# Walden University

College of Management and Technology

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# Asia Lockett

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Walden University 2018



# Abstract

Online Marketing Strategies for Increasing Sales Revenues of Small Retail Businesses

by

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MBA, Ashford University, 2013

BS, California State University Dominguez Hills, 2002

Doctoral Study Submitted in Partial Fulfillment
of the Requirements for the Degree of
Doctor of Business Administration

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# Abstract

Small retail business leaders use online marketing to connect with consumers and the community. The purpose of this qualitative multiple case study was to explore the strategies some small retail business leaders use to implement online marketing to increase sales. Data were collected from 4 small retail business owners who successfully used strategies to implement online marketing in California. The conceptual framework for this study was Rogers's diffusion of innovation theory. Data collection techniques and sources were semistructured, face-to-face interviews, and review of public business documents, company websites, social media websites, and analytical tools. A thematic analysis of the data yielded 4 themes: social media platforms and strategies, online marketing strategies and challenges, online content strategies, and follow-up strategies. Business leaders of small retail organizations who want to increase revenue, remain competitive, overcome challenges associated with online marketing, and increase communication by implementing new technology might elect to align with the strategies identified in this study. The implications for positive social change include the opportunity for small retail business leaders to increase revenue while providing more job opportunities to benefit employees, employees' families, and the community.

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# Dedication

I would like to dedicate my study to my family, especially to my father, Richard. My father was there for me in every aspect of my journey by encouraging, motivating, and inspiring me to achieve the highest academic degree. I also dedicate my study to my children, Stephanie, Sean, and Summer, as they understood the time I spent researching and focusing on my doctoral study was a requirement, not an option.

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I thank God, who is the head of my life. Through Christ, all things are possible. I understand without prayer and the Lord by my side, I would not have completed this journey. I acknowledge my mother, Robyn; my grandmother, Alma; my husband, Steven; and my sister, Amber Elizabeth, who always reminded me God has control, and if this were easy, everyone would have a doctoral degree. I further acknowledge my Uncle Keith, Aunt Cathy, Uncle Gerald, and Aunt Cheryl (may her soul rest in peace) as their feedback, guidance, and support abetted in my progress. Acknowledgment also goes to my close friends, Tamara, LaMeikka, Ebony, and Bonny, who continuously inquired about my progress, read my study, provided feedback, and understood my lack of time for social activities over the past 3.5 years. My final acknowledgment is to the participants of this study, colleagues, classmates, Dr. Miller, and Dr. Land who provided constructive criticism, feedback, and numerous reviews of my study until final approval was obtained. I thank and appreciate all!

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## Section 1: Foundation of the Study

The advancement of technology offers small business leaders an opportunity to evaluate data and use the information to improve their productivity (Keegan & Rowley, 2017). According to Dolan, Conduit, Fahy, and Goodman (2017), online marketing increased in content and changed the way individuals and organizations interact. To realize and understand the potential benefits of online marketing, small retail business leaders need to ensure their processes align with technological advancements. Failing to recognize potential benefits of online marketing might cause loss of productivity, revenue, and communication (Cheng & Liu, 2017).

To sustain a competitive advantage and increase revenue and communication, small retail business leaders must plan to satisfy customer requirements and ensure innovative technological strategies are implemented (Cheng & Liu, 2017). In this study, I explored strategies small retail business leaders use to implement online marketing to increase derivative sales. Directly and indirectly, the retail industry is the most significant private employer in the United States and contributes an estimated \$3.53 trillion annually to the U.S. gross domestic product (National Retail Federation, 2018).

