

Startups in the Digital Era: Exploring the Role of Digital Marketing Strategy Through a Literature Review

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Abstract

Technological advancements in the rapidly evolving digital era have significantly transformed various sectors, including the business world. Startups focusing on technology-based solutions have become critical drivers of economic growth and disrupt traditional sectors. This study aims to bridge the gap in the literature by exploring the role of digital marketing strategies in the success of startups in the digital era. The research employs a literature review methodology, analyzing secondary data from scientific journals, books, and relevant articles. Keywords used in data collection include startups and digital marketing. The study systematically analyzes the data using content analysis to identify, classify, and analyze critical themes, patterns, and findings. Results indicate that digital marketing plays a crucial role in enhancing the maturity and performance of startups. Effective implementation of digital marketing strategies can significantly improve startups' chances of success by establishing a solid foundation in a competitive market. This research provides practical insights for startups in formulating effective and efficient marketing strategies and contributes to developing knowledge in digital marketing.

Keywords : Digital era; digital marketing; start-up.

1. Introduction

The rapid development of digital technology has brought significant changes in various sectors, including the business world (Kraus et al., 2021). The rapid advancement of digital technology has also revolutionized the business landscape, giving rise to innovative business models such as startups, which play an essential role in the digital economy (Katjiteo, 2024). Start-ups, which focus on technology-based solutions, have become the main drivers of economic growth in the digital era (Katjiteo, 2024) and are disrupting traditional sectors, benefiting from easier market entry and global reach (Katjiteo, 2024). The integration of digital tools and innovative business ideas in start-ups indicates a shift towards a more flexible and technology-oriented approach to meet the evolving needs of modern consumers.

In today's digital era, start-ups face fierce competition and the need to build strong brand awareness among the right target market. Digital marketing strategies have emerged as a vital solution for start-ups due to their cost-effectiveness, measurability, and ability to deliver targeted results efficiently (Birgithri, Syafira, & Louise, 2024;

Eloise Rose, Van Der Merwe, & Jones, 2024). Unlike traditional marketing strategies that are expensive and take a long time to see results, digital marketing strategies offer a more measurable, targeted, and cost-effective alternative. Ultimately, digital marketing has become essential to the modern business landscape (Wadhwa, 2023).

Using digital platforms such as social media, websites, search engine optimization (SEO), and content marketing allows start-ups to interact directly with target markets, build engagement, and increase brand visibility. Furthermore, the data and analytics available on digital platforms allow start-ups to track the effectiveness of marketing campaigns in real-time and make flexible strategy adjustments. This is undoubtedly an advantage for start-ups with limited resources who must maximize every investment.

Although the potential of digital marketing strategies for start-up success has been widely recognized, there is still a gap in the literature that comprehensively discusses its role, especially in the context of start-ups in the digital era. However, previous studies have emphasized the importance of digital marketing in general for companies or focused on digital marketing strategies in general (Olson, Olson, Czaplewski, & Key, 2021; Terho, Mero, Siutla, & Jaakkola, 2022) without specifically examining its application to start-ups with all their uniqueness and challenges. On the other hand, it is still not widely known how [the role of digital marketing strategies in start-up growth.

This study aims to address the gap by thoroughly investigating the influence of digital marketing tactics on the success of start-ups in the digital era through a literature review. This study seeks to identify various types of relevant digital marketing strategies, analyze the factors that influence their implementation, and explore how digital marketing strategies can be integrated with the overall start-up business strategy.

Through a systematic and in-depth literature review, this study is expected to provide a holistic understanding of the vital role of digital marketing strategies for start-ups in the digital era. The results of this study are anticipated to offer tangible advantages for start-up stakeholders in developing successful and efficient marketing strategies. This study is anticipated to advance science and research in digital marketing, particularly concerning start-ups.

2. Research Method

This study uses a qualitative approach with a literature review research type. Secondary data used in this study are in the form of scientific journals, books, articles, and other sources relevant to the research topic. Data search and collection are carried out through online databases. Keywords used in data searches include start-ups and digital marketing.

The collected data is then selected based on predetermined inclusion and exclusion criteria. Data that passes the selection is then analyzed systematically using the content analysis method to identify, classify, and analyze important themes, patterns, and key findings from the literature reviewed.

