

Digital Marketing Approaches for Sustainable Development of Start-Ups in India

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ABSTRACT

The success of the startups relied on the commercialization of innovative potential ideas into successful and sustainable business model. This is attributable to product innovation, strong base of potential customers, cost control, substantial revenue, and profit generation in the long run. However, the among all functions marketing functions is only the functions deals with revenue generations. Therefore, startups should focus on the effective marketing channels for substantial development of the Startups. In this regard, the present study emphasized the different types of marketing channels along with technical collaborations which is called “digital marketing”. This study explores the role of digital marketing in driving sustainable development for start-ups in India. By leveraging digital channels and tools, start-ups can enhance their online presence, reach target audiences, and achieve sustainable growth. The research examines various digital marketing approaches, including social media marketing, search engine optimization (SEO), content marketing, and influencer marketing, and their impact on start-up success. The findings highlight the importance of digital marketing in enabling start-ups to overcome challenges, build brand awareness, and drive customer engagement, ultimately contributing to sustainable development and economic growth in India

Keywords: *Digital marketing; sustainable development & startups; SEO; Economic Growth*

1. Introduction

India itself established as hub for global hub for entrepreneurship and innovation, which result into emerging as world largest country for Startups with 1,12,718 registered units as on 3rd October 2023. This achievement gave re-birth to the Mahatma Gandhi idea of MSMEs which are strong pillars of the economy for emerging countries like India. In globally, India is just behind China (2nd Position) and USA (1st positions). But, India's stands in front of these two countries in growth of Startups i.e. 49 percent, where it is only 33 percent in USA and 12 percent in Chian. This is driven by the 2nd position in high quality in innovation and education among the middle-income economies. The Startups expansion was not limited to few sectors, but its presence is observed in 56 diversified sectors, majorly 17 percent from IT sector, nine percent from health and life sciences, seven percent from education, five percent from agriculture and five percent from food and beverage. During the period of 2015-2022, the Startups ecosystem grew by 15 times in total fund, nine times in number of investors and seven times in number of incubators. The growth of Startups shows positive impact on the economic growth of the India, job creations, increasing income levels of the households, increase economic activities, rise in tax income, effective utilization of resources, manpower utilization, promotion of R&D and increasing the living standards of the people, Sarvana Kumar (2023).

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According to the senior associate dean of business programs, Dr. Mark Hobson, "Though digital marketing may appear like a completely new landscape, in actuality, it rests on several principles already known to conventional marketers. Digital marketing asks for both introductory marketing know-how and technical skills.

In India, high internet penetration (61 percent), smart phone usage, growing digital economy, 658 million of internet users, 980 million of people are with age of 18 years, largest workforce in the world, 32 million of graduates, government initiations are major driving factors of Startup in India, even in coming years. The projection in growth of Startups by 2025 witnessed that India stands at 2nd position after USA with around one Lakh active Startups, 250 Unicorns, employment opportunities to 3.25 million around 150-200 billion dollars investments. However, start-ups in India exposed to the few significant obstacles for further growth in the future such as lack of sustainable funds at different stages, absence of friendly regulatory system, lack of mentorship, branding strategy, inadequate infrastructure, consistent reinvestment, poor knowledge on customer behavior perception, too fast or too slow execution of business plans, (Bala Koteswari & Padmaja Peram2018). As part of encouraging start-ups, government of India initiated number schemes such as Atal innovation mission, start-up, stand-up India, Atmanirbhar Bharath, ebiz portal, PMMY etc.,

2. Need of the Present Study

Even though, India achieved 3rd largest hub for startups, it is not free from major hurdle in growth and development. The survey conducted by the Forbes in 2017 found that majority of the Indian start-ups are suffering of poor technology and unsuccessful business models, demand less products, pricing issues, 14 percent poor marketing skills, internal problems etc. However, the study of Abdul Kalam (2022) revealed that, USA, UK, and ISRAEL stood top three countries in high success rate in start-ups. This is attributable to the registering of majority of the start-ups are tech bases start-ups (Abdul Kalam et al.2022). But, in India majority of the start-ups are non-tech-based companies and even tech-based companies are also poor in optimum utilization of technology. Therefore, India should encourage tech-based start-ups along with the encouraging the non-tech-based companies towards utilization of technology for its successful business operations by in time and low cost. In this context, the present study addressed the various digital marketing strategies available to start-ups and their market size, features and cost and return analysis.

