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DIGITAL MARKETING ADOPTION AMONG STARTUPS IN INDIA: AN EXPLORATORY STUDY USING S-O-R FRAMEWORK

Abstract

India is right now going through an exciting phase of the entrepreneurial drive where first-generation entrepreneurs are creating startups that are solving issues and challenges faced by customers and creating wealth for themselves. India right now has the third largest number of startups in the World right after USA and China. In a parallel development, we have also seen the meteoric rise of digital marketing which offers to run targeted marketing campaigns that deliver outcomes at optimum costs. Many startups are using digital marketing tools and technologies for business promotions, while many others are refraining from using digital marketing.

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This research paper explores digital marketing adoption by startups using the SOR theory. We have used constructs like hedonic values, utilitarian values and environmental stimuli that act either as facilitators or inhibitors to encourage or discourage digital marketing adoption by startups. Our major findings are that environmental stimuli act as a strong facilitator in encouraging the adoption of digital marketing by startups while utilitarian values act as a strong inhibitor in dissuading the adoption of digital marketing. The findings are significant as they will help the policymakers, regulators, incubators, accelerators, venture capitalists and startup promotion councils to understand how startup companies can be motivated to adopt digital marketing.

Key words: *startups, digital marketing, entrepreneurship, stimuli, facilitator, inhibitor, adoption intention*

JEL classification: D91, M13, M31, M37, O33

Introduction

The last three years (2019-22) have seen a boom in e-commerce, which is poised to touch \$5.4 trillion in 2026 [Morgan Stanley, 2022]. Marketing has seen a rapid evolution in recent years with both buyers and sellers going digital in a big way [Kotane, Znotina & Hushko, 2019]. The lower cost of smartphones, internet becoming cheap, accessible and fast and the transition of businesses from brick-and-mortar to e-commerce and m-commerce have all contributed to the rising popularity of digital marketing [Dastane, 2020]. Digital marketing itself has seen evolution from 1.0 to 3.0. Digital Marketing 1.0 was characterized by search engine optimization, search engine marketing, social media marketing, email marketing, mobile marketing and affiliate marketing [Ryan & Jones, 2009]. Digital Marketing 2.0 was characterized by content marketing, influencer marketing, social listening, online reputation management and growth hacking [Chahal & Chakraborti, 2018]. Digital Marketing 3.0 is seeing the use of automation and artificial intelligence [Kotler et al., 2017]. Digital Marketing 3.0 is characterized by chatbots, cookies, auto-responders, recommendation engines and remarketing tools that do not need human intervention

and can operate with artificial intelligence and machine learning (AIML). We are also seeing the transition from text-based commands to voice-based commands with the rising popularity of digital assistants like Alexa, Siri, Google Assistant, Cortana and Bixby [Pal, Arpnikanondt, Funilkul & Varadarajan, 2019]. The latest gadgets and mobile phones are equipped with these kinds of digital assistants that make the shopping process faster and much easier [Muthukumaran, & Vani, 2020].

In parallel development, India is also witnessing a rise in entrepreneurial spirit, where first-generation entrepreneurs are starting new ventures and taking their companies to the Unicorn stage [Fortune India, 2022]. A unicorn is defined as “a startup company that has reached a billion-dollar valuation” [Menon & James, 2022]. We had the examples of Paytm, Zomato, OYO, Ola, BYJU and Nykaa who have been the torchbearers of new-age entrepreneurship. We recently had examples of Meesho, Cred, Zerodha, Acko and BharatPe, who have reached the Unicorn stage at lightning speed [Lawrence, 2022]. A common feature among all these unicorn companies is that they all have aggressively pursued digital marketing strategies to achieve their business goals [Sriram, 2021].

Digital marketing offers several advantages over traditional marketing tools and processes. The reach of digital marketing is much higher as it can transcend geographical boundaries [Bala & Verma, 2018]. The accountability is much higher as digital marketing follows the performance-based-payment approach [Gupta, 2020]. It is easier to measure the outcome of digital marketing using tools like web analytics and Google analytics [Yang, Pan & Song, 2013]. Digital marketer also gives the marketer better control over the marketing process and helps to reach out to the targeted customers with ease [Vassileva, 2017].