3. Results and Discussion

3.1 The Role of Digital Marketing in Start-up Maturity

Table 1. Stages of Start-up Maturity and Digital Marketing:

Maturity Stage	Stage Description	Main Challenges	Digital Marketing Strategy
First Step	Definition of value proposition, product-market matching, limited resources.	Lack of brand and marketing strategy, market experimentation.	Building awareness through social media. Experimenting with digital campaigns. Getting early feedback from customers.
Stabilization Phase	Expanding market share, optimizing data-based marketing strategies.	Building consistent brand awareness and engagement with customers.	SEO and SEM optimization. Relevant and interactive content. Data analysis to improve campaign strategies.
Scale and Maturity Stage	Significantly grow business and use data analytics for strategic decisions.	Complex strategy development, reaching new audiences.	Expansion through social media. Implementation of high conversion campaigns. Content to build long-term relationships.
Data and Social Media Utilization Stage	Leveraging data to personalize marketing strategies, expanding global reach.	Leveraging data efficiently and building relationships through social media.	Personalize campaigns based on data. Increase engagement through social media. Expand global markets through digital strategies.

Source: Rizvanović et al. (2023)

Digital marketing, revolutionized by digital media platforms in recent years (Lamberton & Stephen, 2016), plays a vital role in determining the maturity of startups, as it affects various aspects of their performance and growth. Many start-ups that are just starting or growing rapidly fail (Akter & Iqbal, 2020). This is due to the lack of maturity of the start-up (Rizvanović et al., 2023). To address this problem, various digital marketing strategies can be implemented (Sakas, Reklitis, Giannakopoulos, & Trivellas, 2023). In a study, it has been explained that digital marketing can play an essential role in the development, establishment, and

expansion of start-ups and in creating competitive advantages (Sakas et al., 2023; Tajpour & Hosseini, 2021).

Another study also explains the importance of online (digital) marketing in determining the future of start-ups (Garg, Asif, Yadav, & Kaushik, 2022). By influencing various aspects of start-up development, digital marketing plays a vital role in the maturation of the business.

However, Rizvanović et al. (2023) argue that the need for digital marketing strategies varies as start-ups mature. In their study, Rizvanović et al. (2023) examined the role of digital marketing strategies in supporting the growth of start-ups at various maturity levels, as shown in Table 1.

By understanding and integrating digital marketing at these maturity stages, start-ups can optimize their growth more measurably and effectively, increasing the likelihood of long-term success and building a strong foundation in a competitive market.

Thus, these findings imply that start-ups must develop flexible and scalable digital marketing strategies that adapt to changing needs as their business grows. Effective digital marketing can be a determining factor in overcoming growth challenges and ensuring the sustainability of start-ups. In addition, continuous monitoring and evaluation of digital marketing strategies must be carried out to ensure that the approach taken remains relevant and effective in supporting the start-up's maturity.

3.2 The Role of Digital Marketing in Start-up Performance

Technological advancements have profoundly transformed the corporate paradigm in the digital age, particularly within the start-up sector. Start-ups have emerged as a primary medium for several enterprises to market their products and services online. However, the increasing number of competitors in the start-up world requires companies to have an effective marketing strategy to increase sales conversions and gain a competitive advantage (Purnomo, 2023). One of them is utilizing a digitalization strategy in marketing. In the current era of digital transformation, companies are forced to develop new digital marketing capabilities to remain competitive (Homburg & Wielgos, 2022).

Based on this urgency, entrepreneurs are also required to have the ability to utilize digital technology to improve marketing performance (Wang, 2020; Zahara, Ikhsan, Santi, & Farid, 2023). This digitalization strategy will provide marketing opportunities (Alford & Page, 2015; Kromidha & Robson, 2021). A study found that digital marketing has a beneficial effect, especially on company performance (start-ups) (Erhan, van Doorn, Japutra, & Ekaputra, 2023).

To bolster this argument, the research findings Wu, Botella-Carrubi, & Blanco-González-Tejero (2024) elucidate that in the digital realm, the cornerstone of corporate positioning is Digital Marketing, which correlates with factors such as innovation, proactivity, organizational agility, and managerial competencies, all of which are crucial for the efficacy of organizational strategy in start-ups. In corporate strategy, organizational performance is a critical variable that profoundly influences overall success and efficacy. Innovation, proactivity, and managerial competencies are crucial in shaping the execution of digital marketing initiatives. Moreover, the implementation of digital marketing techniques significantly influences organizational performance.

By understanding these results, start-ups can design more effective and adaptive digital marketing strategies, improving the company's overall performance so that start-ups can remain competitive and relevant in an ever-evolving market.

