



## A Study on Digital Marketing as A tool for Growth and Development of Startups in Bihar

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**Abstract:** Digital marketing has gained momentum in the recent years as the most effective tool used by businesses worldwide in expansion and customer acquisition. The use of digital and online tools is cost effective, uses multiple channels, and generates better customer engagement. Entrepreneurs in India are increasingly adopting digital strategy for marketing their products and services. Digital marketing has a significant impact on start-ups and small businesses since digital platforms have a substantial potential to engage with people and organisations with the primary goal of facilitating interactions between businesses and consumers. Start-ups have a limited budget and resources, so

they must make the most of what they have to reach their target audience and generate income. The purpose of this research is to study the value and impact of digital marketing on the competitive positioning of start-up businesses with special reference to start-ups based in Bihar. The study would also look into whether digital marketing might help start-ups to grow and succeed to gain consumer loyalty and build customer connections by increasing brand recognition by gaining perspectives of both start-ups and customers of Bihar.

**Keywords:** Digital Marketing, Startups, Growth and Development, Customer Reach, Profitability.

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### Introduction:

Digital marketing is the use of modern technologies like internet, tools and gadgets to attract the customers towards products and services. It also helps in maintaining customer's relation by catering to their needs and retaining them by maintaining a long-term relationship. The introduction of digital marketing in the modern world has greatly influenced the customer's behaviour and purchasing pattern. It becomes easier for the businesses to adapt according to customer's preferences generating a wider customer base. Digital marketing is an evolving method of using digital means for brand recognition and customer retention. The various tools of digital marketing has revolutionised the business management and increased customer

awareness. The use of data to achieve marketing goals is central to digital marketing. It is the skill of designing marketing plans targeted at identifying customer needs online and utilising consumer information. To assist their clients and interact with existing and future customers, digital marketers use digital channels such as search engines, social networking sites, mails, and websites. They then use Google Analytics to develop their marketing plan using data acquired from these digital channels (such as examining the number of impressions or likes on Instagram). It's critical to have the correct software solutions to handle data insights, content, and digital marketing. Without the right ones, developing a strategy that achieves potential customers and pursues them through the entire customer journey will be impossible, providing insights into consumer journeys, personas, conversions, and a wide range of other digital metrics critical to promoting innovation will be unrealistic.

Consumers are spending more time on digital platforms to access product information, services, prices, and other topics as the internet and online products become more prevalent (The impact of digital marketing on consumer behavior, 2020). As a result, businesses are focusing more on their resources of digital marketing and understanding online shopper's behaviour. It's critical to consider if classic marketing concepts are still relevant in coping with the issues that today's digital problem facing. In many cases, digital marketing is far less costly than conventional marketing. In the realm of start-ups, achieving objectives is challenging if an upcoming company is unable to express its idea and value offer to its target market. To do so successfully, you'll need a digital marketing strategy that spells out your brand's digital goals and methods (Hafiz Muhammad Ali). The only way for start-ups to succeed is to sell themselves better and more efficiently than established firms. Start-ups sometimes have a restricted budget, which means they must make the most of their resources in order to attract consumers and generate income. With the right digital marketing strategies, tools, and plans, even a small business can grow on digital platforms. Smaller businesses have a better chance of expanding their business to new heights. Digital marketing services are used by business

owners who are unable to develop digital marketing activities on their own. These Digital Marketing Services assist businesses in going on the internet at a low cost while ensuring the best possible exposure for their organisation.

Lines between urban and rural are blurring as internet infrastructure improves, and rural communities are moving closer to cities. Mobile phones and the internet are bringing rural and urban population closer together, and rural India is becoming more familiar with metropolitan commercial practises. Even tiny local firms are setting up their own online storefronts, engaging in marketing strategies, and setting aside money for digital marketing. Thus, we study the potential and growth of Bihar based start-ups through the use of digital marketing technique.

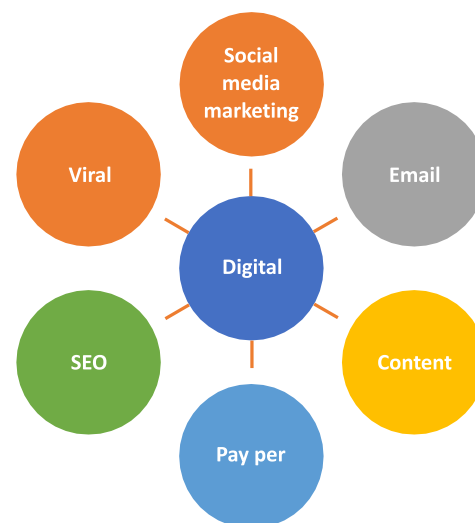


Fig. 1

### Objectives:

This study is focused on accomplishing the following objectives:

- To analyze the impact of digital marketing on the growth of start-ups in Bihar
- To study the use and importance of social media, viral marketing, email marketing on successful establishment of startups.
- To study the use of digital marketing by state certified startups.

