



A Study of Factors Affecting Adoption of Digital Marketing in Entrepreneurship

Tanya Gupta¹, Tanya Rani²

students of MBA at Galgotias University, Greater Noida,

ABSTRACT :

In the digital age, the integration of digital marketing has become essential for the growth and competitiveness of entrepreneurial ventures. This study explores the key factors influencing the adoption of digital marketing strategies among entrepreneurs, particularly in small and medium-sized enterprises (SMEs). Using a mixed-methods approach, data were collected through surveys and in-depth interviews with entrepreneurs from various sectors. The analysis identifies several critical factors impacting digital marketing adoption, including technological awareness, perceived benefits, cost considerations, digital skills, and external support such as government policies and training programs. Findings reveal that while most entrepreneurs recognize the potential of digital marketing to enhance business visibility and customer engagement, challenges such as limited digital literacy, budget constraints, and resistance to change hinder full adoption. The study concludes with recommendations to promote digital marketing adoption through targeted training, financial support mechanisms, and awareness campaigns. This research contributes to a better understanding of how digital transformation can be fostered in the entrepreneurial landscape.

Key words: Digital Marketing, Entrepreneurship, Innovation, India, E-commerce, Startup Ecosystem, Digital Transformation, Online Platforms, Entrepreneurial Growth, Access to Capital, Government Policies, Business Environment, Technology Adoption, Emerging Economies, Global South, BRICS, Rural Entrepreneurship, Startup India, MSMEs, Market Access.

Introduction

Entrepreneurs are becoming more widely acknowledged as important forces behind innovation, employment, economic expansion, and job creation. Entrepreneurs are becoming more widely acknowledged as important forces behind innovation, employment, economic expansion, and job creation. Around 231 million businesses worldwide were either running or starting firms in 2019, corresponding to the Worldwide Entrepreneurship Monitor (GEM). Numerous international studies have looked into how women entrepreneurs are using online platforms and e-commerce in a variety of regions, including the Global South (i.e., Africa, Latin America, Asia, and Oceania), BRICS countries like Brazil and India, and rural areas from Southern Ethiopia.

In the context of India, the digital transformation has assumed a pivotal role in facilitating this growth by mitigating conventional entry barriers and affording women enhanced access to resources, markets, and clientele.

The burgeoning digital infrastructure, augmented access to capital, a proficient workforce, a conducive business milieu, and governmental endorsement have collectively positioned India as one of the preeminent startup ecosystems globally (Rathore, 2024). In an era characterized by rapid change akin to a monsoon gale, it is indeed remarkable to conceive an idea from inception, observe its development, and recognize that it is solely your endeavor that has actualized this success.

The inventive businesses founded by ancient communities like the Marwaris as well as Chettiars demonstrate India's strong entrepreneurial heritage (Kumar J. and Shobana D., 2023). which have established a foundation upon which contemporary entrepreneurs are now constructing. At present, India has the sixth-highest startup formation rate globally. According to the definition provided by the Indian government, a startup is delineated as an organization that is less than ten years old and possesses an annual turnover not exceeding one billion rupees (Rathore, 2024).

In India the digital transformation has played a significant role in enabling this growth by reducing traditional entry barriers and offering women greater access to resources, markets, and customers.

Factor and its role in digital entrepreneurship

Factor	Role in Digital Entrepreneurship
Digital Infrastructure	Improves access to markets and tools like e-commerce and AI platforms
Government Initiatives	Schemes like Stand- U p India, Mudra Yojana provide funding and policy support
Social Media Platforms	Enable direct-to-consumer models, enhance visibility and branding

Youth Demographics	India's young population drives tech adoption and entrepreneurial ambition
Financial Inclusion Gaps	Barriers still exist in credit access, especially for rural and first-time entrepreneurs
Pandemic Resilience	COVID-19 accelerated digital model shifts

Digital technologies are revolutionizing entrepreneurship and innovation, significantly impacting business functions in today's dynamic environment. The digital era has affected business functions in a dynamic environment.

