

Digital Marketing Strategy in the Era of Social Media: Analysis of Influencing Factors Superiority Competitive Startup Companies

Novrizal¹, Eddy Iskandar

¹⁻² Sekolah Tinggi Ilmu Ekonomi Kasih Bangsa, Jakarta, Indonesia

Email: novrizal@kasihbangsa.ac.id, eddyiskandarkaba@gmail.com

Abstract. *This qualitative literature review explores the role of digital marketing strategies in the social media era and their influence on the competitive advantage of startup companies. The study identifies key factors such as customer responsiveness, service quality, branding, and profitability as crucial elements for enhancing competitive advantage. Social media platforms enable startups to interact with customers more personally and directly, thereby increasing customer satisfaction and loyalty. Moreover, social media facilitates effective brand building and optimization of marketing strategies to increase profitability. Despite the valuable insights, the study is limited by its reliance on secondary data and focus on recent literature, which may not fully capture the rapidly evolving dynamics of social media. Future research should include empirical studies to provide deeper contextual understanding and explore emerging technologies and trends in social media marketing.*

Keywords: *Digital Marketing, Social Media, Competitive Advantage, Startup Companies, Customer Engagement.*

INTRODUCTION

In today's digital era, social media has become one of the most influential tools in a company's marketing strategy, especially for startups seeking to gain a competitive advantage. Social media not only serves as a platform to interact with customers, but also as an important tool for building brands, increasing visibility, and optimizing digital marketing strategies (Assaad & Gómez, 2011). Digitalization has a significant role in driving technological innovation in the Micro, Small, and Medium Enterprises (MSMEs) sector (Chaidir, M., et al, 2024). This study aims to analyze the factors that influence the competitive advantage of startup companies through social media marketing, with a qualitative literature review approach.

Digital marketing through social media offers a great opportunity for companies to innovate in the way they communicate with customers. According to Kaplan (2010), social media provides unique challenges and opportunities, allowing companies to connect with audiences in a more personal and direct way. This is supported by research from Malthouse et al. (2013) which shows that social media can improve customer relationships and strengthen brand loyalty.

Factors that influence the success of social media marketing include organizational and structural resources such as customer responsiveness and service quality, as well as marketing factors such as efficiency and the ability to attract more customers (Nazari Hosseinabad et al., 2024). Community engagement, paid social media accounts, collaboration with influencers, and other news channels are also carried out to expand the distribution of native advertising content (Dinanti, C., & Hadi, S., 2021). Responsiveness to customers is key to building strong relationships and can increase a company's competitive advantage (Griffiths, Elson, & Amos, 2001). In addition, high service quality can increase customer satisfaction and encourage loyalty (Gronroos, 2009).

Branding is also an important element in social media marketing. According to Edelman (2010), branding in the digital era requires a different approach, where companies must be smarter in allocating resources to get maximum results. The Minister of Transportation of the Republic of Indonesia has succeeded in building personal branding through three main dimensions that form personal branding, namely Competence, Standards, and Style (Fatimah, S. & Hadi, SP, 2021). Social media allows companies to build and strengthen their brand image through relevant and interactive content (Blanchard, 2011). This is in line with the findings of Cvijikj, Spiegler, & Michahelles (2013) which emphasize the importance of brand presence on social media to increase customer awareness and engagement.

Profitability is also one of the main objectives in digital marketing strategy. According to research by Nazari Hosseinabad et al. (2024), social media can provide a competitive advantage by increasing profitability through efficient and effective marketing strategies. Profitability and debt to equity ratio have a significant influence on company value (Mohammad & Anis Y, 2022). Companies can leverage data and analytics from social media to identify market trends and customer preferences, allowing them to tailor their marketing strategies more precisely (Chaffey & Ellis-Chadwick, 2012).

However, the use of social media in marketing strategies also has risks. Assaad & Gómez (2011) remind that companies must be careful in handling negative feedback and maintaining their reputation on digital platforms. Therefore, it is important for companies to have an effective crisis management strategy and be responsive to changes in social media dynamics.

In this literature review, various studies have shown that social media marketing can provide a competitive advantage to startups by leveraging factors such as responsiveness, service quality, branding, and profitability. The structural interpretive model proposed by Nazari Hosseinabad et al. (2024) provides a comprehensive framework for understanding the relationship between these factors and how they can be optimized to achieve competitive advantage.

