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**EFFECT OF DIGITAL MARKETING STRATEGIES ON GROWTH OF SMALL
MEDIUM ENTERPRISES IN LIQUEFIED PETROLEUM GAS DISTRIBUTION IN
NAIROBI CITY COUNTY, KENYA**

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ABSTACT

Purpose: The currents research sought to establish the effects of digital marketing strategies on growth of SMEs in LPG distribution in Nairobi County, Kenya. The research specifically sought to establish the effects of mobile marketing, search engine marketing, media marketing and email marketing on the growth of SMEs in LPG distribution in Nairobi County, Kenya.

Methodology: The research was anchored on Technology Acceptance Theory, Transaction Cost Innovative Theory, Expectation Confirmation Theory and Resource Based View Theory. The target population comprised of 895 SMEs dealing with LPG distribution in Nairobi County. Fisher's sampling formula was adopted in acquiring a sample of 268 SMEs. The unit of observation comprised of owners/managers of the SMEs under examination. The instrument for primary data collection in this research was a numerical 5-point Likert scale questionnaire. The research used Cronbach alpha threshold value of 0.7 for internal consistency of the research instrument. The information collected was analyzed by employing descriptive statistics and inferential analysis using statistical package for social science (SPSS) version 21 and MS Excel Software. Descriptive statistics involved calculation of the mean, frequency, percentages and standard deviation while Pearson correlation coefficient and a multiple regression was the inferential statistics applied in the study. The results and findings were presented in tables, figures and charts.

Results: The study found that most of SME ensures timely sending of messages to their customers on availability of products and contacts both existing and prospective customers directly to inform them on the availability of their products. The study also found that most of SMEs have a Facebook page for advertising their products, have a twitter account for their SME and post their range of products to various Facebook pages to enhance their customer reachability. The study concluded that mobile marketing had the greatest influence on growth of SMEs in LPG distribution in Nairobi County, Kenya followed by email marketing, then search engine marketing while social media marketing had the least influence on the growth of SMEs in LPG distribution in Nairobi County, Kenya.

Contribution to theory, policy and practice: The study recommends that management of SMES in LPG distribution should make sure that the application on which the content is created should be versatile and compatible with mobile devices, that SMES in LPG distribution in Nairobi County

should mix and match various mediums such emails, social media and mobile phones to reach their desired target audience and that SMES in LPG distribution should make use of social media such as Twitter for promoting their products and services and offering real time response to customers' complaints..

Keywords: *Mobile Marketing, Search Engine Marketing, Media Marketing, Email Marketing And Growth of SMEs*

1.0 INTRODUCTION

The core aim of every business is to grow in terms of assets and market size and due to increased competition, businesses have to make sure they attract more customers while at the same time retaining the existing ones so as to remain in business and profitable. Marketing serves as one of the strategies used by businesses to attract customers. According to Ellis and Jobber (2013), the concept of marketing is based on the premise that its implementation contributes significantly to improved business performance. Business entities such as SMEs need to grow and expand their operations to ensure survival in the markets as well as to gain high competitive levels of the available market. In developing and developed economies, Ayyagari, M., Beck, T. & Demirgüç-Kunt, (2015) stated that SMEs contribute to more than 60% of formal employment in all sectors of the economies. The growth of SMEs is dependent on the amount of sales which generates revenues for the business. The SMEs can achieve this through marketing their services and products in order to create awareness of their availability and make them stand competitively in the market. Different business entities adopt different marketing strategies depending on their size and availability of resources.

Jian (2014) asserts that due to limited resource availability, SMEs are normally constrained with marketing possibilities thus rendering their products and services invisible to the market. Small and medium enterprises rely heavily on word-of-mouth marketing which they can easily afford thus limiting their growth potential. O'Donnell (2011) further indicate that owners of SMEs adopt tailor made practices on marketing aiming at achieving their business goals which are usually informal, unplanned and incorporates bottom up approach. Many SMEs are presently in the growth stage which is the most important stage as it entails attraction and retention of customers and this call for formulation of precise and concise marketing objectives and strategies with potential of reaching many customers. In the past, Lusch and Vargo (2014) posits that small businesses that have succeeded in their operations applied word of mouth in marketing their services and products but with the emergence of digital marketing, the logic behind marketing have changed. The marketing changes have been attributed to the technological innovations, dynamism in media environment and emergence of new marketing channels.

1.2 Statement of the Problem

The SMEs sector plays a critical role in the development of the economy of Kenya as the sector accounts for a notable section of Kenya's economic activities both in rural and urban areas. According to Bwisa and Ngugi (2013), the sector accounts for up to 70% of all new employment opportunities annually and are seen as the main drivers for employment and growth of economies. According to Republic of Kenya Report (2011), SMEs accounts for 80% and 18.4% of total employment and GDP respectively in Kenya. This has been attributed to the rise in the number of SMEs operating in different sectors of the economy. However, SMEs are consequently facing high rate of failures as about 60% of them are estimated to collapse every year (Kenya National Bureau

of Statistics, 2014). Only 18% of SMEs reach to maturity and achieve the intended (KNBS, 2014). The high rate of failure is attributed to amongst other factors lack of marketing strategies that limit the SMEs from reaching target markets. Additionally, the available marketing strategies haven't been in a position to match the needs of the market which further accelerates the performance deficiency amongst the SMEs in LPG sector. Adoption digitalized marketing strategies exposes a firm to wider coverage of the market through social platforms. This has a possibility of widening the growth of a firm irrespective of the size. This study thus seeks to establish the effects of adoption of digital marketing strategies on the growth of SMEs dealing with distribution of LPG within Nairobi County.

The study was further motivated by research gaps from previous studies on the theme of the topic. Studies such as Mokhado (2015) focused on establishing the effectiveness of digital marketing on SMEs in South Africa with a focus at Mogale City Local Council. This study was however conducted in a different country. Onyango (2016) sought to establish the impact of advanced showcasing procedures on execution of SMEs and concentrated on cutflowers sending out firms. An examination by Ongaro (2018) sought to establish the impact of computerized advertising procedures on the nature of taxpayer supported organizations while Wangechi (2014) surveyed the development of advanced showcasing methodologies and its separate effect on conveyance of client benefits in the financial segment. These studies were conducted in different contexts and focused on different concepts. The studies therefore presented both conceptual as well as contextual knowledge gaps that the current study seeks to fill by establishing the effects of digital marketing strategies on the growth of SMEs in LPG distribution sector in Nairobi County, Kenya.