With such advantages, it is natural that startups would adopt digital marketing for promoting their products and services. However, primary research conducted by Chakraborti, Dutta & Jana [2022a] among 1000 startups in nine major cities in India reveal that “only 32% of the surveyed companies are currently using digital

marketing tools, 23% of the companies are considering using in future and 45% of the companies are not using the same. The main reasons given for adopting digital marketing tools are low cost, high reach, better control over the process and mapping the outcome through analytics. The main reasons given for not adopting digital marketing tools are lack of understanding, lack of capability, lack of trust and fear or hacking”.

Based on these inferences, we felt it is imperative to conduct a research study to understand the stimuli that is facilitating the adoption of digital marketing by startups. Our research initiative seeks to answer the two fundamental questions:

RQ1: What are the stimuli that are motivating the startups to adopt digital marketing for business promotions?

RQ2: What are the stimuli that are discouraging the startups from adopting digital marketing for business promotions?

RQ3: Is there any moderating effect of the size of company on the adoption of digital marketing by startups?

Experts have studied the technology adoption process in detail and offered several models and frameworks to analyse and understand the technology adoption process. Rogers [2014] has explained the determinants that influence the diffusion of innovation using the diffusion of innovation (DOI) model. Davis [1989] has explained why people adopt technology with the two constructs – perceived ease of use and perceived usefulness. Ram and Sheth [1989] have explained why people resist innovative technology using their innovation resistance theory. Tornatzky and Fleischer [1990] have explained the internal factors and external factors that influence the adoption of technology using their Technology-Organization-Environment (TOE) framework. James Westaby [2005] has analysed both the “reasons for and reasons against the adoption of technology” using the behavioral response theory.

After a detailed study of extant literature pertaining to different technology adoption theories, we inferred that the Stimulus-Organism-Response (SOR) theory offered by Mehrabian and Russel [1974] was best suited to analyse and explain the research questions that we proposed in our research study. The SOR theory states that “the various aspects of environmental stimuli (S) affect the cognitive evaluations of individuals or organisms (O), which further lead to response (R)”. Taking the hedonic, utilitarian and environmental factors as stimuli, we examined the facilitators and inhibitors as organism to understand the adoption intention (response) of digital marketing by startups.

The research was conducted by collecting primary data from 249 respondents, who are primarily the owners of startups or managers working in startup companies. Although the SOR theory has been used to conduct research on different topics like SMS advertising [Sharma, et al., 2021], food wastage [Talwar, et al., 2021], mobile commerce [Chopdar & Balakrishnan, 2020], online shopping [Peng & Kim, 2014] and website attributes [Zimmerman, 2012], this is probably the first time that this theory is being applied to conduct a study on the adoption of digital marketing by startups. The study extends the literature on entrepreneurship, startups, and digital marketing by investigating the facilitators and inhibitors that motivate or dissuade the adoption intention of digital marketing by startups.

Our research paper is structured in the following way. The first section gives the introduction to the topic. In the next section, we have done the literature review. The third section gives the framework and hypothesis. The fourth section details the research methodology. The fifth section gives the inferences drawn from analysis of data. The concluding section deals with the discussion of the findings, the theoretical implication, the practical implication, the limitation and guidance for future research work.

1. Literature Review

1.1. Stimulus-Organism-Response (SOR) Theory

S-O-R stands for stimulus, organism and response. The SOR theory was propagated by Mehrabian and Russel in 1974. The theory was used to understand how the shopping environment acts as stimuli on the consumers (organism) to elicit an approach or avoidance response. The SOR framework establishes that “the various environmental signals serve as stimuli(S) that stimulate the internal states of the individual organism (O), which then drives their behavioral reactions (R)” [Mehrabian and Russel, 1974].

The model was further extended to study hedonic and utilitarian values as the various stimuli in the SOR theory [Peng & Kim, 2014]. The shopping environment also acts as a stimulus that affects the shopping behaviour [Babin et al., 1994]. In the instance of digital marketing adoption by startup companies, the hedonic stimulus comes from a feeling of joy, enjoyment or excitement after using the digital marketing tools. The utilitarian stimulus comes from a feeling of accomplishment of business goals, reaching out to the right kind of customers and getting a feeling that the marketing campaign was successful. The environmental stimulus comes from the feeling that the digital marketing environment is lively, interesting and stimulating [Chahal & Chakraborti, 2018].

