommend button introduced to their website. Within the tracking period it was clicked 5 times, but as the business did not receive any customers through this period it is not possible to tell if this implementation increased consumer trust and benefited the business.

4.5.3 Mobile internet

The QR code which was placed on the business' website did not generate any clicks. The website had 1 visitor on a mobile device (3.12% of visitors) so the use of mobile internet marketing has remained largely ineffective for this business.

4.6 Summary of case studies

The results from the case studies show that a website can help generate interest in the services offered by a business, without a consumer's prior knowledge of the business, but for most small businesses a website serves as a central information point which can help add credibility to a business.

The findings from the social media section are consistent with the small business survey. The use of social media can be very time consuming, but when a strategy is in place and the business maintains its involvement, it can be a powerful marketing tool.

The use of mobile internet to market a business is very much in its early stages. While participants did see the benefits it could bring, consumers would first need to learn how to fully use the functions available before it would become suitable for most small businesses to use.

5 Conclusions

Within this section the research will be compared against the findings of other research and against the project's initial objectives. It will assess if the methods used were appropriate, what problems were faced by the researcher, what was achieved and how this project could be progressed in the future.

5.1 Comparison of findings against literature review

The results found through this study are comparable with the literature review where previous research has been done in the same area. The questionnaire and case study have modernised older research projects and have shown where progress has, and has not been made.

5.1.1 Traditional website

The adoption rate of websites has increased from the data provided within the literature review, but has increased within the boundaries of what should be expected.

McCue's study (1998) showed that businesses were over optimistic about how a website could benefit their business, but with the participants still being pleased with the results. This study has shown that the initial expectations of a website had been met by most respondents due to having lower overall expectations. While 94% of respondents believed a website benefited their business, and only 76% felt that their website had met their initial expectations, the difference is a lot lower than from McCue's study (1998) where most respondents felt that their initial expectations had not been met.

Lituchy and Rail (2000) found that most businesses faced troubles updating their website, with this being a constant theme with this study too. These studies were both run with over a decade between them, which shows that the lessons of the past have still not fully been learnt by small businesses.

5.1.2 Social media

Weber (2009) said that it "may be easier and more effective for a relatively small or medium sized company to take maximum advantage" of social media. The participants of business case studies all used, or started to use social media in one form or another. These businesses were all happy to quickly adopt the use of social media as part of their marketing without any lengthy managerial controls delaying their uptake.

While Lituchy and Rail (2000) did not look into social media, their study did show that small businesses may fail to take full advantage of newer technologies due to a lack of time or technical experience. The most frequent disadvantage of social media marketing was the amount of time it took

up and the case study with Paula's Beauty clearly showed that it may not fit within every business' work schedule.

Harris and Rae (2009) criticised previous research of social media marketing due to a lack of quantitative methods used to analyse it. This research has not fully addressed this issue, however this research has offered statistical data on the rates of use of social media and which social media websites are most used by small businesses. The case studies have also shown how small businesses can attract new customers through social media marketing, however results were only seen on a small scale.

5.1.3 Mobile internet

There was no clear method in which mobile internet should be introduced to small businesses, with academics talking about possible future uses rather than focusing on how it could be implemented today.

This study has shown that consumers do not understand how to use the elements of mobile internet marketing, and because of this it may not be a viable method of marketing for most small businesses until developments are made. Small businesses could use mobile internet marketing as a way of differentiating themselves from their competitors and to get ready for growth in this area, but it is too early to see how mobile internet marketing can be best implemented.

5.2 Initial objectives

The objectives of this project have been met. The project had the following aims, and the ways in which these have been met are outlined.

5.2.1 Gain an insight into how small businesses can benefit from online marketing

The project has received feedback, through questionnaires and detailed case studies from 46 separate small businesses. Tracking has been run on the different online and offline marketing methods which have been used by the case study participants, with the data supporting the benefits that were predominately mentioned through the small business survey.

5.2.2 Discover current usage of online marketing compared to traditional methods

The small business survey and case studies have allowed for a comparison of the benefits and problems associated with both online and traditional marketing. This research has shown that small businesses have a greater reliance on traditional methods, which can explain their increased confidence and understanding of how to manage a traditional marketing campaign.

5.2.3 Find out what benefits and problems small businesses find or associate with marketing their business online

The methods used have found that small businesses lack the amount of the confidence they show to traditional methods. The main problems that were encountered by small businesses are a difficulty in updating and managing online marketing. Small businesses had benefited from online marketing by being

able to have a central information point for what their business offered, as well as to increase credibility. Other benefits of online marketing were that it increased enquires or word of mouth recommendations.

