



A Conceptual Framework for the Adoption of Marketing Automation Strategies by Impact Tech Startups in South Africa

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Abstract. The role of ITSs [Impact Tech Startups] in addressing the UN's [United Nations] SDGs [Sustainable Development Goals] has come to the fore as the world grapples with issues such as inequality, poverty, hunger, and the sustainability of the planet. These startups, unfortunately, have a high failure rate, and one reason for the failure of tech startups is a lack of digital marketing resources. As more consumers turn to digital platforms such as social media, it becomes imperative for marketers to adopt digital marketing strategies. Marketing automation enables impact tech startups to target individual customers through tools like e-mail marketing and to analyse large volumes of customer data for insights. Although marketing automation presents an opportunity to improve the survival rate of ITSs, its adoption by South Africans is currently, unfortunately, low. This qualitative multi-case study aims to investigate the antecedents to marketing automation adoption among impact tech startups operating in South Africa.

Keywords: marketing automation, impact tech startups, personalization, efficiencies, technology adoption, sustainability

JEL Classification: M31

1. Introduction

According to Gidron, Israel-Cohen, Bar, Silberstein, and Lustig (2021), tech startups that are concerned with achieving the UN's SDGs are referred to as ITSs. These value-driven startups are essential to addressing sustainability challenges (Vadera, 2019 as cited in Swartz, Scheepers, and Toefy, 2022). Bosma et al. (2000), as cited in Swartz et al. (2022: 2), state, “a social purpose drives seventy per cent of South Africa's entrepreneurs”. Mokwena (2022) asserts that South African ITSs

are “actively addressing a myriad of challenges, ranging from unemployment, all the way to education, health, and financial inclusion.”

Although there are studies on the adoption of e-marketing by SMEs [Small and Medium Enterprises] (Otika, Ejiofor, Ekwunife, Chikwe, and Uche (2022: 178), the literature is silent on the adoption of marketing automation strategies by South African ITs. According to Otika et al. (2022: 178), there is a need to study other kinds of e-marketing adoption by SMEs. Chakraborti, Dutta, and Jana (2022), as cited in El-Shihy and Mohamed (2023: 91), argue, “according to literature, there has been a dearth in research studying DMA [Digital Marketing Adoption] by start-ups and the reasons behind the use of resistance to use diverse DM [Digital Marketing] channels and technologies”. This study aims to address this gap in empirical literature by focusing on the adoption of marketing automation by ITs, rather than the adoption of e-marketing by SMEs. Another gap that exists in the literature relates to the use of the TOE [Technology Organization Environment] framework to assess the adoption of marketing automation tools by ITs.

One of the main challenges facing humanity is the sustainability of our planet. That is why ICSU (2015), as cited in Leal-Filho et al. (2018), stated that the UN came up with SDGs to “end poverty, protect the planet, and ensure prosperity for all”. According to Smidt and Jokonya (2022), the nations of the world gathered at the UN General Assembly in 2015 to draw up the seventeen SDGs. These SDGs can be clustered into the following six themes: “dignity, people, planet, partnership, justice and prosperity” (Leal-Filho et al., 2018: 145).

Unfortunately, like all startups, ITs have a high failure rate due to factors such as a shortage of skills and resources (Muathe and Otieno, 2022). Marivate (2014), as cited in Mboweni (2022: 21), opines that South Africa has a failure rate of SMMEs [Small, Micro, Medium Enterprises] across all economic sectors. Carrigan (2020), as cited in Keogh and Johnson (2021: 30), states that much has been written about why new businesses fail “yet the literature appears inadequate because the failure rate of new business is ninety percent”. The survival rate of ITs is very low (Pena, 2002, as cited in Kalyanasundaram, 2018). According to Forbes magazine (2015), as cited in Kalyanasundaram (2018: 79), “about ninety percent of startups fail in the first five years as observed in the US context, and this situation may not be very different in other economies”. Giardino et al. (2014), as cited in Teberga, Oliva, and Kotabe (2018: 65), opine, “start-ups are known for their high risks and failure rates”. Muathe (2010), Muathe, Wawire, and Ofafa (2013), and Muathe and Muraguri-Makau (2020), as cited in Muathe and Otieno (2022), opine that competition from more established firms threatens the existence of SMMEs.

A potential panacea for the survival and sustainability of startups is digital marketing in general and marketing automation in particular (Mannel and Engelen 2019). Anon.2 (2021) defines marketing automation as “the digital tools that make marketing simpler and more effective. It refers to the software that makes every part

of a marketing campaign – such as emails, social media, blog posts, web pages and more – easier, more effective and less time-consuming to produce”. Anon.2 (2021) posits, “marketing automation software lets companies easily create strategic, creative campaigns that get real results”.

This research explored the impact of technological, organizational, and environmental factors of the TOE theoretical framework on the adoption of electronic marketing strategies and the sustainability of South African impact tech startups that focus on attaining the UN’s SDGs. The technological factors in the TOE framework include perceived relative advantage, complexity of the technology, and cost of technology. The organizational factors include top management support, availability of financial support, and perceived employee capability. The environmental factors include competitive, customer, and vendor pressure.

