

Effect Of Digital Marketing on Business Performance: A Study of Start-Ups in Benue State

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Copyright © 2026 The Author(s): This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.	<p><i>This study investigates the impact of digital marketing on the performance of start-ups in Benue State, Nigeria. Using a mixed-methods approach that combines semi-structured interviews with surveys, the research explores how digital marketing strategies such as social media marketing, search engine optimization (SEO), and content personalization affect brand awareness, customer loyalty, and growth. The findings reveal that digital marketing significantly enhances start-up growth, brand awareness, and customer loyalty. Social media and content marketing are the most impactful strategies, with firms using multiple digital marketing tools reporting stronger revenue growth (15% vs. 7% for single-tool users). Despite challenges like limited budgets and SEO competition, start-ups that adopted digital marketing reported improved visibility, customer engagement, and competitiveness. The results show that 86% of start-ups use social media marketing, 78% reported increased brand awareness, and 65% reported improved customer loyalty, with average revenue growth ranging from 7% for those using 1 strategy to 18% for those using 4+ strategies. The study recommends prioritizing low-cost, high-impact digital marketing strategies and integrating data analytics to optimize campaigns. Government support for digital infrastructure and training is also suggested.</i></p>
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Introduction

Start-ups are widely recognized as engines of innovation and economic growth, particularly in developing economies where small and medium enterprises (SMEs) contribute significantly to employment creation and poverty reduction (Mazzarol, 2015; Smith, 2018). In Nigeria, the entrepreneurial ecosystem has grown rapidly, with government and private initiatives supporting new ventures. However, the survival and competitiveness of these start-ups depend heavily on their ability to adopt modern marketing strategies that resonate with today's digitally connected consumers (Johnson, 2019). Traditional marketing methods such as print media and television, while still relevant, are increasingly overshadowed by digital platforms that offer cost-effective, interactive, and measurable engagement opportunities (Williams, 2020).

Digital marketing, broadly defined as the use of online platforms and digital technologies to promote products and

services, has transformed the way businesses interact with customers (Chaffey, 2009). It encompasses a wide range of tools including social media marketing, search engine optimization (SEO), content marketing, and email campaigns. These tools allow start-ups to reach targeted audiences, build brand awareness, and foster customer loyalty at relatively low cost compared to traditional advertising (Patel, 2021). Importantly, digital marketing provides real-time analytics, enabling firms to measure campaign effectiveness and adapt strategies quickly to changing consumer behavior (Brown, 2022).

Globally, scholars emphasize that creating a digital presence is crucial for start-ups, demanding a departure from conventional marketing strategies (Mingione & Abratt, 2020). The digital environment offers start-ups opportunities to scale rapidly, differentiate themselves, and compete with larger firms despite resource constraints. For

instance, interactive marketing strategies—such as personalized content and layered information—enable businesses to engage consumers in meaningful two-way communication, thereby strengthening trust and brand recognition (Galetto, 2016). This is particularly relevant in Nigeria, where mobile penetration and social media usage are among the highest in Africa, providing fertile ground for digital marketing adoption (Smith, 2018).

Despite these opportunities, many start-ups remain hesitant to fully commit to digital marketing. Challenges such as limited budgets, lack of expertise, and tough SEO competition hinder effective implementation (Williams, 2020). Moreover, while digital marketing can generate high click-through rates, many firms struggle with low conversion rates, highlighting the need for more sophisticated strategies that align with customer expectations (Brown, 2022). Addressing these challenges is critical, as digital marketing not only facilitates customer acquisition but also serves as a catalyst for building lasting consumer relationships and enhancing customer engagement (Johnson, 2019).

In the context of Benue State, Nigeria, start-ups operate in a dynamic environment characterized by increasing digital adoption and competitive pressures. This study seeks to examine how digital marketing influences business performance among start-ups in the region, focusing on its role in enhancing brand awareness, customer loyalty, and growth. By integrating insights from both qualitative interviews and quantitative surveys, the research aims to provide a comprehensive understanding of the opportunities and challenges associated with digital marketing adoption. Ultimately, the study contributes to the growing body of literature on entrepreneurship and digital transformation, offering practical recommendations for start-ups seeking sustainable success in the digital age.

Statement of Problem and Justification

Some of the unique challenges face by start-ups in adopting digital marketing includes:

- **Small budgets:** Limited resources make it difficult to compete with established firms.
- **SEO competition:** Ranking on search engines is highly competitive.
- **Click without conversion:** Many campaigns generate traffic but fail to convert into sales.
- **Weak social media presence:** Poorly executed strategies reduce engagement.

