



Customer Base Expansion Strategies of Small and Micro Enterprises in the Digital Economy Context

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Abstract. This article conducts research on the problem of customer growth bottlenecks faced by small and micro enterprises in the context of the digital economy, exploring how they can effectively expand their customer base under the premise of limited resources. Through literature review and case analysis, it systematically sorts out the growth strategies centered on customer retention, application of digital tools, and integration of online and offline operations. Small and micro enterprises need to transform their previous growth models, strengthen the cooperative ties with existing customers, rely on lightweight digital tools to enhance operational efficiency, and build a collaborative matrix of "public domain traffic acquisition and private domain customer retention" to achieve sustainable growth. The research further claims that in the future, small and micro enterprises should shift from traffic acquisition to relationship management, fostering capabilities such as in-depth intelligence, vertical in-depth mining, and ecological collaboration. Essentially, the customer expansion of small and micro enterprises is a systematic transformation from opportunity-driven to capability-driven, and its success relies on the multi-faceted synergy of technology, strategy, and organizational capabilities.

Keywords: Small and Micro Enterprises, Customer Growth, Digital Marketing, Online-Offline Integration

1 Introduction

In daily life, it is observed that many enterprises face severe product homogenization and excessively fierce market competition. This leads to private enterprises, already under pressure from peers and costs, having to directly confront multi-dimensional competition from leading companies in terms of brand, channels, and capital. If private enterprises fail to adopt any useful and effective measures, being phased out is merely a matter of time. On the other hand, currently, most private enterprises still rely on traditional offline customer acquisition methods such as flyer distribution and in-store promotions. However, their effectiveness is far less significant compared to digital operations, which further increases the difficulty of acquiring customers. Moreover, the development and popularization of the internet have led more consumers to rely on evaluations on social media, making the choice of reasonable operational methods crucial. Therefore, against the backdrop of the digital economy, exploring how private

enterprises, especially small and micro enterprises, can achieve effective expansion of their customer base holds prominent practical significance and research value.

This article mainly focuses on the core issue of how small and micro enterprises can break through the bottleneck of customer growth and achieve stable and sustainable expansion in scale under the condition of limited resources by means of strategic selection and operational model optimization. It examines how small and micro enterprises can choose appropriate strategies and methods based on their own financial conditions, product types, and target customer groups in the context of various marketing models (traditional offline, digital marketing, and emerging integrated models). It also focuses on how to appropriately allocate human, material, and financial resources under limited conditions to enhance overall operational efficiency and economic performance.

Given that some small and micro enterprises have relatively less experience in strategic planning and operational management at certain stages, this article attempts to provide strategic references with solvability and operability to promote the development of the private economy. It mainly relies on clear strategic positioning, identification of core customer groups, refinement of unique value propositions, helping enterprises form clear development directions, appropriate allocation of resources, maximizing efficiency and benefits, and building a good business model. This will enhance the comprehensive competitiveness and risk resistance of enterprises in the market, promoting their long-term and stable development.

2 Literature Review

In the current economic climate, expanding the customer base is a core issue for the survival and development of small and micro companies. Compared with merely pursuing new customers, deepening the operation of existing customers through improving service levels, increasing interaction frequency, and extending the customer life cycle is deemed a more efficient growth approach. This article mainly focuses on research results and development trends in areas such as customer relationship maintenance, the application of digital marketing tools, and the integration of online and offline channels.

2.1 Customer Retention

For resource-limited small and micro enterprises, the retention and deep development of existing customers are often overlooked. However, related research indicates that this is often a more cost-effective and stable growth strategy. For small and micro enterprises, improving relationship quality to retain old customers yields a far higher return on investment than chasing new customers [1]. Renewal sales are one of the most reliable and profitable ways to scale a business without dramatically increasing workload or marketing expenditure [2]. Enterprises can view renewal sales as a strategic move for sustainable development. This directly reflects customers' recognition of the value provided. However, conducting business with sincerity is key to successful customer retention. Renewal sales involve persuading customers to continue purchasing

after the entire service process ends, aiming to retain customers and continue cooperation. Recent research further supports the positive impact of customer loyalty on the long-term revenue of enterprises [3].

2.2 Digital Tools

Addressing the common shortcomings in customer management among small and micro enterprises, digital customer management tools offer solutions with low barriers to entry and high flexibility. They help integrate customer data, achieve process automation, and empower enterprises to gain insights into customer needs and behavior patterns through data analysis [4]. This enables enterprises to understand their customers more comprehensively across multiple dimensions such as customer behavior, preferences, and demand changes. Digital tools, through functions like real-time synchronization of customer data, automated reminders, and visual reports, can help enterprises achieve comprehensive efficiency improvements. For example, zero-code platforms like Jiandaoyun, Xiaoke, and Tencent EC have relatively low operational barriers, allowing even enterprises lacking technical backgrounds to deploy and apply them relatively quickly, making them particularly suitable for enterprises with limited budgets and a pursuit of flexibility. Digital transformation is not exclusive to large enterprises; small and micro enterprises using lightweight digital tools to enhance marketing agility is a key path to expanding their customer base [5]. Research shows that the effective use of social media can significantly enhance the brand visibility and customer interaction rate of small and micro enterprises [6].