The organism part of the SOR theory has been assessed by measuring the facilitators and inhibitors of digital marketing. The facilitators can come from a feeling that not using digital marketing will lead to loss of business opportunity, competitive advantage and may cause damage to profitability and growth. The inhibitors can come from a feeling that by using digital marketing, the startup companies would expose themselves to security breaches, leakage of crucial information and inconvenience to the present business processes. The facilitators and inhibitors act as a link between the stimuli and the response. The nature and strength of facilitators and inhibitors decide the effect of the stimuli and the response it elicits [Talwar, et al., 2021].

The response in the SOR theory, in the case of digital marketing adoption by startups, can be measured with the adoption intention scale. This is measured by getting the response whether the owner or

manager of the startup intends to use digital marketing based on the stimuli or the organism factors [Ritz, Wolf & McQuitty, 2019].

1.2. Digital Marketing Adoption Among Startups

For building a brand or for a product or service to be successful, marketing and promotion plays a key role [Kotler & Armstrong, 2013]. Business enterprises have the option to promote their products and services through print media, electronic media or digital media [Blakeman, 2018]. The cost of advertising in print media runs in thousands, cost of advertising in electronic media runs into lakhs while a promotional campaign in digital media can be run at a bare minimum cost or even for free [Gupta, 2020].

Google and most of the social networking sites (SNS) have both the organic and inorganic options [Adonov, 2020]. In the organic option, no payment needs to be made. However, it is difficult to do targeted marketing using those tools. In inorganic option, the advertiser can opt to pay using different options like Pay-Per-Click (PPC), Pay-Per-Mille (PPM), Pay-Per-View (PPV) and Pay-Per-Acquisition (PPA) [Chahal & Chakraborti, 2018]. In each of these options, the marketer needs to pay based on certain goals being achieved. Hence, this process is also called performance marketing [Ryan & Jones, 2009]. The marketers also have another option of using a tool called remarketing or retargeting. Remarketing is defined as “a very common and popular form of digital marketing in which marketers serve ads to users who have visited their website, or a specific web page, and who have or have not taken a specific action” [Cheikha, 2021].

All these options are very much viable for startups which are operating with low capital budgets and do not have huge amount of cash to spend on marketing and promotion [Chakraborti, Dutta & Jana, 2022b]. By using analytical tools, they can measure whether the marketing goals are being achieved and tailor-make their campaign so as to get maximum return-on-ad-spend (ROAS) using optimum budget [Cutroni, 2010].

If such good options are available, the question that arises is why are startups not adopting digital marketing to promote their products

and services? This could be because of lack of understanding about the tools of digital marketing. It could also be about the lack of expertise about how to run the tools of digital marketing. This could be because of lack of trained manpower to run the digital marketing. Or this can be because of anticipation of risks associated with using unfamiliar tools [Ram & Sheth, 1989].

On the other hand, we also need to explore why some startups are aggressively adopting digital marketing. This could be because of savings in costs associated with marketing, better results through targeted marketing, better control over the marketing process or better return-on-ad-spend (ROAS) in comparison to the traditional modes of advertising and promotion like print advertising and electronic advertising [Gupta, 2020].

In this research work, we have made an initiative to understand the stimulus that acts as a facilitator or inhibitor on the owners and managers of startups to either adopt or reject digital marketing by using the SOR theory [Mehrabian and Russel, 1974]. A Partial Least Square-Structural Equation Modelling (PLS-SEM) technique has been used to analyse the data [Hair, et al., 2019].

2. Research Model and Hypothesis Development

With reference to the SOR theory given by Mehrabian and Russel [1974], we have hypothesized that adoption intention of digital marketing by startups is a result of facilitators and inhibitors which are activated by various stimuli which may be hedonic, utilitarian or environmental. Accordingly, our research work uses the constructs hedonic values (HED), utilitarian values (UTL) and environmental stimuli (ENV) that act as a facilitator (FAC) or inhibitor (INH) to influence the adoption intention (AI). All the constructs are measured with three indicators on a seven-point Likert scale, except for AI, which is measured with two indicators.

