International Journal of **Multidisciplinary Trends**

Dr. Mahesh V Shitole
Professor, Institute of Management and Entrepreneurship Development, Bharati Vidyapeeth (Deemed to be University), Pune, Maharashtra, India

Dr. Vrushali M Shitole
Associate Professor, Institute of Management and Entrepreneurship Development, Bharati Vidyapeeth (Deemed to be University), Pune, Maharashtra, India

A study on strategic dimensions of digital marketing firms in India: Mapping positioning, performance, problems, and prospects pre-2019

Mahesh V Shitole and Vrushali M Shitole

Abstract
This report looks at the strategic landscape of digital marketing firms in India before the year 2019 by undertaking an analysis of their positioning, performance, and problems, as well as opportunities. Its first data was collected by creating a systematic quantitative technique of 400 agencies situated in large cities of India. The agencies were analyzed on the basis of diversity of services, number of teams, and years of experience. The statistical toolset included Tukey HSD, the one-way ANOVA, correlation matrices, chi-square test, and descriptive analysis. New benchmarking indices, including the Positioning Inflation Index and the Capability-Performance Efficiency Ratio, were also developed to determine business maturity and the progress of delivery and perception in line with each other. Important findings indicate that the experience of more than ten years produces a better structure of teams, a broader service portfolio, and performance measures. According to the geography study, cities such as Mumbai, Pune, and Chennai have a large share of agency presence, and the study confirmed that there is a low density of distribution of digital marketing activity in the urban areas. The research offers a clear gap in the goals of literature by supplying pre-pandemic criteria and complex knowledge concerning the industry of digital marketing. It also provides a substantial platform for strategic planning and industry development and concludes by giving certain recommendations for government support, capacity building, and further research.

Keywords: Digital marketing firms, strategic positioning, benchmarking indices, statistical analysis, agency distribution, industry development

Introduction
The rapid increase in the digital marketing ecosystem in India over the past decade was due to the boom in internet penetration, the use of smartphone devices, and the expansion on startups. What was even more impressive was that the government made a push toward digital literacy and infrastructure creation under the scheme of Digital India, launched in 2015, which accelerated the process of shifting companies toward the performance-driven approach to digital strategies (Rayudu & Lavanya, 2018) [7]. In urban market environments where mobile-first consumption based was predominant, digital marketing has become one of the key components of brand recognition and customer involvement by 2018 (Cutinha & Mokshagundam, 2018) [2].

Nevertheless, there existed a gap in the strategic maturity of the digital marketing firms despite this development. As the smaller firms struggled to deal with diversification of service and acquisition of personnel, big cities emerged and established themselves as information hubs (Bengaluru, Pune, and Mumbai) (Aurangabadkar Pole, 2018) [1]. The teams and portfolios were small and deliveries were not steady as well as positioning was hard, which applied to many businesses. The issue of the lack of standardized metrics of performance made it harder to carry out national-level effectiveness evaluations (Satkar & Dighe, 2019) [8].

Objectives
- To determine the relationship between the size of the team, services offered, and expertise and success in the digital marketing industry in India.
- To determine the effective correlation between the perceived positioning of digital marketing companies and the actual performance.
- To segment the digital marketing companies according to capability and identify key locations to grow and expand operational challenges.

Corresponding Author:
Dr. Mahesh V Shitole
Professor, Institute of Management and Entrepreneurship Development, Bharati Vidyapeeth (Deemed to be University), Pune, Maharashtra, India

Need of the study
During the years since Indian digital marketing business was briskly developing prior to 2019, it had very little empirical data on the internal processes of digital marketing business. Several businesses of different sizes gained new products, abilities, and positioning on the market along with the growing digital consumption. To fill such gaps, the study examines 400 digital marketing firms in major cities within India and evaluates them in terms of their strategy. It analyzes such key parameters as positioning accuracy, efficiency of performance, and the level of expertise. Presenting the helpful historical information, the report gives the parameters to evaluate after-pandemic tendencies in the industry based on the conditions prior to 2019. Further, it enables companies to assess and realign their products/services in a ruthless digital economy in a more accurate manner. In essence, the study can provide the empirical principles that can be relied upon to formulate policies, talent development projections, and growth strategies in the Indian digital marketing sector.

