

ORIGINAL ARTICLE

An Empirical Analysis of the Digital Presence of SMEs: From Strategic Investment to Real Business Outcomes

Nikola Petrov Tsotsev

University of National and World Economy, ul. “8-mi dekmvri”, 1700 Studentski Kompleks, Sofia, Bulgaria

e-mail: nikola.tsotsev@unwe.bg



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Abstract: This paper explores how digital presence affects the business results of Bulgarian small and medium-sized enterprises (SMEs). Based on data from a computer-assisted web interview/survey of 268 active SMEs conducted between March and May 2023, the study measures digital presence through four components - corporate email, website, social media activity and e-commerce, and tracks their relationship to annual turnover. Pearson's correlations show statistically significant relationships - having a company website has the strongest correlation with turnover, while a corporate email account contributes an additional explanation for about 20% of the variation in revenue. The results of a simple linear regression confirm that the mere fact of owning a website explains approximately a quarter of the variation in turnover, which emphasizes that online infrastructure is a strategic resource rather than a peripheral marketing tool. Despite almost universal broadband coverage, over 70% of Bulgarian SMEs remain in the “very low” category on the Digital Intensity Index, highlighting substantial untapped potential. The findings support resource-based and digital-transformation theories, showing that even basic online tools increase visibility, customer engagement, and operational efficiency, which translates into measurable financial benefits. The significance of the findings extends beyond Bulgaria, as it indicates that SMEs in emerging markets can build competitive advantage through incremental and cost-effective digital improvements. The paper recommends developing management skills, continuous data-driven optimization and targeted policy incentives to accelerate the digitalization of SMEs and strengthen national competitiveness.

Keywords: Digital Presence; SMEs; Bulgaria; Business Performance.

JEL Classification: L86; L81; O33; M15; L26.

1. Introduction

In the digital age, small and medium-sized enterprises (SMEs) face a growing need for an effective online presence to gain a competitive advantage and drive growth. Digital presence - the overall presentation of a business on the Internet - is becoming a strategic resource for SMEs around the world (World Bank, 2016; OECD, 2021). Digital technologies are an opportunity for small businesses to access a global customer base, as well as a prerequisite for improving innovation and increasing their productivity (World Bank, 2016; Oláh et al., 2022). At the same time, the real business benefits of investing in digital presence, such as higher efficiency, gaining competitive advantage and potentially increasing sales, are starting to manifest themselves tangibly (Singh, 2025; Kádárová et al., 2023).

Despite the obvious advantages, many SMEs are still lagging in adopting digital tools and channels (OECD, 2021; Ainin et al., 2015). This lag is particularly visible in countries like Bulgaria, where the degree of business digitalization is traditionally below the European Union average (Gigova & Arabadzhieva, 2020). According to data from the European Commission, Bulgaria ranks 26th out of 27 member states in the Digital Economy and Society Index (DESI) in 2022 (European Commission, 2022). Only 28% of Bulgarian SMEs have reached a baseline level of digital intensity (Digital Intensity Index - DII) by 2023, compared to an EU average of 58% (Eurostat, 2024a). This means that most small businesses in the country operate with a very low level of digitalization - a fact that is alarming given the EU's goal of over 90% of SMEs having at least basic digital intensity by 2030 (European Commission, 2021; Eurostat, 2024a). This significant gap in digital development highlights the need to investigate the causes and consequences of the low digital presence of Bulgarian enterprises, as well as to formulate recommendations for overcoming it.

This paper aims to partially fill this gap through an empirical analysis of the digital presence of Bulgarian SMEs and its relationship with real business results. The study is based on original survey data and covers key aspects such as the presence of a corporate email, website, social media activity and other components of online presence. The next section, "Theoretical Overview", examines the definition of the concept of "digital presence" and its main components, as well as relevant indicators and benchmarks (e.g., DESI and DII) for the level of digitalization of SMEs. The benefits of digital presence are presented - increased visibility, higher customer engagement, more conversions and added value for turnover - supported by data from the literature. The section "Presentation of Results" includes a description of the methods used (correlation and regression analysis) and key conclusions from the processing of data from 268 operating Bulgarian SMEs. In the "Conclusions and Recommendations" section the results are interpreted and proposes strategies for strengthening the digital intensity of small businesses. The knowledge gained can be valuable in formulating effective approaches to increasing the digital presence of SMEs.

2. Theoretical Overview

2.1. Digital Presence: Definition and Components

2.1.1. Digital presence

Digital presence encompasses the entire online presence of a company - from corporate emails and the official website to social media profiles. It is the "digital business card" of a business and includes all digital channels through which a company communicates, advertises and conducts business (Chaffey & Ellis-Chadwick, 2019; Singh, 2025). In the context of SMEs, a digital presence often starts with basic elements such as email and a website, then expands to social media and online sales (OECD, 2021). A comprehensive online presence strategy

requires integrating different platforms and tools so that they act synergistically to achieve the organization's marketing and sales goals (Kotler & Keller, 2016; Taiminen & Karjaluoto, 2015).

