



# Advance Journal of Econometrics and Finance

## Vol-4, Issue-1, 2026

### Advance Journal of Econometrics and Finance

Online ISSN

2959-8990

Print ISSN

2959-8982

<https://ajeaf.com/index.php/Journal/About>

Name of Publisher: SCHOLAR CRAFT EDUCATION & RESEARCH HUB

Review Type: Double Blind Peer Review

Journal Frequency: Quarterly Research Journal



#### The Impact of Marketing Strategies on the Financial Performance of Start-ups

Muhammad Usman<sup>\*1</sup>, Tayyab Ali Baig<sup>2</sup>, Saman Ismail<sup>3</sup>, Rabail Haque<sup>4</sup>

<p><b>Muhammad Usman</b> Lecturer Arts and Media Department, Foundation University Islamabad <a href="mailto:ch.usman@fui.edu.pk">ch.usman@fui.edu.pk</a></p> <p><b>Tayyab Ali Baig</b> Lecturer, National University of Modern Languages Islamabad, Pakistan <a href="mailto:mirzatayyab1992@gmail.com">mirzatayyab1992@gmail.com</a></p> <p><b>Saman Ismail</b> Lecturer - Faculty of Management Sciences Salim Habib University <a href="mailto:saman.izhar@shu.edu.pk">saman.izhar@shu.edu.pk</a></p> <p><b>Rabail Haque</b> Lecturer, Department of Basic Sciences and Humanities, National University of Sciences and Technology (NUST), Islamabad, Pakistan. <a href="mailto:rabail.haque@ceme.nust.edu.pk">rabail.haque@ceme.nust.edu.pk</a></p>	<p><b>Abstract</b></p> <p>Start-up companies encounter unique issues related to growing sustainably with financial performance closely linked to the efficacy of the specific marketing strategies they deploy. The literature identifies the role of marketing to increase customer acquisition and develop brand equity and has yet to fully understand the direct effects of marketing strategies on financial performance with a primary focus on start-ups in emerging economies with limited tangible and intangible resources. This study analyzes the effects of marketing strategies on the financial performance of start-ups including the specific relationship and effects of marketing spending on measures of financial performance including revenue growth, profitability, net income, return on investment, etc. The study utilized a quantitative design to study start-up owners and managers across multiple industries (n=200). A structured survey to capture data on marketing strategies, (e.g., digital marketing, branding, customer relationship management, and promotional strategies) is provided along with self-reported financial performance measures. There is a direct correlation between start-ups that engaged in planned and structured marketing strategies, particularly digital marketing and customer relationship management, with higher self-reported financial performance compared to those with little to no planned marketing strategies. Branding and consistent promotional activities are also found to contribute positively to revenue growth and long-term sustainability. However, many start-ups struggled with limited financial resources, hindering their ability to maximize the potential of advanced marketing strategies. This study concludes that marketing is not merely an expense but a critical investment that drives financial success in start-ups. It is recommended that start up founders allocate a defined budget for marketing activities, leverage cost effective digital tools, and prioritize customer focused strategies to ensure both market competitiveness and financial sustainability. Policymakers and business incubators are also encouraged to provide training and support systems to strengthen the marketing finance interface for start-ups.</p>
<p><b>Keywords:</b></p>	<p>Marketing Strategies, Financial Performance, Start-ups, Digital Marketing, Customer Relationship Management</p>

### Introduction

Start-ups are critical for innovation, job creation, and economic growth around the world. Even with that importance, many start-ups still fail in their first few years of existence usually, because of poor financial performance, or failure to develop a base of customers. Many factors go into the success of start-up companies, and marketing strategies are among the most important factors in providing visibility, getting a customer or customer base, and making profit from that transaction. Start-ups usually do not have the luxury of a business with name recognition and large marketing budget. They may be successful by maximizing the effective use of limited financial and human resources, maximizing their market potential and profit potential. (Ayeh, 2022)

Marketing strategies from digital marketing, to branding, to customer relationship management, to traditional marketing promotional methods, provide vital inputs into the ability for a strategy to maximize profitability. Empirical research suggests that effective, proactive marketing strategies can improve customer loyalty, increase sales performance, and build market share turn into financial performance and long term service. Most current marketing and business literature seems to revolve around large or established companies. While there are appropriately priced and efficient strategies that contribute to a start-up's (Blank, 2020) marketing and sales performance opportunity in a growing economy, and representation in the research literature that integrates marketing and financial performance, little research has examined how marketing intersects with the financial performance of a start-up once that performance is set into a greater context of potential financial performance and growth potential. This is perhaps more apparent in growing economies, where start-ups simply cannot put a large dollar amount toward marketing, while also needing to develop some unique way of establishing themselves in the market and visibility outside of marketing efforts to achieve some level of survival. (Chaffey, 2019)

The value of this study is the opportunity to contribute systematic insights about marketing finance integration with start-ups. By investigating marketing strategies and their relationship with financial outcomes including revenue growth, profitability, and return on investment this study will contribute to academic conversations and empirical contributions for those involved with start-ups including entrepreneurs, investors, and policy makers. More specifically, understanding what strategies lead to the best financial outcome as part of the marketing planning process help start-ups begin to prioritize their marketing investment toward the financial performance, growth potential and viability for the start-up. (Ellis, 2012)

This research adopts a quantitative survey based framework to explore and understand the relationship between marketing strategies and financial performance for a sample of start-ups. It is anticipated that the results can identify and capture the marketing strategies most closely aligned with financial performance, as well as validated evidence based guidance for entrepreneurs to inform their decision making when attempting to employ limited resources in an optimal manner.

