

To What Extent Can Online Platforms of Marketing and Analytical Programs Improve a Small
Business's Revenue and Attracting Clientele in the Ventura County

AP Research

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Abstract

In America's current climate, extensive corporations and powerful online retailers are dominating not just the majority of the retail market, but the economy as a whole. The relatively new platform of online retail has added an entirely new aspect of convenience and ease by way of finding a specific product for a customer with direct marketing methods that are incomparable to smaller business with a actual physical presence. As a result, small businesses in the United States must take measures to increase their sales and emphasize their significance and relevance to communities around the nation. One of the ways they can do this is through improved methods of marketing as well as managing their company in a more efficient manner through data analytics programs. Such programs are able to assess the various components that factor into running a business; this can include assessing the most popular products or the times in which customers are more likely to visit the business.

This research surveyed small businesses within the Ventura County area of California in order to determine the success of given marketing methods, with a focus on online platforms and to assess the possible benefits of implementing data analytics programs in a small business. Through surveys and analyses, it is apparent that small businesses have the potential to benefit from utilizing both social media platforms, such as Facebook, as well as data analytics programs, specifically, Tableau. With this in mind, this study has the ability of aiding in the struggle of survival that small businesses across the nation are experiencing.

Introduction

Although it appears to go unnoticed at times, small businesses are much more than a just an insignificant brick and mortar store. Rather they often provide a unique line of products or specific niches which not only aid in popular culture but also provide tremendous benefit in a community. Consequently, small businesses often have the added benefit of strengthening communities by providing a place for the local citizens to congregate, socialize and, often bond over a specific niche or product line or service with others who are in search of a similar need that they needed fulfilled. It is apparent that the larger corporations have begun consuming the small market which small businesses once occupied. Indeed, it is altering the personality and dynamic of communities across the country, causing the loss of a dynamic that makes America, America. Such small businesses have a widespread contribution, in that they contribute to the betterment of lives for not only small business owners and employees but the consumer population as well.

In addition to the increase in jobs the small business bring to the community, they also have the effect of making a given city, town, or even districts much more unique and provide a strong sense of culture, as areas are defined by the people, facilities, and the opportunities which they provide. If a community were to have more successful and unique small businesses, a greater amount of opportunities would be available which would then allow the community to stand out from the rest other areas in that the uniqueness and community bonds are often catalyzed by the small businesses in that help to comprise a community.

Additionally, all of these benefits of small businesses also bring the added benefit of contributing taxes to both local and federal governments. Though that may not sound initially

impressive, it is evident that local governments are strengthened when added income from a tax influx is available to enhance and improve local resources for facilities for its citizens. When citizens go to an online market instead, some of this tax revenue is not contributed at the local level. This also goes in hand with any possible donations which the small business may make in order to advertise their brand or name. Adding to the sense of community, small businesses often contribute to local sport teams or school competitions; small businesses also often donate towards charities in return for advertising space. In addition to the monetary benefit, it also creates and strengthens community bonds by offering an area for citizens to interact and speak about a specific topic with each other and enables those in the community to form lasting social bonds. While assessing the many benefits that a small business offers to a community, it is important to realize that, as a whole, the concept of the small business is fading from communities across the United States. Although one could argue that there should be federal laws to limit the immense corporations which are constantly dominating over and consuming the middle to small businesses, this would have to be done by shifting the burden to a large part of the country which would not necessarily agree that this would be the correct or beneficial move for the country. So, rather than simply forging an attack on big business, one would provide greater research and benefits to small businesses which could cause them to be more credible and relevant competitors in the fight for survival against big business.

Literature Review

With federally funded programs such as the Small Business Administration [SBA], businesses are met with the opportunity to learn the basics of how to start their own successful business. However, the SBA provides little in the way of support or information as to

the benefits of various online platforms or data analytics programs. In an effort to fill in such a gap, this study begins to fill this void with research that will improve small businesses, with a focus on an individual community, Ventura county, in order to acquire results specific to its demographics.

Though the SBA does not provide adequate research or information regarding proper marketing of online platforms, nor recommendations with respect to data analytical programs, the Administration does provide a basic foundation to marketing. They do this by providing a breakdown as to how a business owner can create a marketing plan and the different types of marketing which one can incorporate and implement in a business. This would include such ideals as recommending the targeted consumer and a single audience by means of demographics or “unique traits” (SBA; 2018). Though these are valid components, no suggestions on behalf of the administration have been made as to how a business owner would effectively carry out such a marketing strategy nor any reasonable platform to base advertising efforts on. Nevertheless, The SBA still provides solid ground support to how one can begin formulating a marketing plan.

