**INNOVATIVE MARKETING OF STARTUPS IN THE SMALL BUSINESS****SEGMENT: UKRAINIAN AND GLOBAL EXPERIENCE****Nataliia Sinelnikova**

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Abstract. *The article focuses on exploring the specifics of innovative marketing in startups within the small business sector, with particular attention to the Ukrainian context compared to global practices. The purpose of the article is to analyze the distinctive features of innovative marketing in startups operating in the small business segment, based on both Ukrainian and international experience. The study employed general scientific methods of cognition: analysis and synthesis; comparison; induction and deduction; systematization; generalization; statistical and logical analysis. The findings reveal that as of 2024, Ukraine has seen dynamic growth in the number of innovative startups despite martial law. The number of active innovative projects exceeded 2,600, while the total volume of attracted investments reached 462 million USD. The defense technology sector, in particular, demonstrated significant growth, securing over 60 million USD in funding. This dynamic can be explained by a high level of intellectual capital; a competitive IT sector; substantial support from international partners, especially the European Union. These factors have been shown to contribute to Ukraine's gradual integration into the global innovation ecosystem. The study also emphasizes the transformation of marketing in innovative startups – from a traditional promotional function to a comprehensive element of the business model. It has been demonstrated that marketing today serves as an integrated tool covering all stages of the product life cycle, from concept development to scaling. Key elements of modern innovative marketing include the use of artificial intelligence; big data analytics; digital platforms; social media. These technologies ensure flexibility in marketing strategies, enable effective customer communication, allow rapid market adaptation, and support the creation of resilient business models. In Ukraine, such practices are already being implemented, though certain challenges remain, such as insufficient government support; lack of systematic educational modernization; the need to build complete innovation ecosystems. The practical value of the study lies in the potential to use its findings to enhance development strategies for innovative small businesses in Ukraine by implementing effective marketing models based on global experience.*

Keywords: *innovative marketing, startups, small business, digital technologies, Ukraine.*

Introduction

Innovative marketing in the small business segment is gaining particular importance in the context of rapid digital transformation and market globalization. For startups, which are inherently sources of groundbreaking solutions, marketing serves not only as a tool for promotion but also as a strategic instrument for managing growth, testing business models, and shaping customer value. In the era of the Fourth Industrial Revolution, digital tools enable even small enterprises to achieve high levels of personalization, scalability, and consumer engagement, turning marketing into a key component of innovation activity.



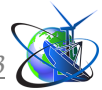
Ukrainian and global experiences demonstrate different approaches to implementing innovative marketing, depending on resource availability; digital literacy levels; institutional support; the maturity of the innovation ecosystem. In Ukraine, where small businesses often face high barriers to market entry, marketing functions as a compensatory mechanism that enables rapid adaptation to change, investment attraction, and international outreach. A comparative analysis of these models allows for the identification of effective practices relevant to both the local context and the global positioning of startups.

The issue of innovative marketing in startups within the small business segment – examined through both Ukrainian and global lenses – is well represented in academic literature. The reference list includes in-depth analyses of innovative marketing in Ukrainian startups as well as overviews of global trends in small business innovation.

Literature Review

Significant contributions to this field have been made by A. Bohachova and Y. Zakorko [1], who explored online marketing tools that foster small business development in a digital transformation environment. Their work emphasizes practical aspects of startup promotion and brand building. M. M. Haustov [4] provides a solid methodological foundation by examining the processes of startup creation and scaling, focusing on the strategic importance of marketing. Y. O. Golysheva [3] analyzes innovative marketing tools in the agricultural sector, with findings that can be extrapolated to the broader small business segment.

Among international sources, a fundamental work by P. Kotler [7] stands out, discussing the shift from traditional to digital marketing models, which forms the basis for innovative approaches in startups. Theoretical foundations for integrating marketing and entrepreneurial approaches are presented by M. Morris, M. Schindehutte, and R. LaForge [9]. The “Global Startup Ecosystem Report 2023” [2] and “2025” [13] also serve as valuable resources, illustrating how marketing acts as a core element of innovation strategy within successful startup ecosystems. The practical challenges faced by Ukrainian startups during wartime are reflected in publications by Gradus [5] and Forbes [8; 11], offering insight into the adaptability of marketing



strategies in crisis conditions. Also noteworthy are publications by A.V. Verbitska, L.V. Babachenko, and I.V. Lysenko [14], who investigate the role of social media in customer engagement strategies.

The study also draws on expert literature, including online publications from Gradus, Forbes, AccessNewswire, and Startup Genome, which highlight current trends in digital marketing, global competition, and the innovation dynamics of small enterprises.