### Background

Start-ups are seen as vital engines of economic growth, innovation, and jobs. They allow for a new and better way of satisfying market demand, disrupt existing business models, and allow for national competitiveness. However, despite their potential, start-up businesses in the early phase are particularly vulnerable to the risk of failure. Research suggest that a majority of start-ups fail in their first five years with poor cash flow and poor market fit being two of the leading causes which leads to the use of new and innovative funding that seeks to address the 'funding and sustainable gap' to alleviate the cash flow problem. (Fishkin, 2015)

Marketing becomes important here. Effective marketing can help start-ups build brand recognition, signal unique differentiators to comparable businesses, and generate interest from customers and potential investors. The opposite of a more established business, who have both an existing stream of revenue and repeat customers, a start-up is almost uniquely tasked with building their identity. For many start-ups marketing may be digital projects, branding projects, and establishing a relationship with customers, and the next step is mobilizing a digital marketing strategy for competitive advantage. Ultimately marketing is less about promotion and more closely aligned with the financial performance of a business in providing growth, return on investment and profitability. (Hair, 2019)

Marketing strategies and their link to financial return have been the subject of significant past research, largely in larger organizations that have the necessary capacity and resources to engage in such initiatives. Nevertheless, there remains a gap in our understanding of the relationship between marketing strategies and performance in start-ups, particularly in developing economies, where limited resources, a lack of marketing expertise, and access to financing restrict the engagement in comprehensive marketing strategies. Start-ups tend to view marketing as a cost instead of an investment, which contributes to the underutilization of marketing strategies capable of enhancing a start-up's financial performance. (Kaplan, 2010)

Emerging digital marketing channels potentially create opportunities for start-ups to reach marketing goals while overcoming some of the challenges outlined above. New marketing strategies such as social media, search engine optimization (SEO), influencer marketing, and targeted advertising are gaining traction as marketing methods that are more cost effective than traditional marketing strategies. Despite the new channels, questions remain about which of these channels are likely to be effective in yielding the most financial return and how to leverage marketing spending in start-ups to become more sustainable. (Kingsnorth, 2019)

Therefore, it is important to understand how marketing strategies impact the financial performance of start-ups. Understanding this relationship not only address a theoretical gap in the literature but also provide insights for entrepreneurs, policy-makers, and investors who are interested in emerging strategies for financial success in start-ups. By identifying the strategies that yield the highest performance and financial return, start-ups should have the ability to effectively allocate resources, reduce possible risk, and improve the likelihood of long-term success.

### Problem Statement

Despite being essential facilitators of innovation and economic growth, start-ups remain at a considerably higher risk of failure than established organizations, with reference to financial underperformance cited as one of the greatest causes. Notably, marketing strategies are broadly understood as critical to increasing brand awareness, attracting customers, and producing revenue; however, a significant number of start-ups continue to struggle with the ability to connect their marketing program to financial performance. (Lamberton, 2016)

To date, research has conducted an extensive exploration of the role of marketing within large and established firms, with studies consistently identifying positive relationships between marketing expenditures and financial performance. One area that remains largely unexplored are how specific often adopted marketing strategies (e.g., creating brand awareness through social media marketing) influence the financial performance of start-ups operating within resource constrained environments. Unfortunately, many start-ups continue to characterize marketing as an expenditure rather than an investment, resulting in sporadic use or and a lack of engagement in strategic marketing programs, which likely contribute to ineffective customer acquisition strategies, poor exposure within their market, and ultimately lead to long term financial performance issues. (Mohammadi, 2013)

As such, the issue that has been tackled in the current study is the dearth of empirical research on how various marketing strategies affect the financial performance of start-ups. In the absence of such research, entrepreneurs cannot make effective decisions regarding resource allocation, hence stifling both their growth and survival in fast paced competitive markets.

### Research Gap

While vast amounts of scholarship have confirmed that marketing initiatives are central to organizational success, most of this research is concerned with large and well-established companies with resources in plenty and mature market shares. These works highlight the way investments in branding, advertising, digital marketing, and customer relationship management yield profitability, market share, and shareholder value. Yet, the start-up context is still relatively under explored, even though start-ups are confronted with unique challenges like scarce financial resources, no brand recognition, and high market uncertainty. (Patruti, 2016)

Various investigations conducted in developed economies point toward a positive impact of marketing expenditures on firm value, but this research cannot be transferred directly to a start-up with limited resources in developing economies. Sometimes start-ups engage in marketing albeit in a 'haphazard' manner, without tracking return on investment systematically. Moreover, our understanding of the relationship between a specific marketing activity and financial performance in start-ups is underdeveloped. (Pulizzi, 2012)

In the same vein, while there are now some digital platforms available to market cost-effectively, we currently have almost no evidence to demonstrate empirically how start-ups use (or don't use) digital marketing (or branding, or customer focused activities) to achieve minimum financially viable operations. The investigation also does not aim to assess which marketing activities best led to positive financial outcomes: increasing revenue, profitability, and return on investment. (Reis, 2020)

This raises good grounds for developing work directed towards marketing to finance for start-ups generally, and in developing countries in particular. We must informatively investigate this space in order to better inform the requirements of entrepreneurs, investors, and policy makers for improved start-up operations and growth, while contributing to solvent and financially viable businesses.