**Research Methodology:** Data has been collected based on the objectives of the study.

**Primary Data:** Primary data has been collected through a structured questionnaire based on the objectives of the study. The Data was collected through a survey done on the fully functional startups in Bihar. Google forms were circulated among the startups and to the customers of Bihar to know their opinion about the startups in Bihar and to understand their preferences. The trends and figures achieved through this survey were further analyzed and interpreted which led to our findings.

**Secondary Data:** Secondary Data includes the information collected from UdyogMitra, StartupBihar, IndianSocial Media Statistics 2021, the Global statistics, Bihar startup policy 2017, newspaper, books, internet websites etc. based on the objectives of the study.

#### Hypothesis:

- H0: Use of digital marketing tools has benefitted the growth of start-ups in Bihar.
- H1: Use of digital marketing tools has not made a greater impact on the growth of start-ups in Bihar.

#### Analysis and Interpretation:

##### Analysis of the state certified start-ups

1. More than 80% of the business are focusing on mainstream tools like social media marketing and to some extent email marketing tools and SEO. They mainly rely on such tools for customer retention. They are making very less use of other tools such as google ads, pay per click, pop up ads etc.

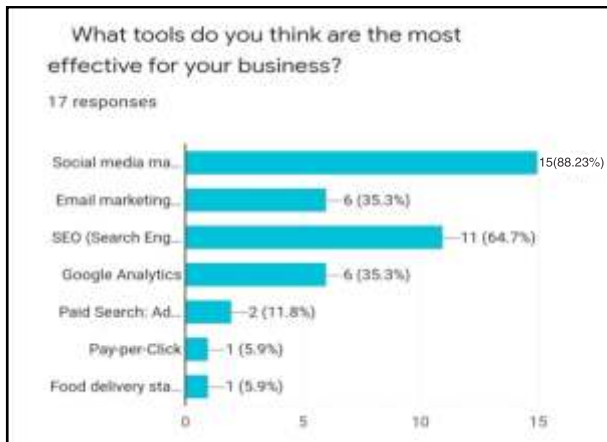


Fig. 2

2. 70% of the startup believe that it is feasible to spend on digital marketing tools as it provides a digital platform to reach a wider customer base and increase sales. We can also see that almost 60% of the startups finds digital marketing cost effective, as it provides real time analytics for the startups to access of the campaign instead of predicting the potential customers.

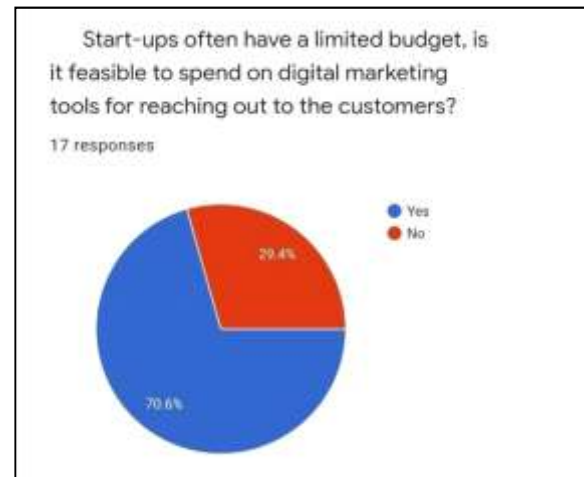


Fig. 3

3. Only around 50% of the business believe that return on investment is more than amount they spend on digital marketing tools. Even though the ROI is not satisfactory, still start-ups prefer digital marketing as they find it feasible and can capture a bigger market of customers through a single platform. The start-ups still need to explore the digital marketing tools and find the ones suitable for their business that are cost-effective as well.

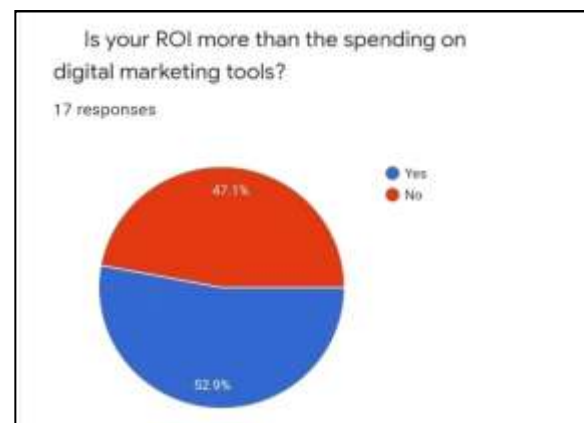


Fig. 4

4. As we know that Bihar government has initiated various schemes for boosting the startups in the state, but due to lack of awareness only 40% of the startups gets benefitted from such schemes. The startups were having no clue how they can avail the benefits of such schemes.

