Ekonomi

The influence of service strategies and business relations on the growth of starup businesses in medium digital marketing

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ABSTRACT

The lack of business land to foster the growth of new firms is the issue facing South Sulawesi's startup community. Getting funding is one of the biggest problems that companies have. Even with the abundance of public and private financing initiatives, getting funding is frequently a challenging and drawn-out procedure. There are still a number of places in South Sulawesi with restricted access to digital technology and the internet, despite the country's ongoing technical growth. This could be a barrier for new business, particularly those are in the technology industry. An industrial ecology is therefore required. The purpose of this study is to examine how digital marketing, business partnerships, and service initiatives affect the expansion of startup companies. additionally, to examine the ways in which digital marketing-related service tactics adopted by startups can impact the expansion of their enterprises. This may entail evaluating the ways in which service personalization, speed, and quality may affect client happiness and, eventually, company expansion. A sample of 225 startups was used in this study, and questionnaires and focus group discussions were used to collect data. To evaluate the data, the Smart-PLS application was used. The study's findings demonstrate the importance of service plans and commercial partnerships for both digital marketing in startup companies and digital marketing itself. Digital marketing, meanwhile, is powerless to mitigate the impact of commercial partnerships and service plans on fledgling companies.

I. Introduction

The current digital era is a time that provides benefits for many parties, especially the Indonesian people. This is related to the increase in internet users throughout the world, especially in Indonesia which reached 102 million users and was ranked 6th. (Startupranking.com, 2019). The development of the internet has opened up opportunities for the emergence of startup businesses, most of which operate in the e-commerce sector. The development of e-commerce provides benefits for consumers and companies, because there are no time and space limitations in marketing products, reducing operational costs and increasing market share. Meanwhile, for consumers, the benefits are ease in carrying out transactions without being bound by time and space as well as ease in making electronic payments such as electronic money as a means of transferring the purchase of the desired product. The existence of the Digital Techno Startup business during the Covid-19 pandemic is still promising, especially in the e-commerce sector (Ulfa, Arofatin, 2020).

Based on data released by startupranking.com, Indonesia is ranked 5th in the world with 2,200 startups. The distribution of startup businesses in Indonesia is 522 in Jabodetabek, 115 in Sumatra, 113 in East Java. The development of startup businesses has a positive impact on domestic economic growth. Efforts to develop digital startups in Indonesia are supported by the Government program through 1000 new startup projects. To support this program, the government has prepared a digital startup development roadmap through seminars, workshops, competency hackathons, bootcamps and incubation(Katadata.co.id., 2020).

The number of digital startups nationally has experienced significant growth, however the development of local startups in Indonesia has not been consistent in the early stages of their development so that most local startups have failed and some have made major changes to their

business models. Startup growth during the Covid-19 pandemic only grew in a few areas such as Jakarta, Bandung and Yogyakarta, while other areas, especially in Eastern Indonesia, were less developed, such as Makassar. Growing a startup business is often a challenge. Many startups fail within the first few years, and successful startups often face intense competition and rapid changes in technology and consumer preferences.

The main obstacle faced by Makassar startups is that there is no strong business area in the startup industry. This area is not conducivefor them so that new startups don't last long and even die by themselves. An ecosystem is needed for this startup. This industrial business area must be designed by stakeholders so that startups have space to live and develop (Kompasiana.com, 2017).

Based on this research gap, the novelty of this research lies in its object, where several previous studies that were used as references were mostly conducted on conventional startup businesses in big cities outside Sulawesi such as Jakarta, Bandung and Yogyakarta, while this research focuses more on this research in this research in startup business. Techno Digital in Makassar.

The specific aim of this research is to build a startup business management model with a focus on three things, namely: 1) service strategy management, 2) business relationship management, and 3) digital marketing management. The emergence of phenomena related to the decline in startup business growth during the Covid-19 pandemic and the high disparities in startup business growth between provinces in Indonesia are the methodological reasons why this research is important.

Analyzing the Influence of Service Strategy to analyze how the service strategy implemented by a startup can influence its business growth in the context of digital marketing. This can involve assessing how service quality, speed of service, and personalization of service can impact customer satisfaction and ultimately business growth. To examine how business relationships, such as strategic partnerships or relationships with customers, can influence startup business growth. This may include assessing how these relationships can help the startup gain access to new resources, knowledge, or markets. To identify key factors that can influence startup business growth in the context of digital marketing. This may include assessing how factors such as innovation, adaptability or understanding of digital markets can impact business growth.