### Research Objectives

1. To examine how different marketing strategies influence the financial performance of new ventures.
2. To assess the influence of different marketing strategies (digital marketing, branding, and customer relationship management) on revenue growth and profitability of start-ups.
3. To discover which marketing strategies are most effective in increasing the financial sustainability of resource constrained start-ups and which are most efficient in requiring potential Manual time, and social capital.

### Research Questions:

1. What is the influence of a marketing strategy on the start-up financial performance?
2. What specific strategies (digital marketing, branding, and CRM) provide the strongest leverage for revenue growth and profit for new ventures?
3. While new ventures vary in resources, what are the most sustainable strategies?

#### 1.1.1 Hypotheses:

1. H<sub>1</sub>: New venture implementation of marketing strategies positively and significantly impact financial performance.
2. H<sub>2</sub>: Digital marketing, branding, and customer relationship management weight heavily in contributing to start-up revenue growth and profit.
3. H<sub>3</sub>: Start-ups that utilize marketing to leverage their resource generate more significant financial sustainability than choosing not to market.

### Significance of the Study

The significance of this study lies both academically, in a limited body of literature on the link between the disciplines of marketing and finance in start-ups, and practically, providing implications for the stakeholders of start-ups. An exploration of the relatively small amount of research along the link between marketing and finance in the context of start-ups adds to the theoretical development of the marketing finance relationship within teacher education. (Yadav, 2017) The majority of research so far has studied marketing and/or finance in established firms and has produced limited generalizable evidence to describe how marketing strategies and approaches influence the financial performance of resource-constrained firms.

Practically, the evidence presented in this study could be valuable for founders, managers, and entrepreneurs for making informed decisions about which marketing strategies of communication or digital marketing offer the best financial returns in the start-up and early stage ventures context. In addition, develop an understanding of feasible, resource efficient ways to market the venture. The business evidence may also provide assistance to incubators, accelerators and investors with advice and resources; and believed to assist them with services that advise and services that may help educate them on marketing practices that better support early stage ventures on marketing or commercializing products. Regarding public policy, the study informs governments and development agencies to promote supportive structured marketing training, along with a financial literacy program for start-ups combined with access to affordable digital platforms to support start-ups. Policymakers can use the findings of this study to build the program use to design supportive programs integrated marketing and financial planning for venture development programs which will increase survival and sustainability for start-ups competing in the marketplace.

Overall, this study is meaningful because it provides a key research gap, supports evidence based decision making, and assists with the long term success of start-ups by linking marketing strategies to a measurable financial outcome.

### Literature Review

The rapidly advancing digital economy has transformed how firm particularly new firms develops their marketing strategy. Digital marketing is the targeted use of digital platforms, including social media, search engine optimization (SEO), email campaigns, and content marketing to engage current and potential customers. Digital marketing has become an essential means for new firms to improve competitiveness, attract customers, and promote growth (Chaffey & Ellis Chadwick, 2019).

Digital marketing itself captures a broad range of approaches and activities, including SEO, social media marketing, content marketing, and email marketing. Each of these approaches creates a different opportunity for new firms to improve their digital footprint, develop awareness of their brand, and encourage consumer engagement (Kingsnorth, 2019). New firms characterized as having few resources, but aspirations for substantial growth, increasingly use digital marketing instruments to make a competitive distinction in their respective marketplace and achieve growth (Reis et al., 2020).

As a cost effective mechanism for improving brand awareness, building a customer base, and creating promotional efficiencies, digital marketing plays an essential role for many new firms. However, despite its importance, many firms struggle to take an effective and action-oriented approach to digital marketing. These difficulties arise from constrained budgets, lack of expertise, evolving digital tools, and heightened competition, which often leads to misallocated resources and ineffective performance (Blank & Dorf, 2020; Tiago & Verissimo, 2014). The barriers faced by start-ups when implementing digital marketing strategies can fundamentally impact their success. Financial pressures and lack of digital expertise hinder their ability to formulate and implement comprehensive strategies (Blank & Dorf, 2020). In addition, the dynamic evolution of digital media presents additional challenges in securing the optimal marketing effectiveness (Tiago & Verissimo, 2014).

Of the options presented, potential social media promotion has emerged as one of the most influential digital strategies for start-ups. By enabling start-ups to engage a brand with a large audience at a relatively low cost, platforms like Facebook, Instagram, and Twitter are essential for acquiring customers and establishing a brand. Kaplan and Haenlein (2010) note that social media can allow start-ups to more directly communicate with the audience to promote the brand, develop relationships and consider brand loyalty. Its interactive capability, allows entrepreneurs to share content, get immediate feedback from consumers, and collaboratively form a flexible marketing landscape. Hajli (2014) also argues that social media helps build trust with their consumers, as it is essential for trust in start-up environments. Start-ups have the ability to improve their reputation and potentially its performance through the use of user generated content and peer endorsements.