Methodology: To measure the strategic aspects of digital marketing companies around India, such as positioning, performance, issues, and prospects, a quantitative research design and a structured survey questionnaire have been applied in this research study. To determine the level of performance on the basis of experience level, size of the teams, and variety of services that are offered, a Positioning-Performance Gap framework and a Capability-Performance Efficiency matrix were also imposed on the benchmark agencies. Four measures were used to test geographic concentration, like the Herfindahl-Hirschman index, the Gini coefficient, and the coefficient of variation. This overall approach to statistics gave a forecast of the dynamics in the industries before the emergence of mass digitalization since 2019, where it is pronounced that it is possible to compare the indicated indicators precisely and make conclusions about positioning strategies, the level of operational maturity, and the performance of different companies in more or less equal sample categories.
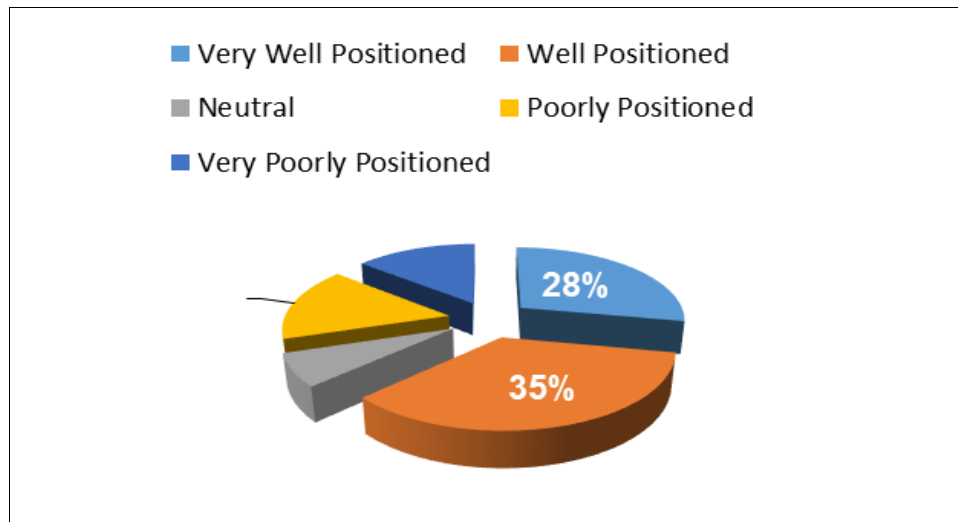
Data Collection
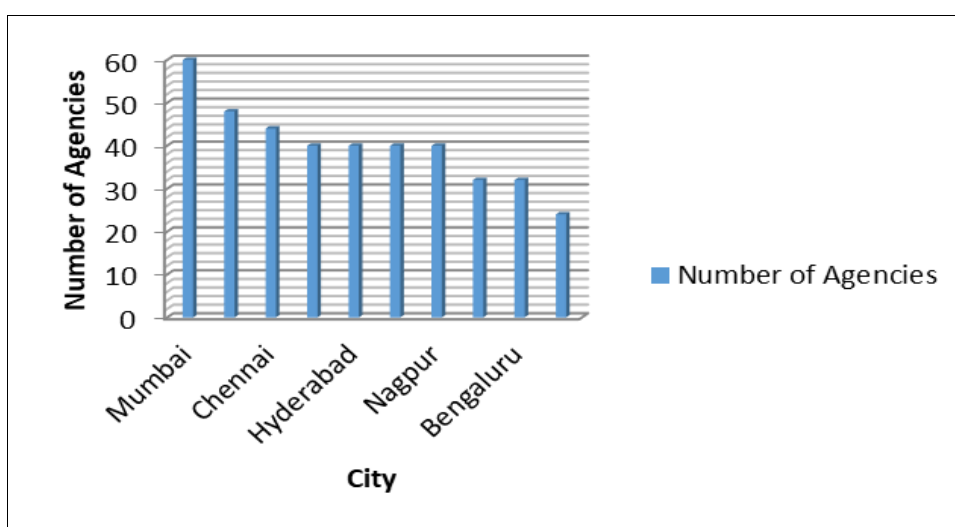
(Source: Wadajkar, Kumar, & Brar, 2019) [4]

