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An Analysis of the Intersection between Urban Entrepreneurship and the Use of Digital Tools

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Abstract

This study examines the state of urban entrepreneurship in El Salvador, focusing on its transition to digital environments. Employing a qualitative, phenomenological approach, the research analyzes the lived experiences of 12 entrepreneurs from the eastern region of the country, selected through purposive sampling. Data were collected via semi-structured interviews and participant observation, leading to the identification of key thematic categories: offline–online integration, market reach, technological adaptation, and cultural influence. The findings indicate that social media platforms play a crucial role in expanding market access, reducing operational costs, and re-signifying cultural symbols within commercial practices. Despite these benefits, the persistent digital divide and technological barriers constrain the full transformative potential of digital entrepreneurship. The study concludes that successful integration between physical and virtual commercial domains relies not only on access to digital infrastructure but also on entrepreneurs' capacity to navigate evolving sociocultural dynamics. This research advances the field of commercial cyber-anthropology and provides practical insights for strengthening the local digital economy in developing contexts.

Keywords: Urban Entrepreneurship; Digital Transition; Social Media; El Salvador; Sociocultural Adaptation

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INTRODUCTION

Urban entrepreneurship has emerged as a key phenomenon in the contemporary era, characterized by accelerated urbanization and increasing global interconnection. In El Salvador, a pattern can be observed regarding entrepreneurship in its early and established phases, where early-stage entrepreneurship is more frequent among individuals aged 25 to 34, surpassing 20% across the entire population aged 18 to 54. The lowest incidence is recorded only among those aged 55 to 64. On the other hand, established entrepreneurship is most frequent in the 45 to 54 age group and shows an upward trend as people age, decreasing only after age 55 (Sánchez Masferrer, 2020).

However, the digital divide represents a critical point, as it creates disparities between those who have access to and knowledge of information and communication technologies and those who do not possess such capabilities. In fact: The lack of affordable international connectivity limits digital access in El Salvador, slowing the pace of digital transformation. Nearly 50% of the population lacks internet access, and of these, about 64% identify internet prices as the main obstacle to going online (World Bank, 2022).

This lack of access, knowledge, and training in ICT means that many organizations fail to fully develop the multiple opportunities and conveniences offered by new technologies, both in internal management and in the marketing of goods and services. This reality, therefore, highlights the limitations related to infrastructure and service costs associated with digital transformation. This, despite the fact that "ICTs are essential for improving business productivity, quality, control, and facilitating communication, among other benefits" (Cano Pita, 2018, p. 504).

It is precisely for this reason that it is necessary to understand the conditions faced by urban entrepreneurship in El Salvador in its intersection with the digital realm.

METHODS

The development of the research follows a qualitative methodology of a phenomenological type, which focuses on studying and describing human experiences as they appear in consciousness, without biases or prior interpretations (De los Reyes Navarro et al., 2020). Since data collection centered on the experiences of entrepreneurs during their transition between offline and online environments to market products and services, the

relevance of re-signifying informational processes and the new dynamics employed in the economy of the eastern region was highlighted.

As data collection focused on the experiences of entrepreneurs in their transition between offline and online environments to market products and services, the importance of reinterpreting informational processes and the new dynamics at play in the economy of the eastern region became evident. This perspective was key to understanding human nature in the context of sales. Therefore, it became necessary to employ a phenomenological approach that allows for the exploration of structural crises inherent in sales conditions, which is essential to understanding contemporary dynamics of commerce and contractual relationships with consumers. In this regard, the qualitative paradigm offers a perspective that allows for deeper insight into these phenomena, and consequently

Perception is not the result of an intellectual or linguistic process applied to sensory material: on the one hand, it is not possible to isolate a pure sensation devoid of meaning; on the other hand, it is not necessary to postulate the operation of tacit judgments, categories of understanding, computational processes, or inferences to account for what is perceived." (González Soto et al., 2021, p. 2).

In this way, it is important to consider the productive models of entrepreneurial ventures in capturing the new offline-online realities, which are underlying to the human condition.

Population and Sample

The population focused on urban entrepreneurial ventures in order to understand how cultural dynamics and social media strategies are used to position their products and services in urban environments. Likewise, intentional sampling was used, a technique commonly employed in qualitative research, which facilitated the selection of 12 participants from various ventures through semi-structured interviews. Based on this, the following inclusion and exclusion criteria for participants were established.