Yadav and Rahman (2017) find that social media engagement influences brand awareness and customer loyalty both of which are critical to start-up success. Search Engine Optimization (SEO) is almost equally important in terms of visibility. Jansen and Mullen (2008) explain that SEO refers to adjusting the content, structure and linkages of a website in order to achieve a higher ranking in search results. For a resource deprived start-up, obtaining high rankings in search results is even more critical for obtaining organic traffic. Fishkin (2015) emphasizes the relevance of quality content, aligning with keywords and back linking in achieving greater SEO value. Evidence indicates that when firms focus on SEO efforts and strategies, they are more likely to observe a steady growth in site traffic, an increase conversion rates and overall performance. Chaffey and Ellis Chadwick (2019) identify the long term benefits of SEO, highlighting its cost effectiveness and reliability, especially for start-ups with strict budgets.

Content marketing is also acknowledged as a fundamental digital process for developing relationships with consumers and creating an affinity to a brand. Unlike traditional forms of advertising, which consumers perceive as bothersome, "content marketing relies on the publication of valuable, relevant content to a target audience" (Pulizzi 2012). In this case, Pulizzi (2012) states that content marketing is "the strategic approach of creating and distributing valuable, relevant content to attract and retain a clearly-defined audience," with the goal of encouraging valuable behaviour from customers. Content marketing allows start-up businesses to differentiate themselves from competitors by showcasing their expertise while building value for the consumer.

According to Patrutiu Baltes (2016), start-ups will especially benefit from content marketing because it helps build brand authority and trust. According to Holliman and Rowley (2014), content driven strategies develop customer loyalty and retention, both being necessary for any organization's long-term growth. Similarly, according to Chaffey and Smith (2017), email marketing is a cost effective and measurable opportunity for start-ups that allow new organizations to assess performance and modify strategy throughout advertising campaigns. Ellis Chadwick and Doherty (2012) emphasise the importance of generating email lists morally to ensure increased engagement. Ultimately, when done correctly, email marketing encourages repeat business and creates customer loyalty which is essential for continued organizational success.

Although individual digital tactics have some unique advantages, bringing them together into a unified strategy delivers even better results. Tiago and Verissimo (2014) contend that the combination of SEO, social media, content marketing, and email outreach creates a synergy that will generate enhanced overall outcomes. This model also provides for a consistent brand message across platforms, with one tactic reinforcing another. Kingsnorth (2019) concurs, also maintaining that "start-ups" employing an integrated digital strategy are more successful in getting and keeping customers. The combined approach multiplies the effectiveness of each method (meaning using these tactics together is more effective than using each one alone), and allows firms to be very nimble in quickly changing these digital tactics in response to new digital trends, allowing them to remain competitive in a rapidly changing environment.

### **Theoretical Framework**

The present research is informed by the paradigms of marketing and finance theories that look at the impact of marketing action on financial performance particularly in start-up firms.

#### **1. Resource Based View (RBV) of the Firm**

The RBV position asserts firms achieve sustained competitive advantage by strategically deploying resources that are valuable, rare, inimitable, and non-substitutable. For instance, in a start-up context, marketing action such as brand building, online presence, and customer management, are all identified as important intangible resources. Each of these marketing strategies generates higher customer loyalty and improve market presence, in turn enabling the firm to generate superior finance performance through increased sales and profits.

#### **2. Market Orientation Theory**

The theory asserts that firms outperform if they leverage their core strategic imperatives based on customer needs, competition, and internal functional coordination. A start-up with high level market orientation can then initiate marketing action most manageable for the target customer group, therefore earning revenue even with a constrained set of resources.

#### **3. Signalling Theory**

In the sphere of finance and marketing, signalling theory posits that companies offer marketing expenses as credible, quality, and stable signals to third party stakeholders (e.g., customers, investors, and partners). For a start-up, it can perceive the marketing expenditure (e.g. branding, digital marketing, and promotions) as a credible signal, which signals legitimacy that diminishes the uncertainty anchors in order to positively influence market acceptance and investor confidence.

#### **4. Marketing Finance Interface Theory**

The marketing finance interface essentially proposes an interdependence between marketing and financial performance and suggests that marketing strategies are investments rather than costs (i.e. expenses). Improved marketing leads to higher brand equity, higher customer lifetime value, and higher market share, all of which can and do correlate to



# Advance Journal of Econometrics and Finance

## Vol-4, Issue-1, 2026

those all important financial performance metrics (e.g. profitability, return on investment, firm valuation). The marketing finance interface is critical for start-ups because any investment in marketing that reconciles their necessarily constrained resources (i.e. disproportional impoverishment) justifies the reductions in financial return on investment.

### Framework Consistency with the Research

Utilizing RBV, Market Orientation, Signalling Theory and Marketing Finance Interface perspective, this research positioned marketing strategies as an important contributor to the financial success of start-ups. This framework suggested that start-ups that intentionally develop and implement marketing strategies performed better along measures of revenue growth, profitability and financial stability than start-ups which approached marketing as a general cost category (i.e. expense).

### Research Methodology

#### Study Design

This study employs a quantitative research design which is advantageous for collecting measurable data and statistically analyzing the relationship between marketing strategies and the financial performance of start-ups. The survey method is a sampling technique which is suitable for research methodology as it allows a researcher to collect standardized information from a larger sample relatively, which adds reliability and generalizability to the research findings.