## **Background of the Problem**

Practical use of various online tools by business leaders leads to new opportunities (Gaikwad & Kate, 2016). The Internet is a trusted source that consumers turn to before purchasing products and services (Smith, 2017). Business leaders use the Internet as a marketing tool for financial success and to aid in fostering communication with the visibility and channels of online sales and social media advertising becoming

robust ways to reach various markets for business expansion (Banica, Brinzea, & Radulescu, 2015). In 2013, there were 28.8 million small businesses, representing 99.7% of all organizations (U.S. Small Business Administration, 2016). According to Jones, Borgman, and Ulusoy (2015), consumers are using Internet technologies in increasing numbers, which presents opportunities for businesses to reach and connect with more people through websites and social media sites. Smith (2017) discovered 69% of consumers use social media to share information about products and services. However, succeeding with online marketing requires resources to create quality content and build followers.

The benefits of online marketing include: (a) economic pricing, (b) the targeting of diverse demographics at once, (c) providing products and services conveniently, and (d) allowing customers to easily research products and services to expedite the purchasing decision (Durmaz & Efendioglu, 2016). Online marketing provides opportunities for businesses to gain economic value via collaboration with stakeholders, customers, and employees (Purkayastha & Sharma, 2016). Small retail business leaders must incorporate online marketing strategies into their business plan to decrease the possibility of failure, grow their business, and become more profitable.

#### **Problem Statement**

Some small business retail leaders struggle to implement social media marketing strategies for advertisement, employee recruitment, and communication for increased revenue (Schaupp & Belanger, 2014). In 2015, 31.8% of small retail businesses had websites to leverage online marketing, yet 67.4% could not grasp opportunities offered

by online marketing, which resulted in a loss of opportunities in online markets (Cesaroni & Consoli, 2015). The general business problem was that small retail business leaders encounter difficulty using online marketing to increase the quality of communication with customers and to increase derivative sales. The specific business problem was that some small retail business leaders lack strategies to implement online marketing to increase derivative sales.

## **Purpose Statement**

The purpose of this qualitative multiple case study was to explore the strategies some small retail business leaders use to implement online marketing to increase derivative sales. The target population included business leaders from four small retail businesses in California who I selected because they had successfully implemented online marketing strategies to increase derivative sales. The implications for positive social change included the potential for business leaders to provide job opportunities for the public.

# Nature of the Study

I selected a qualitative method as the approach for this study. The qualitative method was appropriate to understand the techniques small retail business leaders use to create and apply online marketing into business plans. Using the qualitative method aided in identifying the online marketing strategies small retail business leaders use to increase derivative sales by uncovering communication strategies and branding methods. In this study, the goal was to explore the successful practices of small retail business leaders'

online marketing, identify relevant implementation issues, and assess the effectiveness of the use of online technology in retail business settings.

Researchers use the qualitative method to explore a phenomenon and to understand the perspectives of the participants (Yin, 2014). The quantitative research method would not have been a beneficial approach to this study. In quantitative research, statistical data are analyzed and examined for relationships or differences among variables (Cokley & Awad, 2013). Therefore, I did not use the quantitative research method. In comparison, the use of a mixed-method design explores both qualitative and quantitative methods to examine the phenomenon (Hesse-Biber & Johnson, 2013). I did not select a mixed-method design for this study because the collection of both qualitative and quantitative data was not required by the research question or aim of the study.

There were many qualitative designs to consider; however, other designs were not beneficial for the research in this study. Researchers use a phenomenological design to explore, describe, and analyze the meaning of individuals' experiences (Marshall & Rossman, 2016). A phenomenological design was not selected for this study as the views of individuals were not required to understand the phenomena. Narrative research is storytelling presented by participants with real-life experience (Wang & Geale, 2015). The use of a narrative approach is a complex methodology, and the analysis of storytelling was not required to complete this qualitative study. Ethnography is a field-based study to understand social interactions, behaviors, and perceptions in detail (Yin, 2014). The focus of this study was not to explore individual group practices; therefore, an ethnographic method was not appropriate.