Despite the sufficient number of sources on this topic, there is still a lack of systematized material. Therefore, using various methods of scientific cognition, the information was analyzed, categorized, and structured in alignment with the subject of the study.

Purpose of the Article

The purpose of the article is to analyze the distinctive features of innovative marketing in startups within the small business segment based on Ukrainian and global experience. In order to achieve this purpose, the study aims to complete the following tasks: examine the current state of innovative startups in Ukraine and worldwide; outline the role of marketing in innovative entrepreneurship; analyze key tools of innovative marketing; identify the specifics of its implementation in both the global and Ukrainian contexts.

Research Results

In recent years, despite geopolitical and security challenges, startup ecosystems across the globe have shown steady development dynamics. At the same time, even in the third year of full-scale war, the Ukrainian startup sector retains the potential for scaling, innovative transformation, and integration into global innovation chains. This trend is not surprising for Ukraine, as over the past decade, its entrepreneurial landscape has been characterized by the following features:

- highly qualified human capital – the talent of Ukrainian developers is a key asset actively sought after by foreign companies [4];
- steady growth until 2022 – the startup industry grew by 20–30% annually, and since 2022 a new defense niche has emerged [4];



- support from the EU – this has enabled business relocation and continued operations abroad, although there is a risk of “brain drain” after the war [4].

The valuation and investment attractiveness of Ukrainian startups reflect significant sector growth over the past decade. According to Melnyk T. and Nesenyuk A. [8], the total value of Ukrainian startups in November 2022 was approximately 24.0 billion USD, which is 4.1 billion USD less than in 2021 (28.1 billion USD). However, this figure is more than nine times higher than in 2017 (2.6 billion USD), highlighting the dynamic development of Ukraine’s innovation ecosystem [8].

In 2024, according to Nesenyuk A. [11], Ukrainian tech companies attracted 462 million USD in investments, marking a 120% increase compared to 2023 (≈210 million USD). Of the total, around 60 million USD (13%) was directed toward the development of defense technology startups. The largest investment deals of the year included:

- CRM platform Creatio (200 million USD);
- fintech company Carmoola (19.2 million USD);
- platform Jome (NewHomesMate) (9.8 million USD);
- service IN1 (6 million USD);
- neobank Fintech Farm (5 million USD) [11].

Overall, the ten largest deals accounted for a total of 324.4 million USD, indicating a high concentration of capital in a limited number of projects with strong innovation and commercial potential [13].

In the field of artificial intelligence, 243 startups are currently operating, positioning Ukraine as a potential regional AI hub. These outcomes have been made possible due to public support mechanisms, including the Ukrainian Startup Fund (USF), which has awarded 571 grants totaling over 11 million USD. Startups that received USF support attracted an additional 120 million USD in external funding. In the defense technology sector, the Bravel platform mobilized over 40 million USD in 2024 to support projects in drone systems, machine vision, and combat analytics [13].

According to Ukraine’s Ministry of Digital Transformation, there are currently about 2,600 active startups in the country, with more than 600 additional companies



founded by Ukrainian entrepreneurs or graduates of domestic universities operating abroad. Over 18% of these were launched after the start of the full-scale invasion [13]. Moreover, more than 500 foreign startups operate in Ukraine with offices in the country, confirming its growing innovation appeal for both local and international players.

Most Ukrainian startups are currently at the stage of business expansion, investment search for scaling, or launching product sales (fig. 1).

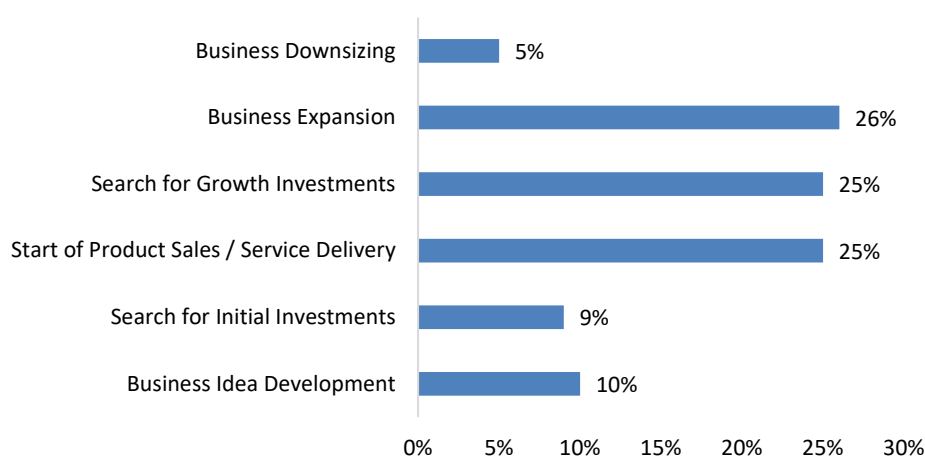
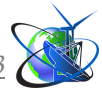


