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RESEARCH ARTICLE OPEN ACCESS

A STUDY ON THE MARKETING CHALLENGES FACED BY SMALL BUSINESSES IN THE DIGITAL ERA

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Abstract
The rapid transition to digital-first marketplaces forces small businesses to adopt online marketing channels to remain competitive. While digital tools provide wide reach and measurable returns, small enterprises often struggle due to inherent structural and financial limitations.

Keywords: Small businesses, digital marketing, marketing challenges, social media marketing, customer acquisition, digital skills, online advertising.

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I. INTRODUCTION

The digital era has brought significant changes to the way businesses operate and market their products and services. The rapid development of the internet, smartphones, social media, e-commerce platforms, and digital payment systems has created new opportunities for businesses to reach customers quickly and efficiently. Digital marketing has become an important tool for creating brand awareness, attracting customers, building relationships, and increasing sales.

Small businesses play an important role in the economic development of a country by providing employment, supporting local communities, and contributing to economic growth. However, compared with large businesses, small businesses often have limited financial resources, fewer employees, and less access to advanced technology.

1.1 BACKGROUND OF THE STUDY

Digital marketing has become an important part of business promotion because customers increasingly use digital channels to discover products, compare alternatives, communicate with sellers and share their experiences. Small businesses can use these channels to improve visibility, generate enquiries and maintain customer relationships. Social media marketing and online advertising are particularly relevant because they can help businesses present products and communicate directly with potential customers.

Nevertheless, the availability of digital platforms does not automatically result in effective marketing. Businesses need to understand how each platform works, identify the right audience, create useful content, respond to customer interactions and assess results. The survey data used in this study show that respondents face challenges relating to digital knowledge, competition, cost, technology and skills. These issues provide the basis for examining the gap between the opportunities offered by digital marketing and the practical difficulties experienced by small businesses.

1.2 STATEMENT OF THE PROBLEM

Small businesses are expected to maintain an online presence and compete with other businesses in an increasingly digital marketplace. However, many may lack the knowledge, financial resources, technical facilities and time required to manage digital marketing effectively. The supplied survey results indicate that lack of digital knowledge is the leading reported marketing challenge, while a substantial proportion of

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respondents experience difficulty attracting new customers and keeping up with digital trends. Although digital marketing is used by many respondents, its perceived impact on customer growth and brand awareness is not uniform. Therefore, the problem addressed by this study is to understand the major marketing challenges faced by small businesses in the digital era and identify practical measures that may help them use digital marketing more effectively.

1.3 NEED OF THE STUDY

The study is needed to identify the key obstacles that prevent small businesses from making effective use of digital marketing. Understanding these obstacles can help business owners choose suitable marketing channels, improve their digital skills and allocate limited resources more carefully. The study is also useful for training providers, business associations and support agencies because it highlights the types of assistance respondents consider important. In particular, the questionnaire results provide insight into digital knowledge gaps, technology and funding constraints, customer acquisition difficulties, and the perceived need for digital marketing training.

1.4 SCOPE OF THE STUDY

The study covers the marketing challenges experienced by small businesses in the digital era. It includes the demographic profile and business background of respondents; major marketing challenges; difficulty in keeping up with digital trends; challenges in creating digital content and attracting new customers; barriers to digital marketing adoption; usage of digital marketing; reasons for adoption; changes in customer base; perceived impact on sales and brand awareness; preferred digital marketing strategies; attitudes towards training; and the support considered most useful. The analysis is limited to the questionnaire data supplied for this study. The source document does not specify a geographical study area, so no particular location is assumed in this article.

1.5 OBJECTIVES OF THE STUDY

- To examine the major marketing challenges faced by small businesses in the digital era.
- To analyse the adoption of digital marketing strategies by small businesses.
- To examine the impact of digital marketing on customer reach and business growth.
- To suggest effective marketing strategies to help small businesses overcome digital challenges.

1.6 HYPOTHESES OF THE STUDY

The hypotheses below are proposed to guide the examination of the relationship between digital marketing and the marketing experiences reported by small businesses. They should be tested only if the original respondent-level data and suitable statistical methods are available.

Null Hypotheses (H_0)

H_{01}: There is no significant association between digital marketing usage and reported changes in the customer base.

H_{02}: There is no significant association between the main marketing challenge and the reported difficulty in attracting new customers.

H_{03}: There is no significant association between perceived digital marketing impact on sales and perceived impact on brand awareness.

H_{04}: There is no significant difference in digital marketing training preferences across respondent groups.