3. Sustainable Digital Marketing Strategies for Start-Ups

The word "digital marketing" describes the marketing of goods and services using digital platforms. It also describes the method of incorporating digital technology to attract consumers and create consumer habits, support brands, maintain customers and improve revenue and profitability. Digital marketing is concerned with using of media devices such as mobiles phones, computers and other devices to reach consumers through social media, websites, search engines, applications and other methods. Every year, thousands of start-up firms with an innovative concept have their presence in the corporate world. The common challenge face by all start-ups is designing the effective marketing strategy which improves product and brand awareness, attract customers, generates revenue and cost effective, However, open fact that, many startups know digital and mobile channels are vital for acquiring and retaining customers, but is not having integrated plan for growing and engaging their customers. It could be due to a possible fear of creating massive reports and analyses. However, the plan doesn't have to be a massive one, but lean planning works the best. Another challenge is the sheer scale and scope of digital marketing due to availability of wide digital marketing techniques like social, search, display, email marketing and social media marketing etc. Within every digital marketing technique, there are a plethora of tricks that are important for success. Thus, the present study focuses on the major digital marketing techniques or strategies, their features, process, cost and return, challenges and solutions.



Source: Online Website

1. **E-MAIL MARKETING:** E-mail marketing refers to a unpaid form of electronic marketing channel or digital marketing deals with sending mail to the current and prospective customers about products and services offered by the companies. The e-mail marketing is in the form of direct mail, retention mail and email placed ads. In the world the market size of e-mail marketing is 7.01 billion dollars as in 2022 and project to rise to 23.9 billion dollars by 2030 with CAGR of 17 percent (Stata 2022). In India, 71 percent of marketers preferring e-mail marketing channel. In India 59 percent of email marketers send at least one email per week and 29 percent of marketers send an email daily. 30 percent of marketers send out more than 50,000 emails monthly. The e-mail marketing has the advantages such as low investment cost, permission based, flexible design, sharable and scalable, measurable etc., On the other hand, e-mail marketing has the following limitation such as spam, undelivered mails, design problems, size issue and resource and skills Sabbagh, Foued. (2021). The mail financial benefit of email marketing delivers a strong Return on Investment i.e. average of \$42 for every \$1 spent on email marketing. E-mail marketing is very suitable to the start-ups offering professional services to the customer who have technical knowledge and professionals in works. This is very suitable to the fintech firms, educational firms, banking, insurance, electronic products and services etc.
2. **SOCIAL MEDIA MARKETING:** Social media marketing refers to the buying and selling of products and services using social media sites on the internet. Social media marketing reduces the cost by saving staff time and effort and increases profitability by earning revenue. It also enables the companies to share the expertise and knowledge, helping the customers Sisira Neti (2011). In 2020, in India social media users are 3.6 billion which is expected to rose by 4.41 billion by 2025. Every individual is using social media four hours a day. In India the average cost of social media in day is around Rs 20000-Rs 60000. 73 percent of marketers believe that social media is very effective for their business. The social media marketing is exposed to the following challenges such as not continuous engagement with followers, too much focus on sales only, finding social talent, low ROI, very short period, not getting audience attention etc., For start-ups it is very suitable to market their products at lower cost and wide reach particularly youngsters.
3. **Search Engine Optimization (SEO):** The search engine optimization is one of the digital marketing strategies defined as a practice of orienting the company website in top searching words of Google to improve the visibility of the product content etc. The major advantages of SEO comprise of offering higher ROI, better traffic, web presence, mobile friendly, wide reach, quick search and user friendly, in the contrast, it has limitations of insistency ranking, slow result, no guarantee business and huge competition.93 of the global traffic comes from Google Search, Google Images, and Google Maps. For the startups which are offering unique products, the SEO is very suitable to market their products at competitive cost.
4. **Pay per click marketing:** The GoTo. com is pioneer of Pay Per Click marketing services since 1998, where Google entered into the market since 2000 and earned major revenue from this segment. Khraim, Hamza & Alkrableih, Alaa.

(2015). The PPC has the advantages of cost effective, choosing of targeted audience, measurable, customized and fast, on the other hand, it has the limitations such as investment of huge time for improvement, requirement high skills and no guarantee of sales and revenue. On average the cost of PPC packages in India are in the range of Rs 10000 to Rs 100000 per months. The PPC is an effective strategy for startups for marketing their new brands and low customer awareness.

