



Overcoming Challenges in Business-to-Business Relationships Between Australian Small Business Owners and Digital Marketing Service Providers

Compiled for:

The Australian Small Business and Family Enterprise Ombudsman

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Executive Summary

Digital marketing has become a necessity for many of Australia's 2.6 million small businesses, exacerbated by the unpredictability of the recent global pandemic (Australian Bureau of Statistics, 2022). The increased demand for digital marketing services by Australian small business owners has also resulted in an increase in enquiries and complaints received by the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) by small business owners against suppliers of digital marketing services. Since 2020, the ASBFEO has reviewed 96 cases, approximately four cases per month, relating to digital marketing services. This highlights an emerging issue in the Business-to-Business (B2B) relationship between small business owners and the providers of digital marketing services, which is the focus of the current report.

While previous research has focused on B2B service relationships in the Australian advertising industry, limited to no research to date has explored the relationship between small business owners and digital marketing service providers. This study undertaken by researchers at the University of the Sunshine Coast in collaboration with the office of the Australian Small Business and Family Enterprise Ombudsman, is among the first both nationally and globally to investigate the relationship challenges between small businesses and digital marketing service providers. Specifically, this research provides novel findings and insights from a mixed-methods research project involving a series of semi-structured interviews (20) with Australian small business owners and digital marketing service providers and an online survey of 420 Australian small business owners.

Results in this study have identified four key stages of the B2B relationship between small business owners and the providers of digital marketing services:

- Pre-Relationship: Attitudes About and Experience with Digital Marketing
- Beginning the Relationship.
- Mid-Relationship
- Exiting the Relationship (relationship termination).

The findings presented in this report are categorised by each B2B relationship stage. In addition, fact sheets for small business owners and digital marketing service providers with advice on how to navigate each stage and to overcome or mitigate potential relationship challenges with a digital marketing service provider.

Overall, the research suggests challenges arise in the B2B relationship when parties:

- i. Are "not a good fit" (in terms of budget, nature of appointment, and level of input expected),
- ii. Do not understand the needs of the small business, and the services provided, and/or
- iii. When expectations surrounding return-on-investment (ROI) are not managed transparently.

Other key findings include business owners developing greater trust in digital marketing service providers who provide training as part of project-based work and approximately 30% of survey participants reporting being part of an official dispute process as a result of their dealings paying for digital marketing services.

This research provides new knowledge on this emerging issue in Australia with the aim of better informing small business owners and digital marketing service providers to enhance their B2B service relationship and its outcomes. This study has also highlighted areas related to this issue that warrant further investigation. Future areas of research which could provide additional insights are also provided.

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Terms and Abbreviations

ASBFEO	Australian Small Business and Family Enterprise Ombudsman
DMSP	Digital Marketing Service Provider
SBO	Small Business Owner
SEO	Search Engine Optimization
UniSC	University of the Sunshine Coast

Introduction and Background

Digital marketing, the promotion of brands or products using the internet, social media or other forms of digital communication, became a lifeline for many small businesses throughout the unpredictability created by the global pandemic (Sharma & Rautela, 2021; Grimmer, 2022; Kiram, & Saputra, 2021). From the onset of COVID, social media, websites and digital advertising have become critical methods of interaction available to support the business and customer relationship (Ayodeji-Ogundiran, Burrell & Lewis, 2021). For instance, with 91% of the Australian population using the internet and 82.7% now active social media users, the need for digital marketing has become a necessity for many of Australia's two million small businesses (We Are Social, 2022; Evers, 2020). Thus, to reach customers and potential customers, small businesses are required to digitally transform and engage in digital marketing practices.

In Australia, a small business has been defined as "a business employing less than 20 people" (Australian Bureau of Statistics, 2002). Research to date has focused on the adoption and/or use of digital marketing by small business owners (SBOs) (Dabas, Sharma & Manaktola, 2021; He, et al., 2017), the use of digital tools in the facilitation of business-to-business (B2B) marketing (Prior & Keränen, 2020; Kian Chong, et al., 2010), and the B2B relationships between Australian clients and advertising agencies (Calderwood, Koslow & Sasser, 2021). However, whilst the use and adoption of digital marketing by small businesses is understood, there is limited research both in Australia and internationally, which identifies how small businesses experience challenges when outsourcing such activities to other businesses such as digital marketing service providers.

All parties in the B2B service relationship between SBO, DMSPs and consequently, the ASBFEO are interested in this research for the following reasons:

1. From the perspective of small business and ASBFEO

The need for this research has been heightened by an increased number of cases lodged with the ASBFEO in relation to disputes between SBOs and DMSPs. The ASBFEO has actively managed 96 cases relating to digital marketing services since 2020, which equates to four cases per month and an average of 3% of all cases managed by the Ombudsman. Thus, as small businesses increasingly become digitally focused, it is likely that the challenges experienced in small business and digital marketing service providers will continue and cases reported to ASBFEO will grow.

In further evidence of the growing issue of the number of cases lodged related to small business and digital marketing service provider relationships, the ASBFEO receives an average of 12 requests for information or assistance in relation to digital marketing service providers every month through its call centre. The two key reasons SBOs call the ASBFEO are to seek advice relating to DMSPs not delivering the services as expected or DMSPs not being contactable.

2. From the perspective of digital marketing service providers and ASBFEO

From the opposite perspective, the ASBFEO also regularly receives requests from DMSPs seeking advice on how to recover overdue payments from SBOs who have not paid for their services. Figure 1 illustrates the number of active cases relating to digital marketing that the ASBFEO has managed from September 2020 – August 2022.

Overall, it is evident from the prior examples that all stakeholders, small businesses, digital marketing service providers and the ABFEO have a vested interest in understanding how challenges in the business-to-business service relationship can be mitigated or resolved.

Number of Digital Marketing Cases Actively Managed by ASBFEO per Month

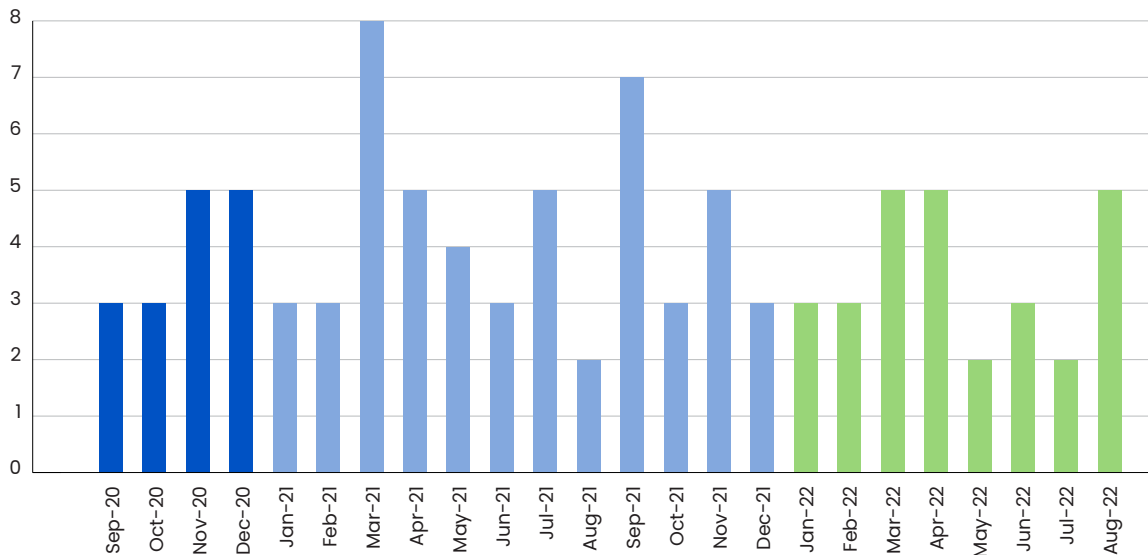


Figure 1. Number of Digital Marketing Cases Actively Managed by the ASBFEO from September 2020 – August 2022.

While there were significant increases in cases in March 2021 and September 2021, possibly due to the flow on effect of the increased use of digital marketing services amidst the height of the pandemic in 2020, the average number of cases is not decreasing overall. ASBFEO data highlights the presence of a breakdown in the B2B service relationship between SBOs and DMSPs.

The purpose of this study is to better understand the B2B service relationship between Australian SBOs and DMSPs with the aim of informing both parties to enhance their B2B service relationship and its outcomes.

This report will address the following research question in line with this aim:

RQ1: What are the experiences of Australian small business owners and digital marketing service providers of the B2B relationship involved in digital marketing services delivery?

Additionally, this report will provide practical advice for SBOs and DMSPs to help inform, educate and enhance the future of their B2B service relationships.

Justification for Research Design

This project used a two-study mixed methods research design (see **Table 1**). This approach was undertaken to ensure triangulation of the research findings from each study and to ensure greater rigour in data collection (using both qualitative and quantitative techniques) (Ivankova & Wingo, 2018).