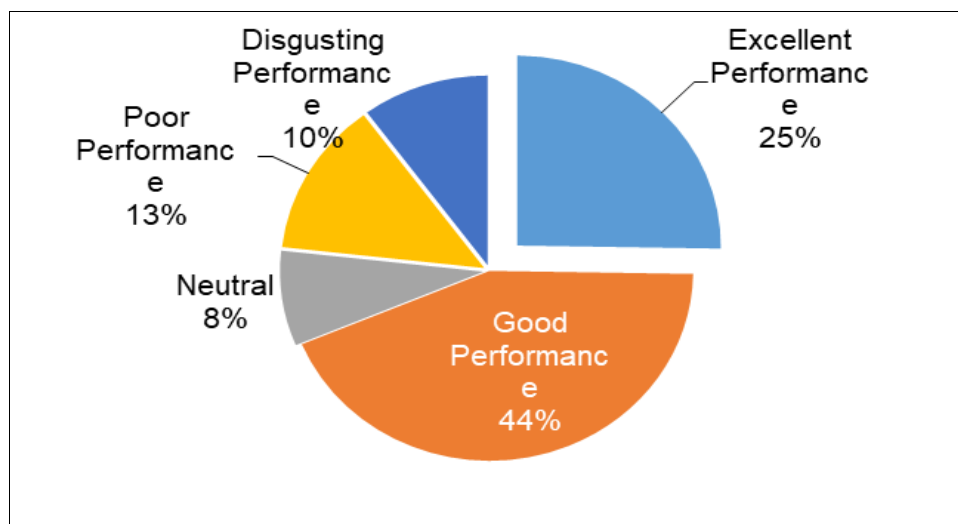**Fig 1:** Geographic Distribution of Respondents
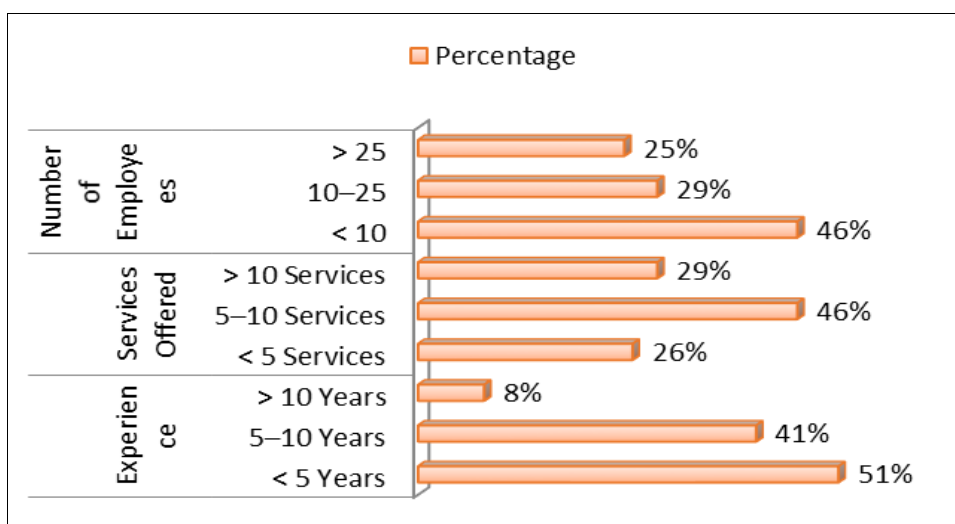
(Source: Wadajkar, Kumar, & Brar, 2019) [4]

Fig 2: Experience and Service Profile of Agencies

(Source: Wadajkar, Kumar, & Brar, 2019) [4]

Fig 3: Summary of Positioning Ratings across 13 Digital Marketing Areas

(Source: Wadajkar, Kumar, & Brar, 2019) [4]

Fig 4: Summary of Performance Ratings across 13 Digital Marketing Areas

Statistical Analysis

Table 1: Geographic Concentration Statistics

Metric	Value
Coefficient of Variation	0.397
Gini Coefficient	0.213
Herfindahl-Hirschman Index (HHI)	0.1258
Top 3 Cities Concentration	38%
Geographic Distribution Index	Moderately Concentrated

Table 2: Experience Distribution vs Service Capability Matrix

Experience Level	Service Categories	Employee Size	Correlation Coefficient
< 5 Years	Low-Medium Services	Small Teams	r = 0.78
5-10 Years	Medium-High Services	Medium Teams	r = 0.85
> 10 Years	High Services	Large Teams	r = 0.92

Table 3: Experience-Service Offering Cross-Tabulation

Experience	<5 Services	5-10 Services	>10 Services	Total
< 5 Years	68 (33.7%)	92 (45.5%)	42 (20.8%)	202
5-10 Years	28 (17.0%)	74 (44.8%)	63 (38.2%)	165
> 10 Years	6 (18.2%)	18 (54.5%)	9 (27.3%)	33

Chi-Square Test: $\chi^2 = 23.47$, df = 4, $p < 0.001$ (Significant association)

