

Digital Marketing in Algerian Start-up : A Case Study of Redjem Studio

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Abstract

This research paper aims to examine digital marketing practices within start-up and identify the key factors facilitating its implementation, as these enterprises represent crucial elements in countries' economic and social development and in stimulating both local and global markets. This is particularly significant given their operation within a highly competitive ecosystem. We have chosen to focus on Redjem Studio start-up as a case study to analyze its marketing strategy and derive potential insights. The study employs a descriptive-analytical methodology, examining various study terminology through both primary and supplementary sources, followed by comprehensive analysis. Our findings indicate that founder characteristics, knowledge and expertise, support networks, and financing constitute the primary success factors for these organizations.

Keywords : Start-up, Digital Marketing, Entrepreneurship.

الملخص:

تهدف هذه الورقة البحثية إلى تسليط الضوء على التسويق الرقمي في المؤسسات الناشئة وأهم العوامل المساعدة على تطبيقه كونها من أكثر العناصر المساعدة في التنمية الاقتصادية والاجتماعية للبلدان وانعاش الأسواق المحلية والعالمية خاصة وأنها تنشط في نظام بيئي شديد المنافسة وارتقينا تسليط الضوء على المؤسسة الناشئة رجم ستوديو لتشخيص استراتيجيتها التسويقية ومحاولة الاستفادة منها، اعتمدنا في ذلك على المنهج الوصفي التحليلي من خلال التعرف على مختلف مصطلحات الدراسة من مصادر أساسية وأخرى مكملية ومن ثم تحليلها، وتوصلنا إلى أن السمات الخاصة بالمؤسسين، المعرفة والخبرة، الجهات الداعمة والتمويل من أهم عوامل نجاح هذه المؤسسات.

الكلمات المفتاحية: المؤسسات الناشئة، التسويق الرقمي، ريادة الأعمال.

I- Introduction :

Start-up organizations are distinguished from traditional enterprises by their fundamental reliance on innovation and technology to adapt to continuous developments and changes in the emerging investment ecosystem. These organizations are defined by their pursuit of solutions to current problems in ways that align with the rapid-paced era and diverse customer needs. Undoubtedly, the Internet has significantly facilitated their operations across various domains, including electronic payment, digital marketing, electronic management, and others. Digital marketing has opened substantial horizons for start-ups, aligning with their technological nature and serving as a crucial connection point with customers, enabling them to meet needs, understand trends, and build loyalty more efficiently and effectively compared to competitors. The utilization of electronic media has become the most cost-effective and efficient means of creating value and achieving various start-up objectives.

In the context of increasing competition in the start-up market, digital marketing is considered one of the most critical determinants of start-up success, offering tools and techniques that aid in brand building, awareness enhancement, and consequently, sales growth. It enables access to a broader online audience, providing growth and expansion opportunities at lower costs compared to traditional marketing methods. Furthermore, it assists organizations in analysing available online data to guide more effective marketing strategies.

Research Problem: In light of the above, we pose the following research question:

- What is the reality of digital marketing in Algerian start-ups, particularly in the case study organization, Redjem Studio?

To address this research question, we propose the following hypothesis:

- Digital marketing is considered a primary strategy for start-ups, serving as the main intermediary between them and their customers, being both user-friendly and cost-effective.

Research Objectives :

- Provide a comprehensive overview of start-up organizations
- Highlight key digital marketing concepts
- Examine the reality of digital marketing in Algerian start-ups

Research Significance: This study derives its importance from understanding the success factors and fundamentals of digital marketing in start-ups to ensure their

survival and market position, both locally and globally. This is particularly relevant as these organizations face various risks, especially in their early life cycle stages, and it is crucial to understand how the ecosystem supports their success.

To address the research problem and test the hypothesis, this research paper is divided into two main sections:

- Section One : Theoretical Framework
- Section Two: Practical Framework"

Section One : Theoretical Framework

1. Digital Marketing in Start-up Organizations:

The term "digital marketing" has evolved over time from a specific term describing product and service marketing through digital channels to a comprehensive term describing the process of using digital technologies to acquire customers, enhance business transactions, and increase sales (Ayad, Fodwa, & Qarash, 2020). In the context of digital and technological transformation, social media has become crucial in building strategic relationships between companies and their customers through establishing connections, while also helping them reach new customers through product or service presentation and marketing.