This paper is made up of seven sections. Section 1 is the introduction. This is followed by section 2, a literature review. Section 3 is the research methodology. This is followed by section 4, which contains the research findings. Section 5 discusses key findings. Section 6 includes conclusions. Section 7 addresses the limitations of the study. Section 8 discusses recommendations for future research. Lastly, section 9 contains the list of references.

2. Literature Review

Over the years, securing the planet’s sustainability has become an urgent priority for all nations of the world. Some of the challenges that the UN’s SDGs seek to address include poverty, climate action, and equal access to quality education (Leal-Filho et al., 2018). Gidron et al. (2021) opine that ITS exists not only for commercial reasons but also has a social and environmental impact. The problem, however, is that ITSs, like other startups, have a high failure rate (Muathe and Otieno, 2022).

The main challenges facing startups are sustainability and scalability (Gidron et al., 2021). Chakraborti, Dutta, and Jana (2022: 69) attribute the failure of startups to a paucity of marketing skills, which often results in the lack of a strong branding and marketing strategy. Telukdarie, Philbin, Mwanza, and Munsamy (2022: 814) argue, “the ability to deploy complex digital tools in the small enterprise space is a challenge”. Jalala (2022) opines that entrepreneurs tend to focus on product development and lack marketing and sales skills. ITSs therefore need to invest in digital marketing skills to survive in the digital age.

The Internet has radically transformed marketing, and for this reason, organizations need to invest in digital marketing capability. Social media marketing and SEM [Search Engine Marketing] make it easy to target customers with the right content at the right time. Startups often lack the resources and manpower needed to handle various digital marketing activities. A potential solution for ITSs is MA

[Marketing Automation]. The literature is quiet on the adoption drivers of marketing automation by ITSs, and so there is a need to investigate this phenomenon.

The concepts of marketing automation and impact tech startups are relatively new; therefore, there is very little research on the adoption of marketing automation by ITSs in South Africa. According to Sweeny (2008), as cited in Murphy (2018: 2), “Marketing automation is an increasingly crucial topic for marketing managers and practitioners, with an anticipated doubling of investment to \$25 billion by 2023. Furthermore, academic research into marketing automation is limited.” According to Teixeira, Branco, Martins, Au-Yong-Oliveira, Moreira, Goncalves, Perez-Cota, and Jorge (2018), “there are several studies on the use of models to characterise the adoption and implementation of new technologies at the enterprise level. These models enable researchers to have a view of the major determinants that must be considered as potential influencers in the process of incorporating the referred technologies.” This study therefore contributes by offering conceptual and practical guidelines for the adoption of marketing automation strategies by ITSs in South Africa. The practical significance of this study is that it will improve the sustainability of ITSs in South Africa by shedding light on the adoption drivers of marketing automation strategies by these ITSs. This will consequently enhance their ability to achieve commercial success while addressing the UN’s SDGs.

Marketing automation, which is affordable and helps organizations become more effective and efficient by automating marketing processes (Pandey and Tilak, 2022), is a potential solution to the survival of impact tech startups (Chakraborti, Dutta, and Jana, 2022; Patil, Navalgund, and Mahantshetti, 2022). According to Searle (2023), “Adopting automation can help companies get the most out of existing personnel and permanently reduce the cost of doing business.” Searle (2023) asserts, “in South Africa, the case for implementing automation as a means of improving customer experience is exceptionally strong”.

What makes marketing automation suitable for ITSs is that it helps startups grow sales whilst lowering costs (Skiera, 2022; Nath, 2017, as cited in Hammoud, Tawfik, and Fathallah, 2022). Anon.2 (2021) opines, “the adoption of automation can help businesses to overcome current daunting challenges, automate human workflows and get the most out of existing personnel, but possibly most importantly help businesses to permanently reduce the cost of doing business”.

Mannel and Engelen (2019: 10) opine, “while the limited size of start-ups may be a disadvantage to reaching a wide audience of customers, by expanding marketing activities with marketing automation software, start-ups can gain valuable customer insight and leads with little manpower. Marketing automation can be a promising opportunity for start-ups, and the internet offers many marketing tools for a limited budget or even for free.”

Maroufkhani et al. (2022), as cited in Rawashdeh et al. (2023: 25), state, “the fourth industrial revolution’s digitalisation race has heightened the demand for

SMEs to embrace digital technology”. Otika et al. (2022: 28), however, argue that what is “worrisome is the low adoption of e-marketing leading to little application of the technology despite its importance to SMEs”. Musa et al. (2013), as cited in Smidt and Sokonya (2022), lament the low adoption of digital technology by small-scale farmers, the lack of digital infrastructure in rural areas, the lack of digital skills among researchers, and the lack of electricity needed to train farmers.