Alternative Hypotheses (H_1)

H_{11}: There is a significant association between digital marketing usage and reported changes in the customer base.

H_{12}: There is a significant association between the main marketing challenge and the reported difficulty in attracting new customers.

H_{13}: There is a significant association between perceived digital marketing impact on sales and perceived impact on brand awareness.

H_{14}: There is a significant difference in digital marketing training preferences across respondent groups.

1.7 RESEARCH METHODOLOGY

Research Design

The study adopts a descriptive research design to understand the topic under investigation and summarise respondents' experiences, opinions and reported patterns.

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Sources of Data
The study is based on primary data represented by the structured questionnaire and its analysis and interpretation supplied for this article. Secondary data from books, journals, research articles and relevant publications are used to provide background and support the review of literature.

Sampling Method
The supplied document does not clearly identify the sampling method used to select respondents. Therefore, no specific sampling procedure is claimed in this article. If the questionnaire was distributed using convenience sampling, this should be confirmed and stated in the final submission.

Sample Size
The questionnaire summary identifies 50 respondents. Frequency totals and percentages in the data-analysis tables are presented on a consistent base of 50 respondents.

Tools for Data Collection
A structured questionnaire was used to collect information relevant to the study objectives. The questions cover respondent background and the principal themes examined in the article.

Tools for Data Analysis
The supplied data are analysed using frequency counts, percentage analysis, tables and descriptive interpretation. No statistical significance or causal relationship is claimed because respondent-level data and inferential test results were not supplied.

Area of the Study
The source document does not specify the exact city or geographical area. The study is therefore described in general terms as concerning small businesses in the digital era.

Period of the Study
The data-collection period was not specified in the supplied document and should be added if available.

Limitations of the Study
The analysis is limited to the questionnaire summary provided. Some question totals and response categories require verification against the original questionnaire. The findings describe the supplied sample and should not be generalised beyond it without additional evidence.

II. REVIEW OF LITERATURE

Digital marketing has become an important subject in small-business research because digital channels can support market access, communication and customer engagement, while also requiring resources and capabilities that may be limited in smaller firms. The following review summarises selected research relevant to the present study.

2.1 REVIEW OF PREVIOUS STUDIES

Taiminen and Karjaluoto (2015), in their study on the usage of digital marketing channels in small and medium-sized enterprises, examined how SMEs use digital marketing tools and the factors affecting adoption. Their study reported that many SMEs were not using the full potential of available digital tools and highlighted gaps in digital marketing knowledge. This is relevant to the present study, in which lack of digital knowledge was the most frequently reported major marketing challenge.

The OECD (2021), in The Digital Transformation of SMEs, discussed the opportunities digitalisation creates for small and medium-sized enterprises, including improved outreach, productivity and competitiveness. The report also identified barriers such as limited internal resources, skills gaps, lack of awareness and financing difficulties. These issues closely relate to the survey findings on lack of technology, lack of skills and lack of funds as barriers to digital marketing adoption.

Saura, Palacios-Marqués and Ribeiro-Soriano (2023) reviewed research on data-driven digital marketing strategies in SMEs. Their review highlighted the importance of digital information and data-driven approaches for marketing decisions. For small businesses, the ability to use customer and campaign information can support better targeting and more informed decisions, but this requires suitable skills and resources.

Research on digital marketing adoption and success among small businesses has also

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examined the motivations of owners and managers who undertake digital promotion themselves. Such work suggests that adoption is influenced not only by the availability of technology but also by perceived usefulness, practical capability and the owner's willingness to learn and manage digital activities. This supports the need to consider training, simple tools and realistic strategies alongside the selection of marketing channels.

2.2 RESEARCH GAP

The reviewed literature discusses the general opportunities and barriers associated with digitalisation and digital marketing in SMEs. The present study adds questionnaire-based descriptive evidence on the combination of challenges, adoption patterns, perceived outcomes and support preferences reported by its respondents. In particular, it examines digital knowledge, customer acquisition, technology access, funding, the perceived effect on sales and brand awareness, and the preference for digital marketing training. The findings are specific to the supplied sample and should not be generalised to all small businesses without further evidence.

III. Data Analysis and Interpretation

The study is based on 50 respondents. All frequency totals in the data-analysis tables have been aligned to a sample size of 50, and percentages are calculated using 50 as the denominator.