The contributions of this research to the literature may include: 1) New Understanding of Service Strategy and Business Relationships: This research may provide new understanding of how service strategy and business relationships can influence the growth of startup businesses, which can be a valuable addition to existing ones literature 2) Practical Insights for Startups: This research can provide practical insights for startups on how they can design and implement service and business relationship strategies to support their growth in digital marketing. 3) Further Research Framework: This research can provide a framework for further research regarding the factors that influence startup business growth in the context of digital marketing.

2. Literature Review, Theoretical Background and Hypothesis
2.1. *Startup Business*

E-business and e-commerce are fields of study that continue to grow in the current digital business era along with new trends in digital business. The use of e-business and e-commerce in business activities has begun to spread to startup businesses, although its development is still limited to large cities in Indonesia. The birth of e-commerce opened up opportunities for people to do business online by utilizing social media both in the product marketing process and transactions (Ahmadi and Hermawan, 2013;Wibowo and Haryokusumo, 2020; Hong et al., 2021).

Based on survey results from the Indonesian Internet Service Providers Association (APJII), internet users in Indonesia in 2022-2023 will reach 215.63 million people, an increase compared to the previous year which only reached 210.03 million users.(Dataindonesia.id, 2023).

The increase in internet users every year opens up opportunities for the emergence of startup businesses by utilizing digital technology through online marketing as a transaction market. The accelerated growth of Information and Communication Technology (ICT) can give rise to trends that change traditional business models or encourage the growth of startups that tend to take advantage of technological opportunities. The ever-changing development of society's needs is both an opportunity and a challenge for startups to meet society's needs. Startup businesses that are growing rapidly and are in great demand by people living in the current digital era are game makers, educational applications, e-commerce trading, and information or news content applications.

Utilization of e-commerce for digital startup businesses according to (Kotler, Philip and Armstrong, 2012). This can be done through: 1) Business to Business (B2B) Model, 2) Business to Customer (B2C) Model, and 3) Customer to Customer (C2C) Model.

2.2.   *Service Strategy Management*

Refers to the approach and tactics used by a startup to serve its customers. This can include aspects such as service quality, service speed, service personalization, etc. Service strategies can be measured through various methods, such as customer satisfaction surveys, response time analysis, or personalization assessments

Service strategy management, related to digital-based service processes in business management, starting from business identity identification, promotion, transaction processing, distribution to after-sales service. In this research, service strategies are measured using the servqual method developed by Parasuraman et. al., 1990 (Tjiptono, Fandy, 2011) namely reliability, responsiveness, guarantee, real evidence, and attention as determining factors in determining service quality.

The digital era has become a very fundamental change in the business world, so that business competition is greatly influenced by the service strategies provided by startups in providing services to customers. So business people need a digital marketing communication strategy so that they don't get the wrong target (Ri'aeni, 2017). Digital marketing platforms are one of the right strategies to encourage startup business growth in the current digital era (Mahmud, 2022).

This argument underlies the formulation of the research hypothesis as follows:

H_1 :   Service strategy management has a significant positive effect on startup business growth

H_2 :   Service strategy management has a significant positive effect on digital marketing.

2.3. Business Relationship Management

Refers to the relationships a startup builds with other parties, such as business partners, customers or suppliers. This may include aspects such as the number and quality of strategic partnerships, the level of customer satisfaction, or the quality of relationships with suppliers. Business relationships can be measured through methods such as surveys, interviews, or business data analysis. Business relationship management identifies the needs of existing and potential customers and ensures that services are developed according to customer needs.

There are four focuses in business relationship management, namely customer satisfaction, improving service processes, improving service and the role of managers. To support the focus on managing business relationships, openness and easy access to information for business relationships is needed (Wissen & Anatan, 2023). To create open information in business relationships, in the digital marketing era, the use of a company website is very influential in supporting business growth (Martini et al., 2022; Chun-Der Chen and Edward CS Ku, 2021).

This argument underlies the formulation of the research hypothesis as follows:

H_3 :   Business relationship management has a significant positive effect on startup business growth

H_4 :   Business relationship management has a significant positive effect on Digital Marketing

2.4. Digital Marketing

The use of digital platforms in marketing can provide convenience and comfort in transactions, according to consumer needs,(Pradiani, 2018). So that the massive use of digital marketing for MSMEs will increase customer awareness (Aliami, S., Hakimah, En and Fauji, 2018). The emergence of digital platforms opens up opportunities for startup businesses to develop further, such as Marketplace, Pedia stores, Lazada, using WhatsApp (WA), Instagram (IG), Facebook (FB) and other content.creative (Santoso, 2020; Febriantoro, 2018; Pradiani, 2017).

The digital platform becomes an online department store as an e-business model related to seller and buyer activities (Mubarok, 2019; Umami and Darma, 2021). Based on the research results, it shows that the use of digital marketing has a significant effect on the development of MSMEs.