Table 1. Criteria developed for the selection of the participant sample

Criteria for Urban entrepreneurs	
Exclusion	Inclusion
The Urban entrepreneurs has been operating for less than 6 months	The Urban entrepreneurs has been operating for more than 6 months
Operates only through physical locations	Uses digital tools as well as social media
Has more than 10 employess	Has fewer than 10 employees
Located in the Eastern region of El Salvador	Not located in the eastern region of El Salvador

Based on this process, the following ventures were selected considering the previously established inclusion and exclusion criteria, which allowed for delimiting the study universe and ensuring the relevance of the cases analyzed in accordance with the research objectives

Table 2. Selected ventures and the marketing of their products in both physical (offline) and digital (online) environments

Name of the Venture	Products
Musa Store	Production of artisanal products including accessories.
Crea Bell	Sale of arrangements with preserved flowers, costume jewelry, and hair accessories.
Variedades Margie	Online store of various products.
Katy's Cupcake	Sale of 100% artisanal desserts and cakes.
Sali Accesorios	Sale of earrings, chains, and clothing accessories.
Rinconcito del arte	Floral arrangements, accessories, eternal bouquets, chair and table rentals.
Café y Letras	Sale of coffee, beverages, and snacks.
Jardín de Khler	Gardening services.
Camsis	Ribbons and bows.

Additionally, participant observation was used, which constitutes a way to interpret the experiences of the study subjects through prolonged immersion in a specific social context. This approach facilitates the empirical discovery and analysis of social realities (Abós Costa and Arroyos Calvera, 2021). Thus, participant observation proved important as a methodological tool for understanding the interactions and dynamics that occur in both offline and online environments. This technique allowed for an in-depth examination of how products and services are configured and consumed in these environments, as well as facilitating the analysis of the process of resignifying cultural symbols in commercial relationships, particularly in how content is produced, distributed, and marketed digitally.

Likewise, coding and qualitative analysis of the discourses were carried out using specialized software such as Atlas.ti, which enabled the identification of emerging patterns through a Sankey diagram, thereby strengthening the study's conclusions.

RESULTS

During the coding process, the essential categories were examined in depth, along with the frequencies and emerging subcategories derived from the participants' narratives

and shared experiences. This analytical stage made it possible to identify significant patterns within the discourses, which were systematized through the creation of a table that provides a structured and detailed representation of the relationships between the various identified elements.

Table 1. Description of the categories of the phenomenological analysis method

Essential Categories	Frequencies	Subcategories	Frequencies
Social media	9	Economic dynamics	14
		Influence culturel	2
		Technological challenges	5
		Expansion opportunity	7
Offline and Online Integration	5	Technological adaptation	7
		Physical establishment challenge	2
		Market reach	11
		Online sales	2
		Offline sales	5

Thus, aspects such as the integration between offline and online channels were analyzed, as well as the fundamental role of social media in expanding reach, interacting with customers, and building digital communities, among others. These understanding models allow for the organization of commercial strategies and the development of planning approaches that take advantage of the opportunities offered by the digital ecosystem.

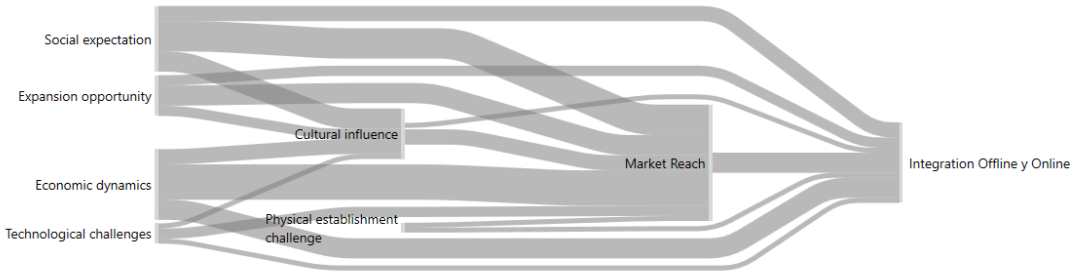


Figure 1. Sankey diagram representing the categories and subcategories of the key informants.