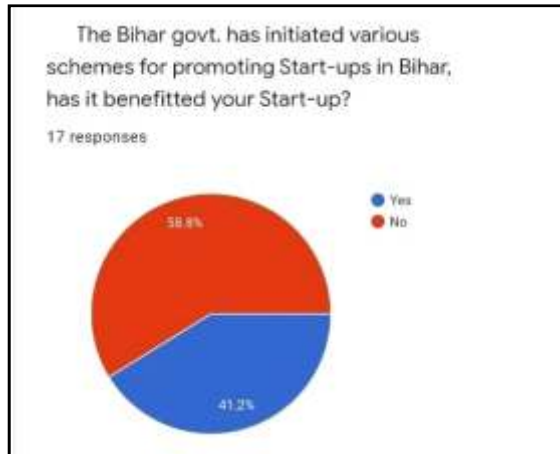


Fig. 5

5. Almost 90% of the business believe that digital marketing has evolved customers purchasing pattern which helps in analyzing customers preferences and products are customized accordingly.

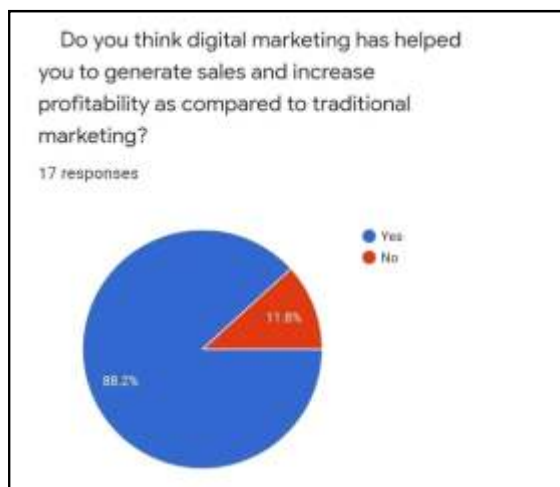


Fig. 6

6. Most of the startup's idea in Bihar do not get a kick start due to high rate of interest that they have to pay on the loans. We also found that there were lack of digital infrastructure and severe digital illiteracy due to which digital marketing has not made a very

great impact. Though the newly established startups were trying from their side, but due to unawareness on part of the consumers attempts of the startups were failing.

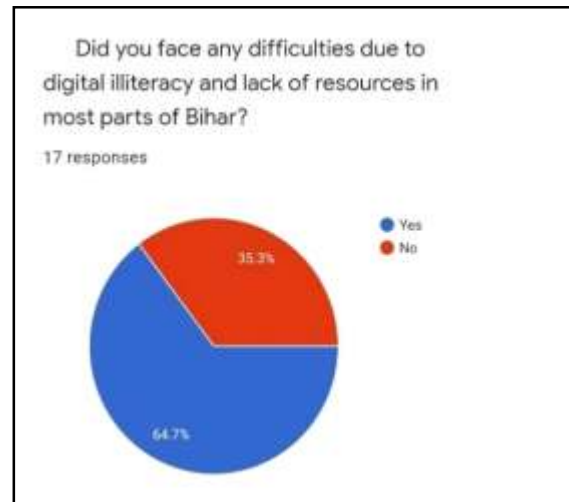


Fig. 7

#### Analysis of Customer's Perspective

1. The data clearly depicts that 90% of the customers find digital marketing helpful to get a better understanding of the goods and services which function online. The digital marketing tools assist the customers in analysing the products or services that which they want to procure. The study of this graph also suggests that the rest 10% of the customers do not find digital marketing helpful in understanding the goods and services.

The reason for this customer dissatisfaction and difficulty in understanding can be due to ignorance and digital illiteracy.

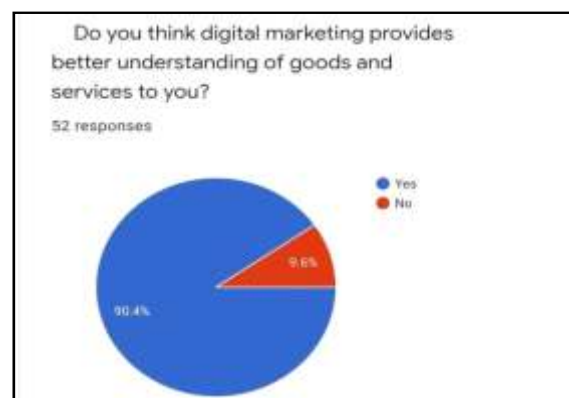
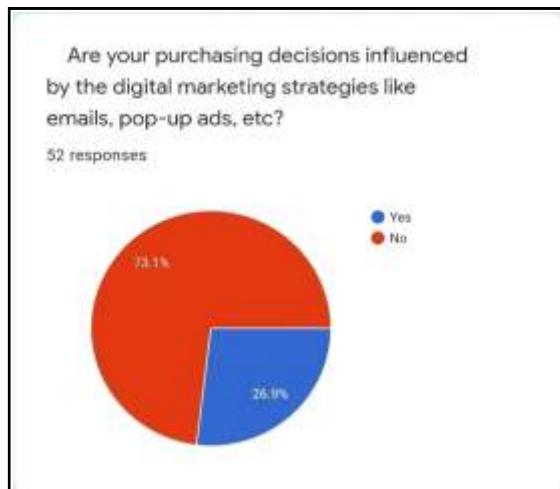