Table 1. Research Design

Study	Research Design	Sample	Objective
1	Semi-structured interviews	SBOs (n=13) DMSPs (n=7)	<ul style="list-style-type: none">To gain initial insight into the stages, processes, issues, challenges and experiences of SBOs and DMSPs throughout the B2B service relationship to be tested in Study 2 (online survey)
2	Online survey	SBOs (n=412)	<ul style="list-style-type: none">To confirm what processes, issues, challenges and experiences of SBOs have a significant impact on their service experience and likelihood of terminating a DMSPs relationshipTo extend the generalisability of the findings from Study 1 by having a large sample of SBOs across Australia.

Study 1. Semi-Structured Interviews

The first study used a series of semi-structured interviews with SBOs and DMSPs. Semi-structured interviews were selected as an appropriate research method so the researchers could better gauge the complexity of the B2B digital marketing services relationship (Weerakkody et al., 2019; Yin, 2009).

With ethics approval from the researchers' institution, the University of the Sunshine Coast, the first stage of the project involved conducting 20 semi-structured interviews with SBOs and DMSPs from around the country. Data from the first stage was used to develop an online survey to capture the experiences of a wider sample of Australian SBOs. The interview sample comprised of 13 SBOs (11 female and 2 male) operating in Queensland, Tasmania and Victoria and 7 DMSPs (3 female and 4 male) ranging from sole traders to agency owners in Queensland, Western Australia and New South Wales.

The interview consisted of 19 questions exploring experiences of both parties through four different stages of the B2B digital marketing services relationship: Pre-Relationship, Beginning the Relationship, Mid-Relationship and Exiting the Relationship. Interviews were conducted and recorded via Zoom video conferencing then transcribed. A thematic approach was used to manually code the interview transcriptions via an open, axial then selective coding process to identify themes and relationships inherent in the data set (Vollstedt & Rezat, 2019).

Informed by the findings of the first study, an online survey developed and conducted with SBOs located around Australia.

Study 2. Online Survey

The online survey was conducted using Qualtrics software. The questionnaire included 41 questions that were drawn from scientifically validated measurement instruments, and aligned with the key themes identified in the interviews. The online survey sample was also recruited via a market research company, Qualtrics, and consisted of 412 Australian small business owners from a wide range of locations around the country (see **Figure 2.**) While there was some skew in terms of Queensland SBOs in the interview sample from Study 1, this data was helpful in highlighting the stages, processes, issues, challenges and experiences of SBOs and DMSPs throughout the B2B service relationship to developing an accurate survey instrument. The survey was then used to gain a deeper understanding from a more extensive sample of SBOs, who were geographically dispersed around Australia.

Sample

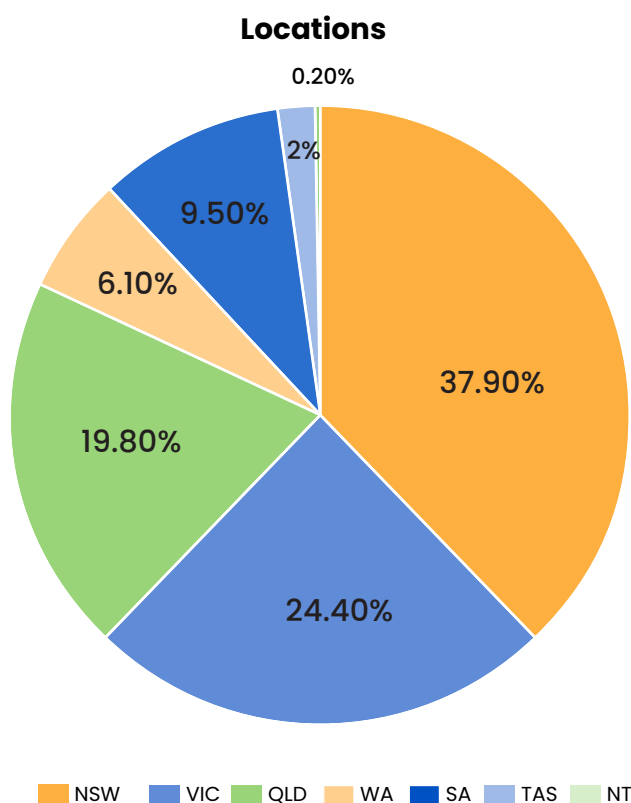


Figure 2. Location of SBOs Participating in the Online Survey

As **Figure 2** demonstrates, the greatest representation of SBOs were located in NSW (37.9%, 156), Vic (24.3%, 100) followed by Qld (19.7%, 81), which is indicative of the Australian population as well as business market.

Additionally, a wide range of industries were represented within the survey sample, with the greatest representation from the retail sector (23.8%, 98), and Professional, Scientific and Technical Services (17.5%, 72). See **Table 2** below for a complete list of the industries represented.

Table 2. Industries represented by SBOs Participating in the Online Survey

In what industry does your business primarily operate?		
	Frequency	Percent
Electricity, gas water, and waste services	2	0.5
Mining	3	0.7
Hospitality	10	2.4
Wholesale trade	10	2.4
Transport, postal and warehousing	14	3.4
Arts and recreation services	15	3.6
Accommodation and food services	18	4.4
Administrative and support services	21	5.1
Construction	31	7.5
Manufacturing	32	7.8
Information media and telecommunications	40	9.7
Other services	46	11.2
Professional, scientific and technical services	72	17.5
Retail trade	98	23.8

Participants were only included in the survey sample if they undertook the task of working directly with DMSP on behalf of their organisation to ensure validity in the responses and results. With this requirement in mind, the sample included a wide range of position levels within the small businesses undertaking the survey, as highlighted below in **Table 3**.

Table 3. Position levels represented by SBOs Participating in the Online Survey

What is your position in the business?		
	Frequency	Percent
Owner/Operator	128	31.1
Manager	112	27.2
Full-time employee	126	30.6
Part-time employee	41	10.0
Other (please specify)	5	1.2

The greatest representation in the survey sample in terms of position level was from Owner/ Operators (31.1%, 128), closely followed by full-time employees (30.6%, 126) and Managers (27.2%, 112). Therefore, the demographic profile of the average survey participant in this study was an owner/ operator or full-time employee from a small retail business located in NSW.

Cultural Demographics

- 32.5% of the sample identified as being an Indigenous enterprise (an organisation that is 50% or more Indigenous owned).
- 96.6% of the sample reported that English was the language predominantly used language in the business.
- 3.4% of the sample identified that English was not the most predominantly used language in the business

The following section provides the results from the survey and interview data exploring the B2B service relationship between SBOs and DMSPs.

Results

The following section provides details of the key results collected from the interviews with SBOs and DMSPs and the online survey with SBOs. The results revealed four key stages in the B2B service relationship between SBOs and DMSPs, therefore, the findings from this study have been categorised to align with these stages. The four B2B SBO and DMSP relationship stages are:

Stage 1. Pre-Relationship: Attitudes About and Experience with Digital Marketing

This stage represents what happens before SBOs and DMSPs initially meet and focuses on the SBOs' digital marketing literacy, attitudes to digital marketing, and previous experience appointing the services of a DMSP.

Stage 2. Beginning the Relationship

This stage signifies the motivation on behalf of the SBO for seeking the services of a DMSP, their method in searching for what they perceived as a suitable provider, the onboarding process, e.g. how much research was undertaken by the DMSP and important information that both parties need to know at the beginning of the B2B service relationship.

Stage 3. Mid-Relationship

The mid-relationship phase includes aspects of relationship management such as: communication, collaboration, transparency, service quality, results and perceived value.

Stage 4. Exiting the Relationship

The final stage explores reasons for terminating the B2B service relationship from both parties, the offboarding process, and actions from SBOs after the B2B service relationship with the DMSP ends.

The results for each relationship stage have been divided into the following sections to promote greater sensemaking and practical application of the data presented:

- **Key Findings/Issues identified in the SBO and DMSP B2B service relationship** (including an infographic with the key statistics).
- **Advice for SBOs and DMSPs** (A fact sheet has been designed for each party for Stages 2- 4 and is available in Appendix 1-4, also available for download from the ASBFEO website).

The Results section of this report concludes with a list of the overall key findings from this research study.

Stage 1. Pre-Relationship: Attitudes About and Experience with Digital Marketing

This stage represents what happens before SBOs and DMSPs initially meet and focuses on the SBOs' digital marketing literacy, attitudes to digital marketing, and previous experience appointing the services of a DMSP.

Key Findings Identified

1.1 SBO's Have Mixed Feelings About Digital Marketing

SBOs have a range of feelings about digital marketing. Some interviewees felt that digital marketing is confusing, dynamic, advantageous for their business but also something they do not trust.

Business owners felt that digital marketing was confusing, complicated and something they did not really understand. SBOs perceived digital marketing as constantly changing, but a necessary, even scary, evil essentially since they understood their business had to use it to survive and be successful. Some SBO interview participants did not trust digital marketing. They felt the process was complicated and changed a lot, so they didn't trust how it worked and felt they had to share inauthentic content on social media and in their other digital marketing activities.