This argument underlies the formulation of the research hypothesis as follows:

H_5 :   Digital marketing has a significant positive effect on Startup Business Growth

H_0 :   Digital marketing cannot mediate the influence of service strategy management on growth

H_0 :   Digital marketing cannot mediate the influence of business relationship management on start-up business growth

2.5. Startup Business Growth

Refers to the increase in size or success of a startup, which can include aspects such as increasing revenue, increasing the number of customers, or expanding into new markets. Business growth can be measured through methods such as financial data analysis, customer data analysis, or market assessment.

By describing these variables clearly, research can help ensure that research results can be interpreted correctly and that the research provides valuable insight into the topic under study.

2.6. Conceptual framework
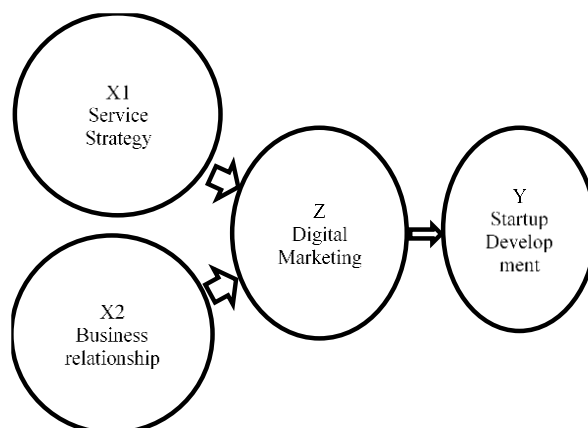
Service strategy management in this research is measured by indicators of reliability, responsiveness, assurance, real evidence, and attention. Business relationship management variables are measured using indicators of partnership, non-partner, social and financial support. Meanwhile, digital marketing is measured by indicators of interest level, closeness level and commitment level. Likewise, with the startup business growth variable which is measured by management indicators, digital technology and planning.

3. Methodology

This research is included in the quantitative category using primary data obtained from a survey of startup business people in Makassar City and Gowa Regency. The research design used is a confirmatory research approach with Structural Equation Modeling (SEM) which is used to test existing hypotheses or theories regarding the relationship between variables. Sampling uses a survey method, namely collecting data from a large sample through questionnaires or interviews. Surveys can be carried out directly. Determining the sample uses a simple random sampling method where each member of the population has the same opportunity to be selected as a sample,(Sugiyono, 2019). Based on the characteristics of the respondents in this research, namely, 1) Respondents can be selected from startups between 1 and 5 years old. The reason is, startups at this stage have usually passed the initial stages of formation and are now focused on growth and expansion. 2) Respondents can be selected from various industries, such as technology, e-commerce, fintech, or other related sectors. This will ensure that the research covers a wide range of startup businesses. 3) Respondents can be selected from startups of various sizes, from small to medium scale. This will ensure that the research covers a wide range of startup types, from small and growing startups to more established startups. And 4) Respondents can be selected from startups operating in various locations, both within and outside the country. This will ensure that the research covers the broad context of the market and business environment. So, this research has a minimum sample of 225 respondents.

Partial least squares structural equation modeling (PLS-SEM) was used to analyze the descriptive and statistical findings in this study. The variable instrument measurement model in this research uses validity and reliability tests, with stages of convergent validity, average variance extraction (AVE), discriminant validity, and composite reliability (CR).

The next step, after the outer model meets the requirements, can be tested on the inner model. The inner model can be evaluated by looking at the r-square value (reliability indicator) of the dependent construct and the t-statistic value of the path coefficient test. The higher the r-square value means the better the prediction model of the proposed research model. The path coefficient value shows the level of significance in hypothesis testing.

4. Results and Discussion

This research was conducted on startups in Makassar City and Gowa Regency involving 225 startups as respondents. Based on the results of primary data collection and secondary data, the discussion of the research results begins with a description of the characteristics of the respondents or business actors involved, which are divided into small and medium scale businesses.

4.1. Characteristics of the Research Sample

Table 1: Sample Characteristics

Sample Characteristics	Amount	Percentage
Type of business		
1. small business	75	33.33%
2. Medium Business	150	66.67%
Business Length		
1- 4 years	113	50.22%
4-7 years	112	49.78%
7-10 years	0	0
>10 years	0	0
Initial Business Capital		
1. Own Funds	206	91.56%
2. Give	19	8.44%
Number of Samples	225	100%

Source: 2023 Primary Data Processing Results

Based on the data in table 1, it can be seen that in this study the research sample for small businesses was 75 businesses and 150 medium businesses, so the data obtained predominantly came from medium businesses. The average length of business is 1-7 years, with business capital coming from their own capital.

This data shows that start-up businesses in Makassar City and Gowa Regency have been around for a long time on average, but have not developed enough due to limited access to business capital so they cannot develop their businesses.