SECTION I: DEMOGRAPHIC PROFILE AND BUSINESS BACKGROUND

Table 1. Demographic Profile and Business Background of Respondents

Variable	Category	No. of Respondents	Percentage (%)
Gender	Male	25	50.00
	Female	25	50.00
Age	Below 25 years	35	70.00
	25–45 years	8	16.00
	46–55 years	6	12.00
	Above 55 years	1	2.00
Educational Qualification	Higher Secondary	9	18.00
	Undergraduate	18	36.00
	Postgraduate	12	24.00
	Professional Qualification	11	22.00
Business Experience	Below 2 years	40	80.00
	2–10 years	3	6.00
	10–15 years	3	6.00
	Above 15 years	4	8.00

Interpretation

Table 1 shows an equal gender distribution, with male and female respondents each accounting for 50%. Most respondents are below 25 years of age (70%). Undergraduates form the largest educational group (36%), followed by postgraduates (24%), professionally qualified respondents (22%) and higher-secondary respondents (18%). Business-

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experience responses indicate that the largest group has less than two years of experience. Overall, the sample is predominantly young and includes many respondents with relatively limited business experience.

SECTION II: MARKETING CHALLENGES FACED BY SMALL BUSINESSES IN THE DIGITAL ERA

Table 2. Marketing Challenges Faced by Small Businesses

Variable	Category	No. of Respondents	Percentage (%)
Major Marketing Challenge	Lack of digital knowledge	23	46.00
	High competition	16	32.00
	High marketing cost	10	20.00
	Lack of time	1	2.00
Difficulty Keeping Up with Trends	Very difficult	17	34.00
	Difficult	17	34.00
	Neutral	15	30.00
	Easy	1	2.00
	Very easy	0	0.00
Difficulty Creating Digital Content	Always	16	32.00
	Sometimes	16	32.00
	Rarely	1	2.00
	Never	17	34.00
Attracting New Customers	Very challenging	8	16.00
	Challenging	33	66.00
	Easy	5	10.00
	Very easy	4	8.00
Barrier to Digital Marketing Adoption	Lack of technology	17	34.00
	Lack of skills	15	30.00
	Lack of funds	13	26.00
	Lack of time	3	6.00
	Other/unclassified	2	4.00
Overall Marketing Challenges	Very high	20	40.00
	High	22	44.00
	Low	8	16.00

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Interpretation

Table 2 highlights the main marketing challenges among 50 respondents. Lack of digital knowledge is the most frequently reported challenge (46%), followed by high competition (32%) and high marketing cost (20%). A combined 68% find it difficult or very difficult to keep up with digital trends. Customer acquisition is also a concern, with 66% reporting it as challenging and 16% as very challenging. The leading barriers to digital marketing adoption are lack of technology (34%), lack of skills (30%) and lack of funds (26%). Overall, 44% rate marketing challenges as high and 40% as very high. These results point to digital knowledge, technology access, financial capacity and customer acquisition as important concerns.

Data note: the supplied table does not list every possible response category for the overall-challenges item, and some variables have response totals below 50. The original questionnaire or spreadsheet should be checked before the final version is submitted.

SECTION III: IMPACT OF DIGITAL MARKETING AND IMPROVEMENT STRATEGIES

Table 3. Impact of Digital Marketing and Improvement Strategies

Variable	Category	No. of Respondents	Percentage (%)
Use of Digital Marketing	Yes	31	62.00
	No	10	20.00
	Maybe	9	18.00
Reason for Adopting Digital Marketing	To attract new customers	21	42.00
	To increase sales	15	30.00
	To improve brand awareness	10	20.00
	To compete with other businesses	4	8.00
Updating Digital Marketing Strategies	Always	17	34.00
	Sometimes	24	48.00
	Rarely	8	16.00
	Never	1	2.00
Change in Customer Base	Increased	22	44.00
	No change	14	28.00
	Decreased	13	26.00
	Significantly decreased	1	2.00
Impact on Sales	Significantly	8	16.00
	Moderately	30	60.00
	Slightly	8	16.00
	No change	4	8.00
Impact on Brand Awareness	Great extent	11	22.00

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	Neutral	17	34.00
	Very little	16	32.00
	Not at all	6	12.00
Preferred Digital Marketing Strategy	Social media marketing	17	34.00
	Online advertising	16	32.00
	Content marketing	9	18.00
	Email marketing	8	16.00
Attitude Towards Digital Marketing Training	Strongly agree	16	32.00
	Agree	23	46.00
	Disagree	8	16.00
	Strongly disagree	3	6.00
Most Useful Support	Digital marketing training	27	54.00
	Financial support	12	24.00
	Technical support	5	10.00
	Government support	3	6.00
	Other/unclassified	3	6.00