Some of the SBOs interviewed shared their feelings about digital marketing:

"As a business owner, I find it confusing, complex, overwhelming, and really something I don't want to do." (Administrative and Supportive Services)

Mistrust of digital marketing was evident:

"I don't trust it. I understand it, more and more, but I don't trust the process and how it changes." (Retail Trade)

Confusion relating to the constant changes in digital marketing technologies was another key theme:

"I still try to wrap my head around all of it, how constantly everything changes, and I guess I don't really know how else to explain it like that. It's a lot to wrap your head around and try to keep up to date." (Hospitality)

Feeling that digital marketing was a necessity for business success was also clear from the interviews with SBOs.

"Well, if you want to run a successful business and get lots of new inquiries, I think you're crazy not to." (Other Services)

However, a segment of SBOs expressed how much they enjoyed using digital marketing in their business, particularly the constant changes and positive results it could bring.

“I love it. It’s a constant changing environment, and the challenge of keeping up to speed with it and the way it can connect businesses with their audiences or community is what I really find fascinating.” (Administrative and Supportive Services)

1.2 Most SBOs Have Used Digital Marketing in their Business for Six Years or Less

The majority of SBOs in the survey sample (57.8%, 238) began using digital marketing within the business in the past six years, after 2016 (see **Table 4**), with the next largest groups (18%, 74) starting between 2011 – 2015 and between 2006–2010 (13.1%, 54).

Table 4. Year SBOs Started Using Digital Marketing in their Business

Year SBOs started using Digital Marketing		
	Frequency	Percent
1990-1995	10	2.4
1996-2000	22	5.3
2001-2005	14	3.4
2006-2010	54	13.1
2011-2015	74	18.0
2016+	238	57.8

These results demonstrate that using digital marketing in their business was a relatively recent practice for the majority of SBOs surveyed in this study and may be due to the COVID pandemic in 2020 – 2021. A study conducted by Australian Association of National Advertisers (AANA) and IPSOS found a growth in online advertising as a result of COVID-19 (Page, 2020).

1.3 Most SBOs Rank their Level of Digital Literacy as Average

The majority of SBOs rated their level of digital literacy as average-to-high with an average of 5.41 out of a possible 7. Most reported having some knowledge, but not enough, to undertake a significant proportion of their business’ digital marketing activities in-house. Further, given the average-to-high literacy skills of the SBOs this suggests that it is not necessarily knowledge or skill deficiencies which is the primary motivator for using DMSPs (this is explored further in Section 2.1).

Table 5. Self-Reported Digital Literacy by SBOs

Digital Literacy as reported by SBOs

	N	Minimum	Maximum	Mean	Std. Deviation
Digital Literacy Competence	412	2.25	7.00	5.4138	0.92717

1.4 SBOs Perceive Digital Marketing as Important, Useful and Essential to their Business

On a scale of 1 – 5 (1 not important and 5 very important) the majority of SBOs surveyed ranked digital marketing a 4.10, as highly important, useful and essential to their business

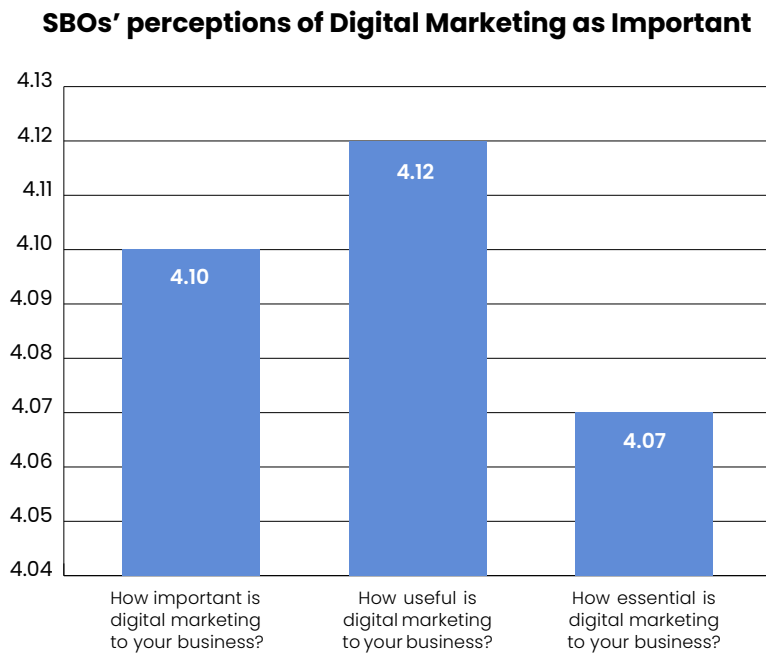


Figure 3. The Importance of Digital Marketing as Ranked by SBOs.

This result also confirms a key finding from the interviews.

1.5 More than 68% of SBOs Have Used Two or More DMSPs

The majority of SBOs have used two digital marketing service providers (44.2%, 182), 134 SBOs (32.5%) have only used one and 86 (20.9%) have used three or more. This suggests a considerable amount of churn and switching of providers by SBOs.

How many digital marketing service providers has your business used?

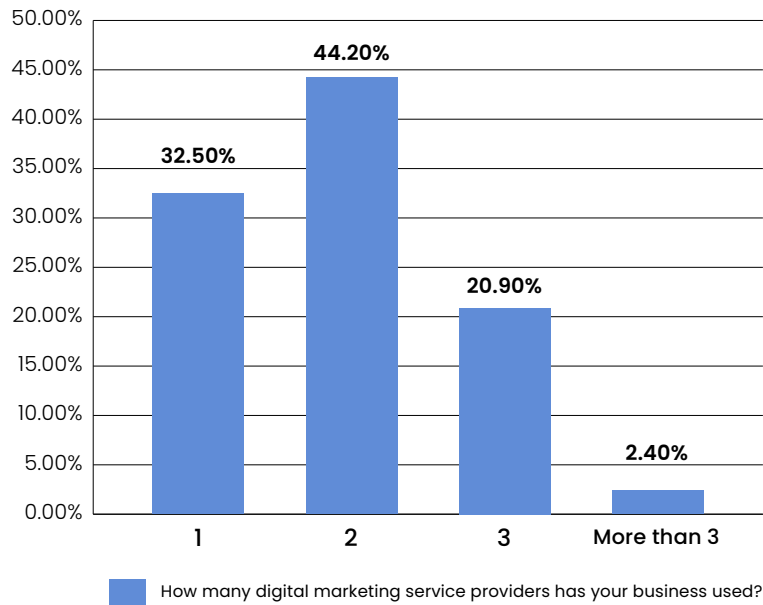


Figure 4. Number of Digital Marketing Service Providers Used by SBOs.

1.6 73.5% of SBOs Do Not Last Longer than 12 Months with the Same DMSP

Nearly three out of four SBOs (73.5%, 303) stayed with a DMSP less than 12 months. The majority (38.6%, 159) stayed with their DMSP from six months to one year in duration, 29.1% (120) lasted up to six months and just over one quarter of SBOs (26.5%, 109) made it past the 12-month period with their DMSP. Taken together with the results from Section 1.5, this demonstrates relationships are often short and switching providers is common by SBOs, which is potentially a loss for both DMSPs and SBOs in creating long-term business relationships.

Table 6. Longest Time SBOs Spent with a DMSP

What is the longest time you have spent with a digital marketing service provider?		
	Frequency	Percent
Less than 3 months	24	5.8
Up to 6 months	120	29.1
6 months to a year	159	38.6
Over a year (please specify how long)	109	26.5

The results in this section suggest that while SBOs understand the importance of using digital marketing in their business, they have mixed feelings about having to use it. This may be due to their self-reported limited digital literacy and experience with most only beginning to use digital marketing in their business relatively recently. The norm between SBOs of using multiple DMSPs during this time and the majority not lasting more than 12 months with each provider is a result worth exploring in the following relationships stages.

Stage 2. Beginning the Relationship

This stage signifies the motivation on behalf of the SBO for seeking the services of a DMSP, their method in searching for what they perceived as a suitable provider, the onboarding process, and important information that both parties need to know at the beginning of the B2B service relationship.