4.2. Variable Description

Variable descriptions are carried out to provide an overview of each variable based on respondents' answers to each indicator used which is measured based on the average value. The results of measuring indicators show that: first, service strategy management is measured by indicators of reliability, responsiveness, assurance, real evidence and attention, where the highest average score is the responsiveness indicator with a value of 4.38. This high score occurs because employees have a quick response to developments and changes in consumer tastes for products, and the lowest average value is found in the Reliability indicator with an average value of 4.03. This low score occurs because employees are still not careful in serving customers.

Table 2: Frequency Distribution of Service Strategy Variables

Indicator	STS		T.S		N		S		SS		TOTAL		method
	F	%	F	%	F	%	F	%	F	%	F	%	
SL1	3	1.60	17	9.04	28	14.89	59	31.38	81	43.09	188	100	4.05
SL2	2	1.06	18	9.57	33	17.55	54	28.72	81	43.09	188	100	4.03
SL3	0	0.00	15	7.98	18	9.57	56	29.79	99	52.66	188	100	4.27
SL4	0	0.00	12	6.38	15	7.98	50	26.60	111	59.04	188	100	4.38
SL5	3	1.60	14	7.45	24	12.77	51	27.13	96	51.06	188	100	4.19
SL6	2	1.06	13	6.91	19	10.11	48	25.53	106	56.38	188	100	4.29
SL7	0	0.00	16	8.51	29	15.43	69	36.70	74	39.36	188	100	4.07
SL8	0	0.00	15	7.98	26	13.83	51	27.13	96	51.06	188	100	4.21
SL9	0	0.00	15	7.98	18	9.57	45	23.94	110	58.51	188	100	4.33

Source: 2023 Primary Data Processing Results

Second, for the business relationship management variable which is measured by indicators of partnership, non-partner, social and financial support, the highest average value is found in the social support indicator of 4.40. This happens because of the support of social institutions in building networks with consumers so that the products being marketed sell well. Meanwhile, the indicator with the lowest average value is the financial indicator, namely 4.29. Thus, it can be assumed that a strong indicator forming the business relationship management variable is the indicator of social support.

Table 3: Frequency Distribution of Business Relationship Variables

Indicator	STS		T.S		N		S		SS		TOTAL		method
	F	%	F	%	F	%	F	%	F	%	F	%	
RB1	0	0.00	13	6.91	17	9.04	57	30.32	101	53.72	188	100	4.31
RB2	0	0.00	13	6.91	16	8.51	57	30.32	102	54.26	188	100	4.32
RB3	0	0.00	14	7.45	14	7.45	54	28.72	106	56.38	188	100	4.34
RB4	1	0.53	13	6.91	18	9.57	46	24.47	110	58.51	188	100	4.34
RB5	0	0.00	11	5.85	18	9.57	57	30.32	102	54.26	188	100	4.33
RB6	0	0.00	11	5.85	19	10.11	62	32.98	96	51.06	188	100	4.29
RB7	0	0.00	13	6.91	19	10.11	55	29.26	101	53.72	188	100	4.30
RB8	0	0.00	13	6.91	14	7.45	52	27.66	109	57.98	188	100	4.37
RB9	0	0.00	13	6.91	14	7.45	46	24.47	115	61.17	188	100	4.40

Source: 2023 Primary Data Processing Results

*Third*for digital marketing variables which are measured by indicators of interest level, affinity level and commitment level, where the highest average value is found in the interest level indicator of 4.36. This happens because product advertising has its own characteristics that make it attractive and different from other brands. Then the lowest mean value was 3.97 for the commitment level indicator. This low indicator is because not all products produced meet customer expectations so they still need to be developed. Thus, it can be assumed that a strong indicator forming a digital marketing variable is an indicator of the level of attractiveness.

Table 4: Frequency Distribution of Digital Marketing Variables

Indicator	STS		T.S		N		S		SS		TOTAL		method
	F	%	F	%	F	%	F	%	F	%	F	%	
DM1	2	1.06	16	8.51	20	10.64	37	19.68	113	60.11	188	100	4.29
DM2	0	0.00	17	9.04	18	9.57	34	18.09	119	63.30	188	100	4.36
DM3	0	0.00	16	8.51	25	13.30	59	31.38	88	46.81	188	100	4.16
DM4	1	0.53	14	7.45	26	13.83	60	31.91	87	46.28	188	100	4.16
DM5	1	0.53	16	8.51	22	11.70	55	29.26	94	50.00	188	100	4.20
DM6	1	0.53	15	7.98	22	11.70	58	30.85	92	48.94	188	100	4.20
DM7	0	0.00	16	8.51	18	9.57	61	32.45	93	49.47	188	100	4.23
DM8	0	0.00	18	9.57	36	19.15	68	36.17	66	35.11	188	100	3.97
DM9	1	0.53	15	7.98	25	13.30	71	37.77	76	40.43	188	100	4.10

Source: 2023 Primary Data Processing Results

*Fourth*for the startup business growth variable which is measured by the digital technology management and planning indicator, where the highest average value is found in the digital techno indicator at 4.41. This means that the use of digital platforms will make it easier for startup businesses to serve customer needs, while the lowest average score is 4.07 on the management indicator. This is due to the ineffective use of digital platforms in business management.