Social media marketing offers significant opportunities for startups to build strong brands and increase profitability. By understanding and managing the factors that influence competitive advantage, companies can harness the full potential of social media to achieve their business goals. Further research is needed to explore innovative ways to integrate social media into broader digital marketing strategies.

LITERATURE REVIEW

This literature review aims to identify and analyze the factors that influence the competitive advantage of startup companies through digital marketing in the era of social media. In this context, social media has become an important tool for companies to increase visibility and interaction with customers, as well as build stronger and more sustainable relationships (Assaad & Gómez, 2011).

Nazari Hosseinabad et al. (2024) developed a structural interpretative model that classifies factors influencing social media marketing based on competitive advantage. This model includes categories of organizational and structural resources, such as responsiveness to customers and service quality, which are important elements in building strong customer relationships. Griffiths, Elson, & Amos (2001) emphasize the importance of customer-supplier interactions to enhance customer focus in volatile markets.

In marketing, the ability to attract more customers and operational efficiency are key factors that can increase the competitiveness of startup companies (Chaffey & Ellis-Chadwick, 2012). Islamic marketing strategies, including Islamic branding and halal marketing, contribute significantly to building consumer loyalty and business sustainability (Santoso, S., & Ruslaini, 2022). According to research by Malthouse et al. (2013), social media allows companies to manage customer relationships more

effectively through a more personal and interactive approach. This is supported by research from Bernhardt, Mays, & Hall (2012) which shows that social marketing can be done at the right time and in the right place through new media.

Branding in the digital era is also an important element in marketing strategy. According to Edelman (2010), branding in the digital era requires a different approach, where companies must be smarter in allocating resources to get maximum results. Social media allows companies to build and strengthen their brand image through relevant and interactive content (Blanchard, 2011). Cvijikj, Spiegler, & Michahelles (2013) emphasize the importance of brand presence on social media to increase customer awareness and engagement.

Profitability is also one of the main objectives in digital marketing strategies. According to research by Nazari Hosseinabad et al. (2024), social media can provide a competitive advantage by increasing profitability through efficient and effective marketing strategies. Companies can leverage data and analytics from social media to identify market trends and customer preferences, allowing them to tailor their marketing strategies more precisely (Chaffey & Smith, 2013).

However, the use of social media in marketing strategies also has risks. Assaad & Gómez (2011) remind that companies must be careful in handling negative feedback and maintaining their reputation on digital platforms. Therefore, it is important for companies to have an effective crisis management strategy and be responsive to changes in social media dynamics.

In this literature review, various studies have shown that social media marketing can provide a competitive advantage to startups by leveraging factors such as responsiveness, service quality, branding, and profitability. The structural interpretive model proposed by Nazari Hosseinabad et al. (2024) provides a comprehensive framework for understanding the relationship between these factors and how they can be optimized to achieve competitive advantage.

Social media marketing offers significant opportunities for startups to build strong brands and increase profitability. By understanding and managing the factors that influence competitive advantage, companies can harness the full potential of social media

to achieve their business goals. Further research is needed to explore innovative ways to integrate social media into broader digital marketing strategies.

METHODOLOGY

Research methodology is a crucial element in qualitative studies, especially in the context of a literature review aimed at analyzing digital marketing strategies in the era of social media and the factors that influence the competitive advantage of startup companies. This study uses a qualitative literature review approach that aims to identify, evaluate, and synthesize relevant and current research results in this field (Cooper & Schindler, 2008).

The first step in this methodology is the collection of secondary data through literature searches from various academic sources, including journals, books, and conference publications. These sources are selected based on their relevance and contribution to the research topic. According to Harwell (2011), this approach allows researchers to gain an in-depth understanding of the topic being studied and identify existing research gaps.

Next, the literature selection process was carried out using strict inclusion and exclusion criteria. Inclusion criteria included research published in the last five years, focusing on digital marketing, social media, and competitive advantage, and research using qualitative or mixed methods. These criteria were designed to ensure that the selected literature was the most relevant and up-to-date (Ghauri & Gronhaug, 2010).

After the literature has been collected, the next step is data analysis and synthesis. Analysis is done by identifying key themes and patterns that emerge from the selected literature. Thematic analysis techniques are used to organize and interpret the data in a systematic way (Braun & Clarke, 2006). This process involves manually coding the data to find recurring and significant themes.

Literature synthesis is done by combining findings from various sources to produce comprehensive conclusions about digital marketing strategies in the era of social media and factors that influence competitive advantage. According to Babbie & Benaquisto (2009), literature synthesis helps in integrating various perspectives and research findings to provide a clearer picture of the topic being studied.