2.1 Hedonic Value, Facilitator and Inhibitor

A person's behaviour is a consequence of motives, attitudes and values [Ajzen, 1991]. Some of these motives may be hedonic, while others may be utilitarian [Babin, Darden & Griffin, 1994]. The

hedonic values are about seeking joy, enjoyment and excitement [Peng & Kim, 2014]. In the case of digital marketing adoption, it is about the feeling of joy, enjoyment and excitement that comes during the use of digital marketing tools that gives the user a sense of gratification. If that happens, then it acts as a facilitator. On the other hand, if the owner or manager finds it difficult to use the digital marketing tools, then it can act as inhibitor. Thus, we hypothesize that:

H1a: The hedonic values are positively associated with the facilitators of digital marketing adoption.

H1b: The hedonic values are negatively associated with the inhibitors of digital marketing adoption.

2.2 Utilitarian Value, Facilitator and Inhibitor

Utilitarian value occurs when a person gets a feeling of accomplishment or achievement [Babin, et al., 1994]. The hedonic values are concerned about the emotional aspects, while the utilitarian values are goal-oriented, cognitive and non-emotional. The hedonic values are intrinsic while the utilitarian values are extrinsic. The utilitarian values are related to the functional aspects of motives [Peng & Kim, 2014].

In the case of digital marketing adoption, if the owner or manager of startup gets a feeling that their digital marketing campaign is successful, the business goals are being achieved, they will get a sense of gratification. If that happens, then it acts as a facilitator. On the other hand, if the owner or manager finds that the business goals are not being achieved by digital marketing tools, then it can act as an inhibitor. Thus we hypothesize that:

H2a: The utilitarian values are positively associated with the facilitators of digital marketing adoption.

H2b: The utilitarian values are negatively associated with the inhibitors of digital marketing adoption.

2.3 Environmental Stimuli Facilitator and Inhibitor

The business environment also plays a key role as a stimulus in the decision to adopt a particular technology [Tornatzky & Fleischer, 1990]. If the operating environment becomes lively, interesting and stimulating by the application of technology, the people would be keener to adopt the technology [Peng & Kim, 2014]. If the people working in startup companies find that the marketing process has become lively, interesting and stimulating by the use of digital marketing, the business environment will act as a facilitator. If the business professionals feel their marketing process has become more difficult, error prone and annoying because of the use of digital marketing, the business environment will act as an inhibitor. Thus we hypothesize that:

H3a: The environment stimuli are positively associated with the facilitators of digital marketing adoption.

H3b: The environment stimuli are negatively associated with the inhibitors of digital marketing adoption.

2.4 Facilitators, Inhibitor and Adoption Intention of Digital Marketing

The startups have hopes as well as apprehensions regarding the use of digital marketing tools and technologies. One set of startups would feel comfortable using the digital marketing tools as they offer convenience and low-cost option to reach out to a large target base of customers [Davis, 1989]. Another set of startup owners and managers might have apprehensions that their data and bank accounts would get hacked and their business might suffer breakdown and disruption because of digital marketing [Ram & Sheth, 1989]. Thus, the feelings about digital marketing might act either as facilitators or inhibitors. Thus, we can hypothesize that:

H4a: Facilitators of digital marketing are positively associated with the adoption intention of digital marketing.

H4b: Inhibitors of digital marketing are negatively associated with the adoption intention of digital marketing

The conceptual model is given below:

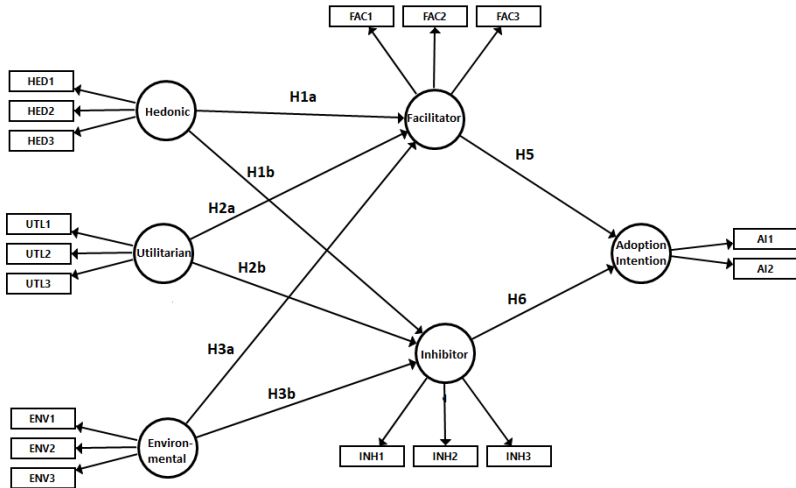


Figure 1. Conceptual Framework of the Research Study

3. Research Methodology

The research study was based on data collected through a cross-section survey. The sampling method used in simple random sampling. The data was collected using a structured questionnaire comprising of 7 point Likert scale. The data was collected during a six months period from June, 2021 to December, 2021. The questionnaire was sent through e-mail and WhatsApp to 375 respondents and valid response was obtained from 349 respondents. This indicates a response rate of 93%, which is satisfactory.

The minimum sample size required for structural equation modelling was calculated with Daniel Soper’s “A-priori Sample Size Calculator for Structural Equation Models” [Soper, 2022]. The recommended minimum sample size for effect size of 0.3, statistical

power level of 0.8, six latent variables, seventeen observed variables and a probability level of 0.05, is 227 [Cohen, 1988]. Our sample size for the research study was 249, which is much above the recommended minimum sample size of 227.

The demographic details of the respondents are given in Table – 1. The respondents comprise of 53% males and 47% females. 37.8% of the respondents are in the age group 20-30 years, 26.9% of the respondents are in the age group 30-40 years, 20.5% of the respondents are in the age group 40-50 years and 14.9% of the respondents are above 50 years. 37.5% of the respondents run companies with turnover below INR 20 lakhs, 27.5% of the respondents run companies with turnover between INR 20 lakhs and INR 50 lakhs, 20% of the respondents run companies with turnover between INR 50 lakhs and INR 1 Crore and 15% of the respondents run companies with turnover more than INR 1 Crore.

4. Data Analysis and Results

The data analysis has been done in two steps using the PLS-SEM method and the SmartPLS-3 v3.3.2 software. The analysis has been done as per guidelines given by Hair et al. [2019]. In the first step, the measurement model was assessed and in the second step, the structural model was assessed.

To remove the common method bias (CMB), the respondents were assured that the data would be kept confidential and they can give spontaneous responses without any apprehension. The CMB was also statistically analysed using Harman's Single Factor test. In our research, the analysis shows that the first factor only explained total variance of 44.33 percent, which is below the cut-off limit of 50 percent [Podsakoff, et al., 2003, p. 889]. This explains that common method bias is not present in the study.

4.1 Measurement Model Assessment

The indicator reliability is calculated by measuring the size of the outer loading. As per Hair et al. [2019], the standardized outer loading should be 0.708 or higher. In our research, all outer loadings

are above 0.708, except for ENV3, which is 0.697. This indicator has been retained as the overall data set has yielded satisfactory result.

The internal consistent reliability is measured using the composite reliability (CR). The composite reliability values between 0.70 and 0.95 are considered to be satisfactory [Hair et al. 2019]. In our research model, the composite reliability scores lies between 0.826 and 0.924 which is within the threshold limit.

The convergent validity is measured with average variance extracted (AVE). As per Hair et al. [2019], the AVE value should be 0.5 or higher. All the AVE values in our research model are above the threshold value of 0.5, which indicates satisfactory convergent validity of the model. The outer loading scores, composite reliability and average variance extracted values are given in Table 2 from the Appendix.

The discriminant validity is measured with the Fornell Larcker Criteria. The Fornell-Larcker Criteria states that the square root of the AVE of each construct should be higher than its highest correlation with any other construct [Fornell & Larcker, 1981]. The values obtained in Table 3 show that the condition for discriminant validity has been achieved.

4.2 Structural Model Assessment

The structural model has been assessed by examining the model for collinearity, evaluating the significance of the path coefficients, measuring the level of R^2 values, calculating the f^2 effect size, checking the predictive relevance with Q^2 and the effect size with q^2 [Hair et al. 2019].

The collinearity has been assessed by measuring the Variance Inflation Factors (VIF) of the indicators in the study. The VIF values are given in Table 2. All the VIF values are below the value of 3.3, which also confirms that there are no collinearity issues in the research model [Kock, 2015].