Table 5: Table of Frequency Distribution of Startup Businesses

Indicator	STS		T.S		N		S		SS		TOTAL		method
	F	%	F	%	F	%	F	%	F	%	F	%	
PS1	1	0.53	10	5.32	30	15.96	56	29.79	91	48.40	188	100	4.20
PS2	0	0.00	11	5.85	29	15.43	82	43.62	66	35.11	188	100	4.08
PS3	0	0.00	10	5.32	37	19.68	71	37.77	70	37.23	188	100	4.07
PS4	0	0.00	8	4.26	22	11.70	57	30.32	101	53.72	188	100	4.34
PS5	0	0.00	8	4.26	19	10.11	69	36.70	92	48.94	188	100	4.30
PS6	0	0.00	9	4.79	17	9.04	49	26.06	113	60.11	188	100	4.41
PS7	0	0.00	9	4.79	22	11.70	82	43.62	75	39.89	188	100	4.19
PS8	0	0.00	8	4.26	22	11.70	85	45.21	73	38.83	188	100	4.19
PS9	0	0.00	9	4.79	19	10.11	79	42.02	81	43.09	188	100	4.23

Source: 2023 Primary Data Processing Results

4.3. Evaluation of External Model Construction

Convergent validity is part of the measurement model which in SEM-PLS is usually called the outer model, while in covariance-based SEM it is called confirmatory factor analysis (CFA)(Sholihin and Dwi, 2021). There are two criteria to assess whether the outer model meets the convergent validity requirements of the reflective construct, namely (1) loading above 0.7 and (2) significant p-value (<0.05) (Sholihin and Dwi, 2021) However, in some cases, loading requirements above 0.7 are often not met, especially for newly developed questionnaires. Therefore, a loading between 0.40-0.70 should be considered to maintain it (Sholihin and Dwi, 2021). In the external model we know Load Factor. The load factor value shows the correlation between the indicator and the construct. An indicator with a low load value indicates a malfunction of the measurement model. Expected load value > 0.7. In the external model we know Cross Loading. This value is another measure of discriminant validity. The expected value is that each indicator has a higher loading for measuring the construct being measured compared to the loading value for other constructs. In the external model, we knowComposite Reliability.

This value shows internal consistency, namely a high composite reliability value shows the consistency of the value of each indicator in measuring the construct. Expected CR value > 0.7.