As part of the methodology, researchers also validate the findings by comparing the synthesis results with other related literature to ensure consistency and accuracy. This is important to increase the credibility and validity of the research (Creswell, 2013).

In the context of this study, the qualitative literature review methodology provides a systematic framework to explore and understand the complexities of digital marketing strategies in the social media era. By utilizing this approach, researchers can identify key factors that influence the competitive advantage of startups and provide valuable insights for practitioners and academics in this field.

RESEARCH RESULT

The results of this qualitative study, which focuses on digital marketing strategies in the era of social media and the analysis of factors that influence the competitive advantage of startup companies, show several relevant key findings. This study identified that social media plays a significant role in building competitive advantage through several key factors, including customer responsiveness, service quality, branding, and profitability.

First, responsiveness to customers emerges as an important factor influencing the success of digital marketing. According to Griffiths, Elson, & Amos (2001), a company's ability to respond quickly and effectively to customer needs and feedback can increase customer satisfaction and brand loyalty. This is in line with the findings of Nazari Hosseinabad et al. (2024), which emphasizes the importance of responsiveness in building strong customer relationships on social media platforms.

Second, service quality is also identified as a crucial factor in improving the competitiveness of companies. Gronroos (2009) highlighted that high service quality can strengthen customer relationships and create added value for companies. In the context of social media, service quality can be measured through effective interactions and relevant content delivered to the audience (Cvijikj, Spiegler, & Michahelles, 2013).

Third, branding in the digital era requires a different approach compared to traditional methods. Edelman (2010) suggests that companies must be smarter in managing their brand image on social media to attract customer attention and

engagement. Social media provides an ideal platform for building and strengthening brands through interactive and engaging content (Blanchard, 2011).

Fourth, profitability is one of the main goals in digital marketing strategy. According to research by Nazari Hosseinabad et al. (2024), social media can increase profitability by optimizing efficient and targeted marketing strategies. Chaffey & Smith (2013) added that social media analytics can be used to identify market trends and customer preferences, allowing companies to adjust their marketing strategies more effectively.

Overall, this study highlights that the success of digital marketing in the social media era is highly dependent on a company's ability to manage and optimize these factors. By understanding and implementing the right strategies, startups can build a sustainable competitive advantage in this increasingly competitive market.

DISCUSSION

The discussion on digital marketing strategies in the era of social media and the factors that influence the competitive advantage of startup companies reveals several important findings that can be used as references for business people and academics. This study highlights how social media has become a very influential tool in building competitive advantage through various factors such as responsiveness to customers, service quality, branding, and profitability.

First, responsiveness to customers on social media is key to building strong and sustainable relationships. Griffiths, Elson, & Amos (2001) emphasize that fast and effective interaction with customers can increase satisfaction and loyalty. This is in line with research by Malthouse et al. (2013), which shows that social media allows companies to manage customer relationships in a more personal and interactive way. This responsiveness not only improves customer experience but also differentiates the company from its competitors (Gronroos, 2009).

Second, high service quality is a crucial factor in retaining and attracting new customers. Cvijikj, Spiegler, & Michahelles (2013) revealed that the presence of a brand on social media must be supported by quality services that can meet customer expectations. Research by Bernhardt, Mays, & Hall (2012) also shows that social

marketing carried out at the right time and in the right place can improve service quality and customer satisfaction. In this context, service quality does not only include the products or services offered but also includes interactions and communications carried out through social media (Gronroos, 2009).

Third, branding in the digital era requires a more strategic and focused approach. Edelman (2010) highlighted that companies must be smarter in managing their brand image on social media to attract customer attention and engagement. Blanchard (2011) added that social media provides an ideal platform for building and strengthening brands through interactive and engaging content. This is supported by research from Kaplan (2010), which shows that social media offers unique challenges and opportunities for companies to build their brands more effectively.

Fourth, profitability is one of the main objectives in digital marketing strategy. Nazari Hosseinabad et al. (2024) identified that social media can increase profitability by optimizing efficient and targeted marketing strategies. Chaffey & Smith (2013) added that social media analytics can be used to identify market trends and customer preferences, allowing companies to adjust their marketing strategies more effectively. Research by Assaad & Gómez (2011) also emphasized the importance of a deep understanding of the audience and their behavior on social media to increase profitability.