5.2.4 Three areas of focus

The project focused on the three areas of investigation without diluting efforts by expanding into other areas. While there are numerous ways to promote a small business online, the three that were chosen were used because of their apparent popularity and general ease of implementation for small businesses. These three areas have been studied in depth, with future work allowing for a greater expansion on the methods used or longer term tracking of methods.

While some of the online marketing methods trialled during the case studies were not as successful as had been hoped by participants, the reasons behind this have been identified and guidance given within the deliverable of the online marketing guide.

5.2.5 Methods used

This project used two methods for collecting data. These were the use of questionnaires and case studies. These studies were both analysed by the researcher using Qualitative Data Analysis (Seidel 1998).

5.2.6 Questionnaire

This project used a questionnaire to gain widespread information from small businesses throughout the United Kingdom. The distribution of this questionnaire did not gain involvement from small businesses outside of England, with respondents primarily being micro businesses. If this study was to be run again then launching the questionnaire sooner so that any gaps in location or business size could be addressed with additional distribution channels.

The questionnaire did not meet the initial response rate targets due to a lack of time to carry out further distribution. The data collected through the survey was of a high standard and still allowed for detailed analysis.

5.2.7 Case studies

The case studies allowed for a deeper look at how online marketing integrates into the promotion of small businesses. The case studies allowed for a data to be collected on the successful implementation of methods but also to gain a deeper understanding of the problems and issues faced by small businesses when using online marketing.

The case study business included an equal mix of web-based businesses and non-web based businesses. The focus of investigation was on Paula's Beauty due to the tracking methods seeing a greater return of information. If the case studies were run again then these tracking methods should have more time spent tailoring and implementing them in a way to increase the response rate.

As two case studies (Code Wise and Vortex Pressure Cleaning) received little or no responses for problems already identified, it is important to either use a mix of businesses so that the researcher can afford to receive less data from some, or for the researcher to make a greater investigation into the business beforehand, to identify possible problems with using their business.

To analyse the success of methods used interviews were carried out with the businesses before, during and after. From this the researcher took notes. For future investigations it would be more appropriate for a transcript to have been written. This would allow for a greater use of quotations to back up points, but also allow readers to confirm the researcher's findings.

5.2.8 Qualitative data analysis

The use of QDA (qualitative data analysis) does allow for the researcher's subjectivity to influence the results. As part of this project a full data set has been supplied on compact disk and can be peer-reviewed to confirm the researcher's findings.

The results used were not peer reviewed and for a dissertation project it may be difficult for this to happen. The researcher has acknowledged that the use of QDA does create some limitations with the results, but for the questionnaires to have the ability to gain a wide range of opinions would not have been possible with readily defined quantitative answers.

5.3 Problems faced during research

The researcher did not face many difficulties during the research, but the following few did impact on work.

5.3.1 Difficulties with third party suppliers

During the case study with Paula's Beauty there were some difficulties with gaining support of the business' existing website development supplier. This stopped it being possible to implement a mobile phone friendly website with the business, which should not have had an impact on the results as the use of a mobile phone to access the website was tracked through the analytic software used.

5.3.2 Delays with case study

The case study with Paula's Beauty had to be postponed due to a personal bereavement suffered by Middleton.

5.3.3 Smaller sample size than planned

The sample size for the small business survey was smaller than had been planned for. While it may have been possible to have increased the response rate it would have involved a new distribution technique and additional time.

5.4 Achievement

This project has updated the work of McCue (1998) and Lituchy and Rail (2000) and has offered an analysis of the benefits, problems, advantages and disadvantages of online marketing. This project has discovered the current adoption rate of online marketing technologies by small businesses and gained information on the types of methods used.

This project has been used to develop an online marketing guide which could be used by small businesses to gain the confidence to promote their business through the internet (Appendix D and E).

5.5 Future work

This research project could be developed for future use in some of the following ways.

- Distribute online marketing guide created from this project to small businesses and gain feedback on if it has helped build their confidence with online marketing and if they have used the advice to successfully launch an online marketing campaign.
- Case studies looking at the use of other online marketing methods.
- Run experiments to try and increase the number of visitors to a businesses website whom do not have a prior knowledge of the business.
- Research into medium and large scale businesses use of online marketing.
- Anything else related to small businesses or online marketing.