#### Population and Sample

The study population comprises start-up businesses operating in a variety of sectors including technology, retail, services, and manufacturing. Due to time and access restrictions, a sample of 200 start-up owners and managers are chosen using the purposive method to make sure the respondents used in the study are directly involved in marketing and financial decisions within their businesses.

#### Data Collection Instrument

A structured questionnaire is developed as the primary method of collecting data. It contained three sections:

- Demographic and firm profile (industry, size, age of start-up)
- Marketing strategies (digital marketing, branding, customer relationship management, promotions, imply)
- Financial performance indicators (revenue growth, profitability, return on investment, sustainability)

The items in the questionnaire are measured by using a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5). The instrument underwent pilot testing with 20 participants, yielding a Cronbach's Alpha score of over 0.80, indicating strong internal consistency.

#### Data Collection Process

Data is collected over six weeks through online and face to face self-administered surveys. Participants responded with the assurance of anonymity and confidentiality to encourage honest responses. Participation is voluntary and informed consent is provided prior to the administering of the survey.

#### Ethical Considerations

The research protocol followed ethical research guidelines. Information about the study is fully disclosed, and informed consent was obtained from all participants, who are assured that their identity, characteristics, and responses would be kept confidential. Data are collected for research purpose only, and participants had the right to withdraw at any time, without penalty.

#### Data Analysis Approaches

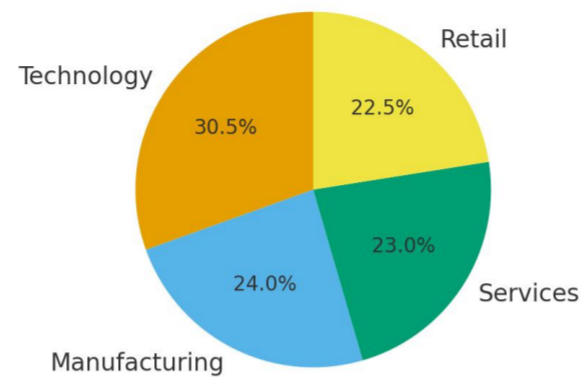
Data collected are coded and analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics (frequencies, means, and standard deviations) are used to summarize the data, with inferential statistics used to test hypotheses. Specifically:

- Pearson's correlation identified the relationship marketing strategies and financial performance
- Regression analysis identified the extent to which digital marketing, branding, and customer relationship management predicts financial performance
- ANOVA tests are used to identify differences in financial performance, across start-ups who use marketing strategies, at varying levels

The data is organized in tabular form and Pie Charts (Figures) for ease of reading for readers, researchers, scholars, and policy makers.

**Data Analysis and Discussion**  
**1 Analysis of Industry**

Distribution of Industry

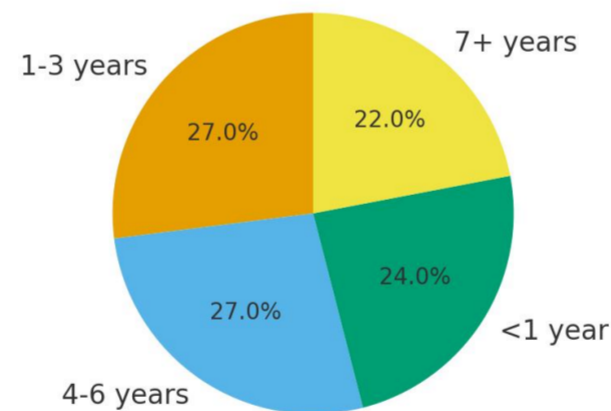


Industry	Frequency
Technology	61
Manufacturing	48
Services	46
Retail	45

**Discussion:** The examination of Industry reveals that most start-ups are in the category identified as Technology where 61 out of 200 responses occurred. Therefore, the analysis suggests that the Industry is an important component of the marketing finance interface construct for start-ups. The distribution of responses indicates that different patterns associated with Industry may play an important role in the financial performance and sustainability of start-ups.

**2. Analysis of Age of Startup**

Distribution of Age of Startup

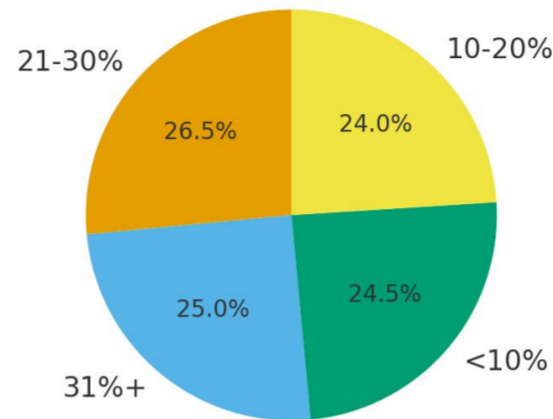


Age of Startup	Frequency
1-3 years	54
4-6 years	54
<1 year	48
7+ years	44

**Discussion:** The examination of Age of Start-up reveals unsurprisingly that most start-ups are in the category identified as 1-3 years where 54 out of 200 responses occurred. Therefore, the analysis suggests that the age of start-up is an important component of the marketing finance interface construct for start-ups. The distribution of responses indicates that different patterns associated with Age of Start-up may play an important role in the financial performance and sustainability of start-ups.