Key Findings Identified

2.1 Most SBOs Appoint a DMSP to Help Grow their Business

SBOs identified a variety of reasons behind appointing a DMSP. The most common reason highlighted in the interview data was the SBOs' desire to grow their business using digital marketing to raise awareness, attract new leads from prospective customers or clients and increase sales. SBOs indicated that they did not have the appropriate knowledge or time to handle their business' digital marketing themselves. The need to grow the business was a key concern. One SBO explained:

"(I needed a DMSP)...to help me attain what I wanted to attain to help the business to grow, and plan what type of tools I need..." (Retail Trade)

Other reasons identified by SBOs for hiring a DMSP were evenly divided between requiring digital marketing expertise that they did not themselves possess or being too busy working in the business to undertake the digital marketing function in-house. Businesses felt that they did not have the knowledge and expertise to handle their digital marketing from content creation to copy writing to website analytics and design. One SBO described the challenges with trying to keep up with specific digital marketing tasks:

"Purely from an expertise point of view. For example, SEO, I'm not up to date, can't keep up with SEO. So, I've outsourced those kinds of services just to be able to cover all the points that you need to cover." (Other Services)

Similarly, some SBOs felt they were far too busy to keep up with their digital marketing in-house, and that was the reason they were using and continuing with a provider, as one SBO commented:

"To solve a problem which is handling an aspect of the business that I don't have the time or the knowledge and I don't want to invest my time and money and energy into learning it." (Accommodation and Food Services)

2.2 The Majority of SBOs Find DMSPs Via Business Networks

The SBOs interviewed for this study largely sourced their DMSPs through networks such as a business mentor, friend, competitor, industry groups and word-of-mouth. One SBOs explained their process:

"...the person I used for the website I've known since 2015. I met him through a networking group and have been in contact with him from that period, all the way through, we just clicked on the same level. The marketing person I met through a Chamber of Commerce." (Finance Industry)

While less prevalent, some SBOs appoint DMSPs after they receive an unsolicited pitch directly from the services provider. This happened via email for one of the SBOs interviewed:

“I didn’t find them, they found me. They reached out with an email. There was some interesting content, so I answered their email. They found my website and my phone number, and they rang me every week, to let me know what was happening. They were quite persistent in how they wanted to pursue this business relationship.”

(Professional, Scientific and Technical Services)

2.3 Few DMSPs use research at the beginning of the B2B Services Relationship with their Small Business Clients to Inform their Practices. However, DMSPs believe they do conduct ample client research.

The SBOs interviewed in this study reported that it was common for a DMSP not to conduct in-depth research about their business as part of the on-boarding process, which resulted in the DMSP supplying generic or irrelevant content and services. A SBO shared their experience:

“They made a lot of assumptions and they didn’t ask me too many questions. They didn’t really take into account what I done previously or the look and the feel it was very formulaic.” **(Retail Trade)**

Some SBOs reported that their DMSP did not conduct research, but placed the responsibility for providing information back on them. One SBO explained that there was inconsistency among DMSPs in relation to the research they conducted as part of the onboarding process:

“Current one (DMSP) was excellent, absolutely excellent. Previous one I suppose, it was more I was doing a lot of the work rather than sitting and talking me through things. The impression I had was when I didn’t deliver the stuff needed as well as they wanted there was this exasperation of ‘I’m not getting it’ rather than really working through stuff.” **(Hospitality)**

Interestingly, some SBOs reported that while their DMSP conducted research into their business at the beginning of the B2B services relationship, they never passed the information collected onto the agency staff who could apply it.

“The initial scoping was very in depth. But once it was handed over to the staff who were responsible for the different social media platforms, I think it got lost.”

(Administrative and Supportive Services)

However, interview data found DMSPs believe they conduct thorough client research as part of the onboarding process. This disparity between parties requires further investigation.

Advice for SBOs

SBOs and DMSPs interviewed for this study shared some helpful advice to practically apply throughout the Discovery phase before SBOs select a DMSP.

Tip 1. Research the DMSPs' Previous Work and Clients

SBOs should check the DMSPs' prior work to check that it aligns with their business' needs.

It is also strongly advised that SBOs speak to current and former clients of the DMSP to ensure they are reputable and experienced. One SBO recommended:

"The first thing is that they (DMSP) have the experience they say they have. The second thing to check is the qualifications that number of years and experience they've had, and finally, they can show you previous examples of their work, so that you both know that you're on the same page." (Other Services)

DMSP interviewed for this study also recommended that SBOs do their due diligence and research providers before signing any contracts.

"...ask for some referrals. If you're looking for, particularly a social media agency, to demonstrate that they're good at what they do, their social should be awesome and so should their website. They should also be able to give you some case studies of clients that are similar to yours. Don't sign up with somebody that's never worked in your industry before because they'll have to learn on your time to deliver that service." (Professional, Scientific and Technical Services)

Tip 2. Understand what the DMSP is offering

Businesses should understand what services and products the provider offers to ensure that they match up with the SBOs' wants and needs for their business.

"Figure out what you need rather than what is available. Some of the product might be simpler than others. People (DMSPs) can encourage you to buy big plans you don't need, and bring in overseas people to run part of your business. But it's not always effective." (Retail Trade)

DMSPs also advise SBO to have a clear idea of what you want digital marketing to achieve in your business before appointing a DMSP.

"Look at what you want to achieve in your own business and then make sure that the services that they're (DMSP) offering are going to match what you need. Because obviously different agencies have different models and it's always good to get the information." (Other Services)

Tip 3. Check the DMSP Prices before Committing to the B2B Services Relationship

Businesses should check the costs and prices of the DMSPs' offering to ensure they can afford it and will cover the requirements of their business. Ensure all costs are itemised in the proposal and contract (e.g., ad spend and/or subscriptions) to avoid any unwelcome surprises.

"Really think about your budget and not only what you are paying for the ads but what the marketing agency will charge you on top of that."

Tip 4. Understand the DMSP's Communication Style and Set Realistic Expectations

SBOs should understand how the DMSP communicates and what kind of communication the business can expect. Communication between both parties is key to the success of the relationship. One SBOs recommends asking the following:

"How do they communicate? what's their communication style and really understanding the quickest and most efficient way to get that communication flowing and the output achieved as quickly as possible." (Other Services)

Setting expectations relating to communication and other details of the B2B services relations was also highlighted as essential by DMSPs.

"It is important to understand what time frame, to understand the budgets, to understand what realistic expectations are to understand the communication process. Most of the time I see things break down, it's always, due to communication and expectation." (DMSP, Qld)

SBOs should set clear expectations and agreements with providers, but also present clear goals. The DMSP should be clear about what will be required to achieve those goals. Both sides need to be clear about what they want to achieve, how likely that is and what work needs to be undertaken to get there, as one DMSP commented:

"Knowing what the expectations are, it really comes down to communicating what the end goal is and making sure they are on the same page. Because it can, get blurred, the messaging if you haven't got a clear, defined brief to start with." (DMSP, NSW)

Tip 5. Ensure there is Trust, Transparency and Commitment to the B2B Services Relationship with a DMSP from the beginning

SBOs should ensure there will be trust, transparency and commitment between them and the DMSP from the commencement of the relationship. The relationship and service will only work if both sides have trust and are open and honest: about expectations, results, fees, kickbacks, budget and so on. One SBO shared their advice:

“There needs to be the ability to work together – that’s quite broad. Trust, and the ability to understand things that I have conceived in terms of ideas and strategy and be able to implement them. Communication, and trust comes under the same idea.” (Engineering Firm)

Another SBO offered the following recommendation:

“Do your research and feel comfortable with the person. Do your due diligence. There’s no governing body there’s no legislative body, a lot of them (DMSPS) do talk the talk. Ask people for referrals, read reviews. Even the reviews I wouldn’t trust, most of the reviews out there. Make sure that you trust them and that you can work together. If you don’t trust them it’s going to be a horrible relationship from both sides.” (Other Services)

SBOs are also advised to check if the DMSP is going to be committed and invested in the business and the business’ success. The B2B services relationship should be more of a partnership rather than a transactional agreement, as explained by one of the SBOs interviewed:

“Make sure that they’re (DMSP) actually interested in your business and your people, and not just there to make money. You don’t want to be just another client to them, because they’re not going to look at you and really dive deep and help.” (Hospitality)

Stage 2. demonstrated that SBOs largely seek the services of a DMSP to grow their business and find their provider through their existing business networks. SBOs were advised to research DMSP extensively to ensure they are reputable and align with their business needs and budget. Additionally, SBOs were recommended to have all relationship components (communication, expectations, trust, transparency, commitment and costs) clearly stated and agreed upon before beginning the B2B services relationships with a DMSP.

Stage 3. will explore various types, practices, processes, and communication approaches once the DMSP has been appointed and any issues that may arise.

Stage 3. Mid-Relationship

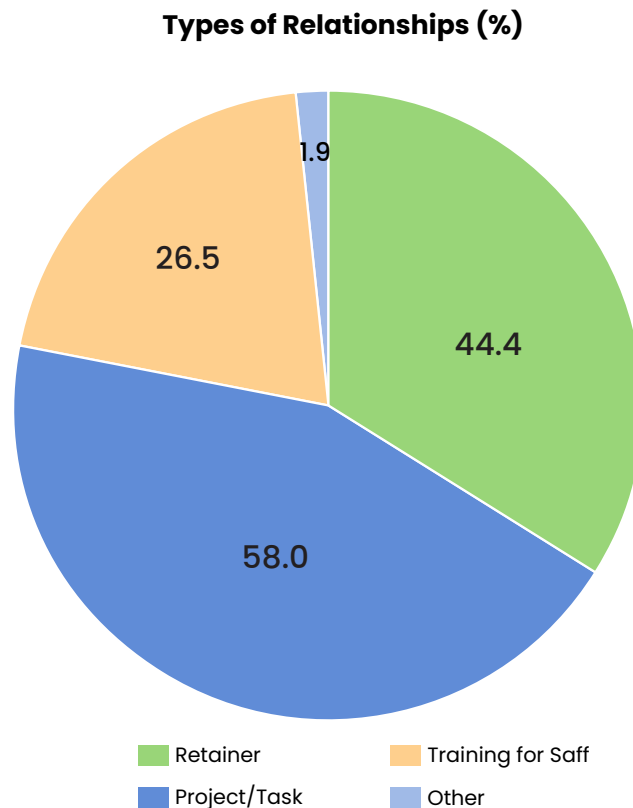
The mid-relationship phase includes aspects of relationship management such as: communication, collaboration, transparency, service quality, results and perceived value.