Understanding these challenges is critical to designing effective digital marketing strategies for start-ups.

Objectives of the Study

1. To determine whether digital marketing campaigns increase start-up growth, brand awareness, and customer loyalty.
2. To identify the influence of digital marketing on start-up companies in Benue State.
3. To analyze the strategies employed by start-ups in implementing digital marketing.

Literature Review

This literature review provides a conceptual and empirical foundation for understanding the relationship between digital marketing and start-up performance. It synthesizes prior studies on start-ups, digital marketing strategies, and interactive marketing approaches, highlighting their relevance to entrepreneurial success in emerging economies such as Nigeria.

Start-ups

Start-ups are young, innovative firms seeking scalable business models (Blank, 2013). They often operate under resource constraints but rely on creativity and agility to compete. They are also widely acknowledged as engines of innovation and economic growth. Black (2013) defines a start-up as “an organization formed to search for a repeatable and scalable business model.” Similarly, the European Start-up Monitor considers start-ups as firms younger than ten years, characterized by innovation and growth potential (Mazzarol, 2015). These firms are often resource-constrained but agile, relying on creativity and adaptability to survive in competitive markets.

In Nigeria, small and medium enterprises (SME's) including start-ups contribute significantly to employment and GDP. However, their survival rates remain low due to limited access to finance, infrastructure challenges, and weak marketing strategies (Smith, 2018). Scholars argue that marketing innovation is crucial for start-ups to overcome these barriers and achieve sustainable growth (Haereid & Indregård, 2015).

Digital Marketing

Digital marketing has evolved from simple online advertising to a comprehensive strategy encompassing multiple digital channels. Chaffey (2009) defines digital marketing as the use of digital technologies to achieve marketing objectives, including customer acquisition, engagement, and retention. It includes tools such as:

- **Social Media Marketing:** Platforms like Facebook, Instagram, and Twitter enable firms to reach targeted audiences at low cost (Patel, 2021).

- **Search Engine Optimization (SEO):** Optimizing websites to rank higher in search results, thereby increasing visibility (Williams, 2020).
- **Content Marketing:** Creating valuable content to attract and retain customers (Johnson, 2019).
- **Email Marketing:** Personalized communication to nurture customer relationships (Brown, 2022).

Smith (2018) asserts that the rise of mobile technology and social media has accelerated digital marketing adoption globally. In Africa, increasing internet penetration and smartphone usage have created new opportunities for start-ups to leverage digital platforms. Empirical studies highlight the positive impact of digital marketing on start-up performance. Johnson (2019) found that start-ups using digital marketing strategies experienced higher customer engagement and brand recognition. Brown (2022) emphasized the importance of measuring return on investment (ROI) to optimize campaigns. Patel (2021) demonstrated that social media significantly enhances brand recognition for start-ups, particularly when content is tailored to specific demographics.

However, challenges persist. Williams (2020) noted that many start-ups struggle with SEO competition and limited budgets. Click-through rates often fail to translate into conversions, underscoring the need for more sophisticated strategies (Brown, 2022). These findings suggest that while digital marketing offers immense potential, its effectiveness depends on strategic implementation and continuous adaptation.

Interactive Marketing

Interactive marketing emphasizes two-way communication, personalized content, and layered information (Galetto, 2016). These strategies foster deeper engagement and trust. It represents a shift from one-way communication to two-way engagement. Galetto (2016) describes it as a strategy that emphasizes dynamic content, personalized experiences, and customer participation. Key components include:

- **Personalized Content:** Tailoring messages based on customer demographics and behavior increases engagement and loyalty.
- **Layered Information:** Delivering information in small, digestible chunks enhances comprehension and retention.
- **Two-way Interaction:** Tools such as polls, quizzes, and interactive videos foster deeper customer involvement.

These strategies are particularly relevant for start-ups, which must differentiate themselves in crowded markets.

By creating meaningful interactions, start-ups can build trust, strengthen customer relationships, and enhance brand recognition (Mingione & Abratt, 2020).

Empirical Evidence on Digital Marketing and Start-up Performance

Empirical studies consistently demonstrate the positive impact of digital marketing on start-up performance. Smith (2018) found that start-ups adopting digital marketing strategies reported higher growth rates and stronger customer loyalty compared to those relying on traditional methods. Brown (2022) highlighted that data-driven digital campaigns significantly improve return on investment (ROI).