2.1.2. Corporate email

Having a corporate email (with a company domain) is one of the first signs of a business's digital identity. Although email is considered a "traditional" internet tool, it continues to be a primary channel for business communication and customer service in SMEs. Using work emails (instead of personal accounts) increases trust in the company and contributes to building a professional image online (OECD, 2021). Through corporate email, SMEs establish a direct and secure connection with their partners and customers, distribute newsletters and marketing messages, and generally lay the foundation for their digital correspondence. Implementing practices for effective email communication management (e.g., quick replies, personalized templates, etc.) can significantly improve customer service and increase customer satisfaction (Chaffey & Ellis-Chadwick, 2019).

2.1.3. Website

A company's own website is the core of any company's digital presence. It acts as a virtual office or store, accessible 24/7 from anywhere in the world, and provides key information about the company's activities, products and services (Singh, 2025). For SMEs, a website is a relatively affordable way to achieve global visibility and attract new customers outside their traditional local market (World Bank, 2016). However, the share of Bulgarian enterprises with a company website is still relatively limited - about half of the companies in Bulgaria have their own website (Gigova & Arabadzhieva, 2020). For example, in 2019, only 50.7% of Bulgarian companies maintained a website, although this share is gradually increasing compared to 42.5% in 2009 (Gigova & Arabadzhieva, 2020). This indicator is comparable to some developed economies - it is noted that approximately 40% of small businesses in the US also did not have a website at the same time (Gigova & Arabadzhieva, 2020). The quality and functionality of the website also matter: a well-structured and search engine-optimized site can generate organic traffic (unpaid visits from search) and become a source of potential customers. For SMEs, it is especially important that the website provides clear information, up-to-date contacts and the possibility of feedback or online orders, as this directly affects the trust of users and their tendency to take the desired action (e.g., purchase or inquiry) (Chaffey & Ellis-Chadwick, 2019; Ainin et al., 2015).

2.1.4. Social networks

Social media presence (Facebook, Instagram, LinkedIn, YouTube, etc.) has become an integral part of the digital strategy of modern SMEs. Social media provides an interactive platform for building brand visibility, driving customer engagement, and distributing viral marketing content (Ainin et al., 2015; Singh, 2025). Unlike a static website, social networks allow for two-way communication - companies can post news and promotions, and users can react instantly through likes, comments and shares. This provides valuable feedback and builds a community around the brand. Research shows that effective use of social networks by SMEs leads to increased customer interaction and improves brand loyalty (Ainin et al., 2015; Parveen et al., 2016). At the same time, social media engagement can also have a positive impact on financial results - for example, sales growth by 10-30% according to some empirical analyses (Ismail et al., 2018). Although SMEs may see advantages in social media and other digital tools, their ability to benefit fully is often constrained by limited knowledge and human resources, uncertainty in using new tools, and difficulties evaluating ROI (Taiminen & Karjaluoto, 2015; Cao & Weerawardena, 2023). This is also evident from the statistics - in 2023, only 38% of Bulgarian enterprises use at least one type of social media, which is the lowest share in the EU (Eurostat, 2024b). For comparison, on average in the EU 60.9% of companies are active on social networks, with countries such as Malta, Denmark, Finland and Sweden exceeding 80% (Eurostat, 2024b). The low relative share of Bulgarian SMEs in social media shows untapped

potential for increasing their public recognition and dialogue with consumers. It is key for SMEs to not just passively be present on social networks, but to strategically integrate them into their marketing - by regularly publishing relevant content, responding quickly to customer inquiries and complaints, and tracking metrics such as reach and engagement to optimize their presence (Chaffey & Ellis-Chadwick, 2019).

2.1.5. E-commerce

Participating in e-commerce, either through your own online store or through platforms such as eMag, Etsy, Olx, etc., is the most optimal way for SMEs to turn digital presence into direct sales and revenue. The implementation of digital technologies (Industry 4.0) can create growth opportunities for SMEs, including attracting new customers and markets both within and beyond national borders (Brodney & Tutak, 2022). According to Eurostat data, an average of 23.8% of enterprises in the EU made online sales in 2023, while in Bulgaria this share was only 15.1% - the third lowest in the EU after Luxembourg and Romania (Eurostat, 2025). This means that around 85% of Bulgarian companies still do not take advantage of online sales channels, missing out on opportunities for export potential and, respectively, an increase in turnover. Of course, some sectors have a greater predisposition to online trade (e.g., retail, hospitality, etc.), while others are less suitable, but in general the trend is for more and more products and services to be offered and purchased online (Brodney & Tutak, 2022).

Despite the investment costs associated with the platform, logistics, digital marketing and the risk of negative returns from excessive investment in e-commerce implementation, digital transformation has real potential to increase the competitiveness of SMEs (Zhang et al., 2023). E-commerce also contributes to greater efficiency - ordering and payment processes are automated, transaction costs are reduced, and customer access is facilitated (European Commission, 2020). It is important to note that success in e-commerce depends on factors such as the convenience of the web interface, the variety of payment methods, the speed of delivery and reliability - aspects that SMEs must carefully manage to build trust online. Efforts in this direction can lead to a significant increase in conversions (the percentage of website/online store visitors who make a purchase), which directly affects the company's revenue (Singh, 2025).

