EFFECT OF ENTREPRENEURIAL MARKETING STRATEGIES
ON PERFORMANCE OF MICRO AND SMALL ENTERPRISES
(MSEs) IN KENYA

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ABSTRACT

Purpose: Due to instability in the business environment organizations are forced to use approaches that are not standard. The study aimed at establishing the effect of EM strategies on performance of MSEs in Kenya. The study was guided by the following specific objectives; to explore the influence of Buzz marketing on performance of MSEs in Kenya, to ascertain the effect of Guerilla on performance of MSEs in Kenya, to determine the influence of new product marketing strategy on performance of MSEs in Kenya and to establish the impact of e-commerce on performance of MSEs in Kenya.

Methodology: A descriptive survey design was adopted. The study targeted 20,000 MSEs. Managers were targeted in the MSEs. The study used a sample of three hundred and twenty nine. The sample was selected using simple random sampling. Semi-structured questionnaires were applied in gathering of data. The researcher administered the questionnaires to the respondents and research assistants helped in the task. Analysis of the data collected was performed using SPSS version 23. Descriptive statistics data analysis methods such as frequencies, means were applied to analyze numerical data gathered using closed ended questions. The study carried out a correlation analysis to measure the strength of the association of the variables being investigated. A multiple regression analysis was conducted to find how the study variables relate.

Results: It was found that buzz marketing, guerilla marketing, new product marketing strategy and e-commerce marketing significantly and positively relate with performance of MSEs in Kenya.
Recommendations: The study recommends management of MSEs to implement buzz marketing technique in their businesses this will help them overcome advertising clutter also the management should come up with different effective techniques that will create buzz in the market; MSEs should do their market research to help them come up with effective new product marketing strategies that will help them diversify target customer ranges and expand into new market segments especially before they introduce a new product to the market; and the government should have regular workshops where they teach MSE owners on various e-commerce and their advantages and also help them understand how they can apply them in their businesses.

Key Words: Buzz Marketing, Guerilla, New Product Marketing Strategy, E-Commerce And Performance Of MSEs

INTRODUCTION
Entrepreneurial Marketing (EM) is the adoption theories that are concerned with marketing requirements of a particular business (Becherer, Haynes & Fletcher 2011). Kraus, Harms and Fink (2010) explained that EM is the activity of marketing while maintaining the mind set of an entrepreneur, without focusing on the age or the size of the company, its agreed that the idea best suit small businesses (Jones & Rowley, 2011). EM puts into consideration the requirement of having approaches that are creative to acquisition by consumers, retention, and development. Decisions to be made in regard to customer investment and the levels of customization are what guide the estimates of value of customers and their equity (Morris Schindehutte & LaForge, 2014). EM captures the interface of entrepreneurship and marketing and also it joins both the effect of entrepreneurial and market orientations (Morris, Schindehutte, & LaForge, 2014). It is very important especially for small businesses to align their company entrepreneurial orientation and market orientation because they have limited resources and because it results to improved performance. Because of the increasing competition and technological change there has been creation of an environment with high levels of uncertainty in terms of level of market and technology (Li, Liu, & Zhao, 2006).

Micro and Small Enterprises (MSEs)
MSEs have been applied by various organizations including, EU, World Bank, WTO and UN; and the common way in which they are defined is based on the size of their employees or their yearly turnover. In Europe and USA, SMEs are defined as those businesses whose employees are not more than 50 and whose yearly turnover is less than EUR 10 million. For micro businesses, they are the ones employing staff not exceeding ten and their turnover for the year is not more than 2 million euros (Legislation, 2014). Kenyan MSEs comprise businesses employing between one and forty-nine workers; operating in all sectors of the economy. The range is wide from jua kali industry to supermarkets, transportation firms; the capital that is used in this businesses are not the same, the vary from Ksh. 10,000-5 million and the amount used is based on the kind of business (Stevenson and St-Onge, 2005).