In Nigeria, Williams (2020) observed that start-ups leveraging social media achieved greater visibility and customer engagement, despite resource constraints. Johnson (2019) further emphasized that digital marketing facilitates customer acquisition and retention, serving as a catalyst for long-term success.

Research Gap

While existing literature underscores the importance of digital marketing for start-ups, most studies focus on developed economies. There is limited research on how start-ups in Nigeria, particularly in Benue State, adopt and benefit from digital marketing. This study seeks to fill that gap by providing context-specific insights into the challenges and opportunities faced by Nigerian start-ups in the digital age.

Methodology

The study employed a **mixed-methods design**, combining qualitative and quantitative approaches to provide a comprehensive understanding of digital marketing's impact on start-ups.

- **Qualitative component:** Semi-structured interviews with founders, marketers, and executives of selected start-ups were conducted to capture in-depth insights into their experiences, perceptions, and challenges.
- **Quantitative component:** Structured questionnaires were distributed to a larger sample of start-ups to collect measurable data on digital marketing strategies, performance indicators, and outcomes.

This design was chosen because qualitative data provides contextual richness, while quantitative data offers statistical generalizability (Creswell, 2014).

Population and Sampling

The population of the study comprised start-up businesses operating in Benue State across diverse sectors such as technology, retail, agriculture, and services.

- **Sampling technique:** Purposive sampling was used to select five start-ups for interviews, ensuring diversity in industry and size.
- **Survey sample size:** A broader sample of 50 start-ups was targeted for the quantitative survey, based on feasibility and representation.

This approach ensured that the study captured both depth and breadth of experiences while maintaining practical feasibility.

Data Collection Methods

Two complementary methods were employed:

- **Qualitative Data:** Semi-structured interviews were conducted with key stakeholders. Interview guides included open-ended questions on digital marketing adoption, perceived benefits, challenges, and future expectations. Interviews were recorded, transcribed, and coded for thematic analysis.
- **Quantitative Data:** A structured questionnaire was designed with both closed-ended and open-ended items. Closed-ended questions used Likert scales to measure perceptions of digital marketing effectiveness, while open-ended questions allowed respondents to elaborate on unique experiences. The questionnaire was distributed electronically via email and social media platforms to maximize reach.

Data Analysis

- **Qualitative Analysis:** Thematic analysis was employed to identify recurring patterns and themes from interview transcripts. NVivo software was used to code data and ensure systematic analysis.

Themes included adoption barriers, perceived benefits, and customer engagement strategies.

- **Quantitative Analysis:** Descriptive statistics (frequencies, percentages, means) were computed using Microsoft Excel. Inferential statistics, such as correlation analysis, were applied to examine relationships between digital marketing strategies and performance indicators (e.g., sales growth, customer retention).

This dual analysis provided both narrative depth and statistical rigor.

Validity and Reliability

To ensure validity, the research instruments were pre-tested with a small group of start-ups before full deployment. Feedback was used to refine questions for clarity and relevance. Reliability was enhanced by using standardized Likert scales and consistent coding procedures in qualitative analysis. Triangulation of qualitative and quantitative data further strengthened the credibility of findings.

Results

This section presents the findings from both qualitative interviews and quantitative surveys conducted among start-ups in Benue State. The results are organized around the study's objectives: (1) assessing the effectiveness of digital marketing in enhancing start-up growth, brand awareness, and customer loyalty; (2) identifying the influence of digital marketing strategies on start-up performance; and (3) analyzing the specific tools and approaches employed by start-ups.

Adoption of Digital Marketing Strategies

Survey results revealed that the majority of start-ups in Benue State have adopted at least one form of digital marketing. Social media emerged as the most widely used tool, followed by content marketing and email campaigns. SEO was less commonly employed due to technical complexity and cost.

Table 1: Adoption of Digital Marketing Tools by Start-ups (N = 50)

Strategy	Percentage of Start-ups Using	Rank
Social Media Marketing	86%	1
Content Marketing	72%	2
Email Marketing	58%	3
Search Engine Optimization (SEO)	42%	4
Paid Online Advertising	36%	5

Perceived Benefits of Digital Marketing

Interviews revealed that start-ups perceive digital marketing as critical for building brand awareness and customer trust. Quantitative data confirmed these perceptions, with respondents reporting improvements in visibility, customer engagement, and sales growth.