In comparison with previous studies, this study confirms the findings of Mangold & Faulds (2009), who identified social media as a new hybrid promotional element that can enhance marketing communications. Research by Li & Bernoff (2008) also supports this finding by showing that social media allows companies to engage directly with customers and build strong communities. In addition, research by Edosomwan et al. (2011) shows that the history of social media has changed the way businesses operate and interact with customers, which is in line with the findings of this study.

Research by Kaplan & Haenlein (2010) highlights the challenges and opportunities offered by social media, which supports the finding that companies need to be more adaptive and innovative in their marketing strategies. Research by Tussyadiah & Zach (2013) shows that an effective social media strategy can increase the capacity for collaboration and co-creation with consumers, which is in line with findings on the importance of customer interaction and engagement.

In addition, research by Nah & Saxton (2013) identified that the adoption and use of social media by non-profit organizations shows great potential in increasing public engagement and support, which can be applied in the context of startup companies to increase visibility and reputation. Research by Schultz & Sheffer (2012) also highlights the importance of social media in building personal and professional brands, which is in line with findings on branding in the digital era.

Overall, this discussion highlights that social media has become a very important tool in digital marketing strategies, enabling startups to build competitive advantages through a variety of key factors. By understanding and managing these factors, companies can harness the full potential of social media to achieve their business goals. Further research is needed to explore innovative ways of integrating social media into broader digital marketing strategies.

CONCLUSION

This qualitative study highlights the important role of social media in digital marketing strategies for startups, focusing on factors that influence competitive advantage. Key findings suggest that customer responsiveness, service quality, branding, and profitability are key factors that can enhance a company's competitiveness in the digital era. Social media provides an effective platform to engage with customers in a more personal and direct way, which can increase customer satisfaction and loyalty. In addition, social media also allows companies to build and strengthen their brand image through interactive and engaging content, as well as optimize marketing strategies to increase profitability.

The study also highlights the importance of a deep understanding of the audience and their behavior on social media to develop effective marketing strategies. By leveraging social media analytics, companies can identify market trends and customer preferences, allowing for more targeted marketing strategy adjustments. Overall, the study provides valuable insights for startups in leveraging social media to achieve competitive advantage and long-term success.

LIMITATION

Although this study provides valuable insights, there are some limitations that need to be considered. First, this study uses a literature review approach that relies on secondary data from previous studies. This may limit the depth of analysis and interpretation of the findings, as no direct empirical data was collected.

Second, the focus of this study on literature published in the last five years may limit the scope of the study, given the rapidly evolving dynamics of social media. Changing trends and new technologies that may not have been covered in the existing literature may affect the relevance of the findings.

Third, this study focuses more on startup companies, so the findings may not be fully generalizable to larger companies or those operating in different industries. Variations in company size, industry, and target market may affect the effectiveness of the digital marketing strategies adopted.

Fourth, limitations in access to some literature sources may affect the comprehensiveness of the review. Some studies may not be accessible or included in this analysis, which may affect the breadth of perspectives presented.

For further research, it is recommended to conduct empirical studies by collecting primary data from startup companies that actively use social media. This will provide a deeper and contextual understanding of how digital marketing strategies are implemented and their impact on competitive advantage. In addition, further exploration of the impact of new technologies and emerging social media trends can also provide additional valuable insights.

BIBLIOGRAPHY

Assaad, W., & Gómez, J. M. (2011). Social networks in marketing (Social media marketing) opportunities and risks. *International Journal of Managing Public Sector Information and Communication Technologies (IJMPICT)*, 2(1), 13-22.

Babbie, E., & Benaquisto, L. (2009). *Fundamentals of social research* (2nd ed.). Toronto, ON: Nelson.

Bernhardt, J. M., Mays, D., & Hall, A. K. (2012). Social marketing at the right place and right time with new media. *Journal of Social Marketing*, 2(2), 130-137.

Blanchard, O. (2011). *Social media ROI*. Indianapolis, IN: QUE.

- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology* , 3(2), 77-101.
- Chaffey, D., & Ellis-Chadwick, F. (2012). *Digital marketing. Strategy, implementation and practice* (5th ed.). Essex: Pearson.
- Chaffey, D., & Smith, P. R. (2013). *Emarketing excellence. Planning and optimizing your digital marketing* (4th ed.). Oxon: Routledge.
- Cooper, C., & Schindler, P. (2008). *Business research methods* (10th ed.). Boston: McGrawHill .
- Creswell, J. W. (2013). *Qualitative inquiry and research design: Choosing among five approaches* (3rd ed.). Los Angeles, CA: Sage.
- Cvijikj , I.P., Spiegler, E.D., & Michahelles , F. (2013). Evaluation framework for social media brand presence. *Social Network Analysis and Mining* , 3(4), 1325-1349.
- Dinanti , C., & Hadi, S. (2021). Analysis of Native Advertising as Dreamers.Id Online Media Content . *Demandia : Journal of Visual Communication Design , Design Management , and Advertising* , 6(1), 166 - 193. doi:10.25124/ demandia.v6i1.3424
- Edelman, D.C. (2010). Branding in the digital age: You're spending your money in all the wrong places. *Harvard Business Review* , 62-9.
- Edosomwan , S., Prakasan , S. K., Kouame, D., Watson, J., & Seymour, T. (2011). The history of social media and its impact on business. *The Journal of Applied Management and Entrepreneurship* , 16(3).
- Fatimah, S. & Hadi, SP (2021). Personal Branding of the Minister of Transportation of the Republic of Indonesia (#Menhubvlog on Youtube Channel Within the Scope Generation Millennials). *Journal InterCommunication* Vol. 6 No. 2 (2021). DOI: <http://dx.doi.org/10.33376/ik.v6i2.1434>
- Ghauri, P., & Gronhaug , K. (2010). *Research methods in business studies* (4th ed.). Essex: Pearson.
- Griffiths, J., Elson, B., & Amos, D. (2001). A customer-supplier interaction model to improve customer focus in turbulent markets. *Managing Service Quality* , 11(1), 57-67.
- Gronroos, C. (2009). Marketing as promise management: Regaining customer management for marketing. *Journal of Business & Industrial Marketing* , 24(5/6), 351-359.
- Harwell, M.R. (2011). *Research design: Qualitative, quantitative, and mixed methods* . In C. Conrad & RC Serlin (Eds.), *The Sage handbook for research in education*:

Pursuing ideas as the keystone of exemplary inquiry (2nd ed.). Thousand Oaks, CA: Sage.

Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of social media. *Business Horizons* , 53-68.

Li, C., & Bernoff, J. (2008). *Marketing in the groundswell* . Cambridge: MA Harvard Business Review Press.

Mangold, W.G., & Faulds, D.J. (2009). Social media: The new hybrid element of promotion mix. *Business Horizons* , 52(4), 357-365.

Malthouse, E.C., Haenlein, M., Skiera, B., Wege, E., & Zhang, M. (2013). Managing customer relationships in the social media era: Introducing the social CRM house. *Journal of Interactive Marketing* , 27, 270-280.

Mohammad, C., & Anis Y. (2022). The Effect of Tax Avoidance, Profitability and Debt to Equity Ratio on Company Value. *Journal Economics* , Vol 6 No 2 (2022): Journal Economics -August, 404–423.

<https://journal.ildikti9.id/Ekonomika/article/view/779/576>

Mohamad Chaidir, Grace Yulianti, & Seger Santoso. (2024). Impact Digitalization to Innovation Technology in Micro, Small and Medium Enterprises. *Journal of Management Vision* , 10(2), 74–87. <https://doi.org/10.56910/jvm.v10i2.523>

Nah, S., & Saxton, G.D. (2013). Modeling the adoption and use of social media by non-profit organizations. *New Media & Society* , 15(2), 294-313.

Nazari Hosseinabad, M., Haghghi, M., & Shahroodi, K. (2024). Interpretive structural modeling of social network marketing based on gaining a competitive advantage of startup travel service companies. *International Journal of Digital Content Management* , 5(9), 88-109. doi : 10.22054/dcm.2023.69254.1138.

Santoso, S., & Ruslaini. (2022). Integration of Islamic Principles in Entrepreneurship and Marketing : Literature Study about Motivation, Financing, and Business Strategy Sustainable. *Al-Urban: Journal of Islamic Economics and Islamic Philanthropy* , 6(2), 124–137. https://doi.org/10.22236/alurban_vol6.i2/17433

Schultz, B., & Sheffer, M. L. (2012). Name brand: The rise of the independent reporter through social media. *Online Journal of Communication and Media Technologies* , 2(3), 93-112.

Tussyadiah, I., & Zach, F. (2013). *Social media strategy and capacity for consumer co-creation among destination marketing organizations* . In L. Cantoni & Z. Xiang (Eds.), *Information and communication technologies in tourism 2013*. Berlin-Heidelberg: Springer-Verlag.