MSEs are in four forms: service, farm, trade and manufacturing/industry. They are larger in number compared to medium and large corporate businesses, and account for more employments in most parts of the world including Kenya. This means that competition is increased, constant technology advancements as well as changes in consumer trends among others (Shiu & Walker,
2007). Some MSEs hence do better than others. Metrics or KPI’s range from kind to kind but based on things like Customer retention rates, Achieving goals, volume of online traffic, strengths, marketing, performance can be measured (Neely, 2002). Most of the time MSEs face the same problems as well as chances of growth particularly if compared to larger enterprises. The main characteristics include ease of entry and exit, the nature of the activities are not large; self-employability; less capital and equipment, competitive market that isn’t regulated; credit accessibility is limited, levels of education are low, and there is limited accessibility to services (KRA, 2007).

The Concept of Performance
Performance is a contextual idea that relates to the topic being discussed. For example, in the case of performance of an organization financially it refers to change in the state of finances of an institution or the results of the decisions made by the management and implementation of the decisions by the members of the firm (Carton, 2004). Performance is the key interest of every small and medium enterprise manager or owner. Kalleberg and Leicht (2011) came up with the following main measure of performance after studying 400 entrepreneurs. The first were the, primary performance measures (size of staff and clients, turnover sales, value of capital); the second were the proxy performance measures (i.e. businesses that are formal and registration of VAT); the third were the subjective measures (i.e. capacity of business and confidence in operating business); and he fourth were entrepreneurial performance measures (i.e. the urge to begin a business and grow and own several others).

Performance can further be identified as either financial or business performance where the financial performance is the main factor determining how a company domain is effective and ROA, ROS and ROE are some of the measures used to determine financial success. Business performance provides the measurements for those items that are related to the market like share in the market, creation of new products, growth and diversification. Those items that are associated with determining growth in existing business and those which are associated with the future position of the company are applied in measuring the success of a business (Gibcus & Kemp, 2003). In measuring the way a business performs, it’s crucial that the business comes up with measures that can be quantified by identification of the aspects of the business process which require to be improved and have the ones that work better (Molly, 2013). The main aim of performance management is to better the outcomes of the efforts put in place by the people and link them with the objectives of the company (Salem, 2003).

Entrepreneurial Marketing Strategies
Jones (2010) did a study on EM in small businesses in UK made a proposition to further develop the idea of orientation of EM. Based on researches done earlier and scales of entrepreneurial, market, as well as customer orientation literatures, proposition of the study was a conceptual model for EM identifying components like the model, and other specific indications overlapping scales in various areas. The suggestion of the model was that marketing of SMEs is linked with other undertakings of the business. It is further argued that for the purpose of clearly understanding the idea of marketing in SMEs is important to have a clear insight of the context especially relating with the involvement of clients, innovativeness and the marketing approach of the entrepreneurs. Kotler (2003) studied EM in USA and determined that entrepreneurial marketing has its basis on the way marketing practices become more formal.
Through the study, it was established that there are three various phases of marketing that a company goes through as it grows. EM is associated with the first phase where there is higher level of entrepreneurship and low formal levels. During the second phase of marketing, it becomes more formulated. In his study Kotler indicated that the small companies become successful and they their focus shifts to marketing strategies that are more formulated. Roper (2007) studied innovation of products in German, and found that the SMEs that were innovative grew fast compared to the ones that lacked innovativeness implying that fast growth can be achieved through innovativeness of products.

Hulya (2011) did a study in Turkey with the main intention of identifying the key dimensions of EM idea in boutique hotels and establish the extent to which the current marketing strategies applied by boutique hotels tend to be consistent with the approach of EM. This study drew its motivation from the fact the empirical researches done on EM with regard to the boutique hotels hasn’t received much attention in the relevant literature. The study used interview to gather data from 9 hotels in the province of Izmir in Turkey. Basing on 7 measures of EM the research tool was prepared. The study found that EM which is of great importance in boutique hotels has been embraced and used by boutique hotels. Adu, Ogunlusi & Kesinro (2016) study on EM and SMEs performance in Lagos State, Nigeria found that EM and performance of the SMEs were significantly associated (X2 = 87.35, p<0.05; Crammer V =0.72, p<0.05). Buli (2017) in a study on entrepreneurial and market orientation and the way SMEs in the manufacturing sector perform. Th study was conducted in companies in Ethiopia and it was established that performance of SMEs can be improved through the integration of entrepreneurial and market orientations this is because it will enable the enterprises to succeed in this complex and turbulent environment.