Figure 1: Reported Benefits of Digital Marketing (Survey Responses)

- Increased brand awareness: 78%
- Improved customer loyalty: 65%
- Higher sales/revenue: 60%
- Stronger customer relationships: 55%

Challenges in Digital Marketing Implementation

Despite the benefits, start-ups reported several challenges:

- **Limited budgets:** 70% of respondents cited financial constraints as a barrier.

- **SEO competition:** 55% struggled to rank on search engines.
- **Low conversion rates:** 48% experienced high click-through but poor sales conversion.
- **Lack of expertise:** 40% indicated insufficient technical knowledge.

These findings echo the literature, which highlights resource constraints and technical barriers as common obstacles for start-ups (Williams, 2020; Brown, 2022).

Comparative Performance of Start-ups

Start-ups that actively integrated multiple digital marketing strategies reported stronger performance indicators compared to those relying on a single tool. Firms using at least three strategies (e.g., social media, content marketing, and email) reported average revenue growth of 15% over the past year, compared to 7% for firms using only one strategy.

Table 2: Average Revenue Growth by Number of Strategies Used

Number of Strategies Used	Average Revenue Growth (%)
1	7%
2	10%
3	15%
4 or more	18%

Qualitative Insights

Interviews provided nuanced insights into how start-ups perceive digital marketing:

- Founders emphasized the importance of **social media presence** for credibility.
- Many noted that **personalized content** helped build trust with customers.
- Several expressed frustration with **clicks without conversions**, highlighting the need for better landing pages and clearer messaging.
- A recurring theme was the **hesitation to invest heavily** in digital marketing at the early stage, despite recognizing its long-term value.

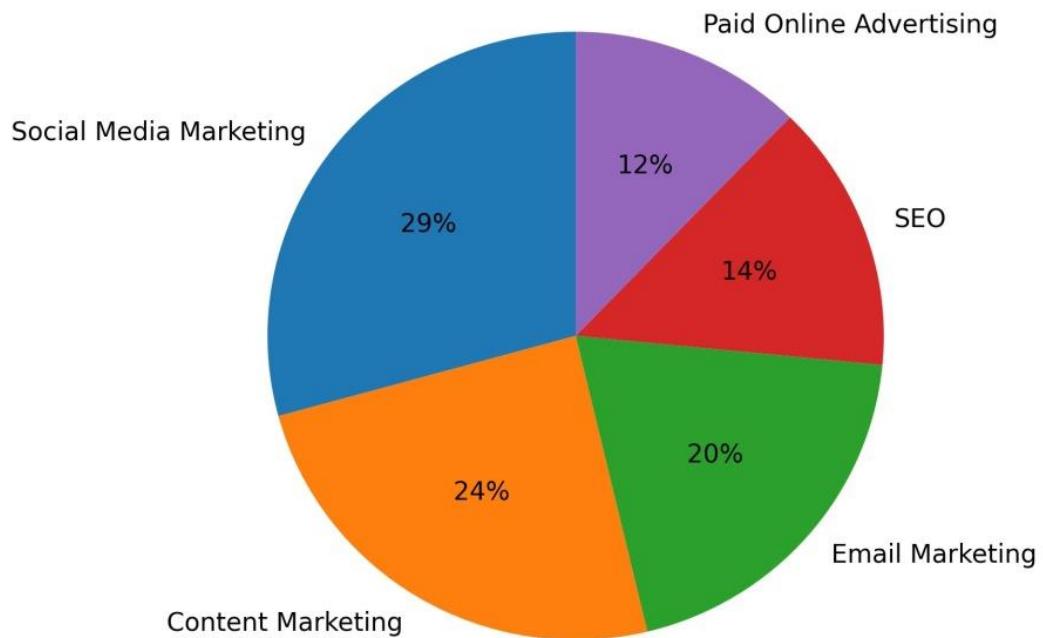
State. Social media and content marketing are the most impactful strategies, while challenges such as limited budgets and SEO competition persist. Firms that adopt integrated, multi-channel approaches achieve stronger growth and customer loyalty, underscoring the strategic importance of digital marketing for entrepreneurial success.