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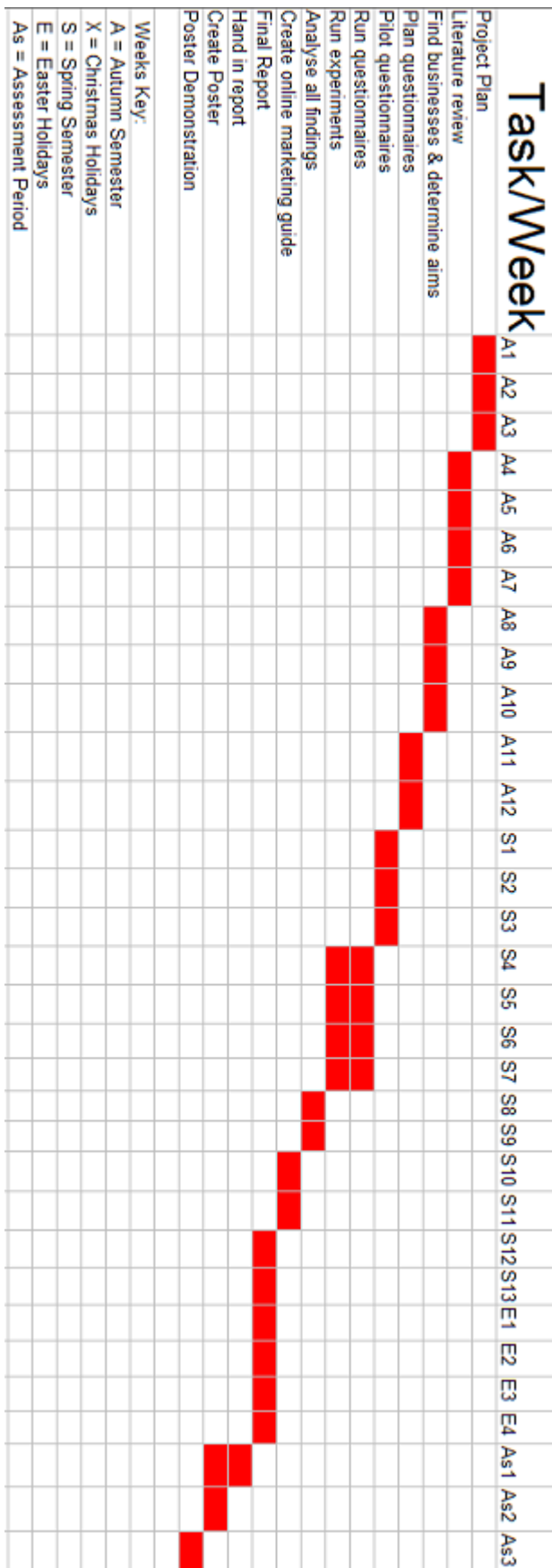
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6 Appendices

A Gantt chart showing time schedule for project



B Questionnaire used to monitor case studies

PaulasBeauty.com Questionnaire – General

This questionnaire is being used as part of an undergraduate study being conducted by a Business Information Systems student at the University of East Anglia. They are looking into the use of online marketing by small businesses.

While you are under no obligation to fill this questionnaire in, it would be very helpful if you could. All answers given will remain anonymous.

1) Have you visited Paula's Beauty before? **(Please tick one box)**

Yes ☐ No ☐

2) How did you initially hear about Paula's Beauty? **(Please tick one box)**

Recommendation <input type="checkbox"/>	Internet Search (eg. Google)* <input type="checkbox"/>
Paulasbeauty.com <input type="checkbox"/>	Yellow Pages <input type="checkbox"/>
Social Media (such as Facebook, Twitter, YouTube) <input type="checkbox"/>	Garner's Hair Salon <input type="checkbox"/>
Leaflets <input type="checkbox"/>	Business Cards <input type="checkbox"/>
Walked Past (eg. Sign outside shop) <input type="checkbox"/>	Other <input type="checkbox"/>

If Other, please state: _____

*If Internet search, what was it for? _____

3) Which of the following places you have accessed for information on Paula's Beauty? **(Please tick all that apply)**

Internet search (eg. Google) <input type="checkbox"/>	Paulasbeauty.com <input type="checkbox"/>
Paulasbeauty Facebook page <input type="checkbox"/>	twitter.com/paulasbeauty <input type="checkbox"/>
Email Newsletter <input type="checkbox"/>	Leaflets <input type="checkbox"/>
Business Cards <input type="checkbox"/>	Other Places <input type="checkbox"/>

