

# Digital Marketing and its Impact on Start UPS

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**Abstract - Startups in the modern business world confront new and different obstacles and possibilities every day, with digital marketing emerging as a game-changer. The significance of online advertising for young businesses, with special emphasis on its effects on expansion, brand awareness, and consumer participation. Social media marketing, content marketing, search engine optimization (SEO), email marketing, and pay-per-click advertising are just few of the many strategies and approaches that fall under the umbrella of digital marketing. Startups may now compete more successfully in already saturated sectors with the help of these digital tools for establishing a strong online presence. Startups may reach their intended audience more cheaply with digital marketing. Digital marketing helps businesses to make the most of their limited resources, as opposed to more conventional forms of advertising that often need significant financial outlays. Using data-driven insights, social media interactions, and appealing content, startups may better target their marketing to the interests of their target demographic.**

**Keywords - Digital, Marketing, Impact, Start Ups**

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## 1. INTRODUCTION

Startups encounter several obstacles in today's fast-paced, fiercely competitive business environment. It's not easy to start a business from scratch because of all the challenges you'll face along the way, such as finding investors, coming up with a unique product or service, dealing with red tape, and gaining customers. Now more than ever, digital marketing can be a formidable ally for companies and has the potential to dramatically alter their course. Promotion of goods and services or awareness of brands is the primary goal of digital marketing, which includes a broad variety of online techniques and methods disseminated through digital channels like as websites, social media, search engines, email, and others. Its creation and development have dramatically altered how brands interact with their customers. When it comes to the survival and growth of a business, digital marketing is not an extra.[1]

We'll explore the many ways in which digital marketing is changing the landscape for new businesses. We will discuss the ways in which digital marketing helps businesses save money by providing targeted audience access, data-driven insights, customer interaction, and, ultimately, brand development. As we explore the world of digital marketing, we'll show how companies may use these tactics to get an edge in a crowded marketplace.[2]

### The Digital Marketing Advantage for Startups

- **Cost-Effective Reach**

Digital marketing's low overhead is one of its most alluring features for young businesses. Advertisements on television and in newspapers, for example, may cost a lot of money, which may be out of reach for a young company with limited funds. On the other hand, digital marketing may be done on a smaller budget. Startups may use the reach of digital media to make a big impact with little money up front. This marketing equality helps new businesses compete with those that have been around longer.[3]

- **Targeted Marketing**

Startups now have an unprecedented amount of accuracy in reaching their intended clients because to the digital medium. Startups may target particular audiences based on their demographics, interests, and habits with the use of search engine optimization (SEO), content marketing, and paid advertising. This ensures that advertising resources are not squandered on uninterested parties, but rather targeted toward the people who are most likely to become paying customers. The success of digital marketing may be attributed to its pinpoint accuracy.[4]

- **Increased Visibility**

Digital marketing is the best way for new businesses to get their names out there on the web. Startups may increase their online profile by using search engine optimization (SEO) tactics and publishing useful content. Therefore, the startup's offers will be more visible to prospective clients who do searches for items and services connected to their business.

Startups may get a leg up on the competition and enhance their chances of attracting organic traffic to their digital platforms if they are more well known.[5]

- **Data-Driven Decision Making**

When it comes to data and analytics, digital marketing is a gold mine for young companies. Everything from clicks and likes to shares and sales may be recorded and evaluated. By using a data-driven strategy, new businesses may better understand how their marketing campaigns are doing and how their customers are behaving. Startups may improve their strategy, use of resources, and marketing over time by making data-backed choices. Data-driven insights are priceless in a dynamic environment.[6]

- **Improved Customer Engagement**

Digital marketing has made it simpler than ever before to interact with consumers. Social media, email marketing, online forums, and live chats are all great ways for startups to have two-way conversations with their customers. These exchanges help people feel connected, increase their confidence in the company, and strengthen existing relationships. In addition, new businesses may show they care about their clients by responding quickly to their questions and suggestions. Startups may differentiate themselves from the competition and build enduring connections with their customers by engaging with them on such a deep level.[7]