3. Research Methodology

This is a qualitative research study based on 16 semi-structured interviews conducted with founders and employees of ITSs operating in Johannesburg, Cape Town, Durban, and Mafikeng. A discussion guide that was fine-tuned using two pilot interviews was used in the interviews. Most of these startups are in digital or innovation hubs, whilst some have their independent business premises.

4. Research Findings

Table 1 reflects the profile of eighteen ITS executives drawn from a population of four hundred and fifty tech startups in South Africa.

The sampling frame for this study included the databases of impact tech startups maintained by 22 on Sloane Digital Hub in Johannesburg, Innovation City in Cape Town, independent ITSs in Durban, and the Mafikeng Digital Hub. Purposive sampling was used for the qualitative phase of the study. Qualitative data analysis involved thematic analysis, using NVivo 12 Pro software. These were identified using open axial coding.

In all the interviews, the participants were taken through a set of ethical guidelines, which included explaining the purpose of the interview, informing them that the interview was voluntary and that they could withdraw their consent at any time, and assuring them that the findings would be anonymous to protect their identity. The interviews proceeded after all the participants had confirmed that they were happy to continue participating in the interviews. The researcher read through and explained all the questions at the start of the interviews to ensure that the participants understood the questions.

The interviews were recorded using an Olympus voice recorder and a mobile phone as backup. The recordings were sent to an independent transcriber and thereafter to an independent analyst, who used the ATLAS. ti software to analyse the qualitative data. Once the interview transcripts were loaded, the data were coded using open axial coding, and sub-themes and themes emerged. A co-occurrence analysis was conducted. The researcher worked closely with the analyst to evaluate

the themes, and where duplication was found, similar themes were grouped. Data from transcripts amounting to two hundred and eighty-six pages were analysed using ATLAS.ti software. Two hundred and twenty-four codes were used. Four hundred and seventy-seven quotations were extracted from the transcripts. Six memos and seven themes emerged.

Table 1. *Profile of qualitative study participants*

Participant	Position	Industry	Location
1	CEO	eCommerce	Cape Town
2	Founder	Real Estate	Durban
3	Fonder	Health Tech	Johannesburg
4	Founder	Software Tech Startup	Johannesburg
5	Founder	Education Tech	Durban
6	Founder	Agri Tech	Mafikeng
7	Founder	Education Tech	Mafikeng
8	CEO	Digital Marketing	Cape Town
9	Founder	Education Tech	Mafikeng
10	Chief Operating Officer	Sustainability Startup	Cape Town
11	Founder	eCommerce	Durban
12a	Founder	eCommerce	Durban
12b	Founder	eCommerce	Durban
13	Chief Operating Officer	Real Estate	Cape Town
14	Founder	Education Tech	Johannesburg
15a	Portfolio Manager	Education Tech	Cape Town
15b	Head of Marketing	Education Tech	Cape Town
16	Head of Marketing	Online Recruitment	Cape Town

The research findings are divided into a discussion of the themes, sub-themes, and codes that emerged from the study, and a discussion of the participant responses to the research questions. These themes are found in *Figure 1*, where *Table 2* is a breakdown of themes, sub-themes, and codes. Participant responses are presented in tabulated form, with each table dedicated to a specific research question. *Figure 1* is a depiction of the themes that emerged.

The six themes that emerged are awareness and understanding, benefits of marketing automation, adoption dynamics, contextual influences, contribution to SDGs, and sustainability and impact. *Table 2* contains the themes, sub-themes, and codes that emerged from the qualitative study.

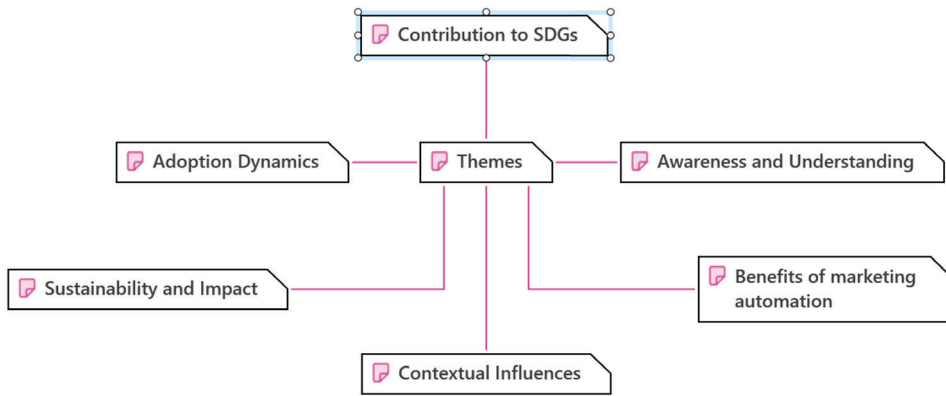


Figure 1. Themes emerging from ATLAS.ti

Table 2. Themes, sub-themes, and codes

Themes	Sub-themes	Codes
Theme 1: Awareness and Understanding	Knowledge of Marketing Automation	Level of awareness on marketing automation
		Level of understanding of marketing automation
	Perception of Marketing Automation	Perception of importance
		Perception complexity
Theme 2: Benefits of marketing automation	Perception	Perceived vs actual
Theme 3: Adoption Dynamics	Adoption Process	Adoption factors
		Adoption of marketing automation
		Drivers to adoption of automations
		Barrier to adoption
Theme 4: Contextual Influences	Impact of organizational factors	Top management support, financial support, and employee capability
	Impact of technological factors	Perceived relative advantage, complexity, and cost
	Impact of environmental factors	Customer pressure, vendor pressure, competitive pressure
Theme 5: Contribution to SDGs	2 or 3 cluster SDGs	Education, health, job creation, no poverty, gender equality
Theme 6: Sustainability and Impact	Perceptions of sustainability	Perceived vs actual