Figure 1 - Stages of innovative startups in Ukraine

Systematized based on source [5]

In terms of investor geography, 75% of startups currently consider Ukraine their primary market. However, within the next 1–3 years, this figure is expected to decline to 54%. Meanwhile, interest in the European Union is projected to increase from 39% to 50%, and in the United States from 23% to 34% [5]. The most common reasons for startup relocation include the need for a safer environment (46%); business continuity (35%); job retention (32%). Some companies also aim to access broader customer bases (22%) or resolve logistical issues (19%) [5].

The global context reveals a general cooling in investment activity. In 2022, global venture capital volume decreased by 35%, while the number of deals fell by 18%. Despite this, the average deal size grew by 2%, indicating that investors are focusing on high-quality projects [13]. The global number of startups surpassed 3.5 million, spanning over 290 innovation ecosystems. The total value of the global startup economy reached \$7.6 trillion, with artificial intelligence and big data accounting for



28% of all venture deals. In the Deep Tech segment, exits increased by 326% during 2021–2022 compared to 2017–2018 [13].

Silicon Valley, New York, and London continue to lead global ecosystem rankings, though Chinese centers such as Beijing and Shenzhen have lost ground, while Indian hubs have gained prominence. Among emerging ecosystems, Istanbul shows the highest activity, topping the Strong Starters ranking [13].

Innovative startups around the world demonstrate characteristics that reflect a deep transformation of business processes and marketing approaches in the digital economy and the Fourth Industrial Revolution. Modern startups actively apply digital marketing innovations such as:

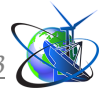
- mobile internet;
- internet of things;
- cloud technologies;
- 3D printing and robotics.

At the same time, production innovations are becoming marketing innovations through the formation of innovative brand labels. These technologies enable rapid business scaling; user integration into product creation (co-creation); implementation of dynamic pricing models (currency); activation of customer communities (communal activation); and continuous audience dialogue (conversation) – in line with the updated 4C marketing model [7], which underpins today's innovative marketing.

Another notable trend is the shift in consumption logic: startups operate in a paradigm of access over ownership (e.g., Uber, Airbnb), applying P2P models that lower entry barriers for new users and offer instant service access [7].

Entrepreneurial marketing stands at the core of startup innovation strategies, blending marketing tools with entrepreneurial agility. This approach focuses on identifying new opportunities; building long-term customer relationships; testing hypotheses quickly; participating in product development; and flexibly managing the innovation portfolio [9]. Marketing is closely tied to financial outcomes and aims to ensure profitability through sustained innovation.

Social media has become an integral part of innovative marketing strategies,



serving as a channel for interaction, promotion, analytics, and scaling. Its importance is amplified by limited resources at early startup stages and the need for fast market entry. Within inbound marketing strategies, social media attracts audiences through relevant and valuable content rather than intrusive advertising. This fosters lasting engagement and gradually turns visitors into loyal users or customers [14]. Content created by the company serves simultaneously as an engagement tool, a feedback source, and a foundation for analyzing behavioral patterns. As a result, digital communications evolve into a powerful business function that supports product development and strategic planning.

Social media also provides a space for horizontal interaction, where the consumer is not just a recipient but an active participant in the brand relationship. These connections are based on trust, authenticity, and transparency – principles central to the modern marketing logic described in the Marketing 4.0 concept [7]. In this environment, the brand must be part of the community, respond to queries, and initiate value-based dialogue.

Statistical data highlights the scaling potential offered by social platforms: Facebook has over 2.9 billion users, YouTube 2.5 billion, Instagram 1.4 billion, and TikTok 1 billion [15]. This demonstrates the ability to reach broad audiences through geographic, age, and behavioral segmentation – particularly important for startups seeking global expansion. Social networks also offer advanced analytics tools, enabling real-time campaign adjustments, A/B testing, and accurate content performance evaluation.

A fundamental element of social media is the “six degrees of separation” concept, which proves that users can be connected through just a few intermediaries. This enables the viral spread of information, allowing a single message or campaign to reach a wide audience quickly with the right content support [15].

Today, social media is not only a promotion channel for startups but also a space for idea validation, first customer and partner discovery, value proposition presentation, and initial brand reputation building. In this case, content serves communicative, reputational, and analytical functions. Effectiveness depends on



content quality – it must be unique, useful, and easy to consume [14].

