

Digital Marketing Practices and Their Impact on E-Commerce Start-Up Performance

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ABSTRACT

For e-commerce start - ups in the digital economy, digital marketing has emerged as a crucial driver of development and competition. Start-ups may improve their exposure, client engagement, and overall business performance via the efficient use of digital marketing methods. But there are a number of obstacles that make it hard to use digital marketing strategies, especially for new e-commerce businesses. Examining the main obstacles encountered by e-commerce start-ups while implementing digital marketing strategies, this study takes a descriptive research approach. A structured questionnaire was used to gather primary data from one hundred and twenty-five participants. The results show that having a little budget is the biggest obstacle, followed by a shortage of qualified workers. Gender and age, according to additional research, are not substantial determinants of how people view the difficulties of digital marketing. Findings highlight the need for affordable digital marketing solutions and talent development programs, and the study notes that e-commerce start-ups have financial and human resource limitations regardless of demographic variations.

Keywords: Digital Marketing, E-Commerce, Start-ups, Challenges, Budget.

I. INTRODUCTION

Digital marketing started in the early 1990s, but it really took off in the 2000s as internet access grew quickly and smartphones and other digital devices became popular. The internet is becoming easier to use, which has changed how people look for information, compare items, and decide what to buy. More and more people started using the internet to look for items and services, which led to the rise and expansion of electronic commerce (e-commerce). E-commerce is the buying and selling of products and services online using digital platforms. It is a very important part of how businesses work across the world today.

E-commerce has had a big effect on economies throughout the world and in the United States in the last few years. Companies of all sizes, from big multinational organizations to small and medium-sized businesses (SMEs), are working hard to make their mark in the e-commerce world. One of the best things about e-commerce is that it can offer services 24 hours a day, 7 days a week, so

customers can shop whenever they want, no matter where they are or what time it is. Digital marketing is an essential tool for modern firms because it is more flexible, cost-effective, and customer-engaging than traditional marketing tactics.

Digital marketing has changed the way businesses compete at both the global and national levels. The lines between big and small businesses have become less clear, as even tiny businesses can now reach customers all over the world through online platforms. The corporate world is changing quickly right now because of new technologies and the shift to digital. The ubiquitous use of digital devices and internet access has changed the way we communicate, share information, and conduct business. Because of this, even small firms with a little internet presence may compete with big ones by using digital marketing methods well.

The Indian government has furthered the digital transition by establishing the Centre for the Fourth Industrial Revolution (IR4.0), which helps businesses adopt new technologies. India is now one of the best places in the world for startups to launch, thanks to these programs, the growing use of smartphones, and the internet. E-commerce companies like Flipkart have become major players in the Indian industry, even though they initially faced challenges in obtaining legal recognition and establishing regulatory frameworks. Flipkart is incredibly popular with Indian customers because it offers a wide range of products and user-friendly payment options, such as cash on delivery, easy returns, and after-sales services.

Flipkart's "Big Billion Days" and other big sales events have changed how people purchase online in India. These events bring in a lot of sales, but they also make it hard to run, especially when handling many orders in a short time. Still, these kinds of projects show how important internet advertising and digital marketing are becoming for economic growth. As more and more people utilize the internet, digital marketing methods including Search Engine Optimization (SEO), Search Engine Marketing (SEM), social media advertising, influencer marketing, and content marketing have become more important to business plans.

We can see the growing impact of digital marketing in how people are changing their buying habits. People are more likely to trust blogs, online reviews, social media posts, and digital recommendations than traditional TV and print ads when deciding what to buy. The fast rise of the information technology sector has also led to impulsive purchases, especially among younger people who spend a lot of time on digital platforms. India's internet advertising sector has grown so quickly that it has had a big impact on how people purchase, live, and spend their money.

Digital marketing has a significant impact on how people make decisions by changing how they think about brands, what they know about products, and how likely they are to buy. Promoting high-quality items through efficient digital platforms usually makes customers happier and keeps them coming back for more. Even in a very competitive online market, the quality of a product is still quite important when making a purchase. Businesses also face a number of challenges that can slow their growth, such as intense competition, price sensitivity, logistical issues, and concerns about trust when doing business online. Even with these problems, the boom of internet marketing is projected to keep online sales growing in India.