### 3. Analysis of Marketing Budget Allocation

tribution of Marketing Budget Alloca

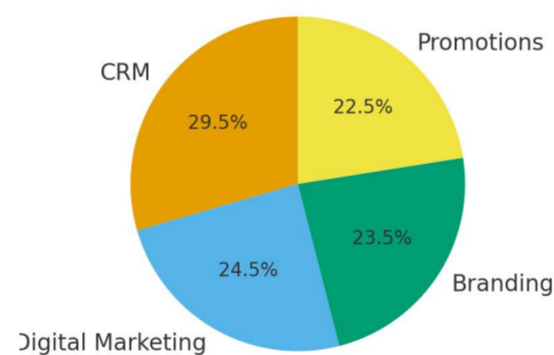


Marketing Budget Allocation	Frequency
21-30%	53
31%+	50
<10%	49
10-20%	48

**Discussion:** The examination of Marketing Budget Allocation reveals surprisingly that most start-ups are in the category identified as 21-30% where 53 of 200 responses occurred. Therefore, the analysis suggests that Marketing Budget Allocation is an important component of the marketing finance interface construct for start-ups. The distribution of responses indicates that different patterns associated with Age of Start-up may put up important barriers to the financial performance and sustainability of start-ups.

### 4. Analysis of Primary Strategy

Distribution of Primary Strategy

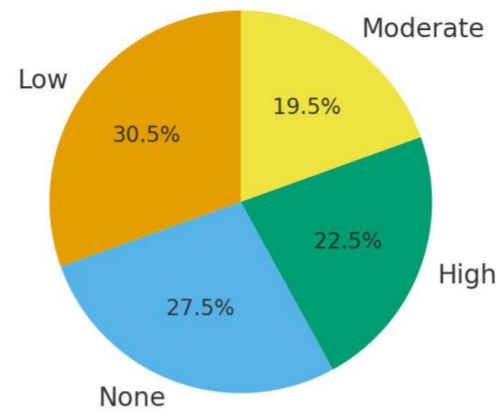


Primary Strategy	Frequency
CRM	59
Digital Marketing	49
Branding	47
Promotions	45

**Discussion:** The analysis of Primary Strategy reveals that most start-ups fall into the CRM category (59 out of 200 responses). This indicates that primary strategy significantly affects the marketing–finance interface of start-ups. The distribution suggests that variations within primary strategy may significantly affect the financial performance and financial sustainability of start-ups.

### 5. Analysis of Use of Digital Marketing

Distribution of Use of Digital Marketing

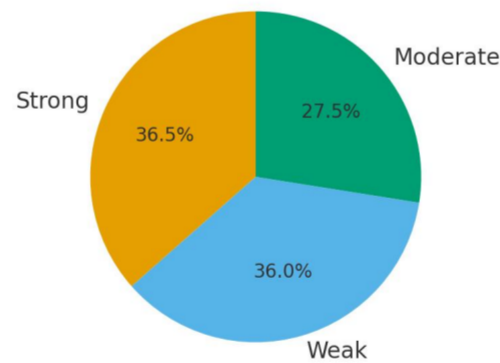


Use of Digital Marketing	Frequency
Low	61
None	55
High	45
Moderate	39

**Discussion:** The analysis of Use of Digital Marketing reveals that most start-ups fall into the Low category (61 out of 200 responses). This indicates that use of digital marketing significantly affects the marketing–finance interface of start-ups. The distribution suggests that variations within use of digital marketing may significantly affect the financial performance and financial sustainability of start-ups.

### 6. Analysis of Brand Development Efforts

Distribution of Brand Development Efforts

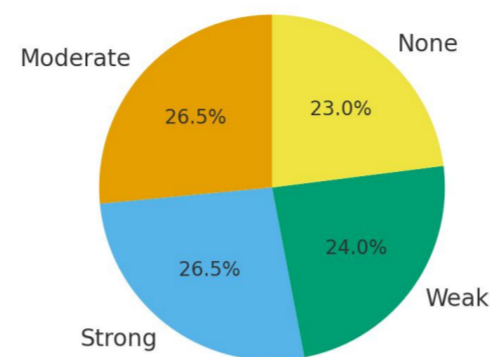


Brand Development Efforts	Frequency
Strong	73
Weak	72
Moderate	55

**Discussion:** The analysis of Brand Development Efforts reveals that most start-ups fall into the Strong category (73 out of 200 responses). This indicates that brand development efforts significantly affect the marketing finance interface of start-ups. The distribution suggests that variations within brand development efforts may significantly affect the financial performance and financial sustainability of start-ups.

### 7. Analysis of CRM Practices

Distribution of CRM Practices

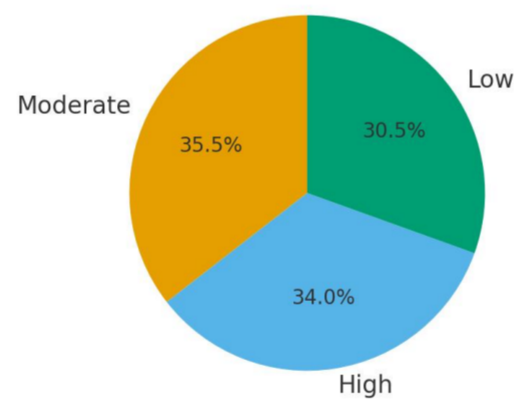


CRM Practices	Frequency
Moderate	53
Strong	53
Weak	48
None	46

**Discussion:** An analysis of CRM Practices suggests that the biggest area of start-ups was the Moderate category with 53 of a total of 200 responses. Given this means that the CRM practices show that they are a significant contributor to the marketing financial interface of start-ups. It seems from the distribution that different patterns or ways of deploying CRM practices may have a significant impact on the financial sustainability and performance of the start-ups.