## 2. LITERATURE REVIEW

**Hänninen, N., & Karjaluoto, H. (2017)** The term "digital marketing" describes the practice of promoting products or services digitally, using the Internet and other digital mediums such as mobile phones, desktop computers, and tablets. The future of digital marketing is bright. An important objective of digital marketing is to learn how consumers are using new forms of technology so that this knowledge may be used to the benefit of the business and the user's ability to engage with prospective clients. It is feasible to increase brand value, acquire new customers, and increase revenue using digital advertising. Promotion via digital methods may take place either online or offline. Because of the advent of the World Wide Web in the 1990s, a new age of advertising known as "digital marketing" emerged. The term "Internet marketing" refers to any strategy that employs the usage of the Internet to promote a product or service.[8]

**Jagongo, A., & Kinyua, C. (2013)** Advertising campaigns that attempt to enlighten customers about a brand, product, or service sometimes use multi-tiered approaches. With this strategy, customers who are interested in a topic are given access to more and more details about that topic in bite-sized chunks of information. This allows, for instance, for the telling of a brand's narrative in bite-sized chunks of information that are fast and simple to read. When the ad is

presented to the audience as a task they may carry out, we speak about two-way engagement. Games, interactive films, and puzzles are all examples of two-way interactive tools that provide the customer a more robust experience.[9]

**Eid, R., & El-Gohary, H. (2013)** Companies who successfully use technology into their marketing strategies highlight the necessity for in-depth research into digital marketing tactics. By making a calculated shift to customer-centric marketing initiatives, businesses may take advantage of cutting-edge methods of reaching their target audiences via the innovative use of digital marketing. No matter the industry, size, or location of a company's target audience, digital marketing should play a significant role in its overall marketing strategy. Now more than ever, businesses need to use this kind of advertising if they want to survive, since it may provide significant benefits at a relatively cheap cost.[10]

**Budac, C. (2016)** Companies that want to take advantage of the many opportunities the digital era has to offer should implement a digital marketing plan. Given that many new businesses suffer from a high concentration of weak internal characteristics, such as a lack of access to financial capital and a dearth of skilled human resources, it is crucial that they adopt digital marketing strategies and assess the impact that technology will have on their operations. CEOs and marketing officers should make the online purchasing process as easy and straightforward as possible for consumers when implementing digital marketing strategies for their companies' offerings, whether those offerings are services or tangible goods.[11]

**Foroudi, P. & Duda, M. (2017)** Viral marketing takes use of people's preexisting connections in social networks to spread word about a product. Viral marketing is more effective for certain goods and services than others because they lend themselves to being mentioned or shown as part of a conversation. Using this method, Hotmail became one of the most rapidly expanding companies online. They started with nothing and now have 12 million members after just 18 months. Because of the service's heavy promotion in every sent message, of course. The efficiency of viral marketing may be improved in several ways. The risk of infection is reduced by frequent contact, according to the research. It also demonstrates that offering consumers excessive incentives to suggest the product or service may backfire by damaging the trustworthiness of the connections. The value of recommendations and reviews varies widely between product categories and price points.[12]

## 3. METHODOLOGY

The information was gathered with the hope of bettering the document. The article's central idea is shown by a research approach that is provided. The

collected data then elucidates the full scope of the interrogation technique used.

### 3.1 Research approach

- **Inductive Method:** Since we are building on the results of a prior study, we will be using an inductive research strategy and presenting our final results to the world at large. As inductive methodology is investigated for its use in qualitative analysis, where researchers start with their results and hypotheses and suggest, at the conclusion of the analysis process, what discoveries they create, we are also employing qualitative research methodologies for the study.
- **Qualitative Method:** Exploratory in nature, qualitative research makes use of specific language to portray the reasons, perspectives, and motivations under scrutiny. Qualitative research delves even farther into the conundrum and seeks to hone hypotheses and ideas. Reference Interviews, focus groups, assessments, and action analyses are all examples of common qualitative data gathering methods in the field of business studies. Alternatively, qualitative researchers might acquire data using grounded theory or record analysis.

### 3.2 Data collection method

The purpose of data gathering is to answer predetermined test questions, put hypotheses to the test, and draw meaningful conclusions from the results of these endeavors.