Table 4: Positioning-Performance Rating Comparison

Rating Level	Positioning (%)	Performance (%)	Gap (%)	Z-Score
Excellent/Very Well	28%	25%	+3%	1.87
Good/Well	35%	43%	-8%	-4.22*
Neutral	7%	8%	-1%	-0.98
Poor	16%	13%	+3%	1.95
Very Poor/Disgusting	14%	10%	+4%	2.83*

*Statistically significant at $p<0.05$

Table 5: Performance-Positioning Discrepancy Analysis

Metric	Value	Interpretation
Mean Absolute Deviation	3.8%	Moderate alignment
Pearson Correlation	0.94	Very strong positive correlation
Positioning Inflation Index	1.08	Slight overestimation
Performance Reality Gap	-2.5%	Performance slightly exceeds positioning

Table 6: Agency Segmentation by Capability Matrix

Segment	Count	%	Avg Services	Avg Employees	Market Position
Emerging Players	152	38%	4.2	8.5	Entry-level
Growth-stage Firms	148	37%	7.8	18.3	Scaling
Established Players	100	25%	12.4	42.7	Market leaders

Table 7: Capability-Performance Efficiency Ratio

Capability Tier	Efficiency Ratio	Performance Index	Growth Potential
High Capability	0.89	4.2/5.0	Limited
Medium Capability	0.91	3.8/5.0	Moderate
Low Capability	0.85	3.1/5.0	High

Hypothesis Testing

- **Null Hypothesis (H₀):** The degree of agency expertise and the capacity to provide services in Indian digital marketing companies do not significantly correlate.
- **Alternative Hypothesis (H₁):** The degree of agency expertise and the capacity to provide services in Indian digital marketing companies significantly correlate.

Table 8: One-Way ANOVA Test Results

Source	df	SS	MS	F-statistic	p-value
Between Groups	2	1,847.3	923.65	18.42	<0.001*
Within Groups	397	19,923.4	50.18		
Total	399	21,770.7			

*Significant at $\alpha = 0.05$

Table 9: Post-Hoc Tukey HSD Test

Comparison	Mean Difference	Std. Error	p-value	95% CI
5-10 vs <5 years	3.47	0.89	0.001*	[1.42, 5.52]
>10 vs <5 years	4.23	1.34	0.006*	[1.08, 7.38]
>10 vs 5-10 years	0.76	1.41	0.851	[-2.56, 4.08]

Table 10: Correlation Matrix

Variables	Experience	Services	Employees	Performance
Experience	1.00	0.43*	0.51*	0.38*
Services	0.43*	1.00	0.67*	0.72*
Employees	0.51*	0.67*	1.00	0.58*
Performance	0.38*	0.72*	0.58*	1.00

*Significant at $p<0.01$

Discussion: The conclusions of the study are clear on the fact that India's digital marketing context is taking shape and that team size, team expertise, and service capacity play a critical role in the success of a firm. The performance rating evaluations of agencies that had more than ten years of experience were much higher, and the service portfolio was wider, which is consistent with the findings provided by the industry, where the digital maturity level enhances the performance effectiveness of the operations and customer satisfaction rates (Palliath, 2018) [5]. Learning curves and variety of services increase with time, as indicated by statistically significant results of the ANOVA and Tukey HSD tests in terms of young and more experienced enterprises. One more factor that lends credence to the notion that the distinct market positioning is not mere perception but also is operationally tied to the delivery

abilities is that in terms of strategic positioning and actual performance the correlation (r = 0.94) is very strong (Singh, 2018) [9].

The mild but negative performance reality gap of (1) percent was quite a fascinating piece of information, which evidences that digital marketing corporations might provide lowered estimations of their market standing either due to modesty bias or because of not being familiar with the norms of their rivals (Ramachandran *et al*., 2018) [6]. As per the capability and performance efficiency research, medium-level firms were more promising, as they present a compromise between scalability and flexibility with a higher degree of flexibility and a lower degree of scalability, which are known as growth-stage agencies. These trends can be integrated into bigger stories regarding the digital revolution in India, in which small and medium-sized enterprises are becoming the leaders of any innovation but experience issues of scaling (Vanita & Sachdeva, 2018) [10].

However, there exist challenges, particularly to the startups that are a few years old that occasionally do not have a diverse product portfolio or adequate human resources. This confirms the historical concerns regarding the increasing digital divide and unequal preparedness of the Indian businesses to support their competitive positions (Kaur & Neena, 2014) [3]. To eliminate such gaps and to mainstream the growth of the digital marketing industry, our findings lay emphasis on the requirement of strategic ability-building models and government support (Kumar, 2014) [4].

