

Master's Thesis

Sofia Ramos, 2021

Lappeenranta-Lahti University of Technology LUT
School of Business and Management
Master's Degree Program in International Marketing Management (MIMM)

Sofia Ramos

DIGITAL MARKETING ADOPTION IN EARLY-STAGE SMEs

Examiners: Professor Jonna Koponen
Post-Doctoral Researcher Jaakko Metsola

ABSTRACT

Author	Sofia Ramos
Title	Digital Marketing Adoption in Early-Stage SMEs
Faculty	LUT School of Business and Management
Master's Program	International Marketing Management (MIMM)
Year	2021
Master's Thesis	Lappeenranta-Lahti University of Technology LUT 134 pages, 10 figures, 6 tables, 4 appendices
Examiners	Professor Jonna Koponen Post-Doctoral Researcher Jaakko Metsola
Keywords	Technology adoption, early-stage SMEs, digital marketing, value-based marketing, sales-oriented marketing, inbound marketing, outbound marketing

The importance of digital marketing is indisputable both in the academic and managerial worlds, yet the academic research on digital marketing adoption and its usage in early-stage SMEs is still in its infancy. More in-depth knowledge on how early-stage SMEs adopt digital marketing is necessary. Previous research focused on SMEs has studied their adoption of similar technologies, research on digital marketing usage also exists, but it is focused on large corporations. The main objective of this study is to increase the current knowledge that specifically concerns digital marketing and its adoption by early-stage SMEs. This contribution is made by diving deep into the digital marketing adoption process of early-stage SMEs, the challenges faced by the CEOs during this process, and what they anticipate for the future.

This qualitative research was carried out through a multiple-case study approach, involving seven early-stage SMEs located in Finland. The data were collected via semi-structured interviews with the CEOs of the case companies, the data were later analyzed through thematic analysis with an abductive approach. The findings indicate that early-stage SMEs tend to have an informal and ad hoc adoption of digital marketing. The lack of strategic objectives makes it difficult for these companies to take full advantage of digital marketing and reap its benefits.

The study also found that despite the challenges posed by limited resources and financial constraints, early-stage SMEs can still utilize both inbound and outbound marketing strategies to support the organization's goals and growth, but to do so, CEOs must first be willing to adopt digital marketing, recognize its importance, and prioritize it as a crucial part of the company's operations. CEOs must also gain a clear understanding of what marketing entails and differentiate its role from that of sales. By shifting their perspective from a sales-oriented approach towards a value-based approach, CEOs will be able to set strategic marketing objectives that align with the company's goals and supports its growth. Furthermore, it is necessary for these early-stage companies to deeply understand their target audience before implementing digital marketing.

ACKNOWLEDGMENTS

Every adventure begins with an ending...

My adventure in life begun as I left my beloved home country, Guatemala. I embarked on a journey to a wonderful country full of beautiful people, experiences, friendships, and memories that I deeply cherish. A five-year-long adventure in Taiwan had to come to an end, to bring me here, to who I am today.

As I start my new life adventure, I end this stage of my life with this master's thesis that to me represents the culmination of an amazing but excruciating life experience. My adventure in Finland and at LUT University has been beautiful, full of high ups and low downs. I want to thank all the people that have supported me throughout this time, Meredith, Erica, Tom, Loi, Laura, Maria, and Titta. You have been the highlight of my student life. Special thanks to the Rahikainen and Leino families for embracing me and making me feel at home during the dark and cold Finnish winters.

I would like to give recognition and express my gratitude to all the people that were a part of this study. I am particularly grateful to everyone participating during the interviews, thank you for your time and knowledge. Thanks to my awesome supervisor Jonna Koponen as well, for guiding me through this process and always giving me great advice. This thesis would not be possible without your wisdom. Thank you!

I also want to dedicate this project to my family and friends who have always been there with and for me, even with thousands of kilometers setting us apart. Mom and Dad, Keren, Mia, I love you. Ana Vi, Rocio, Marcos, Steph, and Nata, thank you for your friendship and encouragement.

Finally, I want to thank Harri for keeping me sane, for cheering me on, for comforting me, and for believing in me. Harri, thank you for supporting and loving me unconditionally.

Every adventure begins with an ending.
I'm ready to end this adventure and begin a new one.

Lappeenranta, August 2021

Sofia Ramos

LIST OF ABBREVIATIONS

CEO – Chief Executive Officer

COVID-19 – Coronavirus Disease 2019

C2C – Customer-to-Customer

HTML – HyperText Markup Language

IDT – Innovation Diffusion Theory

MaaS – Mobility as a Service

SEA – Search Engine Advertising

SEM – Search Engine Marketing

SEO – Search Engine Optimization

SME – Small and Medium-sized Enterprise

SMM – Social Media Marketing

TAM - Technology Adoption Model

PEOU – Perceived Ease of Use

PU – Perceived Usefulness

URL – Uniform Resource Locator

Table of Contents

1. INTRODUCTION.....	1
1.1. Background	1
1.2. Literature Review.....	3
1.3. Objectives and Research Questions	6
1.4. Concept Definitions	7
1.5. Theoretical Framework	10
1.6. Research Methodology.....	11
1.7. Delimitations	12
1.8. Structure of the Study.....	13
2. DIGITAL MARKETING	15
2.1. Conceptualization.....	15
2.1.1. <i>History of Marketing</i>	15
2.1.2. <i>Definition of Digital Marketing</i>	18
2.1.3. <i>Components of Digital Marketing</i>	22
2.2. Technology Adoption Process	36
2.2.1. <i>Theories on Technology Adoption</i>	36
2.2.2. <i>Digital Marketing Adoption Process</i>	42
2.3. Challenges Regarding Digital Marketing.....	44
2.3.1. <i>Initiation stage</i>	45
2.3.2. <i>Implementation stage</i>	46
2.4. Anticipated Future.....	46
2.4.1. <i>Impact of COVID-19</i>	47
2.4.2. <i>Future post-COVID-19</i>	49
3. RESEARCH DESIGN AND METHODOLOGY.....	51
3.1. Research Context	51
3.2. Research Design.....	52
3.2.1. <i>Qualitative Research Method</i>	53
3.2.2. <i>Multiple Case Study</i>	54
3.3. Data Collection.....	54

3.3.1. Case Companies	55
3.3.2. Semi-structured Interviews	57
3.4. Data Analysis	60
3.5. Reliability and Validity	61
4. EMPIRICAL ANALYSIS AND FINDINGS	63
4.1. Digital Marketing Conceptualization	63
4.1.1. Perception of Digital Marketing	64
4.1.2. Understanding of Digital Marketing	65
4.2. Digital Marketing Adoption Process	68
4.2.1. Initiation stage	69
4.2.2. Implementation stage	74
4.3. Digital Marketing Challenges	77
4.3.1. Initiation stage	77
4.3.2. Implementation stage	78
4.4. Anticipated Future	79
4.4.1. Impact of COVID-19	79
4.4.2. Future post-COVID-19	81
5. DISCUSSIONS AND CONCLUSIONS	83
5.1. Summary of the Findings	83
5.2. Theoretical Contributions	90
5.3. Managerial Implications	92
5.4. Limitations and Future Research	97
REFERENCES	98
APPENDICES	121

LIST OF FIGURES

Figure 1. Theoretical framework of the study	11
Figure 2. Structure of the study.....	13
Figure 3. The inbound-outbound marketing gray zone	20
Figure 4. Search Engine Marketing and its approaches.....	24
Figure 5. The innovation-decision process	38
Figure 6. Stages in the innovation-decision process in organizations	39
Figure 7. Final version of the Technology Acceptance Model (TAM)	41
Figure 8. Perceived Ease of Use (PEOU) towards digital marketing by the CEOs of early-stage SMEs.....	71
Figure 9. Most used digital marketing components in the implementation stage of the adoption process, categorized by inbound marketing, outbound marketing, and the gray zone	75
Figure 10. Managerial implications of the study	96

LIST OF TABLES

Table 1. Inbound vs. outbound marketing	19
Table 2. Inbound-outbound marketing and the gray zone	20
Table 3. Summary of the case companies in this study	57
Table 4. Summary of demographic information on the interviewees.....	59
Table 5. Summary of the interviews	60
Table 6. Summary of the theoretical contributions of this study	91

LIST OF APPENDICES

Appendix 1. Creation process of the theoretical framework of the study	121
Appendix 2. Summary of the challenges faced by early-stage SMEs in their digital marketing adoption process	121
Appendix 3. Interview questions	122
Appendix 4. Data analysis structure and coded nodes in NVivo.....	125

1. INTRODUCTION

This chapter provides an overview of the study. First, the background of the study is introduced. Following, the literature review reveals the existing knowledge gathered on the topic. Based on the research gap found in the literature, the objectives of this study and research questions are presented. Then, the definitions of the most important concepts and the theoretical framework are explained. Finally, the chapter concludes by discussing the research methodology, delimitations, and the structure of the study.

1.1. Background

Even before the novel coronavirus (COVID-19) pandemic came to existence, plenty of discussions about technology, globalization, and digitalization were already in place. The 21st century brought a whole new era of rapid technological advancements, economic growth, and increasing entrepreneurial activity (Zahra, 2021). Our society has been completely revolutionized by the fast development of new technologies (Brey, 2018; Dwivedi et al., 2020). Technologies such as the Internet and social media have radically transformed the way humans behave and communicate, not only at a personal level but also professionally (Dwivedi et al., 2020; Melović et al., 2020; Taylor, 2018). This holds true for companies as well; the Internet has become a key tool, if not the most important tool, for businesses with the rise of e-commerce (Dwivedi et al., 2020; Melović et al., 2020).

Digital tools have become indispensable in the everyday life of modern societies, and the utilization of online platforms such as social media have reshaped how consumers and companies interact with one another (Jacobson et al., 2020; Taiminen & Karjaluoto, 2015; Tiago & Veríssimo, 2014). Recently compiled statistics indicated that as of January 2021, the Internet had over 4.66 billion active users, which equals 59% of the total global population (Statista, 2021a). Last year, the total number of social media users worldwide exceeded 4 billion and it is estimated that within the next years this number will continue to increase, reaching more than 5.16 billion users by 2024 (Statista, 2021b).

The global daily average time spent on the Internet per capita has increased by 156% in the past decade (Statista, 2019a). Last year alone, the time spent on social media per day averaged 145 minutes (Statista, 2021c), and it is forecasted that by 2021 people will spend around 192 minutes browsing the Internet each day (Statista, 2019a). With the staggering amount of time people spend browsing the Internet and social media, and the dramatic increase in online shopping (Statista, 2017; Statista, 2020a), it is imperative that companies adapt and evolve to the preferences, habits, and needs of customers if they want to thrive.

Although the discussions on digitalization and the use of digital tools in business are not new, academic literature has not paid sufficient attention to their development, only recently beginning to address in more depth the topics of digitalization and digital transformation (Verhoef et al., 2021). Even more so when it relates to how small- and medium-sized enterprises (SMEs) in their early stages adopt and use these modern digital technologies, such as digital marketing (Taiminen & Karjaluoto, 2015; Teixeira et al., 2018a).

With the increasing awareness of the enormous importance of digitalization and e-commerce in the last few years (Parviainen et al., 2017; Reis et al., 2018), it is impossible to overlook the impact that emerging innovations have on our daily lifestyles and our world's economy. There is no doubt that innovative technologies are reshaping the business world and that organizations must innovate their practices if they want to be successful, this is especially crucial for those companies in their early stages.

This study explores this phenomenon by studying early-stage SMEs located in Finland, that are currently adopting and creating their digital marketing strategies. The main purpose of the study is to bring awareness to the understudied but very important topic of the adoption of digital marketing by early-stage SMEs, which has become particularly relevant now that the global COVID-19 pandemic has further pushed humanity and businesses to transition towards a digital world.

1.2. Literature Review

Digital marketing is an essential component of the digital transformation modern businesses are undergoing, hence its vital importance for companies today. Digital marketing is defined by Heidi Taylor (2018, p. 27) as: “the marketing of products or services through the use of digital technologies”. Chaffey and Ellis-Chadwick (2019, p. 9) define digital marketing as “achieving marketing objectives through applying digital media, data, and technology”. Although in a very simplistic way digital marketing can simply be thought of as just promoting products and services through digital channels, in actuality, digital marketing has become much more than that (Kannan & Li, 2017). Digital marketing has become a constantly evolving concept, and it comprises a myriad of marketing practices and strategies that are of vital importance for businesses today (Kannan & Li, 2017; Kotler et al., 2017; Lusch, 2007; Royle & Liang, 2014; Sokolova & Titova, 2019; Tiago and Veríssimo, 2014; Wymbs, 2011).

There has been considerable attention in academia towards digital marketing and its adoption and usage by large organizations, however, little is known about the adoption and usage of digital by SMEs, especially those in their early stages (Alford & Page, 2015; AlSharji et al., 2018; Dahnil et al., 2014; Ritz et al., 2019). SMEs differ from big organizations in multiple aspects, the marketing reality of these small companies is completely different from that of larger organizations, and thus, digitalization is a greater challenge for them (AlSharji et al., 2018; Kraus et al., 2019; Räisänen & Tuovinen, 2020; Taiminen & Karjaluo, 2015). In fact, the literature suggests that the traditional marketing theory is often not even appropriate for small companies (Reijonen, 2010; Taiminen & Karjaluo, 2015).

Marketing techniques employed by early-stage SMEs tend to be informal and impromptu, and oftentimes they are not even aligned with marketing theory’s best practices (Parrott et al., 2010; Reijonen, 2010; Taiminen & Karjaluo, 2015). Additionally, marketing in early-stage SMEs is characterized by having a strong focus on sales with the main goal of creating awareness of the firm and increasing the sales of its products or services, hence, the difference between marketing and sales is usually quite vague for these small companies (Reijonen, 2010; Taiminen & Karjaluo, 2015; Teixeira et al., 2018a). Ritz and colleagues (2019) argue that compared to

larger organizations, SMEs have different technology adoption rates and speeds, which calls for academic research that is specific to SMEs and their digital marketing adoption processes.

SMEs are an extremely important part of our world's economy (Bocconcelli et al., 2018). The European Commission (2020a) states that 99% of all European companies are SMEs —*of which 93% are micro-enterprises*. The more than 25 million SMEs are the foundation that supports the entire European economy; these companies employ around 100 million people, providing two out of three jobs, and supplying Europe with more than half of its total gross domestic product (GDP) (European Commission, 2020a). SMEs not only provide value to the economy, but they also bring innovative solutions to important social and environmental challenges. SMEs are thus, essential to the development, prosperity, and welfare of society, and their importance should not be neglected (Ibid, 2020a). For these reasons, this study is focused on SMEs, particularly those in their early stages.

Even though digital marketing can be considered of the utmost significance in the survival, growth, and sustainable success of SMEs, it seems that most small companies do not take full advantage of it (Alford & Page, 2015; AlSharji et al., 2018, Gilmore et al., 2007; Taiminen & Karjaluoto, 2015; Teixeira et al., 2018a; Wilson & Makau, 2018). SMEs are faced with countless challenges, especially in their early years when they must have the ability to recognize and hunt opportunities in the market, adapt to fast-paced and uncertain environments, and outperform competitors; all of this with limited financial and human resources, and little market share due to their small customer base (AlSharji et al., 2018; Teixeira et al., 2018a; Ritz et al., 2019).

Digital tools are particularly important for early-stage SMEs to be able to prosper in such unfavorable circumstances, gaining recognition, market share, and ultimately competitive advantage (Teixeira et al., 2018a, Ritz et al., 2019). According to the existing academic literature, this is what digital marketing embodies for SMEs, an innovative and crucial technology to boost their development and improve their performance by allowing them to reach new and more markets across borders that would otherwise be out of reach without the Internet and a globalized world (Taiminen & Karjaluoto, 2015; Teixeira et al., 2018a).

However, with the limited resources SMEs possess in their early years, these small companies often appear to have a lack of knowledge and understanding of digital marketing. Consequently, SMEs also tend to lack technical skills and expertise, which impedes them to fully take advantage of the potential benefits of using digital marketing. (AlSharji et al., 2018; Kraus et al., 2019; Taiminen & Karjaluo, 2015; Teixeira et al., 2018a.) This situation is worsened due to the limited financial backing of SMEs, which makes them particularly wary and even reluctant to invest in technological innovations as they might not have the resources nor expertise required to manage any problems that might arise afterward (AlSharji et al., 2018; Woschke et al., 2017).

Digital marketing gives SMEs the ability to promote their brands and products or services globally at a very reduced cost and in an extremely fast amount of time (Teixeira et al., 2018a, Ritz et al., 2019), this is especially beneficial for early-stage SMEs which, as already stated, have a very small margin for error (Taiminen & Karjaluo, 2015; Teixeira et al., 2018a). Although it is undeniable that digital marketing promises great benefits for the competitiveness, growth, and accelerated success of early-stage SMEs, they struggle to keep up with digital developments and exploit the full potential of innovations and new digital tools, consequently missing lots of the benefits (Ritz et al., 2019; Taiminen & Karjaluo, 2015; Teixeira et al., 2018a).

The huge importance of digital marketing is obvious both in the academic and managerial worlds, yet the academic research on digital marketing adoption and usage in early-stage SMEs is still in its infancy (Alford & Page, 2015; Pradhan et al., 2018; Ritz et al., 2019; Taiminen & Karjaluo, 2015; Teixeira et al., 2018a). There are previous studies on SMEs and their adoption of similar technologies (Teixeira et al., 2018a), or research on digital marketing usage but by larger firms (AlSharji et al., 2018; Ritz et al., 2019). However, this study seeks to contribute to the development of knowledge that specifically concerns the adoption process of digital marketing by early-stage SMEs, since not enough is known about the usage and challenges SMEs face when adopting digital innovations and technologies —*such as digital marketing*. Several studies recognize a knowledge gap on the adoption and usage of digital channels in the marketing of SMEs (Alford & Page, 2015; AlSharji et al., 2018; Pradhan et al., 2018; Ritz et al., 2019; Taiminen & Karjaluo, 2015; Teixeira et al., 2018a). Building more in-depth knowledge on how early-stage SMEs adopt digital marketing is indeed much needed and valuable.

1.3. Objectives and Research Questions

The main objective of this study is to help in filling the knowledge gap concerning the adoption of digital marketing by early-stage SMEs. To do so, the study examines the adoption of digital marketing by early-stage SMEs located in Finland. Since early-stage SMEs often have limited resources, another goal of this study is to provide these firms with valuable knowledge on the most relevant elements of their adoption process, with hopes that this helps them have a better understanding and consequently a more fruitful use of their resources regarding their technology adoption processes, and more precisely that of digital marketing. Finally, this study also aims to gain a better understanding of how the recent events in the world have affected the adoption of digital marketing by these companies, as well as their future plans.

To achieve the objectives of this study, the main research question has been formed as:

RQ: How do early-stage Finnish SMEs adopt digital marketing?

Four additional research sub-questions were designed to support the main research question. The research sub-questions provide crucial knowledge regarding the adoption process of digital marketing by the case companies. These additional questions are set forth as:

SRQ1: How is digital marketing perceived by the CEO of an early-stage SME?

SRQ2: What is the purpose and usage of digital marketing in early-stage SMEs?

SRQ3: What are the main challenges faced by the CEO of an early-stage SME when adopting digital marketing?

SRQ4: What has the impact of COVID-19 been for early-stage SMEs and their future plans?

1.4. Concept Definitions

In this section, the most relevant concepts used throughout the study are explained to the reader. Given that there are no official and globally established definitions for these concepts, the objective of describing them is to establish the definition under which these concepts will be used in this study. The following definitions are based on current academic literature, which has also been used in the literature review and theoretical chapters of this study.

Innovation

The concept of innovation has been used widely and in many diverse ways (Damanpour & Aravind, 2012; King, 1992). Given this diversity, it is important to clarify the exact meaning of the concept in this study. Since the focus is on the *process* of adopting digital marketing as an innovation, this study uses a definition in which innovation is regarded not as an object but rather as an idea, that of reinventing processes and adopting new technologies and tools within an organization to improve its current situation.

Thus, innovation in this study, as defined by Nigel King (1992, p. 90) is “the sequence of activities through which a new element is introduced into a social unit with the intention of benefiting the unit, some part of it, or the wider society. The element does not need to be entirely novel or unfamiliar to the members of the unit, but it must involve some discernible change or challenge to the status quo”.

Adoption

Frambach and Schillewaert (2002, p. 163) define adoption in a straightforward manner such as “the decision of an individual or organization to make use of an innovation”. This study uses this definition and further builds upon it by incorporating the perspective of Straub (2009, p. 626). Adoption, therefore, is the series of decisions and actions individuals or organizations go through when they first start using an innovation and subsequently accept or reject said innovation.

Digital Marketing

In this study, digital marketing will be defined in a holistic manner with a definition such as the one given by Kannan and Li (2017, p. 23): digital marketing is “an adaptive, technology-enabled, process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders”.

Inbound Marketing

Inbound marketing is a business approach in which businesses attract customers by providing tailored content and experiences that are valuable to them, creating connections that customers themselves are seeking in order to solve their current problems (Hubspot, 2021). As defined by Hubspot (2021), inbound marketing is a methodology or a way to grow an organization by building meaningful, long-lasting relationships with customers by adding value to their lives and empowering them to reach their goals at any stage of their journey.

Outbound Marketing

Outbound marketing is a type of marketing that is intrusive and interruptive by nature, which advertises products irrespective of the needs and interests of the customers (Jamil & Almunawar, 2021). It is a strategy through which products or services are presented and advertised to customers even if they are not looking for them (Dakouan et al., 2019, p. 1). In this study, outbound marketing is defined as done by Rancati and colleagues (2015, p. 235): “outbound marketing is interruption-based marketing, perceived as the traditional model of product promotion in which people have to stop what they are doing to pay attention to the marketing message or deal with it in some other way”.

Small- and Medium-sized Enterprises (SMEs)

While no universally accepted definition of small- and medium-sized enterprises (SMEs) exists, for this study which researches SMEs located in Finland, the definition given by the European Commission will be used. The European Commission (2020b) classifies SMEs into three different categories: medium-sized, small, and micro. This study is focused on companies with fewer than 10 employees and an annual turnover or balance sheet that does not surpass €2 million, these are defined by the European Commission as micro-enterprises (Ibid, 2020b).

The research focused only on micro-enterprises is rather limited (Alford & Page, 2015; Faherty & Stephens, 2016; Gherhes et al., 2016), therefore the literature review and theoretical chapters in this study are based on academic literature on SMEs. Besides SMEs, literature on new ventures and startups was also gathered and used throughout this research, since the focus is on early-stage small companies. Thus, in this study, unless a distinction is made, references to SMEs will allude to the EU's definition of micro-enterprises and those that are in their early stages.

Early-stage

The term “early-stage” is usually used to describe a startup business venture (Bachher & Guild, 1996), more specifically, the startup development phase that generally precedes the rapid growth phase in a company's lifecycle (Gordon, 2021). Early-stage companies can be characterized as having limited resources, revenue, sales, and market share (Ibid, 2021). Companies in this early stage tend to face high levels of uncertainty (Dodge & Robbins, 1992).

In 2019, the median age of startups in an early stage seeking funding was three and a half years (PitchBook, 2020). Although early-stage companies are not defined by their age but rather by the stage in which they are in their lifecycle, since there is no official definition of an early-stage company, in this study, early-stage SMEs refer to companies no older than five years since their foundation.

Chief Executive Officer (CEO)

The Merriam-Webster Dictionary (n.d.) defines Chief Executive Officer (CEO) as “the executive with the chief decision-making authority in an organization or business”. The CEO plays an extremely important role in any company, but her/his importance is even more noticeable in early-stage SMEs (Galasso & Simcoe, 2011). For this study, it is particularly important to note this fact, as research shows that in these early-stage companies, the CEO is usually the main decision-maker (Thong & Yap, 1995). Therefore, in this study, the CEO denotes the main decision-maker within a company.

1.5. Theoretical Framework

The theoretical framework provides clarity on the overall structure of the theory chapters of this study. Its goal is to present the different theoretical perspectives used by the researcher and to serve as the foundation that describes the phenomenon of the study, its related concepts, and the areas that require additional research.

Since this research studies the process of the adoption of digital marketing in the context of early-stage SMEs, and the main objective is to understand the processes of innovation-decision making and the adoption of new technologies, the study relies on two theories: The Innovation Diffusion Theory (IDT) by Everett Rogers (1995) and the Technology Adoption Model (TAM) model by Viswanath Venkatesh and Fred Davis (1996). The former theory, IDT, will serve the purpose of explaining the different stages that take place when adopting innovations, it will also help to identify the elements that might affect this adoption process. The latter theory, TAM, will be used to complement the literature on innovation adoption. This theory serves the objective of helping understand the user's —*in this case, the CEOs*— perception, intention, and actual usage when adopting a new technology, —*in this case, digital marketing*.

The usage of the IDT and the TAM together is extensive across studies in many different fields, as they are complementary theories that help understand the technology adoption phenomenon more deeply (Zhou, 2008). Along with Roger's (1995) IDT five stages, the theoretical framework of this study combines Venkatesh and Davis' (1996) TAM to dig deeper into the user's perception and intention to use digital marketing. Finally, in order to holistically combine both aforementioned theories, the theoretical framework created in this study uses Zaltman and colleagues' (1973) stages to unify and simplify the theoretical framework.

The aforementioned theories have been combined and serve as the basis and inspiration for the final theoretical framework of this study, which consists of four main themes: Conceptualization, Adoption Process, Challenges, and Anticipated Future. Please refer to Figure 1 for a visualization of the theoretical framework of this study.

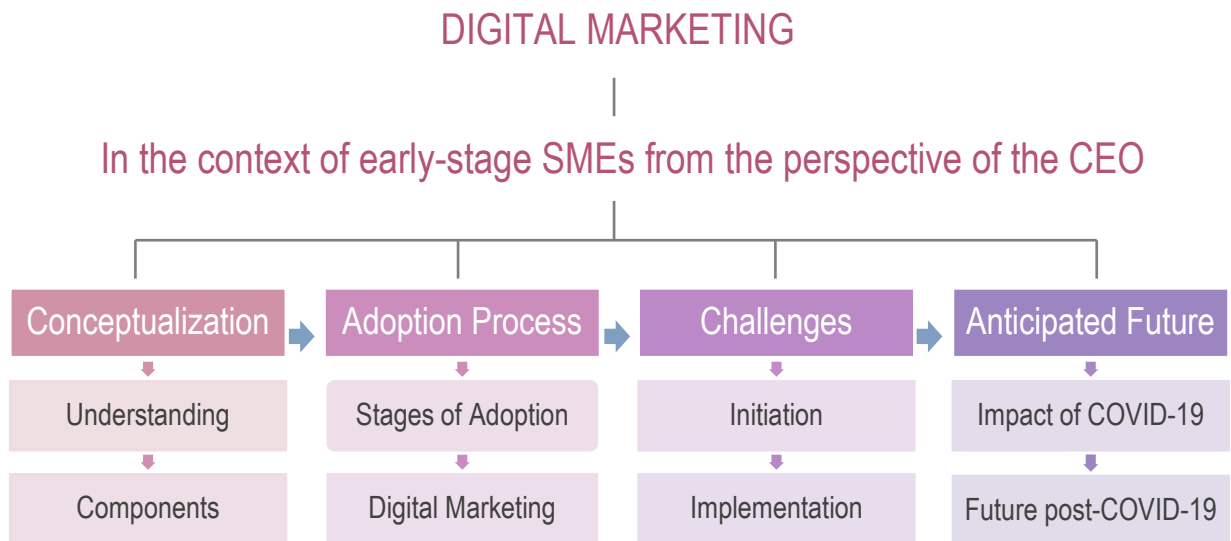


Figure 1. Theoretical framework of the study.

1.6. Research Methodology

This study aims to shed light on the phenomenon of digital marketing adoption by early-stage SMEs. For this, the methodology used in the study is qualitative research. Qualitative research is particularly suitable when exploring an unfamiliar topic as this research method allows researchers to unleash creativity in the formation of new research ideas, especially when trying to comprehend and explain complex phenomena that have not yet been thoroughly studied (Creswell & Poth, 2016; Saunders et al., 2016). As the literature on digital marketing and SMEs is just commencing (Alford & Page, 2015; Pradhan et al., 2018; Ritz et al., 2019; Taiminen & Karjaluoto, 2015; Teixeira et al., 2018a), this research methodology is suitable for this study as it allows to build and test different theories (Creswell, 2013; Saunders et al., 2016).

According to Saunders et al. (2016) using interviews to gather data is one of the primary ways to conduct qualitative research, as this data collection method enables the researcher to obtain legitimate and reliable data that are relevant to the research objectives and questions. Thus, interviews have been chosen as the data collection method for this study as these allowed me to gain valuable and deep insights on an understudied topic, while still leaving room for creativity and flexibility throughout the research (Creswell, 2013; Saunders et al., 2016).