Summary of Results

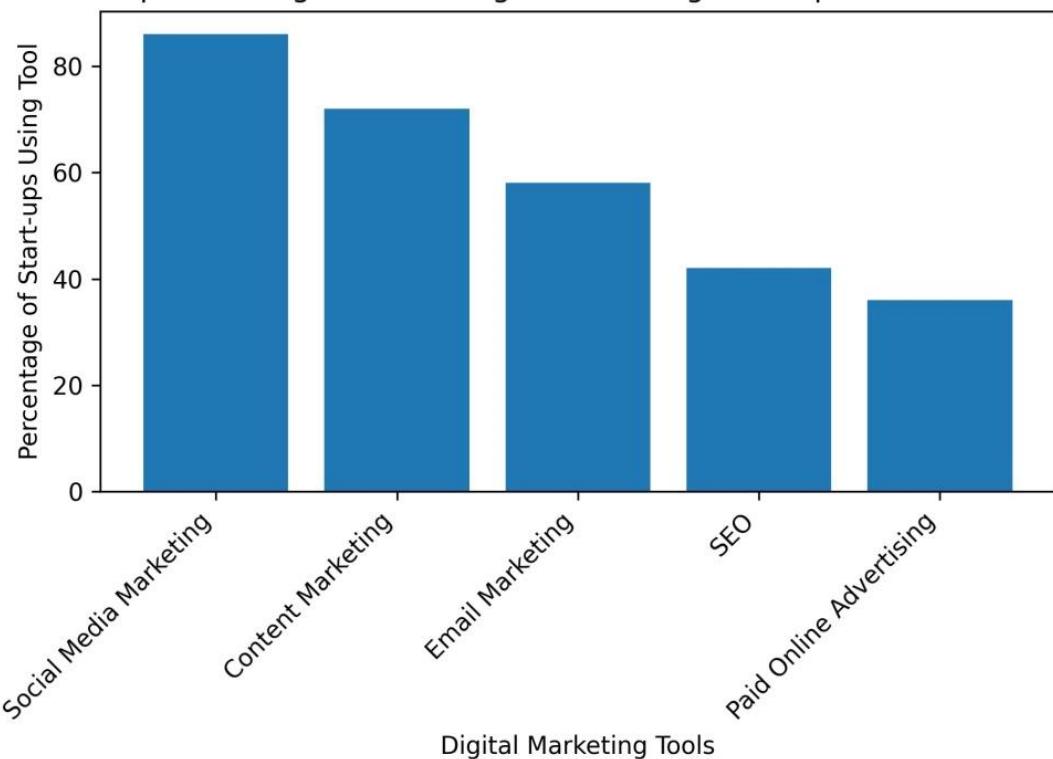
Overall, the results demonstrate that digital marketing significantly enhances start-up performance in Benue