A study by Alembummah (2015) EO and growth of SMEs; a case of industry on processing of food in Ghana established that despite the company showing some level of EO, the business environment in which they operate in negatively affects their growth and success. Additionally, it was found that the SMEs in this industry are highly proactive, aggressive and innovative and also they are risk takers and when the environment lacks stability, autonomy does not exist. Kropp, Lindsay and Shoham, (2006) in a study on EM and learning orientations as well as ventures into business by international entrepreneurs’ performance in companies in SA established that performance of EBV has a positive relationship with innovative aspect of EO, a market, and learning orientation. It was also established that communications factors of EO had an inverse relationship with objective measures of performance. Mugambi and Karugu (2017) on their study on the way EM affects the way companies in real estate perform: a case of optiven limited. It was established that strategic, market and innovation orientation as well as resource leveraging were strongly associated with the way real estate enterprises performed. Janet and Ngugi (2014) studied how EM affects the growth of SMES in Kiambu town-CBD, Kenya. The study found out that the strategies of product development, pricing, promotion and distribution, and, product development were the main factors of EM which affected the growing of SMEs in Kiambu-CBD. The study recommended that managers of the businesses should apply the use of product development strategy to grow their business.
Ndegwa, Ngugi and Muturi (2017) studied on the way EM strategies affected the growth of SMEs. Their study found a strong relationship between promotion, product, pricing and distribution strategies and growth of SME water bottling firms in Kenya. SMEs should therefore leverage on low cost but effective marketing strategies to allow them to compete with large firms. The moderating influence of entrepreneurial orientation on aggregated marketing strategies also positively and significantly affected the overall change in all the marketing strategies variables and the growth rate of water bottling company. Mwangi and Bwisa (2013) studied the impacts of EM on growth of salons. The study was carried out in salons located in Kiambu. It was established that practices of EM and growth of the business were related. Majority of the businesses that used EM strategies indicated some level of growth in their business. For the individuals who practiced relationship marketing showed that the growth in their business was excellent. Despite the fact that there might be little awareness regarding EM there are some of the business owners who still make use of it without even knowing that they are practicing it and are among the individuals who experience some level of growth.

**Micro and Small (MSEs) Enterprises in Kenya**

MSEs in Kenya contribute greatly to the economy and reduce the levels of poverty through the increasing production as well as job opportunities (Kapila, 2008). The Kenyan government recognized this idea long ago. The long term development plan of Kenyan government which is the vision 2030, greatly emphasizes on the sector. The main stronghold in the 2030 vision was the growth of SMEs as a financial pillar leading to the setting up youth fund for youthful entrepreneurs. MSE’s in developed economics have been to using advanced technology to enhance competitiveness of MSE’s. In Kenya, in many cases technological information remains a challenge to adopt (KNBS, 2010). As far as recognizing and supporting SMEs is concerned the Kenyan case is not different from that of the rest of the world (Kibwana, 1995). There was less emphasis put on the sector since it was considered to be informal but since 1972 things changed with the report by ILO on the program of World Employment. Through the report, it was greatly emphasized that both the informal and the small businesses were source of jobs and income for most of Kenyans. Because of the emphasis made in the report, the plans by the government has focused considerable amount of attention to these businesses. Session Paper No.1 of 1986 and No. 2 of 1992 did highlight the advantage of the sector in strengthening the economy of the country by creation of jobs and therefore reducing poverty levels.