The primary data were collected by interviewing several CEOs of early-stage SMEs through semi-structured interviews that covered different themes in accordance with the theoretical framework and research questions of this study. Due to the study being focused on the CEO's perspective as the main decision-maker, all the interviewees hold the position of CEO in their respective companies. Furthermore, the research can be regarded as a multiple-case study, with each of the interviewees from the case companies acting as an individual case. This approach is both useful and effective in revealing similarities and differences among the participants of the research while diminishing the risk of arriving at conclusions and generalizing the results based on a single case study (Yin, 2018), hence the decision to use this method.

Finally, since the objective is to gain a better understanding of an understudied topic by identifying and explaining patterns and themes arising from the academic literature and collected data, an abductive approach has been followed (Saunders et al., 2016). Due to the exploratory nature of the study, a combination of different analytical approaches was deemed necessary, in this case, the abductive approach combines both inductive and deductive analytical approaches.

1.7. Delimitations

Although the research design has been constructed in such a way as to maximize quality and reliability, due to the scope and context of the study, there are still delimitations to the findings of the study which in turn restrict the generalization of the results. First, the study is exploratory in nature. The conclusions derived from the study come from a single study, conducted in a specific location, and with a narrow sample of only seven case companies. Since the study has a very specific context, that is early-stage SMEs in Finland, the analysis and findings exclude other contexts such as different regions, industries, and companies at different stages or with unique business models. Therefore, the results of this study do not allow generalization on a larger scale. To be able to generalize the conclusions with confidence, more research across more diverse contexts and with larger samples is required.

In addition to this, no specific criteria were used when selecting the case companies participating in the study other than the companies being Finnish SMEs in their early stages and having

recently begun their digital marketing operations. No further classification or analysis has been done regarding the industry, offering, business model, and operations of each of the companies. Although the sample consists of companies from diverse backgrounds, industries, and at different stages, there still is a limitation impeding the generalization of the conclusions for all early-stage SMEs across industries and geographical locations. Furthermore, the company sample used in this study is defined by the EU as micro-enterprises, consequently, the results may not be representative of the reality of more established small and medium-sized companies.

The unique characteristics and specific needs of a given company may play a role in the digital marketing adoption process, that, however, is out of the scope of this study and requires plenty of further research. The main objective is merely to identify similarities and differences among early-stages SMEs and their digital marketing adoption processes from the CEO's perspective, and so, contribute to shaping a path for future academic research in this area.

1.8. Structure of the Study

This research is carried out in three parts, the theoretical part, the empirical part, and the conclusion part. To ensure a clear structure that can be easily followed, the study is further divided into five different chapters. The structure of the study is illustrated in Figure 2.

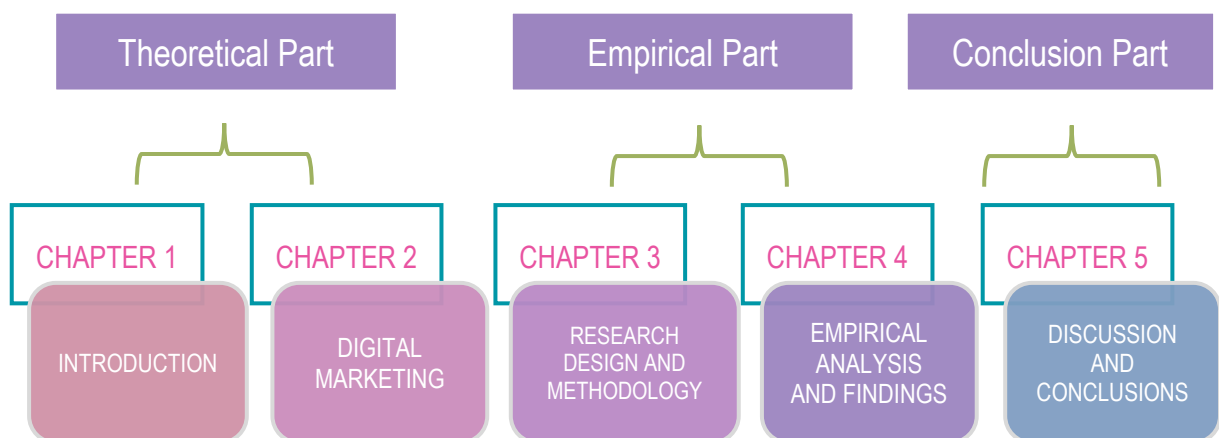


Figure 2. Structure of the study.

The first chapter of the study begins by introducing the research topic and the background of the study. Next, a preliminary literature review provides the existing knowledge on the topic and presents the research gap. The objectives of the study and its research questions are then posed, followed by the theoretical framework used throughout the research. Finally, the chapter concludes by describing the research methodology, the delimitations, and the structure of the study.

The second chapter consists of the theoretical part of the study. Academic literature on the conceptualization of digital marketing is introduced, this includes the history, definition, and components of digital marketing. Then, the current literature on the technology adoption process is explained in-depth along with its application to the adoption of digital marketing by early-stage SMEs. Following, the challenges faced by the CEOs of early-stage SMEs throughout their adoption process of digital marketing are presented. Finally, the anticipated future of early-stage SMEs amidst the COVID-19 pandemic is discussed.

The third and fourth chapters build the empirical part of the study. The third chapter summarizes how the study was carried out by describing the context and design of the research, the research methods employed, and the data handling including its collection and subsequent analysis. The chapter concludes by explaining how the quality of the study was ensured through the reliability and validity measures. The fourth chapter is comprised of the empirical analysis and presents the findings of the study.

Finally, the fifth and last chapter provides the conclusions of the study by giving a summary of the findings and describing in detail the study's theoretical and managerial contributions. This closing chapter concludes by explaining the limitations of this study and based on these, providing directions for future research.

2. DIGITAL MARKETING

This chapter provides an in-depth review of the existent literature on digital marketing and its adoption by early-stage SMEs. This chapter is divided into four main sections according to the themes of the theoretical framework of this study: Conceptualization, Technology Adoption Process, Challenges Regarding Digital Marketing, and Anticipated Future. First, digital marketing is conceptualized, explaining in detail its meaning in this study. Following, the process of technology adoption, the theoretical framework used in this study, and the adoption process of digital marketing are thoroughly described. Then, the literature on the challenges faced by early-stage SMEs when adopting innovative technologies is presented. Finally, Chapter 2 concludes with the most recent literature on COVID-19 and its effect on SMEs.

2.1. Conceptualization

We have transitioned into a digital world, the question is no longer if people are using digital tools and platforms; the question is what are they using and why are they using certain platforms (Tiago & Veríssimo, 2014). This transition is particularly important in the business world, hence today's aphorism "*if a company cannot be found in Google, it does not exist*" (Taiminen & Karjaluoto, 2015, p. 633). Digital marketing has now become indispensable for most companies, regardless of their nature, size, or industry (Kaur, 2017; Patrutiu-Baltes, 2015; Taiminen & Karjaluoto, 2015; Teixeira et al., 2018a). Those companies that are not able to adapt to change quickly enough, end up being left behind by dynamic companies that can quickly grasp the changes and opportunities around them (Chaffey & Smith, 2017; Leboff, 2011).

2.1.1. History of Marketing

The exchange of goods and services has existed since the beginning of civilization, businesses have been trying to understand and influence customers for ages. The concept of marketing and the attempt of companies to gain new customers by promoting and selling their products also dates back many centuries. (Lusch, 2007; Ryan, 2017.) In 1937, the American Marketing Association (AMA) defined marketing as "business activities involved in the flow of goods and services from production to consumption" (Gundlach, 2007, p. 243). In the past, the main

purpose for companies has been to obtain new customers and persuade them to increase their purchasing as much as possible (Ahmad & Buttle, 2002; Parkin, 2009; Ryan, 2017). The idea of doing business was merely to make financial profits by attracting potential customers and selling products to them (Ahmad & Buttle, 2002; Parkin, 2009). The initial definition of marketing given by the AMA stood for half a century and was revised only until 1985 when a new definition was introduced as “the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals” (Gundlach, 2007, p. 243).

Under this traditional product-centric approach, customers are thought of as homogeneous groups of potential buyers with similar needs (Ahmad & Buttle, 2002, Kotler et al., 2017). The job of marketing has been to predict and manipulate consumers’ perceptions of their needs, create products or services to fulfill them, and push innovations to customers bombarding them with interruptive and repetitive advertising through as many channels as possible (Ahmad & Buttle, 2002; Parkin, 2009). Research brought to light that this transactional approach fails to tackle an emerging need: forming long-lasting relationships with customers by creating value with and for them, putting them and their needs at the heart of business (Ahmad & Buttle, 2002; Chaffey & Smith, 2017; Gummerus, 2013; Lusch, 2007; Parkin, 2009; Terho et al., 2012).

In 2004, the AMA modified its definition of marketing as “an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders” (Gundlach, 2007, p. 243). The distinguishing transformation from the definitions provided by the AMA in 1937 and 1985 to the ones presented in 2004 and later in 2007 and 2017, is replacing the focus on the exchange of goods for that of creating and delivering value by nurturing relationships with stakeholders (Sheth & Uslay, 2007). Under the traditional goods-dominant marketing logic, the value creation process has been placed within the firm, where the firm is the creator of value by transforming resources into finished products (Bettencourt et al., 2014; Gummerus, 2013). Recently, firms and marketers have attempted to step away from this firm-centric approach and redirect towards a customer-centric one, where the focus is on the customers and their capability to obtain value out of products and services (Grönroos & Voima, 2013; Gummerus, 2013).

Exact knowledge on what precisely value is and how it is created is still under research (Grönroos, 2017; Grönroos & Ravald, 2011; Grönroos & Voima, 2013). When attempting to conceptualize value creation and understanding what value is, along with how, by whom and for whom, the complexity of the value concept becomes unavoidably apparent (Grönroos & Ravald, 2011; Grönroos & Voima, 2013). Especially when considering that what might be valuable for one individual is not necessarily the same for another (Ibid, 2011; Ibid, 2013). The literature on the topic states that despite the lack of a unified and consistent understanding of value creation (Ramaswamy & Ozcan, 2018), its fundamental nature appears to be associated with how and why customers use an object or service. The value of an object itself is only pondered when contemplating what individuals expect objects to be and do for them (Grönroos & Ravald, 2011; Grönroos & Voima, 2013; Gummerus, 2013). A product or service thus only gains value for and from the customer as an individual (Ibid, 2011; Ibid, 2013; Ibid, 2013).

Research suggests that there are two sides to value creation, “value for the customer and value for the supplier, value for the supplier requires that value for the customer is created first” (Grönroos & Ravald, 2011, p. 13). Focusing on value creation should be a primary outcome for companies, for it is what consumers think and do with what suppliers produce that ultimately brings value to these products or services (Grönroos & Ravald, 2011; Grönroos & Voima, 2013; Gummerus, 2013). Under this view, the role of marketing should be to support customers in their value creation process, and since the literature emphasizes creating superior customer value as an ultimate goal for businesses, consequently this should be a final goal for marketing as well. (Ibid, 2011; Ibid 2013; Ibid, 2013.)

The evolution of the definition of marketing arises from the underlying need of businesses to move away from their traditional, firm-centric approach towards a modern approach that involves all stakeholders and places them at the core; a customer-centric approach where customers are at the top of the priority list (Bettencourt et al., 2014; Chaffey & Smith, 2017; Grönroos & Ravald, 2011; Grönroos & Voima, 2013; Gummerus, 2013; Lusch, 2007). Marketing has not only evolved in its fundamental purpose, but also in the way it is carried out. One of the many ways in which technology and digitalization have rebuilt business practices is through marketing, which nowadays is most commonly known as digital marketing.

2.1.2. Definition of Digital Marketing

When discussing digital marketing it is important to note the distinction between inbound and outbound marketing. The latter is considered to be *push* marketing since it promotes products and services by pushing them to potential customers (Halligan & Shah, 2014; Opreana & Vinerean, 2015), some experts claim that outbound is justifiably compared to the pre-Internet marketing practices (Hawlk, 2018). Paid publicity and ads, direct mail, and cold calling are a few examples of traditional outbound marketing (Halligan & Shah, 2014; Hawlk, 2018). On the other hand, inbound marketing can be considered as *pull* marketing as it naturally draws potential customers towards the company —*and its products or services*— by earning their attention and attracting them with content they find valuable (Dakouan et al., 2019; Halligan & Shah, 2014; Hawlk, 2018; Opreana & Vinerean, 2015; Patruti-Baltes, 2016).

Hubspot (2021) describes inbound marketing as a strategy that attracts customers by creating valuable content and experiences that empower customers to reach their goals at every stage of their journey. Some examples of inbound marketing are search engine optimization (SEO), content marketing, social media marketing (SMM), and permission email marketing (Dakouan et al., 2019; Opreana & Vinerean, 2015). Although both inbound and outbound marketing are similar in the sense that both share the same end goal which is to attract customers, they differ significantly in the methods used to achieve this goal (Ancin, 2018; Bleoju et al., 2016).

Inbound marketing is a marketing strategy aimed at attracting and building connections with potential customers through the creation of memorable and useful content that is appealing to them (Bleoju et al., 2016; Dakouan et al., 2019). This type of marketing places its focus on consumers and their needs and interests. Inbound marketing is all about naturally drawing customers to the company rather than hunting them down, and it thus requires very precise targeting of audience and customized communications through high quality and timely content (Bleoju et al., 2016; Dakouan et al., 2019; Patruti-Baltes, 2016). Inbound marketing usually employs a multi-channel approach to content sharing and mostly does so by developing blogs and other kinds of content and creating an interactive digital presence through social media (Bleoju et al., 2016; Halligan & Shah, 2014; Opreana & Vinerean, 2015; Rancati et al., 2015).

Digital outbound marketing strategies, on the other hand, give more emphasis to reaching a broader audience and trying to obtain high conversion rates (Bleoju et al., 2016; Dakouan et al., 2019). This type of marketing focuses on brand exposure through paid publicity and widespread diffusion of advertising messages and not necessarily on building a deep connection with the target audience. Outbound marketing focuses on getting to as many people as possible and generate more responses and therefore sales (Ibid, 2016; Ibid, 2019). A more in-depth analysis of the differences between inbound and outbound marketing is presented in Table 1.

Table 1. Inbound vs. outbound marketing. Adapted from Opreana & Vinerean (2015, p. 30) and Rancati et al. (2015, p. 236).

Marketing Approach	Inbound Marketing	Outbound Marketing
Nature	Organic	Interruption-based
Focus	Getting found by existing & potential customers	Finding customers directly
Objective	Creating long-lasting relationships	Increased sales
Target	Relevant & qualified leads	Mass reach
Techniques	<ul style="list-style-type: none"> ▪ Search Engine Optimization ▪ Content Marketing ▪ Social Media Marketing ▪ Permission Email Marketing 	<ul style="list-style-type: none"> ▪ Search Engine Advertising ▪ Intrusive Online Ads (Display Ads) ▪ Affiliate Programs ▪ Direct Mailings

Despite the clear differences between inbound and outbound strategies, digital marketing experts believe that at times the distinction between inbound and outbound marketing can become fuzzy (Bleoju et al., 2016, Dakouan et al., 2019; Rancati et al., 2015). This cross among strategies where inbound and outbound marketing overlap is referred to as the gray zone (Ibid, 2016; Ibid, 2019; Ibid, 2015). The gray zone can be visualized in Figure 3.

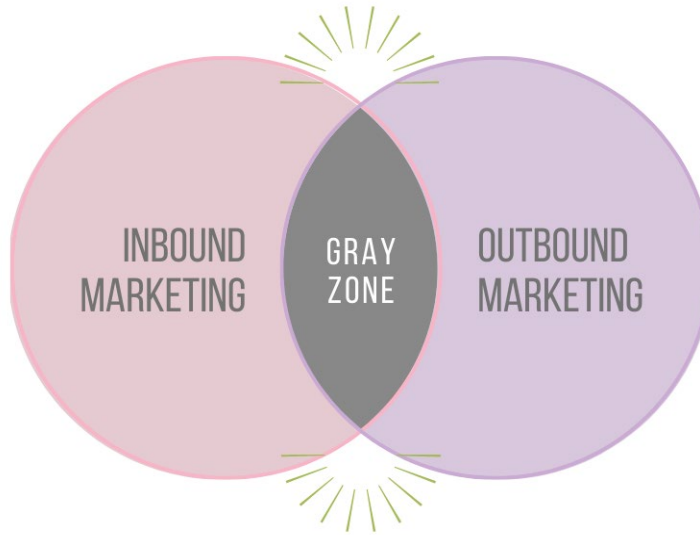


Figure 3. The inbound-outbound marketing gray zone.

Depending on how they are utilized, certain digital marketing techniques can be considered both inbound and outbound. Said techniques are considered to be in the inbound-outbound marketing gray zone (Bleoju et al., 2016; Dakouan et al., 2019; Rancati et al., 2015). For example, email marketing may be used to provide customers with valuable information or even interesting free content —*inbound marketing*— or it may also be used to directly attempt to sell products or services through mass emails —*outbound marketing*. The same applies to SMM and SEM (Ibid, 2016; Ibid, 2019; Ibid, 2015). Details about the different techniques between inbound and outbound marketing, and the overlap of these in the gray zone, in Table 2.

Table 2. Inbound-outbound marketing and the gray zone. Adapted from Dakouan et al. (2019, p. 5) and Rancati et al. (2015, p. 236).

INBOUND MARKETING	OUTBOUND MARKETING	GRAY ZONE
<ul style="list-style-type: none"> ▪ Search Engine Optimization ▪ Free & Engaging Content ▪ Videos & Podcasts ▪ Blogs & Infographics ▪ Webinars & Workshops ▪ Social Media Marketing ▪ Influencer Marketing ▪ Viral Marketing 	<ul style="list-style-type: none"> ▪ Search Engine Advertising ▪ Display Advertising ▪ In-stream Advertising ▪ Direct Mailings ▪ Cold Emailing ▪ Cold Calling ▪ TV & Radio Advertising ▪ Printed Ads 	<ul style="list-style-type: none"> ▪ Search Engine Marketing ▪ Display Advertising ▪ Email Marketing ▪ Social Media <i>(if used as a broadcasting channel)</i>

Inbound marketing and outbound marketing have different roles for both companies and consumers, and there are advantages and benefits to each approach. The decision on how to allocate marketing efforts to the inbound and outbound approaches depends on the company and the extent of its resources (Bleoju et al., 2016). Bleoju and colleagues (2016) suggest that *pure players*, or businesses that only operate on the Internet and focus exclusively on a particular product or service in order to achieve a greater market share, are more likely to take advantage of inbound marketing opportunities due to their growth-hacking capabilities. On the other hand, they argue that *click and mortar* firms, which are companies with a more traditional business model that have both online and offline operations that typically include a web and a physical store, tend to prefer outbound marketing methods (Ibid, 2016).

In terms of strategic versus tactical perspectives, firms with greater resources should not overlook the advantages of using outbound marketing to reach broader audiences (Bleoju et al., 2016). In a perfect scenario, companies would have enough financial solvency to benefit from both marketing styles, for the most part, though, this is not the case in SMEs. As previously mentioned in the literature review, early-stage SMEs are overly cautious with their expenses due to their constrained resources (AlSharji et al., 2018; Teixeira et al., 2018a; Teixeira et al., 2018b).

Despite the growing interest in digital marketing (Chaffey & Smith, 2017; Chaffey & Ellis-Chadwick, 2019; Kannan & Li, 2017; Taiminen & Karjaluoto, 2015; Teixeira et al., 2018a), academic literature on digital inbound and outbound marketing is still in its infancy (Rancati et al., 2015; Jamil & Almunawar, 2021), especially when it comes to the adoption and usage of these marketing methods by SMEs. From the scarce academic literature on digital inbound and outbound marketing, and how modern marketing methods are adopted and utilized by early-stage SMEs, it can be inferred and argued that inbound marketing is a suitable approach for most early-stage SMEs in terms of financial costs and long-term benefit as this marketing approach is effective and inexpensive (Ritz et al., 2019; Teixeira et al., 2018b). The inbound marketing methodology seems to be a reasonable and logical choice due to the tight human, time, and financial resources that early-stage usually SMEs possess (Ibid, 2019, Ibid, 2018b).

Since this study is focused on early-stage SMEs, this study will explain inbound marketing techniques or tactics which will be referred to as components. Although outbound marketing is still relevant and widely used, recent research suggests that this marketing strategy is losing effectiveness (Dakouan & Benabdelouahed, 2019; Dakouan et al., 2019; Rancati et al., 2015). People have grown tired of aggressive and intrusive marketing practices, and thus, due to its interruptive nature, traditional outbound marketing tactics are not as widely successful as they once were (Bezovski, 2015; Dakouan et al., 2019; Constantinides, 2014; Halligan & Shah, 2014; Jain & Yadav, 2017; Opreana & Vinerean, 2015; Patrutiu-Baltes, 2016; Rancati et al., 2015). In this sense, with the increased usage of the Internet and social media, inbound marketing has become very effective in yielding results (Opreana & Vinerean, 2015; Patrutiu-Baltes, 2016). Inbound marketing can be considered an essential element of digital marketing nowadays, as it is one of the main methods through which companies form and nurture strong relationships with customers (Hubspot, 2021; Opreana & Vinerean, 2015; Patrutiu-Baltes, 2016).

2.1.3. Components of Digital Marketing

There are important prerequisites that must be met before a company starts any digital marketing operations. Dakouan and Benabdelouahed (2019) suggest that since the inbound marketing approach is a systematic one, it is vital that marketers define their strategy first. To do so, some of the first requirements that companies must consider are their value proposition and branding, and subsequently reflect this in their positioning and differentiation (Ibid, 2019).

When these initial requirements are met, the next step for the firm is to narrow down its target market and clearly define customer personas. This is crucial because inbound marketing aims to attract the right target audience and make sure that they come to the company voluntarily. Hence the importance of getting to know these ideal customers deeply and truly understand their likes, dislikes, and the problems they are trying to solve. (Dakouan & Benabdelouahed, 2019; Patrutiu-Baltes, 2016.) Companies should then set strategic, clear objectives, and create action plans to achieve them. Finally, the firm can focus on their user experience and content creation, making sure that customers have an enjoyable experience when searching for the company and receiving

the content they are seeking (Chaffey & Ellis-Chadwick, 2019; Dakouan & Benabdelouahed, 2019; Patrutiu-Baltes, 2016).

Assuming the company has already established all these requisites, marketers can start to develop their digital marketing strategy. The goal setting, key performance indicators (KPIs) to measure the progress towards these goals, and the channels used to achieve them, depend heavily on the company and their needs at their specific growth stage. Next, some of the digital inbound marketing components mentioned will be analyzed more in-depth.

Search Engine Marketing

A search engine is a computer software or program that is used to search for data on the Internet (Merriam-Webster, n.d.). Search engines are designed to carry out web searches and identify items in databases that match the specific keywords or characters entered by the user, these keywords are used to find specific sites on the World Wide Web (Oxford English Dictionary, 2021). Engines are a multibillion-dollar industry around the world (Aswani et al., 2018; Li et al., 2014), it is projected that global search advertising spending will reach more than €172.5 billion this year (Statista, 2020b). Examples of search engines include Google, Bing, and Yahoo!.

Search engines can be thought of as the intermediary between internet users and websites on the Internet, search engines are vital since they frequently are the first point of contact for users (Baye et al., 2016). In an organic or non-paid context, a search engine's primary function is to direct users to the best website, the one with the highest quality. In a context of profit-making, search engines create money by auctioning sponsored links with the best positions on their search pages (Aswani et al., 2018; Abou Nabout & Skiera, 2012; Berman & Katona, 2013; Li et al., 2014; Olbrich & Schultz, 2014; Shih et al., 2013). The organic or free approach is known as search engine optimization (SEO), whereas the paid one as search engine advertising (SEA).

The sets of activities encompassed both in SEO and SEA are part of a larger marketing method known as search engine marketing (SEM). SEM refers to the processes used to create and maintain brands, as well as in the particular case of SEA, the attempt to directly promote products

or services through web queries in a search engine. (Aswani et al., 2018; Abou Nabout et al., 2014; Charlesworth, 2018; Karjaluoto & Leinonen, 2009; Olbrich & Schultz, 2014; Shih et al., 2013; Taiminen & Karjaluoto, 2015.) Visualization of SEM and its approaches in Figure 4.

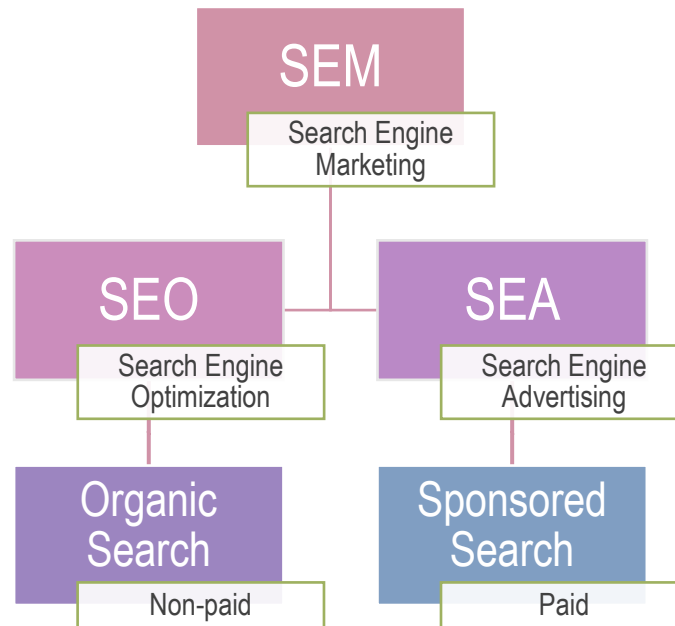


Figure 4. Search Engine Marketing and its approaches.

Search engine optimization (SEO) can be defined as the set of techniques used to improve a firm's website ranking in search engines, consequently increasing the number of desirable visitors that arrive at the website via web searches (Gandour & Regolini, 2011; Grappone & Couzin, 2011). This kind of marketing technique focuses on designing or modifying a website in a way in which it appears to the search engine to be more important than other sites, especially those from other competitors (Shih et al., 2013). Some of the SEO techniques include updates to the website itself, such as changes in the HTML and URL codes; or improvements to the site's content to make it more appealing to both humans and search engines by modifying the pages within the site, directing them to chosen themes and keywords (Gandour & Regolini, 2011; Grappone & Couzin, 2011). The final goal of using SEO is to organically increase a firm's site visibility and for it to be better indexed by the targeted search engines, resulting in higher rankings in the results lists for specific queries and consequently attracting more visitors (Gandour & Regolini, 2011; Shih et al., 2013).

Searching is an extremely important activity to internet users. A great majority of users conduct searches for data and information daily, and more than half of all traffic on the Internet originates from search engines (Dou et al., 2010; Shih et al., 2013). According to Baye and colleagues (2016), not appearing in the first five pages of search results causes a 90% drop in organic clicks. About 80% of Google's users access only the sites listed on the first page of search results, hence the great importance for firms to position their websites on the first page of search engines (Patruti-Baltes, 2016).

Without a high rank in search engines, firms will struggle to be found even with the best and most relevant content (Killoran 2013, 50). If firms want to get more visitors through search engines, their websites must have a high ranking in the search results (Patruti-Baltes, 2016). Although both SEO and SEA share a common goal, the main difference between these two SEM techniques is that with SEA, a company can choose whether to be placed at the top of a page by allocating sufficient budget to be in the ad section, while with SEO, it is the search engine that selects which websites are ranked higher in the organic listings (Charlesworth, 2018).

Search Engine Marketing and early-stage SMEs

Large organizations possess enough resources and financial solvency to use SEO and also afford SEA. Although both SEO and SEA are widely employed by large corporations, their potential among SMEs has not been completely understood yet and has only recently started to be studied (Taiminen & Karjaluo, 2015).

SEO is a crucial component of digital marketing. The online ranking of a company on search engines has many benefits, SEO determines the firm's online popularity and helps increase website visits, this, in turn, helps to increase qualified leads often resulting in higher conversion rates. (Kaur, 2017; Patruti-Baltes, 2016; Opreana & Vinerean, 2015.) Many of the significant large firms have a well-known brand and a high reputation, this is the reason why SEO is particularly important for SMEs, which often lack reputation and struggle to compete against large companies. SEO allows SMEs to try to achieve name recognition (Dou et al., 2010).

There are many benefits —*both direct and indirect*— for firms that stem from a high SEO rank, some of these include increased visibility, traffic, and popularity (e.g., more social media followers, newsletter subscribers, website referrals), increased brand awareness, and equity, continuous promotion, higher conversion rates, increased leads and sales, a high return on investment, better-informed customers, an overall better customer experience and higher customer satisfaction, and of course, the payoff of a high-quality website (Berman & Katona, 2013; Broekemier et al., 2015; Jain, 2013; Khraim, 2015).