3.3 The Role of Digital Marketing in the Development and Sustainable Growth of Start-up Businesses

There is no doubt that in the era of digital entrepreneurship, a digital technology platform is needed to make businesses more sustainable, especially for start-ups (Tatpuje & Ganbote, 2019). At the same time, digital technology has also shaped the concept of entrepreneurial success. The idea of success generally considered the achievement of company goals, has a special role in digital start-ups (Berman, Schallmo, & Kraus, 2024), where these start-ups are considered explicitly as newcomers to the market that create, develop, and commercialize digital artifacts to take advantage of business opportunities (Dong, 2019).

Companies, especially start-ups, often adopt digital marketing to develop sustainable businesses. In a study aimed at evaluating how the concept of digital transformation affects brand promotion and positioning, as well as the development of e-business through e-services conducted by (Melović, Jocović, Dabić, Vulić, & Dudic, 2020), it was found that the more companies rely on digital marketing, the more significant the impact on their brand promotion and positioning.

Jadhav, Gaikwad, & Bapat (2023) in their research also revealed how digital marketing has evolved over a period of time and how a company adopts it for their survival. Not only that, but several other studies also seem to agree by emphasizing the importance of digital marketing in driving sustainable growth and the long-term survival of a company (Azhar, 2024; Warsiman, Ekowati, Kholisoh, Supardi, & Susilawati, 2024).

Therefore, companies, especially start-ups, must strategically utilize digital marketing as an integral part of their business strategy to ensure sustainable growth and competitiveness in the market. The readiness to adapt to the latest technology

and implement digital marketing effectively will be a key factor in long-term success and business continuity. This success reflects that digital marketing is not just a trend but an essential strategic need in the era of digital entrepreneurship.

3.4 The Role of Digital Marketing in Supporting Start-up Sales

The digital transition is an unstoppable process that impacts consumers and companies. Therefore, a new sales strategy is needed that is oriented towards applying digital technology to improve the sales team's performance (Silva, Santos, & Moutinho, 2023). One of them is a digital marketing strategy. The study stated that there is a recognition that modern sales require the use of technological capabilities such as digital marketing tools (Guesalaga, 2016).

In a study conducted by Maithil, Qureshi, & Singh (2023), it was also revealed that online channels and platforms, including online (digital) marketing, have been identified as the most beneficial channels and platforms for startups. Digital marketing is recognized as a creative and efficient way to acquire, retain, and build customer relationships.

Recent studies have recognized the contribution of digital platforms to business activities (Usman & Sun, 2023). Companies often use digital media (platforms) to create outbound marketing aimed at new sales (Hawalдар, Ullal, Sarea, Mathukutti, & Joseph, 2022). Manko's (2022) research has also proven that the use of digital marketing can increase sales by reaching target audiences more effectively and providing business analysis to users.

Table 2. The Impact of Digital Marketing on Start-up Sales

Aspects of Digital Marketing	Impact on Start-up Sales
Increased Visibility and Reach	Increase start-up visibility in the B2B market and reach a wider audience online.
Lead and Prospect Generation	Generating new leads through SEO and social media, converting them into customers.
Customer Interaction and Engagement	Enables direct interaction with potential customers, building strong relationships and engagement.
Performance Measurement and Analysis	Provides in-depth data and analysis on campaign performance, enabling optimization of marketing strategies.
Cost Efficiency	More cost-efficient than traditional marketing, suitable for start-ups with limited budgets.

Source: Hawalдар et al. (2022)

Overall, the implications of this study suggest that digital marketing is a critical component of a successful sales strategy for start-ups. By leveraging digital tools and platforms, start-ups can increase their sales effectiveness and strengthen their position in a highly competitive market. Adapting to digital marketing allows start-

ups to make the strategic adjustments necessary to survive and thrive in the ever-changing digital era.

4. Conclusion

The study findings indicate that digital marketing significantly influences the maturity and performance of start-ups in the current digital age. As technology and digital platforms evolve, digital marketing serves as a mechanism to enhance sales and is essential for the growth of sustainable start-up enterprises. Despite the numerous hurdles and risks of failure that many start-ups encounter, implementing an effective digital marketing strategy can enhance their likelihood of success by establishing a robust foundation in a competitive market.

Therefore, it is recommended that start-ups develop a flexible and adaptive digital marketing strategy according to their stage of maturity. To maximize their performance and growth, start-ups need to effectively utilize various digital marketing tools and techniques, such as social media, SEO, and data analysis. In addition, periodic evaluation and adjustment of strategies must be carried out to ensure that the approach taken remains relevant to market needs and technological developments. Thus, start-ups can ensure sustainability and long-term success in an ever-changing market.

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