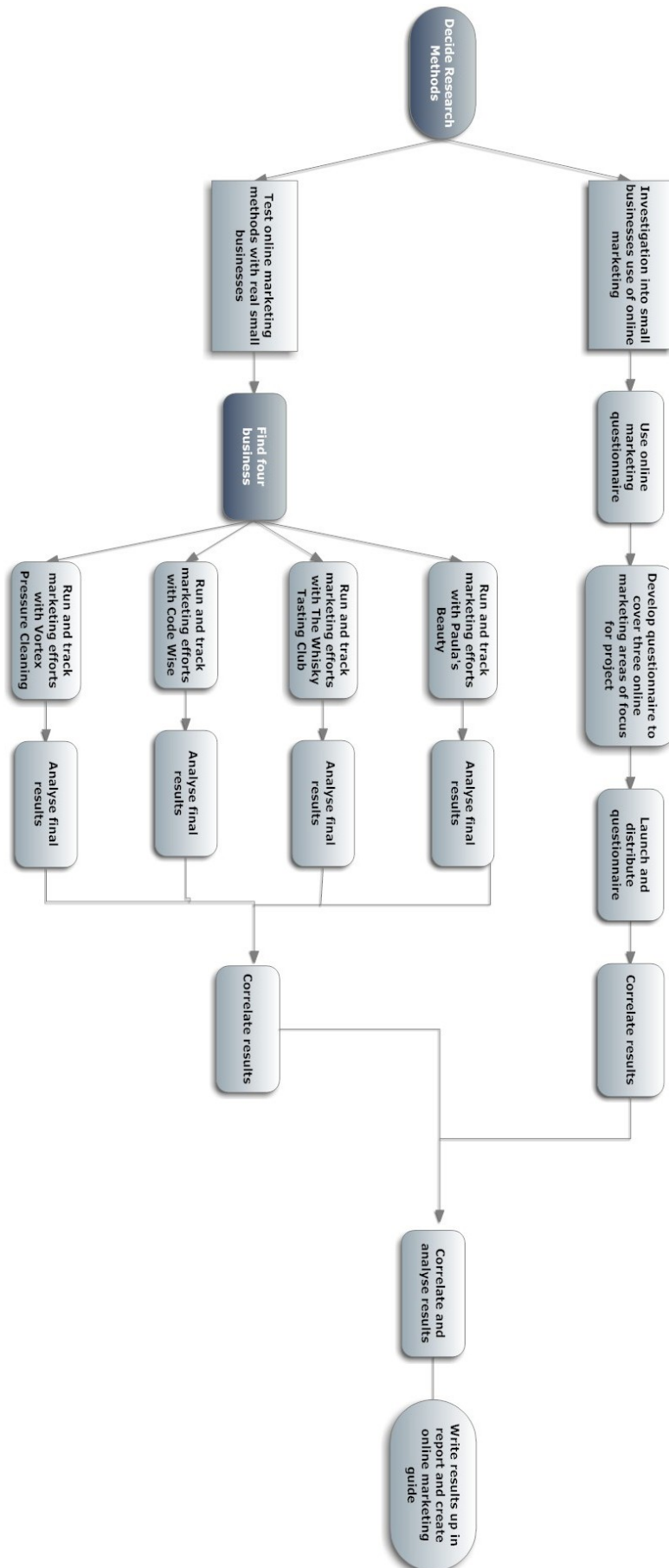
Other places, please state: _____

4) Have you taken a photo of our QR code to access our mobile internet information? (demo below)
(Please tick one box)

Yes ☐ No ☐



C Flow chart of research method



D Outside pages to online marketing guide

3) Mobile Internet

Mobile internet is where mobile phones are used to access the internet.

If you have an iPhone, or similar smart phone, then chances are you have already used it!

Will it benefit my business?

Mobile internet is unlikely to have much of an impact on your business, at least for the time being.

While there are ways in which mobile internet can be used to promote your business, you are unlikely to see much benefit from using them. This is because most consumers do not understand how to use mobile internet technologies.

What can I do?

If you're keen on being an early adopter, then you could use QR codes with a mobile friendly website.

QR Codes

QR Codes allow smart phone users to quickly access your website.

If you have a smart phone, search 'barcode reader' on your app store. Load the app up and take a photo of this bar code.



You'll quickly be sent to the author of this guides website.

You can create them for free at: www.bit.ly Then place them on adverts, posters or flyers, so that prospective customers can quickly visit your business' website for more information! Bit.ly will even count how many people click on your QR code.

QR codes are very new to the UK and at the moment, most consumers are unaware of what they are.

If your target market is computer geeks they're perfect, other wise it may be worth waiting.

Mobile friendly websites

If you want to target customers who access your website through a smart phone, it's important that it's easy to browse. A mobile friendly website is just that!