In addition to all that, SEO gives SMEs, especially those in their initial stages, the opportunity to compete and stand out from the tough competition. This is of extreme importance because a well-implemented SEO can help a firm to grow (Khraim, 2015). However, despite the advantages that SMEs can reap from the adoption and proper usage of SEO, in a study performed by Taiminen and Karjaluoto (2015) although SEO and SEA seem to be some of the most commonly used digital marketing techniques, close to half of the sample of SMEs did not use SEO at all and only 12% used it actively.

Even though the use of SEO and SEA among Taiminen and Karjaluoto's (2015) respondents was rather low, it seems that SMEs are becoming more aware of SEO and SEA because both techniques are inexpensive and rather simple to use, and they also have a visible impact on the website visitors. In a survey carried out among SMEs in Finland regarding their use of digital marketing, a majority of 44% of respondents had habitually keyword-optimized their websites, while only 17% did not implement keyword-optimization in their websites at all, and just 12% did not consider it relevant for their business whatsoever (Statista, 2019b). This is consistent with the academic literature, which reveals that SMEs are more willing to adopt digital marketing technologies when the company is able to recognize tangible benefits and the new channels are simple to use (Chong & Pervan, 2007; Kaynak et al., 2005; Taiminen & Karjaluoto, 2015).

Although the fact that a well-designed and user-friendly website has not been mentioned yet, this is the first and most important prerequisite for any firm before adopting SEM and any other digital marketing techniques for that matter (Kaur, 2017). Once a website is built, firms can begin to build and maintain their online presence and implement SEM to stand out from competitors.

Content Marketing

Content is the essence of digital marketing and the cornerstone of inbound marketing (Kaur, 2017; Opreana & Vinerean, 2015; Patrutiu-Baltes, 2015). By utilizing content as a digital marketing strategy, companies can not only attract new potential customers but also retain current ones and even convert them into advocates of the brand (Patrutiu-Baltes, 2015). More organizations all over the world are starting to adopt content marketing (Kee & Yazdanifard, 2015), as they realize the limitations of traditional marketing as well as the huge opportunities and benefits provided by digital marketing (Patrutiu-Baltes, 2015). Recent statistics from a survey conducted in mid-2019 among marketers worldwide revealed that for over 90% of the participants, content marketing was being used as part of their marketing efforts (Statista, 2019c). Today, content marketing is being utilized not only by large corporations but SMEs are also gradually increasing its adoption (Patrutiu-Baltes, 2015).

Although no universally recognized definition for content marketing exists (Patrutiu-Baltes, 2015), many agree with the one given by the Content Marketing Institute: “a marketing technique of creating and distributing relevant and valuable content to attract, acquire, and engage a clearly defined and understood target audience – with the objective of driving profitable customer action” (Charlesworth, 2018, p. 40-41). Kotler and colleagues (2017, p. 121) define it as “a marketing approach that involves creating, curating, distributing, and amplifying content that is interesting, relevant, and useful to a clearly defined audience group in order to create conversations about the content”. They further build on this definition and argue that content creation is a form of branding which creates deeper relationships between companies and consumers, “content marketing shifts the role of marketers from brand promoters to storytellers” (Kotler et al., 2017, p. 121). Content marketing is thus, the art of storytelling, the talent of communicating human to human with potential and existing customers without just selling to them (Dakouan et al., 2019; Chapman & Handley, 2012). Instead of pitching solutions, companies get to provide value through information that makes the customer more intelligent (Patrutiu-Baltes, 2015).

At its core, content as a strategy is the belief that when companies provide consistent, timely, and valuable information to buyers, they will ultimately reward these companies with their business and loyalty (Patruti-Baltes, 2015). This marketing technique focuses on delivering content to a specific audience that is seeking it, in all the places they are searching for, and when they need it the most with the final goal of attracting, retaining, and reinforcing trust in the relationships with customers. (Ibid, 2015). As stated by Dakouan and colleagues (2019, p. 3) “ultimately, content marketing is about planning, creating, promoting, and monitoring the performance for a targeted audience, always with the goal of customer satisfaction”. With the customer as the main goal, consequently, revenue will be generated (Kotler et al., 2017).

To employ content marketing properly, understanding the target audience is necessary (Patruti-Baltes, 2015). Information is integral to marketing in general, but even more so for content marketing. Companies should collect information about the market and customers, both potential and existing ones. By understanding consumer behavior, companies can increase value for both customers and the organization itself through targeted and personalized high-quality content. (Kee & Yazdanifard, 2015; Kotler et al., 2017; Rahimnia & Hassanzadeh, 2013.)

High-quality content is paramount because it attracts people to a company’s site and retains their interest whilst inciting their visits to repeat in the future (Dakouan et al., 2019). Content marketing should focus on creating non-product-related content and providing customers with educational, entertaining, and engaging content, which adds value to their everyday lives and is available in the most relevant touchpoints and channels when they need it (Kaur, 2017; Patruti-Baltes, 2015). Customers that are consuming the provided content will be pulled closer and learn more about the company and its solutions (Patruti-Baltes, 2015). Kaur (2017, p. 74) argues that sharing content on several online platforms increases engagement rates, hence why firms need to make sure to provide content that is relevant on several and diverse platforms at the right time.

There are numerous types of content, ranging from the most basic type such as text, image, or video to the more specialized like blogs, articles, newsletters, ebooks, infographics, webinars, workshops, interactive content, podcasts, and so on (Laudon and Traver 2019; Opreana & Vinerean, 2015). The idea of sharing this information is not to promote the company’s own

products or services directly, but rather to inform the target audience and prospective customers about key industry issues that might sometimes involve the company's solutions (Patruti-Baltes, 2015). This approach to content based on educating consumers, results in brand recognition for companies, positioning them as market leaders and industry experts (Ibid, 2015).

According to Patruti-Baltes (2015, p. 114), the strategy used for content marketing is dependent on each company, but in general, it must include the following elements: content marketing goals and objectives, target audience analysis, suitable types of content, the right promotion channels, a content marketing timetable, as well as a set of suitable metrics for analyzing the impact of the strategy. Effective content marketing strategies should be localized, personalized, appeal to the emotions of the target audience, co-create along with customers, and gain customer trust and loyalty by being authentic, ethical, and honest (Kee & Yazdanifard, 2015).

Content Marketing and early-stage SMEs

In an essay written in March 1996, Bill Gates stated that "content is king". He predicted that for the majority of companies most opportunities would involve supplying information and entertainment, he also added that "no company is too small to participate" (Kraus et al., 2019, p. 415). There is no doubt that he was right, and SMEs can benefit from using content marketing. Some of the more noticeable benefits of content marketing are increased brand awareness and visibility, improvement in brand health and popularity, attention from target audiences, attraction and retention of customers, customer trust and loyalty, and overall customer satisfaction (Ahmad et al., 2016; Holliman & Rowley, 2014; Patruti-Baltes, 2015; Vinerean, 2017).

Although current studies indicate that creating deep and rich content is of extreme importance for companies, as with digital marketing in general, academic literature on content creation in early-stage SMEs is an unexplored area (Kraus et al., 2019). Creating rich content is a significant challenge for SMEs (Broekemier et al., 2015; Kraus et al., 2019). Despite the several studies highlighting the importance of content, very few of them consider the time, effort, and resources required in the creation process, or any other alternative tactics that are more suitable and could be employed by SMEs (Kraus et al., 2019).

Patruti-Baltes (2015, p. 114) states that some of the most common objectives of content marketing, in general, are: testing a business product or idea, creating a need for a specific solution, increasing brand awareness, creating an audience, building a trust-based relationship with the target audience, attracting new leads, and developing customer satisfaction and loyalty. These are things that many SMEs are trying to achieve with their marketing efforts, therefore, content marketing has great potential to aid with the growth of early-stage SMEs (Broekemier et al., 2015). More specific and thorough research into content creation for SMEs is required. The insights from these kinds of studies would contribute significantly to the SME environment (Kraus et al., 2019). Particularly for early-stage SMEs, which already lack resources and have to experiment through trial and error to identify which are the most efficient and effective ways to create and share interesting content that supports the company in its growth process.

Social Media Marketing

The Internet and related technologies such as social media have enabled connection and communication as we know it today (Tuten, 2020). Information does not flow only from big organizations down to people anymore; in this modern age, people can communicate with each other in huge numbers (Evans & McKee, 2010; McCann & Barlow, 2015; Tuten, 2020). This horizontal revolution, as Tuten (2020) names it, is the massive flow of information across people and has fundamentally changed the way in which we work, study, and communicate in general (Alalwan et al., 2017; Tuten, 2020). The influence and power of online platforms keep growing as more people join these communities in social media. As of January 2021, social media platforms have around 4.2 billion active users (Statista, 2021a; Tuten, 2020). Some of the most used social media networks worldwide are Facebook, Instagram, LinkedIn, YouTube, Twitter, Pinterest, TikTok, Snapchat, and Reddit, to name a few (Alalwan et al., 2017; Chaffey & Ellis-Chadwick, 2019; Chaffey & Smith, 2017; Kietzmann et al., 2011; Statista, 2021d).

As with other digital marketing components, there is no single universally accepted definition for social media (Chaffey & Smith, 2017; Charlesworth, 2018). Social media exists in an environment that is complex, dynamic, and quickly evolving, hence its definition is not a simple one (Tuten, 2020). Chaffey and Ellis-Chadwick (2019, p. 451), and Chaffey and Smith (2017, p.

225) all agree that the CIPR Social Media Panel has defined social media adequately: “Social media is the term commonly given to Internet and mobile-based channels and tools that allow users to interact with each other and share opinions and content. As the name implies, social media involves the building of communities or networks and encouraging participation and engagement”.

It is worthy to clarify that social media and social media marketing are not the same thing (Charlesworth, 2018). It is crucial for academics and managers alike to understanding the role of social media in a marketing context (Felix et al., 2017). Social media is all about sharing, cultivating relationships, and engaging in online communities (Charlesworth, 2018). Social media marketing (SMM) as defined by Felix and peers (2017, p. 123) “is an interdisciplinary and cross-functional concept that uses social media (often in combination with other communications channels) to achieve organizational goals by creating value for stakeholders”.

Felix and colleagues (2017) argue that on a strategic level, SMM involves organizational decisions that relate to governance, structure, culture, and actual SMM strategies which range from defenders to explorers. The latter strategy presents companies the opportunity to utilize social media to create and reinforce relationships not only with customers, but also with employees, their community, and other stakeholders —*explorers*. The former strategy opts to regard social media as just another communication channel via which companies can push information to customers —*defenders* (Ibid, 2017).

The defender strategy, while potentially providing value to customers, does not take full advantage of the opportunity to create and develop real, strong, and loyal relationships across the company’s network of customers, employees, communities, and other stakeholders that modern relationship marketing promotes (Felix et al., 2017). Charlesworth (2018) argues that this is the main reason for the confusion and even misunderstanding surrounding SMM, as more companies are starting to act as defenders by utilizing SMM to push and broadcast content, presenting SMM in such a way that is not aligned with the ethos of social media which is sharing and developing relationships by engaging in communities. The explorer strategy on the other hand, although slightly more complex and for some companies even difficult to attain, puts not

only customers but all stakeholders at its core. This strategy aligns with modern relationship marketing approaches that focus on co-creating value along with customers and other stakeholders. Implementing an explorer strategy on SMM, however, may require redefining the roles of various stakeholders in the organization. (Felix et al., 2017.)

Social Media Marketing and early-stage SMEs

SMM is one of the digital marketing components that has received more attention in academia when it relates to SMEs (Dahnil et al., 2014; Kraus et al., 2019). While plenty of existing studies on SMM do without a doubt advance our knowledge in specific areas of social media in the context of marketing and management (Alalwan et al., 2017; Felix et al., 2017), the existing literature does not provide a comprehensive framework for SMM adoption at a strategic level, especially for SMEs (Dahnil et al., 2014; Felix et al., 2017). This gap is unexpected because both academics and practitioners recognize the increased complexities that come with these media and agree that research on SMM must be reconceptualized (Felix et al., 2017). Strategic SMM is still an unproven user interaction paradigm with insufficient academic data (Ibid, 2017). This makes it particularly difficult for SMEs to adopt and implement an SMM strategy that is effective and efficient. Due to the lack of resources and research focused on practical and strategic frameworks (Dahnil et al., 2014; Felix et al., 2017), SMEs and particularly those in their early stages, need to learn and adjust their SMM strategies by trial and error.

SMM has become an integral aspect of an organization's marketing and branding strategies due to its many benefits. Facebook, for example, has grown in importance as a tool for interacting with customers and spreading brand recognition (Taiminen & Karjaluoto, 2015; Dahnil et al., 2014). A study by Ainin and colleagues (2015) unveiled that the usage of Facebook had a strong positive impact on the performance of SMEs, both financial and non-financial. Research and advances in digitalization and social media indicate that these online social characteristics can enhance the performance, efficiency, and communications in SMEs (Chatterjee & Kar, 2020; Taiminen & Karjaluoto, 2015). These studies also confirm the existence of a positive relationship between the utilization of SMM and its outcomes (Ibid, 2020; Ibid, 2015). Interactivity on social media has a positive impact on a firm's online performance by attracting more customers, fostering deeper relationships, and enhancing overall satisfaction (Ainin et al., 2015; Taiminen

& Karjaluoto, 2015). SMM seems to be very successful for brand building, traffic increase, consumer engagement, lead generation, and the development of unique customer relationships; furthermore, adopting SMM does not require a big financial investment from SMEs, it actually is quite low cost (Ainin et al., 2015; Dahnil et al., 2014; Li et al., 2021; Rugova & Prenaj, 2016; Taiminen & Karjaluoto, 2015). In addition to these softer outcomes, the use of SMM can also produce direct sales-related results as customers who are devoted to a company through social media are more profitable than those who are not (Ainin et al., 2015; Taiminen & Karjaluoto, 2015). SMM has become an important factor in the success and growth of a business, especially in SMEs (Rugova & Prenaj, 2016).

However, studies have shown that many SMEs have a hard time with the increased workload brought by SMM such as the study by Taiminen and Karjaluoto (2015) in which half of the sample of companies researched did not use social media at all and just about 13% used them actively. In this study, none of the companies used social media with the purpose of dialogical communication but rather just to share news, from this defender approach, social media is seen as an informal communication channel instead of a powerful marketing tool to build brand awareness and increase customer engagement (Ibid, 2015).

Due to the inherent nature of social media, to be effective SMM requires that communication with customers is interactive instead of monologues broadcasted by companies. Audiences on social media do not want promotional messages nor sales pitches; instead, they expect authentic stories and genuine information created by dialogue about the brand (Taiminen & Karjaluoto, 2015). As social media evolves from being used as a simple marketing tool to a source of marketing intelligence —*one that allows companies to observe, analyze, and predict consumer behavior*— marketers now need to strategically utilize and leverage SMM to attain competitive advantage and superior performance in the market (Li et al., 2021). It is important for SMEs to not only adopt and implement SMM but to do so effectively and efficiently (Broekemier et al., 2015; Dahnil et al., 2014). It is worth examining the benefits that SMEs across different industries can gain from utilizing SMM as a two-way communication channel and as a tool for company growth (Ainin et al., 2015; Broekemier et al., 2015; Taiminen & Karjaluoto, 2015).

Email Marketing

Email marketing is one of the digital marketing components found in the inbound-outbound marketing gray zone (Bleoju et al., 2016; Dakouan et al., 2019; Rancati et al., 2015). On one hand, email marketing can be used to directly sell products or services to customers. This outbound marketing technique is usually performed through cold emailing —*an unsolicited email sent to the receiver without prior permission and sometimes not even any kind of prior contact*— if done through a mass mailing tactic, that is most commonly referred to as spam (Reimers et al., 2016). On the other hand, email marketing can also be utilized to add value to customers by providing them with interesting information and free content via email which they sign up for (Zhang et al., 2017), this is known as permission email marketing (PEM) and is a part of the inbound marketing techniques.

Spam as a marketing tactic is perceived by users as highly intrusive (Chang et al., 2013; Reimers et al., 2016), this in turn can result in lowered trust from users in both advertising and the organization's reputation (Hartemo, 2016). Research has revealed that a great majority of customers deeply dislike receiving spam and find it intrusive and irritating (Kumar & Sharma, 2014). Spam has such a negative reputation that some governments have even set up legislation to counteract it (Reimers et al., 2016). Customers have also shown a greater level of acceptance towards PEM in contrast to spam (Chang et al., 2013; Reimers et al., 2016; Zhang et al., 2017). Proof of this is that in the last few years the share of spam in total e-mail traffic worldwide has decreased significantly from almost 60% in 2016 to under 29% in 2019 (Statista, 2020c).

Reimers and colleagues (2016, p. 3) define permission email marketing as “a promotional email sent to consumers who have given consent to receive such messages from the sender”. The possibility to opt-in or -out of receiving such emails is not only a distinguishing feature of PEM, but it is also a critical factor in anti-spam regulation (Kumar et al., 2014; Reimers et al., 2016). The purpose of PEM according to Reimers and colleagues (2016), is to create, develop, and maintain communication with the recipient over time, and while doing so, develop a more loyal and profitable customer. Research shows that PEM has a positive effect on customer loyalty, this

is valuable to firms as it incites customers to recommend the email messages to their close ones if they believe the message to be interesting and useful (Zhang et al., 2017).

Email Marketing and early-stage SMEs

PEM is an effective marketing tool, and it is a widely used technology in marketing strategies (Hartemo, 2016; Zhang et al., 2017). In fact, PEM is a very profitable communication channel and has experienced a continuous increase in return on investment (ROI) in recent years, making it one of the most cost-effective marketing techniques (Ibid, 2016; Ibid, 2017). PEM can bring many benefits to a company, one aspect in which it is quite useful is in the creation of brand loyalty, PEM has the ability to boost and strengthen the reputation of a company and demonstrate that it cares for its customers (Hartemo, 2016; Merisavo & Raulas, 2004; Zhang et al., 2017). This ultimately increases the amount of traffic to a website through the links within the emails, the purchases made by customers, as well as recommendations from said customers to others (Hartemo, 2016; Zhang et al., 2017).

On top of the already mentioned benefits, another reason that is especially relevant for SMEs is that PEM is cost- and time-effective, it does not require complex skills, and the results are easily noticeable and measurable. Unfortunately, as with the other components of digital marketing, SMEs adopting and actively utilizing PEM are rather few (Taiminen & Karjaluoto, 2015). According to a survey regarding the use of digital marketing in SMEs in Finland, only 15% of respondents used PEM regularly and almost 40% did not use it at all (Statista, 2019b). This is no surprise since there are multiple reasons for which many firms find it difficult to effectively launch and manage email marketing strategies (Zhang et al., 2017).

Despite the popularity and high profitability of email marketing by marketers, email marketing has garnered little attention in the marketing literature (Zhang et al., 2017), literature is extremely scarce when it comes to how SMEs in their early stages adopt and implement this digital marketing technology. PEM demands more research when it comes to its usage by SMEs and especially those in their early stages.

2.2. Technology Adoption Process

In this section, this study dives deep into the theories that lay the foundation and serve as an inspiration for the theoretical framework of this study. The theoretical framework of the study is of extreme importance as it provides clarity on the overall structure of the whole theory chapter. This section is divided into two main subsections: Theories on Technology Adoption and Digital Marketing Adoption Process. In the first subsection, the chosen theories and models on innovation and technology adoption used in this study are introduced along with the existing literature on each of them. Then, the second subsection provides the application of the aforementioned theories to this study, the theories are directly applied to the adoption process of digital marketing, explaining the adoption process by early-stage SMEs at both the initiation and implementation stages.

2.2.1. Theories on Technology Adoption

As mentioned in the introduction chapter, the theories and models used in this study are the Innovation Diffusion Theory (IDT) by Everett Rogers (1995) and the Technology Adoption Model (TAM) model by Viswanath Venkatesh and Fred Davis (1996). The theoretical framework of this study has been inspired and created by combining these theories, and its purpose is to shed light on the adoption process of new technologies at both the individual and organizational levels within early-stage SMEs. The choice of understanding innovations from both perspectives arises due to the fact that although SMEs are indeed organizations, the CEO, an individual, is the main decision-maker within the organization.

Innovation Diffusion Theory

The innovation diffusion theory (IDT) has been fundamental to understand the processes that are involved in the dissemination of innovations (King, 1992). This model explains the various stages in time that innovations go through before being accepted or rejected by individuals (Rogers, 1995).

The innovation diffusion theory covers both individual and organizational levels (King, 1992; Rogers, 1995; Zaltman et al., 1973). Through a better understanding of how new technologies are adopted among individuals and organizations, the IDT tries to explain how constant technological change threatens established business models and offers new opportunities to those firms willing to seek the adoption of innovations and take advantage of them through implementation (Rogers, 1995). In this section, the IDT will be first introduced at the individual level by using Roger's (1995) model, and later at the organizational level using the model presented by Zaltman and colleagues (1973).

Before talking about the adoption and diffusion of technologies and innovations, these terms must be first defined. Adoption refers to the decision of an individual or organization to make use of an innovation; diffusion, on the other hand, refers to the accumulated level of users that a given innovation possesses in the market (Frambach & Schillewaert, 2002; Rogers, 1995). Innovation adoption describes the series of decisions and actions individuals take when they first start to use an innovation (Hall & Rosenberg, 2010). Innovation can be defined as an object, an idea, or a practice that is perceived as new by any given individual or unit (Rogers, 1995, p. 12).

Whether something is an innovation or not is dependent on the context and perspective of that person. In other words, the extent of how innovative a novel idea, object, or process is, is largely defined by the user as what might be known and familiar to an individual might be completely new and unknown to another (Drucker, 2002; King, 1992; Rogers & Shoemaker, 1971). Innovation can also denote the characteristics of an individual or organization and the particular kinds of changes in their processes and outcomes (King, 1992). The outcomes of adopting an innovation can result in a service, technology, or practice that is at least new to the organizational population (Damanpour & Aravind, 2012). Although digital marketing has been around for some years (Chaffey & Ellis-Chadwick, 2019), the spread and growth of new digital marketing techniques such as inbound marketing are still unknown in both academic and managerial contexts. It is especially unfamiliar to SMEs, and those in their initial stages with fewer resources available to learn about it. Digital marketing is then, both at the individual and at the organizational levels, a new tool, technology, service, or practice that is new to the individuals of the adopting unit or SMEs.

The current popularized IDT was proposed by Rogers in 1962, expanding greatly on previous literature he proposed his theory of diffusion of innovations that establishes the foundation to understand the processes involved in innovations becoming popular through their acceptance or rejection over time (Lundblad, 2003). At the individual level, Rogers (1995) proposed that the diffusion process was made up of five stages. According to him, innovations go through several stages before arriving at their subsequent adoption or rejection, this is known as the innovation-decision process. The five stages in this decision-making process are comprised of knowledge, persuasion, decision, implementation, and confirmation, as shown in Figure 5.

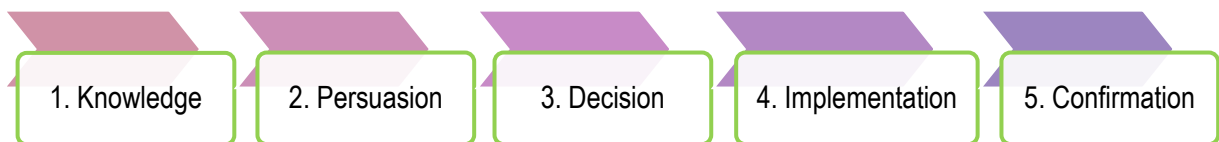


Figure 5. The innovation-decision process. Adapted from Rogers (1995, p. 163).

Rogers (1995) defines the different stages of the innovation-decision process as a series of actions and decisions over time through which individuals evaluate and determine whether to adopt an innovation. He explains these behaviors consist of dealing with the uncertainty that is inherent to deciding whether or not to adopt an innovation. Newness always comes along with an innovation and the uncertainty that is associated with the unknown is an important aspect of innovation decision-making (Rogers, 1995; Rogers, 2003). During the first stage, defined as knowledge, the individual is exposed to the innovation and becomes aware of its existence. In the second stage, persuasion, the individual becomes psychologically involved and an interest in finding more information about the innovation arises. The third stage, the decision stage, is where the individual ponders the various benefits and risks that the innovation entails before deciding whether to adopt it or reject it. The implementation stage serves as the fourth stage, in which the individual puts the innovation into use and can prove the usefulness of the innovation through her/his own adoption experience. Finally, in the fifth stage, the individual can confirm whether the innovation-decision is the right choice or not. It is worthy to note that the innovation can be rejected at any of these five stages and the innovation-decision process can be resumed at any point later on. (King, 1992; Rahi & Ghani, 2018; Rogers, 1995; Rogers, 2003.)

This study relies on Zaltman’s stages which were built based on Roger’s stages and further simplified them. Zaltman and colleagues (1973) studied the different aspects of innovations that take place in organizations. At the organizational level, the innovation processes are grouped into two general stages of activity: initiation and implementation. Each of these stages can be divided into further substages that are consistent with Roger’s (1995) innovation-decision process stages (King, 1992). The initiation stage consists of the three substages: awareness, the formation of attitudes, and the decision; the implementation stage is comprised of the initial- and continued-sustained implementation substages (King, 1992). At an organizational level, adoption refers to whenever an organization decides to obtain and implement an innovation (Zhou, 2008). The initiation stage consists of gathering information and planning for the adoption of an innovation, the decision of adopting the innovation follows after the initiation stage and this, in turn, is followed by the implementation stage (Rogers, 1995). See Figure 6.

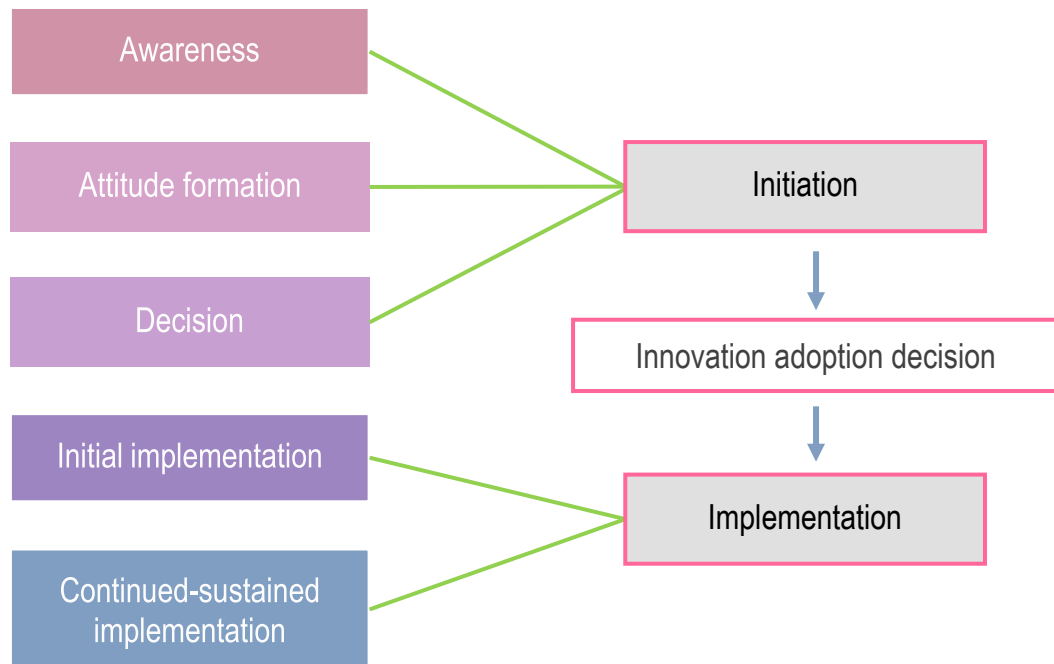


Figure 6. Stages in the innovation-decision process in organizations. Adapted from Zaltman et al. (1973).

Technology Acceptance Model

Given that both the Innovation Diffusion Theory (IDT) and the Technology Acceptance Model (TAM) have been widely applied to examine the acceptance and adoption of innovations and new technologies, several authors have used these theories in combination in their studies (Giovanis et al., 2012; Plewa et al., 2012; Zhou, 2008). TAM can be thought of as a complementary theory to IDT, integrating common ideas (Plewa et al., 2012). TAM is usually employed to explain the willingness of a user to accept and adopt a new technology by understanding the individual's perception towards the usefulness and effort in using said technology (Alford & Page, 2015; Zhou, 2008). TAM is one of the dominant theories in the research of technology adoption (Davis, 1989). Davis' (1989) TAM has been widely applied to studies across many industries, recently, however, the number of studies in the literature relating to the adoption of technology by small businesses has been increasing (Alford & Page, 2015; AlSharji et al., 2018; Dahnil et al., 2014; Durkin et al., 2013; Ritz et al., 2019).