A multiple case study was the qualitative design I employed in this study. A multiple case study inquiry is beneficial for interacting with participants and for personal observation to understand the phenomenon from different viewpoints as opposed to an ethnographic study, phenomenological study, or narrative inquiry designs (Yin, 2014). A multiple case study design provided me with an in-depth understanding of the requirements and decisions small retail business leaders apply to implement online marketing procedures. The use of a multiple case design permits researchers to ask the appropriate open-ended questions, explore the modern marketing phenomenon, and develop a rapport with participants (Cronin, 2014; Yin, 2014). A qualitative multiple case study approach was an appropriate methodological selection for this study because it allowed me to explore the circumstances and conditions of using online marketing strategies to grow a business successfully (see Yin, 2014).

## **Research Question**

The overarching research question that guided this study was: What online marketing strategies are used by small retail business leaders to increase derivative sales? I developed interview questions for the study based on this research question.

## **Interview Questions**

- 1. What online marketing strategies have you implemented to increase derivative sales?
- 2. What motivated you to start using an online marketing strategy?
- 3. What are the obstacles you encountered while developing and implementing online marketing strategies?

- 4. What online marketing strategies are most effective or beneficial for your company?
- 5. What online marketing strategies have been least effective for your company?
- 6. How do you measure the success of your organization's online marketing strategies?
- 7. What were the key challenges to implementing your successful strategies for online marketing?
- 8. How did you overcome key obstacles to implementing successful strategies for online marketing?
- 9. What online marketing strategies do you use to retain your consumers for follow-up sales?
- 10. What additional information would you like to share regarding online marketing strategies implemented to increase derivative sales?

## **Conceptual Framework**

The conceptual framework for this study was the diffusion of innovation theory as first presented by Rogers in 1962. Rogers (2003) explained how innovation is communicated through specific channels over time to members of a social system. The four components of the diffusion of the innovation process are the social system, innovation, communication channels, and time (Rogers, 2003). Dearing (2009) suggested the process of diffusion innovation starts slowly and over time begins to accelerate positive communication.

The use of the diffusion of innovation theory with a multidisciplinary approach produced a rich and diverse understanding of diffusion dynamics (Frattini, Bianchi, Massis, & Sikimic, 2014). The robustness of this theory derived from the many disciplines and fields of diffusion studies, and the nature of the theory suggests leaders determine what innovation will be adopted (Dearing, 2009). Information flows through social networks as an innovative form of communication (Rogers, 2003). Once business leaders implement an online marketing strategy, they have created a social system, which supports continuous interaction with employees, stakeholders, and consumers. I used the diffusion of innovation theory as the conceptual framework in this study to understand the online marketing strategies small retail business leaders use to increase derivative sales.

# **Operational Definitions**

Diffusion of innovations: A theory developed to explain how a new product is diffused, gains momentum, and is adopted through a network over time (Dearing, 2009; Frattini et al., 2014; Girardi & Chiagouris, 2018).

Digital marketing: An interactive tool that consumers use to access products and services in the form of television, radio, Internet, and web services (Durmaz & Efendioglu, 2016).

*Innovative technology*: New, groundbreaking methods and processes implemented to produce goods or services (Moats, 2015).

*Internet marketing*: The result of modern means of communication to provide a product or service through the Internet (Banica et al., 2015).

Social media marketing: Marketing specifically designed for dissemination over websites through social interaction that creates accessible and scalable publishing techniques (Constantinides, 2014).

*Traditional marketing*: Product placement and promotion by using printed ads and commercials (Banica et al., 2015).

Web 2.0: A group of Internet-based applications built on the ideological and technological foundations allowing the creation and exchange of user-generated content (Keegan & Rowley, 2017).

# **Assumptions, Limitations, and Delimitations**

## **Assumptions**

The assumptions for this qualitative research study were outside influences beyond the researcher's control. Assumptions are accepted as accurate given the study population and can affect the inferences drawn from the study (Lynch & Welch, 2014; Marshall & Rossman, 2016). Assumptions should help researchers and practitioners identify applications and answer the research question (CITE). No certainty exists that assumptions develop relevant statements to explain the phenomenon in a study (Gill, 2014). The assumptions I held in this study were: (a) participants were truthful with all responses to interview questions, (b) data collected from interviews provided sufficient feedback for data saturation, and (c) participants provided real-life experiences.