**Primary data collection:** Participants in a study are interviewed in order to gather information by responding to questions and providing input. Face-to-face meetings might be one-on-one or in a small group setting. In-person, over the phone, or through messaging applications like Zoom, Skype, WhatsApp, etc. are all viable options for conducting interviews. Structured, semi-structured, and unstructured interviews are all possible. In this thesis, we used a semi-structured interview technique to gather data using Zoom and Google Meet.

### 3.3 Data analysis

Secondary sources have been collected, and empirical data has been collected and linked with theoretical findings. This is a methodological approach that examines and evaluates the hypothesis's compatibility with the data acquired to answer the research questions. The study presents and analyzes fundamental definitions centered on how academics perceive and identify the word by compiling the relevant literature and drawing connections between it and related concepts. Simultaneously, interviews with

founders of new businesses were conducted to gather empirical information.

## 4. RESULTS

The connection between experimental results and theory. The purpose of this chapter is to strengthen the thesis by expanding upon the core ideas necessary to answer the research question.

### 4.1 Relationship between Start-ups and digital marketing

Ndubisi and Natarajan (2016) state that for new businesses to succeed, they must first build a loyal customer base. All respondents in the current research agreed that developing a rapport with clients is crucial, especially for new businesses, and this was borne up by the empirical findings. According to Hänninen and Karjaluoto (2017), interaction is now a two-way dialogue in which both parties contribute information and their perspectives. According to contemporary online networking platforms like Facebook, Twitter, Instagram, etc., engagement networks are evaluated and measured to help companies find and keep customers. Since all of our respondents are heavily involved in several social media and digital marketing channels, our data supports this observation.

### 4.2 Digital marketing strategies in start-ups

Company C was the only one of the respondents to have used digital marketing methods, and they saw it as crucial to the growth of their startup. The other two respondents did not implement a digital marketing plan because they found it too time-consuming (Company A) or financially prohibitive (Company B) owing to the high costs of various marketing platforms. They also note that although paid search engine optimization, paid social media promotion, and paid video streaming all have their benefits, there are several free and successful alternatives, such as Discord and Twitch. Most academics, however, agree that digital marketing is a good value overall since it can be carried out in a variety of low-cost methods, including via SEO, email marketing, social media, and digital networks. In addition, neither Company A nor Company B were eager to put money into the digital advertising campaign. However, as Eid and ElGohary (2013) point out, the entrepreneur has to be open to spending money on technology and developing a solid digital marketing plan that can be included into both the company's pre- and post-sale efforts. With a broader focus on Web 2.0 and social media, businesses and customers alike may benefit from two-way and three-way communication, which in turn would strengthen customer relationship management channels and boost customer satisfaction.

#### 4.2.1 Implementation of digital marketing strategies

As shown by Lahuerta Otero et al. (2014), if owners-managers follow a few easy guidelines, they will be given every advantage in reaping the rewards of their investments. All of our survey takers use digital marketing strategies for their businesses. Company C also suggests that content should play a central role in the implementation of marketing strategies and tactics. The key to swaying consumers' opinions is in crafting engaging content. The corporation also highlights the benefits of digital marketing for new businesses, giving the impression that these strategies can be used by anybody with even rudimentary technological skills. As Kim et al. (2014) point out, small businesses that fail to use Web 2.0 tools are likely to fall behind the competition. Accenture's (2014) commercial study, based on a global survey of 6,000 individuals, is referenced by Savey et al. (2020) as evidence of a growing consumer shift toward mobile devices like smartphones and tablets. When new technologies aren't fully used, they might damage small and medium-sized firms. However, even the most cutting-edge companies don't have the resources to fully adopt and use digital technologies like Web 2.0 social media and blogs.

#### 4.3 Effects of digital marketing in growth of start-ups

The impact of digital marketing on the expansion of new businesses is substantial. Attracting new customers and facilitating personalized customer interaction via digital marketing may boost product awareness, revenues, and overall company growth. An efficient digital marketing strategy is crucial to a company's expansion since it generates new customers, builds brands, raises brand recognition, increases sales, enriches the customer experience, and strengthens customer loyalty at a reasonable cost.

##### 4.3.1 Brand awareness

Through innovative approaches to customer service and interface design, digital marketing (the use of digital media) successfully raises brand recognition and attracts new customers. Since digital marketing encourages constant, anywhere-and-anytime client connection, it has been widely acknowledged for its potential benefits to businesses and its fundamental influence on brand-consumer relationships. In addition, digital marketing strategies like social media marketing help companies expand their customer base, employee base, and public profile.