The technology acceptance model first introduced by Fred Davis (1985) in his doctoral dissertation, is designed to understand the acceptance of information systems or technologies by users. This original model and its first modified version (Davis et al., 1989) suggested that an individual's belief determined her/his attitude towards things. The model proposed the following two specific beliefs: Perceived Usefulness (PU) and Perceived Ease of Use (PEOU).

Perceived Usefulness can be defined as the probability that the use of a certain system or technology will improve the potential user's current circumstance, and Perceived Ease of Use refers to the potential user's degree of expectation regarding how effortless to use the system or technology will be (Davis, 1989). According to David (1989), external variables are factors that influence a potential user's beliefs towards a system or technology. The external variables directly affect PU and PEOU, which in turn, affect the attitude towards using the technology, the attitude directly influences the intention to use the technology which ends up shaping the actual usage of the technology. The 1996 version of TAM has been used in several technology adoption studies and has consistently performed well in predicting the intentions of individuals (Giovanis et al., 2012; Venkatesh & Davis, 2000; Venkatesh & Morris, 2000). Legris and colleagues (2003)

show with the results of their meta-analysis of prior studies using TAM that out of 22 studies only three included attitude. Therefore, in this study, Venkatesh and Davis' (1996) version of the TAM will be used to gain a better understanding of the perception, intention, and actual usage of digital marketing in SMEs. The TAM is visually represented in Figure 7.

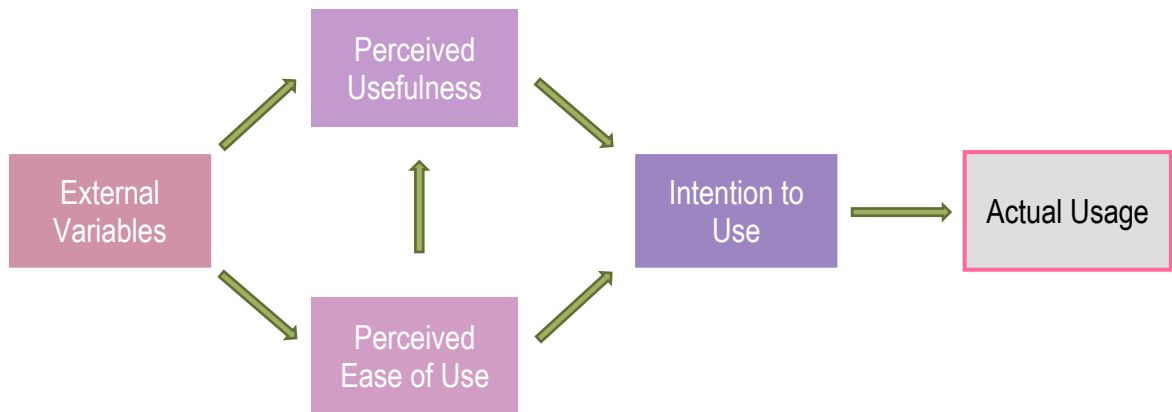


Figure 7. Final version of the Technology Acceptance Model (TAM). Adapted from Venkatesh and Davis (1996).

Application of the Theories

The purpose of this study is to explore the perception of digital marketing by the CEOs of early-stage SMEs, and the subsequent adoption process and usage of digital marketing by these small companies. Hence, the theoretical framework is inspired and created by combining Roger's (1995) IDT five stages and Venkatesh and Davis' (1996) TAM, with both theories finally coming together through Zaltman's (1973) stages. These theories are suitable when investigating the adoption process of new technologies at both the individual and organizational levels. As mentioned, the reason behind understanding technology adoptions from both perspectives is that although SMEs are organizations, the CEO is usually the individual making the decisions in the organization. The creation process behind the theoretical framework of this study is visualized in Appendix 1.

2.2.2. Digital Marketing Adoption Process

The adoption process of an innovation is a sequence of stages through which a potential adopter goes before accepting a new product, service, or idea (Frambach & Schillewaert, 2002). As defined by Rogers (1995, p. 20) adoption process refers to “the process through which an individual or other decision-making unit passes from first knowledge of an innovation, to forming an attitude toward the innovation, to a decision to adopt or reject, to implementation of the new idea, and to confirmation of this decision”. As previously mentioned, when speaking of organizational adoption, the two major stages distinguished are initiation and implementation, and the adoption decision is made between these two (Frambach & Schillewaert, 2002; Rogers, 1995; Zaltman et al., 1973; Zhou, 2008). It is during the initiation stage that the organization first becomes aware of the innovation, forms an attitude towards it, and finally evaluates the new technology. In the implementation stage, the organization makes the decision to purchase and utilize the innovation (Frambach & Schillewaert, 2002). This is merely the beginning of the implementation stage though, since the actual acceptance or assimilation of the innovation within the organization is the most crucial part, as adopters commit to the continued use of the technology over time (Ibid, 2002). It is important to remark that organizational innovation adoption implies that the adoption takes place within the organization, in other words, the innovation adoption in an organization also occurs at the individual level, with each of the people involved. This is known as intra-organizational acceptance (Frambach & Schillewaert, 2002).

Several different variables can influence the adoption of an innovation within an organization (Waarts et al., 2002). Jeyaraj and peers (2006) present examples of the kinds of variables that affect innovation adoption, the best predictors of IT adoption at an individual level include perceived usefulness, top management support, technical experience, behavioral intention (intention to use), and user support. Equally, the best predictors of IT adoption in organizations were top management support, external pressure, and information sources (Ibid, 2006). Independently, top management support is the main variable that connects individual and organizational IT adoption. At an aggregate level, the characteristics of the innovation and characteristics of the organization were the strongest predictors of IT adoption both individually and organizationally. (Jeyaraj et al., 2006.) These results are consistent with the literature on

digital marketing adoption and can be used as a reference to better understand the predictors of digital marketing adoption in SMEs. As revealed by Taiminen and Karjaluo (2015), one major reason for SMEs to not adopt social media in their marketing efforts is management opposition. A company's adoption decision is typically based on a comparison of the expected situation after adoption to the current situation or other alternatives. In this sense, when making the adoption decision, the value of an innovation —*that is, the overall added functionality or performance of the invention for the firm in terms of increased revenue*— will be weighed alongside the costs of adopting said innovation (Waarts et al., 2002). Although this seems straightforward, it is more complex in practice as it can become quite difficult to formally assess the value of an innovation in terms of increased revenue (Ibid, 2002). On top of that, there are several different variables affecting and contributing to the adoption decision at each stage of the adoption process.

Initiation stage

During this stage, an individual or organization gains awareness of an innovation (Frambach & Schillewaert, 2002). In this study's theoretical framework, the initiation stage is composed of external variables that influence the knowledge and perception that the individual has regarding a new technology, in turn, the Perceived Usefulness (PU), Perceived Ease of Use (PEOU), and the Intention to Use *or behavioral intention* (BI) that the individual has on the innovation directly affect the decision to adopt and the actual usage of a new technology.

When it comes to SMEs adopting digital marketing —*or at least some of its components*— literature shows that some of the most salient factors prompting the adoption decision are PU, PEOU, expectable performance, management support, knowledge, technical skills, cost-effectiveness, facilitating conditions within and outside the organization, and compatibility (Ainin et al., 2015; Broekemier et al., 2015; Chatterjee & Kar, 2020; Dahnil et al., 2014; Taiminen & Karjaluo, 2015; Teixeira et al., 2018b). One major variable that affects the adoption decision, and one that is especially important for early-stage SMEs is whether digital marketing can provide significant and relevant results that can be translated as tangible benefits for the company (Ainin et al., 2015; Taiminen & Karjaluo, 2015; Teixeira et al., 2018b).

Implementation stage

During this stage, the individual or organization does the purchase decision and makes actual use of the new technology. After the innovation has been in use, it can be confirmed whether the individuals in an organization assimilate the new technology and subsequently accept or reject it (Frambach & Schillewaert, 2002).

Some of the main uses of digital marketing within SMEs are speed of communication, cost savings, understanding and modifying customer behavior, customer acquisition and retention, building brand awareness, enhancing targeted audience and messages, enhancing customer service, and facilitating communication and interactions with customers (Taiminen & Karjaluoto, 2015; Teixeira et al., 2018b). In Taiminen and Karjaluoto's study (2015), many SMEs did not use digital marketing channels to initiate dialogic communication with customers very often. Furthermore, despite respondents being sales-focused SMEs, surprisingly "increasing sales to existing customers" was regarded as the second least important reason to adopt digital tools (Ibid, 2015). This just proves that SMEs, especially smaller ones, are most likely not aware of the opportunities that digital platforms present for growth and sales increase.

2.3. Challenges Regarding Digital Marketing

Entrepreneurs, investors, and researchers agree that the early growth stage is the riskiest in the lifecycle of SMEs. It is usually in this stage that the fate of small companies is decided with the probability of success depending heavily on the actions taken during this stage (Gordon, 2021). Early-stage SMEs face several challenges (Simpson & Taylor, 2002), they must stand out against larger competitors that possess far more and better resources, in an increasingly crowded market. Additionally, the literature confirms that SMEs are less likely to use emerging technologies properly than bigger corporations, as larger companies are more likely to have acquired the required resources and knowledge to adopt digital technologies successfully (Broekemier et al., 2015; Taiminen & Karjaluoto, 2015; Wamba & Carter, 2016). In fact, early-stage SMEs and micro-enterprises are the slowest adopters (Taiminen & Karjaluoto, 2015). Even though more SMEs are attempting to adopt digital marketing, the figures are not entirely reassuring. In 2017,

a study measuring the state of digitalization in Finnish SMEs exposed that only 17% of SMEs believe digital marketing to be *very present* in their organization, a high contrast to the 28% that indicated that digital marketing is only *somewhat present*, and the largest share of 29% that does not use digital marketing at all or does so very poorly (Statista, 2018). Many factors determine *if* and *how* SMEs adopt and implement digital marketing, each of them can either aid or hinder a particular firm in its adoption process. These factors can vary depending on the firm and its specific characteristics, but they tend to be present at both the initiation and implementation stages (Taiminen & Karjaluoto, 2015). The challenges early-stage SMEs face at each of the stages of their digital marketing adoption process are summarized in Appendix 2.

2.3.1. Initiation stage

It is conventional for marketing to be troublesome for SMEs, especially when new technologies are involved. Not only does their business environment play a direct role, but so do the CEO's capabilities and their availability of resources (Kraus et al., 2019). Furthermore, CEOs with no business background have a limited understanding of marketing and its different applications.

A lack of financial capital is considered a barrier to the growth of SMEs in general, but it also presents a barrier for these companies to adopt and use digital tools such as digital marketing (Taiminen & Karjaluoto, 2015). Along with limited financial limitations, SMEs' limited resources include time, human, and marketing knowledge and skills. These are some of the most common and biggest barriers in the initiation stage of digital marketing adoption for these companies (Kraus et al., 2019; Wilson & Makau, 2018). These limitations make it difficult to overcome the initial challenges when beginning the adoption process of new technologies. Another important barrier to take into account when early-stage SMEs start to adopt digital marketing is that due to their evolutionary nature caused by external factors that pose continuous uncertainty, these companies do not plan formally and tend to have an ad hoc management style (Bocconcelli et al., 2018; Taiminen & Karjaluoto, 2015; Wilson & Makau, 2018). This means that, more often than not, early-stage SMEs do not have a marketing strategy, and the lack of clear strategic objectives makes it very difficult for them to adopt digital marketing properly in their marketing efforts (Taiminen & Karjaluoto, 2015).

2.3.2. Implementation stage

Even if SMEs realize the potential impact and benefits of digital marketing, many still struggle to overcome the challenges to effectively exploit them (Kraus et al., 2019). Besides the obvious barrier of limited resource access that SMEs face, as mentioned in the initiation stage, the lack of a clear strategy and systematic marketing efforts is a major barrier for SMEs when it comes to effective and efficient implementation of digital marketing (Taiminen & Karjaluoto, 2015). SMEs struggle to create rich content and effective processes in their SMM (Broekemier et al., 2015; Kraus et al., 2019), this is mainly due to the challenge of insufficient or complete lack of marketing knowledge and technical skills, combined with the usual scant appreciation of the benefits of digital marketing (Dahnil et al., 2014). Overcoming the challenge of having a suitable and skillful marketing person in the company is quite difficult for early-stage SMEs (Kraus et al., 2019; Ritz et al., 2019), as the CEO is most likely not a marketer herself/himself and might not have the financial means to hire an expert (Ibid, 2019; Ibid, 2019). This is consistent with the literature, which shows that the biggest obstacles for SMEs when adopting digital marketing are uncertainty on how to use the new technologies and getting a suitable team member to handle digital marketing within the firm, especially when problems arise (AlSharji et al., 2018; Taiminen & Karjaluoto, 2015). Secondary but also important challenges are scarcity of resources, including knowledge, human, and financial (Taiminen & Karjaluoto, 2015).

2.4. Anticipated Future

The ability of SMEs to remain competitive is based on their capacity to be innovative. However, these companies normally struggle with profitability and liquidity because of their size and ownership structure, which makes them especially vulnerable to shocks in their external environment (Juergensen et al., 2020). As a matter of fact, global crises such as the outbreak of the novel coronavirus (COVID-19) global epidemic are expected to have a massive impact on SMEs, especially when comparing their limited resources to those of larger firms (Ibid, 2020). On the other hand, due to the same reasons of a smaller size, private ownership, and relatively flat hierarchical structures, SMEs tend to be more adaptive and have more flexibility than their larger counterparts, which can be advantageous during a crisis (Juergensen et al., 2020).

The outbreak of COVID-19 has driven significant changes in purchasing and consumption patterns (Park et al., 2020; Watanabe & Omori, 2020). While demand for face-to-face services has dropped dramatically, the online consumption of products and services is on the rise thanks to e-commerce (Watanabe & Omori, 2020). Because in general SMEs are more vulnerable than larger companies, which means it takes them longer to return to normal operations after a crisis, it is thus crucial to think about how SMEs have been impacted and how may they recover from the financial crisis derived by the COVID-19 outbreak (Juergensen et al., 2020).

2.4.1. Impact of COVID-19

COVID-19 has been an external shock with unparalleled implications, it has impacted SMEs on many different aspects, including demand and supply (Juergensen et al., 2020). According to survey data from May 2020, 41% of SMEs in the UK had ceased operations, and 35% worried about not being able to reopen in the future (FSB, 2020). In Germany, half of SMEs predicted a negative impact from the crisis, with over one-third expecting a revenue drop of more than 10% (DIHK, 2020). In Italy, more than 70% of SMEs expressed that they had been directly affected by the crisis (CNA, 2020). While SMEs in other European nations have shown similar worries, these businesses are also extremely diverse (Juergensen et al., 2020). For instance, during the global financial crisis in 2008, Cowling and colleagues (2018) discovered that in the UK well-established, larger SMEs were more affected than their younger and smaller counterparts. Small and young SMEs were more agile and quick to respond and adapt to the crisis, whereas the older SMEs were not (Ibid, 2018). Even though external shocks affect all SMEs to a degree, it is worthy to ponder how different kinds of SMEs are affected by them (Juergensen et al., 2020).

All types of SMEs have experienced at least some kind of effect on their activities derived from the lockdowns caused by the pandemic (Juergensen et al., 2020). While businesses and entrepreneurs have shown high levels of business resilience, economic disruptions resulting from the lockdowns have impacted SMEs more harshly, causing a diversity of effects varying by industry and sector (Bullough & Renko, 2013; Pedauga et al., 2021). While the drastic measures—*lockdowns*—taken by some governments helped to restrict the spread of the coronavirus, they also put the existence of businesses in all sectors and industries in jeopardy, with potentially

disastrous individual, societal, and economic consequences such as massive job losses and social vulnerability (Lu et al., 2020). While these strict epidemic control measures slowed the spread of the disease, they also made it difficult for people to return to work and disrupted the flow of the economy (Lu et al., 2020; Pedauga et al., 2021).

During this crisis, SMEs have experienced isolation, labor shortages, human mobility restrictions, major reductions in capacity utilization, a shrinking market demand, supply chain disruptions, and confidence loss (Juergensen et al., 2020; Lu et al., 2020; Pedauga et al., 2021). On the demand side, income flows have been disrupted by the interruption of wage payments, as well as lower demand for consumption and investments (Coibion et al., 2020; Pedauga et al., 2021). In Russia, because of the preventive restrictions imposed to impede the propagation of infections, demand dropped significantly and business activities slowed down dramatically (Razumovskaia et al., 2020). In April 2020, Russian SMEs reached an “anti-record in sales” with the SME business activity index decreasing to its lowest value since the year 2014. According to the study, revenue decreased for 78% of respondents and about 60% of entrepreneurs expected a further decrease in their revenue in the near future (Razumovskaia et al., 2020). For the knowledge-based SMEs, the crisis might have had a lower impact, although some SMEs requiring special equipment or laboratories might have made little progress with engineers and scientists working from home (Juergensen et al., 2020).

There are other economic ramifications related to the COVID-19 epidemic besides the lockdowns with short-term implications applicable to all kinds of SMEs, as well as medium- and long-term repercussions that vary by company (Juergensen et al., 2020). In the short term, the majority of SMEs have most likely faced financial difficulties and liquidity challenges. Many SMEs have also had logistic and demand challenges, although the severity of these issues varies by industry and firm (Juergensen et al., 2020; Lu et al., 2020). The negative effects that have affected and wreaked havoc among the financial markets, with many early-stage SMEs included, involve fear of contagion, increased uncertainty, deteriorating expectations, reduced revenue, lower consumption, and banking credit contraction (Baker et al. 2020; Pedauga et al., 2021; Zhang et al. 2020).

Similarly, SMEs' reduced earnings have resulted in serious liquidity constraints and solvency problems (Pedauga et al., 2021). Stand-alone SMEs, in particular, have seen a sharp decrease in demand as well as some supply chain challenges, making them particularly reliant on external financial support. Many of them were already operating on financial constraints and limited budgets before the crisis. As a result of the COVID-19 pandemic, they have deteriorated, which makes their downfall more likely (Juergensen et al., 2020). Knowledge-based SMEs and specialty suppliers have also been affected, many of them have become more vulnerable and exposed to financial problems. Furthermore, many SMEs have had to make considerable adjustments to their physical operations in order to comply with continuous government regulations regarding social distance, requiring additional financial expenditure.

Due to their unique performance characteristics, SMEs are particularly vulnerable to the adverse economic effects of the pandemic (Razumovskaia et al., 2020). There has been a drastic shift in consumer behavior as a consequence of the implemented social distancing measures which forced SMEs to quickly react and adapt. Fear of getting infected with the virus, reduced purchasing power as a consequence of a plunge in personal income which in turn has resulted in wage cuts or dismissals, and so on (Lu et al., 2020; Razumovskaia et al., 2020). Though the impact and effects of the COVID-19 outbreak differ significantly across industries and firms, clearly this pandemic has had significant universal short- and long-term impacts (Juergensen et al., 2020). To fully understand these requires extensive research and forecasting which analyzes diverse industries and sectors (Ibid, 2020). That, however, is outside the scope of this study.

2.4.2. Future post-COVID-19

It is still hard to predict and foretell what the long-term effects of the coronavirus pandemic are, but researchers anticipate that the post-COVID-19 opportunities and potential will be even better if companies are able to use digital tools throughout the pandemic (Priyono et al., 2020). In particular, the crisis has highlighted the need and value for SMEs to invest in digital technologies (Juergensen et al., 2020; Priyono et al., 2020). Digital technologies have become indispensable for SMEs, digital tools not just assist important downstream activities like marketing and sales, but also improve internal productivity and efficiency (Juergensen et al., 2020).

From a managerial point of view, digitalization opens up new opportunities for businesses (Cirillo & Zayas 2019; Juergensen et al., 2020), and the COVID-19 pandemic will enhance and speed up SMEs' ability to identify and exploit them. For example, a study from Park and colleagues (2020) in Japan showed a significant rise in the amount of groceries purchased online before and during COVID-19, with 8.4% before to a staggering 21.1% during COVID-19, a 151% total increase. One of the main barriers impeding the diffusion of online consumption has been the upfront costs required to shop online, but, if a huge amount of customers have been making upfront online purchases as a result of the COVID-19 outbreak, it is logical to assume that online customers would have no urgent motivation to go back to offline shopping after the pandemic is over, thus, continuing the high levels of online consumption (Watanabe & Omori, 2020). However, there are many unforeseeable factors affecting consumer behavior and consumption, and due to the lingering financial concerns following the crisis, some SMEs may find it difficult to execute digital efforts (Juergensen et al., 2020).

Though the full economic impact of the post-COVID-19 pandemic is difficult to predict, it is already evident that it poses an unprecedented external shock, and not only to SMEs (Juergensen et al., 2020). All companies, including SMEs, have suffered a significant drop in demand as a result of lockdown measures and a loss of customer confidence, and the closure of some global value chains has affected some industries. Depending on the type of company and its industry, the intensity of these demand and supply shocks is likely to vary (Ibid, 2020). These distinctions are critical for a better understanding of the medium- and long-term impacts on early-stage SMEs, as well as for future policymaking.

Juergensen and colleagues (2020) argue that in the long term, depending on the type of SME, different sets of challenges will arise, but along with them, a diversity of opportunities will come too. The mix of policies to come will need a shift from a short-term focus on ensuring the survival of European SMEs to a more structural and long-term approach centered on encouraging their reinvention, development, and growth through innovation adoption, internationalization, and networking (Juergensen et al., 2020).

3. RESEARCH DESIGN AND METHODOLOGY

This chapter outlines the research context, design, and methods used for the empirical part of the study. The process for data collection and the data analysis techniques are also presented in this chapter. In addition, the reliability and validity of the study are discussed, as well as the relation of these measures to the overall credibility of the research findings.

3.1. Research Context

According to the European Commission's (2020c) latest European innovation scoreboard, Finland is among the top five innovation leaders of the EU, occupying second place in the Innovation Leaders group whose innovation performance is 125% above the EU's average. Finland also ranked second for countries within the EU with the highest rate of performance improvement for innovation-friendly environments with a growth of almost 54% from 2018 to 2019, while simultaneously achieving the second-highest overall increase of performance observed between 2012 and 2019 with a development of over 162% (Ibid, 2020c).

Despite Finland's improvement in innovation adoption rates in recent years, it seems that the country is not immune to the worldwide phenomenon of under-adoption and -utilization of digital marketing in SMEs. In a survey performed in 2017 regarding the digitalization state of SMEs in Finland, only 25% of participants stated that digitalization is very present in their processes. Even worse, only 15% really understood their digital needs and business opportunities (Statista, 2018). When relating to digital marketing specifically, only 17% of respondents said that digital marketing is very present in their company activities (Ibid, 2018).

Although the exact total number of SMEs using digital marketing in Finland at the moment is difficult to find, recent statistics on SMEs and digital marketing look promising in the sense that although not adopted yet, at least more SMEs are starting to recognize and understand the value of using digital marketing. In 2019, the most important digital transformation need for SMEs was the development of digital marketing and communications, with 69% of companies (with employees) and 65% of self-employed companies (without employees) recognizing digital

marketing as their number one and most urgent need (Statista, 2019d). This demonstrates that the future is promising for early-stage SMEs in Finland in terms of adoption and implementation of digital marketing in their marketing efforts. Finland provides a relevant research context to study and gain a better understanding of the adoption of digital marketing by early-stage SMEs.

3.2. Research Design

The purpose of research design is to provide a plan on how to conduct the study and give a detailed structure on how the data were collected and analyzed to answer the research questions (Creswell & Poth, 2016; Saunders et al., 2016). This study seeks to build a better understanding of the adoption process of digital marketing in early-stage SMEs. Since the research on this topic is still in a nascent stage (Alford & Page, 2015; Pradhan et al., 2018; Ritz et al., 2019; Teixeira et al., 2018a), the chosen research method for this study is a qualitative approach. Qualitative research methods are suitable for these kinds of studies since the aim is to understand and explain a phenomenon that has not yet been fully explored (Doz, 2011).

Because this research is trying to identify themes and explain patterns found in the theory and the data collected throughout the study, an abductive approach is followed (Saunders et al., 2016). The research also follows an exploratory approach, which allows for flexibility to discover and gain insights on the topic of interest by asking open questions such as “*what*” and “*how*” (Ibid, 2016). There are several ways to conduct exploratory research, Saunders and colleagues (2016) point out four main different approaches, out of which this study includes the following: research on the current literature, interviewing specialists on the subject, and conducting in-depth individual interviews. The chosen approaches to carry the research out are appropriate to try to understand an unfamiliar topic by illustrating the key elements and relationships found in the theory and the collected data (Doz, 2011; Saunders et al., 2016).

Due to the exploratory nature of the study, the interviews conducted to collect the data are semi-structured (Saunders et al., 2016). Furthermore, this study can be considered a multiple-case study, with each of the companies or interviews serving as an individual case. A multiple-case

study is used to establish a deeper and more accurate understanding of whether the findings in one case occurred in the others, and if it is possible to generalize the findings in any way.

3.2.1. Qualitative Research Method

Qualitative research can be simply described as any data collection technique or data analysis procedure that generates or uses non-numerical data (Saunders et al., 2016, p.165). Creswell (2013, p. 44) states that “qualitative research begins with assumptions and the use of interpretive/theoretical frameworks” to address the research problem. Qualitative researchers employ a qualitative approach to investigation, which consists of data collection in a “natural setting sensitive to the people and places under study, and data analysis that is both inductive and deductive and establishes patterns or themes” (Creswell, 2013, p. 44). In this sense, since the data is gathered by observations, interviews or conversations, images, recordings, notes, or documents, qualitative data tend to be more complex, elastic, and diverse (Saunders et al., 2016, p.568). Due to the rich and holistic nature of qualitative data which are characterized by their different layers of meaning dependent on unique settings and contexts, qualitative data require some degree of processing prior to analysis and interpretation (Creswell, 2013; Creswell & Poth, 2016; Saunders et al., 2016). The results of qualitative research include “the voices of the participants, the reflexivity of the researcher, a complex description and interpretation of the problem, and its contribution to the literature or a call for change” (Creswell, 2013, p. 44).

Qualitative research is beneficial for developing and testing theories in areas where there is a scarcity of information (Creswell, 2013; Creswell & Poth, 2016). The exploratory nature of this approach to research allows for the development of new conceptualizations, and especially in fields such as marketing, it also gives credibility to such conceptions (Kapoulas & Mitic, 2012). This kind of research allows the study of how the environment influences business, marketing, and consumer behavior, as well as understanding the intricate processes that surround a topic (Andriopoulos & Slater, 2013). Since the literature on the adoption of digital marketing by early-stage SMEs is only emerging (Alford & Page, 2015; Pradhan et al., 2018; Ritz et al., 2019; Teixeira et al., 2018a), a qualitative research method is the most suitable choice for this study as it allows to develop theory on this subject and build on a path for future research.

3.2.2. Multiple Case Study

Yin (2018) suggests that case study research is the preferred method when addressing “*why*” or “*how*” questions, it is an empirical method to research that is useful when thoroughly studying a real-world, contemporary phenomenon —*the case*. A case study is especially helpful when the distinction between phenomena and context is not evidently obvious, as this method deals with the peculiar situation of having many more variables of interest than data points (Yin, 2018). As a result, a case study is benefitted from previous development of theoretical propositions that guide the research design, and the data collection and analysis; it could be said that case study research depends on multiple sources of evidence, with data converging together (Ibid, 2018).

Case study research is used to explore authentic phenomena in a real-life context. The main purpose of a case study or multiple-case study research is to examine the relationship of the contemporary bounded system or multiple bounded systems with different contexts —*such as social, economic, and technological*— while simultaneously creating, gathering, and exploring multiple sources of data (Creswell, 2013). By building patterns and finding explanations from the multiple sources of data, the researcher can derive conclusions from the case(s) (Yin, 2014).

The multiple-case study method was chosen for this study, with data collected through interviews with the CEOs of seven different Finnish SMEs in their early stages. The reason to use this method is that multiple-case research allows for more objectivity in the study, by analyzing several viewpoints on a topic and finding commonalities or discrepancies across the cases (Yin, 2014). This method allowed me to observe similarities and differences when evaluating several and diverse perspectives of CEOs on their digital marketing adoption, which is especially useful because it avoids the risk of reaching conclusions based on a single point of view.

3.3. Data Collection

The data of this study were collected through semi-structured interviews. The main purpose of the interviews was to discover similarities and differences between the case companies in their process of digital marketing adoption.

The sampling method utilized in this study is purposive or purposeful sampling, which is one of the most common sampling methods in qualitative research (Guest et al., 2013; Saunders et al., 2016). In this sampling method, the researcher decides the purpose that the participants serve, and the sample is selected according to the objective of the study, the purpose of the participants, and the knowledge that the researcher has on that specific group of participants (Bernard, 2013; Patton, 2002; Guest et al., 2013). Since the context of this research is based in Finland, the first criterion is for the sample of case companies to be founded and located in Finland. Additionally, since the explored phenomenon concerns early-stage SMEs, the companies were chosen according to their size, age, and growth stage. Finally, the last criterion for the chosen SMEs is that they must have adopted digital marketing or have just begun their digital marketing journey. Based on these criteria, the sample for this study consists of seven early-stage Finnish SMEs.