Although the SBA does not provide sufficient to guidance and instruction on marketing through online platforms, other studies conducted by independent universities have shared the viability of online marketing and its correlative effectiveness. Kalpaklioglu, European University of Lefke professor and public relations and advertising faculty member, conducted a case study on the potential and viability of various viral marketing campaigns. Online platforms, focused on email, consumer generated media and mobile logging were examined and compared to the benefits of traditional methods of marketing, including word of mouth and flyers.

Kalpakioglu determined that online platforms that provided an avenue for comments and evaluations for the consumers were the most popular and effective.

The primary type of online platform focused on in this study is social media. It has become apparent, through various studies, that social networking sites would be much more powerful and effective than old school types of advertising, namely, word of mouth (Frazer; 2013). Word of mouth has traditionally been a reliable, simple, relatively effective form of marketing for businesses across the retail spectrum. This is often done by conversing with potential customers regarding the business's goods or services based on recommendation (Thatcher, Alao, Brown, & Choudhary; 2016). However, as the epidemic of social media has become so popularized, across all demographics and age ranges, it is online platforms will quickly outperform the rudimentary advertising vehicles that businesses have long relied on.

In addition to online marketing, data analytical programs have also proven to be a critical aspect of and benefit to businesses in the current technological climate, as exhibited in a bibliometric study conducted by a group of researchers at the J. Mack Robinson College of Business, regarding the use of big data analytics in large business models. This provided further groundwork for the potential of data analytical programs as well as the associated benefits they would contribute to a given company. It is notable that none of the studies published in modern literature have focused on smaller business models, despite the growing number of data analytical programs based for small business. This is likely due to the majority of research being done has been conducted confidentially in order to survive in the competitive climate of the many of the analytical programs.

In this particular study, the small businesses examined are based only in the Ventura County of California in order to stay consistent with respect to variables. According to the US census, the population of Ventura County is 850,967; while 45.2% of this number is Caucasian, Hispanics, or Latinos, comprise 42.9%, Asians are 7.8%, and 4.1% are of other races. With this in mind, persons under five years of age account for 6.0%, those under 18 years of age are 23.2%, and those over 65 years of age are 15.0%. In addition to this, the median household income is currently \$81,972 and 85.1% of households have a broadband internet subscription (City Data; 2018). Broadband internet is simply any internet access service which offers high speeds and comes in one of the following four formats: digital subscriber line, fiber-optic, cable, and satellite.

Question

In this research project, the question addressed is: To what extent do small businesses rely on online platforms to market their business as opposed to traditional physical forms of brand and product advertisement and have analytical programs proven to be a significant contributing factor for the success of small businesses in the current climate.

Terms and Variables Addressed

A primary term used throughout this study is the effectiveness of a given marketing tactic that is utilized by the store and the individual owner. Small business owners are aware that the strongest businesses are those which remain agile, relevant and adaptable to the changing needs of the marketplace. In recognition of this, the variables of marketing which will be more closely examined will be the effectiveness of online marketing tactics though programs such as social

media accounts and the corresponding benefits in incorporating such into a company's marketing platform.

One of the variables addressed in this research is the use of analytical data programs in a small business. Thought to be an extremely significant aspect adjunct to marketing, it has the potential to have a significant impact on the dynamics of a workplace and its overall strategic approach to everyday protocol. When the project refers to analytics, it is referring to the processing of a variety of data which could be used to analyze times when the majority of shoppers come to a given brick and mortar store as well as which products are the most popular and at what times when they are most likely to be purchased. Though these sound like rather advanced methods of analysis for a small business, there are currently a variety of programs available, at a range of costs, which can aid in this analysis. Regardless, this aspect of the project is not expected to have a great amount of users actually taking advantage of any analytical programs; rather it will simply be used to assess how many businesses actually use any of the possible programs or software available and whether or not they find it to be of use or would possibly recommend them to other businesses.

When the term effectiveness is used to describe a specific tactic or variable, it was chosen to describe the overall picture through the effort and time it takes to implement. This includes both the initial time it takes to complete the learning curve and then also the subsequent implementation in order to further benefit the business. The cost is also considered. While there are some free programs available, such as Facebook Business and Instagram, there are also more costly platforms, such as Grubhub, which collect a tenth to a fifth of the net profit of each sale as a return for allowing the business to use their server. In addition to price, the literal effectiveness

that it had on either attracting new clients or building a stronger base of loyal clients is also examined. As evident through past research, the majority of successful small business often have a base clientele that contribute a specific amount of time at each business either per week or on a monthly basis.