Key Findings Identified

3.1 Most SBOs are in a project-based B2B service relationship with a DMSP

As demonstrated in **Figure 5**, the majority of SBOs surveyed (n= 156) answered that they were in a project-based relationship with a DMSP such as a one-off website build. This is potentially an explanatory factor as to why such a high proportion of service relationships were short term (below 73% being less than one year, as reported in **Section 1.6**).

The next largest relationship category was retainer based (n=183) where SBOs paid for a monthly service package (or something similar). Additionally, 109 SBOs identified their relationship category with DMSPs as training-based, where their service provider trained the SBO's staff how to perform digital marketing tasks in-house.



*Note that participants can have more than one response hence being greater than 100%.

Figure 5. B2B service relationship types between SBOs and DMSPs

3.2 SBOs have polarized perceptions about their current/former DMSP ranging from helpful to frustrating

The same number of SBOs interviewed find their current or former DMSP as helpful as they do frustrating, with some experiencing a mix of emotions. SBO's felt their DMSP was professional, knowledgeable and provided good results and good value that helped their business.

One SBO explained:

"It is like a relief, it's like it's not something I can forget about but when I trust someone, I don't have to think too hard about it and can focus on other areas of the business."
(Professional, Scientific and Technical Services)

Yet, other SBOs felt that their DMSP was frustrating as the results were not what they expected. A SBO shared their disappointment:

"I guess I had lots of hope, I saw it as an investment that would make me a return and unfortunately maybe the last one was that I might have had too high expectations." **(Other Services)**

This split was also apparent in the survey data, as **Figure 6** demonstrates.

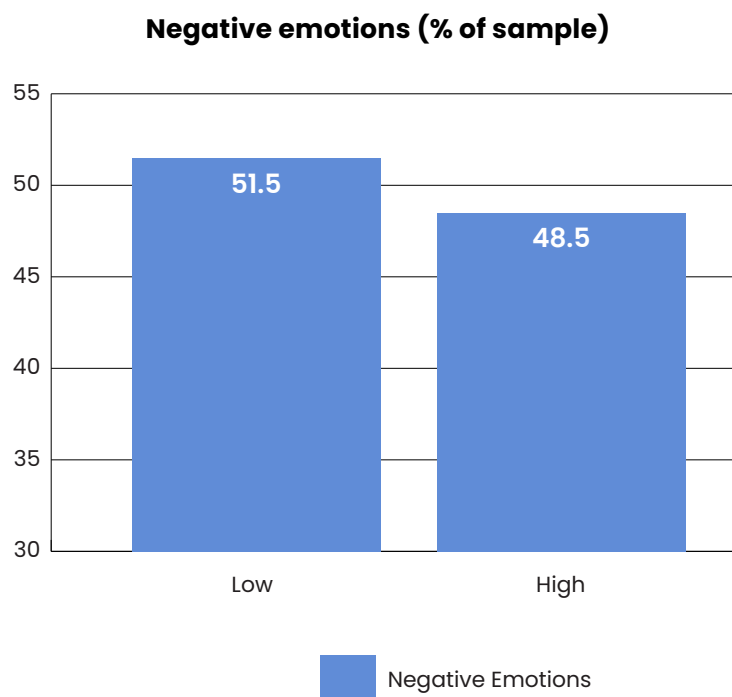


Figure 6. Range of negative responses from SBOs regarding their emotions about their current/former DMSO

Figure 6 demonstrates that 51.5% of the sample had low negative emotions towards service provider (range 1-3.4 out of 5) and the remaining 48.5% had high levels of negative emotions (range 3.4< out of 5). Overall, this demonstrates a nearly clear split in relation to how SBO's feel about their digital marketing service providers.

Some SBOs had mixed feelings about their provider. The provider was interesting and knowledgeable, but the results were inconsistent.

"It has been up and down, because we've had some good experiences and some not so good experiences. A bit of a roller coaster. But on the flip side some of it has been fantastic so a real mixture, I guess." **(Engineering Firm)**

3.3 SBOs' confidence in their DMSP develops over time if the provider communicates openly and provides service quality

SBOs were fairly confident with their DMSP and the provider's ability to provide quality and effective service. Many businesses were open to giving complete control of their digital platforms to the agency.

"I know that it works and with the monthly reports, it gives me peace of mind that the investment is worth it. When you get your end of month report on the traffic and this and that and everything else and comparing it with previous months."
(Other Services)

However, some SBOs were not confident enough in their DMSP to give them total control over their digital platforms. This was based on the business' lack of trust regarding the industry overall and the provider specifically. SBOs felt there may be loopholes and ways the provider might mislead them because they had a limited knowledge of digital marketing. One SBO explained:

"I'm probably not that confident just to let someone, to let a whole company do that, because I know of my knowledge and the industry I do see the loopholes that they tend to fall into." **(Finance Industry)**

For some SBOs, their lack of confidence in their DMSP reduced over time as both parties worked together to build the relationship. Trust and communication were key to their confidence.

"If I was to remove my current provider and just go in cold – no confidence it would be very very minimal. With my current provider I'm confident, simply because we have a great ability to work together, to solve problems, to work towards a common goal. They're honest as well so I think it comes down to relationship."
(Accommodation and Food Services)

3.4 The majority of SBOs like to be involved in the digital marketing process with their DMSP, others prefer to let the DMSP act on behalf of their business.

There is a distinct scale of involvement between SBOs and DMSPs in the B2B service relationship (see **Figure 7**) from low involvement to high involvement in the digital marketing process. For a positive B2B service relationship between SBOs and DMSPs, the interview data from both samples suggests that both parties need to be aligned at a similar position on this scale.

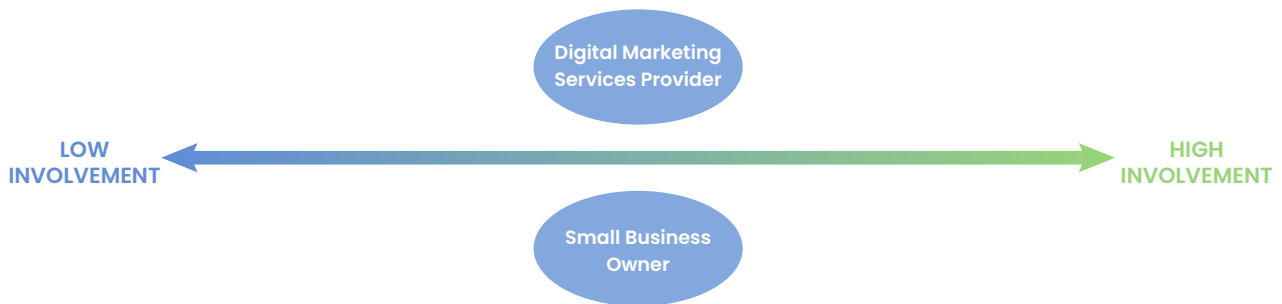


Figure 7. Involvement Scale in the B2B services relationship between SBOs and DMSPs.

For example (see **Figure 8** below), a SBO who wants to be highly involved in the digital marketing processes in collaboration with their DMSP will not be a good fit with a supplier who expects a low involvement in the process from their clients.



Figure 8. Involvement Scale in the B2B services relationship high SBO involvement vs low DMSP involvement.

Alternatively, conflict may occur if a DMSP expects greater input from the SBO than what they are willing to provide (see **Figure 9**.) This research suggests a mismatch between parties will lead to dissatisfaction in the B2B services relationship. However, further research is required to better understand the different layers of co-creation and involvement expectations from both parties.



Figure 9. Involvement Scale in the B2B services relationship low SBO involvement vs high DMSP involvement.

The majority of SBOs interviewed enjoyed and highly valued collaboratively working with their DMSP. This involved having regular meetings, writing ideas and working together to develop strategy and content to ensure positive outcomes for both parties was achieved. One SBO commented:

“It has been great, and I look forward to it. It’s enjoyable to have someone understand what you’re thinking and then be able to convert that idea or dream into something that can work. It’s really fun.” (Professional, Scientific and Technical Services)

However, when a mismatch between involvement levels occurred, dissatisfaction with the relationship was evident. Some SBOs were currently (or previously) working with providers who did not engage in meaningful collaboration, who expected blanket approval or were reluctant to provide explanations or brainstorming sessions. As an SBO explained:

“The one I have previously used You would try to contact them and take forever to get back to you or they would just ignore your emails completely.” (Hospitality)

At the other end of the scale, some SBOs felt they were being asked to collaborate too much, and being asked to check, review and approve every piece of content was too time consuming.