Fig. 8

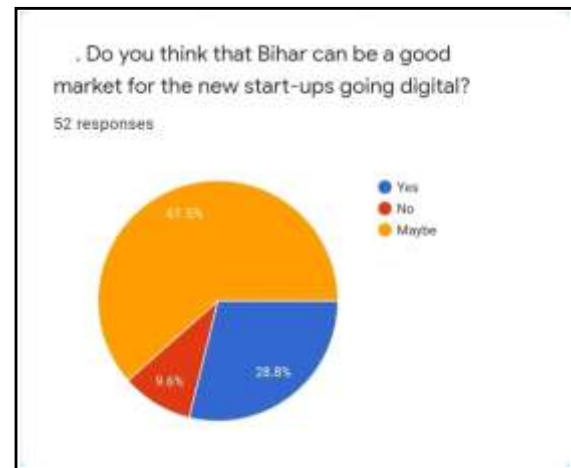


2. From the fig., we can infer that about 70% of the customers are not affected by digital marketing strategies like email, pop-up ads, etc. The purchasing decisions of the customers remains unaffected through these tactics which suggests that these strategies have a lesser effect on the customer purchasing patterns. The digital marketing strategies needs to be improved and updated from time to time according to the customer needs. On the other hand, there are about 30% of the customers who get influenced by the marketing tools. So, we see that the businesses must decide their target audience and develop their marketing plans accordingly.



**Fig. 9**

3. According to the study we conducted on the customers of Bihar, we can see that the public feels that Bihar can prove to be a good market for the new start-ups that have digitized. 10% think Bihar can't be a good market while 28% of the customers feel that there are positive results in the growth, development, and establishment of the Bihar-based start-ups.



**Fig. 10**

**Concluding Remarks:** The purpose of the study was to examine whether the tools of digital marketing were benefiting the growth and development of startups in Bihar or not.

The performed research allowed us to acknowledge that digital marketing can be considered as a very powerful tool as it can directly impact the profitability and ability of a new startup to grow in the dynamic business environment.

Businesses who do not embrace digital marketing as a part of their core strategy restricts the opportunity for the expansion and diversification of their business.

This study also examined the components of digital marketing which were important for customer creation and retention, we also tried to find out that whether the various strategies of digital marketing were applicable in the startups of Bihar or not, as well as various tools and techniques which the startups of Bihar considered most effective for the growth of their business.

**Suggestions:** Bihar is the country's third most populous state. Bihar has the greatest proportion of people under the age of 25 in India, at about 58 percent. However, after Himachal Pradesh, Bihar has the second-lowest urbanisation rate in India, at percent. This is a significant barrier to the growth of start-ups in Bihar, particularly in the digital domain.

Despite these obstacles, the state's large youth population, the majority of whom prefer to shop online,

presents a great opportunity for start-ups to build their operations digitally. We discovered through our survey that consumer behaviour in Bihar is fast shifting to digital spaces.

- Small businesses should engage in local search marketing. This means optimising the businesses online listings to become relevant in local searches.
- Look for influencers and bloggers who will link to your website in exchange for a return favour or a guest article on a local blog. If you have a special offer or event coming up, keep in mind that local news sites may print an article with a link to your website. Influencer marketing is also gaining pace in Bihar, and it is a good time for start-ups to collaborate with local influencers to enhance sales and profitability.
- We have also seen through our survey that most of the start-ups are merely using SMM and email marketing tools. Thus, businesses should also engage in google analytics, AdWords, and pay per click tools as it has proven very effective to start-ups in other states.
- They should also take advantage of the various policies and programmes by the Government of Bihar.

- The government should also focus on deeper penetration of digital literacy in all parts of Bihar for start-ups to thrive not only in Patna but throughout Bihar.

As a result, if start-ups consider the advantages of digital marketing as being more cost-effective and comprehensive than traditional marketing, and if consumers in Bihar become less hesitant to use the digital space, it will benefit not only the growth and development of start-ups in Bihar, but also the state's overall development.

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