Theme 1 “awareness and understanding”, which arose from question 1, comprises two sub-themes, namely knowledge of marketing automation and level of understanding of marketing automation. The sub-theme of knowledge of marketing automation produced two codes, namely: lack of awareness of marketing automation and level of understanding of marketing automation. The second sub-theme, which is the level of understanding of marketing automation, resulted in the following two codes: perception of importance and perception of complexity.

Theme 2 was about the benefits of marketing automation. It is divided into two sub-themes, namely perceived benefits and actual benefits. The sub-theme of perceived benefits gave rise to the following three codes: advanced educational programmes, client retention, and easy access. The second theme of actual benefits resulted in the following three codes: reduced labour costs, wider client reach, and data-driven decisions.

Theme 3 was adoption dynamics, and the sub-theme was the adoption process, which used the following four codes: adoption factors, adoption of marketing automation, drivers of adoption of automation, and barriers to adoption.

Theme 4 was contextual influences, and it had three sub-themes. These include the impact of organizational factors, the impact of technological factors, and the impact of environmental factors. The sub-theme of the impact of organizational factors relied on the following three codes: top management support, financial support, and employee support. The sub-theme of the impact of technological factors relied on the following three codes: perceived relative advantages, complexities, and cost. The sub-theme of environmental factors relied on the following three codes: customer pressure, vendor pressure, and competitive pressure.

Theme 5, which was a contribution to SDGs, comprised four sub-themes. The first sub-theme was SDG 3, good health, and well-being. The code used for this sub-theme was health. The second sub-theme was SDG 4, quality education, and the code used was learning. The third sub-theme was SDG 10, which is about reduced inequalities, and the code used was job creation. The fourth sub-theme was SDG 13, climate action. The code used was the environment.

Theme 6 was about sustainability and impact. Its sub-theme was perceptions of sustainability. The following three codes were used: customer education and engagement, systems integration, and lastly, skills and technical expertise.

Research question 1 was “What is the level of awareness and understanding of marketing automation among South African ITs?” Here are direct quotes from some of the participants:

Participant 1: “So, in our context, where we do a bit of marketing, automation is connecting systems. We use a bit of Zapier to connect this to that, so that’s on a basic level, just keeping things in the right bucket. From a CRM side of things, automations on follow-ups and e-mail or sales journey automation.”

Participant 3: “I know there’s CRM but I’m not that clued up on that one. We started with HubSpot. Very new but we’re not on the pro one. We’re on the free one. We started it in January.”

Participant 14: “So, with marketing automation, these are tools that help us reach our clients or potential clients and be able to acquire them, retain them, and exchange value. So, there’s obviously the Google suite of products, and I think a big worth noting is something like HubSpot.”

Participant 15: “Just tools that help you automate various tasks and various things within the marketing realm.”

All the participants stated that they were aware of marketing automation and understood its role. They mentioned that they were aware of the following marketing automation tools: Zapier, Google Ads, MailChimp, Salesforce, Chat GPT and Hubspot. Participant 14 mentioned that a lot of SMEs use Hubspot.

Research question 2 was “What are the drivers and barriers to the adoption of marketing automation strategies by South African ITSs?” Here are direct quotes from some of the participants:

Participant 5: “It is the cost. It is largely the cost because I think the setup and management is quite easy.”

Participant 10: “Complexity of these tools sounds like a barrier, but it actually is probably an advantage to understanding it. So, I think it’s definitely not a barrier.”

Participant 11: “I’d say the drivers are very much time ... to reduce time and to acquire customers. I think it’s also efficiency. The barriers are the complexity of the tool in the usage, it’s useability. I think that’s a big factor. And then, as well, price. I think as you’re starting up, you might not see the benefit of paying some of those upfront costs.”

Participant 12: “So, one thing of a driver would be the user’s knowledge and that’s one of the things that we always get.”

According to research participants, the drivers of marketing automation adoption include customer expectations of digitalization, the need to scale, the need to reach customers, the cost-effective nature of social media marketing, time saving, efficiencies, user knowledge, and the data-driven nature of marketing automation. The barriers are cost, the need to be in control of marketing activities, the complexity of technology, and the lack of knowledge.