The path analysis reveals that all the hypotheses are supported. The results of the structural model assessment are presented in Table 4. There is a significant relationship between hedonic values and facilitators ($\beta=0.266$, $p<0.001$), hedonic values and inhibitors

($\beta=0.114$, $p<0.046$), utilitarian values and facilitators ($\beta=0.142$, $p<0.039$), utilitarian values and inhibitors ($\beta=0.477$, $p<0.001$), environmental stimulation and facilitators ($\beta=0.387$, $p<0.001$), environmental stimulation and inhibitors ($\beta=0.220$, $p<0.05$). There is also significant relationship between facilitators and adoption intention ($\beta=0.432$, $p<0.001$), inhibitors and adoption intention ($\beta=0.284$, $p<0.001$).

The validated research model is given in Diagram 2:

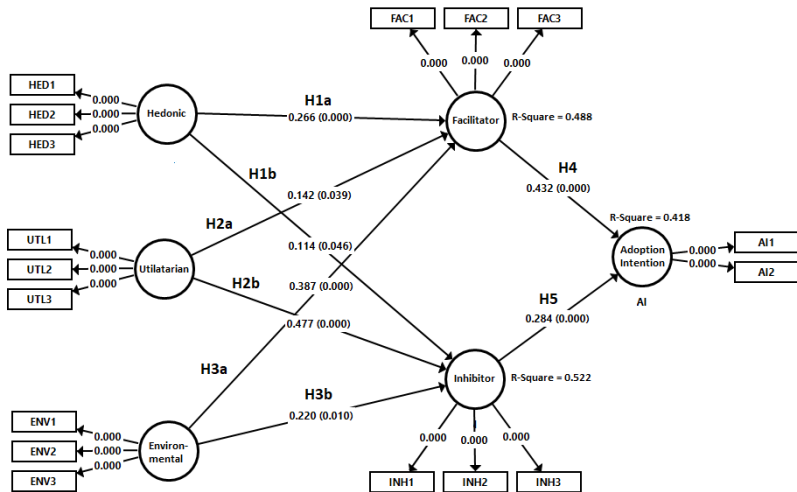


Figure 2. Conceptual Framework of the Research Study

The coefficient of determination or R^2 value of the endogenous variables facilitator (FAC) is 0.488, inhibitor (INH) is 0.522 and adoption intention (AI) is 0.418. This indicates that the research model has moderate predictive power. The SRMR value is less than 0.08, which indicates a good fit [Hu & Bentler, 1998].

5. Discussion

The research study explored the digital marketing adoption among startups in India using the SOR theory. Our research study identified

three stimuli, namely, hedonic values, utilitarian values and environmental stimuli that acts as either facilitator or inhibitor to encourage or discourage the digital marketing adoption by startups.

The research empirically supports the previous findings by experts [Mehrabian and Russell, 1974; Peng & Kim, 2014] and also extends the previous literature by inferring that environmental stimulus has a stronger impact as a facilitator ($t= 5.177$, $p<0.001$), in comparison to hedonic values and utilitarian values. This shows that a sense of excitement and stimulation must be created for the owners and managers of startups to motivate them to use digital marketing tools. By demonstrating hands-on expertise and showing results in the form of POC (Proof-of-Concept), the start-up owners and managers may be encouraged to use digital marketing.

The findings also show that utilitarian value has a stronger impact as an inhibitor ($t=6.561$, $p<0.001$), in comparison to hedonic values and environmental stimuli. This is a significant finding, as it shows that the startups might move away from adoption of digital marketing if they do not get quick results. Our recommendation is that the owners and managers of startups should be trained on the use of Web Analytics and Google Analytics. Once they start seeing tangible results on the dashboard of Web Analytics and Google Analytics, the inhibitions about using digital marketing will be gone.

The other significant finding is that facilitators have a stronger impact on adoption intention ($t=6.679$, $p<0.001$) than the inhibitors. This is an interesting and novel finding, that adds to the literature on entrepreneurship, startups and digital marketing. This shows that the perception among the startups is that the benefits from digital marketing far outweigh the apprehensions and inhibitions concerned with the use of digital marketing. This is a very significant finding as we can infer that the inhibitions built around digital marketing can be minimized and mitigated with proper training and demonstrations of the efficacy of using digital marketing.