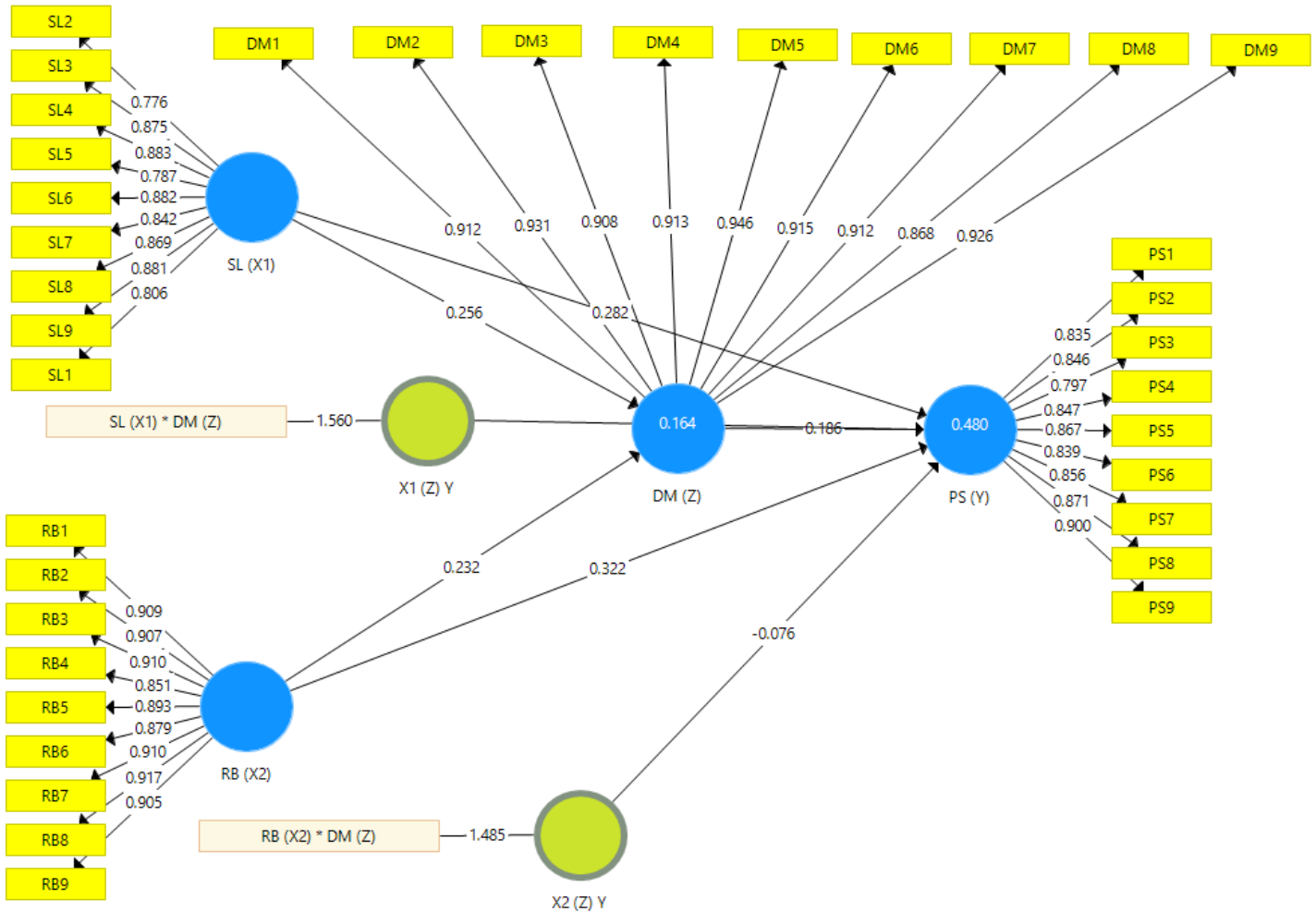The results of instrument validity testing based on Loading Factor can be depicted in the following Picture:

Figure 2: External Model

Based on Figure 2, it can be seen that the Loading Factor (LF) value of all variable indicators is > 0.07 so that all indicators used are declared valid. Evaluation of construct reliability values is measured from Cronbach's alpha and composite reliability values using the PLS algorithm calculation command. A construct is declared reliable if the Crombach's alpha value is > 0.7. The results of construct measurement can be explained in the following table:

Table 6: Establishing Reliability based on Convergent Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average (AVE)
SL (X1)	0.950	0.954	0.958	0.715
RB (X2)	0.970	0.971	0.974	0.807
DM(Z)	0.976	0978	0979	0837
PS (Y)	0.952	0.955	0.959	0.725
X1(Z)Y	1,000	1,000	1,000	1,000
X2(Z)Y	1,000	1,000	1,000	1,000

Source: Data Processing, SMART PLS, 2023

The Crombach's alpha value for all constructs in this study is > 0.7 so it can be concluded that these indicators are consistent in measuring the construct. You can also look at the values to see the Average Variance Extracted (AVE) value.

Where a construct that has good validity is that the AVE value must be above 0.50. It can be seen from the table above that the AVE value for each construct is above 0.50. After evaluating convergent validity, the next step is to test discriminant validity. Discriminant validity is carried out to ensure that each concept of each latent variable is different from other variables. Then a discriminant validity test was carried out using the Fornell-Larcker approach as explained in the following table:

Table 7: Latent variable correlation

	DM(Z)	PS (Y)	RB (X2)	SL (X1)	X1(Z)Y	X2(Z)Y
SL (X1)	0.343	0.532	0.373	0.846		
RB (X2)	0.328	0.547	0898			
DM(Z)	0.915					
PS (Y)	0.444	0.851				
X1(Z)Y	-0.345	-0.410	-0.379	-0.380	1,000	
X2(Z)Y	-0.319	-0.423	-0.336	-0.398	0.540	1,000

Source: Data Processing Results, SMART PLS, 2023

Based on table 3, it shows the comparison between the AVE value and the AVE root. The latent variable correlation that can be explained is the construct AVE Strategy Root for Service (0.845), Business Relations (0.898), Digital Marketing (0.914), Startup Business Growth (0.851). Meanwhile, the maximum correlation is 0.486, so the AVE root value for each construct is greater than the correlation value for other constructs. This shows that the discriminant validity requirements are met.

