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In a Tough Economy, Small Businesses Tap Technology to Optimize Marketing Initiatives
Small Businesses Go Global, Digital and Viral in
Efforts to Acquire and Retain Customers

by

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Executive Summary

It is never easy being a small business, especially if the enterprise involves going up against bigger (i.e., Global 2000) companies in the same field. Nevertheless, there is a growing body of evidence indicating that small businesses are becoming increasingly competitive in a greater variety of vertical industries across the globe. They are reaching larger audiences in a more targeted manner. As a group, small businesses are often encroaching on the market share of much bigger competitors.

To a large extent, small businesses are the beneficiaries of both the globalization and the digitization of the economy. The cost of reaching out and contacting prospective clients across the country and around the world has been significantly reduced because the World Wide Web has become the de-facto marketplace of ideas as well as products. What is most surprising is the speed with which this has occurred.

Spurred by the rise of Web 2.0 technologies like Twitter, Facebook, LinkedIn, and other similar platforms, small businesses are showing themselves to be in a position to run and market their operations in a more agile and customer-focused manner. (It is interesting to note that Twitter, Facebook and LinkedIn were themselves small businesses not long ago. Their growth has come at the expense of much larger and more established players in media and publishing sectors. Similarly, in the financial services sector, companies like Paypal – which offer payment services online – are taking a significant amount of market share away from banks who once ruled unchallenged in the payment services arena).

Their small size (and correspondingly more simple organizational charts) allows them to take advantage of new technological developments more quickly and to greater tactical advantage than those in larger organizations. In the process, many small organizations are rapidly becoming large forces in the market.

Here are a few facts to back up this assertion:

- **Taking Their Wares Global** – A full 97 percent of U.S. exporters qualify as small businesses, according to the Small Business Administration (SBA). These companies are not only proving themselves able to market their wares to overseas buyers, but in a growing number of cases, small businesses are also tapping into the global supplier community. In so doing, they are further expanding their marketing and brand footprint.
- **Technology-driven Do it Yourselfers** – More than half of small business owners say that generating new customers is a challenge for them, yet nearly two-thirds say they do not use outside support for marketing assistance, according to a survey of U.S. small businesses from the Yellow Pages Association (YPA).

Reasons for this interesting statistical relationship can be explained by how easy it is now to set up advertising campaigns on search engine portals, push out press releases through web-based distribution services, and track

performance using online analytical tools.

- **Viral Marketing** – The global digitization of the economy has not only affected how small businesses push offerings out, but also how individuals and businesses consume information about products and services. As just one case in point, according to eMarketer, the number of Internet users who download podcasts – which are inexpensive to produce and distribute (especially compared to traditional media and marketing channels) – is on the rise worldwide. In 2008, an average of 48.8 percent of respondents made up of online consumers around the world indicated that they downloaded

podcasts. This represents an increase of 27 percent over the previous year. Meanwhile, in the United States, 29.5 percent of Internet users say they download podcasts – up 15.2 percent from last year. Once downloaded, a significant percentage of these new-media modules are distributed and shared, further extending the reach of marketers at low or no cost.

The full report will be available at www.SolutionsForSmallBusiness.com beginning October 23, 2009. In it, we'll explore the implications of these trends for small business marketers, and discuss the best practices that optimize precious marketing budgets and resources.