To seek an answer to RQ1 related to adoption of digital marketing by startups, we tested six hypotheses that evaluated the association between the hedonic values, utilitarian values and environmental stimuli on one side and facilitators and inhibitors on

the other. All the hypotheses – H1a, H1b, H2a, H2b, H3a and H3b – were supported, thereby proving that hedonic values, utilitarian values and environmental stimuli have a significant effect on the facilitators and inhibitors that encourage or dissuade the adoption of digital marketing by startups.

RQ2, inquiring about the effect of facilitators and inhibitors in adoption intention of digital marketing by startups, was addressed by testing hypotheses H4 and H5. Both the hypotheses were supported, showing that both facilitators and inhibitors have a significant role to play in adoption intention of digital marketing by startups. However, the facilitators have a stronger effect on adoption intention of digital marketing by startups, in comparison to inhibitors.

6. Theoretical and Practical Implications

6.1 Theoretical Implication

The current study contributes to the literature on entrepreneurship, startups and the application of digital marketing. This is probably the first time that the SOR theory has been used to study the digital marketing adoption among startups. Using the SOR theory, our research work has provided new insights by explaining how the hedonic values, utilitarian values and environmental stimuli act as facilitators and inhibitors to motivate or dissuade the adoption of digital marketing.

6.2 Practical Implication

The findings of the study have several practical implications. It will be of much value to policy makers, regulators, incubators, accelerators, venture capitalists and startup promotion councils to understand how startup companies can be motivated to adopt digital marketing to lower the cost of doing promotions and running marketing campaigns and also increase the effectiveness of the marketing campaigns.

Based on the findings, the policy makers and regulators must introduce some policy measures or strategies that increase the hedonic value and utilitarian value of adopting digital marketing tools and technologies so that it becomes attractive and desirable to

startups. The environmental stimuli can be provided by organizing training sessions or by providing tools and technologies of digital marketing at subsidized rates. Offering tax-breaks to startups that are ready to adopt digital marketing will be a positive intervention in this area.

The organizations like Google, Facebook, Twitter, LinkedIn, SEMRush, Hootsuite and Zoho can also look to provide customized digital marketing tools to startups which are low cost and easy to use. This will increase the hedonic value and utilitarian value of digital marketing for the startups. The environmental stimuli can also be provided by organizing free training sessions and giving consulting support to the startup companies.

7. Limitation and Future Work

The research conducted by us was done based on a cross-sectional study. An in-depth longitudinal study would be able to provide more inferences about adoption of digital marketing by startups in India. The research was conducted by collecting data from startups based in ten major cities of India. The research work can be further extended by including startups situated in Tier-I and Tier-II cities and also international countries. The stimuli include three constructs which are hedonic values, utilitarian values and environmental stimuli. The scope of the study can be further extended by including more constructs as stimuli. This study is restricted to the use of partial least square-structural equation modelling (PLS-SEM) for confirmatory factor analysis. A more in-depth analysis can be done by applying the moderation and mediation techniques. A clearer image will emerge if all these recommendations are incorporated in future studies.

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APPENDIX

Table 1. Demographic profile of the respondents (n= 249)

Characteristics	N	%
Gender		
Male	132	53.0
Female	117	47.0
Age		
20-30	94	37.8
30-40	67	26.9
40-50	51	20.5
Above 50	37	14.9
City		
Delhi NCR	43	17.3
Mumbai	41	16.5
Pune	21	8.4
Chennai	31	12.4
Bengaluru	42	16.9
Hyderabad	29	11.6
Kolkata	24	9.6
Chandigarh	18	7.2
Yearly Turnover		
Below INR 20 lakhs	45	37.5
INR 20-50 lakhs	33	27.5
INR 50 lakhs - INR 1 Crore	24	20.0
Above INR 1 Crore	18	15.0