“Every single post that they had upcoming they wanted us to review and check and comment on whether even if it was just a generic you know it’s St Pats day type of thing.” (Administrative and Supportive Services)

When interviewing DMSPs about this issue, most professed to attempting to include their clients as much as possible in the digital marketing process, as one DMSP explained:

“We try to collaborate with the client as much as possible after all, they are the subject matter experts of their business.” (DMSP, Qld)

3.5 SBOs are generally happy with the access, communication and technical support provided by the DMSPs

When asked to rate their satisfaction with the quality of dialogue, they experienced with their DMSP, the greatest percentage of SBOs in the survey reported moderate-high levels of satisfaction (3.9 out of 5). Similarly, the greatest percentage of SBOs rated their level of access to their DMSP as moderate-high (4 out of 5). The SBO interview data supported the survey results with the majority describing the level of technical support provided by DMSP as fast, effective and helped to fix their issues.

One SBO commented:

“(The technical support is) very good. There might be small issues, some spot fires that might pop up something with emails or Mailchimp or Zapier or something small they’re on the job and will fix it straight away.” (Administrative and Supportive Services)

However, there were some SBOs who described their DMSPs as not offering satisfactory technical support or communication about the technical issues they experienced.

“I needed quite a bit of technical support with our website, and it was always ‘we’ll get back to you’. Or they just went ahead and did it and never actually showed us so, then the next time it came up again you’re like well I still don’t know how to do it because you’ve gone ahead and just done it yourself, so they weren’t very good with that technical support in that first company.” (Retail Trade)

3.6 Half of SBOs found recommendations made by DMSPs to be accurate, the other 50% said DMSPs aggressively tried to push services that were too expensive or irrelevant to the needs of their business

Around 50% of SBOs thought that the recommendations put forward by their DMSP were effective, relevant and added value. However, other SBOs thought the provider was pushing and hard selling a lot of extra features and additional services. An SBO explained:

“They always try to get you on board for like SEO and paid ads and can get quite aggressive about it, but I guess for us we’re looking for the experts in each particular area.” (Professional, Scientific and Technical Services)

Similarly, businesses felt the recommendations put forward by DMSPs were irrelevant because they were too expensive or did not address the business’ needs.

“The ones (DMSPs), before that some of the services that they recommended were not relevant to our business or not relevant to what we were wanting to do so, it was just kind of a waste of time and a waste of energy.” (Hospitality)

3.7 Just over half of SBOs reported their DMSP were transparent in providing the results of their digital marketing efforts

On average, the SBOs surveyed rated their DMSP's transparency with the results from the digital marketing services 3.8 out of 5. This was a similar case with the interview data. SBOs felt their DMSP was highly transparent. Data and reports were provided. The DMSP would ensure reports were understandable and organised regular meetings and communication to explain and unpack them. As one SBO shared:

"Yeah they were very good they actually screenshot reports and we talked about them in our fortnightly meeting so they were very transparent."
(Administrative and Supportive Services)

Alternatively, some SBOs felt that, due to their lack of knowledge, they did not have any choice but to trust the communication and results provided by the DMSP. They did not have the knowledge to critically examine them. One SBO commented:

"I think it's pretty transparent there's no real way for me to know how these reports are provided. I guess it's all through the website and it's pulled out with Google Analytics or whatever. I'm assuming there's no dodgy numbers put in there to make it look better than what it is, but I guess you just have trust don't you." **(Retail Trade)**

Yet, there were some SBOs that felt the DMSP was not transparent. They did not communicate regularly, or just 'report-dumped' the provider by giving them lots of data that was hard to read or understand.

"Reporting's an interesting one because it can get forgotten about and it can be just a heap of graphs and it's like 'what do those graphs mean and can you translate that into real tangible action items' and that rarely happens." **(Hospitality)**

3.8 The majority of SBOs did not observe any improvement in their business position after appointing a DMSP

The majority of SBOs interviewed felt that they had not experienced any improvement in their business position after appointing a DMSP. Important metrics such as website traffic and orders had not increased since beginning the B2B services relationship. The slight improvement in traffic or engagement identified by some SBOs was not enough to meet their expectations or be classed as meaningful. An SBO described their experience:

"There was none (improvement). There was definitely more people we connected with on LinkedIn, but it was just a connection. It was like friends on Facebook, so they saw my post, but there was no relationship building with those people Past that initial connection we didn't end up with any new clients from it. I don't feel like we ended up with anybody who was now potentially looking at us, at some point in time, should they need a bookkeeper from what we did." **(Administrative and Supportive Services)**

Few SBOs had experienced improvement in their business as a result of appointing a DMSP. One SBO satisfied with their results commented:

"We have seen results there certainly. And based on their advice targeting different areas particularly through the social media side of things, helping us gain trust with our customers and end users. In terms of growth, it's been steady and I'm happy with it." **(Other Services)**

3.9 The majority of SBOs believe the responsibility for results rests with both parties in their B2B services relationship with DMSPs, but still expect ROI.

SBOs felt that results were the responsibility of both business client and DMSPs. SBOs felt the business should help brainstorm, give ideas and direction and engage with the DMSP and the provider should advise, listen and execute well. They also felt it depended on the exact agreement between the business and provider and who was supposed to do what. An SBO shared their view:

"I think it's both the business and the digital marketing service. I think that it's them to give you a service to provide you a service that you to make sure that you're checking in on it, making sure that you're giving them the information that they also need to be able to complete that service." **(Accommodation and Food Services)**

Many DMSPs also shared this view, yet some believed they had greater responsibility in the B2B services relationships when it came to achieving results for their clients.

While most SBOs believe the responsibility for results is shared, many SBOs felt their business should receive a return on their investment and the price they pay should get them results. If the DMSP was taking money, then they should deliver quality service.

"I think if I'm paying for a digital marketing service that it's their responsibility to make that work, you know, in the service that I asked for was to increase my reach, increase my garden and attract people to that." **(Other Services)**

3.9.1 Half of SBOs viewed digital marketing services as too expensive compared with the results achieved

Half of the SBOs interviewed felt their DMSP was expensive and did not represent value. Many SBOs felt their expectations were not being met, and the cost was not worth the limited results they were achieving, as one SBO commented:

"The cost was pretty high. For what people would pay for marketing I was paying well over \$1,000 a month for what they were producing. I didn't have an issue with paying. I just felt that there were not enough (results). They did the initial work, but never did anything about the posts or never commented on the posts or followed up on them." **(Administrative and Supportive Services)**

The other half of SBOs interviewed perceived value for money in the services being provided by their DMSP. SBOs felt that overall, what they were paying was worth the results they were getting from the provider and felt that the price represented value. They were satisfied, as an SBO shared:

“What we do is fairly low cost and it’s really hard to measure against results I think it’s sometimes; to say directly that this led to this result, but I think (the value is) pretty good.” **(Professional, Scientific and Technical Services)**

Advice for SBOs

Tip 1. Ensure you and the DMSP are the correct fit in terms of involvement level and what that will involve.

This needs to be discussed at the beginning of the B2B services relationship but revisited throughout the relationship in case things change.

Tip 2. Be very specific about your expectations in terms of the results you are aiming to achieve with the budget that you have.

Do not be pressured into buying extra services if they are not within your price range or irrelevant to your business goals.

Tip 3. Ask for regular reports that clearly communicate results and meetings with your DMSP to explain them.

If your DMSP is not forthcoming with results and does not take the time to communicate them clearly with you so you understand the data, they may not be the right fit for your business.

Tip 4. Ask your DMSP to provide training to you or your staff as part of the handover process at the end of a contract

Asking your DMSP to provide training will help to build trust with your DMSP and skill up your staff so they can better support your business’ digital marketing needs in-house.

Stage 4. Exiting the Relationship

The final stage of the B2B service relationship between SBOs and DMSP includes motivations for ending the relationship, the offboarding process and actions from SBOs after the relationship is terminated.

Key Findings Identified

4.1 DMSPs believe the generation of too much business for their clients is the main reason SBOs terminate the B2B service relationship.

The DMSPs interviewed for this study identified a range of reasons that SBOs decide to exit their B2B service relationship. The most common reason identified by the DMSPs was that their digital marketing services generated so much business for their clients that the SBO could not manage the rapid growth in their business. Other reasons identified for the termination of the relationship included:

- A sudden change in circumstances,
- The SBO being unhappy with discrepancies in reporting by the DMSP,
- The cost of digital marketing services becoming prohibitive, and
- A lack of results being achieved within a short time period.

4.2 Negative emotions (anger and frustration) are the strongest negative predictor that SBOs will terminate the B2B services relationship with DMSPs

The results below in **Table 7** demonstrate the importance of emotions in the SBO and DMSP relationship. Of the top three predictors, two predictors, positive emotion (strong positive predictor) and negative emotions (moderate negative predictor).

Table 7 Predictors of relationship commitment between SBOs and DMSPs.

Predictor of Relationship Commitment	Strength	Positive/Negative Impact
1. Positive Emotion (Happy, delighted)	Strong	Positive
2. Risk Transparency	Moderate	Positive
3. Negative Emotions (Anger, frustration)	Moderate	Negative
4. Access	Weak	Positive
5. Dialogue	Weak	Positive

Thus, whilst other aspects of the relationship are important, understanding and reinforcing positive as opposed to negative emotional experiences within the service are incredibly important for maintaining the SBO and DMSP relationship.