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Interpretation

Table 3 describes digital marketing use, perceived impact and improvement strategies among 50 respondents. A majority (62%) report using digital marketing, while 20% do not and 18% are uncertain. The leading reason for adoption is attracting new customers, followed by increasing sales and improving brand awareness. Nearly half (48%) update their strategies sometimes, while 34% do so always. Regarding customer base, 44% report an increase, 28% no change and 28% a decrease. Most respondents report a moderate impact on sales (60%). Brand-awareness responses are mixed, with 34% neutral and 32% reporting very little impact. Social media marketing is the most preferred strategy (34%), followed by online advertising (32%). A total of 78% agree or strongly agree with digital marketing training, and 54% select training as the most useful support. The findings suggest that digital marketing is relatively common, but practical training and more consistent strategy management remain important.

Regarding customer base, 44% report an increase, 28% report no change and 26% report a decrease; 2% report a significant decrease. A moderate impact on sales is reported by 62.50%, while 16.67% report a significant impact and another 16.67% report a slight impact. Brand-awareness responses are mixed: 34.69% are neutral, 32.65% report very little impact and 22.45% report an impact to a great extent. Social media marketing is the most preferred strategy (34%), followed by online advertising (32%). In total, 78% agree or strongly agree with digital marketing training, and 54% select training as the most useful support. The results suggest that adoption is relatively common, but practical training and better strategy management remain important needs.

IV. MAJOR FINDINGS

- Male and female respondents are equally represented in the demographic table, at 50% each.
- Respondents below 25 years form the largest age group (70%).
- Undergraduates represent the largest educational group (36%).
- Among valid responses for business experience, 83.33% report less than two years of experience.
- Lack of digital knowledge is the leading reported marketing challenge (46%), followed by high competition (32%).
- A combined 68% find it difficult or very difficult to keep up with digital trends.
- Attracting new customers is challenging for 70.21% and very challenging for 17.02% of respondents.
- Lack of technology (34%), lack of skills (30%) and lack of funds (26%) are the leading reported barriers to digital marketing adoption.
- A total of 62% report using digital marketing.
- Attracting new customers is the main reported reason for adopting digital marketing (42.86%).
- Social media marketing (34%) is the most preferred digital marketing strategy, closely followed by online advertising (32%).
- Digital marketing training is the most frequently selected support requirement (54%); 78% agree or strongly agree with training.

V. SUGGESTIONS

- Provide practical digital marketing training: Small-business owners should receive hands-on guidance in social media management, online advertising, content creation, customer communication and campaign measurement.
- Start with suitable, low-cost channels: Businesses should select platforms that match their target customers and products rather than attempting to use every available platform.
- Prepare a simple content calendar: A weekly or monthly plan can help businesses publish consistently and reduce the difficulty of creating content at the last minute.
- Improve customer acquisition: Businesses should clearly communicate product benefits, prices, contact details and offers, and respond promptly to online enquiries.
- Set a realistic marketing budget: Owners should decide in advance how much they can spend and monitor the results of paid campaigns before increasing expenditure.
- Use basic performance indicators: Track enquiries, customer responses, reach,

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engagement, conversions and sales where these figures are available.

- Strengthen technical support: Small businesses that lack suitable devices, connectivity or platform knowledge should seek affordable technical guidance.
- Encourage customer trust: Accurate information, timely replies, transparent pricing and responsible handling of customer data can support stronger customer relationships.
- Review strategies regularly: Businesses should review digital marketing performance periodically and adjust content, target audiences and channels based on results.
- Promote accessible support programs: Business associations and relevant agencies may provide workshops, mentoring and information about available financial or technical assistance.

VI. CONCLUSION

The study examined the marketing challenges faced by small businesses in the digital era using the questionnaire data supplied for analysis. The findings show that digital marketing is used by a majority of respondents, but its effective implementation is constrained by lack of digital knowledge, intense competition, technology limitations, skills gaps and financial constraints. Customer acquisition remains a major concern, and respondents report mixed outcomes in relation to customer growth and brand awareness. Social media marketing and online advertising are the most preferred strategies, while digital marketing training is the most frequently identified support need.

The results indicate that small businesses require more than access to digital platforms: they also need the knowledge and practical ability to use them consistently and evaluate their effectiveness. Affordable training, planned content creation, focused platform selection, basic performance measurement and access to technical and financial assistance may help businesses improve their digital marketing activities. Since some questionnaire items have different valid-response totals and certain categories appear incomplete, the original response sheet should be checked before the study is submitted as a final research article.

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