Source: Authors` calculation

Table 2. Indicator Reliability and Construct Validity

Construct	Indicator	Outer Loading	Variance Inflation Factor	Composite Reliability	Average Variance Explained
Hedonistic Influence (HED)	HED1	0.854	1.680	0.871	0.693
	HED2	0.855	1.674		
	HED3	0.785	1.514		
Utilitarian Influence (UTL)	UTL1	0.827	1.520	0.842	0.640
	UTL2	0.749	1.309		
	UTL3	0.822	1.464		
Environmental Influence (ENV)	ENV1	0.827	1.436	0.830	0.620
	ENV2	0.831	1.438		
	ENV3	0.697	1.253		
Facilitator (FAC)	FAC1	0.797	1.400	0.826	0.615
	FAC2	0.837	1.500		
	FAC3	0.712	1.229		
Inhibitor (INH)	INH1	0.818	1.448	0.843	0.642
	INH2	0.814	1.504		
	INH3	0.771	1.339		
Adoption Intention (AI)	AI1	0.916	2.069	0.924	0.859
	AI2	0.938	2.069		

Source: Authors' calculation

Table 3. Discriminant Validity using Fornell-Larcker Criteria

	AI	ENV	FAC	HED	INH	UTL
AI	0.927					
ENV	0.590	0.787				
FAC	0.606	0.655	0.784			
HED	0.601	0.643	0.591	0.832		
INH	0.549	0.617	0.614	0.512	0.802	

UTL	0.532	0.678	0.548	0.536	0.688	0.800
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Source: Authors` calculation

Table 4. Path Analysis and Significance Testing

Hypot hesis	Path	Path Coefficien t	t valu es	p valu es	95% Confide nce Interval s	Significance (p<0.05)
H1a	HED → FAC	0.266	3.77 1	0.00 0	[0.119,0 .391]	Yes
H1b	HED → INH	0.114	1.99 7	0.04 6	[0.012,0 .245]	Yes
H2a	UTL → FAC	0.142	2.07 3	0.03 9	[0.004,0 .283]	Yes
H2b	UTL → INH	0.477	6.56 1	0.00 0	[0.329,0 .612]	Yes
H3a	ENV → FAC	0.387	5.17 7	0.00 0	[0.235,0 .525]	Yes
H3b	ENV → INH	0.22	2.59 5	0.01	[0.046,0 .368]	Yes
H4	FAC → AI	0.432	6.67 9	0.00 0	[0.300, 0.552]	Yes
H5	INH → AI	0.284	4.52 5	0.00 0	[0.153,0 .405]	Yes

Source: Authors` calculation

USVAJANJE DIGITALNOG MARKETINGA MEĐU STARTUP KOMPANIJAMA U INDIJI: ISTRAŽIVAČKA STUDIJA PRIMENOM S-O-R OKVIRA

Apstrakt

Indija trenutno prolazi kroz uzbudljivu fazu preduzetničke mobilizacije u kojoj preduzetnici prve generacije stvaraju startup kompanije, rešavaju probleme i izazove sa kojima se suočavaju kupci i stvaraju bogatstvo za sebe. Indija je trenutno treća po broju startup kompanija u svetu, odmah nakon SAD i Kine. Paralelno sa ovim procesima, svedoci smo i impresivnog uspona digitalnog marketinga koji nudi pokretanje ciljanih marketinških kampanja koje daju rezultate posmatrano po optimalnim troškovima. Mnoge startup kompanije primenjuju alate i tehnologije digitalnog marketinga za promociju svog poslovanja, dok postoje i one koje se uzdržavaju od primene digitalnog marketinga. Ova istraživačka studija analizira usvajanje digitalnog marketinga od strane startup kompanija oslanjajući se na SOR teoriju. Koristili smo konstrukte poput hedonističkih vrednosti, utilitarnih vrednosti i ekoloških stimulansa koji deluju ili kao pokretači ili kao inhibitori kako bi podstakli ili obeshrabilu usvajanje digitalnog marketinga od strane startup firmi. Naši glavni nalazi su da stimulansi iz okruženja deluju kao snažan faktor u podsticanju usvajanja digitalnog marketinga od strane startup firmi, dok utilitarne vrednosti deluju kao snažan inhibitor u njihovom odvrćanju od usvajanja digitalnog marketinga. Nalazi su značajni jer će pomoći kreatorima politike, regulatorima, inkubatorima, akceleratorima, investitorima rizičnog kapitala i savetima za promociju startup kompanija u tome da razumeju kako one mogu biti motivisane da usvoje alate digitalnog marketinga.

Ključne reči: *startup kompanije, digitalni marketing, preduzetništvo, stimulansi, pokretači, inhibitori, namera usvajanja.*

JEL klasifikacija: D91, M13, M31, M37, O33