2.2. Digital Economy and Society Index (DESI) and Digital Intensity Index (DII): the Place of Bulgarian SMEs in a European Context

To objectively assess the level of business digitalization in different countries and company segments, composite indicators such as the Digital Economy and Society Index (DESI) and the Digital Intensity Index (DII) are widely used. DESI covers several dimensions, such as connectivity, human capital, use of internet services, integration of digital technologies by businesses and digital public services - and EU countries are ranked annually on these indicators (European Commission, 2022). Bulgaria traditionally ranks last in DESI: in 2019, the country was in 27th place (last) in the EU, reflecting a serious lag in all key parameters of the digital economy (Gigova & Arabadzhieva, 2020). There was some improvement in the following years, but nevertheless in 2022 Bulgaria was in penultimate place (26th) in the EU (European Commission, 2022). These results show that at the macro level, digital transformation in the Bulgarian economy is progressing slowly and SMEs are no exception to this trend.

For a more detailed look at the enterprises themselves, the Digital Intensity Index (DII) is used - a micro-indicator based on the survey on Information and Communication Technology (ICT) and e-commerce in enterprises (Eurostat, 2024a; Brodney & Tutak, 2022). DII measures the extent to which a company has adopted 12 different digital technologies - for example, high-speed internet, company website, social media, cloud services, CRM system, e-sales, use of big data, artificial intelligence, etc. (Eurostat, 2024a). Each technology is given 1 point, if available, and according to the total number of points, enterprises are classified into four levels of digital intensity: very low (0-3 points), low (4-6), high (7-9) and very high (10-12) (Eurostat, 2024a).

Having at least 4 out of 12 technologies indicates a basic level of digital intensity (i.e., anything outside the “very low” category is considered a basic level digitalized enterprise). This indicator is particularly useful for comparing SMEs across countries, as it shows the proportion of firms that have reached a certain threshold of digital maturity (Brodney & Tutak, 2022). The data for 2023 is telling: only 27% of SMEs in Romania and 28% of SMEs in Bulgaria have at least a basic level of digital intensity, compared to an average of 58% for the EU (Eurostat, 2024a).

At the opposite pole are Finland (86% of SMEs with basic DII) and Sweden (80%) - countries where digital technologies have penetrated massively even among small companies (Eurostat, 2024a). Furthermore, over 70% of Bulgarian SMEs fall into the “very low” digital intensity category - one of the highest shares of “lagging” enterprises in Europe (Eurostat, 2024a; Eurostat, 2024b). These differences between countries reflect structural imbalances, the so-called digital divide - with the new member states from Eastern Europe (including Bulgaria) significantly lagging the old industrial economies in the degree of business digitalization (Brodney & Tutak, 2022). For Bulgaria in particular, the weakest indicators are related to the implementation of cutting-edge technologies - for example, just over 5% of SMEs use big data analysis or artificial intelligence, which is more than half the EU average (DESI, 2022). On the positive side, there is an improvement in basic connectivity: over 93% of Bulgarian companies have access to high-speed internet, and the coverage of fixed networks with very high capacity reaches 85%, which is above the EU average (European Commission, 2022). This means that the infrastructure prerequisites for digitalization are largely available - the problem is rather the slow adaptation and use of new technologies by SMEs.

Understanding the position of Bulgarian small businesses relative to European benchmarks is important because it quantifies where the gaps and opportunities lie. The low DII values in Bulgaria suggest that most SMEs still use only the most basic digital tools (e.g., they have internet and computers, but no corporate email, online sales or cloud solutions). This correlates with lower productivity and limited market reach of these firms (Kádárová et al., 2023; Ivanova & Angelova, 2023). On the other hand, empirical data from the EU show that increasing the digital intensity of SMEs leads to tangible improvements in performance - for example, a statistically significant relationship between 1 point growth in DII and ~0.14 points growth in the firm's value added, other things being equal (Kádárová et al., 2023). This supports the thesis that digital presence is not an end in itself, but a real factor for gaining competitive advantage. Therefore, metrics such as DESI and DII not only allow us to identify where we stand compared to others, but also to set specific goals - for example, the share of digitally intensive SMEs in Bulgaria to increase to 50% in the next few years, in line with the goals of the EU's Digital Decade (European Commission, 2021). By achieving such progress, a significant positive effect on economic growth and innovation can be expected, as digitalization and economic performance are proven to be linked (Brodney & Tutak, 2022; Zhang et al., 2023).

2.3. Benefits of Digital Presence for SMEs

Investing in a digital presence can be seen as a strategic move that, when properly implemented, brings multi-layered benefits to small businesses. At a conceptual level, digitalization of operations allows SMEs to work “smarter, not just harder”, extracting maximum value from their limited resources (OECD, 2021). Below are systematized the main benefits reported in literature and practice that SMEs can derive from an increased online presence:

- *Increased brand visibility and recognition* - An online presence significantly expands a small business's geographic and demographic reach. World Bank (2016) highlights that online commerce and digital platforms can enable even very small producers and firms to participate in national and global markets, including selling across a country and even abroad (World Bank, 2016). Singh (2025) emphasizes that digital marketing can be a cost-effective way for SMEs to compete with larger firms by using channels such as social media, email campaigns and search engine optimization/marketing (SEO/SEM), which

supports brand visibility, customer engagement, and business growth (Singh, 2025). Organic traffic to a company's website, generated through good Google keyword rankings, for example, can sustainably attract new potential customers without additional advertising costs (Chaffey & Ellis-Chadwick, 2019). In this way, digital presence acts as an “accelerator” of marketing reach - businesses become more recognizable, receive more inquiries and can build a brand image far beyond their local market (Ainin et al., 2015). According to an analysis by the European Commission, small companies that have actively adopted digital technologies have an average of 22% higher revenue growth than their counterparts without an online presence (European Commission, 2013). This growth is partly due to the wider audience they reach online.