1.2 Research objectives

- i. To establish the effect of mobile marketing on the growth of SMEs in LPG distribution in Nairobi County, Kenya
- ii. To assess effect of search engine marketing on the growth of SMEs in LPG distribution in Nairobi County, Kenya
- iii. To find out how social media marketing affect the growth of SMEs in LPG distribution in Nairobi County, Kenya
- iv. To examine the effect of email marketing on the growth of SMEs in LPG distribution in Nairobi County, Kenya

2.0 LITERATURE REVIEW

2.1 Theoretical Review

Technology Acceptance Theory

The theory was proposed by Davis (1986) and proposes that advancement in technologies only enhances performance and operational effectiveness only if the end users embrace the change. According to the theory, when new technology is presented to the users, there exist a number of factors that acts as determinants on decision making on when and how they will utilize the new innovation. The components are seen helpfulness and saw convenience. Davis (1986) characterizes apparent convenience as the degree to which an individual accepts that applying a specific framework in employment execution will improve execution. Then again, saw usability is characterized as the degree to which an individual accepts that usage of a particular technology would ease efforts needed in execution of activities. In any organization, the acceptance of innovation related to information technology requires acquisition of technologically based

instrument that plays a role in decision making and planning communication. There is perceived risk associated with acquisitions of systems. There is therefore the need that new systems adhere to specified requirements acquired from organizational reasoning and preference. It is also important to note that individuals may not be willing to shift to the new technology. To achieve maximum benefit of innovations in a firm, there is a need to instill the right organizational culture in line with the implementation of new innovation. The model brings into limelight the need to understand that technology acceptance willingness and acceptance depends on the users feelings regarding the usage of the technology and expected benefits. The theory is relevant to the study as it informs of the need of assessing the perceived ease of use and perceived usefulness of any technology before being implemented in a firm. In digital marketing, it is important for the firms adopting the marketing strategy to assess the nature of technology applied in marketing. When conducting mobile marketing, the theory advises on an assessment on the technology in use in order to achieve set performance and growth goals.

Transaction Cost Innovative Theory

The theory was proposed by Niehans in 2006 and postulates that technological innovations acts as crucial driving element that reduces transaction cost of firms which enhances its growth. The potentials of reducing transaction costs of a firm facilitates service/product improvement as well as innovations. Digital marketing strategies have the ability of reducing firm's transaction costs thus allowing for effective management, coordination and usage of information that drives the firm towards its desired performance direction. According to Cao *et al.*, (2010), technological innovations in relation to online information create a room for accessibility of a firm's information by prospective consumers which enable the firm to generate leads in its market. On the other hand, for a firm to realize reduction in its operational costs, the quality of service/product offered through the digital platform must surpass the traditional forms. According to Faems (2012), transaction costs comprise of the costs resulting from the search of fair prices in the market as well as undertaking various interactions economically. The scholar asserts that integration of information between the firm and the consumer enhance transfer of information from one end to another thus heightening the relationship levels. Consequently, interactions between the providers and consumers give room for abrupt responses on queries regarding a product or a service. The effectiveness of the theory is based on its ability to reduce additional expenses when carrying out marketing of products or services. When a firm manages to reduce its transaction costs, it is bound to grow as it will have enough capital to expand its activities. The theory contributes to the study as it informs of the need of a firm to adopt a marketing strategy that reduces its transaction costs. When a firm adopts email marketing strategy, it attains wider coverage in terms of the number of customers without incurring added costs. High number of client builds the volume of offers which positively affects the development of the firm.

Expectation Confirmation Theory

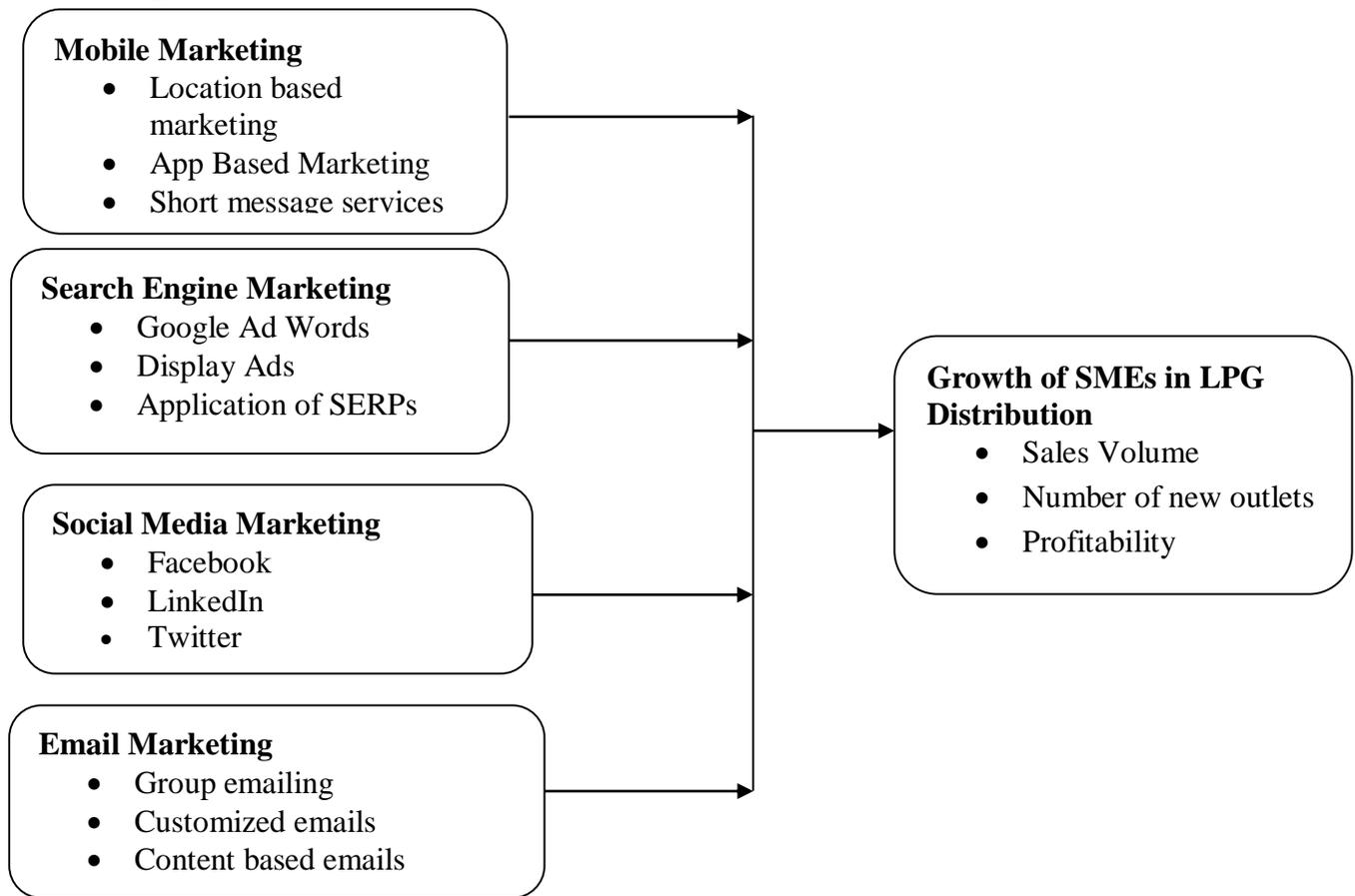
The theory was proposed by Bhattacharjee (2001) as a means of anticipating and understanding persistence objective towards the directions of new technology users. According to the theory, the intention of consumers on frequent usage of a service is greatly influenced by the individuals' level of satisfaction which is swayed by first anticipations of the consumer and the consequent feeling resulting from consuming the service. The difference between perceived performance of a service or a product and first anticipation influences the decisions of customers on whether to repurchase the product or service. In the advancement of the theory, Cicic and Halilovic (2013) argue that the existing similarity between actual performance and first anticipation affects the users' contentment