3.3.1. Case Companies

The sample of the study is comprised of a cohort of seven early-stage Finnish SMEs, which act as the case companies. The interviewees taking part in this study consist of the CEOs of said case companies. To protect the privacy of the participating CEOs who have acted as interviewees, and their respective companies, both the CEOs and the case companies have been given a new identifier in the study.

Company Arcturus is a small Finnish company trying to revolutionize the gardening world by making it simple for everyone through its IT portal. Its solution consists of providing customers with a ready-made garden box with seedlings already planted and ready to grow, through the app customers are guided on how to take proper care of their plants. The company was founded at the beginning of 2020 and started its digital marketing operations almost immediately after. The digital marketing operations of the company are a combination of in-house and outsourced efforts. CEO A, the interviewee from Arcturus, has been directly involved in planning, managing, and carrying out the company's digital marketing operations.

Company Betelgeuse is an early-stage company that began operations at the beginning of 2018 in Finland and has since then focused on building its solution. Betelgeuse is a pioneer in the Mobility as a Service (MaaS) industry with its platform for water transportation. The service consists of a marketplace where people can search, find, and book boat trips. The company has already established a social media presence; however, they are just beginning to build their digital marketing operations. CEO B, the interviewee from Betelgeuse, is not directly in charge of this business area but is involved in the general ideation of the company's digital marketing.

Company Canopus is a Finnish company in the recycling industry. The company is a C2C marketplace that offers a door-to-door collection of empty bottles. Canopus was founded in late 2017 but began its operations in late 2018, the company has had in-house digital marketing operations in place since then. Along with co-workers, CEO C, the interviewee from Canopus, has been actively involved in the planning and execution of digital marketing efforts.

Company Gacrux, founded in Finland in early 2018, is an online interior design platform. Gacrux has had digital marketing operations since the beginning of its operations. CEO G, the interviewee from Gacrux, is heavily involved in the planning and creation of the company's digital marketing strategies, but another colleague takes care of the implementation.

Company Pollux, a Finnish company founded in early 2020, is committed to tackling the big problems humankind faces all around the world. Pollux develops digital tools so that organizations can fight climate change, engage with the community, and make better environmental and societal decisions. The company has begun its digital marketing operations through social media presence. CEO P, the interviewee from Pollux, along with the Chief Design Officer, has been in charge of initiating the company's digital marketing efforts.

Company Sirius is an early-stage company founded in Finland in late 2018. Sirius is offering an easy-to-use platform to access data and information about different industries and topics. All the marketing efforts of the company have been digital since the beginning of its operations. CEO S, the interviewee from Sirius, is in charge of the digital marketing operations. The digital marketing strategies are planned and created by CEO S and executed by colleagues.

Company Thuban is a Finnish health and wellness company that provides wellbeing apps for individuals and organizations to be more productive and achieve work-life balance. The company was founded in early 2017 and has had digital marketing operations in place since then. CEO T, the interviewee from Thuban, is aware of the general status of the digital marketing operations but is not directly involved in the creation and execution.

Detailed summaries of the case companies and the interviewees can be found in Table 3.

Table 3. Summary of the case companies in this study.

Company	Industry	Years in Operation	No. of Employees	Served Market	Digital Marketing Operations
Arcturus	Farming & Food Industry	1 yr. 4 mo.	8	Domestic	Yes
Betelgeuse	MaaS & Maritime Industry	3 yr. 5 mo.	5	Domestic & International	Initiating
Canopus	Recycling Industry	3 yr. 9 mo.	3	Domestic	Yes
Gacrux	Interior Design Industry	3 yr. 3 mo.	4	Domestic & International	Yes
Pollux	Information Services & Software Industry	1 yr. 2 mo.	5	Domestic	Yes
Sirius	Market Research & Software Industry	2 yr. 9 mo.	5	International	Yes
Thuban	Health & Wellness Industry	4 yr. 3 mo.	4	Domestic & International	Yes

3.3.2. Semi-structured Interviews

Interviews or purposeful discussions can be regarded as one of the most important types of case study evidence due to their practicality and versatility (Saunders et al., 2016; Yin, 2018). Non-standardized qualitative interviews are efficient and adaptable, which makes them a popular

qualitative data collection technique among business and management academics who want to describe and investigate a specific organizational issue from a variety of angles (Cassell, 2015). By designing customized interview questions around certain themes, researchers are able to obtain targeted primary data that is precise and insightful by analyzing the explicit and implicit responses from the interviewees (Yin, 2018). Hence why interviews are an excellent way for researchers to gather data, as qualitative interviews not only provide access to information that is nonexistent in written or published form, but they support in simplifying and validating data obtained from other sources as well (Cassell, 2015).

In most cases, interviews are classified based on the research objectives and questions (Saunders et al., 2016; Cassell, 2015). Among other academics, Saunders and colleagues (2016) suggest using semi-structured interview questions in the research design, since this kind of interview questions address the “*what*” and “*how*” questions while at the same time giving freedom to direct the course of the interview as needed. Due to the exploratory nature of this study, thus, this study employs semi-structured interviews which are comprised of open-ended questions that prompt the participants to think aloud, clarify, and build on their own responses and comments. These kinds of interviews produce detailed, useful, and rich data through fluid, natural, and interactive discussions between the researcher and the participants (Saunders et al., 2016). While semi-structured interviews can be considered as methodical and detailed in terms of predetermined planned themes, the order and wording of questions can differ and be adapted to each interview (Creswell, 2013). The questions used in the semi-structured interviews of this study were formulated in themes by following the study’s theoretical framework and research questions. However, even though the interviews followed a structure, each of them varied depending on the interviewee and the different follow-up questions arising for each specific case.

The main topics of the interviews involved background information of the CEO and the case company; familiarity, understanding, role, importance, and benefits of digital marketing for the early-stage SME from the CEO’s perspective; challenges related to the initiation and implementation of digital marketing in the case company; and finally, the impact of the COVID-19 pandemic for the early-stage company and the CEO’s future business plans. All the interview questions were based on the study’s theoretical framework and research questions, academic

literature, managerial articles, and preliminary discussions with the study’s supervisor. The main objective of the interviews was to find similarities and differences between the respondents regarding their adoption of digital marketing, obtaining first-hand information to not only answer all the research questions but also to conceive and validate nascent concepts arising in the process. Appendix 3 shows the general structure of the questions posed during the interviews.

The data were collected through a total of seven interviews with the CEOs of seven different early-stage SMEs located in Finland. To protect the privacy of the participants, their names and the names of their companies are not disclosed in the study, and each case company is given a nickname instead. During the interviews, the themes of the theoretical framework of the study were not revealed to the interviewees with the purpose of allowing them to freely express their digital marketing perception and adoption process without any previous conceptions. A detailed summary of the interviewees and their backgrounds is shown in Table 4.

Table 4. Summary of demographic information on the interviewees.

Interviewee	Gender	Age Range	Educational Background	Working Experience		Experience as a CEO
CEO A	Male	40 - 44	Business	Food Industry	15+ yr.	3 yr.
CEO B	Male	30 - 34	Business	Insurance Sector	7 yr.	3 yr.
CEO C	Male	35 - 39	Engineering	Automation Industry	15+ yr.	2 yr.
CEO G	Female	35 - 39	Social Services	Clothing & Fashion Industry	10+ yr.	3 yr.
CEO P	Female	30 - 34	Engineering	Environment & Resource Management	10+ yr.	1 yr.
CEO S	Male	35 - 39	Business	Market Research Industry	15+ yr.	6 yr.
CEO T	Male	40 - 44	Computer Science	Computer Science	20+ yr.	23 yr.

The duration of each interview varied depending on the participant. Due to the COVID-19 outbreak, the interviews were scheduled and conducted virtually through Zoom —*an online platform used for holding and recording voice and videocalls*— between April and May 2021. More details of the interviews are summarized in Table 5.

Table 5. Summary of the interviews.

Company	Interviewee	Interview Length (<i>in minutes</i>)
Arcturus	CEO A	28:00
Betelgeuse	CEO B	24:00
Canopus	CEO C	35:36
Gacrux	CEO G	32:50
Pollux	CEO P	57:25
Sirius	CEO S	36:00
Thuban	CEO T	46:50

3.4. Data Analysis

For the analysis of the qualitative data, this study uses a thematic analysis approach. According to Saunders and colleagues (2016), the thematic approach is very frequently used when analyzing qualitative data as it provides a systematic yet flexible approach in which the researcher can understand and interpret the qualitative data instead of just summarizing it. Furthermore, they add that thematic analysis can be used regardless of whether the researcher is adopting a deductive or inductive approach (Ibid, 2016). Since in this study I am using a combination of both inductive and deductive approaches, which is referred to as abductive approach, the thematic analysis is the most suitable method for the analysis of the collected qualitative data.

To understand and identify the underlying ideas, concepts, and assumptions that are entwined in the data, a hierarchical coding procedure was carried out according to the predetermined themes of the theoretical framework and research questions. The thematic analysis process was

concurrent and iterative as it involved analyzing data as they were collected and going back to previous data and analyses as I refined the categorization and coding of new data while searching for analytical themes. The process of analyzing the data consist of four main steps as outlined by Saunders and colleagues (2016), these are: familiarizing with the data, coding the data, searching for themes and identifying relationships, refining themes and propositions.

To simplify and accelerate the process of data collection and its subsequent analysis, the interviews conducted during the data collection were recorded through Zoom. The audio captured from the interviews was then transcribed into text with the help of Microsoft Word software. After all the interviews were transcribed into a text format, the gathered text from each of the interviews was reviewed and studied to get familiarized with the data and gain a deeper understanding of the content and any visible patterns.

During the analysis of the qualitative data, the computer software NVivo was utilized to not only facilitate the process of categorizing and structuring the data but also make the analysis itself more accurate and reliable. The qualitative data analysis software NVivo works by processing and arranging data based on the coded categories specified by the researcher, which in this study were based on the research questions and main themes from the theoretical framework. The categories specified in NVivo consist of Case Companies, Conceptualization, Adoption Process, Challenges, and Anticipated Future. A detailed image of the nodes coded in NVivo, the references to each of the nodes, and the overall structure of the data analysis in this study can be found in Appendix 4.

3.5. Reliability and Validity

In this section, the reliability and validity of the study's research design and methodology will be discussed. Reliability and validity are standard and widely used measures to judge the quality of a study, its overall consistency, and the accuracy of its conclusions.

The reliability of a study refers to its consistency and replicability. In other words, if a study can be repeated several times and yield the same results, then the research is considered reliable. The

validity concerns whether the measures and techniques used in the research are appropriate and if the analysis and results are accurate enough to generalize the findings. (Saunders et al., 2016.) In qualitative research, however, the context of the study and the researcher both play critical roles and can easily compromise the reliability and validity of the study. This is particularly important when the research uses semi-structured interviews as a data collection method, it is crucial for the researcher to remain ethical and objective to not bias the interviewees and skew the findings of the study in any preferred direction.

To avoid this, neither the interview themes nor research questions were revealed to the interviewees, so that they could express themselves freely and narrate their experiences from their own perspectives without any preconceived notions hinted from the study itself or the researcher. As a researcher, I have tried to be as objective and self-aware as possible to not steer the interviewees in any direction which might cause the interviewees' answers to be biased by my questions. In addition, the analysis of the data and any related findings from it are based solely on the transcribed data.

The validity concerns the accuracy of the data analysis and conclusions, and the generalizability of the results which is referred to as external validity (Saunders et al., 2016). In this study, however, the aim is to build on the limited knowledge of the adoption process of digital marketing in SMEs, since the literature is so limited. To accurately generalize the results from this study, there must be further research on this particular topic but testing different contexts and specific groups of categorized case companies. The main purpose of the study is not to generalize the results but to increase the existing knowledge and reinforce a pathway for future study, the directions for future research are discussed later on in Chapter 5.

4. EMPIRICAL ANALYSIS AND FINDINGS

This chapter presents the findings from the thematic analysis. The findings are divided into four main sections according to the research questions of the study and the themes of the theoretical framework. The first section of the chapter, which relates to SRQ1, examines the CEOs' perception and understanding of digital marketing. The second and third sections which relate to SRQ2 and SRQ3 respectively, present the findings of the digital marketing adoption process in different stages and the challenges faced by the case companies in each of these stages. Finally, the fourth section, which relates to SRQ4, discusses the impact that COVID-19 has had on these early-stage SMEs and what their CEOs anticipate for the future.

4.1. Digital Marketing Conceptualization

This section provides the findings of the interviewees' perception and understanding of digital marketing from their perspective as CEOs. The purpose of this section is to gather findings to answer SRQ1: *“How is digital marketing perceived by the CEO of an early-stage SME?”*.

The history of marketing and the evolution of the definitions of what is now known as digital marketing have been covered in the theoretical part of this study. The aim of this section is to grasp the perception and understanding of CEOs towards digital marketing and find out if there is an alignment with the academic literature. By gaining an understanding of what the general perception is and the knowledge that CEOs have on digital marketing, patterns and trends can be analyzed in the attitudes and behavioral intentions that CEOs have towards digital marketing and whether there is any influence in their subsequent adoption decision.

As previously explained in the conceptualization section of the theoretical part, in this study digital marketing is defined by two broadly different approaches: inbound marketing and outbound marketing. Furthermore, the different components of which inbound marketing is comprised were also discussed in detail. Even though marketing has evolved to be customer-centric and undertaking a value-based approach, literature states that for most SMEs marketing is heavily sales-oriented and often the distinction between marketing and sales is non-existent

(Reijonen, 2010; Taiminen & Karjaluoto, 2015; Teixeira et al., 2018a). For this reason, the interviewees were asked to define digital marketing and explain their familiarity with digital marketing and its different components or approaches.

4.1.1. Perception of Digital Marketing

To understand the perception that the interviewed CEOs have of digital marketing, they were asked to define digital marketing in their own words. The general sentiment displayed when analyzing the interviewees' perception of digital marketing is that for the case companies in this study, digital marketing is indeed strongly related to the increase of sales, and therefore, their marketing efforts are not so customer-centric but rather sales-oriented. This aligns with literature which indicates that due to the limited financial backing, little revenue, and few resources, early-stage companies often experience at the beginning of their operations, they expect quick results from marketing which often translates to an increase in sales (Taiminen & Karjaluoto, 2015; Teixeira et al., 2018a). This alignment with literature is clearly noticed as CEO P describes her perception of digital marketing:

“I think that in most cases, it [digital marketing] is to support sales, so I do not see value in marketing per se. I see it as a medium or as a means to boost sales or boost something else. ... But I do not see it as something you would just do for the sake of it. I see its function as a means to an end, especially in a small company.” —CEO P

Although CEO S gives a more holistic definition of digital marketing as a way to reach the company's target audience and potential customers, he further builds on the previous opinion about marketing with his definition of digital marketing as a means to get more leads and ultimately generating more sales for the company.

“Trying to increase awareness in any digital way and generate leads for our sales, to try to sell our products or services to those potential clients. This is the way to reach our potential audience.” —CEO S

The overall findings show that most interviewees equate digital marketing to social media. Although some responses coupled other digital marketing components and terms into their definitions, most of the interviewees defined digital marketing as social media first and foremost.

“When I think of digital marketing, social media is the first thing that comes to my mind. If I heard digital marketing, then I would think of Facebook or Instagram.” —CEO B

“Well, marketing that is happening in social media. Also, newsletters, and of course, paid ads on Facebook, Instagram, and LinkedIn. Everything that happens via the Internet so to say.” —CEO G

“Somehow, I scope it to online marketing, including web pages, ads, and social media accounts and then the activities in these [social media] accounts.” —CEO T

4.1.2. Understanding of Digital Marketing

Regarding the CEOs’ understanding of digital marketing, although three out of the seven interviewees have an educational background in business, when asked how familiar they are with digital marketing, all the participants admitted to not be too familiar with digital marketing and just having some understanding of the basics of it.

“I’m getting more familiar with it every day, but I would say I’m a novice.” —CEO A

“I have to admit that I’m not that familiar, although I do know some basic stuff of course. But I am still on my learning path in this space, and that is something I need to do quickly since we are starting the digital marketing soon.” —CEO B

“On a scale from one to ten, when ten is a professional, I’m about a four I would say, or even less.” —CEO P

While none of the interviewees has had a formal education in marketing, some of the interviewees have had some courses on marketing, although not specifically on digital marketing. Most of the interviewees have learned about digital marketing in a self-taught and hands-on manner, as CEO A stated: *“I have just learned by doing”*. CEO C echoed the same sentiment *“I have to say I’m not that familiar. I’m learning by doing”*. This is very common among entrepreneurs, who are often used to dynamic environments and learning about a wide array of different subjects in a short period of time.

The most common methods of learning about digital marketing seem to be researching on the Internet, learning with the help of co-workers more knowledgeable in marketing, attending basic marketing courses or webinars, and hands-on learning during previous work experience.

“I researched a lot and gathered information from the Internet. I also participated in digital marketing courses. Also, webinars are another thing, whenever I have the time, I try to participate in the free webinars in this field.” —CEO G

“I did some communication courses at university and in my previous jobs I did some short courses, so I learned there as well. I have received some courses but not exactly on digital marketing. I did something related to social media, then in some of the courses there has been some digital marketing as a part, but it has been quite shallow. So, I definitely think it is mostly at work that I have been learning. ... But I think it is also something that you can learn from on different occasions. Marketing and communications in general, I think are usually a part of going to university somehow, or I’m surprised if people go through university without having any courses.” —CEO P

As previously analyzed in the perception subsection, most interviewees’ understanding of digital marketing seems to be reduced to actions happening in social media. To further grasp the understanding of what digital marketing means for these CEOs, the interviewees were asked which types or components of digital marketing they are familiar with.

“Social media marketing and ads. Google ads, and ads on Facebook and Instagram as well, but I count those as social media marketing as well.” —CEO A

*“Social media marketing mainly. And of course, some search engine optimization.”
—CEO B*

Although most interviewees seem to have a fair understanding of the differences between organic and paid marketing, and different components or tactics that can be used in these two approaches, most interviewees focused on social media as the main medium to carry out their digital marketing operations. This is not unexpected since there have been huge changes to the digital marketing world since the advent of social media, many people think of digital marketing as publicity or advertising happening in social media channels.

A deeper understanding of different marketing approaches is given by CEO P. In her definition, she clarified the distinction between the inbound and outbound marketing approaches.

“I’m thinking that digital marketing is when you are trying to create useful content for people. It can be like advertising, then it just pops up when maybe it is not the right time for people to get it, so it can be like that outbound kind of pushing stuff to peoples’ faces. But of course, it can also be inbound, so that people find it valuable, and they can then get back to it later, and when they are actually looking for that kind of information, they find it easier. I think digital marketing can be both cases, inbound and outbound.”

To summarize the findings presented in this section, the conceptualization of digital marketing among the interviewed CEOs uncovered that digital marketing is mainly perceived as marketing done through digital channels, and more specifically, social media channels. According to the CEOs’ perception and understanding of digital marketing, the main reason for early-stage SMEs to make use of digital marketing is to assist sales through an increase in brand awareness and lead generation that ultimately brings sales. These findings are aligned with the academic literature, as previously stated in the literature review, there often is confusion and little understanding to what digital marketing entails, as well as all the possibilities that arise from its

different approaches and components (Dahnil et al., 2014; Charlesworth, 2018; Ryan, 2017; Sokolova & Titova, 2019). It is understandable that the knowledge on digital marketing is rather limited since the interviewees do not have a formal education in marketing and they are just beginning to learn more deeply about it. A deeper understanding of the opportunities that digital marketing provides for companies and all the benefits it can bring when implemented properly is paramount in the adoption process though, as this directly influences the attitudes of adopters and their willingness to adopt a technology in the first place (Kraus et al., 2019; Ritz et al., 2019).

4.2. Digital Marketing Adoption Process

This section illustrates the findings of the adoption process of digital marketing by the case companies through the perspective of their respective CEOs. The objective of this section is to gather findings and provide answers for SRQ2: *“What is the purpose and usage of digital marketing in early-stage SMEs?”*.

According to the theoretical framework of this study, the technology adoption process is divided into two main stages: initiation and implementation. As already mentioned, according to Davis’ (1989) framework, the adoption decision of an individual is influenced by her/his attitude and intention to use a given technology. The initiation subsection is then constructed in such a way so that the analysis allows me to get an idea of how the interviewees feel towards using digital marketing and what their intention to use digital marketing is. The interview questions revolved around the interviewees’ beliefs towards the Perceived Ease of Use (PEOU), the Perceived Usefulness (PU), and their Intention to Use (BI — *Behavioral Intention*) digital marketing. The interviewees’ intention to use digital marketing in the initiation stage, lead to the next subsection which is comprised of the adoption decision in the implementation stage. These two main stages —*initiation and implementation*— complete the analysis of the adoption process of digital marketing in the early-stage case companies.

4.2.1. Initiation stage

Perceived Ease of Use (PEOU) refers to the belief a user has regarding a given technology, in which adopting a technology is not complex, but can be easily implemented instead. Under such circumstances, the user will not hesitate to use the technology if it proves to be beneficial (Chatterjee & Kar, 2020). In the context of this study, if CEOs believe that adopting digital marketing in their organizations does not require too much effort and that it can be used with ease, then the SME would adopt digital marketing.

The overall findings from the interviewees' PEOU towards digital marketing are that digital marketing is perceived by the interviewees as a somewhat complex technology to use in general. The majority of them stated that it is the initiation phase that tends to be quite difficult. There are several reasons for this, but the ones that stood out the most is that since the interviewees are not too familiar with digital marketing and do not have much experience with it, trying to plan good digital marketing strategies and executing them takes too much time and can very easily lead to wasted resources. Plenty of the interviewees pointed out that *especially* in the beginning of adopting digital marketing, they would require some guidance or help from marketing professionals to plan the marketing strategies and set everything up before the actual implementation. Most interviewees agreed that after the initiation or planning phase, which seems to be the most difficult, digital marketing gets easier and becomes simple to use.

“I wouldn't say that it [digital marketing] is complex. ... You can lose a lot of money doing the wrong things so that makes it complicated, but otherwise, I think it is fun and easy.” —CEO G

“I have to say that it [digital marketing] is quite complex. It is not easy to set everything up, or it is not that easy for me at least. But once that is done, I think it [digital marketing] might be quite easy and it will be really useful.” —CEO C

“I would say it [digital marketing] is rather complex. It is difficult to get into it. We needed special assistance with this, so that is why we had a couple of people from outside

the company to set up all the things, and to check out that things are working. ... So, setting it up is the difficult part, and once it is rolling it gets easier. —CEO A

Aligned with the academic literature, most interviewees suggested that time and a person with digital marketing skills and expertise are some of the resources their SMEs are lacking the most (AlSharji et al., 2018; Kraus et al., 2019; Ritz et al., 2019). Surprisingly, money was not mentioned as often as expected, although it is clear that if these SMEs had more financial resources, they would be able to hire a person with digital marketing skills and expertise which in turn, would save the CEOs time.

“It [digital marketing] is really, really hard to do it yourself for the first time. So, it saves a lot of time and effort if someone is doing it with you. I was trying to do it, but it did not completely work out because it was proving to be over my skills. [Digital marketing] is not expensive, it does not cost that much. I mean, the money spending is quite little compared to the knowledge that you need for it and the time input for it.” —CEO A

“It [digital marketing] is requiring our time mostly, it is not expensive. We can do a lot of free stuff and the Google Ads we have been doing, we have paid a couple of hundred euros per month, and it is starting to work quite okay already. But mostly it is taking our time to write interesting content or doing the free reports that we are trying to share.” —CEO S

“Well, I think it [digital marketing] is one person's full day job, definitely. You have to be so awake all the time because the money that we spend on paid campaigns is so limited. So, we really need to know what is happening and whether it brings results to us. ... I think it [lacking resource] is mainly human resources. You can do a lot of things without money, but of course, money is also a good thing. ... So, I would say that the problem is more about human resources.” —CEO G

It seems that the interviewees' PEOU towards digital marketing is not the most prominent belief affecting the adoption decision. Even though the perceived simplicity of using digital marketing

is rather low in the initiation phase —*meaning that there is high complexity in its use*— this does not deter early-stage SMEs to attempt its adoption. Even though the PEOU of digital marketing is low at the beginning, the level of complexity in its use decreases over time, causing the PEOU of digital marketing to rise when moving forward into the implementation stage. Visualization in Figure 8.

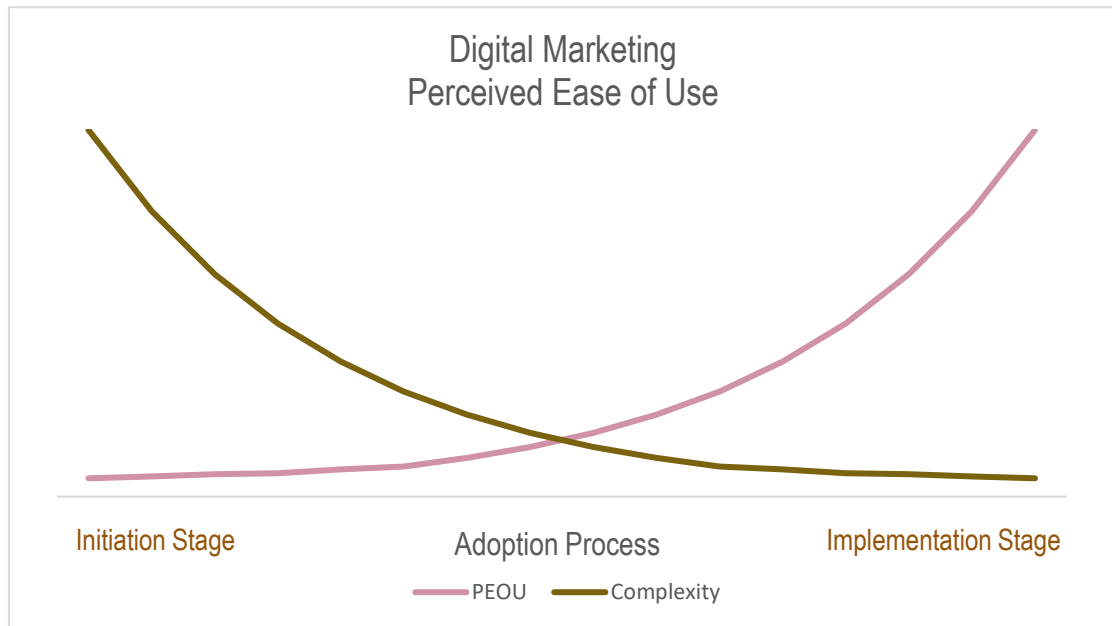


Figure 8. Perceived Ease of Use (PEOU) towards digital marketing by the CEOs of early-stage SMEs.

Perceived Usefulness (PU) can be considered as an intangible measure that enables to better understand the belief that a user —*SME*— has in regards that the use of a technology —*digital marketing*— will help to improve the user’s overall performance (Davis, 1989). In the context of this study, if the SME’s upper management perceives that the adoption and usage of digital marketing would significantly increase the SME’s productivity and performance, that SME would not hesitate to adopt and use the technology (Chatterjee & Kar, 2020).

One of the main findings from the interviewees’ PU towards digital marketing is that all the CEOs believe that the proper use of digital marketing would have a big impact on their organizations in the long run, especially when it comes to the growth of the company. As CEO

S puts it, “*it [digital marketing] can have a really big impact. ... I see it as an investment for the long term*”. Overall, digital marketing seems to have a considerable role in these early-stage SMEs. This is obviously context-dependent, and the role of digital marketing seems to be perceived as more important in those SMEs whose solution is digital or with at least some digital elements, especially those that are heavily involved in the use of apps or other digital platforms.

“I would say it [digital marketing] has a huge impact, obviously depending on what kind of business you are running, but if you are doing something which is mostly online, then it has a huge impact.” —CEO A

For these kinds of companies with online offerings, digital marketing is already proving its usefulness, as CEO A explains “*it [digital marketing] brings people into our website and converts them into buyers. I would say it accounts for 40% of our sales, maybe. That is the way people find us, at least for the first time*”. However, for companies in a more traditional industry, digital marketing’s usefulness is still perceived with more skepticism, as suggested by CEO P, “*I think our customers are kind of conservative in the sense that, I feel they want to be contacted. ... They might not be really proactive and contact us. So, I’m not even convinced that for our customers posting lots of content would even reach them, and even if it did, that it would lead to sales. In the ideal case, it would be so that we do not need to call them, but they would call us*”. This is the case with company Pollux which serves an industry with more traditional customers, and therefore, does not prioritize digital marketing so highly in comparison to some of the other case companies. This is mainly because for the CEO, the PU of digital marketing for Pollux is not too high and the perceived benefits of employing digital marketing do not seem to exceed the investment and resources it requires to implement. Whereas for other companies the PU of digital marketing is quite obvious and, in some cases, even necessary for the company to grow.