4.3 Most SBOs found terminating the B2B service relationship with DMSPs to be a simple process, some found it to be uncomfortable

The majority of SBOs interviewed reported that exiting the B2B service relationship with a DMSP to be a simple process. In most cases, the contract or agreement outlined how that would work, and that was followed, or a project was simply not renewed. One SBO shared their experience:

“It’s usually been quite easy. I haven’t really had any significant issues, it’s either come to the end of the campaign, because I usually work on a project basis. Or with the SEO I just yeah, stopped working with them. Just didn’t continue working with them I just stopped and said it wasn’t really working, yeah. And that was all sort of fine, nothing exciting.” (Other Services)

However, the experience terminating their working relationship with a DMSP did not run as smoothly for some SBOs, who found the process to be uncomfortable as explained below:

“There was a year-long service they had. It was essentially the set-up process and once that year was finished it ended, unless I wanted to sign up for another year in which they doubled their price. It was very much about the money. It was like when this ended it was done. They did say ‘we are here for you if you need anything,’ but I haven’t felt confident to talk to them about things since then. In their defence it was rushed a little bit because of the way I went. I just need a little space and let’s follow up on these other services, but there was no real negotiation.” (Other Services)

4.4 When exiting the B2B services relationship SBOs are considering bringing their digital marketing processes in-house and making complaints (even taking legal action) if they have had a negative experience

The SBOs surveyed indicated they are considering bringing their digital marketing practices in-house once exiting the B2B service relationship with DMSPs. On a scale of 1 (least likely) and 5 (most likely) (See **Figure 10**), the majority of SBOs selected 3.7 indicating that they were considering moving their digital marketing within their business rather than outsourcing. Similar results were recorded when asking SBOs if they considered complaining by word-of-mouth to others about any negative experiences with the DMSP (3.9), complaining directly to the DMSP (3.9) and/or lodging an official complaint with a relevant government body or other legal entity (3.6).

Number of SBOs considering bringing their digital marketing practices in-house and /or making complaints about DMSPs

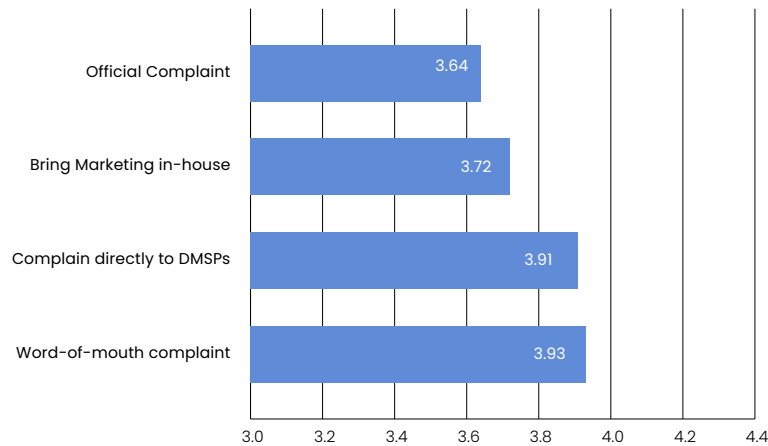


Figure 10. SBOs considering bringing their digital marketing practices in-house and/or making complaints about negative experiences.

Advice for SBOs

The SBOs and DMSPs interviewed for this study shared some helpful advice to practically apply when exiting a B2B service relationship with a DMSP.

Tip 1. Ensure the exit process is simple and clearly stated in the contract at the beginning of the relationship

The SBOs in this study who experienced a smooth process when exiting their B2B service relationship with a DMSP explained how the steps in the procedure were clearly detailed in the contract at the beginning of Stage 2, the Discovery Stage.

Tip 2. Ensure there is a handover off-boarding meeting that includes returning all access and assets back to your business before the termination of the B2B services relationship

Ensure that all assets as stipulated in the contract (e.g. websites, web hosting, social media pages and profiles, brand templates and guides etc.) are returned to your business and remove DMSP access to websites and social media pages and profiles before officially exiting the B2B service relationship.

Tip 3. Know where you can seek further advice or make an official complaint

It is important for SBOs to know where they can seek helpful advice or to make an official complaint (or take legal action) when having a negative experience with a DMSP. It is recommended that SBOs first communicate their dissatisfaction with the DMSP to provide an opportunity for the issue to be resolved. However, if a resolution does not occur between both parties, SBOs are encouraged to take further steps to resolve the situation. Please read Appendix 3. Fact Sheet. Stage 4. *Tips for Exiting a Business-to-Business Digital Marketing Services Relationship- Small Business Owners and Support Available* on **page 43** of this report for further information.

Overall Findings

Time with digital service provider is relatively short, but those that last are of quality.

- The greatest percentage of the sample (38.6%) have been with their digital marketing service provider for 6 months to a year, followed by up to 6 months (29.1%) and being with a provider for over one year (26.5%).

A mismatch in involvement level can lead to dissatisfaction for both parties.

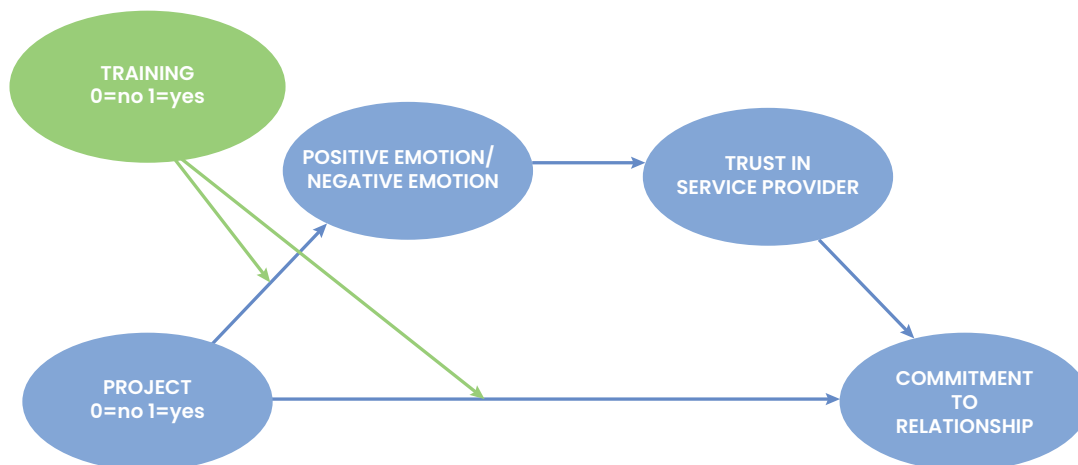
- For a positive B2B service relationship between SBOs and DMSPs, the interview data from both samples suggests that both parties need their expectations of the others' involvement to be at the same level.

1/3 of Businesses have entered some form of dispute process

- 32.8% have entered a formal dispute process due to a negative experience with their digital marketing service provider.

Training/Digital Literacy of Business Important for Relationship Success

- When digital marketing service providers train the staff of their clients this significantly decreases feelings of frustration and anger with the service, and increases trust with the digital marketing service provider.
- As a business' digital literacy increases, their trust with their provider, as well as their level of positive emotion (delight and happiness) with the service provided also increases.



- With training positive emotions increase
- With training the "chain of relationships is significant", leading to greater likelihood of commitment

- Without training negative emotions increase
- Without training the chain of relationship is significant, but negative.
- For more information see Appendix 5 Modelling Results for the Impact of Relationship Type and Training on Commitment to the DMSP Relationship.

Figure 11. Model Demonstrating the Importance of Training/Digital Literacy to a Positive B2B Service Relationship between SBOs and DMSPs

SBOs are likely to take legal action if they have a negative experience with a DMSP

- 3.79/5 average for agreeing to take legal actions if negative experiences occur in relationship.

SBOs are more likely to stay with a DMSP and recommend them to others if:

- The DMSP communicates risk and is transparent with results and information (e.g., timeframes, treating the client like a collaborative partner and providing detailed information about the service)
- The SBO feels positive emotions (delight, happiness) regarding working with the DMSP.

SBOs are more likely to terminate their relationship with a DMSP and tells others about their negative experiences if:

- They feel negative emotions (anger and frustration) about working with a DMSP.

Conclusion and Next Steps

This research report explored some of the challenges that exist in the B2B service relationship between SBOs and DMSPs. Results were presented in the four different stages present within the relationship: Pre-Relationship, Beginning the Relationship, Mid-Relationship and Exiting the Relationship.

The key findings from this study indicate that challenges arise in the B2B relationship when parties are “not a good fit” (in terms of budget, nature of appointment, and level of input expected), do not understand the needs of the small business, and the services provided, and/or when expectations surrounding return-on-investment (ROI) are not managed transparently.