#### Limitations

Limitations derive from the conceptual framework and the design of the study (Marshall & Rossman, 2016). Limitations are out of the researcher's control and are

potential weaknesses in the study (Guetterman, 2015). I identified two limitations in this study. First, it was possible that participants were not honest and forthcoming in their responses to the interview questions required for data collection. Second, participants were small retail business leaders in California, and results might differ in other states.

#### **Delimitations**

Delimitations are defined as boundaries of the study within the researcher's control (Marshall & Rossman, 2016). In this multiple case study, the three delimitations were: (a) participants were small retail business leaders, (b) the specific geographic area in California, and (c) participants needed to have a minimum of 6 months of experience using online marketing. Delimitations may have impacted the findings of this study by providing unforeseen factors beyond the researcher's control.

# **Significance of the Study**

The findings of this study might be valuable to small retail businesses by providing information demonstrating the potential importance of online marketing. The results from this study reveal successful online marketing strategies that could be used to aid in purchasing decisions and the creation of relationships between small retail businesses and consumers. Researchers have discovered business leaders who create an online presence can benefit from free media, continue to generate sales, and improve local economies (Sheng, Amankwah-Amoah, & Wang, 2017).

#### **Contribution to Business Practice**

The results of this study might contribute to effective business practices by providing pragmatic marketing approaches beneficial to small retail business leaders for

increased sales revenues. Using online marketing strategies offers business leaders access to new markets with improved communication to customers and the identification of emerging trends within the economy (Corley, Jourdan, & Ingram, 2013). Online marketing strategies are cost-effective and increase the growing importance of the social media presence (Corley et al., 2013). Online marketing is a pervasive strategy for increasing sales leading to more revenue for businesses, and more visibility to products and services further increases sales (Erdur, 2016).

## **Implications for Social Change**

The results of this study may contribute to positive social change by providing small retail business leaders with an understanding of successful strategies for online marketing. Business leaders might gain an understanding of strategic processes for online marketing to improve sales. By adopting new methods of selling and communicating, small retail business leaders' online presence could increase the probability of long-term growth, increase exposure, and attract new customers. The implications for positive social change include the opportunity for small retail business leaders to increase revenue while providing job opportunities to benefit employees, employees' families, and employees' communities.

## A Review of the Professional and Academic Literature

The purpose of this qualitative multiple case study was to explore successful online marketing strategies by small retail business leaders. The overarching research question for this study was: What online marketing strategies are used by small retail business leaders to increase derivative sales? To address this research question, I

reviewed literature on case study analysis, innovation theories, online marketing strategies, social media marketing strategies, technology advancement strategies, traditional marketing strategies, and online marketing strategies to assist business leaders in increasing the profitability of small businesses in California.

Online marketing is a valuable tool for small retail businesses and consumers. Erdur (2016) posited online marketing could be considered the foundation of the web economy. Rogers (2003) identified the value of online marketing for small business retail leaders aligns with the diffusion of innovations theory. In this review, I related extant literature to the success of the innovation process, productivity, advantages, and economic growth. To reach a broader range of customers, business leaders should gain and use knowledge with current technologies and concepts of online advertising (Gaikwad & Kate, 2016).

To conduct this review of the literature, I obtained information from the field of business innovation studies. I accessed scholarly peer-reviewed literature through the use of databases available from the Walden University Library, including ABI/INFORM Complete, Emerald Management Journals, Science Direct, Business Source Complete, and Google Scholar. Keyword search terms included *business marketing strategies*, diffusion of innovation, social media marketing, traditional marketing, marketing case study analysis, small retail business development, technology integration, consumer communication techniques, revenue building strategies, and business strategies. The literature I reviewed for this doctoral study consisted of 262 references with 246 sources having a publication date between 2014–2018. The percentage of references within 5