- *Higher engagement and improved customer service* - Through digital channels, SMEs have the opportunity for constant and interactive interaction with their customer base. Social networks, instant messaging applications, even email newsletters provide a platform for two-way communication that was previously lacking in mass marketing (Ainin et al., 2015). Customers today expect quick feedback, such as a response to a Facebook inquiry within a few hours - and businesses that meet this expectation build stronger relationships and trust (Parveen et al., 2016). Engagement takes many forms: commenting and sharing posts, participating in online communities and groups around the brand, generating user content (e.g., testimonials, reviews). All of this enriches the customer experience and increases the likelihood that they will become a loyal, repeat-buying customer (Ainin et al., 2015). Empirical research from recent years has established a positive relationship between the level of customer digital engagement and business metrics - for example, an increased number of interactions on social media is associated with a statistically significant increase in customer satisfaction and purchase frequency (Ismail et al., 2018). Additionally, digital tools enable communication personalization at scale - SMEs can segment their audience and send targeted offers via email or display personalized ads online, making their marketing more relevant and effective (Chaffey & Ellis-Chadwick, 2019). All this leads to a deeper connection with the customer, which would be difficult to achieve with offline means alone. In the context of Bulgarian SMEs, which often rely on a narrow circle of loyal customers, digital platforms provide a chance to expand and retain this circle through active online communication and service (Ivanova & Angelova, 2023).
- *More conversions and sales growth* - Conversion in digital marketing means turning a user from a passive observer into an active customer, whether by making a purchase, sending an inquiry, subscribing to a newsletter, or any other result desired by the company (Chaffey & Ellis-Chadwick, 2019). A well-managed digital presence has a direct impact on conversions. For example, website loading speed and ease of navigation affect the percentage of visitors who will complete an order rather than abandon their cart (Singh, 2025). A company's presence on trusted marketplace platforms or directories (such as Google Business Profile/formerly Google My Business) can also increase traffic from users with purchasing intent. One of the key metrics here is Click-Through Rate (CTR) - the percentage of users who click on a given link or ad compared to the total number who saw it (Investopedia, 2023). A high CTR on an online ad or email campaign is a sign that the message resonates with the audience and moves them to the next step in the funnel. After attracting customers comes the ability to convert them into buyers at optimal costs - measured by Cost Per Lead (CPL) and Customer Acquisition Cost (CAC), which reflect how much it costs to generate a lead or acquire a customer (Mosaic, 2023; Investopedia, 2023). Digital channels typically allow for lower CPL/CAC compared to traditional channels, as campaigns can be finely targeted and their performance continuously optimized based on data (Kotler & Keller, 2016). As a result, SMEs with an active online presence often report increased sales and customers. An example is the introduction of an online store to a physical store: many small businesses in Bulgaria that switched to e-commerce in 2020-2021 (especially out of necessity due to pandemic restrictions) were

able to not only compensate for the decline in offline sales, but also expand their customer base outside their city (OECD, 2021). Such examples show that a digital presence creates new revenue streams and can serve as insurance against disruptions in the traditional market. From an academic perspective, numerous quantitative analyses confirm the positive relationship between digitalization and SME sales/profits (Sharabati et al., 2024; Kádárová et al., 2023; Zhang et al., 2023). For example, Sharabati et al. (2024) found that in a sample of SMEs that implemented comprehensive digital marketing strategies, they saw significant revenue growth within 12-18 months compared to a control group without such strategies. These results provide empirical support for the thesis that digital investments lead to real business outcomes.

- *Added value and increased efficiency* - Beyond immediate financial metrics, a digital presence also contributes to the long-term value and sustainability of a business. The use of digital tools automates and optimizes several internal processes - from marketing and sales to inventory management and customer service (Ivanova & Angelova, 2023). For example, integrating a customer relationship management (CRM) system allows SMEs to track communication with each customer, personalize their approach and thus increase Customer Lifetime Value (Kotler & Keller, 2016). Similarly, moving to cloud services for accounting or design reduces IT infrastructure costs and gives you the flexibility to work from anywhere, something that has proven particularly valuable during the pandemic. The return on marketing investment is also significantly improved thanks to digital channels: the ROMI (Return on Marketing Investment) indicator measures the additional profit generated by a particular marketing campaign compared to the funds invested in it (Hanssens & Pauwels, 2016). In online campaigns, ROMI is often higher because they can be optimized in real time - if an ad is not working, it is stopped or changed immediately, while successful ones are scaled up. A similar indicator ROAS (Return on Advertising Spend) is used for advertising effectiveness - it shows how much revenue each banknote spent on online advertising brings. SMEs that monitor these key performance indicators (KPI) and constantly improve them (e.g., through A/B testing of ads, analysis of user behavior on the website, etc.) manage to achieve much higher marketing efficiency - i.e., with a small budget they generate a comparable effect to large competitors (Chaffey & Ellis-Chadwick, 2019). In short, a digital presence adds value to SMEs' operations by making processes more transparent, measurable and adaptable. Companies that have moved to a higher level of digital maturity typically report not only higher revenues, but also better efficiency metrics: lower customer acquisition cost (CAC), higher employee productivity (as a result of automation) and a shorter inquiry-to-sales cycle (Sharabati et al., 2024; Brodney & Tutak, 2022). All this ultimately translates into an improved competitive position of the company and its ability to grow. As Ivanova & Angelova (2023) point out, in a dynamic market environment, digital transformation becomes a necessity for maintaining and increasing the competitiveness of Bulgarian enterprises - those that manage to integrate digital solutions are much better positioned to innovate, respond to changes in demand, and enter new niches.