Integrating the network and marketing placement is key to developing a strong online brand, as stated by S. Teixeira et al., (2018). A study titled "Do Social Media Marketing Activities Increase Brand Equity?" was released by Karamian et al. in 2015. And they think that via networking, interacting, and building communities, businesses may increase their brand value. On the basis of a literature analysis and a small case study,

Bhati and Verma's (2018) article, "Online Brand Building: Lessons from Top Brands," discusses the facets of digital brand creation. It builds on the idea that branding efforts need to keep up with technological developments by providing a structure for creating and executing a digital brand's representation in the marketplace. The "Influence of Digital Marketing on Brand Building" study was also undertaken by Yuvaraj and Indumathi (2018). This study adds to our knowledge of the impact of digital marketing on product identity. To establish the connection between digital marketing and brand construction, the research provides an overview of relevant digital marketing platforms such as e-mail marketing, SEO, mobile marketing, blogging, affiliate marketing, etc., and their impact on the expansion of brands by consumers.

All respondents also agreed that start-ups need to prioritize digital marketing because of the essential role it plays in establishing a positive reputation for the company's brand among consumers. The majority of those who use digital marketing say they do it to raise brand awareness, and they aren't wrong. Company C also said that they do in fact often monitor and publish information on social media to raise brand recognition among consumers.

##### 4.3.2 Building trust

Research by Schivinski and Dabrowski (2016) found that consumers were more likely to make a purchase after reading positive reviews of a company online. Similarly, Akhtar et al. (2016) found a correlation between exposure to digital marketing and increased desire to buy. It reaffirmed that the benefits of displaying via web-based networking channels have grown as organizations have increased their investment in doing so. By participating in digital marketing, businesses may increase their competitiveness and get several advantages. Steenkamp and Geyskens (2006), quoted by Kannan and Li (2017), found that customers were more likely to accept the authenticity of websites that provided privacy/security protections and personalization based on their assumed personal values.

Company C's response is optimistic that digital marketers can earn their customers' confidence so that they may provide relevant data. By connecting on an emotional level and gaining the user's trust via effective communication, we can achieve our goals. They stay in close contact with their customers via various digital channels to solicit feedback and ideas on their products, which has allowed them to earn their customers' trust and loyalty. Companies B and C also enhance and improve the design and security policy of their business website, which serves as the key source of marketing platforms to establish credibility with customers.



### 4.3.3 Customer engagement

According to Insight Success (2020), digital marketing makes use of a wealth of data, customer involvement, and well-organized resources to evaluate consumer behavior and attitude, which in turn allows us to imagine new designs, spot untapped markets, and forecast the future. The "Effectiveness of Digital Marketing in the Challenging Age: An Empirical Study" was also investigated by Yasmin et al., 2015. The effectiveness and consequences of digital marketing on corporate performance are categorized in this research. It's proof that using digital media to advertise helps bring in customers and gets them involved with the company online. The impact of digital marketing on business income is also discussed, as is the value of digital media to both businesses and consumers. In addition, the research of Krishnaprabha and Tarunika (2020) suggests that digital marketing might enhance the quality of products and services in terms of how they are viewed by customers.

Those who took part in our survey agreed that digital marketing had helped increase consumer loyalty and made it easier for businesses to have two-way conversations with their clientele. The C business places a premium on user opinions, which have led to enhancements in the final product. Company C's 80% growth over the previous two years may be attributed in large part to the consistent involvement of the company's customers. Company A concurs that it has expanded greatly via the use of free digital platforms like LinkedIn and Discord, and that it has attracted new business ideas, investors, and devoted consumers as a result.

## 5. CONCLUSION

In conclusion, within the current highly competitive economic landscape, the use of digital marketing strategies has become imperative for every organization. This approach entails a cost-effective method of broadening the global presence of your business and engaging with a diverse range of customers. Startups may enhance their likelihood of success and sustained growth via the use of digital marketing strategies. Nevertheless, in order to maintain a competitive edge, businesses are required to stay abreast of the latest advancements in digital marketing and adapt their strategies accordingly to align with evolving client preferences and technological progress.

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