Digitalization, including AI-driven marketing, social media platforms, and e-commerce, has significantly lowered entry barriers for entrepreneurs, enabling them to expand their landscape and establish sustainable business. Entrepreneurs have shown success in pivoting their business models during times of crisis, such as the COVID-19 pandemic (Manolova et al., 2020).

Social media is being used by a new generation of entrepreneurs to connect with consumers throughout India and around the world.

Entrepreneurs conduct their business operations from locations that may impact their access to resources and technologies compared with urban regions. entrepreneurs primarily used social media to interact with customers and identified barriers such as limited time and knowledge, infrastructure, legal and regulatory frameworks and economic and operational affordances and literacies.

With the increasing penetration of the internet, mobile device usage, and the adoption of social media, the digital marketing landscape in India has experienced significant expansion. Digital marketing channels are being used by companies of all sizes, including social media, SEO, content marketing, email marketing, and mobile marketing. Similar to their global counterparts, Indian entrepreneur is challenging traditional societal roles imposed by patriarchal structures, transitioning from caregivers to wage earners and leaders. (Statista, 2025).

The intersection of entrepreneurship and digital marketing has created new opportunities, lowered entry barriers and enabling entrepreneurs to compete in broader markets. Digital marketing empowers them to build brands, connect with customers, and enhance financial performance.

Literature Review

Peter Drucker, recognized as one of the leading management thinkers of all time, had quoted, "The entrepreneurial mystique? It's not magic, it's not mysterious, and it has nothing to do with genes. It's discipline. And, like any discipline, it can be learned." (Drucker, 1985)

Who are entrepreneurs?

Entrepreneurship is not reserved for a select few; it's a journey open to anyone with the dedication and consistency to pursue it. Whether you're a seasoned professional or someone just starting out, the path to entrepreneurship begins with a commitment to learning and growth with sky as the limit. Although the joy of paving your own path is undeniable, entrepreneurship goes beyond personal satisfaction. It can positively impact not only your life but also the lives of others around you, contributing to collective stability.

Job Creation: Every successful entrepreneur is essentially a job creator. By building a business, you provide employment opportunities, contributing to the financial security and well-being of your employees and their families. This ripples outwards, boosting local economies and communities. (Adenutsi D, 2023)

Innovation and Progress: Entrepreneurs are disruptors and innovators. They solve problems, address unfulfilled needs, and introduce new ideas, leading to progress and advancement in various industries. This ultimately creates a more stable and prosperous environment for everyone. (Adenutsi D, 2023; Peschl H, Deng C, Larson N, 2021)

Role Models and Inspiration: Witnessing the journey of a successful entrepreneur can be incredibly motivational and inspiring. It ignites a spark of possibility in others, encouraging them to pursue their own dreams and contribute to the ecosystem. This fosters a culture of self-reliance and ambition, ultimately leading to a more stable and dynamic society. (Vadera S, 2018)

Post independence focused on small businesses run by family dynasties or catering to niche markets. In the middle of the nineteenth century universities were set up in the large metropolitan cities of Calcutta, Bombay, Madras, and Delhi. Later studies explored the role of entrepreneurs in addressing social issues like poverty and unemployment, highlighting the "jugaad" (frugal innovation) mindset. Investments and revolutions like green revolution, white revolution. (Gupta, B., 2019) talking about literacy level, the industrial sector still has a high share of workers with low human capital. Mahala Nobis framework, the economy had two sectors: capital and consumer goods (1956-61) second plan (Gupta, B., 2019)

In the Post-Liberalization Era (1991-2010), economic reforms opened doors for new ventures, leading to studies on the rise of tech startups, knowledge-based industries, and the impact of globalization. However, challenges like access to finance, infrastructure, and talent, prompting research on government policies and initiatives aimed at fostering entrepreneurship (Mishra, 2018).