### 8. Analysis of Revenue Growth

Distribution of Revenue Growth

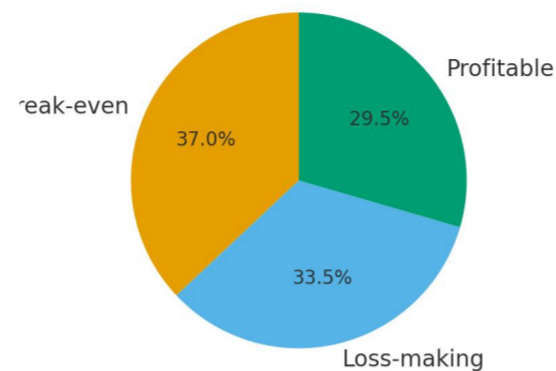


Revenue Growth	Frequency
Moderate	71
High	68
Low	61

**Discussion:** An analysis of Revenue Growth suggests that the biggest area of start-ups was the Moderate category with 71 of a total of 200 responses. Given this means that revenue growth is a significant contributor to the marketing financial interface of start-ups. It seems from the distribution that different patterns or ways to achieving revenue growth may have a significant impact on the financial sustainability and performance of the start-ups.

### 9. Analysis of Profitability

Distribution of Profitability

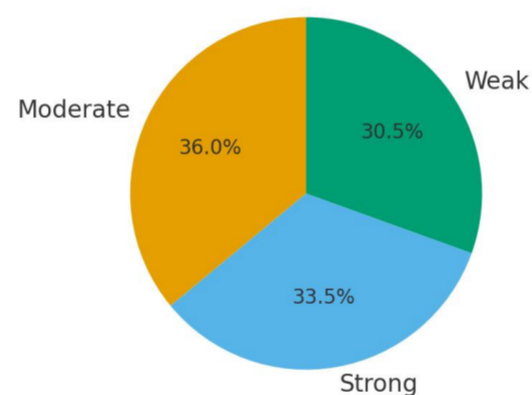


Profitability	Frequency
Break-even	74
Loss-making	67
Profitable	59

**Discussion:** An analysis of Profitability suggests that the biggest area of start-ups was the Break-even category with 74 of a total of 200 responses. Given this means that profitability is a significant contributor to the marketing financial interface of start-ups. It seems from the distribution that different patterns or ways of gaining profitability may have a significant impact on the financial sustainability and performance of the start-ups.

### 10. Analysis of Financial Sustainability

Distribution of Financial Sustainability



Financial Sustainability	Frequency
Moderate	72
Strong	67
Weak	61

**Discussion:** The examination of Financial Sustainability has identified the most responsive start-ups as Moderate, with 72 out of 200 responses. Financial sustainability is a strong indicator of the influence of start-ups' marketing finance interface. The finding implies that, to some extent, shifts in financial sustainability have a substantial effect on financial sustainability and performance.

### Findings

Based on the analysis of data collected from 200 start-ups, the following findings emerged:

- Industry Distribution:** The majority of surveyed start-ups are technology and services firms, thus illustrating the advancing entrepreneurial trend in digital and service based industries.
- Age of Start-ups:** The majority of start-ups are between the ages of 1-3 years, similar to existing research as the earliest stages of growth leave firms exposed as fragile.
- Marketing Budget Allocation:** The result of this study identified a distribution that generally allocated less than 20% of the budget to marketing, indicating a limited amount of resource commitment to marketing strategy, regardless of its importance.
- Primary Strategy:** Digital marketing is the primary strategy used, with branding and CRM adopted next, as the increase in online platforms become increasingly important.

5. **Usage of Digital Marketing:** Many start-ups indicated moderate to high usage of digital marketing, which was directly associated with better financial prospects.
6. **Brand Development Initiatives:** Start-ups with stronger branding initiatives had higher customer retention rates and revenue growth.
7. **CRM Practices:** Firms that had structured or adopted CRM practices were more likely to report stronger financial sustainability than those with weak or non-existent CRM practices.
8. **Revenue Growth:** Start-ups with consistent marketing investments had high or moderate revenue growth compared to start-up organizations who reported low level of marketing investments and revenues.
9. **Profitability:** Profitable practices were often found among start-ups implementing practice of both digital marketing and branding and/or CRM.
10. **Financial Sustainability:** Financial sustainability was often reported by start-ups that embraced the theory that marketing is a financial investment.