Digital marketing is essential for organizations, particularly start-ups, given their heavy reliance on technology. According to MAYPLE, a study of 1,000 start-ups examining their marketing aspects revealed the following results (MAYPLE, 2022):

- 56.9% of start-ups have a dedicated marketing team
- 20.8% have at least one person dedicated to marketing
- 15.3% rely on the owner as the sole marketer
- 4.8% use external marketing agencies
- 2.2% rely on online freelancers

Additionally, survey responses regarding digital marketing prospects showed (MAYPLE, 2022):

- 78% expressed interest in increasing digital marketing investment
- 73% aim to increase social media investment
- 57% plan to increase email marketing investment
- 19% indicated plans to reduce traditional marketing spending and focus more on digital marketing

Digital marketing relies on various techniques, tools, and digital media to reach customers cost-effectively, including (Labidi & Shawi, 2022):

- **Website Marketing:** Organizations utilize website marketing to facilitate and ensure reaching the maximum number of consumers
- **Social Media Marketing:** Social media plays a vital role in building strategic relationships between companies and customers
- **Email Marketing:** Direct electronic marketing using messages aimed at increasing sales or page views
- **Mobile Marketing:** Using smartphones as intermediaries between organizations and customers for cost-effective communication

2. Start-up Organizations:

Start-ups are considered among the most important outputs of modern innovative ecosystems, receiving notable attention recently due to their effective impact on national economies. Definitions vary according to criteria and ecosystem conditions. The Cambridge Dictionary defines "start-up" through its components: "Start" meaning launch, and "up" indicating strong growth (CAMBRIDGE DICTIONARY, 2022). Larousse defines it as "a young innovative company operating in modern technologies" (LAROUSSE, 2022).

Several other definitions of start-ups have been proposed, including Eric Ries's definition as "a human organization designed to create a new product or service under conditions of extreme uncertainty" (RIES, 2011). Others have defined them as "organizations characterized by novelty that reflect dynamic customer needs in the current market and are distinguished by four main characteristics: age of establishment, innovation, rapid growth, risk, and uncertainty" (Zoltan J. Acs & David B. Audretsch, February 1994).

Start-ups differ from other small and medium enterprises in their reliance on technology and achievement of relatively rapid growth while bearing high risks. Their characteristics can be summarized in the following dimensions (Nurcahyo, Akbar, & Sihono Gabriel, January 2018):

Organization: Considered a small, newly established enterprise, characterized by structural simplicity and high centralization in decision-making, thus reducing administrative division and maintaining informality.

Ownership: Typically, the manager is the owner responsible for decision-making and direct supervision.

Strategy and Innovation: Distinguished primarily by technological innovation that provides added value, differentiating it from competitors and establishing market leadership. They typically follow specialization strategies to secure maximum market share while bearing high risks.

Financing: The founder typically first turns to family and friends, followed by other sources such as angel investors.

Start-ups seek leadership and rapid growth in their specialized field, though they may experience periods of stagnation before entering actual growth. Most researchers agree they pass through five crucial stages (Mahboub & Senoussi, 2020):

First Stage: Launch of the product or service prototype by an individual or group, representing an innovative new idea thoroughly studied from market and consumer perspectives to ensure practical viability.

Second Stage: Initial product or service sample launch, facing financing difficulties due to novelty, typically relying on family, friends, or venture capitalists, particularly needing promotion and market positioning.

Third Stage: Product or service reaches peak, facing new competitors, creating challenges and difficult-to-manage negative pressure.

Fourth Stage: Organization faces two possibilities: either securing market position and overcoming previous difficulties through improved strategies and work experience, achieving significant growth in performance and profits, or risking market exit if unable to achieve these objectives.

Fifth Stage: Organization begins achieving rapid and continuous growth, with products or services capturing significant market share and generating substantial profits.

Start-ups in Algeria have recently received significant attention, aiming to achieve economic diversification and reduce dependence on petroleum revenues, manifested through:

- Establishing a legal framework defining start-up and business incubator concepts
- Creating an investment fund for start-up financing
- Appointing the Higher Council for Innovation to evaluate innovative ideas and start-up projects
- Establishing a delegated ministry for small enterprises, start-ups, and knowledge economy
- Encouraging innovative idea holders, especially youth and university students, through university business incubators
- Implementing self-entrepreneur law to encourage idea implementation
- Connecting universities with the investment environment and converting viable ideas into start-ups

- Launching a LABEL certification website linking directly with relevant ministerial authorities
- Conducting extensive training campaigns promoting innovative projects and facilitating protection methods
- Simplifying administrative procedures for property protection and patent acquisition
- Improving and facilitating digital administrative transaction methods

Among the notable emerging companies in Algeria in 2022 are:

Table: Leading Startups in Algeria in 2022

Company	Year Established	Function
YASSIR	2017	Provides an innovative transportation service accessible via smartphone anytime, anywhere.
NAMLA	2021	A tech startup specializing in cloud computing and the Internet of Things (IoT).
FATOURA APP	2020	Develops and manages customer quotes and invoices using billing software that complies with Algerian laws automatically.

Source: Compiled by researcher based on online sources.

Despite Algeria's efforts, it remains in the early stages of building an innovative ecosystem conducive to investment. Nevertheless, there is a noticeable increase in the number of startups from year to year, reaching approximately 750 certified startups by March 2022.