4.4. Deep Model Hypothesis Testing

Testing of the inner model (structural model) can be evaluated by looking at the r-square (reliability indicator) of the dependent construct and the t-statistic value of the path coefficient test. The higher the r-square value means the better the prediction model of the proposed research model. The path coefficient value indicates the level of significance in hypothesis testing, which can be explained in the following table:

Table 8: Significance test of variable ınfluence

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T statistics (O/STDEV)	P value
Direct Influence					
Service Strategy -> Digital Marketing	0.256	0.253	0.110	2,336	0.020
Business Relationships -> Startups	0.322	0.322	0.116	2,791	0.005
Digital Marketing -> Startups	0.186	0.176	0.074	2,513	0.012
Service Strategy -> Startup	0.282	0.283	0.113	2,496	0.013
Business Relations -> Digital Marketing	0.232	0.235	0.103	2,264	0.024
Indirect Influence					
Service Strategy -> Digital Marketing -> Startup	0.035	0.048	0.096	0.364	0.001
Business Relationships -> Digital Marketing -> Startups	-0.076	-0.066	0.107	0.711	0.478

Source: Smart PLS 2023 Data Processing Results

Based on the results of data processing, it shows that the variable significance test can answer the hypothesis: First, service strategy management (X1) has a significant positive effect on digital marketing (Z) with a P-value of 0.020 < 0.05 (hypothesis accepted). Both business relationship management (X2) have a positive and significant effect on digital marketing (Z) with a P-value of 0.024<0.05. (hypothesis in Accept). The three service management strategies (X1) have a positive and significant effect on start-up business growth (Y) with a P-value of 0.013 < 0.05 (hypothesis accepted).

The four business relationships (X2) have a positive and significant effect on start-up business growth (Y) with a P-value of 0.005 < 0.05 (hypothesis accepted). Fifth, digital marketing (Z) has a positive and significant effect on start-up business growth (Y) with a P-value of 0.012 < 0.05 (hypothesis accepted). The six digital marketing (Z) cannot mediate the influence of service strategy (X1) on start-up business growth (Y) with a P-value of 0.001<0.05 (hypothesis accepted). The seven digital marketing (Z) cannot mediate the influence of business relationships (X2) on start-up business growth (Y) with a P-value of 0.478 > 0.05 (hypothesis rejected).

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5. Discussion

5.1. ***The Influence of Service Strategy Management on Digital Marketing and Business Growth Straup***

Based on the results of data processing, it shows that the significance test of the service strategy management variable (X1) has a significant positive effect on digital marketing (Z). This means that startups really need digital-based services in promoting and managing their business. So it is necessary to adjust services according to consumer tastes by utilizing online media/online stores such as marketplaces, Lazada, creative content and social media. Meanwhile, the influence of service strategy management on startup business growth based on data processing results shows that the significance test of the service strategy management variable (X1) has a positive and significant effect on start-up business growth (Y). This means that a service strategy with a digital system will make it easier for consumers to make transactions. If it becomes easier for consumers to make transactions, there will be more and more enthusiasts/consumers, which will have an impact on business growth.

This finding is relevant to the research results (Ri'aeni, 2017; Mahmud, 2022)who found that digital marketing platforms are the right strategy for building marketing communications to develop businessstartups.

5.2. ***The Influence of Business Relationship Management on Digital Marketing and Startup Business Growth***

Based on the results of data processing, it shows that the significance test of the business relationship management variable (X2) has a positive and significant effect on digital marketing. This means that the more business relationships there are, the more business growth will also increase. Meanwhile, the influence of business relationship management on startup business growth based on the results of data processing shows that the significance test of the business relationship management variable (X2) has a positive and significant effect on startup businesses growth (Y). This means that the existence of business relationships influences the level of business growth.

This finding is relevant to the research results (Nindito Prasetyo, 2018) findthat digital marketing-based business relationship services have an influence on the growth of startups in Indonesia, especially those that focus on customer service.

5.3. ***The Influence of Digital Marketing on Startup Business Growth***

Based on the results of data processing, it shows that the significance test of the digital marketing variable (Z) has a positive and significant effect on startup business growth (Y). This means that digital marketing is a strategy to increase the competitiveness of startup businesses through the use of social media and online stores. These findings are relevant to opinions and research results (Santoso, 2020; Febriantoro, 2018; Pradiani, 2017; Mubarok, 2019) which states that the use of digital marketing platforms has a significant influence on the development of MSMEs.