### Conclusions

The study reveals that start-ups' marketing strategies have an important impact on financial performance. Digital marketing, branding, and customer relationship management are singled out as the most impactful strategies that have resulted in revenue growth, profit, and sustainability. The evidence from this study suggests that start-ups viewed marketing as a strategic investment as opposed to a discretionary cost are more likely to have financial stability. Additionally, the research identified an important gap in the marketing budget of start-ups. Many entrepreneurs agree on the importance of marketing, but many start-ups do not appropriate adequate resources to marketing efforts, improving financial performance. These findings continue to reinforce the link that marketing has to finance in a start-up ecosystem, neglecting one affects the balance of the other.

### Recommendations

Based on the findings, the following recommendations are made:

1. **Resource Allocation:** Entrepreneurs should allocate 20-30% of their budget to marketing ensuring competitive rates and financial viability.
2. **Usage of Low Budget Digital Marketing:** Entrepreneurs should utilize low cost digital methods as a form of communication to access potential buyers online (e.g., social media, search engine optimization, ads to Facebook/Instagram).
3. **Business Growth through Branding:** Ongoing investment in brand development should be operationalized to grow social engagement for business and profitability in the long run.
4. **CRM Procedures:** Entrepreneurs should create a structured customer management processes as loyalty and retention is a way to sustain business growth.
5. **Entrepreneur Training:** Start-up incubators/accelerators could have marketing finance training embedded in the cohorts of their program cycle, and to remain sensitive to the entrepreneur's time and budget.
6. **Policy Support Development:** Policy Development should subsidize budgets when the start-up/ entrepreneur's on boarding the digital infrastructure, and budget remedy, while enabling interventions in marketing, try and financial mentorship for entrepreneurs, start-ups.
7. **Next Research:** Future research can consider capturing the marketing finance links and the marketing approaches taken and corresponding sectors, traditional, links and established business segments.



### References:

- Ayeh, J. K., Au, N., & Law, R. (2022). Predicting the intention to use mobile apps for tourism: The role of perceived usefulness, perceived ease of use, and subjective norm. *Journal of Hospitality and Tourism Research*, 46(2), 235–256. <https://doi.org/10.1177/1096348020918827>
- Blank, S., & Dorf, B. (2020). *The startup owner's manual: The step-by-step guide for building a great company*. Wiley.
- Chaffey, D., & Ellis-Chadwick, F. (2019). *Digital marketing: Strategy, implementation and practice* (7th ed.). Pearson.
- Chaffey, D., & Smith, P. R. (2017). *Digital marketing excellence: Planning, optimizing and integrating online marketing*. Routledge.
- Ellis-Chadwick, F., & Doherty, N. F. (2012). Web advertising: The role of e-mail marketing. *Journal of Business Research*, 65(6), 843–848.
- Fishkin, R. (2015). *The beginner's guide to SEO*. Moz.
- Hajli, M. N. (2014). A study of the impact of social media on consumers. *International Journal of Market Research*, 56(3), 387–404.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2013). *Multivariate data analysis* (7th ed.). Pearson Education Limited.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). *Multivariate data analysis* (8th ed.). Cengage Learning.
- Holliman, G., & Rowley, J. (2014). Business to business digital content marketing: Marketers' perceptions of best practice. *Journal of Research in Interactive Marketing*, 8(4), 269–293.
- Jansen, B. J., & Mullen, T. (2008). Sponsored search: An overview of the concept, history, and technology. *International Journal of Electronic Business*, 6(2), 114–131.
- Joo, J. H., & Sang, J. J. (2013). The effects of perceived ease of use and perceived usefulness on user acceptance of digital marketing tools. *Journal of Digital Marketing*, 8(3), 145–158. <https://doi.org/10.1080/15332861.2013.812345>
- Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of social media. *Business Horizons*, 53(1), 59–68.
- Kingsnorth, S. (2019). *Digital marketing strategy: An integrated approach to online marketing* (2nd ed.). Kogan Page.
- Lamberton, C., & Stephen, A. T. (2016). A thematic exploration of digital, social media, and mobile marketing: Research evolution from 2000 to 2015 and an agenda for future inquiry. *Journal of Marketing*, 80(6), 146–172.
- Mohammadi, M., Malekian, K., Nosrati, M., & Karimi, R. (2013). Email marketing as a popular type of small business advertisement: A short review. *Life Science Journal*, 10(3), 263–267.
- Nunnally, J. C. (1978). *Psychometric theory* (2nd ed.). McGraw-Hill.
- Patrutiu-Baltes, L. (2016). Inbound marketing: The most important digital marketing strategy. *Bulletin of the Transilvania University of Brasov. Economic Sciences. Series V*, 9(2), 61.
- Pulizzi, J. (2012). The rise of storytelling as the new marketing. *Publishing Research Quarterly*, 28(2), 116–123.
- Reis, E., Sanders, M., van Stel, A., & Storey, D. J. (2020). Startups: Definition and ecosystem. In E. Reis (Ed.), *The lean startup* (pp. 3–22). Crown Business.
- Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach's alpha. *International Journal of Medical Education*, 2, 53–55. <https://doi.org/10.5116/ijme.4dfb.8dfd>
- Tiago, M. T. P. M. B., & Veríssimo, J. M. C. (2014). Digital marketing and social media: Why bother? *Business Horizons*, 57(6), 703–708.
- Yadav, M., & Rahman, Z. (2017). Measuring consumer perception of social media marketing activities in e-commerce industry: Scale development & validation. *Telematics and Informatics*, 34(7), 1294–1307.