and apparent benefit. This implies that the benefit a product or a service has on the user affects his/her satisfaction which consequently defines the intention to consume more. According to Hsieh and Lin (2007), the theory opines that the decision of a customer to continue purchasing a product or a service follows a number of processes that aim at attaining the intention to repurchase. The course begins before purchasing where buyers create expectation of an administration or an item. After the utilization, customers create recognition in regard to the exhibition of the administration or an item which they relate with expectation which at first existed. As indicated by Coursaris *et al.*, (2012), the degree to which expectation of customers meets their expected performance influences levels of satisfaction. Additionally, satisfied consumers develop intention to repurchase a product while dissatisfied ones ends their repurchase intention in successive periods. In the context of the quality of the service, Klein *et al.*, (2009) asserts that the constructs that defines the expectation of consumers includes responsiveness, assurance, empathy and assurance. In the context of the current study, SMEs adopting digital marketing need to apply online platforms that encourage consumers' retention while at the same time attracting more. The online platform need to be secured, reliable, affordable, convenience and ease in the usage on the side of consumer. Additionally, when using the online platforms, firms need to include contents that will make the user to come back again for repurchases. This theory applies to the variable of social media marketing.

Resource Based View Theory

The theory was proposed by Barney (1991). The theory suggests that the internal resources held by organization influences sustenance of competitive advantage and growth of the firm. According to the theory, ownership of non-imitable, rare, non-substitutable and valuable resources contributes to firms' optimal productivity that contributes to competitive advantage. The value characteristic of a resource means that a resource should have the ability of creating a valued strategy that lessens a firm weakness or surpasses that of the competitor (Barney, 1991). Similarly, the returns acquired from the adopted value strategy must be significantly higher than the investment costs associated with the resource (Mahoney & Prahalad, 1992). The rare characteristic of a resource means that its defined price has the ability of reaching the targeted future returns. Similarly, the inimitability of a resource enables a firm to have control over the resource which serves as source of competitive advantage or sustainability. The author stipulates that when a resource highly unknown, it becomes more inimitable. According to Cooner (1992) who supported Barney's theory, there exist different types of resources that a firm can possess and includes tangible, intangible and organizational capabilities. Tangible resources comprise of technological, financial, organizational and physical assets which are easy to identify in a firm. Intangible resources comprise of practices developed by organizations over time and contribute to results improvement. They are difficult to identify and cannot be easily copied by competitors. Organizational capabilities comprise of skills and competencies used to acquire outputs as a result of combining tangible and intangible resources. Availability of resources either knowledge based, potentially value-creating, non-substitutable or imitate ensures sustainability of firms that enhances productivity. Additionally, being in possession of advanced online technology for reaching customers further contributes significantly to enhanced competitive advantage and growth. The theory contributes to the study as it informs on the need of technological advancement superior to that of competitors which enhances the growth of firms. When SMEs have advanced technologies that provide platforms for digital marketing, their chances of growth is high as they are in a position to reach many customers. The theory informs the dependent variable of the study which is growth of SMEs.

2.2 Conceptual Framework



Independent Variables

Dependent Variable

Figure 1: Conceptual Framework

Mobile Marketing

Du Plessis (2017) defines mobile marketing as the application of a wireless channel to provide existing and prospective consumers with location and time-specific, customized information that aims at promoting services and products. Fritz, Sohn and Seegebarth, (2017) adds that mobile marketing is a marketing strategy that aims at reaching prospective as well as existing customers through their smart phones. When the market is rightfully done, it provides both potential and existing customers in possession of a smart phone with real time information about a product or a service so that they can access what they need, when they need and in the form they need it. The functionality of mobile marketing comprises of ads that pop up on a mobile device and varies in terms of formats, styles and customization. Mobile marketing strategy exists in different forms. The forms include: App-based marketing (involves creation of ads that appear on an app), in-game mobile marketing (mobile ads that appear in mobile game consoles in form of a full page image ad, banner pop ups or video), location based marketing (Ads that appear on a person’s mobile device in respect to the person’s location relative to a specified are of a business operation), mobile search ads (Inbuilt mobile ads for Google search and appears as extension) and Short Message Service (Entails capturing a mobile phone users number and sending promotional messages in form texts) (du Plessis, 2017). The effectiveness of mobile marketing calls for concise

understanding of the target audience and designing mobile content while considering the target platform (Fritz, Sohn & Seegebarth, 2017). The contents should be concise and clear for easier accessibility and readability by the mobile user. Additionally, the application on which the content is created should be versatile and compatible with mobile devices. The use of mobile marketing bears the advantages of reaching wider markets, provision of instantaneous results, easiness in working with the platform, convenient in usage and provides grounds for tracking responses of the target market. These advantages enable a firm to grow through accessing large number of customers at relatively lower costs or no costs at all (Fritz, Sohn & Seegebarth, 2017).

