



## Digital Marketing and its Effects on Start-up Business

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### ABSTRACT:

Objectives To examine the value and impact of digital marketing on the competitiveness of startups. This study will further explore whether digital marketing can have a significant impact on startups to grow, increase customer loyalty and strengthen customer relationships. This concept has not been studied before and the only research we have found is the relationship between social media and innovation and shows that social media has a positive effect on innovation. In this study, which adopts qualitative research, semi-

structured interviews were conducted as the primary data collection method and interviews were conducted with 5 startup companies. The study also used secondary data collected from peer-reviewed articles, journals, and websites.

The study concluded that digital marketing is a creative and effective way to acquire, maintain and build customer relationships. Online channels and platforms such as websites, private marketplaces, and forums are considered the best for beginners. It also shows that startups can grow through digital marketing by building brand awareness, building trust, and building customer awareness. However, most startups are reluctant to implement a digital marketing strategy in their company's early days. Our findings will help others begin to think of digital marketing as part of their business strategy.

Recommendations for further research are important but may include more detailed studies in Sweden and the UAE, and research in countries outside Sweden and the UAE. Keywords: entrepreneurship, digital marketing, business knowledge, building trust, customer experience, etc.

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### Introduction:

We live in an environment of constant change and progress. Advances in technology play an important role in today's changing world. Almost everyone is connected to digital technology in some way. It's easy to spend time on your phone, computer and tablet. This opens up many possibilities for businesses, especially businesses, to be successful through digital transformation.

So it's no surprise that marketing technology has shifted much of traditional newspaper and television marketing to online digital media marketing. Regardless of size, digital marketing is at the forefront of all marketing efforts for any company. No one starts a company without a digital marketing plan anymore. Digital marketing is the most popular marketing method in today's technology age (Kamal, 2016). For starters, digital marketing can help emerging businesses adapt their marketing plans and strategies for customer marketing while keeping up with changes in the customer behavior pattern (Dwivedi et al., 2020).

Today, one of the most important strategies for starting a business that requires special design skills compared to a product is to create a brand image (Mingione and Abratt, 2020). Entrepreneurship has proven to be important for economic growth and its importance has increased worldwide over the past two decades (Mingione and Abratt, 2020). Governments around the world encourage and support startups to gain competitive advantage (Glaeser et al., 2010). Startups are advised to focus on digital marketing, not traditional marketing, because digital marketing allows startups to win leads and customers instantly, which is more beneficial (Taiminen & Karjalainen, 2015).

Digital marketing not only aims to create alternative ways to distribute goods and services, but also to build better relationships between customers and partners. It helps develop bonds with customers and understand their changing needs. Therefore, entrepreneurs should participate in online digital platforms that encourage businesses to reach more customers and communicate effectively with suppliers and customers (Mazzarol, 2015).

### Problem discussion?

Every year, thousands of startups try to gain a foothold in the business world with new ideas. Some become famous immediately, but most of them are difficult to establish their authority. Only 51% of beginners have been five years or more (SBA Office of Advocacy, 2012, cited in Ripsas, S. et al. 2012, 2018). Without a good business idea, it is not easy to start a business to compete with existing companies and make a profit. One of the main reasons startups struggle is because they don't have a good digital marketing strategy (Montgomery, 2018). According to CB Insights 2019, 17% of underperforming businesses attribute their performance to poor marketing.

We believe that the optimization of digital marketing is necessary for the growth of the enterprise. They can update their audiences about the activities and events in their business at a low cost, thus helping them to engage with their audience (Insight Success, 2018). Startups can build their image by effectively collaborating with people in the online community through digital networks (Hajli et al., 2017). According to Luo Mingjian et al.

(2018) Initiatives in many industries have demonstrated growth potential and ability to create value for customers through innovative products and services delivered through digital networks. This makes it an excellent business for startups and small companies with little or no capital (Montgomery, 2018). Digital marketing is faster and better. (Montgomery, 2018).

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### **Purpose/Aim?**

The purpose of this study is to examine whether digital marketing affects the growth of startups, increases brand awareness, builds trust among people who use the products, and strengthens customer relationships. This research also applies to social media, email, pay-per-click, viral marketing, etc. It aims to examine the importance and impact of digital marketing. The study also focuses on the relationship between startups and digital marketing. It also tries to understand the importance of digital marketing and the way to incorporate them into the startup business.

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### **Methodology:**

This part of chapter is set out on how the data was obtained in an attempt to optimise the document. It provides a research methodology where the core concept of the article is illustrated. The data collection then reveals the entire procedure of the interviews performed. The entire chapter will include in-depth information on the content and approaches used in this paper to enhance the entire report.