Methodology

The most notable portion of the steps taken to conduct research was identifying participants for the survey. This was created for the project through Google Forms. This proved to be a difficult task since one would expect that a business owner may not be anxious to expose their marketing tactics. In order to address this and source the necessary information, the assurance of complete confidentiality was given in the only the description of store is given or the category their business would fall under. Additionally, a specific location or name was not disclosed. The category of businesses chosen were as follows: retail/wholesale, specialty entertainment, hospitality (including food and beverage), niche services and small scale repairs/construction. In order for the participant to qualify to take this survey, their business would also have to be operating from an actual brick and mortar location having set hours that a customer could go to in order to inquire about possible services or products.

In an effort to recruit small business owners to participate in the survey, contact was made with the Thousand Oaks Change of Commerce directory, which listed businesses based on category. Following this, it was necessary to assess whether or not the member was in fact a small business and if they had a method of contact through email or phone. Though it was preferred to use an email as the form of contact since it allowed more time to send more emails with an average time of sending one email to roughly be a minute, while calling a business often

varied from anywhere between thirty seconds, with no response, or getting to speak to an employee and being given a time to call back.. With this in mind, it was much more efficient to send emails instead of calling in that a link to the survey could easily and quickly be sent.

In addition, to lure more possible participants to take part in the survey, potential participants were notified that all data that I received through the project would be accessible to them if they wished, thereby offering great benefit to the business owners so that they could learn other types of marketing efforts were being utilized in the community and use this information to they to increase revenue and improve their bottom line. With this in mind, these were the precautions taken when addressing the human subjects which were involved in this study.

Regarding the number of subjects which took part in the study, it was realistically estimated that roughly 30 participants would actually take part. Although over 150 businesses were contacted in the process, not many people were entirely interested in filling out the survey.

The survey was created from modern literature reviews and projects that examined the marketing aspects of small businesses in the United States. Further, the survey was also constructed with the help of a peer mentor who is a retired small business owner, who now offers consulting and marketing advice through an SBA funded program called Score. Through phone calls and video chats, he was able to provide crucial insight on how a small business owner might be more willing to answer questions in the survey as well as other possible aspects to look at while conducting research.

The majority of data collection from interviews took place through emails and phone calls. Due to the strict policies and protocol outlined by the Conejo Valley Unified School

District for in person communication with people outside of the school system, the information for the survey was sourced solely through online platforms. The expected timeline for this phase of my research was difficult to estimate due to the unpredictable amount of people who would commit to the survey. Although a estimate of time for this portion of the research was around three to four weeks, considering the identification of the many small businesses, contacting the small business owners, and waiting for their replies.

Results and Discussion

The survey began with asking the type of business the owner runs, primarily used to narrow down the specifics of the given product or service and how that may change the type of marketing one would use. The survey then analyzes why this category of business tends to utilize a specific type of marketing over a different type. This is done by asking which type of marketing strategies are used by the business and then asked whether or not each were proved to be effective. Prior to taking the survey, the participants were informed what effectiveness meant in the context of the survey.

Following this, participants were asked choose from various online platforms that they use to market their business. In doing such, they were allowed to choose more than one option. Only 9.1% of participants claimed to use Ebay and Craigslists; both of these websites are used to sell products. The most commonly used platforms were both Instagram and Facebook, with 63.6% of participants claiming to use Instagram and 72.7% of the participants also using Facebook. This is likely to due to opportunities and sophisticated platforms offered by both social media networking sites that offer businesses a specifically modeled page for their business in exchange for premiums to market their business on the social media site.

Afterterwards, the participants were asked to choose which of the previous online platforms were the most effective. This resulted in the overwhelming majority of participants claim that Facebook was the most effective in regards to marketing both for increasing sales and attracting clientele. This is rather critical information for small businesses to consider since it displays which online platform would be most beneficial to learn more about and utilize to expand their business. Conclusions can be drawn in regards to why Facebook is most effective for small business marketing. It is apparent by their website design that more components for business profiles are available in comparison to other social media websites, which include Instagram and Twitter. If a business were to set up a profile oriented towards the products they sell or market, as well as the location of their company, various forms of contact information and methods of displaying their products or services are available (Kalpaklioglu; 2011).