Research question 3.1 was “What is the impact of technological factors such as the perceived relative advantage on their adoption by ITSs?” Here are direct quotes from the participants:

Participant 2: “Yes, definitely, especially if I can quantify the relative advantages, like I can tell most likely this is the return on investment or this is the conversion rate that I can expect, I’ll be more likely to try it.”

Participant 6: “I would think, if small businesses would adopt such processes, such as automated marketing, you would be actually increasing your competitiveness

in the market, meaning you would be now appealing to more customers, making more sales, creating more revenue.”

Participant 11: “It’s also useful on the customer service side. So, especially ticketing, responding to queries, getting notified on social media if someone has highlighted something wrong, I think it improves the customer experience if you have marketing automation.”

Participant 14: “So, the first and foremost thing is that most marketing automation tools are self-service. You self-serve. You don’t need to talk to a salesperson, so that’s an advantage because it quickens the time to adoption. So, that helps a lot.”

The majority of participants agreed that perceived relative advantages of marketing automation are a driver of adoption. Their preferred approach is to first ensure that their business model is working before scaling through marketing spend.

Research question 3.2 was “What is the impact of technological factors such as complexity on their adoption by ITSs?” The following are direct quotes from some of the participants:

Participant 1: “I think complexity for the right reason is attractive to me because then I can customise, but complexity in terms of a user experience or UI or that point of view is not good.”

Participant 2: “It’s a hindrance. In the midst of everything as a founder, you do most things.”

Participant 10: “I think complexity is a barrier probably from an onboarding perspective.”

Participant 16: “So, for example, ClickUp is quite a complex system, but having a champion within the business can help with that quite a lot. So, perceived complexity is a consideration, but, if you’ve got somebody who is eager to own it and champion it and really believes in it, that’s a really good starting point that can help mitigate that particular challenge.”

The majority of participants stated that the perceived complexity of marketing automation tools is a barrier to adoption. Participant 8 states that marketing automation tools are not complex. For participants 1 and 3, perceived complexity is not a barrier, but for the rest of the participants it is. For Participant 13, the benefits of automation outweigh their perceptions of complexity. Participant 14 argued that, because complexity is a barrier, it leads to a high bounce rate on websites. For Participant 16, complexity is a barrier unless someone in the team volunteers to lead the adoption and implementation of marketing automation.

Research question 3.3 was “What is the impact of technological factors such as the perceived cost of marketing automation tools on their adoption by ITSs?” The following are direct quotes from some of the participants:

Participant 1: “Cost definitely plays a part.”

Participant 5: “It is the cost. It is largely the cost, because I think the setup and management is quite easy.”

Participant 12: “So, for our CRM, I think, Salesforce and stuff like that is a bit too expensive for us at the moment, but we definitely use HubSpot.”

The majority of participants are of the view that the perceived costs of marketing automation are a barrier to adoption. Participant 4 argues that impact tech startups are prepared to overlook costs if they can see a return on their investment. For Participant 8, marketing automation is not costly. Participant 13 states that perceived cost is not a barrier if a startup’s business relies on it having an online presence.

Research question 4.1 asked, “What is the impact of organizational factors, such as top management support, the availability of financial support, and perceived employee capability, on the adoption of marketing automation tools by ITs?” The following are direct quotes from some of the participants:

Participant 1: “I’m all for it. From my perspective of support to the staff, I wish they’d come to me with more tools, to be honest, and ways to improve processes or automate this or ... I actually actively encourage it weekly. They just think of it differently to how I do.”

Participant 4: “A directive, say from the leadership team, does impact adoption.”

Participant 11: “I think it’s important that the top management is the one that drives the adoption.”

All but one of the participants agree that top management support is a driver of marketing automation adoption. Participant 16, however, argues that top management support only impacts adoption if the automation has broad application across an organization. If the automation is only limited to marketing, argues Participant 16, then top management support is not necessary. Participant 16 states that marketing leaders ought to be empowered to make decisions impacting their department, and not seek top management’s approval.

Research question 4.2 was “What is the impact of the availability of financial support on the adoption of marketing automation tools by ITs?” Here are direct quotes from some of the participants:

Participant 2: “But definitely, if there’s finances...I’m an experimental kind of person. If there’s finances and we can trial it and we can document it and we can quantify the results, then I’m good.”

Participant 7: “So, the financial support, I think it actually boosts adoption because now when we actually have a budget for some things, you can actually see that maybe let’s use ten percent of this amount just for marketing.”

Participant 9: “Financial support definitely impact[s] adoption of these tools, because without funds, you have no means of starting.”

All the participants in the study agreed that the availability of financial resources does encourage the adoption of marketing automation tools. Participants stated that they would need to justify the budget approval by demonstrating a return on investment. Participant 15 argued that they would advocate for marketing automation adoption even if there are budget constraints.

Research question 4.3 was “What is the impact of perceived employee capability on the adoption of marketing automation tools by ITs?” The following quotes are direct responses from the participants:

Participant 2: “Honestly speaking, yes and no, because if they don’t have the necessary capabilities, then of course we go about upskilling our staff to actually get to that point of being capable to actually utilise and leverage as we see.”