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### **Inductive Method**

To do our research, we will use the inductive research method when we start our research based on previous research and present our research findings at the end of our research process. Since the inductive method explores its use in qualitative analysis, researchers start with their findings and opinions and accept the results they produce at the end of the screening process, we also conduct research using qualitative research (Bryman & Bell, 2011). Additionally,

we choose an inductive analysis that involves searching for topics through observation and generating explanations (hypotheses) from theories for these patterns (Bernard, 2011). At the beginning of the analysis, there are no ideas or hypotheses leading to inductive experiments, and researchers can modify the analysis process after initial research (Research Business Research, 2020).

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### **Qualitative Method?**

Qualitative research is an exploratory study in which researchers use terminology to present explanations, viewpoints and motives for examination. Qualitative analysis deepens the dilemma and aims to refine theories or concepts. (Bryman and Bell, 2015). Common techniques of qualitative data collection used in business studies include interviews, focus groups, assessment and action analysis. In comparison, grounded theory and record analysis can also be used as a data collection tool in qualitative research. (Business Research Methodology,2020).

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#### ***Data collection method:***

Data collection is a method of collecting and analyzing sample variables that will help answer the stated questions, test hypotheses, and analyze the results (Kabir, 2016).

Interviewing involves answering questions and getting answers from research participants. Interviews can be individual, face-to-face, or face-to-face in groups. (Kabir, 2016). Conversations can be face-to-face, by phone or via Zoom, Skype, WhatsApp etc. can be done using various applications. Interviews can be structured, semi-structured or unstructured. For this article, we conducted interviews on Zoom and Google Meet using a semi-structured approach.

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**Ethical considerations:**

This is important to consider the ethical aspect when preparing the research. This report considered four ethical aspects mentioned by Bryman and Bell (2011) whether there is harm to participants, whether there is lack of informed consent, whether there is an invasion of privacy, and whether deception is involved. The interview was recorded with the informed consent of the respondent. There was no harm to the participants during the interview process. Respondents have been given the option of withholding information if they conflict with their privacy. There was no deceit involved throughout the interview process.

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**Data analysis:**

In regard to this study, the secondary information has been gathered, empiric data has been obtained and correlated with theoretical results. This is a methodological method that tests and analyses how the evidence gathered, and the hypothesis complement each other in order to address the study questions. Through collecting the related literature, the paper introduces, and analyses core definitions focused on how scholars interpret and recognize the term. Around the same time, empiric evidence was collected by undertaking interviews from start-up companies. By doing so, the thesis can evaluate the interaction, credibility, and relevance of the findings..

***Some more forms of digital marketing are:***

- SMS Advertisement
- Mobile Commerce Marketing
- Video Marketing
- E-Commerce Marketing

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**Results**

In literature, as per Schivinski and Dabrowski, (2016) brand trust is highly affected by computerized communication channels and their research results revealed that brand trust had an effect on the buying decision. Similarly Akhtar et al., (2016) suggested that there is a positive association involving digital marketing and the purchaser's buying intention. It reiterated that as companies increase their investment on exhibiting through web-based networking channels, the advantages of the companies have also increased. Embracing digital marketing activity allows companies to achieve significant benefits and boost the competitiveness of entities. Also, as per Steenkamp and Geyskens (2006) cited in Kannan and Li, 2017 one of their crucial outcomes was that consumers yielded higher trust to the essence of websites with privacy/security safety and customization in their presumed personal values.

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**Conclusion**

The objective of this research the value and influence of digital marketing on the competitive establishment and development of start-up companies. The research is based on the relationship between start-ups and digital marketing. The study further explored whether digital marketing can have a major effect on the growth of start-ups, improve brand awareness, gain customer loyalty and enhance customer relationships. This research demonstrates that most start-up companies do not perceive digital marketing strategy when implementing their business plan.

They are often reluctant to invest in such marketing. However, it has a huge effect on business growth and that it is necessary for start-ups to be involved in the digital media market. Blogs, content, articles and videos are the most productive for start-ups, particularly when published on industry specific channels.

To answer our research question "how digital marketing affects the growth of start-up business"? Digital marketing can have a significant impact on start-up companies. Startup companies have limited resources; hence they have to be creative while making marketing plans to compete with already existing companies. Digital marketing can play a crucial role in the growth of the start-up companies. Start-up companies can use digital marketing platforms to advertise their products effectively, efficiently and most of the platforms are free of cost. When it comes to the core attributes of business success, it is vital to strengthen relationships, trust and satisfaction with the client.

Digital marketing enables start-ups to promote two-way communication using right content with their consumers and has a global reach. Implementing right content in the marketing plan helps consumers to connect with the brand emotionally. Digital marketing also promotes the companies to build the brand identity and build trust among the consumers which is imperative for the success of any company. The start-up companies can communicate, get reviews and feedback regarding their products that can improve the quality of the products and services that eventually lead to building trust and brand awareness among the consumers. Building trust, brand awareness, consumer loyalty and awareness is crucial for the growth and success of the start-ups. The start-up companies can also acquire new investors, business partners, recruit skilled employees, acquire new and retain customers using digital marketing platforms such as LinkedIn, Facebook, discord, Instagram, content, etc.

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