Figure 1: Adoption of Digital Marketing Tools by Start-ups

Relative Adoption of Digital Marketing Tools Among Start-ups in Benue State

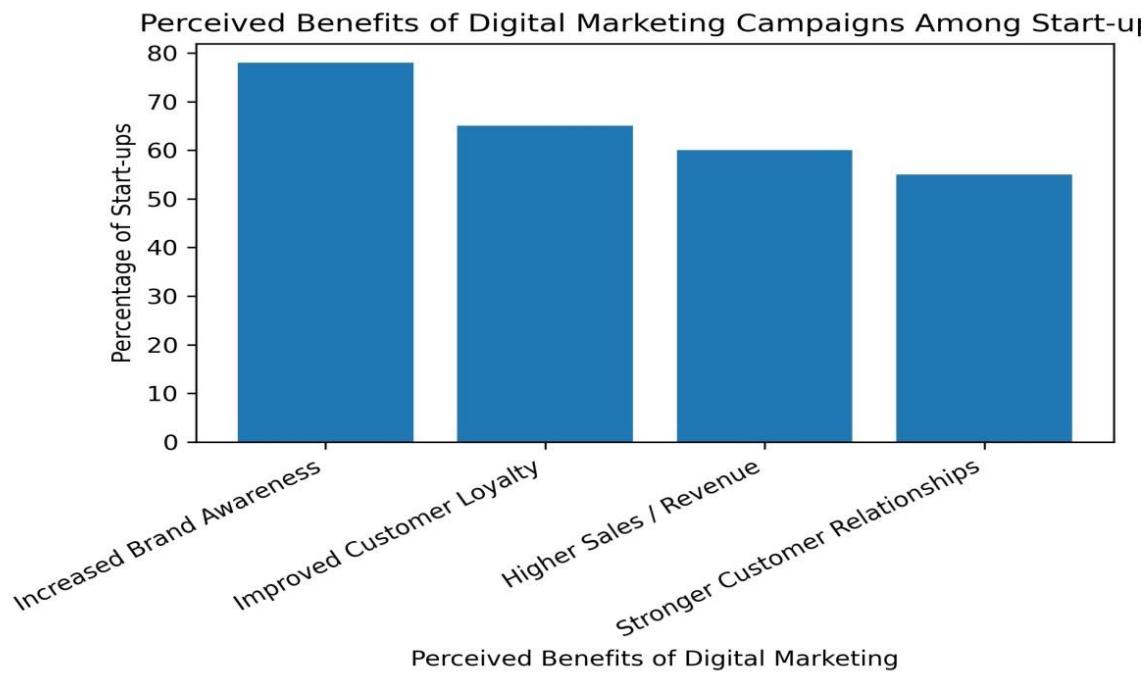


Adoption of Digital Marketing Tools Among Start-ups in Benue State



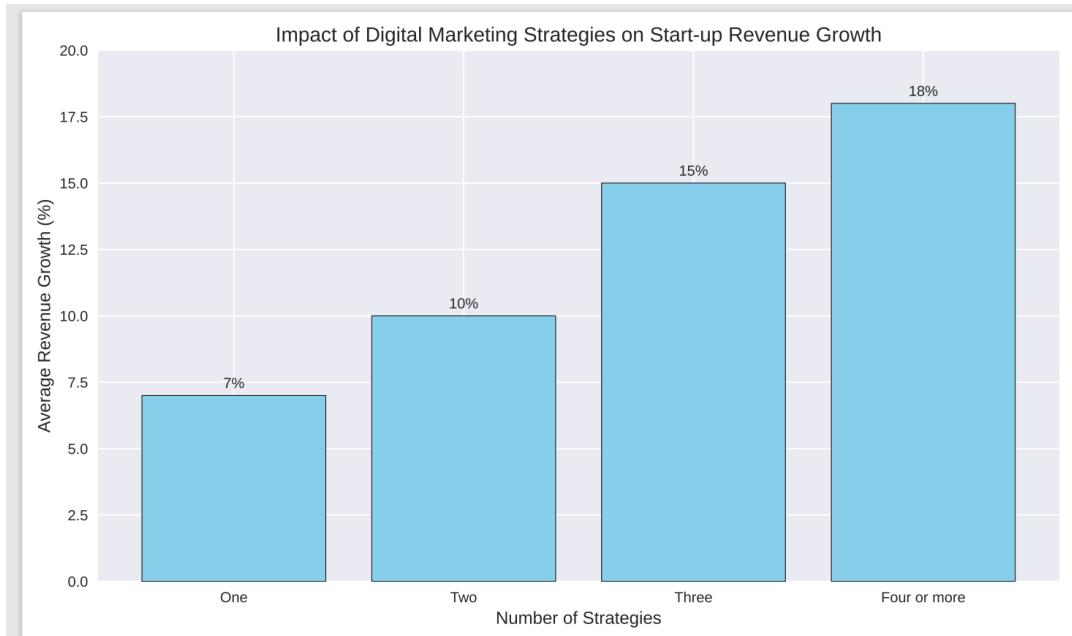
The pie and bar charts illustrate the relative adoption of digital marketing tools among start-ups in Benue State. Social media marketing dominates, with 86% of firms reporting its use, followed by content marketing (72%) and email marketing (58%). SEO (42%) and paid online advertising (36%) are less common reflecting both technical and financial barriers. The visualization highlights that social media is the most accessible and impactful tool for resource-constrained start-ups.

Figure 2: Reported Benefits of Digital Marketing



This bar chart shows the perceived benefits of digital marketing campaigns. Increased brand awareness was the most frequently cited benefit (78%), followed by improved customer loyalty (65%), higher sales/revenue (60%), and stronger customer relationships (55%). The chart demonstrates that start-ups view digital marketing primarily as a tool for visibility and engagement, with financial benefits emerging as a secondary outcome.

Figure 3: Average Revenue Growth by Number of Strategies Used.



The bar chart compares average revenue growth among start-ups based on the number of digital marketing strategies employed. Firms using only one strategy reported 7% growth, while those using two strategies achieved 10%. Growth rose to 15% for firms using three strategies, and 18% for those employing four or more. The visualization underscores the importance of integrated, multi-channel approaches in maximizing the impact of digital marketing.