Summarizing the theoretical insights, we can say that the digital presence of SMEs is a multi-component phenomenon with measurable indicators and proven benefits. Building a solid online presence - through corporate email, website, social channels, e-commerce, etc. - requires resources and competencies, but literature and practice show that it is an investment with a high return in the form of growth, better customer relationships and increased efficiency (Singh, 2025; Kádárová et al., 2023; Ainin et al., 2015). For countries like Bulgaria, where SMEs are the backbone of the economy but the level of digitalization is still low, reaping these benefits is key to catching up with other EU members in productivity and competitiveness (Brodney & Tutak, 2022; Ivanova & Angelova, 2023). This provides a strong motivation for conducting empirical research (*such as this one*) to quantify the relationship between digital presence and real business outcomes, and to chart the way forward for Bulgarian SMEs.

3. Results

This study is based on survey data from 268 operating SMEs in Bulgaria, collected during the period from March to May 2023. The survey contains a total of 22 questions - 20 basic and 2 demographic (related to age and gender).

The surveyed enterprises cover a wide range of sectors (trade, services, manufacturing, etc.) and are selected so that the sample is representative in terms of size (micro, small and medium-sized enterprises). The questionnaire is aimed at collecting information on the main dimensions of digital presence, considered in the theoretical review: use of corporate email, presence of a website and activity in social media. Additionally, questions on the financial performance of the enterprises are included, which serve to analyze the relationship between the level of digital presence and business results. The data were collected through an online survey (computer-assisted web interview - CAWI).

Before proceeding to the actual analysis, the data were cleaned and prepared - incomplete responses were removed and qualitative responses were coded. The resulting final data set allowed for several types of statistical analyses to test the research hypotheses.

Two main statistical approaches are used in data analysis: correlation and regression analysis. Correlation analysis examines the degree and direction of the relationship between two quantitative variables. The coefficient used is the Pearson correlation coefficient (r), which ranges from -1 to +1 and indicates a strong negative, zero or strong positive relationship, respectively (Field, 2018). The correlation analysis in our study will serve as an initial orientation - e.g., whether there is a positive relationship between the level of digitalization and business results, without this proving a causal relationship. It is important to note that correlation does not necessarily imply causation (Hair et al., 2019). However, finding statistically significant correlations (e.g., $r > 0.3$, $p < 0.01$) between digital indicators and key performance metrics would support the hypothesis that the two are linked (Mooi & Sarstedt, 2021).

Regression analysis (specifically multiple linear regression) allows for a more in-depth examination of the influence that one or more independent variables have on a dependent variable, controlling for other factors (Field, 2018). Within the framework of the study, a regression model was constructed in which the dependent variable is an indicator of business performance (e.g., annual turnover), and the independent variables are various measures of digital presence (e.g., indicators of website presence and e-commerce). The regression analysis will serve to assess the extent to which digital presence predicts variations in business performance, i.e., whether companies with higher digital activity have statistically significantly higher results (Hair et al., 2019). The coefficients in the regression model will indicate the direction and strength of the influence of each independent variable - for example, a positive and significant coefficient on website (a binary variable) would mean that the presence of a company website is associated with significantly higher turnover, all else being equal. The degree of explained variation (R^2) will indicate how much of the difference in business results between companies can be explained by the level of digital presence. Regression analysis, in short, is a powerful tool for testing our main hypothesis of causal influence - whether increased digital presence "leads" to better performance. Of course, strictly speaking, causal inferences require caution (especially in view of the cross-sectional design of our study), but regression allows at least conditional causal interpretations supported by statistical significance (Mooi & Sarstedt, 2021).

3.1. Correlation between the Questions “Do you have a corporate email (company email other than abv, gmail, etc.)?” and “What is your annual turnover?”

The correlation analysis between the questions Q2: “Do you have a corporate email (company email other than abv, gmail, etc.)?” and Q19: “What is your annual turnover?” from the survey, outlines a clear connection between a key element of digital presence and the financial success of SMEs. The value of the Pearson coefficient $r = -0.448$ ($p < 0.001$; $N = 268$) indicates a statistically significant and moderate negative relationship. The negative sign follows from the coding method - higher code values of Q2 indicate the absence of a corporate email. Therefore, the negative sign actually indicates that enterprises with a company domain generate higher turnover. The coefficient of determination ($r^2 \approx 0.201$) suggests that about 20% of the variation in turnover can be explained by this basic but indicative measure of digital maturity. The very fact that such a “technical” choice has such great analytical potential reveals the practical weight of a professional digital presence for the financial results of SMEs.