Now, in the digital era the rise of smartphones and internet penetration fueled the startup ecosystem, attracting significant research on funding models, incubators, and accelerator programs. Impact of Government Initiatives such as programs like "one district one product", "Startup India" and "Digital India" are promoting entrepreneurship and fostering innovation. Along with this, there is an increasing focus on diversity, inclusion, and social impact led to research on women entrepreneurs, rural entrepreneurship, and sustainable business models.

Early entrepreneurs were often driven by necessity, while recent years see a rise in opportunity-driven ventures. Gradually, this sector has witnessed increased formalization with regulations, incubators, and professional networks supporting entrepreneurs. The growing role of technology, digital tools and platforms are playing a crucial role in communication, marketing, operations, and scaling businesses. Entrepreneurs are increasingly addressing social and environmental challenges, promoting inclusive growth. Today, beyond Bangalore and Delhi, entrepreneurial hubs are emerging in various cities, fostering regional development.

The Entrepreneurial Revolution that captured our imagination during the 1990s has now permeated every aspect of business thinking and planning. As exemplified by the "dynasty builders" of the previous decades, such as Sam Walton of Wal-Mart, Michael Dell of Dell Computers, Fred Smith of FedEx, Steve Jobs of Apple, Bill Gates of Microsoft, Herb Kelleher of Southwest Airlines, Narayana Murthy of Infosys, Kiran Mazumdar Shaw of

	Theory used	Techniques/Methods	Sample (Including Country and Sample Size)	Factors (Antecedents, Mediating, Dependent, Moderator, Controlled, Variable)	Objective of the study	Conclusion
Sharma & Sharma (2023)	No theory found	PLS-SEM modeling; empirical survey	India; small travel agencies	Antecedents: Tech readiness, firm size; Dependent: Digital marketing	To evaluate key factors influencing digital	Tech readiness and firm characteristics significantly drive adoption decisions

Biocon, Lalit Suri of Bharat Hotels, Azim Premji of Wipro, Sunil Mittal of Bharti Airtel, K. Anji Reddy of Dr. Reddy's Laboratory, the applications of creativity, risk taking, innovation, and passion lead the way to economic development far greater than anyone could imagine. Today we witness the immense impact of global entrepreneurial companies such as Google, Yahoo, Facebook, Myspace, and BlackBerry; and Indian companies such as TCS, Wipro, Infosys, HDFC, ICICI Bank, Naukri.com, and MakeMyTrip.com.

Research Methodology

This study employs a qualitative, exploratory-descriptive research design to investigate the multifaceted impact of digital marketing on entrepreneurs in India. It is grounded in a systematic literature review (SLR), supported by case analysis and thematic synthesis, enabling a comprehensive understanding of adoption trends, challenges, and enabling factors.

Operating within an interpretivist paradigm, the research prioritizes the exploration of subjective experiences and context-specific insights over statistical generalization. The study focuses on how digital marketing tools influence entrepreneurial practices, particularly in Tier-I and Tier-II cities. Secondary data sources include peer-reviewed academic literature published between 2019 and 2024, government and institutional reports (e.g., Startup India, Ministry of MSME), and business news articles. The selection criteria emphasize inclusion of theoretical frameworks such as the Technology Acceptance Model (TAM), UTAUT, and focus on digital tools like social media, AI, and digital payment systems. Preference is given to empirical studies published from 2020 onward, especially the most recent work from 2023–2024.

Through thematic analysis, the study identifies key patterns around digital empowerment, financial inclusion, scalability, and access to digital resources, offering insight into how entrepreneurs navigate the evolving digital ecosystem in India.

Data Analysis and Interpretation

This model synthesizes insights from established theories including the Technology Acceptance Model (TAM), Unified Theory of Acceptance and Use of Technology (UTAUT2), Stimulus-Organism-Response (S-O-R) model, and pedagogical frameworks such as Signature Pedagogy. These theories were identified across reviewed literature and contextualized for entrepreneurial ecosystems in India. Several studies from 2023 explore the adoption and impact of digital marketing using various theoretical frameworks and analytical techniques across different contexts.