This study also proposed that SBOs develop greater trust in DMSPs who provide training as part of project-based work and approximately one third of survey participants reporting being part of an official dispute process as a result of their dealings paying for digital marketing services. Further research is recommended to further explore the following findings from this study:

- **Involvement Conflict**
Investigation of the conflict that can arise when there is a disparity between high involvement and low involvement between both parties. This research would examine the varying dimensions of collaboration and co-creation between SBO’s and DMSPs to identify what training and interventions can be created to mitigate involvement conflict, and
- **SBOs’ navigation of the dispute Process**
Further research is highly recommended to better understand what SBOs do throughout the dispute process and what leads them to take this action. This investigation would also involve gaining a deeper insight into why some SBOs do not engage in a dispute process when there is a perceived service failure with a DMSPs. Again, the aim of this research is to develop practical tools to help prevent the SBO and DMSP business-to-business relationship from reaching the dispute process.

Next, SBOs and DMSPs were provided with advice in this report to help enhance their B2B service relationship. These tips were directly developed from analysis of data collected for this research study.

The next stage of this study involves delivering an online workshop for SBOs to communicate the key findings from this study and to provide actionable recommendations to inform them before seeking the services of a DMSP. A recorded version of this workshop and the Fact Sheets from Appendix 1 – 4 will be available on the ASBFEO’s website.

Further research is recommended to better understand co-creation preferences and involvement levels between SBOs and DMSPs, what causes disputes if these preferences and levels are misaligned and ways to avoid conflicts in the B2B service relationship from occurring.

The researchers would like to thank the small business owners, the digital marketing service providers, the ASBFEO, and the University of the Sunshine Coast for their efforts and support throughout this research project.

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Appendix 1. Fact Sheet – Stage 2.

STAGE 2

Small Business Owners – Tips for Beginning the Business-to-Business Digital Marketing Services Relationship



Tip 1

Research the Digital Marketing Service Providers' Previous Work and Clients

Check the Digital Marketing Service Providers' prior work to check that it aligns with your business' needs. It is also strongly advised to speak to current and former clients of the Digital Marketing Service Provider to ensure they are reputable and experienced.

Tip 2

Understand what the Digital Marketing Service Provider is offering

You need to understand what services and products the provider offers to ensure that they match up with the wants and needs of your business.

Tip 3

Check the Digital Marketing Service Provider's Prices before making any commitments

It is important to check the costs and prices of the Digital Marketing Service Providers' offering to ensure you can afford it and the fee will cover the requirements of your business. Ensure all costs are itemised in the proposal and contract (e.g., ad spend and/or subscriptions) to avoid any unwelcome surprises.

Tip 4

Understand the Digital Marketing Service Provider's Communication Style and Set Realistic Expectations

Understand how the Digital Marketing Service Provider communicates and what kind of communication you can expect as a client. Communication between both parties is key to the success of the relationship.

Tip 5

Ensure there is Trust, Transparency and Commitment to the working relationship from the beginning

Ensure there will be trust, transparency and commitment between you and the Digital Marketing Service Provider from the commencement of the relationship. The relationship and service will only work if both sides have trust and are open and honest: about expectations, results, fees, kickbacks, budget and so on.

Appendix 2. Fact Sheet – Stage 3.

STAGE 3

Small Business Owners – Tips for Managing an Existing Business-to-Business Digital Marketing Services Relationship



Tip 1

Ensure you and the Digital Marketing Service Provider are the correct fit in terms of involvement level and what that will involve.

This needs to be discussed at the beginning of the B2B services relationship but revisited throughout the relationship in case things change.

Tip 2

Be very specific about your expectations in terms of the results you are aiming to achieve with the budget that you have.

Do not be pressured into buying extra services if they are not within your price range or irrelevant to your business goals.

Tip 3

Ask for regular reports that clearly communicate results and meetings with your Digital Marketing Service Provider to explain them.

If your Digital Marketing Service Provider is not forthcoming with results and does not take the time to communicate them clearly with you so you understand the data, they may not be the right fit for your business.

Tip 4

Ask your Digital Marketing Service Provider to provide training to you or your staff as part of the handover process at the end of a contract

Asking your Digital Marketing Service Provider to provide training will help to build trust with your DMSP and skill up your staff so they can better support your business' digital marketing needs in-house.

Appendix 3. Fact Sheet – Stage 4.

STAGE 4

Small Business Owners – Tips for Exiting a Business-to-Business Digital Marketing Services Relationship



Tip 1

Ensure the exit process is simple and clearly stated in the contract at the beginning of the relationship

The Small Business Owners in this study who experienced a smooth process when exiting their service relationship with a Digital Marketing Service Provider explained how the steps in the procedure were clearly detailed in the contract at the beginning of Stage 2, the Discovery Stage.

Tip 2

Ensure there is a handover off-boarding meeting that includes returning all access and assets back to your business before the termination of the service relationship

Ensure that in the final handover off-boarding meeting that all assets, permissions and access to your website and social media channels and advertising accounts are returned to you as per the agreement made at the beginning of the contract.

Tip 3

Know where you can seek further advice or make an official complaint

It is important to know where you can seek helpful advice or to make an official complaint (or take legal action) when having a negative experience with a Digital Marketing Service Provider. It is recommended to first communicate your dissatisfaction with the service provider to allow for an opportunity to resolve the issue. However, if a resolution does not occur between both parties, you are encouraged to take further steps to resolve the situation by seeking guidance from the following ASBFEO website: <https://www.asbfeo.gov.au/disputes-assistance/dispute-support>

Appendix 4. Digital Marketing Service Providers' Fact Sheet.

Digital Marketing Service Providers'

Tips for Managing Successful B2B Service Relationships with Small Business Owners

Beginning of the Relationship



- Provide a portfolio of previous work and contact details of current and former clients who can provide references.
- Clearly articulate realistic and achievable goals with the client that support their overall business goals.
- Be transparent about the specific services you are offering, how much they will cost, the expected timeframe for results and be realistic about the results you can achieve.
- Do not use pushy sales tactics to encourage clients (prospective or current) to commit to additional services.
- Determine the expected involvement level between you and the client, how you will communicate and the expected timeframe to respond to emails and phone calls.
- Conduct thorough research of the client's business. Visit the site, if possible, interview the client, their staff and current and former customers as part of the onboarding process.
- Demonstrate commitment to and interest in the success of your client's business.

Mid-Relationship



- Communicate performance and results transparently, regularly (according to the client's expectations) and clearly. Create reports with your client's knowledge and skills in mind and organise regular meetings with them to take them through the report and answer any questions they may have.
- Respond to communication in a timely manner and fulfil the promises you made at the beginning of the relationship.
- Only recommend additional services once you have developed a deep understanding of your client's business and trust in the service relationship to ensure your proposal is relevant and useful to your client's business.

Exiting the Relationship



- Ensure the exit process is simple and clearly stated in the contract at the beginning of the relationship.
- Ensure there is a handover off-boarding meeting that includes returning all access and assets back to the client before the termination of the service relationship.
- Know where you can seek further advice or make an official complaint by visiting the following SBFEQ website: <https://www.asbfeo.gov.au/disputes-assistance/dispute-support>

Appendix 5. Modelling Results.

Modelling Results

For the Impact of Relationship Type and Training on Commitment to the DMSP Relationship

Variable	Beta	Standard Error	P Value	Significant?	*Notes / Interpretation
Retainer versus Project → Positive Emotions	-0.97	0.33	0.005	Yes	Coding of Data: 1= Retainer 2= Project As the Beta is negative this demonstrates that those in Retainer (a score of 1) relationship have significantly higher positive emotions than those in a project relationship (a score of 2).
No training versus Training → Positive Emotions	-0.16	0.17	0.35	No	Coding of Data: 1= No training 2=Training By itself training does not significantly change the positive emotions of digital marketing service clients.
Retainer versus Project & Training → Positive Emotions	0.70	0.25	0.005	Yes	When no training is present, a retainer relationship will lead to higher levels of positive emotions. When training is present, a project relationship will lead to higher levels of positive emotions.
Positive Emotions → Trust	0.28	0.03	0.000	Yes	As positive emotions increase so too does the trust in the DMSP.
Trust → Commitment to Relationship	0.13	0.03	0.000	Yes	As trust increases so does the commitment of the clients to the DMSP relationship.

Chains of Relationships	Beta	Standard Error	P Value	Significant?	*Notes / Interpretation
Retainer & Training → Positive Emotion → Trust → Commitment	-0.01	0.006		No	A retainer & training relationship will not lead to significantly higher levels of commitment.
Project & Training → Positive Emotion → Trust → Commitment	0.01	0.009		Yes	A project & training relationship will lead to significantly higher levels of commitment by building positive emotions and trust.

Support Available

Small Business Owners and Digital Marketing Service Providers can seek assistance and guidance from the following resources from The Australian Small Business and Family Enterprise Ombudsman website:

- **Dispute Support**

<https://www.asbfeo.gov.au/disputes-assistance/dispute-support>

- **Five steps to resolve your dispute**

<https://www.asbfeo.gov.au/disputes-assistance/five-steps-resolve-your-dispute>

- **Call the Information Line: 1300 650 460.**