This is an interesting finding that although rather obvious, was not thoroughly discussed during the literature review. Depending on the industry of the business, some SMEs can benefit greatly from digital marketing, whereas companies in more conservative industries might benefit more from traditional approaches to marketing and sales. On the other hand, many of the interviewees believe that the importance of digital marketing is increasing as the world changes towards more

advanced technology, and some interviewees stated that in their opinion, even the more traditional industries are starting to realize that they need to transition to the digital world. As CEO G suggests, *“I think it is becoming more and more important for also those traditional companies in that they also need to be more active and involved in digital platforms”*.

The **Intention to Use**, also known as behavioral intent (BI) refers to the purpose the adopters have in mind for a given technology and what they expect from it. This will help in understanding what CEOs believe that digital marketing can do for them, what their goals and expectations are, and the main purpose for their organization to adopt digital marketing. For this purpose, the interviewees were asked their reasons to use digital marketing: why they use it and what for.

“It [digital marketing] is quite easy and scalable to do, and we can do it everywhere, from any place. I also think that it can be really cheap and effective. Those are the main reasons [to use it], I think. ... As for the results, I’d like to see how we could target the right people and what do we need to say in our digital marketing ads so that we would find those people who would think ‘this is the service for me’. That is what I’d like to see, it would save us a lot of money if we knew the profile of our customer.” —CEO C

“It [digital marketing] is much more efficient, faster, and easier than the traditional ways of doing marketing. It is cost-effective, and it is much easier to see the results and count conversions. ... We are building an audience in LinkedIn, so it [digital marketing] is an investment in which if we are able to offer them [customers] interesting stuff and value, they will stay following us, I hope.” —CEO S

“Well, it [digital marketing] is the cheapest, fastest method of reaching out to people. That is the main reason [to use it]. ... I expect to see our followers grow on social media and I also expect them to convert to sales eventually.” —CEO A

As already seen during the conceptualization, this section confirms that the interviewees perceive digital marketing as a medium to support and boost their sales. In addition, most of them understand digital marketing as marketing that is happening in digital platforms and more

specifically, in social media. Although each company has different goals and expectations, it is blatantly evident that the main goal and intention shared among these early-stage SMEs to use digital marketing is to increase sales. Some of the most common intentions to use digital marketing that followed after sales are an increase in lead generation, brand awareness, discovering and refining the target audience, understanding customer behavior and the customer journey, and tuning the company's branding, tone of voice, and messaging.

In conclusion, from the findings from the initiation stage of the adoption process, it can be noted that the most prominent factors affecting the digital marketing adoption decision of the interviewees are aligned with literature, these factors are PU, expected performance, knowledge and technical skills, cost-effectiveness, and whether digital marketing can provide significant results that can be seen as tangible benefits for the company.

4.2.2. Implementation stage

In the implementation stage, interviewees were asked to describe their company's digital marketing operations, including which components of digital marketing they are utilizing, the effectiveness of their digital marketing strategy and its subsequent implementation, and any benefits or developments they have witnessed since the implementation.

According to the findings, the most used digital marketing components among the case companies are social media marketing, paid ads, SEO, and content marketing including blog posts, newsletters, case studies, and free content such as reports and webinars.

Although in the theory chapter of the study it was assumed that early-stage SMEs would benefit by using an inbound marketing approach because of their constrained financial resources (AlSharji et al., 2018; Teixeira et al., 2018a), the case companies have proven to use a combination of both inbound and outbound marketing. This finding is particularly interesting because as Bleoju and peers (2016) suggested, this is usually expected from larger firms with more resources and not from early-stage SMEs. A visual representation of the digital marketing approaches and components used by the case companies can be visualized in Figure 9.

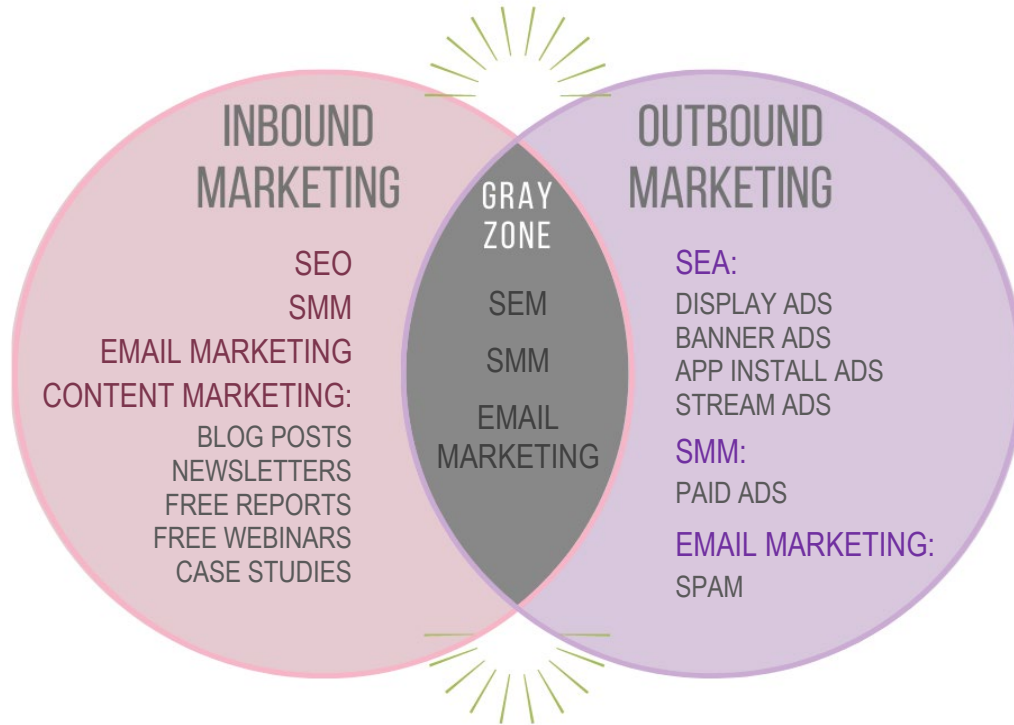


Figure 9. Most used digital marketing components in the implementation stage of the adoption process, categorized by inbound marketing, outbound marketing, and the gray zone.

All interviewees admitted that their company’s digital marketing strategy planning and implementation are not too effective. Many interviewees stated that they lack formal planning and structured and consistent execution. The main reason for this is that they are lacking a marketing expert. When learning more about what kind of marketing strategies work for their company, due to their limited time and marketing expertise and skills, most of the interviewees mentioned that the ‘learn by doing’ approach often leads to a waste of resources, especially time and money. Furthermore, this is not a sustainable way to learn, since the learning curve is steep, and it takes a longer time to see results from the marketing efforts. Out of the different components of digital marketing the case companies are using, social media marketing and content marketing have been the most effective.

The most common benefit or development the case companies experienced after implementing digital marketing is an increase in brand awareness which was visible through more followers

on social media and more incoming visitors to their websites. It has also helped some of the SMEs to refine their target audience and understand what is interesting and valuable for that audience, this was observed only in the companies that are at a more advanced stage in their digital marketing operations with constant content creation and regular customer engagement.

“Brand awareness has increased and of course it is just the beginning for us. I think if people are sharing our findings or posts, and we have our company branding in the data people are sharing, that is for sure increasing our [brand] awareness. I have had people from the industry coming to me and willing to connect with me in LinkedIn, so I think that's telling that we have been able to offer some interesting content and they want to hear more of that.” —CEO S

To summarize the findings from the adoption process, which is comprised of the initiation and implementation stages, the most influencing factors in the initiation stage that lead to the adoption decision for the case companies are perceived usefulness, knowledge and technical skills, cost-effectiveness, and whether digital marketing can deliver substantial results that can be perceived as tangible benefits. Although digital marketing is quite challenging in the initiation stage, it gets easier later on during the implementation stage after gaining some familiarity with it. Digital marketing is a long-term investment and as such, it requires some initial effort. In order to minimize losses in wasted resources, it is recommendable that early-stage SMEs look for some guidance from marketing professionals when starting their marketing efforts.

During the implementation, the case companies still require some guidance to track, measure, and analyze the results of their digital marketing efforts. The interviewees admitted that their digital marketing strategies have room for improvement as well as their implementation, as it could be more systematic. Most case companies relied on content and social media marketing as the core of their digital marketing efforts, in a combination of organic and paid advertising. An interesting finding when comparing the adoption process among the different case companies is that the SMEs that followed a customer-centric approach seemed to receive better results and higher engagement from their audience. This is no surprise and aligns with literature, as heavily sales-oriented marketing is often not as well-received as a value-based approach marketing.

4.3. Digital Marketing Challenges

This section analyzes the challenges faced by the CEOs of the case companies during their adoption process of digital marketing. The aim is to gather findings for SRQ3: *“What are the main challenges faced by the CEO of an early-stage SME when adopting digital marketing?”*.

4.3.1. Initiation stage

Some of the findings regarding the challenges that early-stage SMEs face when initiating their digital marketing adoption have already been discovered in the previous adoption process section. The main and biggest challenge for all the companies arises from a lack of knowledge and professional skills in marketing, many of the interviewees stated that knowing what to do and how to do it is the hardest part at the beginning.

Lack of time, expertise, and personnel were some of the resources most often mentioned, this aligns with the academic literature (Kraus et al., 2019; Wilson & Makau, 2018). Although the literature made special emphasis on the lack of financial resources, this was perceived as the biggest challenge just by one of the interviewees. Whereas the majority agreed that a lot can be done in digital marketing with little to no money. This points out an interesting fact of whether it is possible that lack of knowledge on digital marketing is the main culprit in the challenges faced by early-stage SMEs since it is possible to do marketing with a low budget, but this may be something that entrepreneurs might not be aware of, or even if aware, they might not have enough skills to do it. In any case, all interviewees agreed that having more financial stability would indeed be a good thing, as this might allow them to buy skills and time through a marketing expert. In that sense, although indirect, money could also be attributed as a challenge, since limited financial backing impedes companies from hiring additional workforce.

Another big challenge at the initiation stage for the case companies is that since they are at a quite early stage, many of them are still figuring out their target audience. This becomes a big problem as they do not yet know who they are talking to, and how they should approach their message. For many of the companies, learning more about the target customer is a main goal.

4.3.2. Implementation stage

Most companies are still dealing with the same issues from the initiation stage in the implementation stage, most interviewees said that they are still trying to figure out the challenges mentioned during the initiation. Some additional challenges are finding the right metrics, KPIs, measuring and analyzing results, and learning how to perform quick A/B testing.

The challenge of having a clear understanding of the right target audience is an important one, as CEO G commented, it was a challenge in the beginning and still is *“I think the first challenge which still is a problem, is to find the right audience. Because if we check the data, for example, who is following us on social media and who is going to our sites, they might not be those who are actually buying our product. So, our buying customer is a little bit different than for example our audience on social media, I think”*. This is not only an important challenge but also a recurrent one across the case companies. Trying to find the right target audience is of extreme importance because when the target audience is not properly identified or it is not targeted accurately enough, the digital marketing efforts become less effective and beneficial. A lack of visible results caused by targeting the wrong audience can lead the CEO to deem digital marketing as not good enough or even as a useless investment of resources.

In this sense, the expectation of fast results that translate to immediate sales can also cause this dissatisfaction with the technology. This leads to another important issue in the implementation stage, which is the mismatch between CEOs' expectations and beliefs of what digital marketing can do for the early-stage company and the actual results. Sometimes, even if the expectations match the possible outcomes from digital marketing, the issue arises from the underutilization of the different digital marketing approaches and tactics.

In conclusion, digital marketing might not prove to be completely useful for those companies whose goals and expectations are to increase sales if they have not yet found the right target audience. However, if the expectation is to help in finding the right target audience, digital marketing can prove to be an excellent tool to support early-stage companies to actually find and refine their ideal customers.

4.4. Anticipated Future

This last section analyzes the impact of COVID-19 on the case companies and what their CEOs anticipate for the future. This section gathers findings that support and answer SRQ4: *“What has the impact of COVID-19 been for early-stage SMEs and their future plans?”*.

4.4.1. Impact of COVID-19

Despite the hard times brought by the COVID-19 crisis worldwide, most of the case companies were not gravely affected. The main findings from the impact of the coronavirus pandemic over the early-stage SMEs are that although in general, the companies were not extremely hit by the crisis, a few difficulties arose, mainly regarding the team dynamics, the ability to reach clients, and an overall slowdown in processes. Some companies faced some more serious issues such as delays in product launch and closing deals, and for a few companies even securing funding.

Most of the interviewees agreed that the team dynamics were put to test due to the pandemic, most of the teams were not able to meet in person. Although all the interviewees commented that they were already used to working remotely, for the recently established companies, this was a bigger issue since they were not used to working together before as a team, much less remotely. However, the interviewees stated that this issue was solved rather quickly when the team got used to the new pace and way of working.

“It became a lot more difficult. I mean, compared to how it would be normally, being that we met with the team members every week, but now it was just calling over the phone and having a weekly meeting online. Things just do not progress like they usually do. So, it did slow us down, but I think it did with everyone. Especially since we did not have any previous experience on how to work together with the team. We knew each other but we had not been doing real work together and we had not been achieving goals together, so it was kind of hard in the beginning, but then it started rolling.” —CEO A

To cope with slower progress, CEO A stated that Arcturus decided to lower their expectations, scale down their goals, not stress, and overall, just take things slower.

The case companies experienced the impact of the pandemic differently, depending on the nature of their solution, industry, and target customers. Betelgeuse and Thuban witnessed a delay in the launching of their solutions, Arcturus and Pollux had a small pivot in their solutions and offerings. Sirius experienced a slowdown from the customer's side and was not able to participate in on-site networking events that they would have attended otherwise, but other than that, the pandemic did not cause major issues for the company. As CEO S explains: *"It has not affected our plans that much. Of course, one year ago, when all this started there were some slowdowns from our client's side, but that came back to normal quite soon. Of course, people are working remotely, and some companies have said that that is affecting their timelines but for our business not that much"*.

Regarding funding, there were opposite experiences between the case companies. Canopus and Gacrux experienced a negative impact on funding opportunities due to COVID-19, as CEO G explains *"the investors were a little bit more cautious on investing"*. It seems that the crisis brought by COVID-19 caused not only customers but investors to be more wary and refrain from investing. On the other hand, for solutions that pivoted towards something COVID-related such as in the case of Pollux and Thuban, the COVID-19 granted them the opportunity to get special funding that would have not been possible for them to receive otherwise.

Although the impact of the pandemic was different for each of the case companies with some companies facing more challenging issues than others, the overall negative impact of the pandemic was not too high on any of them. This is in line with the academic literature, which states that younger and smaller SMEs are more versatile and tend to be quicker to react and adapt to crises or dangerous circumstances in their environments (Cowling et al., 2018; Juergensen et al., 2020).

4.4.2. Future post-COVID-19

This last subsection covers the findings from the final theme of the theoretical framework of the study: anticipated future. The interviewees were asked to explain how they foresee the future of their early-stage companies after the global coronavirus pandemic. They also commented on the next steps to take and their future plans for the company.

Overall, all the interviewees are very hopeful about the future of their companies and do not fear many challenges arising from the pandemic. All the interviewees remarked that they do not expect any major changes in their operations after the pandemic has ended, and some of them even remain optimistic about being able to travel and expand their business geographically. Many of the companies are already on their way to internationalization and expect that after the travel restrictions imposed due to COVID-19 subside, they can grow exponentially. As CEO B stated, *“Well, hopefully, we can scale up the business to different countries. Open in some new cities and countries, it makes it easier when you can travel to the place you want to expand”*.

Most online companies or the ones offering an online solution feel that COVID-19 has opened a new realm of possibilities since customers are more used to online shopping now and trust online products and services more than before. CEO G commented, *“We see it like we now have even more potential and that somehow we also benefit from the pandemic because we are an online service and people are now more ready to use it”*. To this, CEO C adds, *“I think that more and more people are changing. The culture is changing in that we use apps for everything and even more here in Finland”*. For Gacrux, the changes brought by COVID-19 were rather insignificant and if anything, it just helped them by preparing the market for their solution.

“Well, not that much [has changed] in our case because we are an online service. I see that it [COVID-19] has opened for us a whole world of new opportunities and people are now maybe more open to online services than they were before. And so, we see that as a benefit from COVID if we could say it like this. But I don't think that it [COVID-19] has made those drastic changes for us.” —CEO G

This is a different case for the companies in more traditional industries. CEO P fears that in order to close important deals with customers, she might have to go back to the old ways and meeting clients in person. She further explains, *“I think a lot depends on how much our customers want to meet face to face. If they want to go back to meeting face to face, then we will need to start thinking about where to travel every weekend or every week. That is going to be something that I think will be very difficult for us, as we would like to go there. So that depends on the culture, if people want to go back to business meetings face to face, or if they are okay to do it remotely, at least like most of the time”*.

Overall, all companies seem quite confident and optimistic about the future. Most case companies believe that if they have been able to survive an ongoing crisis and lasted this long, they will be able to overcome any other challenges that might arise in the future. CEO A explains, *“I think that if we are being able to get it up and running even during these times, we are going to be much stronger in the future. So, I have a very bright vision of the future”*.

Regarding any changes in digital marketing, most interviewees seemed to agree that more people and companies have transitioned to the digital world, especially after COVID-19. Many believe that digital marketing is growing and that soon, traditional marketing will no longer be able to compete on an equal level.

“I think that there will be quite a few things happening in digital marketing because of COVID. I think it is becoming more and more important, also for those traditional companies, they also need to be more active and involved in digital platforms. I think that is the future, and that is definitely also affecting digital marketing.” —CEO G

Despite this prediction on their part, the CEOs also indicated that they have not experienced any immediate or noticeable changes in their digital marketing efforts nor results, and for some of the case companies these changes are not even applicable since they were founded amidst the COVID-19 pandemic.

5. DISCUSSIONS AND CONCLUSIONS

This chapter begins by summarizing the main findings of the study according to each of the themes from the theoretical framework and each research sub-question. The most important findings of each research sub-question and their relation to the academic literature will be presented in order to answer the main research question and present the final conclusions of this study. Next, the theoretical contributions and managerial implications are presented. Finally, the limitations and suggestions for future research conclude this study.

5.1. Summary of the Findings

The conclusion to the main research question, “*How do early-stage Finnish SMEs adopt digital marketing?*”, is presented through the findings of the four research sub-questions which correspond to each theme of this study’s theoretical framework.

Digital Marketing Conceptualization

The main findings of this section answer research sub-question one, “*How is digital marketing perceived by the CEO of an early-stage SME?*”.

This study has found that for the early-stage SMEs acting as case companies, marketing still performs under the traditional transactional approach which is heavily focused on sales. The interviewed CEOs perceive digital marketing as a technology or a tool whose main objective is to drive sales to the company. Furthermore, this study also found that there is limited understanding and at times even unawareness about what digital marketing really means, its components, and its multiple approaches and applications. This is in line with previous studies which have discovered that the line between marketing and sales is often blurred in young and small companies (Reijonen, 2010; Taiminen & Karjaluoto, 2015; Teixeira et al., 2018a), and that managers of SMEs tend to have limited knowledge on digital marketing (Dahnil et al., 2014; Kraus et al., 2019). In this study, the findings show that most of the participating CEOs equate digital marketing to social media and activities happening on these platforms. This also aligns with academic literature, which states that due to the rapid evolution of digital marketing and the

introduction of new components and concepts to it (Sokolova & Titova, 2019), there frequently is confusion or misunderstanding about what digital marketing really is and how it can be used in a variety of ways (Dahnil et al., 2014; Kraus et al., 2019).

Digital Marketing Adoption Process

The main findings of this section answer research sub-question two, “*What is the purpose and usage of digital marketing in early-stage SMEs?*”.

This study found that the most salient factors considered at the initiation stage of digital marketing adoption are perceived usefulness (PU), knowledge and technical skills, cost-effectiveness, and significant results or tangible benefits for the company. This is in line with the academic literature which states that the above factors are decisive when an SME decides to adopt digital marketing (Ainin et al., 2015; Chatterjee & Kar, 2020; Taiminen & Karjaluoto, 2015; Teixeira et al., 2018b). The study also discovered two new factors that were not touched upon in the literature review of the study, these factors are lack of prioritization and lack of attitude or willingness to adopt digital marketing. These two factors heavily affect the adoption decision in the sample. Even if the user —*CEO*— recognizes the PU of digital marketing, its cost-effectiveness, and the significant results and benefits that can come from adopting it, the user might still not be willing to adopt digital marketing because she/he does not deem it necessary or might not know how to allocate the company’s efforts in order to do so.

The interviewed CEOs also explained that there is a high degree of difficulty when initiating the adoption of digital marketing, meaning that the perceived ease of use (PEOU) for most CEOs was rather low at the initiation stage but it increased when transitioning into the implementation stage.

For the early-stage SMEs participating in this study, the main purpose to use digital marketing is primarily to increase sales. Some of the other most popular uses of digital marketing among the case companies after sales are an increase in brand awareness and lead generation, discovering the target audience, understanding customers and their journeys, and adjusting the

overall branding and messaging, these are all common purposes for SMEs to adopt digital marketing according to literature (Taiminen & Karjaluoto, 2015; Teixeira et al., 2018b).

The case companies use a mix of organic and paid advertisement as a digital marketing strategy with the most common components being content marketing and social media marketing. The literature states that pure players are more likely to take advantage of inbound marketing because they are tech-savvy (Bleoju et al., 2016), however, this is not the case for the companies within this sample. The case companies are not using only inbound marketing but a combination of both inbound and outbound marketing. A plausible reason for this is that inbound marketing requires a careful and precise target audience (Bleoju et al., 2016; Dakouan et al., 2019; Patrutiu-Baltes, 2016), and since most of the case companies are still figuring out their target audiences, they cannot fully take advantage of inbound marketing. On the other hand, since outbound marketing targets a larger, broader audience and its purpose is mass reach (Opreana & Vinerean, 2015; Rancati et al., 2015), it is logical that early-stage SMEs can benefit from using outbound marketing to refine the right target audiences.

Finally, few of the companies use digital marketing in a value-based approach, the majority uses digital marketing in a sales-oriented, transactional approach. Regarding this aspect, this study confirms the literature when comparing the different approaches to marketing adopted by the case companies, with those who followed a customer-centric approach managing to get more engagement from their customers and better results from their marketing efforts (Bezovski, 2015; Gummerus, 2013, Lusch, 2007).

Digital Marketing Challenges

The main findings of this section answer research sub-question three, “*What are the main challenges faced by the CEO of an early-stage SME when adopting digital marketing?*”.

The greatest challenge for all the case companies is a lack of marketing knowledge and technical skills, many of the interviewed CEOs expressed that figuring out what to do and how to do it were daunting tasks, especially during the initiation stage. This finding is consistent with the

literature, which suggests that in SMEs, the CEO's own expertise and abilities play an essential role since overcoming the challenge of hiring a highly skilled marketing professional is quite difficult for early-stage SMEs due to limited financial backing (Dahnil et al., 2014; Kraus et al., 2019). Besides the lack of the CEOs' own expertise, the two other most frequently reported challenges were lack of time and lack of personnel, these findings also confirm the academic literature (AlSharji et al., 2018; Taiminen & Karjaluoto, 2015).

Despite the fact that the literature placed a strong emphasis on a lack of financial resources, only one of the interviewed CEOs saw this as the greatest challenge to adopting digital marketing. On the contrary, the majority of CEOs agreed that digital marketing may be done with very little financial investment. This finding defies the academic literature (AlSharji et al., 2018; Ritz et al., 2019; Teixeira et al., 2018b; Wilson & Makau, 2018) and raises an intriguing question, is the lack of sufficient knowledge on digital marketing the primary cause of all the other challenges early-stage SMEs face? Given that marketing can be done inexpensively, but entrepreneurs may be unaware of this, or even if aware, may lack the necessary skills to do so.

A new finding from the study, which was not discussed in the literature review, is that many of the early-stage companies have not figured out their target audience. This is a big challenge for some companies as they cannot start executing their marketing efforts if they do not know who their customers are. This can be tied to Taiminen and Karjaluoto's (2015) suggestion that a lack of strategic objectives makes it challenging for early-stage SMEs to implement digital marketing.

Finally, the last new finding from the study is that when digital marketing is thought of as a tool to boost sales, it is often also expected to have visible results in a short amount of time. When there is a misalignment on the beliefs and expectations of the CEO towards digital marketing and the actual results, feelings of frustration and disappointment might arise towards adopting the technology. This, in turn, can lead to SMEs ceasing to use the technology and therefore missing out on the benefits that digital marketing can bring in the long term.

Anticipated Future

The main findings of this section answer research sub-question four, “*What has the impact of COVID-19 been for early-stage SMEs and their future plans?*”.

The academic literature states that although SMEs are expected to be more heavily affected by international crises than their larger counterparts due to their limited resources, in actuality SMEs can also be very agile, adaptable, and quick to respond to adversities in their environments (Cowling et al., 2018; Juergensen et al., 2020). This study confirms the academic literature (Juergensen et al., 2020) in that due to their small size, flexible management style, and non-hierarchical structures, the case companies did not suffer much of an impact from the outbreak of the COVID-19 pandemic. The type of adversities faced by the SMEs during COVID-19 are also aligned with the literature.

Although there definitely has been some impact from the pandemic, the main difficulties faced by the case companies are not extreme and differ depending on the company and its industry. These difficulties are mainly related to not being able to meet in person, with some of the most commonly mentioned issues among the interviewed CEOs being team dynamics, a slowdown in the company’s operations, and accessibility to reach customers. Some other byproducts of these issues for some of the case companies are delays in product launch, deal closures, and obtaining funding. However, despite the inconveniences provoked by COVID-19, as suggested by the literature (Cowling et al., 2018; Juergensen et al., 2020), all the case companies confirmed that they adapted to the new circumstances in their environment and bounced back quickly.

This study also confirms the academic literature regarding the future of SMEs after the COVID-19 pandemic (Juergensen et al., 2020; Priyono et al., 2020). The interviewed CEOs are optimistic about the future of their respective companies and do not anticipate many obstacles as a result of the pandemic. After the COVID-19 crisis is over, all of the respondents stated that they do not expect any big alterations in their plans for the company nor its operations, and several even expressed hopefulness about growing and going international. The case companies offering online solutions feel that the COVID-19 pandemic has even brought benefits and new

possibilities for them, as customers are now more accustomed to online shopping and their trust in online companies is only increasing. The companies agreed that this experience has only made them more resilient and if they were able to survive this crisis, they can handle any challenges coming their way.

Conclusions

The summary of the findings from the research sub-questions, which were formulated and researched in order to support the main research question, leads to the final conclusions of this study which answer the main research question, “*How do early-stage Finnish SMEs adopt digital marketing?*”.

For the most part, the Finnish early-stage SMEs that acted as case companies in this study confirm the current academic literature regarding their digital marketing adoption process. In line with Taiminen and Karjaluoto (2015), this study has found that early-stage SMEs adopt digital marketing in an unstructured and ad hoc manner, in general, most of the case companies do not think of digital marketing as a strategic tool but rather as a way to support sales. Furthermore, digital marketing is not used for dialogical communication with customers but rather more as a broadcasting medium with the final goal of increasing sales.

The literature argues that it is usual for marketing to be challenging for SMEs, their business environment, their resource availability, and the CEOs’ own knowledge and technical skills play an important role in their digital marketing adoption process (Kraus et al., 2019). This study confirms not only that but also that it is not unusual for CEOs to understand marketing from a sales perspective, merely as a tool to boost sales and increase revenue. This is completely understandable since the CEO’s expertise is most likely not in the marketing field (Kraus et al., 2019; Teixeira et al., 2018a). Furthermore, there is confusion as to what digital marketing really means for non-marketing experts, digital marketing tends to be reduced to social media and activities happening in these channels.

The study found that for the CEOs, the initiation stage is the most difficult part of adopting digital marketing. This finding is confirmed by the academic literature which considers the nature of early-stage SMEs as a barrier to initiate their adoption of digital marketing because their environment is uncertain and constantly evolving, making it difficult for them to adopt new technologies and master them at such a rapid pace (Bocconcelli et al., 2018; Wilson & Makau, 2018). The digital marketing operations from the case companies are not planned formally and its implementation tends to be ad hoc. Most of the companies did not have a clear and structured digital marketing strategy, and the lack of defined strategic objectives made it even harder for them to properly adopt digital marketing and harness its benefits, as correctly observed by Taiminen and Karjaluoto (2015).