The following Sankey diagram illustrates the relationship between various key categories and subcategories that affect the 'Offline and Online Integration' in entrepreneurial ventures. Physical establishment challenges, expansion opportunities, and technological barriers are directly linked to 'Market Reach'. These elements influence the ability of ventures to grow and adapt in an environment where physical and digital presence

must be coordinated to maximize impact, which is why time is one of the key factors, according to the entrepreneur from Cramsi:

Time, I feel like its time because as soon as an item is uploaded, questions start coming in, and obviously the customer wants a quick response—ideally, they want an answer even before they've asked the question. We make new products, and sometimes there's no time because of orders that need to be understood or delivered, and there's just no time to be uploading or posting. So, I feel that time is the key factor time itself. M. Quintanilla (Interview recording, may 8, 2024)

On the other hand, sociocultural factors such as social expectations, cultural norms, and economic dynamics are grouped under the category of 'Cultural Influence'. These aspects highlight the importance of the social and economic environment in shaping how ventures interact with their consumers, adapting their marketing and communication strategies to align with the demands and behaviors of their markets.

Finally, the diagram shows that both 'Market Reach' and 'Cultural Influence' converge in the integration of physical and digital operations. This suggests that the ability of ventures to unify both worlds depends not only on their technological infrastructure, but also on their adaptation to the cultural and social dynamics that define interactions with their target audience.

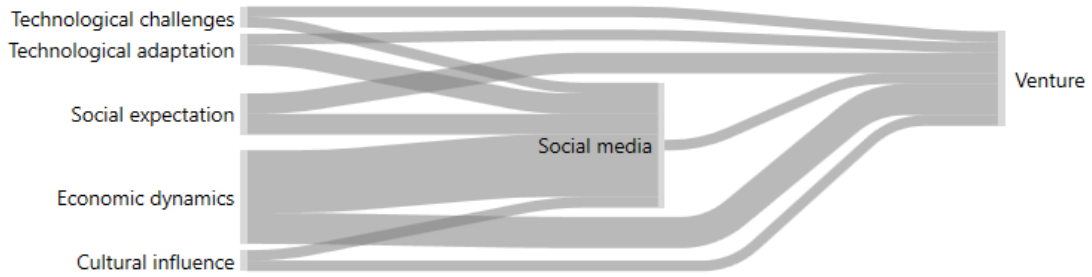


Figura 2 Sankey diagram representing the categories and subcategories of the key informants.

The following diagram shows how various technological and sociocultural factors converge in the development of enterprises, highlighting the central role played by social networks. Elements such as technological challenges, adaptation to new tools, social expectations, economic dynamics, and cultural influence do not act in isolation but are

articulated through the strategic use of digital platforms. Social networks appear as the channel that translates these external influences into concrete actions within the enterprise, enabling both visibility and interaction with the audience. In this sense, the enterprise depends not only on its technical capacity but also on its sensitivity to the social and cultural context that surrounds it.

Entrepreneurship represents the initiation and management of new businesses, being essential for job creation and innovation within the economy. On the other hand, economic dynamics refer to how interactions between factors such as the lack of employability are an important factor.

Notice that it was mostly self-employment, because since I had to take care of the child and there was no one to look after him, I left my job, my profession, which is business administration. C. Martínez (interview recording, May 8, 2024)"

Thus, entrepreneurship arises as a way to reconcile family responsibilities with the need to generate income, reflecting the tensions between the public and private spheres that influence work and family life. Another similar case is that of Crea Bell, who describes:

Well, I started it mainly because of unemployment. I have a degree in clinical laboratory, but I'm not working, so to find a source of income, I began first with jewelry making. Well, the name is Crea Bell, 'Crea' from creating and doing crafts, and 'Bell' comes from the ending of my second name, Claribel. I started making bracelets and necklaces, then we gradually moved into creating eternal roses, as well as arrangements, which I mostly did by order. M. Claros Mejía (interview recording, May 8, 2024)

The following diagram shows the interrelations between several key concepts in the field of online commerce and technology. At the center of the diagram is 'technological adaptation,' which highlights the need for enterprises to adjust to innovations in order to remain competitive in an evolving market. This process is not simple and is accompanied by various 'technological challenges,' which may include implementation issues and a lack of adequate skills or resources.

As enterprises navigate these challenges, they must also consider the 'economic dynamics,' which reflect how market conditions influence the adoption of new technologies. The ability to adapt may be affected by external factors, such as changes in the economy, which in turn impact the strategic decisions of the enterprises. Despite these

obstacles, technological adaptation can offer 'expansion opportunities,' allowing enterprises to explore new markets and grow sustainably.