The interpretation of this relationship can be viewed through three dimensions. First, the presence of corporate email is an indicator of the maturity of the digital infrastructure. It implies its own domain, some form of hosting service and usually closer links with customer relationship management (CRM) or e-commerce systems. In this sense, higher turnover is a logical result, since companies with such infrastructures are easier to find, offer greater security and trust in correspondence and optimize internal communication processes. Second, the corporate email performs a signaling function in the market: it marks professional identity and organizational sustainability to customers, suppliers and institutions. The empirical observation that companies with “@company.com” generate higher revenues further supports the hypothesis of a connection between reputational capital and financial performance. Finally, the implementation of a corporate email itself is often part of a broader digital transformation strategy - when a company invests in a domain, it often also invests in a website, online advertising or electronic payment solutions. These accompanying investments accumulate additional value and have a positive impact on turnover.

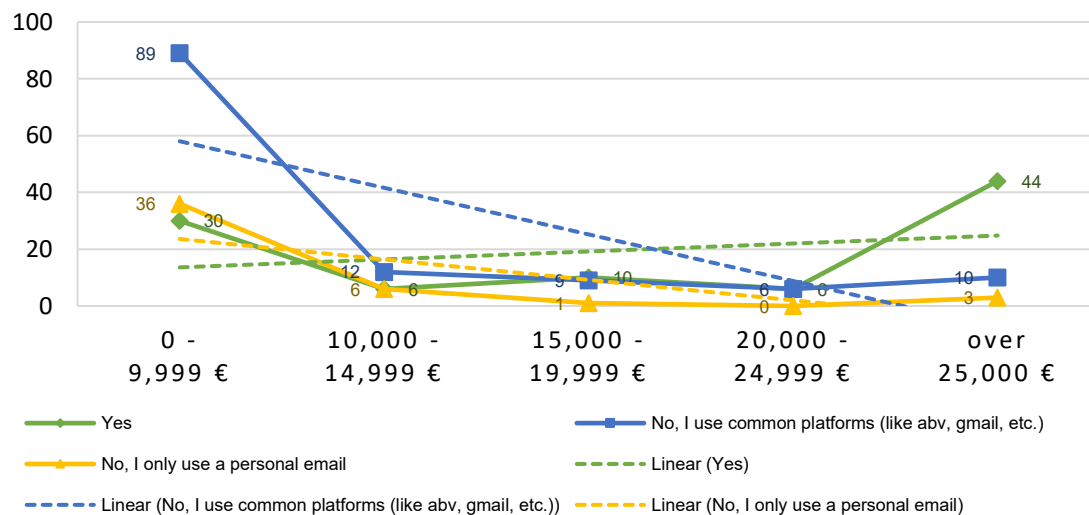


Fig. 1. Comparison of the Presence of Corporate E-mail to Annual Turnover

Source: Tsotsev, N. (2025). SURVEY: Determining the benefits of a digital presence for small and medium-sized enterprises /SMEs/, v1 [Unpublished raw data]. University of National and World Economy.

Although the sample size ($N = 268$) provides good statistical power, it should be noted that correlation does not prove causation. It is possible that more successful firms simply have more

resources to implement corporate email and other digital practices, i.e., the direction of influence is bidirectional. Additional regression models controlling for industry differences, firm age, and number of employees would allow for a more precise assessment of the effect. However, even within the correlational design, the strength and significance of $r = -0.448$ supports the claim that corporate email is a non-negligible component of the digital portfolio with practical implications for revenue.

From a policy and management perspective, the findings highlight the need for SMEs to treat corporate email not as a secondary technical expense, but as a strategic investment. For government and industry organizations, this points to a practical and easily applicable brand for digitalization, namely incentives (subsidies/tax breaks) for domain name registration and email hosting, complemented by trainings to enhance cybersecurity. The academic observation that a relatively simple technological step correlates with annual turnover contributes to a broader understanding of how digital presence is transformed from a purely reputational asset into a measurable financial result.

3.2. Correlation between the Questions “Do you have a corporate (company) website?” and “What is your annual turnover?”

The data from the correlation analysis between the questions Q5: “Do you have a corporate (company) website?” and Q19: “What is your annual turnover?” show a statistically significant relationship with a Pearson coefficient value of $r = -0.507$, a significance level of $p < 0.001$ and a sample size of $N = 268$. The negative sign of the coefficient stems from the way Q5 is coded (1 = “Yes”, 2 = “No”). A lower value of “1” corresponds to the presence of a website, so a negative correlation practically means a positive relationship: enterprises that declare that they have their own corporate website tend to report higher values of annual turnover.

The strength of the association is significant, as the square of the coefficient ($r^2 \approx 0.257$) indicates that approximately a quarter of the variation in turnover can be explained by the presence or absence of a company website. In the context of the study, this is an indicator of an economically tangible benefit: a digital presence is a resource with the potential to convert online visibility into real financial results, which is consistent with the theses of the resource-based theory of the firm and with empirical observations on the effect of digitalization on SME productivity.