5.4. ***The Influence of Service Strategy and Business Relationships on Startup Business Growth as moderated by Digital Marketing***

Based on the results of data processing, it shows that the significance test of the digital marketing variable (Z) cannot moderate the influence of service strategy (X1) on start-up business growth (Y). This means that small-scale startups have not fully utilized digital marketing in managing their business, which has an impact on slowing business growth. Meanwhile, the influence of service strategy on startup business growth is moderated by digital marketing. Based on the results of data processing, it shows that the significance test of the digital marketing variable (Z) cannot moderate the influence of business relationships (X2) on startups. improve business growth (Y). This means that the use of digital marketing in building business relationships has not been fully implemented so that the acceleration of small-scale startup growth is still slow.

These findings differ from opinions and research results (Aliami, S., Hakimah, EN, and Fauji, 2018; Santoso, 2020; Febriantoro, 2018; Pradiani, 2017; Mubarok, 2019) which states that the use of digital marketing platforms is a service strategy in developing startup businesses and building business relationships.

Based on the results of quantitative data processing and the results of a SWOT analysis carried out by looking at internal factors (strengths/strengths) and external factors (opportunities and threats), it can be concluded that the startup business model is appropriate in facing competition and markets. The need is business digitalization. All business activities are integrated with big data-based digital systems.

Comprehensive research regarding local startup businesses, especially in the city of Makassar, has yet to be found. The main obstacle faced by Makassar startups is that there is no strong business area in the startup industry. This area is not conducive for them so that new startups do not last long and even die by themselves. So an industrial business area ecosystem is needed that is able to provide space for startup businesses to live and develop.

The limitations of this research are the limited sample and business scale, so that future researchers can develop it on a larger sample and also study medium-sized businesses.

6. Conclusions and Implications

Conclusions about the influence of service strategies and business correlation on the growth of startup businesses in digital marketing media may vary depending on the context and specific research results such as effective service strategies are very important for the growth of

startup businesses in digital marketing media. High-quality service can increase customer satisfaction, build loyalty, and encourage positive word-of-mouth that can attract new customers. In additional, strong business relationships, building and maintaining strong business relationships are also important for the growth of a startup business. Good relationships with customers, business partners, and other stakeholders can help startups gain access to resources, gain support, and expand their reach in the market. Based on the results of data processing and hypothesis testing results using Smart-PLS, the following results were obtained:

- Service strategy management (X1) has a significant positive effect on Digital Marketing (Z). This means that startups really need digital-based services in promoting and managing their business. So it is necessary to adjust services according to consumer tastes,
- Business relationship management (X2) has a positive and significant effect on digital marketing (Z). This means that the more business relationships there are, the more business growth will increase,
- Service strategy management (X1) has a positive and significant effect on Startup Business Growth (Y). This means that a service strategy with a digital system will make it easier for consumers to make transactions. If it becomes easier for consumers to make transactions, there will be more and more enthusiasts/consumers, which will have an impact on business growth.
- Business relationship management (X2) has a positive and significant effect on Start Up Business Growth (Y). This means that the existence of business relationships influences the level of business growth,
- Digital marketing (Z) has a positive and significant effect on the growth of StartUp Business (Y). This means that digital marketing is a strategy to increase startup business growth in the era of industrial revolution 4.0,
- Digital Marketing (Z) cannot moderate the influence of service strategy management (X1) on Startup Business Growth (Y). This means that small-scale startups have not fully utilized digital marketing in managing their business, which has an impact on slowing business growth.
- Digital marketing (Z) cannot moderate the influence of business relationship management (X2) on Business Startup Growth (Y). This means that the use of digital marketing in building business relationships has not been fully implemented,
- Meanwhile, from the aspect of startup business competitiveness is based on resultsFrom the SWOT analysis carried out by looking at aspects of internal factors (strengths and weaknesses) and external factors (opportunities and threats), it can be concluded that the right startup business model is appropriate. in facing competition and market needs is digitalization business. All business activities are integrated with big data-based digital systems.

6.1. Suggestion

Here are some suggestions that may be relevant:

- Service Strategy Startups must ensure that they have a strong service strategy. This includes understanding customer needs and expectations, providing high-quality service, and handling problems or complaints quickly and efficiently. In a digital context, this can also involve using technology such as chatbots or AI to provide fast and efficient customer support.
- Digital Marketing, Digital marketing is a very effective tool for startup business growth. This can involve using SEO, content marketing, email marketing, social media marketing, and online advertising to reach, attract, and retain customers.
- Prioritize Customer Service: Organizations must prioritize customer service as an important part of their strategy. This may include improving the quality of service, increasing the speed of service, or increasing personalization of service.
- Prioritize Customer Service: Organizations must prioritize customer service as an important part of their strategy. This may include improving the quality of service, increasing the speed of service, or increasing personalization of service.
- Use Digital Technology: Organizations must leverage digital technology to support their service strategies and business relationships. This may include the use of digital platforms to interact with customers, the use of analytics to understand customer needs, or the use of digital technology to improve operational efficiency.

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