Digital marketing is an important way for businesses, digital platforms, and customers to connect through mobile commerce (m-commerce), the internet, social media, and other digital channels. Flipkart, Myntra, Amazon, and other e-commerce sites serve as intermediaries that facilitate communication between buyers and sellers. In this context, recent studies have begun to examine how digital marketing methods, customer involvement, and brand image interact to influence purchasing behaviour, especially in new markets such as India's over-the-top (OTT) platforms.

The COVID-19 pandemic accelerated the already rapid spread of the internet and digital technology. This has led to significant growth in OTT platforms such as YouTube, Netflix, and Amazon Prime Video. India is expected to become the second-largest OTT market by 2023. This would make things more competitive for both digital content producers and e-commerce platforms. Amazon, Flipkart, OLX, and BookMyShow are just a few of the platforms that offer OTT services. They also offer a wide range of items and services, so people can purchase whenever and wherever they choose.

To create successful, focused digital marketing strategies, you need to understand how competitive India's e-commerce market is. Businesses that want to be in business for a long time and stay ahead of the competition must keep an eye on changes in the market, customer tastes, and technology. Indian customers are also becoming more conscious of eco-friendly products, leading more companies to adopt green marketing and corporate social responsibility (CSR) programs. These techniques not only improve the company's image but also attract people who care about the environment, which boosts sales and keeps customers coming back.

II. REVIEW OF LITERATURE

Waseem et al., (2024). The use of online shopping has become ingrained in our daily lives. Because of its widespread reach and relative simplicity of use, social media has emerged as a powerful tool for businesses looking to boost their marketing efforts. Retail and fast-moving consumer goods companies in Pakistan have hired social media and digital media managers to oversee their presence on platforms like Facebook and Instagram because of the significance of these platforms. To improve their social media results, the managers in charge of these platforms have developed digital marketing strategies. This is shown by the quantity of follows, likes, and shares generated by the intended audience and potential clients. Our study's focus was heavily on the role and capabilities of web-based businesses. Finally, our data analysis, which made use of SPSS and Hayes Process Macro, considered the results of 232 respondents. We accept all hypotheses and find substantial values in the direct correlations. With any luck, the findings will be useful to companies and social media managers as they work to improve their strategy for expanding their online presence and attracting more customers. In addition, it aimed to add to the existing body of knowledge for businesses who have fallen far behind in using the E-commerce and social media strategy framework to boost their online transaction capabilities and market performance. In addition, our study contributes to the existing literature by providing tidbits of information for companies who are still struggling to fully implement online business and entertainment methods. Embracing these architectures allows firms to enhance their market execution and online exchange capabilities. The revolutionary impact of sophisticated advertising on company growth and customer loyalty is highlighted in our assessment.

Dsouza, Ashlin & Panakaje (2023). A new feeling of personal responsibility to provide for one's family has emerged with the rise of self-employment among young people. Job possibilities have arisen as a result of people starting their own enterprises to make a daily income. This research delves into the specifics of how businesses come to be, what motivates them to employ digital marketing to reach more people, and how they plan to use this information to shape the future. To further explore the many A's, B's, C's, and D's of digital marketing adoption by startups, the research also used ABCD analysis. This study takes a macro-view of the current situation by conducting a semi-systematic analysis of various secondary sources, such as articles, journals, and publications on ResearchGate Publication, Google Scholar Publication, Srinivas Journal Publication, SSRN, and so on, in order to examine how startups involved in digital marketing are fighting against various constraints. A lot of individuals are getting into business for themselves because of digital marketing. Today, more than ever before, individuals may pursue their dreams of becoming entrepreneurs by launching their own enterprises. People aspirationally want to become entrepreneurs, just as they do to become physicians, engineers, pilots, or government officials, when they are young. Therefore, there is a lot of room for schools to develop new programs that teach students about marketing to startups from a variety of angles and in a variety of sectors. Students, researchers, instructors, and readers may use the study of startups' digital marketing success as a springboard to build upon in future studies on the same or related themes. If you want to know what drives businesses to stay afloat in this tough economy, this case study has you covered. In order to compile this study, the researchers relied on secondary sources, such as previously published papers, case studies, and books that included extensive research. The author discovers that the cited articles are published after researching and reading other works written by the same writers. Researching previous publications and case studies provides solid backing for the digital marketing case study of startup performance. Analyzed Situation.