Search Engine Marketing

Search Engine Marketing (SEM) refers to paying of advisement in internet search engines where business entities purchase keywords and when an internet user queries the search engine while using the keyword, the advert of the business appears adjacent to the listings of search results (Chong *et al.*, 2010). According to Cronin (2014), workings of search engine marketing is based on the aspect of pay-per-click (PPP) implying that a business entity makes payments for their adverts only and only if they are clicked by the internet users. This further implies that if an advert appears as a part of results of a search and the user does not click on it, the advertising firm incurs no costs. Smith and Chaffy (2010) asserts that SEM have enabled many organizations to attain high rankings in search engines such as Google, generate leads on sales, enhance their online presence in business and intensify their performance in marketing. Additionally, search engine marketing gives firms an opportunity of creating plans and solutions that attracts prospective customers of their services and products thus enabling them to gain higher representation in the market (Smith & Chaffey, 2010). Louis and Bharat (2014) established that search engines act as enhancers of a firm's growth as they give a firm an opportunity to reach wide range of customers thus generating more revenues from sales.

According to Enge *et al.*, (2012), SEM additionally enhances the presence of a firm's website in a search engine. When a firm's website attains high rankings on a search engine, the website appears on the top list of a web search which enhances the likelihood of been viewed and visited. In order to attain higher sales, search engine marketing avails various techniques such as increasing search links from different websites to a firm's website, reorganizing the organization and structure of a firm's website, provisions for website content editing, and changes of coding (Shih *et al.*, 2013). All these techniques ensure that a firm's website is highly ranked which increases its chances of being viewed thus promoting the levels of sales of products and services which enhances the growth of the firm.

Social Media Marketing

Developments in technologies have not only posed challenges in the operations of SMEs, but also generated exiting new opportunities that allows the enterprises to engage in businesses and ventures that are profitable. In the attempt of gaining growth, SMEs face constraints and pressures due to limitations in resources such as skilled manpower, finances and advanced technologies that are crucial due to prevailing environmental changes in business particularly on demands from customers (Pergelova *et al.*, 2011). The prevailing business environment has forced small enterprises to embrace social media marketing strategy as an opportunity to reach many customers who will enhance the growth of the enterprises. Chaffey and Smith (2015) defines social media marketing as a marketing strategy that entails uplifting the customer's communications on availability of goods or services on a firm's social media platforms or own website. The strategy

is considered as one of the most crucial strategy in digital marketing as firms can make use of social media platforms to air their marketing messages to their existing as well as prospective consumers without incurring any cost on distributing or publishing of the message. Business enterprises that have been in existence for a long time make use of social media such as Twitter for promoting their products and services and offering real time response to customers' complaints. Availability of social media platforms with large number of viewers enables firms to reach many customers thus widening their market coverage. Platforms such as YouTube that records more than 4 billion views on daily basis provides businesses with free platforms for advertising which enhance the growth of the business.

Kimani (2012) on the hand notes that with more than 2.32 subscribers on Facebook, business have a chance of widening their market coverage through the platform. The emergence of social media marketing has increased the productivity and effectiveness of both owners of business enterprises such as SMEs and customers in providing and receiving services respectively. According to Laroche *et al.*, (2012), channels of social media in the present societies are being used to connect people and businesses by the use of internet. From business and marketing perspective, social media marketing provides numerous opportunities for business enterprises to promote their services, products and brands. This is enhanced by freedom and personal autonomy that is offered by the internet since there is a continuous establishment of connections between individuals who share experiences and opinions pertaining to services and products they have experienced. Globally, social media and sites for networking have rapidly increased and gained popularity and have changed the means of conveying information thus making it easy to digest and share information through the internet (Khemakhem & Akrimi, 2012).

Email Marketing

Kirkpatrick (2012) defines email marketing as the usage of emails in sending promotional messages to the users of internet to create awareness on availability of a firm's services and goods. The technique is considered as one of the most effective and efficient method of digital marketing. According to Kirkpatrick (2012), the target recipients of the emails need to have agreed to receive the emails. Most of the recipient's emails are bought by the firm from a list of addresses possessed by third parties having been compiled from surveys, competitors. Additionally, the emails can be acquired when a customer is registering for a different service and he/she has given consent on the usage of his/her email address for the purposes of marketing (Anna & Ken, 2013). Goliger, (2014) asserts that the successive nature of email marketing is normally assessed on three dimensions: the number of users accessing and opening the sent e-mail, the number of these users who read the contents of the email by clicking on the provided link that directs the user to the firm's website and the number of users who finally buys the product or a service or ends up registering to receive associated emails. The assessments are respectively referred to as Click-Through Rate (CTR), Opening Rate (OR) and Conversion Rate (CR). Past studies shows that click through rate is higher when a company's name is used on the subject line than when failing to mention it at all (Miller, 2013). Application of email marketing aims at promoting firm's website which calls for addition of firm's address in each of the email sent in order to increase the traffic which culminates to more viewing. When a firm follows the general guidelines for email marketing, their applications may not be good enough as some recipient may opt to unsubscribe irrespective of the professional nature of the email. Anna and Ken (2013) points that a firm should focus on monitoring closely the number of un-subscriptions and response rate in order to discover the effectiveness of email

marketing. This gives a firm the chance to improve and enhance its future email marketing strategies. Successful email marketing campaigns results to a firm increasing its levels of incoming emails on enquiries and feedback which in one way or the other increases the number of target customers. Goliger, (2014) advocates for abrupt response on received enquiries and feedback from customers to increase the effectiveness of the marketing strategy.

Growth of SMEs

The growth of an SME can be assessed in various ways including the amount of sales, turnover, number of employees, amount of profit and the number of outlets in a specific period of time. According to an enterprise growth is reflected through increased sales, product improvement, increased share in the market and changes in product line such as introducing new products in the market. An enterprise growth is depicted by its capacity to increase in size and expansion of activities which may lead to increased sales resulting to increased profits. Additionally, the growth of a firm contributes to enhanced economies of scale, improvement in the future profitability and enhanced market value. In the past, most SMEs in the country has been experiencing limitation in growth due to constraints such as inadequate finances, inappropriate marketing strategies, and lack of skills necessary to run the SME effectively. There have been increased financial access to the SMEs from financial institutions and other bodies bestowed with the responsibilities of funding small enterprises such as Youth Enterprise Development Fund. Additionally, majority of owners of SMEs have taken initiatives of acquiring skills through training for efficient running of their business. To ensure that there is wider coverage of markets, SMEs have taken the initiatives of adopting marketing strategies that enhance accessibilities of customers asserts that digital marketing strategies have served as one of the most cost effective means of marketing amongst many small businesses. The mostly adopted strategies include mobile marketing, social media marketing, email marketing and search engine marketing. Most of the SMEs have internet accessibility and are present in most of the social media platforms where they interact with customers. Social media platforms such as Facebook, Twitter, and LinkedIn provide avenues for interactions between SMEs owners and customers. Through the platforms, SMEs further search for prospective customers. Consequently, marketing strategy such as mobile marketing enables faster accessibility and response to customers on queries related products and services.