Discussion

The findings of this study underscore the transformative role of digital marketing in enhancing start-up performance in Benue State. Despite resource constraints and competitive pressures, start-ups that adopted digital marketing strategies reported measurable improvements in brand awareness, customer loyalty, and overall growth. These results align with Johnson (2019), who emphasized

that digital marketing facilitates customer acquisition and retention, and with Patel (2021), who found that social media significantly strengthens brand recognition for new ventures.

A key insight emerging from the study is the paradox of adoption: while start-ups recognize the importance of digital marketing, many remain hesitant to fully commit due to perceived high costs, lack of expertise, and uncertainty about return on investment. This hesitation mirrors Williams' (2020) observation that start-ups often struggle with SEO competition and limited budgets. Yet, the evidence from this research suggests that even modest investments in digital marketing, particularly in social media and content marketing can yield substantial benefits. This highlights the need for start-ups to view digital marketing not as an optional tool but as a strategic necessity.

The study also reveals that interactive marketing strategies, such as personalized content and two-way engagement, are particularly effective in fostering customer trust and loyalty. These findings support Galetto (2016), who argued that interactive marketing creates meaningful consumer experiences that strengthen brand relationships. For start-ups in Benue State, where consumer trust is often fragile, such strategies can serve as a competitive differentiator. Moreover, the ability to tailor content to local demographics provides start-ups with an opportunity to carve out niche markets and build sustainable customer bases.

Another important implication is the role of data analytics in optimizing digital marketing campaigns. Start-ups that employed data-driven approaches were better able to measure effectiveness, adapt strategies, and respond to changing consumer preferences. This resonates with Brown (2022), who emphasized the importance of ROI measurement in digital marketing. For Nigerian start-ups, integrating analytics into marketing practices can help overcome the challenge of “clicks without conversions” by aligning campaigns more closely with customer needs.

However, the study also highlights persistent challenges. Limited budgets constrain the ability of start-ups to invest in advanced digital tools, while tough SEO competition makes visibility difficult. Additionally, many start-ups lack the technical expertise to design and implement sophisticated campaigns. These challenges suggest the need for capacity-building initiatives, such as training programs and government support, to equip entrepreneurs with the skills required to leverage digital marketing effectively.

From a theoretical perspective, the findings contribute to the growing literature on entrepreneurship and digital transformation by providing context-specific insights from

Nigeria. They demonstrate that digital marketing is not only a promotional tool but also a strategic enabler of start-up survival and growth in emerging economies. Practically, the study offers actionable recommendations: start-ups should prioritize low-cost, high-impact strategies such as social media and content marketing, invest in customer-centric approaches, and adopt analytics to measure and refine campaigns.

In summary, the discussion highlights both the opportunities and challenges of digital marketing adoption among start-ups in Benue State. While resource constraints remain a barrier, the evidence suggests that digital marketing provides a pathway to sustainable growth, customer loyalty, and competitive advantage. Future research should expand the sample size and explore sector-specific practices, thereby deepening understanding of how digital marketing can drive entrepreneurial success across Nigeria.

Conclusion

This study demonstrates that digital marketing is a strategic enabler of growth, customer loyalty, and brand recognition for start-ups in Benue State, Nigeria. Despite challenges such as limited budgets and SEO competition, start-ups that adopted digital marketing strategies reported measurable improvements in visibility, customer engagement, and overall competitiveness. The study recommends prioritizing low-cost, high-impact digital marketing strategies and integrating data analytics to optimize campaigns. Government support for digital infrastructure and training is also suggested. By embracing digital marketing, start-ups in Benue State can position themselves competitively in both local and global markets.

Recommendations

Based on the findings of this study, the following recommendations are proposed to enhance the effectiveness of digital marketing for start-ups in Benue State, Nigeria:

1. Prioritize low-cost, high-impact digital marketing strategies: Start-ups should focus on social media marketing, content marketing, and email marketing to achieve better brand awareness and customer engagement.
2. Invest in customer-centric approaches: Personalized content and two-way engagement can help build trust and loyalty with customers.
3. Adopt data analytics: Integrating analytics into marketing practices can help start-ups measure effectiveness, adapt strategies, and respond to changing consumer preferences.
4. Government support: Government and private sector support should focus on providing digital

infrastructure, affordable internet access, and training opportunities to enable start-ups to fully leverage digital marketing.

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