Participant 3: “It does sway because you don’t want to buy something or sign up for a software and nobody knows how to use it and then you’re just paying.”

Participant 14: “There is a relationship because you’ll find that employee capability drives the optimal use of some of these platforms.”

Most of the participants in Table 10 state that employee capability impacts the adoption of marketing automation by impacting tech startups. In other words, it is not worth acquiring marketing automation tools if the employees of an impact tech startup cannot use this software. Participants 2 and 13 say employee capability is not a barrier because they are willing to train their employees. Participant 16 opined that employee capability is not a barrier because marketing automation software is designed to be user-friendly.

Research question 5.1 was “What is the impact of environmental factors, such as perceived competitive pressure, on the adoption of marketing automation tools by ITs?” These are direct quotes from some of the participants:

Participant 4: “From an SEO perspective, definitely. There are some tools that I make use of to see which keywords are being hit on more than others, etcetera. So, we’re definitely looking at what competitors are doing and competing.”

Participant 7: “I think the pressure from our competitors is actually leading us to use these things because, also us, we get automated e-mails from our top competitors.”

Participant 10: “No, competitive pressure doesn’t influence me at all. I don’t think so. Not at all.”

Participant 14: “Yes. Most of our competitors are using automation. I’ve seen platforms like GetSmarter. They use HubSpot for their content, for their scheduled social media, and also they do a lot of affiliate marketing through third parties. I know they use a company called impact.com. So, almost every other competitor is using automation.”

Most participants concurred that competitive pressure does affect the decision to adopt marketing automation tools. Participants 8 and 10 indicated that competitive pressure is irrelevant, because it is difficult to find out what marketing automation tools are being used by their competitors. For Participant 16, impact tech startups should only adopt automation if it works for their business. Participant 13 stated, “they will only copy their competitors and adopt automation if it works for their competitors”.

Research question 5.2 was “What is the impact of customer pressure on the adoption of marketing automation tools by ITs?” Here are direct quotes from some of the participants:

Participant 1: “We get a lot of it, we get a lot of requests for integrations with Klaviyo or with, a simple example, syncing your newsletter contacts to Mailchimp. So, we get a lot of it requested from customers, which we put into a feature vote.”

Participant 2: “Yes because everyone has an expectation of customisation and personalisation. They want it here.”

Participant 4: “Not at this point, to be quite honest. I think, when we start onboarding, especially with some of the fintech solutions, because my previous startup was in the fintech space and we did quite well.”

Participant 6: “Yes. The customer is always right. What the customer needs, the customer should get.”

All the participants except one agree that customer pressure influences marketing automation adoption by impact tech startups. Participant 4 states that their business is not experiencing customer pressure yet, and that might change after onboarding.

Research question 5.3 was “What is the importance of vendor pressure on the adoption of marketing automation tools by ITs?” Here are direct quotes from some of the participants:

Participant 4: “If a vendor were to come in with some incentives, we’d jump. We’d definitely jump.”

Participant 6: “They actually do e-mail me a lot. I get a lot of e-mails. Even when I pop in on social media, you would find these posts. Because I do search about things that are related to automation, so I would get a lot of e-mails. Some I read, some I don’t read, some I read, some I actually follow through with them.”

Participant 11: “We actually haven’t had too much pressure from the vendors themselves. Salesforce put a lot of pressure on us but, again, the problem was the upfront cost to adopt the platform and, if they were to give you a free trial, it was only once and, so, if you wanted to get another free trial to get a better feel.”

Most participants concur that vendor pressure does influence decisions about marketing automation adoption. Participants 13 and 14 reported that they experience a lot of vendor pressure when visiting LinkedIn. Participant 16 resists vendor pressure, so it has no impact on marketing automation in their business.

Research question 6 was “How does the adoption of marketing automation tools impact the sustainability of ITs?” The following are direct quotes from some of the participants:

Participant 1: “I think it’s enormous in terms of what it can do for you if deployed in the right way, understood and deployed in the right way. It’s so enormous.”

Participant 2: “So, I definitely agree. I’ve seen the benefits.”

Participant 5: “It’s a game-changer. Like I said, how do you go from zero to seventeen thousand users in two weeks with a budget of a hundred thousand? It works.”

Participant 11: “The opportunity is large. So, if they’re not using tools like marketing automation, they actually reduce that opportunity to get customers.”

All participants agree that the adoption of marketing automation has a positive impact on the sustainability and viability of impact tech startups, except for Participant 4. According to Participant 4, marketing automation only enhances the sustainability of an impact tech startup if adopted at the right time. In other words, impact tech startups must first establish their business model and validate their products before spending on marketing automation.

5. Discussion of Key Findings

The high failure rate of impact tech startups and the low adoption of marketing automation by these ITSs warrant an investigation into the drivers and barriers to the adoption of marketing automation by ITSs. According to Gidron et al. (2021), impact tech startups are tech startups that are concerned with the attainment of the UN’s SDGs.