Table 4.1 - Key theories and models used

			(exact size not stated)	adoption	marketing adoption by small travel agencies	
Abbasi et al. (2023)	Technology Acceptance Model (TAM)	Survey and SEM	Not specified; SMEs using social media marketing	Antecedents: Perceived usefulness, ease of use; Moderator: Competitive industry; Dependent: Adoption behavior	To assess digital marketing adoption in competitive SME sectors	TAM holds predictive power; competition enhances digital adoption
Chatterjee	Leadership Support		Emerging economies; SMEs (sample)	Antecedents: SMM activities; Moderator: Leadership support; Dependent: Business growth	To explore how leadership moderates SMM adoption	Leadership boosts SMM

et al. (2023)	Framework	SEM-based analysis	size not given)		effects on growth	impact on sustainable SME performance
Sritong et al. (2023)	UTAUT 2	Survey + regression	Thailand; Bangkok consumers using metaverse + SMM	Antecedents: Performance, effort expectancy; Mediator: Engagement; Dependent: Adoption	Study Metaverse + SMM adoption among urban consumers	UTAUT2 factors drive engagement, which influences adoption intent
Safeer (2023)	S-O-R Model	Survey-based mediation model	Not specified, consumers in e-commerce setting	Stimulus: SMM activities; Organism: Emotions; Response: Impulse purchase	To analyze social media's influence on impulse buying	SMM emotionally triggers users, leading to unplanned purchases

Conclusion and Suggestions

Through a systematic literature review and analysis of conceptual models, the research identifies digital tools not merely as promotional mechanisms, but as instruments of socio-economic empowerment.

Findings underscore that platforms such as Instagram, WhatsApp, Meesho, and other digital-first models have significantly lowered traditional entry barriers—especially for non-metropolitan regions. These platforms enhance market access, customer engagement, and brand visibility, often with minimal financial investment.

The study also highlighted the role of institutional support. Government initiatives like Startup India, and SEWA ESS have contributed by offering financial access, training, and digital infrastructure. However, persistent barriers such as digital illiteracy, infrastructural limitations in Tier-II and rural regions, and entrenched gender norms continue to restrict inclusive participation.

The conceptual model developed in this report illustrates that factors like perceived usefulness, technological readiness, cost, and awareness significantly influence the adoption of digital marketing. This adoption subsequently affects financial performance and sustainability outcomes for enterprises. Moderating influences such as geographic location, education, and time availability further shape adoption behavior.

As India aims to reach its \$5 trillion economy milestone by 2030, integrating women more fully into the digital entrepreneurship ecosystem is not only essential for equitable growth—it is a strategic imperative.

While this study provides a comprehensive review of digital marketing adoption among women entrepreneurs, it also reveals the fragmented nature of existing literature. Many studies remain focused on isolated examples, single-country data, or narrow variables without exploring integrated frameworks.

Limitations

Lack of Real-Time Data:

- * The data may not fully capture the rapidly evolving nature of digital platforms, market trends, and government policies.
- * Real-time feedback from users of platforms like WhatsApp Business, Meesho, or Instagram is absent, which could offer insights into hyperlocal adaptations.

Geographic and Demographic Gaps:

- * The study does not differentiate findings based on specific states, communities, or industries within India.
- * Overlooks variations in digital literacy, infrastructural access, and cultural attitudes toward entrepreneurship.

Recommendations

To bridge the digital divide and foster inclusive entrepreneurship, the following recommendations are proposed:

*** Digital literacy campaigns**

Introduce structured, locally delivered training programs for rural and semiurban areas on digital marketing, e-commerce, and cybersecurity.

*** Public-Private Partnerships**

Collaborate with tech platforms (e.g., Meta, Amazon, Google) to provide mentorship, digital ad credits, and simplified onboarding for small businesses.

*** Policy incentives**

Extend startup tax benefits, affordable internet access, and financial subsidies to ventures adopting digital platforms.

*** Localized ecosystem development**

Establish regional digital hubs and community-based incubation centers to offer ongoing support and training.

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