3.0 RESEARCH METHODOLOGY

The study adopted a descriptive research design and targeted 895 SMEs in LPG circulation in Nairobi County according to Nairobi County, Trade and Licensing Department (2017) and distributed across 17 constituencies that make up Nairobi County. This study applied Fishers sampling formula (Mugenda & Mugenda, 2013) in determining a sample of 268 SMEs. The unit of observation comprised of representatives of each of the SMEs. The study used questionnaires with open and close ended questions to collect data. Inferential and descriptive statistics was used to analyse data. Results of the analysis were presented by use of tables and figures. The study used the following regression model:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$. Where Y = Growth of SMEs in LPG distribution, X_1 = Mobile Marketing, X_2 = Search Engine Marketing, X_3 = Social Media Marketing, X_4 = Email Marketing, β_0 = Regression Constant or Intercept, $\beta_1, \beta_2, \beta_3$ and β_4 = coefficients of various independent variables and ϵ = blunder term thought to be regularly disseminated with a zero change.

4.0 RESULTS

The study administered 268 questionnaires where 214 questionnaires were filled and returned. This gave a response rate of 79.9% which was inside what Nachmias (2012) endorsed as a critical reaction rate for statistical analysis and established at a minimal value of 50%.

Descriptive statistics and Analysis

The study used means percentages and mean standard deviations to present the study findings. The study rated the responses from a scale of 1-5 and presented the mean response per statement for all the study variables.

Mobile Marketing

The research wanted to establish the effects of mobile marketing on the growth of SMEs in LPG distribution in Nairobi County, Kenya. The respondents were asked to indicate their level of agreement relating to various statements on mobile marketing. The findings were as illustrated in Table 1.

Table 1: Agreement with Statements on Mobile Marketing

Statements	Mean	Std. Dev.
Our SME uses location based marketing to inform customers on our location and products we offer	3.832	0.867
We have a mobile app for marketing our products	4.103	0.743
Our app is compatible with most of mobile phone devices which enhances wide coverage of customers	2.547	1.262
We have a short message service for reaching our customers	3.981	0.799
Our SME ensures timely sending of messages to our customers on availability of products.	4.346	0.680
Our SMEs has a team that ensures timely responses on customers queries	3.313	1.035
Our SME contacts both existing and prospective customers directly to inform them on the availability of our products	4.149	0.797
Use of app based and location based marketing has widened our market share	3.579	0.904

From the findings, the respondents agreed that their SME ensures timely sending of messages to their customers on availability of products as shown by a mean of 4.346, that their SME contacts both existing and prospective customers directly to inform them on the availability of their products as shown by a mean of 4.149 and that they have a mobile app for marketing their products as shown by a mean of 4.103. These findings are in line with Jain (2014) who found that small and medium enterprises that had adopted mobile marketing were able to create marketing leads and sales, improved awareness of brands, increased customer reachability, gained insights on customers, enhanced customer engagements and improved productivity. Further the respondents agreed that they have a short message service for reaching their customers as shown by a mean of 3.981, that their SME uses location based marketing to inform customers on their location and products we offer as shown by a mean of 3.832 and that Use of app based and location based marketing has widened their market share as shown by a mean of 3.579. However, the respondents were neutral on the fact that their SMEs has a team that ensures timely responses on customers queries as shown by a mean of 3.313 and that their app is compatible with most of mobile phone devices which enhances wide coverage of customers as shown by a mean of 2.547. These findings concur with Wanjuki (2014) findings who found that mobile marketing positively impacted

the levels of customer service in the bank and consequently enhanced visibility of the bank's products and increases awareness of the available products and services.

Search Engine Marketing

The research sought to evaluate effects of search engine marketing on the growth of SMEs in LPG distribution in Nairobi County, Kenya. The respondents were asked to indicate their level of agreement with various statements on search engine marketing. The findings were as presented in Table 2.

Table 2 : Agreement with Various Statements on Search Engine Marketing

Statements	Mean	Std. Dev.
Our SME uses Goggle Ads in marketing our products	2.869	0.651
Our SME uses display Ads in marketing our products	4.276	0.592
We enhance our search engine result pages by paying for advertisement	3.953	0.780
Our SME have an established website to increase our online presence	3.318	0.960
We recognize the importance of SEM and we apply it in marketing our products	4.168	0.613
SEM marketing raises our levels of competition in the digital marketing	3.645	0.695
Through the use of keywords in our website, it appears amongst the first four in a search which increases the visibility of our products.	3.608	0.947

As per the findings, the respondents were in agreement with statements that their SME uses display Ads in marketing their products as illustrated by a mean of 4.276, that they recognize the importance of SEM and they apply it in marketing their products as illustrated by a mean of 4.168, that they enhance their search engine result pages by paying for advertisement as illustrated by a mean of 3.953, that SEM marketing raises their levels of competition in the digital marketing as illustrated by a mean of 3.645 and that through the use of keywords in their website, it appears amongst the first four in a search which increases the visibility of their products as illustrated by a mean of 3.608. However, the respondents were neutral on the fact that their SME have an established website to increase their online presence as illustrated by a mean of 3.318 and that their SME uses Goggle Ads in marketing their products as illustrated by a mean of 2.869. These findings are in line with Smith and Chaffy (2010) who asserts that SEM have enabled many organizations to attain high rankings in search engines such as Google, generate leads on sales, enhance their online presence in business and intensify their performance in marketing. Additionally, search engine marketing gives firms an opportunity of creating plans and solutions that attracts prospective customers of their services and products thus enabling them to gain higher representation in the market.

Social Media Marketing

The research sought to find out how social media marketing affects the growth of SMEs in LPG distribution in Nairobi County, Kenya. Hence, the respondents were asked to indicate their level of agreement with various statements on social media marketing. The results were as illustrated in Table 3.