A.S., Sathish et al., (2022). The pace of change in the Indian market is unprecedented. Internet marketing allows businesses to reach a wider audience. Every day, more and more Indians are logging onto the web and engaging with various social media platforms, such as Facebook, WhatsApp, and others. Thus, companies are shifting their attention from traditional markets to digital ones by selling items online and making them available on multiple social media platforms. The proliferation of online advertising may be attributed to social media. Marketers benefit from people's increased engagement on social media. Rapid growth is being seen daily by India's digital marketing business. Most products and services are now sold online by marketers. There is no other way to succeed in the consumer market than this. The expansion of online retail in India is the primary topic of this article. In order to understand how digital marketing plays a part in the development of e-commerce businesses in India, a survey was conducted among 237 marketers working in the field. The research found that the importance of digital marketing in the success of e-commerce businesses in India is determined by four factors: effective marketing, target customers, global reach, and strategy and plans.

III. RESEARCH METHODOLOGY

Research Approach

A descriptive research method is used in this study to find out what e-commerce firms are doing right now in terms of digital marketing patterns and trends. Using this strategy, the research may be able to look at how different digital marketing methods affect the success of startups.

Data Collection

The research employs both primary and secondary data sources to guarantee thorough examination of the subject matter. A systematic questionnaire is used to collect primary data. This questionnaire asks respondents about their own experiences with digital marketing and how well it works. Secondary data comes from research papers, academic journals, blogs, websites, books, and other public sources. It gives a theoretical basis and helps to grasp the context.

Sampling Technique

The research utilises a snowball sampling method, which effectively identifies and engages respondents inside the e-commerce start-up network via referrals from original participants.

Sample Size

The study selects a total sample size of 125 respondents.

Statistical Techniques

Statistical tools such as percentage analysis, mean score analysis, Independent Samples t-test, and One-Way ANOVA were employed for data analysis.

IV. DATA ANALYSIS AND INTERPRETATION

Table 1: Gender of the respondents

Gender	Frequency	Percentage
Male	72	57.6
Female	53	42.4
Total	125	100.0

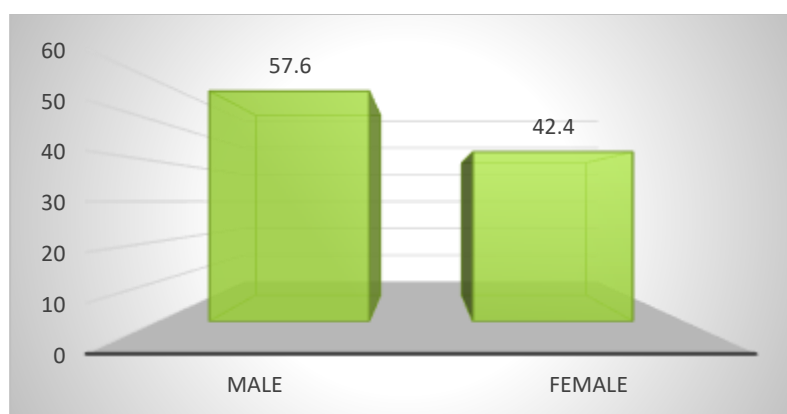


Figure 1: Gender of the respondents

The above table presents the gender-wise distribution of the respondents selected for the study. Out of the total 125 respondents, 72 respondents representing 57.6 per cent are male, while 53 respondents accounting for 42.4 per cent.

Table 2: Age Group of the Respondents

Age Group (Years)	Frequency	Percentage
Below 25	22	17.6
25–35	54	43.2
36–45	31	24.8
Above 45	18	14.4
Total	125	100.0