It is reasonable that SMEs, especially those in their early stages, struggle with the proper implementation of digital marketing. The study confirmed that coupled to the insufficient knowledge, limited technical skills, and only a partial awareness of the benefits that digital marketing can bring, CEOs also face the challenge of lacking time and financial resources to hire a marketing expert (AlSharji et al., 2018; Dahnil et al., 2014; Taiminen & Karjaluoto, 2015; Teixeira et al., 2018a; Teixeira et al., 2018b). However, a new finding from the study that does not align with the literature is that a lack of financial resources is not as relevant for CEOs when compared to a lack of time, marketing skills, and human resources. In addition, the study also found two new important factors that influence the adoption decision, these are the lack of prioritization and lack of attitude or willingness to adopt it despite having a basic understanding of digital marketing and its potential benefits.

Finally, the study also confirmed that early-stage SMEs are resilient, flexible, and very responsive to risky changes in their environment (Cowling et al., 2018; Juergensen et al., 2020). The recent global crisis caused by the COVID-19 pandemic has not heavily affected the case companies. Not only that, but the case companies have shown resilience and agility by quickly adapting to the new circumstances they were facing. The CEOs remain optimistic about the future and believe that the COVID-19 crisis has strengthened their team, their solution, and has even positively impacted the market, preparing customers for what they have to offer.

5.2. Theoretical Contributions

This study has made theoretical contributions by adding to the current and limited literature on the adoption of digital marketing by SMEs, especially those in their early stages. Despite the huge importance of SMEs in the global economy and our society, a gap still exists in academic literature when it comes to early-stage SMEs and their adoption of new technologies. The adoption process and the challenges faced by the CEOs of early-stage SMEs is not something that has been thoroughly researched before, less alone along in the context of the impact of a global crisis such as the coronavirus pandemic.

In this sense, there are three main theoretical contributions from this study, some of the contributions support existing academic literature on SMEs and their usage of different components of digital marketing; however, the study also presents new contributions to theory, some of which challenge existing literature and some that discover new findings that have not yet been explored.

The first and most important contribution from this study is the opening of a new pathway in the research of technology adoption theory in the context of SMEs and particularly those in their early stages. This study sheds light on the adoption process of digital marketing in early-stage SMEs in Finland, revealing how digital marketing is adopted in these organizations and the different factors involved in the adoption decision. The second one is that the study provides new insights regarding the important factors that affect affecting the adoption decision which relate to the CEOs' perception and understanding of digital marketing adoption while also bringing to light some of the most relevant challenges faced by the early-stage SMEs along the way. The third and last contribution from this study relates to new discoveries regarding the impact of the COVID-19 pandemic on these Finnish early-stage companies and what their CEOs anticipate for the future. All the theoretical contributions are summarized in Table 6.

Table 6. Summary of the theoretical contributions of this study.

THEORETICAL CONTRIBUTIONS			
Themes & Research Questions	Findings from the study	Related literature	Contribution
<i>Digital Marketing Conceptualization</i> SRQ 1	Limited perception and understanding of what digital marketing is.	Teixeira et al., 2018a	Confirmed
	Early-stage SMEs are heavily sales-oriented, the distinction between marketing and sales is often blurred.	Reijonen, 2010 Taiminen & Karjaluoto, 2015 Teixeira et al., 2018a	Confirmed
	Digital marketing is equated to social media.	-	New finding
<i>Digital Marketing Adoption Process</i> SRQ 2	Some of the most significant factors influencing digital marketing adoption in SMEs are PU, perceived benefits and tangible results, cost-effectiveness, and possession of enough technical skills.	Ainin et al., 2015 Chatterjee & Kar, 2020 Taiminen & Karjaluoto, 2015 Teixeira et al., 2018a & 2018b	Confirmed
	PEOU is low at the initiation stage and increases over time, indicating that the initiation is the most difficult stage in the adoption process. However, digital marketing gets easier at the implementation stage.	-	New finding
	Other important factors influencing the adoption decision are lack of prioritization and lack of attitude/willingness to adopt.	-	New finding
	Early-stage SMEs do not have a clear and structured digital marketing strategy; they also lack defined strategic objectives.	Taiminen & Karjaluoto, 2015	Confirmed
	Early-stage SMEs tend to follow a traditional sales-focused and transactional approach, not many companies follow a customer-centric, value-based approach. The few ones that do, tend to have better results from their marketing efforts.	-	New finding
<i>Digital Marketing Challenges</i> SRQ 3	Lack of knowledge and technical skills, time, and human resources are some of the main challenges for early-stage SMEs.	AlSharji et al., 2018 Ritz et al., 2019 Taiminen & Karjaluoto, 2015 Teixeira et al., 2018a & 2018b Wilson & Makau, 2018	Confirmed
	Money was not regarded as one of the major challenges.	AlSharji et al., 2018 Ritz et al., 2019 Teixeira et al., 2018b Wilson & Makau, 2018	Challenged
	Many early-stage SMEs have not figured out their target audience.	-	New finding
<i>Anticipated Future</i> SRQ 4	Struggles with team dynamics, slowdown in operations, product launch delays, and difficulties reaching clients and obtaining funding are some of the issues SMEs faced as an impact of COVID-19.	-	New finding
	Young and small SMEs are more agile, flexible, adaptable, and quick to react against external adversities than older and larger firms.	Cowling et al., 2018 Juergensen et al., 2020	Confirmed
	CEOs remain optimistic about the future and anticipate new possibilities for their companies. They believe this crisis has made them more resilient and prepared.	-	New finding

5.3. Managerial Implications

The managerial implications of this study are provided in eight steps. In this study, the managerial implications aim to help the CEOs of early-stage SMEs to navigate through their digital marketing adoption process more smoothly. Although the study itself was not created to formulate an actual digital marketing strategy step by step, the implications provided are overall a good foundation for CEOs and managers to understand more about digital marketing and to be able to adopt digital marketing more effectively and efficiently while avoiding common pitfalls.

CEOs should think of digital marketing from a strategic point of view, as a tool for strategic planning and execution (Teixeira et al., 2018a). However, due to the dynamic and tough environment SMEs find themselves in during their early stages, coupled with the limited understanding of non-marketing experts regarding what digital marketing is and what it can do for early-stage companies, it appears many CEOs have a more product-centric approach which focuses more on short-term goals such as increased sales (Ibid, 2018a). The broader goal of the managerial implications of this study is to encourage CEOs to view digital marketing as a strategic tool and focus on the value created by digital marketing in the long term. To do this, CEOs must shift their perspective from sales towards value creation for the customer.

Step 1: Learn more about digital marketing

One of the major barriers to a smooth digital marketing adoption process is not having a deep understanding of what digital marketing really is, the different approaches and tactics to it, and the benefits it can bring. To avoid the underutilization of digital marketing and being able to use it effectively and efficiently without wasting many resources, which are very scarce during the early stages, CEOs should become more involved in actively learning about it. Especially if the CEO wants to perform the marketing role herself/himself or if the budget simply is not enough to hire a marketing expert. Nowadays, there is a lot of material on the Internet for free or with little financial investment. It would save a lot of time and money if the CEO takes some basic crash courses and learns the different approaches to marketing. As Kraus and colleagues (2019) have suggested, digital marketing in SMEs will be as good as the manager's skills allow.

Step 2: Find a marketing expert

One of the main findings from the study is that for non-marketing experts, digital marketing can prove to be quite challenging in the initiation stage. In order to minimize losses in precious resources, if the SME has available means, it is highly encouraged that they find a marketing expert. It does not necessarily mean that there should be a full-time marketing employee, it can also be part-time or even acting as an hourly consultant; but finding a marketing expert that can guide the CEO, teach the basics, and create a plan for the SME along with the CEO is extremely helpful. This would avoid the common pitfall among early-stage SMEs of not knowing where to start and how to do it.

Finding guidance from an expert will ensure that the CEO does not waste too much time learning by trial and error and can also prove to be more cost-effective than a DIY approach, as in the long run, the CEO can avoid rookie mistakes and impractical investments. Finally, an important insight from the interviewees in this study is for the CEO to avoid trying to take everything upon herself/himself. It is obvious that the team is small, especially at the beginning, but more often than not, when CEOs do a little of everything, in reality, they end up doing not much of anything. It is important for entrepreneurs to learn their limits and ask for help when needed.

Step 3: Define the company's brand

One of the first tasks to be done when adopting digital marketing is related to branding. When embarking on the digital marketing adoption journey, early-stage SMEs need to understand who they are as a company, their values, what do they do, and for whom. Figuring out what the company stands for and the kind of people they want to attract is crucial.

Step 4: Understand and refine the target audience

After first understanding who the company is, the SME can now focus on understanding who the customer is. One of the main challenges discovered in this study is that early-stage SMEs have a hard time understanding who the right target audience is. It is, therefore, of extreme importance for SMEs to spend time to discover, understand, and refine their target audience. Creating customer personas of the ideal customers for the company is a good way to have a better understanding of the right target audience.

Many CEOs focus on the number of followers on social media and website visitors. While having abundant followers is a good sign, CEOs must remember that the number of followers is not important if the followers are not the right audience, quality over quantity. To find the ideal audience and understand who they are, CEOs need to step into their shoes and think like them, find out who they are, what they do, what they like, and where they hang out.

Step 5: Get organized and create a suitable strategy

Once the target audience has been identified, the SMEs can then plan how to reach them, attract them with valuable and tailored content, and gain their trust. It is important for SMEs to avoid the common pitfall of being too flexible to the point of being unorganized. Many SMEs have an ad hoc digital marketing strategy which causes their efforts to be inefficient. To overcome this, it is recommended that CEOs take time to plan, be organized, and think about broad goals and specific tasks to be done in order to slowly achieve them. Some common goals among early-stage SMEs are increased awareness, lead generation, and increased engagement. It is very important to remark that CEOs should think holistically and take into consideration all the different components of a good digital marketing strategy. SMEs need to understand and refine the right audience target, find the right channels to reach this audience, provide them with interesting and valuable content, and finally choose the right metrics and KPIs to measure their progress towards the goals and objectives.

Step 6: Customer-centric content creation

From the findings of the study, it seems that early-stage SMEs fail to remember to be customer-centric, the customer is the key person, these are the people that the company has been built for in the first place. If SMEs get their target audience right and understand who they are, what they want, and how to provide them with value, sales will eventually come. Like so, CEOs need to set strategic goals that revolve around the customer, not only around the sales.

If the company is on a tight budget, it can start by creating content that attracts the target audience. SMEs can use different kinds of content, one practical example is to create blog posts with interesting content that is not even necessarily about them or their solution, but something that the audience might find interesting and want to read.

SMEs should also find the channels where their target audience hangs at and try to engage with them. Whether it is in the most known social media platforms, such as Facebook, Instagram, LinkedIn, Twitter, and TikTok, or forums such as Reddit, SMEs must find the right channel for their company based on the target audience. SMEs can also use other types of content to attract more customers such as free reports, and case studies of previous clients. Other online forms of content like webinars, workshops, panel discussions, and podcasts are also great ways to reel the target audience in with a more informative approach.

Finally, SMEs must not forget that they are not just supposed to just push content out, social media should not just be a broadcasting channel where the company only announces its news. Early-stage SMEs need to engage with their audience, be active, communicate with them to learn about them and understand them better. This will lead to earning the customers' trust and start growing a loyal audience organically. Having a good online presence is not only necessary to give the company credibility, but it also gives a good image to investors and shows them that there is traction and a market for that kind of business. CEOs should not underestimate their company's digital presence.

Step 7: Measure and analyze results

Coupled with organic efforts, SMEs can also use paid ads when their budget allows. To do this, first CEOs need to establish some strategic goals and metrics to evaluate the progress. There are different kinds of paid ads on different channels, which kind and which channel are best for a given SME depends on the company, its goals, and its audience. Good digital marketing metrics and key performance indicators (KPIs) vary from company to company, but some to keep in mind are impressions, visitors and traffic, time on page, engagement rate, active users, and qualified leads.

Early-stage SMEs should start small, setting a small budget to start trying out what works according to the chosen KPIs. During that period, they can learn how to do quick A/B testing and build upon the things that are working. Once the SMEs has measurable results, they should start investing in more paid advertisement.

Step 8: Continue to learn and evolve

The last recommendation for early-stage SMEs, and especially for the CEOs, is to remember that when they are in a dynamic environment and everything is changing, their marketing strategies must change along with them. SMEs are quickly evolving and adapting to uncertainty in their early stages, and their digital marketing strategies, goals, and metrics should too.

The different steps encompassed in the managerial implications can be visualized in Figure 10.



Figure 10. Managerial implications of the study.

5.4. Limitations and Future Research

This study has made important theoretical and managerial contributions, however, there are still limitations to it. In research, the multiple case study is a good way to avoid drawing conclusions from a single perspective, and although the collected data were robust enough for the purpose of this study, there are limitations to the conclusions and their generalization. The conclusions have been drawn from a single study, in a specific geographical context which is Finland, and from a narrow sample. Since the findings are context-specific, in order to generalize the conclusions with certainty, more research in different contexts and with diverse samples must be conducted.

The main limitation of the study is not being able to draw generalized conclusions for all early-stage SMEs around the world, there are several reasons for this. First, the data were collected from a rather narrow sample, since only seven interviews were conducted. Besides the sample size, the other limitation is that the case companies were not selected under any specific criteria other than their early stage. The sample includes companies from very diverse backgrounds, at different stages, across various industries, and with unique business models, however, the case companies were not furthered classified or analyzed on any of these aspects.

These limitations, nonetheless, show a pathway of important issues to be considered for future research. It is necessary to take the different aspects of SMEs into account in future studies, mapping any differences in the digital marketing adoption process and the challenges faced depending on the specific context and nature of the SME. Some noteworthy aspects to look into are the stages of SME growth cycles and identifying if any specific factors influence the adoption decision at a given stage. Furthermore, understanding how well digital marketing works for the specific needs of SMEs depending on their industry and business model is necessary, as digital marketing might not prove useful for traditional industries with conservative customers.

Finally, another point that requires future research regards the specific approaches and components of digital marketing that are more useful for SMEs in their early stages, as some might be more appropriate and beneficial than others. This, however, is context-specific and requires further research on different kinds of companies and industries.

REFERENCES

Abou Nabout, N., Lilienthal, M., & Skiera, B. (2014). Empirical generalizations in search engine advertising. *Journal of Retailing*, 90(2), 206-216.

Abou Nabout, N., & Skiera, B. (2012). Return on quality improvements in search engine marketing. *Journal of Interactive Marketing*, 26(3), 141-154.

Ahmad, N. S., Musa, R., & Harun, M. H. M. (2016). The Impact of Social Media Content Marketing (SMCM) towards Brand Health. *Procedia Economics and Finance*, 100(37), 331-336.

Ahmad, R. & Buttle, F. (2002). Customer retention management: A reflection of theory and practice. *Marketing Intelligence & Planning*, 20(3), 149-161.

Ainin, S., Parveen, F., Moghavvemi, S., Jaafar, N. I., & Shuib, N. L. M. (2015). Factors influencing the use of social media by SMEs and its performance outcomes. *Industrial Management & Data Systems*, 115(3), 570-588.

Alalwan, A. A., Rana, N. P., Dwivedi, Y. K., & Algharabat, R. (2017). Social media in marketing: A review and analysis of the existing literature. *Telematics and Informatics*, 34(7), 1177-1190.

Alford, P., & Page, S. J. (2015). Marketing technology for adoption by small business. *The Service Industries Journal*, 35(11-12), 655-669.

Alshamaila, Y., Papagiannidis, S., & Li, F. (2013). Cloud computing adoption by SMEs in the northeast of England. *Journal of enterprise information management*, 26(3), 250-275.

- AlSharji, A., Ahmad, S. Z., & Bakar, A. R. A. (2018). Understanding social media adoption in SMEs: Empirical evidence from the United Arab Emirates. *Journal of Entrepreneurship in Emerging Economies*, 10(2), 302–328.
- Ancin, I. (2018). Inbound y Outbound marketing. *Caribeña de Ciencias Sociales*, 20500, 11763.
- Andriopoulos, C., & Slater, S. (2013). Exploring the landscape of qualitative research in international marketing: Two decades of IMR. *International Marketing Review*, 30(4), 384-412.
- Aswani, R., Kar, A. K., Ilavarasan, P. V., & Dwivedi, Y. K. (2018). Search engine marketing is not all gold: Insights from Twitter and SEO Clerks. *International Journal of Information Management*, 38(1), 107-116.
- Awa, H. O., Ojiabo, O. U., & Emecheta, B. C. (2015). Integrating TAM, TPB and TOE frameworks and expanding their characteristic constructs for e-commerce adoption by SMEs. *Journal of Science and Technology Policy Management*, 6(1), 76-94.
- Ajzen, I. (1991). The theory of planned behavior. *Organizational behavior and human decision processes*, 50(2), 179-211.
- Bachher, J. S., & Guild, P. D. (1996). Financing early-stage technology-based companies: investment criteria used by investors. *Frontiers of Entrepreneurship Research*, 996.
- Baker, S. R., Bloom, N., Davis, S. J., & Terry, S. J. (2020). Covid-induced economic uncertainty. *National Bureau of Economic Research*. NBER Working Paper, (w26983).
- Bass, F. M. (1969). A new product growth for model consumer durables. *Management science*, 15(5), 215-227.

Baye, M. R., De los Santos, B., & Wildenbeest, M. R. (2016). Search engine optimization: what drives organic traffic to retail sites?. *Journal of Economics & Management Strategy*, 25(1), 6-31.

Berman, R., & Katona, Z. (2013). The role of search engine optimization in search marketing. *Marketing Science*, 32(4), 644-651.

Bernard, H. R. (2013). *Social research methods: Qualitative and quantitative approaches* (2nd ed.). Los Angeles: SAGE Publications.

Bettencourt, L. A., Lusch, R. F., & Vargo, S. L. (2014). A Service Lens on Value Creation: Marketing's Role in Achieving Strategic Advantage. *California Management Review*, 57(1), 44-66.

Bezovski, Z. (2015). Inbound marketing-A new concept in digital business. *Journal of Economic Literature*, 27-34.

Bleoju, G., Capatina, A., Rancati, E., & Lesca, N. (2016). Exploring organizational propensity toward inbound-outbound marketing techniques adoption: The case of pure players and click and mortar companies. *Journal of Business Research*, 69(11), 5524-5528.

Bocconcelli, R., Cioppi, M., Fortezza, F., Francioni, B., Pagano, A., Savelli, E., & Splendiani, S. (2018). SMEs and marketing: a systematic literature review. *International Journal of Management Reviews*, 20(2), 227-254.

Brey, P. (2018). The strategic role of technology in a good society. *Technology in society*, 52(C), 39-45.

Broekemier, G., Chau, N. N., & Seshadri, S. (2015). Social media practices among small business-to-business enterprises. *Small Business Institute Journal*, 8(2), 37-48.

Bullough, A., & Renko, M. (2013). Entrepreneurial resilience during challenging times. *Business Horizons*, 56(3), 343–350.

Cassell, C. (2015). Conducting research interviews for business and management students. London: SAGE Publications.

Chaffey, D., & Smith, P. R. (2017). Digital marketing excellence: planning, optimizing and integrating online marketing (5th ed.). New York: Routledge.

Chaffey, D., & Ellis-Chadwick, F. (2019). Digital marketing (7th ed.). England: Pearson.

Chang, H. H., Rizal, H., & Amin, H. (2013). The determinants of consumer behavior towards email advertisement. *Internet Research: Electronic Networking Applications and Policy*, 23(3), 316-337.

Charlesworth, A. (2018). Digital marketing: a practical approach (3rd ed.). New York: Routledge, Taylor & Francis Group.

Chatterjee, S., & Kar, A. K. (2020). Why do small and medium enterprises use social media marketing and what is the impact: Empirical insights from India. *International Journal of Information Management*, 53, 102103.

Chong, S., & Pervan, G. (2007). Factors influencing the extent of deployment of electronic commerce for small-and medium sized enterprises. *Journal of Electronic Commerce in Organizations (JECO)*, 5(1), 1-29.

Cirillo, V., & Zayas, J. M. (2019). Digitalizing industry? Labor, technology and work organization: an introduction to the Forum. *Journal of Industrial and Business Economics*, 46, 313–321.

CNA. (2020). Effetti negativi sul 72% delle imprese, oltre 7mila risposte al questionario. [Online]. [Accessed 10 June 2021]. Available at: <https://www.cna.it/effetti-negativi-sul-72-delle-imprese-6-327-risposte-al-questionario-cna/>

Coibion, O., Gorodnichenko, Y., & Weber, M. (2020). The cost of the COVID-19 crisis: Lockdowns, macroeconomic expectations, and consumer spending. Cambridge: *National Bureau of Economic Research*, (No. 2020-60).

Constantinides, E. (2014). Foundations of social media marketing. *Procedia-Social and behavioral sciences*, 148, 40-57.

Cowling, M., Liu, W., & Zhang, N. (2018). Did firm age, experience, and access to finance count? SME performance after the global financial crisis. *Journal of Evolutionary Economics*, 28(1), 77–100.

Creswell, J. W. (2013). *Qualitative inquiry & research design: choosing among five approaches* (3rd ed.). Thousand Oaks, CA: SAGE Publications.

Creswell, J. W., & Poth, C. N. (2016). *Qualitative inquiry and research design: Choosing among five approaches* (4th ed.). Thousand Oaks, CA: SAGE Publications.

Dahnil, M. I., Marzuki, K. M., Langgat, J., & Fabeil, N. F. (2014). Factors influencing SMEs adoption of social media marketing. *Procedia-social and behavioral sciences*, 148, 119-126.

Dakouan, M. C., & Benabdelouahed, M. R. (2019). Digital Inbound Marketing: Particularities of Business-to-Business and Business-to-Customer Strategies. *Springer Proceedings in Business and Economics*, 119-128.

Dakouan, C., Benabdelouahed, R., & Anabir, H. (2019). Inbound marketing vs. outbound marketing: independent or complementary strategies. *Expert Journal of Marketing*, 7(1), 1-6.

Damanpour, F., & Aravind, D. (2012). Managerial innovation: Conceptions, processes, and antecedents. *Management and organization review*, 8(2), 423-454.

Davis, F. D. (1985). A technology acceptance model for empirically testing new end-user information systems: Theory and results. *Doctoral dissertation, Massachusetts Institute of Technology*.

Davis, F. (1989). Perceived Usefulness, Perceived Ease of Use, and User Acceptance of Information Technology. *MIS Quarterly*, 13(3), 319-340.

Davis, F. D., Bagozzi, R. P., & Warshaw, P. R. (1989). User acceptance of computer technology: A comparison of two theoretical models. *Management Science*, 35, 982-1003.

DIHK. (2020). Economic impact of COVID-19 on the German economy; 2nd DIHK flash poll March 2020. Berlin: DIHK. [Online]. [Accessed 10 June 2021]. Available at: <https://www.dihk.de/resource/blob/22848/e281dc3f286759c4b89fe7c02f8ab2bb/blitzumfrage-corona-nr-2-englisch-data.pdf>

Dodge, H. R., & Robbins, J. E. (1992). An empirical investigation of the organizational life cycle. *Journal of small business management*, 30(1), 27.

Dooley, K. E. (1999). Towards a holistic model for the diffusion of educational technologies: An integrative review of educational innovation studies. *Journal of Educational Technology & Society*, 2(4), 35-45.

Dou, W., Lim, K. H., Su, C., Zhou, N., & Cui, N. (2010). Brand positioning strategy using search engine marketing. *MIS quarterly*, 261-279.

Doz, Y. (2011). Qualitative research for international business. *Journal of International Business Studies*, 42(5), 582-590.

Drucker, P. F. (2002). The discipline of innovation. *Harvard business review*, 80(8), 95-102.

Durkin, M., McGowan, P., & McKeown, N. (2013). Exploring social media adoption in small to medium-sized enterprises in Ireland. *Journal of Small Business and Enterprise Development*, 20(4), 716-734.

Dwivedi, Y. K., Ismagilova, E., Hughes, D. L., Carlson, J., Filieri, R., Jacobson, J., Jain, V., Karjaluoto, H., Kefi, H., Krishen, A. S., Kumar, V., Rahman, M. M., Raman, R., Rauschnabel, P. A., Rowley, J., Salo, J., Tran, G. A., & Wang, Y. (2020). Setting the future of digital and social media marketing research: Perspectives and research propositions. *International Journal of Information Management*, 59, 102168.

European Commission. (2020a). An SME Strategy for a sustainable and digital Europe. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGION. [Online]. [Accessed 05 May 2021]. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0103&from=EN>

European Commission. (2020b). User guide to the SME Definition. The European Commission. [Online]. [Accessed 15 May 2021]. Available at: <https://op.europa.eu/en/publication-detail/-/publication/756d9260-ee54-11ea-991b-01aa75ed71a1>

European Commission. (2020c). European innovation scoreboard 2020 – Main report. [Online]. [Accessed 01 June 2021]. Available at: <https://ec.europa.eu/docsroom/documents/42981>

Evans, D., & McKee, J. (2010). *Social Media Marketing: The Next Generation of Business Engagement*. Indiana: John Wiley & Sons.

Stephens, U. F. S. Innovation in micro enterprises: reality or fiction?. *Small Business and Enterprise Development*, 23(2), 349-362.

Felix, R., Rauschnabel, P. A., & Hinsch, C. (2017). Elements of strategic social media marketing: A holistic framework. *Journal of Business Research*, 70, 118-126.

Frambach, R. T., & Schillewaert, N. (2002). Organizational innovation adoption: A multi-level framework of determinants and opportunities for future research. *Journal of business research*, 55(2), 163-176.

FSB. (2020). One in three closed small firms fear they'll never reopen amid widespread redundancy plans. *National Federation of Self Employed and Small Businesses*. [Online]. [Accessed 10 June 2021]. Available at: <https://www.fsb.org.uk/resources-page/one-in-three-closed-small-firms-fear-they-ll-never-reopen-amid-widespread-redundancy-plans.html>

Galasso, A., & Simcoe, T. S. (2011). CEO overconfidence and innovation. *Management Science*, 57(8), 1469-1484.

Gandour, A., & Regolini, A. (2011). Web site search engine optimization: a case study of Fragfor.net. *Library Hi Tech News*, 28(6), 6-13.

Gherhes, C. A., Williams, N., Vorley, T., & Vasconcelos, A. C. (2016). Distinguishing micro-businesses from SMEs: a systematic review of growth constraints. *Journal of Small Business and Enterprise Development*, 23(4), 939-963.

Ghobakhloo, M., Arias-Aranda, D., & Benitez-Amado, J. (2011). Adoption of e-commerce applications in SMEs. *Industrial Management & Data Systems*, 111(8), 1238-1269.

Gilmore, A., Gallagher, D., & Henry, S. (2007). E-marketing and SMEs: operational lessons for the future. *European Business Review* 19(3), 234-247.

Giovanis, A. N., Binioris, S., & Polychronopoulos, G. (2012). An extension of TAM model with IDT and security/privacy risk in the adoption of internet banking services in Greece. *EuroMed Journal of Business*, 7(1), 24-53.

Grappone, J., & Couzin, G. (2011). *Search Engine Optimization (SEO): An Hour a Day* (3rd ed.). Indiana: John Wiley & Sons.

Greenhalgh, T., Robert, G., Macfarlane, F., Bate, P., & Kyriakidou, O. (2004). Diffusion of innovations in service organizations: systematic review and recommendations. *The milbank quarterly*, 82(4), 581-629.

Grönroos, C. (2017). On Value and Value Creation in Service: A Management Perspective. *Journal of Creating Value*, 3(2), 125–141.

Grönroos, C., & Ravald, A. (2011). Service as business logic: Implications for value creation and marketing. *Journal of Service Management*, 22(1), 5–22.

Grönroos, C., & Voima, P. (2013). Critical service logic: Making sense of value creation and co-creation. *Journal of the Academy of Marketing Science*, 41(2), 133–150.

Guest, G., Namey, E. E., & Mitchell, M. L. (2013). *Collecting qualitative data: a field manual for applied research*. Thousand Oaks, CA: SAGE Publications.

Gummerus, J. (2013). Value creation processes and value outcomes in marketing theory: Strangers or siblings?. *Marketing Theory*, 13(1), 19–46.

Gundlach, G. T. (2007). The American Marketing Association's 2004 definition of marketing: Perspectives on its implications for scholarship and the role and responsibility of marketing in society. *Journal of Public policy & marketing*, 26(2), 243-250.

Gupta, V. (2015). Content marketing: say something; say it well; say it often. *Luthra Institute of Management*, 1-8.

Hall, B. H., & Rosenberg, N. (2010). *Handbook of the Economics of Innovation* (Vol. 1). North-Holland: Elsevier.

Halligan, B., & Shah, D. (2014). *Inbound Marketing, Revised and Updated: Attract, Engage, and Delight Customers Online* (2nd ed.). New Jersey: John Wiley & Sons.

Chapman, C. C., & Handley, A. (2012). *Content Rules: How to Create Killer Blogs, Podcasts, Videos, Ebooks, Webinars (and more) That Engage Customers and Ignite Your Business* (Vol. 13). New York: John Wiley & Sons.

Hartemo, M. (2016). Email marketing in the era of the empowered consumer. *Journal of Research in Interactive Marketing*, 10(3), 212-230.