The research participants concurred that marketing automation makes marketing easier and affordable, improves efficiencies and customer satisfaction, enables better customer engagement through email marketing, facilitates online advertising, and allows for pre-sell and post-sell activities. These views are corroborated by the literature. For example, Nath (2017), as cited in Hammoud et al. (2022), argued, “marketing automation can be a small business’s best solution, handling tasks and developing insights that smaller organisations just do not have the human resources to tackle as well as the ability to grow the business, without increasing their budget”. Todor (2016) and Mannel and Engelen (2019) opined that marketing automation enables marketers to achieve mass customization and personalization at scale.

Even though extant literature is silent on the adoption drivers of marketing automation by impact tech startups, there is some research on the adoption of e-marketing by small businesses. Chakraborti et al. (2022), as cited in El-Shihy and Mohamed (2023: 91), argued that a lack of awareness about the benefits of marketing automation is a barrier to adoption.

According to Otika et al. (2022: 28), existing literature confirms that factors such as the nature of the technology, perceived usefulness, perceived ease of use, skilled information technology (IT) personnel, and financial support influence the adoption of e-marketing and social media. Chong, Man, and Kim (2018: 8) support the view that top management support is critical in the adoption of e-marketing.

In a study by Abbasi et al. (2022: 13), which uses PLS-SEM methodology and the TOE framework to investigate the adoption drivers of social media marketing by Malaysian SMMEs, it was found that “out of the three technological factors used as the drivers of social media marketing adoption intention, the results indicate that intention to adopt social media marketing is positively impacted by perceived relative advantage, while it is negatively affected by perceived cost”. Abbasi, Rahim, Wu, Iranmanesh, and Keong (2022: 13) further found that the perceived complexity of social media marketing had no significant impact on the intention to adopt social media marketing because social media is familiar and therefore not seen as complex by Malaysian SMEs. This view affirms Participant 4, who stated that the complexity of marketing automation does not affect this adoption decision because he is a machine learning engineer, and therefore marketing automation does not consider marketing automation to be complex. Participant 8 also opined that marketing automation is not complex and therefore does not perceive complexity to impact their adoption decision. Participant 16 stated that perceived complexity does not affect their adoption decision if employees are willing to learn and champion marketing automation in their organization.

In this study, many participants argued that cost is a barrier to the adoption of marketing automation tools by impact tech startups. This view is supported by Abbasi et al. (2022: 14), where perceived cost was found to have a significant negative relationship with social media marketing adoption. This was further corroborated by Maduku et al. (2016) and Ramayah et al. (2016), as cited in Abbasi et al. (2022: 14). However, Searle (2023) argued that the benefits of marketing automation outweigh the upfront costs.

The majority of participants from the impact tech startups in this study stated that top management is a driver of marketing automation adoption decisions. According to Abbasi et al. (2022: 14), this is in line with previous literature, which includes Ahmad et al. (2018), Alshamaila et al. (2013), Alsharji et al. (2018), and Oliveira et al. (2014).

Many of the participants opined that the availability of financial support does impact the decision by enabling tech startups to adopt marketing automation tools. Abbasi et al. (2022: 14) found that there was no significant relationship between the availability of financial resources and the decision to adopt social media marketing. This is because social media marketing is perceived to be affordable.

In this study, some participants felt that because their employees are young, tech-savvy people, employee capability did not affect their adoption decision. This view was supported by Abbasi et al. (2022: 15), where employee capability did not have a significant impact on the social media marketing adoption decision because of the employees’ familiarity with social media marketing. Some participants, however, felt that the lack of employee capability was a barrier to adoption. According to

Musa et al. (2013), as cited in Smidt and Sokonya (2022), the lack of digital skills is one of the reasons behind the low adoption of digital technology.

Many of the impact tech startups in this study were of the view that competitive pressure does impact marketing automation adoption decisions. This was borne out in Abbasi et al. (2022: 15), where Malaysian SMEs felt competitive pressure positively affected their social media marketing adoption decisions. Lin (2014); Wang and Cheung (2004), as cited in Abbasi et al. (2022: 15), concurred.

Studies such as Ghobakhloo and Tang (2015), Maduku et al. (2016), and Matikiti et al. (2018), as cited in Abbasi et al. (2022: 15), agreed with the participants in this study that customer pressure does influence technology adoption decisions. In Abbasi et al. (2022: 15), however, industry competitiveness was found to have a moderating effect on the relationship between customer pressure and the decision to adopt technology. In other words, Abbasi et al. (2022: 15) found that customer pressure influences social media marketing adoption decisions in competitive markets alone.

In the current study, it was found that vendor pressure does influence marketing automation adoption decisions by impacting tech startups. This was corroborated by Malaysian SMEs in Abbasi et al. (2022: 15), who opined that vendor pressure was significantly associated with the decision to adopt social media marketing. This was because the SMEs felt that these vendors could provide them with the technical, operational, and financial support they needed.