Table 3: Agreement with Various Statements on Social Media Marketing

Statements	Mean	Std. Dev.
We have a Facebook page for advertising our products	4.393	0.754
We post our range of products to various Facebook pages to enhance our customer reachability	3.981	0.799
We follow numerous Facebook pages which has many followers where we post our products	3.930	0.845
We have a LinkedIn profile where we have indicated our range of products	2.790	1.056
The LinkedIn page offers directions of our locations to potential customers	2.626	0.485
We have a twitter account for our SME	4.084	0.873
Our SME have active employees who provide replies on all our social media platforms.	3.252	0.686

The findings show that respondents agreed with the statements that they have a Facebook page for advertising their products as shown by a mean of 4.393, that they have a twitter account for their SME as shown by a mean of 4.084, that they post their range of products to various Facebook pages to enhance their customer reachability as shown by a mean of 3.981 and that they follow numerous Facebook pages which has many followers where they post their products as shown by a mean of 3.930. Nevertheless, the respondents were neutral on the fact that their SME have active employees who provide replies on all their social media platforms as shown by a mean of 3.252, that they have a LinkedIn profile where they have indicated their range of products as shown by a mean of 2.790 and that the LinkedIn page offers directions of their locations to potential customers as shown by a mean of 2.626. These findings conform to Kimani (2012) who notes that with more than 2.32 billion subscribers various social media platforms, business have a chance of widening their market coverage through the platform. The emergence of social media marketing has increased the productivity and effectiveness of both owners of business enterprises such as SMEs and customers in providing and receiving services respectively.

Email Marketing

The study sought to examine the effects of email marketing on the growth of SMEs in LPG distribution in Nairobi County, Kenya. The respondents were asked to indicate their level of agreement relating to various statements on email marketing. The findings were shown in Table 4. The results shows that respondents were in agreement with statement that they send customized emails to their customers and potential ones as shown by a mean of 4.393, that they have an automatic email which sends notifications to emails in their possession about updates on their products as shown by a mean of 4.346, that customization of emails increases their product reachability as shown by a mean of 3.981 and that they have a list of emails which they use to source for more contacts to promote their product as shown by a mean of 3.696. Moreover, the respondents agreed with the statements that they send emails containing direct and to the point on information about their products as shown by a mean of 3.636 but were neutral on the fact that they have a customized email address which they use to send group emails to their customers and potential customers as shown by a mean of 2.780. These findings are in line with Goliger, (2014) who asserts that the successive nature of email marketing is normally assessed on three dimensions: the number of users accessing and opening the sent e-mail, the number of these users who read the contents of the email by clicking on the provided link that directs the user to the

firm’s website and the number of users who finally buys the product or a service or ends up registering to receive associated emails.

Table 4: Agreement with various Statements on Email Marketing

Statements	Mean	Std. dev.
We have a customized email address which we use to send group emails to our customers and potential customers	2.780	0.746
We send emails containing direct and to the point on information about our products	3.636	1.015
We send customized emails to our customers and potential ones	4.393	0.754
Customization of emails increases our product reachability	3.981	0.799
We have an automatic email which sends notifications to emails in our possession about updates on our products.	4.346	0.680
We have a list of emails which we use to source for more contacts to promote our product	3.696	0.586

Growth of SMEs in LPG Distribution

The study sought to establish the extent to which digital marketing have contributed to the growth of SME in terms of sales volume, number of customers and profitability. First, respondents were asked to indicate the percentage increase in their sales per year as a result of applying digital marketing strategies. The findings were as shown in Figure 2. From figure 2, 35% of respondents indicated that the percentage increase in their sales per year as a result of applying digital marketing strategies was between 20 to 40%, 30.8% indicated an increase of between 41 to 60% , 22.9% indicated an increase of below 20% while 11.2% indicated an increase of more than 60%. These findings are in line with Anna and Ken (2013) who points the adoption of digital marketing strategies has contributed significantly to the growth of SMEs as most of them are able to access and cover wide market area. Note that accessibility of widened markets increases the volume of sales which bears a positive effect on the growth of a firm.

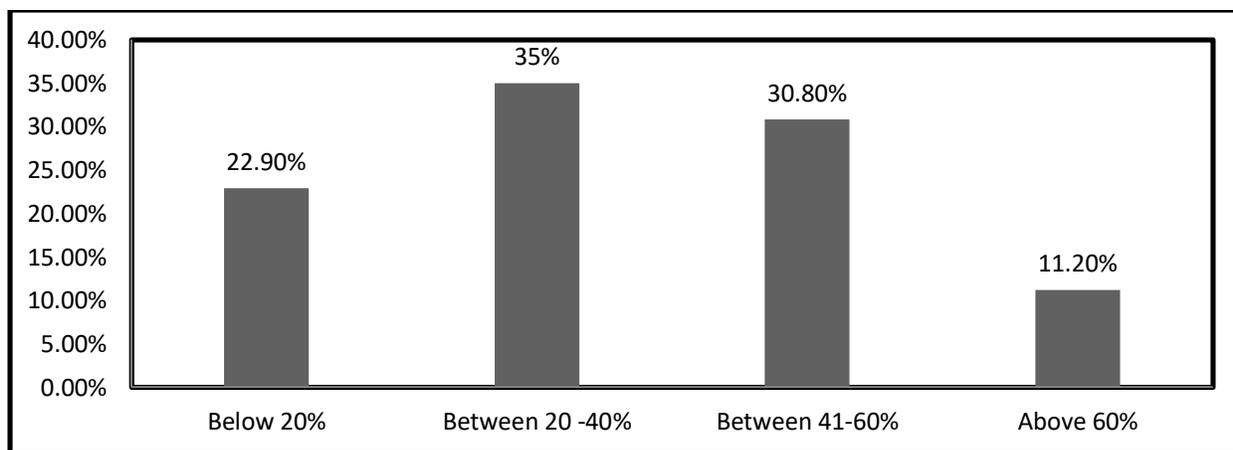


Figure 2: Percentage Increase in Sales per Year

Secondly, the respondents were asked to indicate the percentage increase in the number of customers per year as a result of applying digital marketing strategies. The findings were as shown in Figure 3. The results shows that 42.5% of the respondents indicated the number of their customers increased by 21 to 30%, 28% indicated an increase of between 10 to 20%, 16.8%

indicated an increase of less than 10% while 12.6% indicated an increase by more than 30%. These findings concur with Goliger, (2014) who asserts that to ensure that there is wider coverage of markets, SMEs have taken the initiatives of adopting marketing strategies that enhance accessibilities of customers asserts that digital marketing strategies have served as one of the most cost effective means of marketing amongst many small businesses.