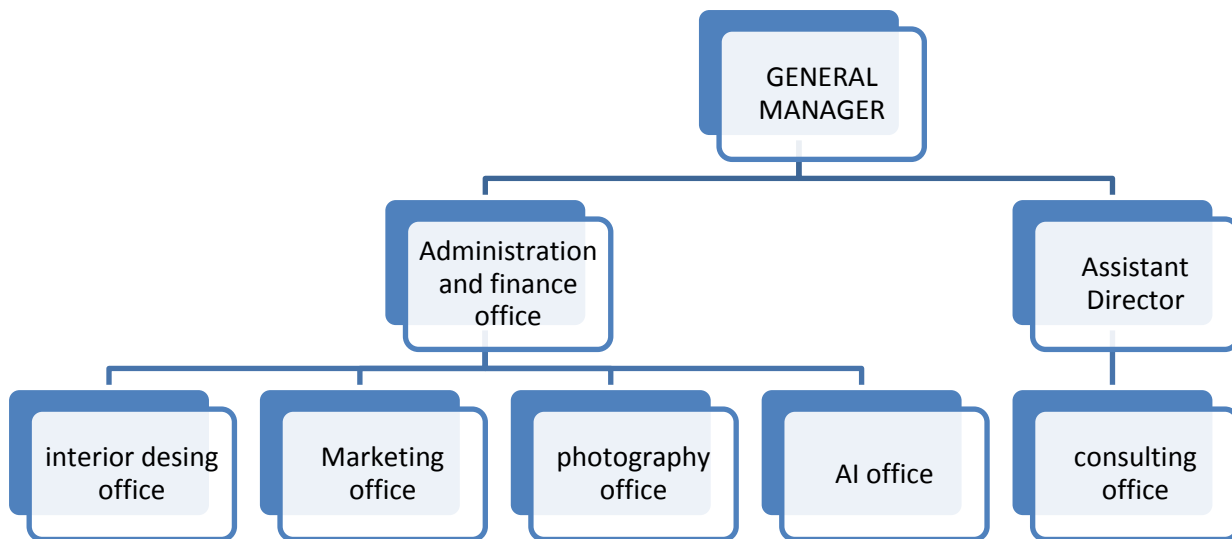
Section Two: The Practical Framework of the Study

1. Overview of the Startup " Redjem Studio":

Redjem Studio is a family-owned service business based in Setif, established on September 4, 2021. It consists of five partners and employs 30 workers (6 permanent and 24 on a rotating basis), along with several trainees. The company provides various services, including advertising, photography, interior design, web development and design, consulting, and more.

The organizational structure of the company is composed of several departments, as illustrated below:

Figure 1: Organizational Structure of Redjem Studio



Source: Compiled by researchers based on company documents.

2. Digital Marketing Strategy of Redjem Studio :

Redjem Studio has a strong presence on social media platforms as part of its digital marketing strategy. It utilizes several platforms, including Facebook, Instagram, and LinkedIn, which has helped establish a competitive position in the Algerian market. As of 2024, its social media following has reached:

- Over 400 followers on Facebook, with positive engagement from clients;
- More than 7,000 followers on Instagram, with daily postings of offers and advertisements;
- Over 100 followers on LinkedIn.

Additionally, the company's website is attractively designed and user-friendly, allowing clients to browse seamlessly and enhancing the success of its marketing strategy. Key factors contributing to this success include:

- Reliance on digital marketing, particularly through social media, which has increased its customer base over the years;
- Creation of employment opportunities for skilled professionals and internship positions for students since 2021;
- Use of artificial intelligence to optimize operations, services, and customer experience;

- A specialized team with expertise in technology, finance, services, and marketing, which has enhanced efficiency and effectiveness in task performance;
- A strong focus on customer service, providing extensive interaction through phone, email, and social media channels;
- Emphasis on teamwork and strategic planning;
- Effective work allocation within the company;
- Conducting extensive advertising campaigns and supporting national cultural events.

Despite these efforts to strengthen its competitive position and improve its marketing strategy, the company faces several challenges, including:

- Operating in a highly competitive environment, which complicates efforts to expand its customer base;
- Financial difficulties due to increased investments across its diverse business areas.

Conclusion: This study highlights the importance of assessing the marketing strategy of startups, especially given the unique challenges and opportunities in a highly competitive business environment. By understanding market needs and evolving consumer behaviors, startups can leverage a well-crafted, innovative marketing strategy to gain a competitive edge and enhance growth prospects. The study's findings emphasize the following points :

- Individual traits of the founders, such as vision, resilience, adaptability, and expertise, significantly contribute to the success of startups' digital marketing strategies;
- Collaboration with supporting entities and securing adequate funding are essential for implementing effective marketing strategies;
- A deep understanding of market needs and consumer behaviors can drive the development of impactful marketing strategies to reach target audiences accurately;
- Periodic assessment and refinement of the marketing strategy, in response to market changes and the startup's evolving needs, are crucial for sustained growth.

Based on these findings, it is recommended that startups regularly evaluate and adjust their marketing strategies to align with market dynamics and the company's requirements, thereby enhancing growth and goal attainment. This approach to diagnosing marketing strategies could be a decisive factor in the success and sustainability of startups in the modern business ecosystem.

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