Artificial intelligence (AI) plays a special role in shaping innovative marketing, increasingly replacing human decision-making. System 1 (intuitive, fast) and System 2 (analytical, deliberate) – the two cognitive models of the human brain – are being replaced by algorithmic approaches that show greater accuracy and consistency in complex or unpredictable environments [10]. Algorithms outperform human judgment in both high-validity environments (where relationships between features and outcomes are stable) and low-validity ones (where cognitive biases lead to error).

Thus, innovative marketing in small business startups:

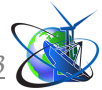
- operates based on convergent digital technologies [8];
- adopts marketing models focused on communities, co-creation, and transparency [8];
- integrates marketing into all business processes to support innovation-driven growth [9];
- uses AI to enhance decision-making in complex market environments [10].

These characteristics define a new entrepreneurial logic, where startups act as laboratories of digital transformation – shifting focus from product to interaction, from transactions to relationships, and from linear processes to adaptive systems.

As for the unique features of innovative marketing in Ukraine, it is shaped by a combination of internal resources (intellectual capital, IT expertise) and external challenges (war, institutional barriers), while gradually aligning with global development models. Its specific traits are influenced both by the nature of innovation and by the conditions of the national economic environment.

Ukrainian startups tend to adapt global technologies rather than create radical innovations. This is due, on one hand, to a high level of scientific potential – with over 100,000 highly qualified specialists as of early 2015 [12] – and on the other hand, to weak innovation infrastructure, limited state support, and talent outflow, which hinder the integration of scientific developments into business.

Innovative entrepreneurship in Ukraine remains largely focused on optimization innovations – cost reduction, automation, and product improvement. The potential for



radical strategies such as new market creation, unique value propositions, and Blue Ocean approaches remains underutilized [12].

In the agricultural sector, which is critical for Ukraine, innovation is being implemented in the form of technologies and new products. For example, precision farming tools (GPS navigation, satellite monitoring, drones, process automation) increase efficiency while reducing resource use and environmental impact [3]. There is also a growing interest in biological innovations, such as lab-grown meat, which opens new market niches, though widespread adoption is not expected before 2035 [3].

Digitization of marketing processes is another notable trend among Ukrainian startups, particularly in the small business segment. Having a website, social media presence, online reputation management, and regular result analysis is gradually becoming standard practice [1]. This allows startups to access customer bases, minimize costs, and remain highly adaptable to market shifts.

Based on global experience, the following are key areas for the development of Ukrainian innovative startups:

- technological integration – adoption of advanced solutions such as AI, cloud services, automation, big data, and blockchain [6]; this enables business model innovation beyond process optimization, as seen in P2P models in trade or agriculture;
- government support through digital infrastructure and innovation clusters – providing environments for testing new solutions, launching incubators, and offering tax incentives for innovation [6]; this approach is widely used in the EU and the US;
- educational and institutional modernization – creation of programs in innovation management, marketing, and digital transformation. Following global best practices, the state should support lifelong learning for entrepreneurs and facilitate knowledge transfer from universities to businesses;
- systemic formation of the innovation ecosystem – development of tech parks, science-business collaboration platforms, and intellectual property protection. Only through collaboration among key ecosystem players (government, science, business, investors) can national startups scale to the global level.

Therefore, the key features of innovative startups in Ukraine include a



predominance of adaptive and technological innovation; active use of digital tools; limited institutional support; and significant untapped scientific potential. Their future growth depends on strategic alignment with global practices tailored to local conditions.

Conclusions

As of 2024, Ukrainian innovative startups continue to grow despite wartime conditions: the number of active projects has surpassed 2,600; investment volumes have reached 462 million USD; and the defense technology sector has secured over 60 million USD. The strong growth momentum, combined with local IT potential and international support, indicates Ukraine's gradual integration into the global innovation ecosystem. Ukrainian startups are growing at a faster pace than the global average, driven by high intellectual capital and sustained EU funding.

In modern startups, marketing is not just a promotion tool but a central element of the business model. Innovation becomes part of the marketing strategy – shaping the value proposition, engaging user communities, and ensuring market adaptability. Marketing is integrated into every stage of the product life cycle, from testing to scaling. Key features of today's innovative marketing include the use of artificial intelligence; big data analytics; social media; digital platforms – enabling effective audience engagement, demand responsiveness, and long-term customer relationships. Digital marketing now permeates all stages of production, making the process innovative and customer-oriented.

In Ukraine, innovative marketing is developing based on global technologies. Websites, social media presence, and alignment with global models lay the foundation for strategic growth of small businesses. AI is being actively integrated into innovation business processes, but the main barriers to entrepreneurship development include weak state support for startups; the need for educational modernization; and the systemic formation of innovation ecosystems.

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