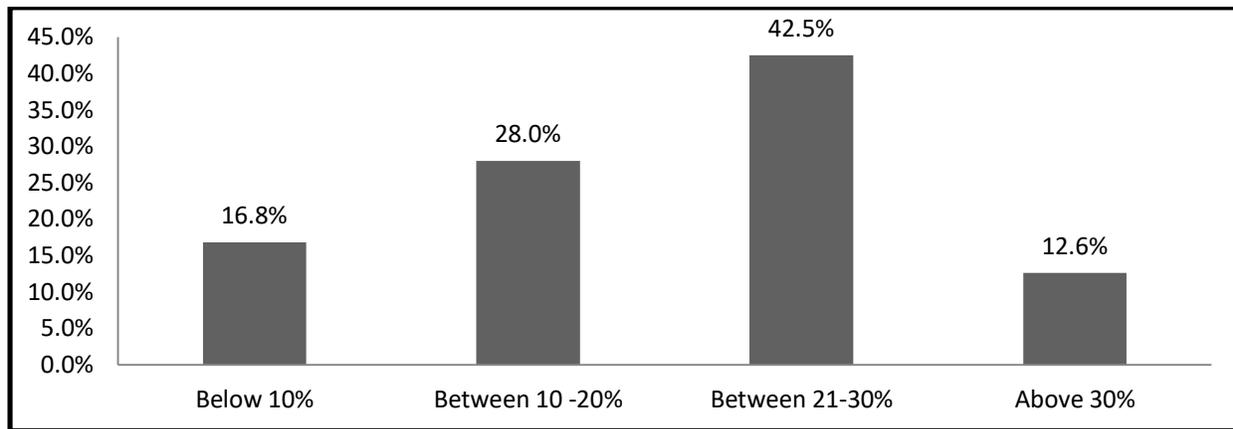


Figure 3: Percentage Increase in the Number of Customers per Year

The respondents were also asked to indicate the profit realized by their SME per month as a result of applying digital marketing strategies. The findings were as illustrated in Figure 4. The results show that 45.3% of respondents indicated that profit realized by their SME per month as a result of applying digital marketing strategies was between Kshs. 20,000 to 40,000, 32.2% indicated a profit of Kshs. 41,000 to 60,000, 14% indicated a profit of below Kshs. 20,000 while 8.4% indicated a profit of more than Ksh. 60,000. This is an indication that most of the SMEs have realized more profits after application of digital marketing strategies. These findings are in line with Anna and Ken (2013) who points the adoption of digital marketing strategies has contributed significantly to the growth of SMEs as most of them are able to access and cover wide market area. Note that accessibility of widened markets increases the volume of sales which bears a positive effect on the growth of a firm.

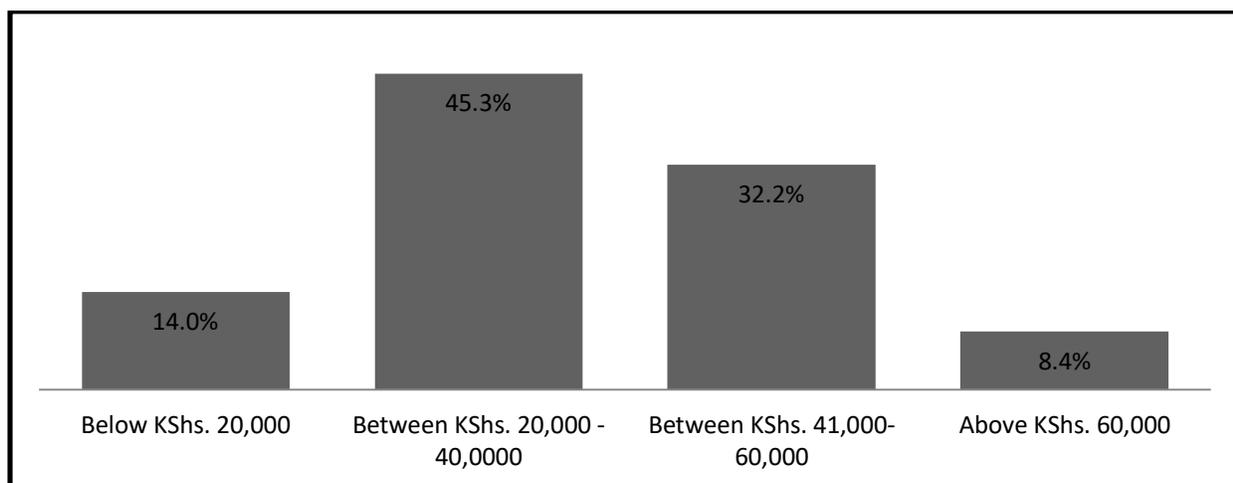


Figure 4: Profit Realized by Respondents' SME per Month

Regression Analysis

Regression analysis is applied when the study aims at establishing if a variable (independent) predicts another variable (dependent). This study sought to establish effects of digital marketing on the growth of SMEs in LPG distribution in Nairobi County, Kenya.

Table 5: Model Summary

Model	R	R Squared	Adjusted R Square	Std. Error of the Estimate
1	0.880	0.775	0.771	0.720

From the findings, the value of R is .880 indicating that there exist a strong relationship between the independent variables (mobile marketing, search engine marketing, social media marketing and email marketing) and dependent variable of the study (growth of SMEs in LPG distribution). The results further show that the variables were statistically significant in predicting the dependent variable since R square was 0.775. This implied that 77.5% variations in growth of SMEs in LPG distribution in Nairobi County, Kenya are explained by mobile marketing, search engine marketing, social media marketing and email marketing. Other institutional factors influencing growth of SMEs in LPG distribution in Nairobi County, Kenya that were not covered in this study accounted for 22.5% which form the basis for further studies.

Table 6: ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	378.098	4	94.525	179.902	.000
	Residual	109.813	209	0.525		
Total		487.911	213			

From the ANOVA Table, p-value was 0.000 and F-calculated was 179.902. Since p-value was less than 0.05 and the F-calculated was greater than F-critical (2.4140), then the regression relationship was significant in determining how mobile marketing, search engine marketing and social media marketing and email marketing influenced growth of SMEs in LPG distribution in Nairobi County, Kenya.