Figura 3 Sankey diagram representing the categories and subcategories of the key informants.

These platforms, particularly social networks, have been used not only to showcase products but also to organize the sales process. However, within this usage, both advantages and disadvantages can be observed, as explained below:

Well, there are advantages and certain disadvantages. I make the most of the advantages when it comes to advertising and promoting my products, which gives me very good results. WhatsApp is what works best for me in terms of attracting customers. I use Facebook to announce the products I'm currently making or have already made, to promote them, but yes, they're quite good. K. Cruz Guevara (interview recording, May 8, 2024)"

The interview reveals key aspects related to the subcategories of 'expansion opportunity' and 'technological adaptation.' Regarding the expansion opportunity, the use of digital tools such as WhatsApp and Facebook represent an effective strategy to increase business visibility and attract new customers.

Some urban enterprises highlight an additional advantage in the use of digital platforms beyond the mere presentation of products or establishment of sales: the reduction of operational costs. This is because, by not requiring a permanent physical location, expenses such as rent, utilities, and maintenance are eliminated, making operations relatively more cost-effective.

I feel that social networks are a great advantage because, remember, these are small businesses, and sometimes paying for a physical location is expensive, and you don't reach as many people as you'd like. Whereas with social networks, I think yes, we can't even

imagine how far it could go or the reach it can have. So yes, it's a great benefit, a good tool to make our products known. M. Quintanilla (interview recording, May 8, 2024)

DISCUSSION

Urban entrepreneurship largely develops through the strategic integration of digital tools, which act as a catalyst for its growth. However, it is unlikely that digital media alone ensure the success of these ventures. There are other mechanisms that support the continuity and expansion of businesses. Ultimately, the main goal remains income generation through sales.

Other related studies will discuss the sustainability of entrepreneurial ventures in terms of how social media serves as a tool for the economic and social empowerment of women, promoting inclusive and sustainable growth (Rahman, et al, 2023), social media is a field that enables that economic impact

Moreover, digital media, due to globalization, increased competition, and the development of information and communication technologies, are generating significant changes in individual behavior (Varón Juarez & Monreal, 2025). Thus, the integration between offline and online channels responds to the socioeconomic and cultural dynamics generated by global transformations. In the case of El Salvador, although the digitalization process is not fully developed and many businesses have not yet fully adopted digital tools, there is a growing interest among small enterprises in embracing digital models. Therefore, access to the Internet, the adoption of artificial intelligence, and the integration of new technologies can become the bridge that enables countries to escape development traps, close historical inequality gaps, and promote more productive, inclusive, and sustainable growth (CEPAL, 2025.

One of the key aspects in the articulation between the virtual and the physical is the recognition of cyberculture as a medium rather than a direct agent of change in social reality. While technology influences social dynamics, it is not the primary driver of transformation. It can be argued that certain elements of the physical environment are constructed from this interaction, and that the differentiation between both spaces lies in how we reinterpret the cultural elements of the virtual realm within the physical experience. This implies that the process of reinterpretation is fundamental in the convergence of both dimensions. Cyberculture acts as a mediator that shapes social practices without

determining them; it is through human agency and reinterpretation that virtual cultural elements acquire meaning and impact within physical contexts (Harlow, 2016).

CONCLUSION

It is essential to recognize that research on the dynamics of urban entrepreneurship does not end with the current study; rather, it calls for the formulation of new investigations that address the ongoing evolution of such ventures. So far, it has been observed how offline and online interactions converge within commercial relationships, highlighting the importance of the digital component in sales processes and its impact on the effectiveness of transactions.

However, there are limitations regarding the use of technology, particularly in terms of the temporal and functional availability of devices. An urban venture must not only manage the concrete process of selling but also attend to other key aspects, such as advertising design and social media management, especially through a community manager. These elements create a set of conditions in which the business must adapt and learn in order to align with the market trends it is targeting.

The growing importance of the online component in new forms of commerce is undeniable. Nevertheless, it is crucial to acknowledge that e-commerce does not completely replace traditional commerce. Both online and offline models complement each other and offer unique opportunities. While e-commerce facilitates market expansion and the personalization of customer experience, traditional commerce adds value through sensory experience and interpersonal relationships.

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