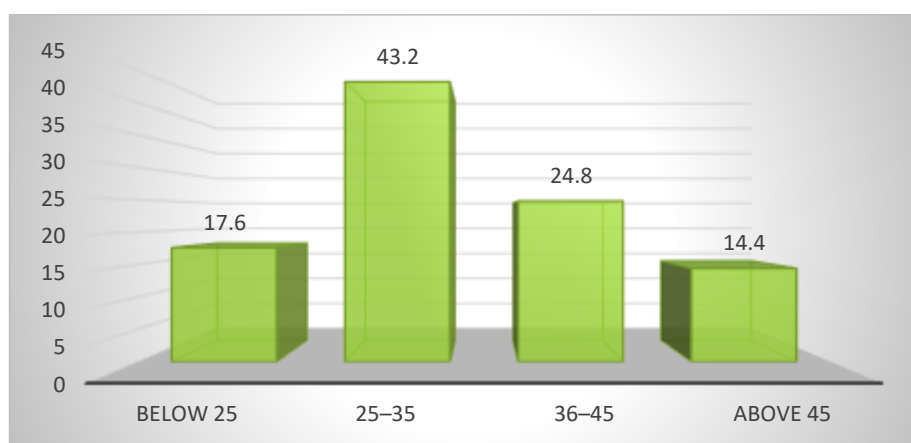


Figure 2: Age Group of the Respondents

The table depicts the age-wise distribution of the respondents included in the study. It is evident that a majority of the respondents, 54 individuals constituting 43.2 per cent, fall within the 25–35 years age group, indicating that young adults form the dominant segment of e-commerce start-up participants. This is followed by the 36–45 years age group with 31 respondents (24.8 per cent), suggesting active involvement of mid-career entrepreneurs. Respondents below 25 years account for 17.6 per cent, while those above 45 years represent 14.4 per cent of the total sample.

Table 3: Challenges in Digital Marketing and E-Commerce

Challenges	Fully Agree	Agree	Neutral	Disagree	Fully Disagree	Mean
Availability of Skilled Human Resources	48	36	22	12	7	3.88
Availability of Experienced and Expert Resources	45	34	21	15	10	3.71
Low Budget	76	28	11	6	4	4.33
Less Awareness of Digital Marketing and E-Commerce	38	31	26	18	12	3.52
Stiff Competition	42	33	25	15	10	3.65
Sharing of Profit with E-Commerce Platforms	39	37	20	17	12	3.59