Table 7: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.971	0.387		2.509	.014
Mobile marketing	0.856	0.407	0.732	2.103	.039
Search engine marketing	0.726	0.312	0.656	2.327	.022
Social media marketing	0.672	0.286	0.588	2.350	.021
Email marketing	0.778	0.309	0.677	2.518	.014

The regression equation above has established that taking (mobile marketing, search engine marketing, social media marketing and email marketing), growth of SMEs in LPG distribution in Nairobi County, Kenya will be 0.971. The findings of the study revealed that Mobile marketing positively and significantly correlates with growth of SMEs in LPG distribution as shown by a beta coefficient of and $0.019 < 0.05$ level of significance. This implies that an increase in one unit of Mobile marketing leads to an increase of 0.856 units in growth of SMEs in LPG distribution in Nairobi County, Kenya. These findings are in line with Jain (2014) who did a study on influence of mobile marketing on the growth of SMEs businesses in India and found that small and medium enterprises that had adopted mobile marketing were able to create marketing leads and sales,

improved awareness of brands, increased customer reachability, gained insights on customers, enhanced customer engagements and improved productivity. The findings also revealed that search engine marketing positively and significantly correlates with growth of SMEs in LPG distribution as shown by a beta coefficient of 0.726 and $0.02 < 0.05$ level of significance. This implies that an increase in one unit of search engine marketing leads to an increase of 0.726 units in growth of SMEs in LPG distribution in Nairobi County, Kenya. The variable was significant since 0.02 is less than 0.05. These findings correlate with those of Cronin (2014) who argues that workings of search engine marketing is based on the aspect of pay-per-click (PPP) implying that a business entity makes payments for their adverts only and only if they are clicked by the internet users. This further implies that if an advert appears as a part of results of a search and the user does not click on it, the advertising firm incurs no costs. The findings also revealed that Social media marketing positively and significantly correlates with growth of SMEs in LPG distribution as shown by a beta coefficient of 0.672 and $0.028 < 0.05$ level of significance. This implies that an increase in one unit of Social media marketing leads to an increase of 0.672 units in growth of SMEs in LPG distribution in Nairobi County, Kenya.

These findings concur with Chaffey and Smith (2015) who defines social media marketing as a marketing strategy that entails uplifting the customer's communications on availability of goods or services on a firm's social media platforms or own website. The strategy is considered as one of the most crucial strategy in digital marketing as firms can make use of social media platforms to air their marketing messages to their existing as well as prospective consumers without incurring any cost on distributing or publishing of the message. The findings further revealed that email marketing positively and significantly correlates with growth of SMEs in LPG distribution as shown by a beta coefficient of 0.778 and $0.015 < 0.05$ level of significance. This implies that an increase in one unit of email marketing leads to an increase of 0.778 units in growth of SMEs in LPG distribution in Nairobi County, Kenya. The findings concur with Anna and Ken (2013) who points that a firm should focus on monitoring closely the number of un-subscriptions and response rate in order to discover the effectiveness of email marketing. This gives a firm the chance to improve and enhance its future email marketing strategies. Successful email marketing campaigns results to a firm increasing its levels of incoming emails on enquiries and feedback which in one way or the other increases the number of target customers.

The established model for the study was:

$$\text{Growth of SMEs} = 0.971 + 0.856(\text{Mobile marketing}) + 0.726(\text{Search engine marketing}) + 0.672(\text{Social media marketing}) + 0.778(\text{Email marketing})$$

Overall, mobile marketing had the greatest influence on growth of SMEs in LPG distribution in Nairobi County, Kenya followed by email marketing, then search engine marketing while social media marketing had the least influence on the growth of SMEs in LPG distribution in Nairobi County, Kenya. All the variables were significant since their p-values were less than 0.05.

5.0 CONCLUSION AND RECOMMENDATION

5.1 Conclusions

The study concluded that mobile marketing affects growth of SMEs in LPG distribution in Nairobi County, Kenya significantly. Most of SME ensures timely sending of messages to their customers on availability of products and contacts both existing and prospective customers directly to inform them on the availability of their products. SMEs also have a mobile app for marketing their

products and a short message service for reaching their customers. Most of SMEs use location based marketing to inform customers on their location and products they offer and that use of app based and location based marketing has widened their market share. The study concluded that search engine marketing positively and significantly affects the growth of SMEs in LPG distribution in Nairobi County, Kenya. It was clear that most of SME uses display Ads in marketing their products, recognize the importance of SEM and apply it in marketing their products and enhance their search engine result pages by paying for advertisement. The study also found that SEM marketing raises their levels of competition in the digital marketing and through the use of keywords in their website, it appears amongst the first four in a search which increases the visibility of their products.

The study also concluded that social media marketing affects the growth of SMEs in LPG distribution in Nairobi County, Kenya positively and significantly. Most of SMEs have a Facebook page and twitter account for advertising their products in which they post their range of products to enhance their customer reachability. Most of SMEs also follow numerous Facebook pages which has many followers and post their products. They also have active employees who provide replies on all their social media platform. The study concluded that email marketing positively and significantly affects growth of SMEs in LPG distribution in Nairobi County, Kenya. It was clear that most of SMEs send customized emails to their customers and potential ones, have an automatic email which sends notifications to emails in their possession about updates on their products. The study deduced that customization of emails increases SMEs product reachability. The study also found that SMEs have a list of emails which they use to source for more contacts to promote their product and that most of SMEs have a customized email address which they use to send group emails to their customers and potential customers.

5.2 Recommendations

The study recommends that management of SMES in LPG distribution should focus on enhancing their mobile marketing strategies since the practice has a positive effect on the growth of SMEs. They can achieve this by using location based marketing to inform customers on their location and products they offer, having a mobile app for marketing their products, having a short message service for reaching customers, ensuring there is timely sending of messages to our customers on availability of products and contacting both existing and prospective customers directly to inform them on the availability of products. The study recommends that the management of SMES in LPG distribution should focus on advancing their search engine marketing strategies since the practice has a positive effect on the growth of SMEs. This can be achieved through display Ads in marketing their products, enhancing their search engine result pages by paying for advertisement, recognizing the importance of SEM and applying it in marketing their products, using SEM marketing to raise their levels of competition in the digital marketing and using keywords in their website which makes it appears amongst the first four in a search which increases the visibility of products. The study further recommends that the management of SMES in LPG distribution should emphasize on email marketing strategies since the practice has a positive effect on the growth of SMEs. This can be achieved through sending emails containing direct and to the point on information about products to customers, sending customized emails to customers and potential ones, customizing emails to increase product reachability, having an automatic email which sends notifications to emails in their possession about updates on products and having a list of emails to be used in sourcing for more contacts to promote product. The study finally recommends that the management of SMES in LPG distribution should capitalize on social media

marketing strategies since the practice has a positive effect on the growth of SMEs. The management can achieve this by having a twitter and Facebook page for advertising their products, posting range of products to various Facebook pages to increase customer reachability, following numerous Facebook pages which has many followers where they post products and having active employees who provide replies on all their social media platforms.

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