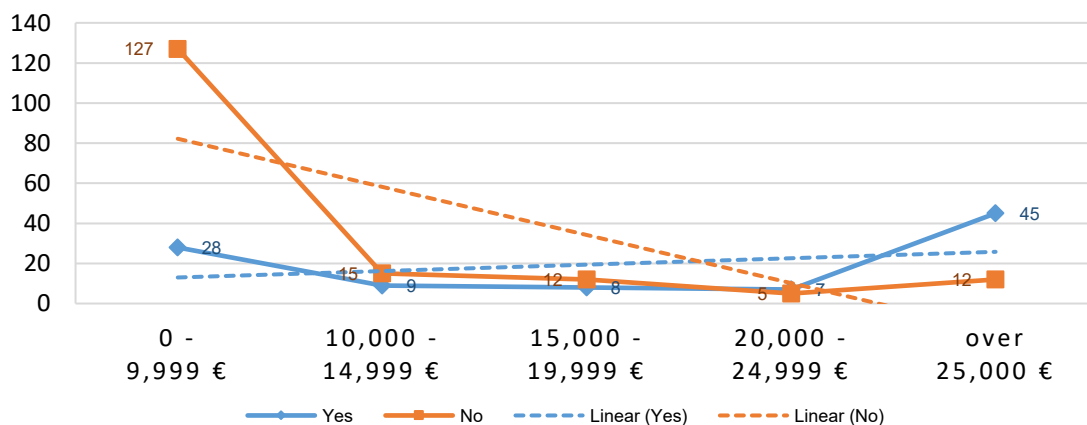


Fig. 2. Comparison of the Presence of Company Website to Annual Turnover

Source: Tsotsev, N. (2025). SURVEY: Determining the benefits of a digital presence for small and medium-sized enterprises /SMEs/, v1 [Unpublished raw data]. University of National and World Economy.

The single-point statistical significance ($p < 0.001$) reduces the likelihood that the observed relationship is due to chance, but does not eliminate methodological limitations. Although the sample size is large enough, there remains a need for more detailed models controlling for sector, firm age, innovation intensity, and digital culture to investigate whether the website acts as an independent predictor or a proxy for a broader digital transformation strategy. Despite these reservations, the empirical result is a convincing argument in support of the view that for SMEs, the corporate website is not just a showcase, but a strategic investment with a measurable contribution to turnover. From a practical point of view, this points managers to the need to treat website maintenance and development as part of the core business model, rather than as a peripheral marketing function.

In fine, the correlation between website presence and turnover is a solid indicator that online infrastructure is associated with stronger financial performance in SMEs. To extend this finding, future research could apply longitudinal designs, include metrics such as website traffic and conversions, or examine the interaction between website, social networks, and e-commerce platforms to test whether the synergistic effect of a comprehensive digital presence leads to even greater business outcomes.

3.3. Regression between the questions “Do you have a corporate (company) website?” and “What is your annual turnover?”

The regression model was built on the sample of 268 enterprises, with Q19 (their annual turnover) considered as the dependent variable, and Q5 (the presence of a corporate website) - as the only predictor. The coding of Q5 (1 = “Yes”, 2 = “No”) means that a higher value of the variable actually indicates the absence of a website, while a lower value - the presence of it. This inverse scale explains the negative direction of the established relationship.

The resulting correlation coefficient $R = -0.507$ indicates a moderately strong and statistically significant negative linear relationship between the two variables. In other words, enterprises that declare that they have their own website tend to report higher levels of turnover compared to those that do not. The coefficient of determination $R^2 = 0.257$ reveals that approximately 25% of the variation in annual turnover can be explained solely by the factor “digital presence (website)”. The adjusted value (Adjusted $R^2 = 0.255$) confirms the stability of the model when taking into account the number of observations and parameters.

Table 1. Model Summary from the Regression Analysis between the Presence of Company Website to Annual Turnover

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,507 ^a	0,257	0,255	1,420
a. Predictors: (Constant), Q5				

Source: Tsotsev, N. (2025). SURVEY: Determining the benefits of a digital presence for small and medium-sized enterprises /SMEs/, v1 [Unpublished raw data]. University of National and World Economy.

The reliability of the regression is also demonstrated by the F-test ($F = 92.186$; $df = 1, 266$; $p < 0.001$), which rejects the null hypothesis of the absence of a linear relationship. The standard error of the estimate (1.420) shows the average typical deviation between the actual and predicted turnover, measured in the same units as the dependent variable, which gives an indication of the precision of the forecasts.

Table 2. ANOVA Summary Table for the Simple Linear Regression Predicting Annual Turnover from the Presence of a Corporate Website

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	185,966	1	185,966	92,186	<0,001 ^b
	Residual	536,601	266	2,017		
	Total	722,567	267			
a. Dependent Variable: Q19						
b. Predictors: (Constant), Q5						

Source: Tsotsev, N. (2025). SURVEY: Determining the benefits of a digital presence for small and medium-sized enterprises /SMEs/, v1 [Unpublished raw data]. University of National and World Economy.

The interpretation of the slope ($\beta = -0.507$) is straightforward: going from “Yes” to “No” on Q5, that is, deciding not to have a website, is associated with an average decrease in turnover that is proportional to half a standard deviation of this variable. Although the model explains only a quarter of the total variance, the effect is economically meaningful, especially given that the study only takes into account one aspect of digital presence. This result is consistent with theoretical postulates that consider a corporate website as a strategic investment. It increases visibility, trust and operational efficiency, which creates conditions for higher turnover.