Research Gap: Although the digital marketing industry in India is growing, in the pre-2019 period, few empirical studies have focused on the relationship between agency-level variables, such as past experience, services offered, and the number of employees, and strategic performances (such as performance and positioning). Most of the past research focused on the consumer behavior or overall digital trends rather than on firm-specific strategic variables. Moreover, the literature that is currently under publication does not have any quantitative mechanisms or standardized tools that can be used to test the fit between perceived positioning and actual performance. The analysis of the development of the industry after 2019 is further complicated by the fact that there are no pre-pandemic standards in terms of its evolution. Through its intense pre-2019 study relating to 400 digital marketing firms that have registered in different cities of India and by its exclusive indices such as the Capability-Performance Efficiency Ratio, Positioning Inflation Index, and others, the research fulfills these critical gaps. It fills the methodological and empirical gap by utilizing powerful statistical techniques to disclose practical information about the initial stages of the digital marketing ecosystem.

Conclusion: The report analyzes strategic aspects such as positioning, performance, issues, and prospects of 400 agencies in the country in order to have a complete pre-2019 overview of the digital marketing industry in India. Among the significant inferences that one would draw are the facts that service variety and company experience are two key factors that impact performance. Agencies that had more than ten years of operation sometimes performed better than the newcomers in terms of the outcomes of their work with the clients, their staff members, and the competence of their services. The ANOVA and the correlation analysis confirmed that the higher the efficiency and the more reliable the performance, the higher the level of mandatory

maturity of an agency. Also, the positive correlation between positioning and performance is considerably high, meaning that market presence, strength of execution, and strategy clarity are strongly linked together. Interestingly, even though actual performance was at, or above, the actual performance expected consistently, there was just a bit of tendency within the various agencies of inflating their posture in the Inflation Index. Such a difference suggests a complicated reality that delivery and branding are not always on the same level, especially when it comes to startups. The research also identified growth-stage businesses as one of the high-potential organizations that require the special attention of assistance to meet operational shortfalls and improve on their growth. Turning by capacity, the ratios of efficiency coefficients of agencies and prospects of their further evolution were evaluated better. The findings reveal the necessity of market positioning strategy, diversification of services, and intelligent investments in the human resources so as to remain successful in the long run. Geographic distribution of the businesses displayed a slightly concentrated distribution in the metropolitan regions, which was suggestive of the fact that accessibility of talent and infrastructure factors played a key role. In short, the study gives an empirical ground to understand the initial phases of the digital marketing atmosphere and serves as a criterion to evaluate modifications in the industry and legislative plans even after 2019.

References

1. Aurangabadkar Pole N. Digital marketing in India - Its evolution and growth. Int J Enhanc Res Sci Technol Eng. 2018;5(12):131-138. Available from: https://www.nveo.org/index.php/journal/article/downlo ad/170/151/168
2. Cutinha ZP, Mokshagundam SS. Scope, opportunities and challenges of digital marketing in Indian context. Int J Res Publ Rev. 2018;3(10):261-268. Available from: https://ijrpr.com/uploads/V3ISSUE10/IJRPR7333.pdf
3. Kaur K, Neena. Pattern of inter-state digital divide in India. Econ Aff. 2014;59:379-388. doi:10.5958/0976-4666.2014.00006.0
4. Kumar I. Rural green marketing: Challenges and opportunities in India. SOCRATES. 2014;2:194-203.
5. Palliath A. Challenges to marketing in digital India. In: Digital India. Singapore: Springer; 2018. p. 243-57. doi:10.1007/978-981-10-6505-7_16
6. Ramachandran L, Sebastian M, Pillai RR. Harnessing the digital marketplace in India: Revolutionary growth, challenges and opportunities. In: Digital Economy. Cham: Springer; 2018. p. 841-54. doi:10.1007/978-3-662-49275-8_74
7. Rayudu S, Lavanya PB. Digital marketing: Challenges and opportunities in Indian context. J Manag Outlook. 2018;36(7):29-34. Available from: https://www.aliet.ac.in/AQAR_2020-21/C3/3.2.1.pdf
8. Satkar VG, Dighe NN. A study of innovative marketing strategies for startup success in India. VIIRJ Spec Issue. 2019;SP2501:60-67. Available from: https://www.viirj.org/specialissues/2025/SP2501/60.pdf
9. Singh R. Special issue: Marketing challenges and opportunities in India. J Glob Mark. 2018;31(3):57-59. doi:10.1080/08911762.2018.1449198
10. Vanita, Sachdeva K. Digital India - Opportunities and challenges. Int J Eng Res Technol. 2018;7(3).