2.3 Online and Offline Channels

With over 70% of users accessing the internet via mobile phones, online operations have become a basic marketing strategy for small and micro enterprises. Short video platforms such as Douyin, Kuaishou, and WeChat Video dominate in 2025, allowing small and micro enterprises to effectively attract potential customers through online operations. SMS and short video marketing, with open rates exceeding 90%, have become one of the most cost-effective customer interaction channels for small and micro enterprises. Local businesses can try pushing advertisements to customers within a specific range at particular times to maximize the utilization of marketing budgets. Furthermore, the dual-drive model of online precise reach and offline efficient follow-up (conversion/fulfillment) is becoming an effective way for small and micro enterprises to expand their customer base. By creating a "third space" combining social and consumption attributes, some small and micro merchants demonstrate strong market resilience in enhancing customer stickiness. Small and micro enterprises showcasing the stories and application scenarios behind their products through short videos is an effective strategy to break down brand barriers [7]. Successful small and micro enterprises excel at leveraging offline experiences to establish differentiated advantages, thereby standing out in the competition for online traffic [8]. Additionally, the application of O2O integrated models in small and micro enterprises has been proven to improve customer conversion rates and repurchase rates [9].

In summary, expanding customer scale for small and micro enterprises no longer relies on blindly chasing new customers. Instead, it requires diversified and digitalized strategic combinations to achieve sustainable growth. Deeply managing existing customers is key to stabilizing enterprise revenue, digital tools provide low-cost, high-efficiency management means, online marketing enables precise reach, and online-offline integration maximizes marketing coverage. These strategies complement each other, forming a complete system for customer expansion for small and micro enterprises [10]. For resource-limited small and micro enterprises, a wise approach is not to implement all strategies at once, but to select 2-3 strategies most suitable for their own business model. The expansion of customer scale for small and micro enterprises is essentially a process from quantitative to qualitative change, requiring strategic vision and persistent execution from the enterprise.

3 Enterprise Trends and Future Directions

Based on relevant industry research and case analysis, it is found that the traditional growth model relying solely on geographical and interpersonal connections is gradually revealing issues of insufficient sustainability. Instead, the interaction of technological, market, and operational transformations is jointly reshaping the customer growth path for small and micro enterprises. Small and micro enterprises must proactively adapt and transform to break through growth bottlenecks and achieve sustainable development in the fierce market competition.

3.1 Three Major Development Trends for Expanding Customer Scale

Technology Integration. The role of artificial intelligence and big data has evolved from simply improving efficiency to becoming an important strategic foundation supporting enterprise decision-making in customer acquisition and retention. Surveys show that the utilization rate of AI tools among small and micro enterprises has experienced explosive growth in recent years, shifting from marketing applications like intelligent customer service and content generation to predicting customer needs, personalized product customization, and supply chain optimization. This intelligent integration signifies that digital tools are no longer just hands for handling repetitive tasks but also brains assisting decision-making.

Market Expansion. Digital platforms have fundamentally changed the market radius of small and micro enterprises. Models such as short videos and live-streaming e-commerce enable a café in a deep alley, a handicraft workshop in a remote area, or a small eatery in a hutong to directly face potential customers nationwide or even globally. The essence of this boundless expansion is transforming products or services into online dissemination, experience, and transactions. Research finds that the closed-loop process for small and micro enterprises—from online content traffic attraction to offline experience conversion, and finally to customer word-of-mouth viral spread—can reach

and serve each customer with extremely low marginal cost, breaking the traditional "three-kilometer survival rule" of physical stores.

Operational Model Transformation. The growth of small and micro enterprises increasingly depends on the business environment they operate in. On one hand, various platforms (such as e-commerce platforms, small and micro information and communication technology (ICT) services, logistics companies) provide payment channels, customer management, and multiple standardized infrastructures, greatly reducing the complexity and cost for small and micro enterprises to serve a large-scale customer base. On the other hand, integrating into industrial supply chains centered around large enterprises or participating in characteristic industrial clusters established by local governments has become an important avenue for obtaining stable, high-quality customers.