Moving on from the marketing aspect in this survey, a broad sense of the use of data analytics programs was inquired about. In the interest of time for the participants, specifics were somewhat limited. In addition to this, it was speculated by marketing consultants who reviewed the survey before prior to it being sent out, that not many of the business owners who were surveyed were extremely likely to have used data analytics programs in their business. Consequently, results display that only 27.3% of the participants actually use data analytical programs. Such a small amount of business owners using these programs is likely due to lack of knowledge in regards to them since there is very little information on them from sources which they rely on, such as the SBA.

Nevertheless, two more questions were asked in regards to data analytics. Out of the 27.3% of participants, all of them claimed that it was beneficial to their business to utilize the

programs. This is again crucial information which other small businesses should likely consider when attempting to either start or improve their business. With all of the owners agreeing that the analytical programs have been helpful in their business it is definitely an aspect of running a business which federally funded programs such as the SBA should begin to place more research into and promote in their instructions and suggestions for the small businesses which they provide aid for. To further elaborate on data analytic programs, one final question was asked to see which programs were being used by the small businesses that were surveyed. The two most commonly used programs are “Tableau” and the analytic program offered by Google called “Google Analytics.” In regards to how the two programs differ for small business owners would be beneficial to the ongoing research of aid for the small businesses in the United States and similar core nations.

Limitations and Further Research

Throughout the process of this study, there were multiple limitations which stood in the way of accomplishing extremely thorough research in the aspects of marketing in both small business. One of the most prevalent issues was acquiring data, roughly 150 small businesses in the Ventura County were contacted yet only 11 of the businesses were willing to take the survey. As a way to encourage more participants, the emails sent out expressed the confidentiality of the information they were to give. In addition to this, data which was collected through the surveys was offered to the participants as a way to reflect on marketing strategies used within their county as well as looking into the data analytical programs which businesses that fall into the same category as them use.

Many of the conclusions drawn from this paper were made in a broader sense which limits the complete accuracy of the research. Much of the main ideas drawn from this study were made in a broader sense due to the lack of similar studies done. With very little research focusing on the small business population, not as much can be compared to this research. Although, the survey conducted the data drawn from it does in fact provide a stronger foundation for the scientific literature needed for small businesses. Even though broader conclusions are made, critical results are displayed which have the ability of helping small businesses not only in the Ventura County but also areas with similar demographics, ages, and median household incomes since there is a direct correlation between marketing trends and the type of populations that attracts (Martin & Brooks; 2010).

Another limitation that posed to be an issue in this study is the fact that much of the marketing research that has been completed has been done in a private setting. This is done so that only specific companies are able to reflect off of it and benefit from it. The marketing industry is a rather competitive field which results in such studies in being private. If further research is done in public settings, both marketing companies and the small businesses may be able to benefit from this as they will be able to benefit and reflect on strategies which they may be able to use.

After completing this study, it is apparent that further research should be completed in an interview format with more of the small businesses in order to look at why owners tend to use Facebook and Instagram as their most effective online platforms to market off of. In addition to this, if such studies were to be published through the SBA, more small businesses could possibly have more successful marketing campaigns which would encourage greater sale increase and

attraction of clientele. This would also be beneficial to be done with the sense of data analytical programs that focus of Tableau and Google Analytics.

Conclusion

Without a doubt, small businesses throughout the nation are beginning to fade out of the economy as larger businesses and corporations take over the general market. Online competitors such as amazon have dominated over all aspects of the retail and market which has led to many of the small businesses within communities being run out of business.

Though such large online competitors can be viewed as cheaper in price and more convenient, small businesses still add to the characteristics of the culture and uniqueness to communities in the United States. Not to mention the fact that small business often host community events which provide an avenue for people of a given city to socialize with each other and even converse over the product or service which a small business could offer. This further stresses the importance of small businesses which is why federally funded organizations alike the SBA and current scientific literature should contribute to helping the small business community.

In regards to aid for small business, one of the main ways action can be taken is by looking into ways which business can receive attention once again. The methods of marketing for a business is one of the many ways businesses can attempt to either expand or survive in such a difficult climate of megacorporations. As more avenues for marketing have become apparent, if more studies are put in place alike the one completed in this paper are made, business owners will be able to effectively spend more of their time and money investing in more efficient marketing method.

Along with the rise in marketing through online platforms, data analytics are still a brand new concept to the majority of small business owners and will continue to need time before it grows in popularity. Nevertheless, any scientific research provided to help small business owners learn more about its potentials, the greater help and further implications it will have for small business.

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