You might find that your current website is easy to use on a mobile phone, but if not then you may want to upgrade to a mobile friendly website.

A mobile friendly website is set up to work on the smaller screens that mobile phones have. This makes browsing them a lot easier.

If your website uses Wordpress, then you can install the **Wordpress Mobile Pack** for free. Otherwise you might want to speak to your website designer for advice.

QR codes are best used in conjunction with a mobile friendly website.

About the research

The guide is based upon a final year University project, where 42 small businesses completed an in depth questionnaire about their online marketing.

A further 4 small businesses took part in a case study to trial the three types of online marketing covered by this guide.

This research was undertaken by Thomas Etherington.



Good Luck!



Tom's simple guide to
Online Marketing
for
Small Businesses

Normich, UK
Change location
Social media
The web
Pages from the
All res Mobile internet
Related searches
Timeline
More search tools

About this guide

This guide offers advice and ways in which small businesses can use the Internet to promote their business. This guide is based upon research involving 46 small businesses who each shared their advice and guidance on how they used online marketing.

This isn't a step-to-step technical guide, so you may need help to use these methods. It's just meant to build your confidence in using online marketing

This guide focuses on:

- 1) Websites
- 2) Social Media
- 3) Mobile Internet

1) Websites

A website is a great way to increase your businesses credibility while serving as a central information point for prospective customers.

A website can be a way for new customer to discover your business - although without good search engine optimisation this may be less likely!

Will it benefit my business?

94% of the questionnaire respondents used for this guide said that a website did benefit them, although only 76% said it had met their initial expectation!

What problems might I face?

When you have a website set up be sure to find out how it can be updated. You might be able to do this yourself or it might be something you are reliant on your website designer for. Struggling to make updates was the biggest issue faced by those who gave their advice for this guide.

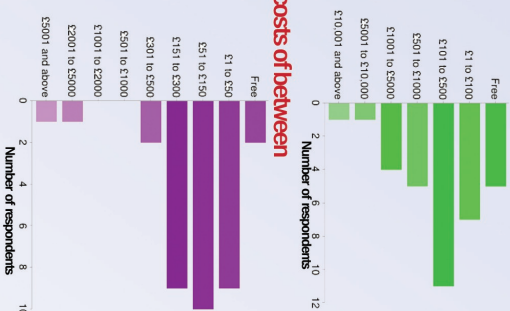
The small businesses questioned also faced other technical issues - so be sure to trust your suppliers!

Finally, how are visitors going to find your website? Many small businesses expressed difficulties in becoming listed in search engines and receiving a lower number of visitors than they expected.

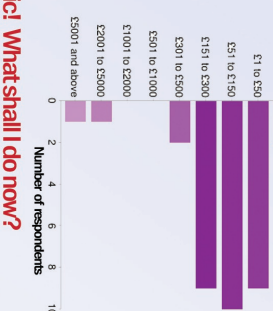
What does it cost?

The cost will vary depending on what you go for, but the businesses involved with this guide paid the following:

An initial cost of between

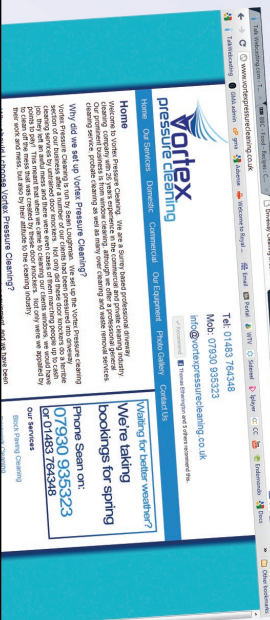


Annual costs of between



Fantastic! What shall I do now?

Most small businesses used a third party website developer, but there are services such as GBBO.co.uk which offer a free website to small businesses in the UK.



2) Social media

Social media is the name given to websites, like Facebook, Twitter and YouTube which allow visitors to interact.

You'll definitely like to try this!

What can it do?

You can use social media to build and sustain your business relationships, as well as to help increase word of mouth recommendations.

What problems might I face?

Social media can be very time consuming, so it is important to schedule time for it to be used. You certainly can't just set it up and leave it alone!

To get the most out of social media you'll need a strong strategy. Make sure that your objectives are realistic and that you don't loose focus too quickly.

What does it cost?

It's free to sign up to most social networks.

If you need outside help to get set up then you may need to pay for this.

Great! How do I sign up?

There are lots of different social media websites to choose from. Some of the most popular are:

facebook.com/pages/create.php
twitter.com
linkedin.com/reg/join