5. **Influencer marketing:** Influence marketing refers to the using the influencers (trusted person) to market their products and creation of brand image to their products. However, this is a very specific chosen marketing strategies but not to address the mass consumers. The market strategy is possible when consumers are limited and specific, products and services are highly customized, customers are highly trusting the influencer, influencer has high awareness and experience with the company products and services etc. Influencer marketing has limited impact when a company selects the wrong influencer, inadequate sample size, influencers discrimination etc. The influencer market hub conducted a market survey and revealed that 83 percent of respondents opinion that influencer marketing is still effective of marketing, this market segment reach to the market size of 21.1 billion dollars by the end of 2023. The cost of influence marketing is vary based on the influencer such as nano influencer Rs 500 to Rs 5000 per post, micro influencer Rs 1000 to Rs 10000 and for macro influencers Rs 100000 to Rs 50000 per post.
6. **Retargeting Advertisement:** Retargeting is concerned as one of the digital marketing forms deals with readvertising about company brands in front of bounced customers after they have visited and left the company website. For most company websites, only two percent of online customers converts on the first visit which gives huge opportunity retargeting the 98 percent of customers who don't convert straight away or instantly. Retargeting ads can lift engagement up to 400 percent. 60 percent 7of the online buyers say that they see ads from other websites they have searched on (Siddharth Semwal & Dr Diksha Panwar (2019). This is an excellent strategy now following the many startups in attracting the customers and generating business.
7. **Content Marketing:** The content marketing is defined as technique of attracting and retaining potential customers and transform aspirational consumers in advocates by developing various forms of valuable and highly usable content that prospects consider to access a website to learn more or come into contact with a marketing offer (Opreana and Vinerean, 2015). In the marketing industry 91 percent of B2B marketers use content marketing to reach their target customers. This is very suitable to the startups with innovative products and services.
8. **Viral Marketing:** The concept behind viral marketing is word of mouth where in practical 90 percent of consumers said that there are saying at least one person about the website or products they used, as pr the survey conducted by the Jupiter. In business units, 80 percent of the online firms use viral marketing and 56 percent of the browsers look for new sites through viral marketing which gives huge scope for startups to use viral marketing to reach a wider market in short period.
9. **Referral Marketing:** Referral marketing is using People such as friends, colleagues and relatives, family member as the new media for reaching prospective customers. According to a survey conducted by mention in 2019, 25 percent of organizations are still using referrals as marketing channels, 37 percent of consumers getting recommendation of the products and services from friends, family members relatives. This is the most trusted marketing channel due to getting recommendations from the known and blood relation persons which are experienced with the products and services.
10. **Affiliate Marketing:** Affiliate Marketing is the practice whereby a digital publisher or website promotes an online retailer and earns a commission based on the sales or leads that the advertising generates for that online retailer. For marketers, Affiliate programs generate 15-30 percent of the sales, and Affiliate Marketing will hit \$6.8 billion by the end of 2020.

4. Startups Need Digital Marketing:

Digital marketing is crucial for the sustainable development of startups in India, offering a cost-effective way to reach a wider audience, build brand awareness, and drive growth. While challenges exist, including budget limitations and skills gaps, embracing digital strategies like SEO, Social Media Marketing and Content Marketing is essential for startups to thrive in the competitive Indian market.

- Nearly 74% of marketers have a belief that e-mail marketing plays a role in augmenting customer engagement.

- Around 91% of internet users check their e-mails at least once a day. This means sending insightful, value-driven emails can help businesses in establishing lasting relationships.
- 75% of marketers witnessed an increase in their brand's trustworthiness using digital marketing
- In 2020, 70% of B2B marketers said that their organization's content marketing has become more powerful than it was a year ago
- Facebook has nearly a whopping figure of 2.89 billion users globally
- Organizations that master the art of securing leads through inbound marketing secure 50% more sales
- Nearly 40% of people said that they would prefer to work with a brand due to its direct mail advertisement. Around 49% of users of the age group 18-29 said they've made a purchase after going through a social media ad
- Nearly 80% of internet users bought something after seeing a social media ad
- 61 percent of the companies polled want to hire more digital marketers.

5. Conclusion

The success of the startups relied on the commercialization of innovative potential ideas into successful and sustainable business model. This is attributable to product innovation, strong base of potential customers, cost control, substantial revenue, and profit generation in the long run. However, among all functions marketing functions is only the function that deals with revenue generations. Therefore, startups should focus on the effective marketing channels for substantial development of the Startups. In this regard, the present study emphasized the different types of marketing channels along with technical collaborations which is called "digital marketing". The present study throws light on the availability and suitability of various digital marketing channels for growth of startups. The integration of digital marketing approaches is crucial for the sustainable development of start-ups in India. By leveraging digital channels and tools, start-ups can enhance online presence: Build brand awareness and establish a strong digital footprint, reach target audiences: Effectively engage with customers and prospects through targeted marketing efforts, Drive customer engagement: Foster meaningful interactions and build lasting relationships with customers and Overcome challenges: Navigate the competitive start-up landscape and achieve sustainable growth. By adopting digital marketing strategies, Indian start-ups can improve their competitiveness, increase their market share, and contribute to the country's economic growth.

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