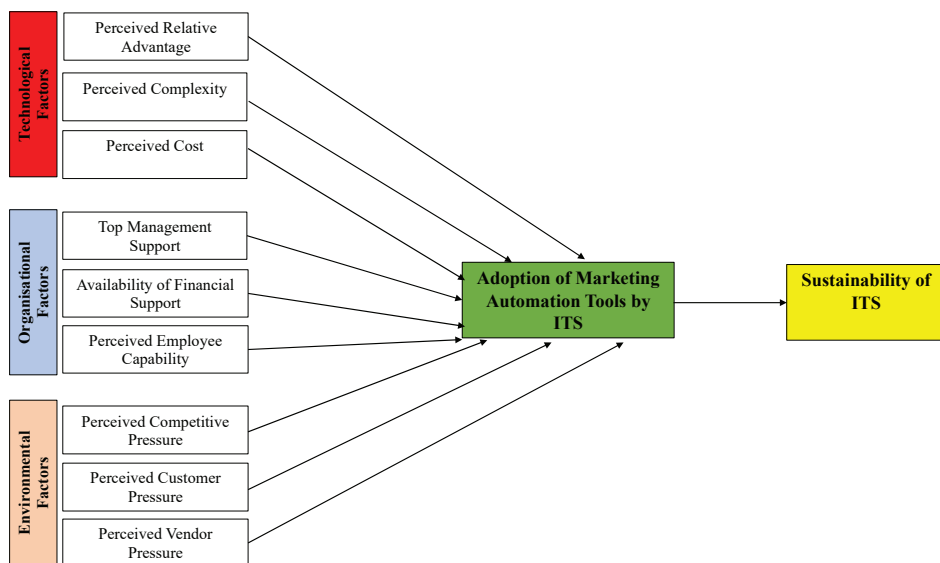


Figure 2. Framework for the adoption of marketing automation by ITSs

Gidron et al. (2021) opine that tech startups face sustainability and scalability challenges. Christensen (2016), as cited in Teberga et al. (2018: 65), argues that this is because startups face resource and human capital constraints. In Khaerani and Sudarmiati (2022: 1059), one of the participants stated that the use of digital marketing had resulted in a ninety percent increase in sales.

Figure 2 depicts the technological features as perceived by people employed by ITSs. This conceptual framework suggests that organizational features such as top management support, availability of financial support, and perceived employee capability also influence the adoption of marketing automation by ITSs. Environmental factors such as competitive, customer, and vendor pressure, as perceived by ITS employees, influence the adoption of marketing automation by ITSs. Lastly, *Figure 2* presents a conceptual framework suggesting that the adoption of marketing automation by ITSs influences their own sustainability.

6. Conclusions

This study aimed to create a conceptual framework for the adoption of marketing automation tools by South African ITSs and to contribute to a richer understanding of the role that marketing automation can play in making ITSs more sustainable. By using the conceptual framework, the study proposes relationships between various technological, organizational, and environmental factors and the adoption of marketing automation tools by ITSs.

Technological factors such as the awareness and understanding of marketing automation tools and perceived benefits were found to impact the adoption decisions of ITSs. Whilst perceived complexity and costs of marketing automation were seen as barriers to adoption by some tech startups, others argued that the benefits of marketing automation tools outweighed the costs and complexity associated with these tools.

Some of the impact tech startups felt that organizational factors such as top management support, availability of financial support, and employee capability influence adoption decisions of ITSs, whilst others felt that these factors had no bearing on their decision to adopt marketing automation tools. In fact, some of the startup founders argued that they relied on their younger tech savvy employees to advise them on technology adoption decisions.

Environment factors such as perceived competitor pressure, customer pressure, and vendor pressure were found by some startups to impact their adoption decisions. Other startups stated that competitor and vendor pressure had no impact on their decision to adopt marketing automation tools.

7. Limitations of the Study

The first constraint was geographic representation. The research population for both the qualitative and quantitative studies was drawn from Gauteng (Johannesburg and Pretoria), the Western Cape (Cape Town), KwaZulu-Natal (Durban), and the North-West Province (Mafikeng). Future studies need to consider including all the other provinces of South Africa to enhance the generalizability of the results.

The second constraint was the sample size. The qualitative study involved sixteen (16) participants, whereas the quantitative study targeted two hundred and seventeen (217) respondents but only ended up with one hundred and forty-six (146) completed questionnaires. Future studies need to consider larger sample sizes.

The third constraint was that the study focused on impact tech startups and not on all tech startups. Future studies should consider casting the net wider to capture the views of all other tech startups.

8. Recommendations for Future Research

The present research study focused on South African ITs. Future research could widen the geographical coverage to include other countries as well. The sample included the North-West Province as a proxy for South Africa's rural provinces. Future studies could include additional rural provinces.

The study addressed marketing automation as a broad concept instead of delving into specific tools. Future studies should consider honing in on specific marketing automation tools so as to investigate which ones are the most effective for the sustainability of impact tech startups. The study also treats impact tech startups as a broad category of research subjects instead of focusing on some of their specific types. Future studies should consider addressing specific classes of impact tech startups.

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