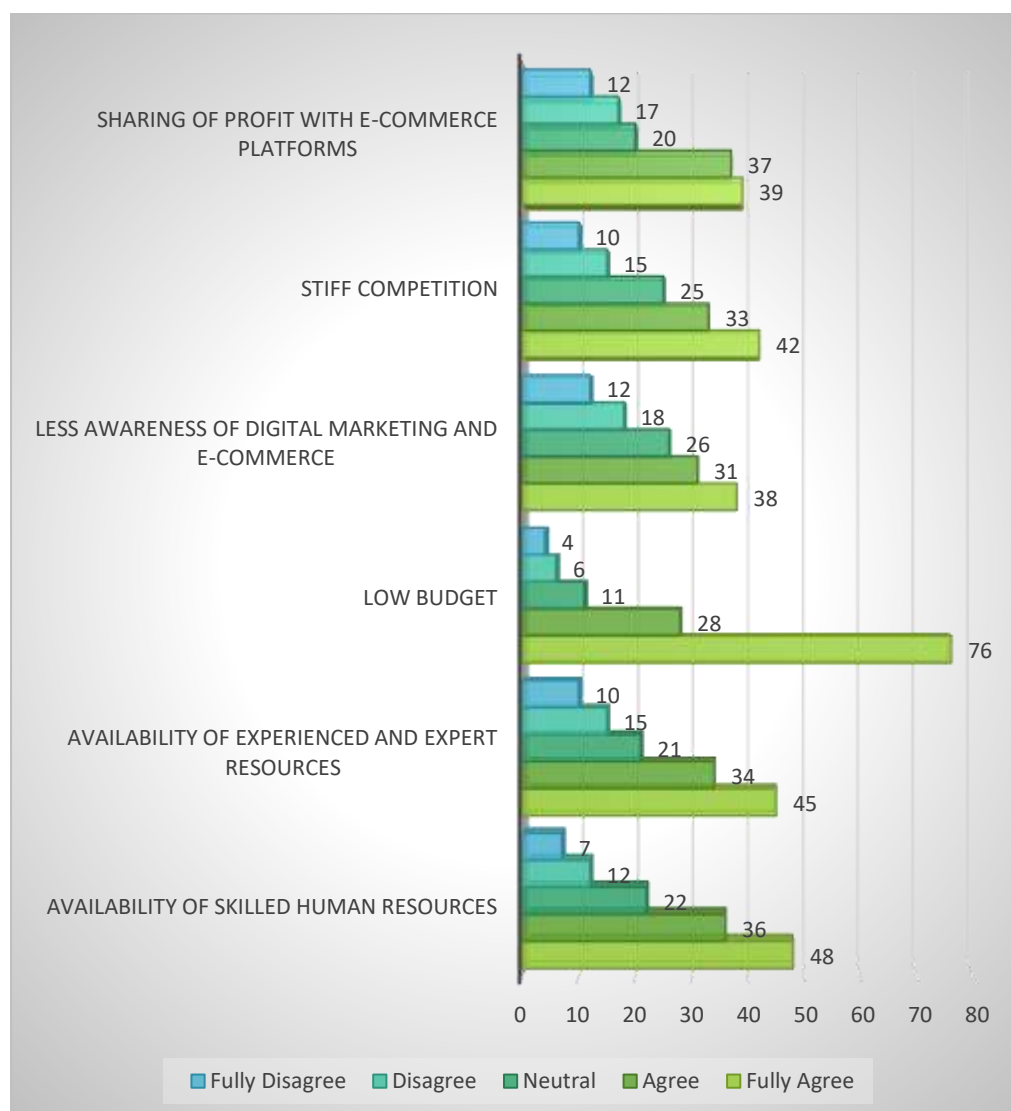


Figure 3: Challenges in Digital Marketing and E-Commerce

The table presents the respondents' perceptions regarding the major challenges faced in digital marketing and e-commerce. Among the various challenges, low budget emerges as the most critical issue, recording the highest mean score of 4.33, with a large majority of respondents either fully agreeing or agreeing that financial constraints significantly hinder digital marketing adoption. This indicates that limited financial resources restrict start-ups from effectively utilizing advanced digital marketing tools and platforms.

The availability of skilled human resources is identified as the next major challenge, with a mean score of 3.88, suggesting that many e-commerce start-ups face difficulties in recruiting and retaining personnel with adequate digital marketing skills. Similarly, the availability of experienced and expert resources also poses a notable challenge, reflected by a mean score of 3.71, indicating a moderate to high level of agreement among respondents.

Challenges such as stiff competition (mean = 3.65) and sharing of profit with e-commerce platforms (mean = 3.59) show moderate agreement, highlighting the pressure faced by start-ups due to intense market rivalry and revenue-sharing arrangements with online platforms. Lastly, less awareness of digital marketing and e-commerce records the lowest mean score of 3.52, though it still indicates that a considerable proportion of respondents perceive lack of awareness as a relevant challenge.

Table 4: Results of ANNOVA for Relationship between Age Group and Challenges in Digital Marketing

Source of Variation	Sum of Squares	df	Mean Square	F-value	Sig. (p-value)
Between Groups	2.184	3	0.728	1.96	0.123
Within Groups	44.946	121	0.371	—	—
Total	47.130	124	—	—	—

The above table presents the results of One-Way ANOVA conducted to examine the relationship between age group of the respondents and the challenges faced in digital marketing. The analysis shows that the F-value is 1.96 with a corresponding p-value of 0.123, which is greater than the standard level of significance (0.05). This indicates that there is no statistically significant difference among different age groups in their perception of challenges related to digital marketing.

V. CONCLUSION

The study provides valuable insights into the challenges encountered by e-commerce start-ups in adopting digital marketing practices. The results indicate that although digital marketing offers significant opportunities for growth, start-ups face substantial obstacles that limit its effective utilization. Among the identified challenges, low budget emerges as the most critical barrier, highlighting the financial limitations of start-ups in investing in advanced digital marketing tools and campaigns.

Additionally, the shortage of skilled and experienced digital marketing professionals significantly affects strategic planning and execution. The statistical analysis further reveals that gender and age do not have a significant impact on the perception of digital marketing challenges, indicating that these issues are common across different demographic groups. This suggests that the challenges faced by e-commerce start-ups are structural rather than individual-specific. Therefore, policymakers, educators, and industry stakeholders should focus on providing financial support mechanisms, affordable digital marketing platforms, and skill development programs tailored for start-ups.

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