3.2 Future Strategic Directions

Based on the aforementioned trends, the future expansion of customer scale for small and micro enterprises will no longer be a competition about marketing skills, but a deep contest involving strategic choices, organizational capabilities, and value creation. It will mainly concentrate on the following four aspects:

Deep Intelligence. The future watershed in competitiveness lies in an enterprise's end-to-end capability to understand and serve customers utilizing data and intelligent technology. Small and micro enterprises need to actively build their own databases, aiming to achieve customer insight, product iteration, marketing reach, and service feedback. This means enterprises can dynamically adjust product recommendations, optimize inventory, and even predict service needs based on customers' real-time behavioral data, thereby transforming every interaction into an opportunity to deepen relationships, expand trust, and achieve continuous customer growth and maximization of lifetime value.

Vertical Deep Cultivation. In a market characterized by information overload and competitive homogenization, compared to a broad but scattered market strategy, focusing on niche segments is often more conducive to resource concentration and advantage accumulation. The core advantage of small and micro enterprises lies in flexibility and focus. The future strategy should involve selecting a promising niche market or specific customer segment and establishing deep competitive barriers through ultimate product innovation, profound cultural connotation, or unique service experiences. This vertical deep cultivation model, while seemingly targeting a smaller customer base, can generate extremely high customer stickiness and word-of-mouth effects. Customer loyalty and premium capabilities far exceed those of broad traffic models, ultimately achieving high-quality, sustainable customer scale growth.

Public-Private Domain Linkage. Over-reliance on public domain traffic from third-party platforms carries uncertain and high-cost risks. Building a customer matrix with public-private domain linkage will grasp the initiative in development. Specifically, enterprises should utilize public domain platforms (such as Douyin, Xiaohongshu, WeChat) for large-scale content dissemination and brand exposure, which can efficiently acquire new customers. Simultaneously, private domain channels such as Enterprise WeChat, exclusive communities, and membership systems can be used to convert public domain traffic into higher-quality, more reliable private domain traffic. On this basis, enterprises can continuously improve customer repurchase rates and referral rates through refined services, community interaction, and membership privileges, achieving sustainable development.

Globalization and Synergy. China's dual-circulation development strategy and a series of foreign trade policies provide an unprecedented convenient window for small and micro enterprises to go global. Utilizing cross-border e-commerce platforms, digital marketing tools, and cross-border logistics services, small and micro enterprises can directly connect with the global consumer market through a light-asset model. Meanwhile, actively participating in the integrated development of large, medium, and small enterprises and engaging in multi-party strategic cooperation can help small and micro enterprises obtain stable orders and capability spillovers from medium and large enterprises in collaborative innovation and industrial chain cooperation. This represents a high-quality, low-risk mode of customer expansion.

4 Conclusion

In the era of the digital economy, the essence of small and micro enterprises achieving sustainable expansion of customer scale has undergone significant transformations in driving mechanisms, organizational methods, and value creation paths. This shift represents an upgrade from an opportunity-driven model reliant on external contingent opportunities and individual skills to a capability-driven model reliant on endogenous systemic abilities and structural advantages. The success of this transformation will determine whether small and micro enterprises can break through difficulties and ultimately achieve sustainable development.

First, the path to achieving customer growth has shifted from single-factor driving to a comprehensive model featuring multi-dimensional capability synergy. The traditional linear growth path of "relationships + advertising + low prices" has already become ineffective. Effective expansion no longer depends on the explosion of a single channel or the fortuitous success of a hit product. Instead, it is the result of the synergistic effect of digital capabilities, precise strategic positioning, and ecological survival. Enterprises must deeply integrate technology (such as AI and big data) into the entire process from insight, reach, conversion, to service, building a digitally networked system that responds to the market in real-time and optimizes customer experiences. Simultaneously, clear strategic positioning is necessary—selecting vertical areas within the

vast market where unique advantages can be established for deep cultivation, replacing scale overwhelm with deep value to win highly loyal customer communities.

Second, the focus of enterprise competition has elevated from acquiring traffic to managing relationships. Research finds that treating customers as one-time transaction objects is risky. Sustainable customer scale is built upon customer relationships that can be accumulated, iterated, and continuously value-enhanced. By constructing an operational matrix with public-private domain linkage, effectively depositing traffic acquired from the public domain into private spaces (such as communities or membership systems) where enterprises can independently reach and deeply interact, and continuously providing personalized value in this process, customers can be transformed into co-creators and disseminators of the brand. This achieves continuous customer repurchase and high stickiness. Customer scale itself is no longer regarded as the ultimate goal but as a natural outcome of the continuous accumulation of high-quality customer relationships.

The core approach for small and micro enterprises to expand their customer base is to initiate and complete a profound systemic performance capability building. This requires enterprises to establish a solid framework in four dimensions: digital technology, brand value, customer relationship, and industry environment. The future winning enterprises will undoubtedly be those that abandon short-video traffic first and instead utilize digital tools to deeply explore customer value, and then find an irreplaceable position in a mutually beneficial industry environment. This transformation from opportunism to capability-driven development is a crucial link for small and micro enterprises to achieve long-term growth.

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