It is important to highlight the limitations. First, the binary operationalization of digital presence reduces a complex phenomenon to a “have/have not” without taking into account, for example, the quality of the site, SEO optimization or the degree of integration with other channels. Second, the cross-sectional nature of the study suggests, but does not prove, causality; it is possible that companies with higher turnover simply have more resources to create a website. Nonetheless, the results provide a solid empirical basis for the conclusion that digital infrastructure is positively correlated with the financial performance of SMEs, and investments in web presence should be considered as an essential element of their competitive strategy.

4. Discussions

The results of the empirical analysis can be summarized in several main conclusions. To begin with, the statistical relationships confirm a clear positive relationship between the level of digital presence of SMEs and their business indicators. In simple terms, small companies in Bulgaria that are actively present online report better results than those with a weak digital presence. For example, in the survey, companies with a website show an average higher annual turnover than those without. This trend persists even after we translate the figures from the statistical model into everyday language: the regression analysis indicates that companies that develop their online presence register higher annual revenues. The correlations also show that the more digital channels an SME uses, the more extensive the customer base and markets it serves. These results in practical terms mean the following: if a traditional small business invests time and resources to build a well-functioning website, create profiles on appropriate social networks and eventually start selling online, it can expect to increase its customer base (including new customers outside its current scope), increase sales and increase brand awareness. The data quantitatively confirmed something that successful entrepreneurs already intuitively know - an online presence is directly related to business growth. It is important to emphasize that we are talking about average trends here - individual companies may have different experiences, but overall, the direction is clear: an increased digital presence pays off.

The results also revealed some weaknesses and barriers that prevent SMEs from realizing the full potential of their digital presence. Some respondents, for example, cited the lack of specialists and time to maintain online channels as a leading reason for not developing this

direction. Others shared concerns about the high initial costs or the complexity of the technologies (Taiminen & Karjaluoto, 2015). It is striking that a significant share of companies does not have a strategy or plan for developing their digital presence - their actions are ad-hoc and often reactive. This explains why some SMEs, even after creating a website or Facebook page, fail to see much effect - they lack consistency and knowledge of how to optimize digital channels. For example, there are cases of company websites that have not been updated for years and practically do not bring traffic, or online stores that do not generate sales due to a poor user experience. These findings draw attention to the need for SMEs not to simply “be present” online, but to do so qualitatively and strategically.

In summary, Bulgarian SMEs should perceive digital presence not as a one-time project, but as a continuous process of development and improvement. By investing in their own skills and in the right technologies, they can unlock new markets and gain a competitive advantage even with limited resources. The state and European partners, on their part, have a critical role to support this process through a favorable environment, expertise and financial assistance, where possible. Overall, this study shows that digital transformation for SMEs isn't just a trendy phrase, but has real practical business value, which translates into attracting more customers, higher revenues, and more sustainable growth.

5. Conclusions

The digital presence of SMEs is becoming established as a key factor for success in the modern economy - a conclusion that this study has both theoretically substantiated and empirically confirmed. The report proposed a comprehensive definition of the “digital presence” of companies, including the four main components: corporate email, website, social networks and e-commerce. The position of Bulgarian SMEs was reviewed through the prism of the European DESI and DII indices and a significant lag was found compared to the average levels in the EU, especially in terms of the integration of modern digital technologies. However, the tangible benefits that digital presence brings were analyzed: expanded visibility, better customer engagement, increased conversions and a direct contribution to the turnover and growth of companies. The main KPIs for measuring these benefits were also identified - from organic traffic and CTR, through CPL, CAC, CLV, to ROMI and ROAS - and the importance of data-driven management in optimizing online channels was emphasized.

The empirical part, based on a survey among 268 Bulgarian SMEs, quantified these relationships. Statistical analyses showed that a higher level of digital presence correlates with and to some extent predicts better business results - a conclusion supported by significant regression coefficients. These results, translated into understandable language, mean that SMEs that make efforts to be active and visible online gain a competitive advantage: they attract new customers, enter new markets and improve their financial indicators compared to their digitally passive competitors. For the Bulgarian economy as a whole, this is a positive signal - the acceleration of the digitalization of small businesses can become an engine for growth and convergence with more advanced economies.

Of course, the study also found challenges: many SMEs still need encouragement, training and support to move towards increasing their digital presence. However, Bulgaria has the opportunity, in the context of the EU's Digital Decade goals, to support and accelerate the pace of digitalization of its SME sector.

One of the limitations of the study is its focus on short-term and quantifiable effects. In the future, the topic could be expanded by examining longer-term impacts, such as how digitalization helps SMEs withstand crises or how it affects their ability to innovate. A more in-depth qualitative study would also be useful, for example through case studies of specific companies and tracking their digital development. An interesting additional angle is the

customer perspective, namely the extent to which SME customers in Bulgaria expect and demand digital services and how this affects competitiveness.

In conclusion, both scientific evidence and practical reality lead to the same message: a digital presence is no longer a luxury or an add-on for SMEs, but a fundamental element of modern business strategy. Small and medium-sized enterprises in Bulgaria that manage to timely take advantage of the benefits of the digital age have every chance not only to survive, but also to prosper - to grow beyond the geographical and market restrictions that previously held them back. At the same time, those that ignore this trend risk being overtaken in an increasingly competitive and digitally oriented business space.

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