Hawlak, K. (2018). Outbound versus inbound marketing: Which strategy is best?. *Journal of Financial Planning*, 31(6), 30-31.

Holliman, G., & Rowley, J. (2014). Business to business digital content marketing: marketers' perceptions of best practice. *Journal of research in interactive marketing*, 8(4), 269-293.

Hubspot. (2021). What Is Inbound Marketing? [Online]. [Accessed 05 March 2021]. Available at: <https://www.hubspot.com/inbound-marketing>

Jacobson, J., Gruzd, A., & Hernández-García, Á. (2020). Social media marketing: Who is watching the watchers?. *Journal of Retailing and Consumer Services*, 53, 101774.

Jain, A. (2013). The role and importance of search engine and search engine optimization. *International Journal of emerging trends & technology in computer science*, 2(3), 99-102.

Jain, E., & Yadav, A. (2017). Marketing and technology: role of technology in modern marketing. *IOSR Journal of Business and Management*, 19(5), 49-53.

Jamil, M. I. M., & Almunawar, M. N. (2021). A Comparison Between Inbound and Outbound Marketing. In *Encyclopedia of Organizational Knowledge, Administration, and Technology*. IGI Global, 2129-2139.

Jeyaraj, A., Rottman, J. W., & Lacity, M. C. (2006). A review of the predictors, linkages, and biases in IT innovation adoption research. *Journal of information technology*, 21(1), 1-23.

Juergensen, J., Guimón, J., & Narula, R. (2020). European SMEs amidst the COVID-19 crisis: assessing impact and policy responses. *Journal of Industrial and Business Economics*, 47(3), 499-510.

Kannan, P. K., & Li, H. "Alice". (2017). Digital marketing: A framework, review and research agenda. *International Journal of Research in Marketing*, 34(1), 22–45.

Kapoulas, A., & Mitic, M. (2012). Understanding challenges of qualitative research: Rhetorical issues and reality traps. *Qualitative Market Research: An International Journal*, 15(4), 354-368.

Karjaluoto, H., & Leinonen, H. (2009). Advertisers' perceptions of search engine marketing. *International Journal of Internet Marketing and Advertising*, 5(1-2), 95-112.

Kaur, G. (2017). The importance of digital marketing in the tourism industry. *International Journal of Research-Granthaalayah*, 5(6), 72-77.

Kaynak, E., Tatoglu, E., & Kula, V. (2005). An analysis of the factors affecting the adoption of electronic commerce by SMEs: Evidence from an emerging market. *International Marketing Review*, 22(6), 623-640.

Kee, A. W. A., & Yazdanifard, R. (2015). The review of content marketing as a new trend in marketing practices. *International journal of management, accounting and economics*, 2(9), 1055-1064.

Khraim, H. S. (2015). The impact of search engine optimization on online advertisement: The case of companies using E-Marketing in Jordan. *American Journal of Business and Management*, 4(2), 76-84.

Kietzmann, J. H., Hermkens, K., McCarthy, I. P., & Silvestre, B. S. (2011). Social media? Get serious! Understanding the functional building blocks of social media. *Business Horizons*, 54(3), 241-251.

Killoran, J. B. (2013). How to use search engine optimization techniques to increase website visibility. *IEEE Transactions on professional communication*, 56(1), 50-66.

King, N. (1992). Modelling the innovation process: An empirical comparison of approaches. *Journal of Occupational and Organizational Psychology*, 65(2), 89-100.

Kinnunen, J. (1996). Gabriel Tarde as a founding father of innovation diffusion research. *Acta Sociologica*, 39(4), 431-442.

Kotler, P. K., & Kartajaya, H. H., and Setiawan, I. (2017) *Marketing 4.0: Moving from Traditional to Digital*. New Jersey: John Wiley & Sons.

Kraus, S., Gast, J., Schleich, M., Jones, P., & Ritter, M. (2019). Content is king: How SMEs create content for social media marketing under limited resources. *Journal of Macromarketing*, 39(4), 415-430.

Kumar, S., & Sharma, R. R. (2014). An empirical analysis of unsolicited commercial e-mail. *Paradigm*, 18(1), 1-19.

Kumar, V., Zhang, X., & Luo, A. (2014). Modeling customer opt-in and opt-out in a permission-based marketing context. *Journal of Marketing Research*, 51(4), 403-419.

Laudon, K. C., & Guercio Traver, C. (2019). E-commerce: business, technology, society (14th ed.). Harlow, England: Pearson Education Limited.

Leboff, G. (2011). Sticky marketing: Why everything in marketing has changed and what to do about it. London: Kogan Page Limited.

Legris, P., Ingham, J., & Collette, P. (2003). Why do people use information technology? A critical review of the technology acceptance model. *Information & management*, 40(3), 191-204.

Li, F., Larimo, J., & Leonidou, L. C. (2021). Social media marketing strategy: definition, conceptualization, taxonomy, validation, and future agenda. *Journal of the Academy of Marketing Science*, 49(1), 51-70.

Li, K., Lin, M., Lin, Z., & Xing, B. (2014). Running and Chasing--The Competition between Paid Search Marketing and Search Engine Optimization. In *2014 47th Hawaii International Conference on System Sciences*. IEEE, 3110-3119.

Lu, Y., Wu, J., Peng, J., & Lu, L. (2020). The perceived impact of the Covid-19 epidemic: evidence from a sample of 4807 SMEs in Sichuan Province, China. *Environmental Hazards*, 19(4), 323-340.

Lundblad, J. P. (2003). A review and critique of Rogers' diffusion of innovation theory as it applies to organizations. *Organization Development Journal*, 21(4), 50.

Lusch, R. F. (2007). Marketing's evolving identity: Defining our future. *Journal of Public Policy & Marketing*, 26(2), 261-268.

McCann, M., & Barlow, A. (2015). Use and measurement of social media for SMEs. *Journal of Small Business and Enterprise Development*, 22(2), 273-287.

McCarthy, E. J. (1960). Basic marketing: A managerial approach. Homewood, Ill: R.D. Irwin

Mehrtens, J., Cragg, P. B., & Mills, A. M. (2001). A model of Internet adoption by SMEs. *Information & management*, 39(3), 165-176.

Melović, B., Jocović, M., Dabić, M., Vulić, T. B., & Dudic, B. (2020). The impact of digital transformation and digital marketing on the brand promotion, positioning and electronic business in Montenegro. *Technology in Society*, 63(C), 101425.

Merisavo, M. and Raulas, M. (2004). The impact of e-mail marketing on brand loyalty. *The Journal of Product and Brand Management*, 13(7), 498-505.

Merriam-Webster. (n.d.). CEO. In *Merriam-Webster.com dictionary*. [Online]. [Accessed 13 March 2021]. Available at: <https://www.merriam-webster.com/dictionary/CEO>

Merriam-Webster. (n.d.). CEO. In *Merriam-Webster.com dictionary*. [Online]. [Accessed 10 May 2021]. Available at: <https://www.merriam-webster.com/dictionary/search%20engine>

Nguyen, T. H. (2009). Information technology adoption in SMEs: an integrated framework. *International Journal of Entrepreneurial Behaviour & Research*, 15(2), 162-186.

Olbrich, R., & Schultz, C. D. (2014). Multichannel advertising: does print advertising affect search engine advertising?. *European Journal of Marketing*, 48(9), 10-11.

Opreana, A., & Vinerean, S. (2015). A New Development in Online Marketing: Introducing Digital Inbound Marketing. *Expert Journal of Marketing*, 3(1), 29-34.

Oxford English Dictionary. (2021). Search engine. In *Oxford University Press*. [Online]. [Accessed 13 May 2021] Available at: <https://www.oed.com/view/Entry/83275825?redirectedFrom=search+engine&>

Park, K. S., Brumberg, A., & Yonezawa, K. (2020). The Covid-19 Shopper: Online Shopping. *Department of Applied Economics and Management*, Cornell University. [Online]. [Accessed

01 April 2021]. Available at: https://dyson.cornell.edu/wp-content/uploads/sites/5/2021/01/Covid_Shopper-Online_EB2020-14-VD.pdf

Parkin, G. (2009). *Digital marketing: Strategies for online success*. London : New Holland Publishers UK Ltd.

Parrott, G., Roomi, M. A., & Holliman, D. (2010). An analysis of marketing programmes adopted by regional small and medium-sized enterprises. *Journal of Small Business and Enterprise Development*, 17(2), 184-203.

Parviainen, P., Tihinen, M., Kääriäinen, J., & Teppola, S. (2017). Tackling the digitalization challenge: how to benefit from digitalization in practice. *International journal of information systems and project management*, 5(1), 63-77.

Patrutiu-Baltes, L. (2015). Content marketing-the fundamental tool of digital marketing. *Bulletin of the Transilvania University of Brasov. Economic Sciences. Series 8(2)*, 111-118.

Patrutiu-Baltes, L. (2016). Inbound Marketing - the most important digital marketing strategy. *Bulletin of the Transilvania University of Brasov. Economic Sciences. Series 9(2)*, 61-68.

Patton, M. Q. (2002). Two decades of developments in qualitative inquiry: A personal, experiential perspective. *Qualitative social work*, 1(3), 261-283.

Pedauga, L., Sáez, F., & Delgado-Márquez, B. L. (2021). Macroeconomic lockdown and SMEs: the impact of the COVID-19 pandemic in Spain. *Small Business Economics*, 1-24.

PitchBook. (2020). [Online]. Venture Monitor [Accessed 6 April 2021]. Available at: https://nvca.org/wp-content/uploads/2020/01/Q4_2019_PitchBook_NVCA_Venture_Monitor.pdf

Plewa, C., Troshani, I., Francis, A., & Rampersad, G. (2012). Technology adoption and performance impact in innovation domains. *Industrial Management & Data Systems*, 112(5), 748-765.

Pradhan, P., Nigam, D., & Tiwari, Ck. (2018). Digital marketing and SMEs: An identification of research gap via archives of past research. *Journal of Internet Banking and Commerce*, 23(1), 1-14.

Priyono, A., Moin, A., & Putri, V. N. A. O. (2020). Identifying Digital Transformation Paths in the Business Model of SMEs during the COVID-19 Pandemic. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(4), 104.

Rahi, S., & Ghani, M. A. (2018). The role of UTAUT, DOI, perceived technology security and game elements in internet banking adoption. *World Journal of Science, Technology and Sustainable Development*, 15(4), 338-356.

Rahimnia, F., & Hassanzadeh, J. F. (2013). The impact of website content dimension and e-trust on e-marketing effectiveness: The case of Iranian commercial saffron corporations. *Information & Management*, 50(5), 240-247.

Ramaswamy, V., & Ozcan, K. (2018). What is co-creation? An interactional creation framework and its implications for value creation. *Journal of Business Research*, 84, 196-205.

Rancati, E., Codignola, F., & Capatina, A. (2015). Inbound and outbound marketing techniques: A comparison between Italian and Romanian pure players and click and mortar companies. *Risk in Contemporary Economy*, 2(1), 232-238.

Razumovskaia, E., Yuzvovich, L., Kniazeva, E., Klimenko, M., & Shelyakin, V. (2020). The Effectiveness of Russian Government Policy to Support SMEs in the COVID-19 Pandemic. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(4), 160.

Reijonen, H. (2010). Do all SMEs practise same kind of marketing?. *Journal of Small Business and Enterprise Development*, 17(2), 279-293.

Reimers, V., Chao, C. W., & Gorman, S. (2016). Permission email marketing and its influence on online shopping. *Asia Pacific Journal of Marketing and Logistics*, 28(2), 308-322.

Reis, J., Amorim, M., Melão, N., & Matos, P. (2018). Digital transformation: a literature review and guidelines for future research. In *World conference on information systems and technologies* Springer, Cham, 411-421.

Ritz, W., Wolf, M., & McQuitty, S. (2019). Digital marketing adoption and success for small businesses: The application of the do-it-yourself and technology acceptance models. *Journal of Research in Interactive Marketing*, 13(2), 179–203.

Rogers, E. (1995). *Diffusion of innovations* (4th ed.). New York: Free Press.

Rogers, E. (2003). *Diffusion of innovations* (5th ed.). New York: Free Press.

Rogers, E. M., & Shoemaker, F. F. (1971). *Communication of Innovations: A Cross-cultural Approach* (2nd ed.). New York: Free Press.

Royle, J., & Laing, A. (2014). The digital marketing skills gap: Developing a Digital Marketer Model for the communication industries. *International Journal of Information Management*, 34(2), 65-73.

Rugova, B., & Prenaj, B. (2016). Social media as marketing tool for SMEs: opportunities and challenges. *Academic Journal of Business*, 2(3), 85-97.

Ryan, D. (2017). *Understanding Digital Marketing: Marketing Strategies for Engaging the Digital Generation* (4th ed.). London: Kogan Page Limited.

Räisänen, J., & Tuovinen, T. (2020). Digital innovations in rural micro-enterprises. *Journal of rural studies*, 73, 56-67.

Sahin, I. (2006). Detailed review of Rogers' diffusion of innovations theory and educational technology-related studies based on Rogers' theory. *Turkish Online Journal of Educational Technology-TOJET*, 5(2), 14-23.

Saunders, M., Lewis, P., & Thornhill, A. (2016). *Research methods for business students* (7th ed.). New York: Pearson Education.

Schaupp, L. C., & Carter, L. (2005). E-voting: from apathy to adoption. *Journal of Enterprise Information Management*, 18(5), 586-601.

Sheth, J. N., & Usley, C. (2007). Implications of the Revised Definition of Marketing: From Exchange to Value Creation. *Journal of Public Policy & Marketing*, 26(2), 302–307.

Shih, B. Y., Chen, C. Y., & Chen, Z. S. (2013). Retracted: an empirical study of an internet marketing strategy for search engine optimization. *Human Factors and Ergonomics in Manufacturing & Service Industries*, 23(6), 528-540.

Simpson, M., & Taylor, N. (2002). The role and relevance of marketing in SMEs: towards a new model. *Journal of Small Business and Enterprise Development*, 9(4), 370-382.

Sokolova, N. G., & Titova, O. V. (2019). Digital marketing as a type: concept, tools and effects. *Advances in Economics, Business and Management Research*, 81, 509-513.

Statista. (2017). Number of digital buyers worldwide from 2014 to 2021. [Online]. [Accessed 29 March 2021]. Available at: <https://www.statista.com/statistics/251666/number-of-digital-buyers-worldwide/>

Statista. (2018). State of digitalization in SMEs in Finland 2017. [Online]. [Accessed 01 June 2021]. Available at: <https://www.statista.com/statistics/881848/digitalization-state-in-smes-in-finland/>

Statista. (2019a). Global daily internet usage per capita 2011-2021. [Online]. [Accessed 25 February 2021]. Available at: <https://www.statista.com/statistics/1009455/daily-time-per-capita-internet-worldwide/>

Statista. (2019b). Usage of digital marketing methods in SMEs in Finland 2018. [Online]. [Accessed 18 May 2021]. Available at: <https://www.statista.com/statistics/723688/survey-on-the-usage-of-digital-marketing-methods-in-smes-in-finland/>

Statista. (2019c). Use of content marketing worldwide in 2019. [Online]. [Accessed 25 May 2021]. Available at: <https://www.statista.com/statistics/251434/use-of-content-marketing-worldwide/>

Statista. (2019d). Digital transformation needs of SMEs in Finland 2019. [Online]. [Accessed 13 June 2021]. Available at: <https://www.statista.com/statistics/1213078/digital-transformation-needs-of-smes-finland/>

Statista. (2020a). Retail e-commerce sales worldwide from 2014 to 2024. [Online]. [Accessed 29 March 2021]. Available at: <https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/>

Statista. (2020b). Search Advertising - Worldwide. [Online]. [Accessed 12 May 2021]. Available at: <https://www.statista.com/outlook/dmo/digital-advertising/search-advertising/worldwide?currency=EUR>

Statista. (2020c). Global spam volume as percentage of total e-mail traffic from 2007 to 2019. [Online]. [Accessed 29 March 2021]. Available at: <https://www.statista.com/statistics/420400/spam-email-traffic-share-annual/>

Statista. (2021a). Global digital population as of January 2021. [Online]. [Accessed 09 February 2021]. Available at: <https://www.statista.com/statistics/617136/digital-population-worldwide/>

Statista. (2021b). Forecast of the number of social media users in the World from 2017 to 2025. [Online]. [Accessed 09 February 2021]. Available at: <https://www.statista.com/forecasts/1146659/social-media-users-in-the-world>

Statista. (2021c). Daily social media usage worldwide 2012-2020. [Online]. [Accessed 25 February 2021]. Available at: <https://www.statista.com/statistics/433871/daily-social-media-usage-worldwide/>

Statista. (2021d). Leading social media platforms used by marketers worldwide as of January 2021. [Online]. [Accessed 31 May 2021]. Available at: <https://www.statista.com/statistics/259379/social-media-platforms-used-by-marketers-worldwide/>

Straub, E. T. (2009). Understanding technology adoption: Theory and future directions for informal learning. *Review of educational research*, 79(2), 625-649.

Taiminen, H. M., & Karjaluoto, H. (2015). The usage of digital marketing channels in SMEs. *Journal of Small Business and Enterprise Development*, 22(4), 633–651.

Taylor, H. (2018). B2B marketing strategy: differentiate, develop and deliver lasting customer engagement. London: Kogan Page Limited.

Teixeira, S., Martins, J., Branco, F., Gonçalves, R., Au-Yong-Oliveira, M., & Moreira, F. (2018a). A Theoretical Analysis of Digital Marketing Adoption by Startups. *Trends and Applications in Software Engineering*, 688, 94–105.

Teixeira, S., Branco, F., Martins, J., Au-Yong-Oliveira, M., Moreira, F., Gonçalves, R., Perez-Cota, M., & Jorge, F. (2018b). Main factors in the adoption of digital marketing in startups an online focus group analysis. In *13th Iberian Conference on Information Systems and Technologies*. IEEE, 1-5.

Terho, H., Haas, A., Eggert, A., & Ulaga, W. (2012). 'It's almost like taking the sales out of selling'—Towards a conceptualization of value-based selling in business markets. *Industrial Marketing Management*, *41*(1), 174–185.

Gordon, J. (2021). The Business Professor. [Online]. [Accessed 05 April 2021]. Available at: https://thebusinessprofessor.com/en_US/business-management-amp-operations-strategy-entrepreneurship-amp-innovation/early-stage-business-venture

Thong, J. Y., & Yap, C. S. (1995). CEO characteristics, organizational characteristics and information technology adoption in small businesses. *Omega*, *23*(4), 429-442.

Tiago, M. T. P. M. B., & Veríssimo, J. M. C. (2014). Digital marketing and social media: Why bother?. *Business Horizons*, *57*(6), 703-708.

Tuten, T. L. (2020). *Social Media Marketing* (4th ed.). Thousand Oaks, CA: SAGE Publications.

Venkatesh, V., & Davis, F. D. (1996). A model of the antecedents of perceived ease of use: Development and test. *Decision Sciences*, *27*(3), 451-481.

Venkatesh, V., & Morris, M. G. (2000). Why don't men ever stop to ask for directions? Gender, social influence, and their role in technology acceptance and usage behavior. *MIS quarterly*, 115-139.

Verhoef, P. C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Dong, J. Q., Fabian, N., & Haenlein, M. (2021). Digital transformation: A multidisciplinary reflection and research agenda. *Journal of Business Research*, *122*, 889-901.

- Vinerean, S. (2017). Content marketing strategy. Definition, objectives and tactics. *Expert Journal of Marketing*, 5(2), 92-98.
- Waarts, E., van Everdingen, Y. M., & van Hillegersberg, J. (2002). The dynamics of factors affecting the adoption of innovations. *The Journal of Product Innovation Management*, 19(6), 412-423.
- Wamba, S. F., & Carter, L. (2016). Social media tools adoption and use by SMEs: An empirical study. In *Social media and Networking: Concepts, methodologies, tools, and applications*. IGI Global, 791-806.
- Watanabe, T., & Omori, Y. (2020). Online consumption during the covid-19 crisis: Evidence from Japan. *Covid Economics*, 38(16), 218-252.
- Wilson, V., & Makau, C. (2018). Online marketing use: small and medium enterprises (SMEs) experience from Kenya. *Orsea Journal*, 7(2), 63-77.
- Wonglimpiyarat, J., & Yuber, N. (2005). In support of innovation management and Roger's Innovation Diffusion theory. *Government Information Quarterly*, 22(3), 411-422.
- Woschke, T., Haase, H., & Kratzer, J. (2017). Resource scarcity in SMEs: effects on incremental and radical innovations. *Management Research Review*, 40(2), 195-217.
- Wymbs, C. (2011). Digital marketing: The time for a new “academic major” has arrived. *Journal of Marketing Education*, 33(1), 93-106.
- Yin, R. K. (2014). *Case study research: design and methods* (5th ed.). Los Angeles: SAGE Publications.

Yin, R. K. (2018). *Case study research and applications: design and methods* (6th ed.). Thousand Oaks, CA: SAGE Publications.

Zahra, S. A. (2021). International entrepreneurship in the post-Covid world. *Journal of World Business*, 56(1), 101143.

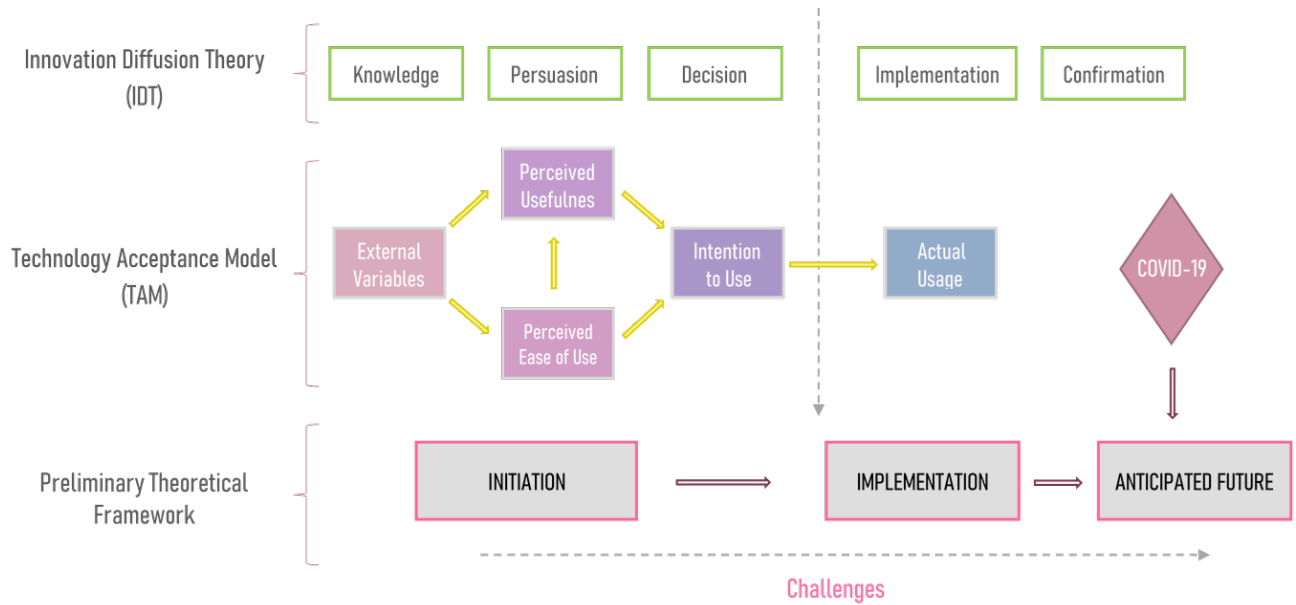
Zaltman, G., Duncan, R., & Holbek, J. (1973). *Innovations and organizations*. New York: John Wiley & Sons.

Zhang, X., Kumar, V., & Cosguner, K. (2017). Dynamically managing a profitable email marketing program. *Journal of marketing research*, 54(6), 851-866.

Zhou, Y. (2008). Voluntary adopters versus forced adopters: integrating the diffusion of innovation theory and the technology acceptance model to study intra-organizational adoption. *New Media & Society*, 10(3), 475-496.

APPENDICES

Appendix 1. Creation process of the theoretical framework of the study.



Appendix 2. Summary of the challenges faced by early-stage SMEs in their digital marketing adoption process.

CHALLENGES	
THE ENTIRE ADOPTION PROCESS (BOTH STAGES)	<ul style="list-style-type: none"> ▪ Lack of knowledge and understanding on digital marketing ▪ Lack of resources: <ul style="list-style-type: none"> - Financial - Human - Time
INITIATION STAGE	<ul style="list-style-type: none"> ▪ CEO's own capabilities ▪ Lack of clear strategic objectives
IMPLEMENTATION STAGE	<ul style="list-style-type: none"> ▪ Lack of clearly predefined strategy ▪ Lack of appreciation of digital marketing benefits ▪ Lack of technical skills ▪ Lack of marketing expert

Appendix 3. Interview questions.

BACKGROUND INFORMATION

Individual level

1. Could you please state your age?
2. Can you tell me about your educational background?
3. How many years of working experience do you have?
4. In what industries do you have work experience?
5. How many years of experience as a CEO do you have?

Organizational level

6. How long has the company been in operation? / When was the company founded?
7. How many team members does the company have at the moment?
8. What industry/sector do you operate in?
9. How would you describe your company?
10. What kind of products/services do you provide?
11. How many customers do you currently have?
12. Are your current operations domestic or international (or both)?
13. Do you have any digital marketing operations in place?
14. Who carries out the marketing role in the company?

DIGITAL MARKETING CONCEPTUALIZATION

Perception & Understanding

15. How familiar would you say you are with digital marketing?
16. How did you first gain knowledge or learn about digital marketing?
17. How would you define digital marketing?
18. Could you tell me what kinds/forms/types of digital marketing are you familiar with?

DIGITAL MARKETING ADOPTION PROCESS

Initiation

19. Could you describe the role that digital marketing has in your company?
20. In your opinion, what factors do you think push for the use of digital marketing in your company?

PEOU

21. How complex to use do you believe digital marketing to be and why?
22. How much effort do you think it requires to implement digital marketing in your business?
23. How resource-consuming do you consider digital marketing to be in your company?

PU

24. How important do you consider digital marketing to be in your company?
25. What kind of impact do you think the proper implementation of digital marketing could have in a small business like yours?

BI

26. What do you think are the main reasons for small businesses like yours to adopt digital marketing?
27. What kind of expectations regarding the use and results of digital marketing in your company do you have?
28. Are there any specific goals that your company is trying to achieve or has achieved through digital marketing?

Implementation

29. What components of digital marketing are currently in place in your company?
30. What kind of digital marketing do you think is more effective for your business and why?
31. What kind of benefits or developments if any have you experienced in your company since you started adopting digital marketing?
32. How effective would you say your digital marketing strategy is?
33. How effective would you say the implementation of your marketing strategy is?

CHALLENGES DURING THE DIGITAL MARKETING ADOPTION PROCESS

Initiation

34. Could you tell me what kind of challenges did you face when you first started using digital marketing in your company?
35. Have you overcome any of those challenges? If so, please tell me a bit more about it.

Implementation

36. What kind of challenges are you currently facing in your digital marketing?
37. How do you plan to overcome these challenges?

COVID-19 AND ANTICIPATED FUTURE

Pre-COVID / Amidst-COVID (for companies founded during COVID – only 2 out of 7)

38. Could you describe how COVID-19 has affected the way you handle your work in general?
39. Could you tell me how COVID-19 has influenced your plans for the company?
40. *Did you have any budget/personnel allocated for digital marketing before the pandemic? (if they were founded before the pandemic)*
41. What kind of challenges have you experienced during the COVID-19 pandemic?

Post-COVID

42. How do you foresee the company's operations in the near future?
43. Do you think there have been any changes in the importance of digital marketing (pre- vs. post-pandemic)?
44. How do you think COVID-19 has affected the importance of digital marketing for your business now?
45. *How has your budget/investment in digital marketing changed since the pandemic started? (if they were founded before the pandemic)*
46. What kind of challenges do you foresee in the future after the pandemic has ended?
47. Is there anything else in your mind that you would like to share with me?

Appendix 4. Data analysis structure and coded nodes in NVivo.

Nodes				
Name	Files	References	Created	
Case Companies		7	100	SR
Individual Level		7	36	SR
Organizational Level		7	64	SR
Conceptualization		7	29	SR
Perception		7	7	SR
Understanding		7	22	SR
Adoption Process		7	110	SR
Initiation Stage		7	77	SR
Perceived Ease of Use		7	24	SR
Perceived Usefulness		7	17	SR
Intention to Use		7	18	SR
Implementation Stage		7	33	SR
Challenges		7	28	SR
Initiation Stage		7	13	SR
Implementation Stage		7	15	SR
Anticipated Future		7	50	SR
Impact of COVID-19		7	22	SR
Future post-COVID-19		7	28	SR