**Statement of the Problem**

Due to instability in the business environment organizations are forced to make use of non-standard approaches of business development and therefore there is need to have the traditional techniques applied in marketing to be changed to suite those companies that are of distant levels resources. It is very clear that under circumstances that the resources are limited, then the EM will be more effective and where the SMEs are in operation. Therefore the main focus of EM is innovativeness, management of risk, leveraging of resources, and creation of value (Becherer, Haynes & Helms, 2008). According to Aliyu, Rogo and Mahmood (2015); Junde (2014) MSEs have a crucial role to play in the development of the economy.
Further, Ediri (2014) opines that MSEs can only maintain such a position when a good number of strategies including the formulation and application of appropriate entrepreneurial marketing practices are put in place at the right time and in the right proportion to exert positive effect on performance. For example, out of all employment opportunities in European Union 67.1% are contributed by MSEs, also MSEs contribute 57.5% of the value added generated within the EU’s non-financial business economy (Eurostat, 2015). For the case of Kenya, SMEs are very significant drivers of the economy since contribute more than 60% of GDP (RoK, 2014). SMEs are becoming more important in driving the growth of the economy in any given country; they contribute 70% of GDP and they make up 90% of the private sector. They lead to sustainable creation of employment approximating to 2.5 million, and therefore bettering the lives of the people and also lead to stability both economically and socially (Hatega, 2007). MSEs are also becoming of great importance in the economy of Kenya; if the abilities of marketing can be improved as well as their viability then then their success will translate to increased performance and therefore promoting the growth of the economy. However many MSEs fail in their initial stages, so it is important to establish the effect of entrepreneurial marketing strategies on performance of MSEs in Kenya.

Research Objectives

i. To explore the influence of Buzz marketing on performance of MSEs in Kenya.
ii. To ascertain the effect of Guerilla marketing on performance of MSEs in Kenya.
iii. To determine the influence of new product marketing strategy on performance of MSEs in Kenya.
iv. To establish the impact of e-commerce marketing on performance of MSEs in Kenya.

LITERATURE REVIEW

Theoretical Review

Kirzner’s ‘Alert’ Theory of Entrepreneurship

The focus of Kirzner (1967) was to answer the question of whether marketing economy does work and if it works, what processes will result to economic equilibrium. The claim by Kirzner is that the initial state of the economy is not at equilibrium and that competition among those entrepreneurs who are alert is what results to equilibrium. Kirzner made a realization about the market that it’s not always clear. All the representative agents are not well informed and in order for change to take place, there is need for incentives by entrepreneurs which is sourced from various agents in terms of knowledge as well as information (Gunning, 1992). Kirzner (1973) also indicated that improved methods of production or change in preference results to lack of equilibrium in the market where it was at equilibrium state initially. The presence of equilibrium in the market is disadvantageous to the entrepreneur because they will have nothing to do since everyone in the market will have the ability to undertake their exchange plans. Some of the planned activities will not be achieved even if the change has taken place. Kirzner (1982) indicates that entrepreneurs do not have the chance to make discoveries and be creative.
For Kirzner (1993) clear comprehension of the importance of the duty of entrepreneurs is of great importance in getting a clear insight on the way errors are being rectified in the market and also clearly comprehending the importance alertness is crucial to understand the way entrepreneurs determine the errors. Based on his explanations in a world where knowledge is necessarily dispersed and people ignore the changes that take place in the market, the entrepreneurs who are keen will discover the chances to make profits and therefore lead the market towards attaining equilibrium.

**Schumpeterian Theory of Innovation**

Schumpeter indicated that innovation is the role of an entrepreneur. It resulted to unlucky discontinuity between the orthodox microeconomics and the Schumpeterian entrepreneurship. Schumpeter was a professor at Harvard in the 1930s and 1940s and was the most influential of all. Schumpeter is regarded the one who fathered entrepreneurship and (irregular) growth theories. His importance has grown ever time and now is the time he is of great importance that before. In this current age, the most powerful players in the global market are the entrepreneurs. This is because the global market is dominated by enterprises; collective, they can be used in the main segments of the market in determining the rules of the game. The global market is expanding. There is need to have new innovations that will encourage the growth of the economy. In the world there are a billion young people (aged 15-24) majority (80%) in those countries that are developing who are in the labor industry but have minimal chances of having productive work. The UN through their 2005 World Youth Report insisted that one of the main instruments is capacity building (Schumpeter, 1949). Schumpeter (1949) referred the entrepreneurial innovations as ‘New Combinations’ (Ibid.). There was change in tradition as well as routine stifled the opinion of Schumpeter was that innovations are usually done by the newly established companies. In his theory, the entrepreneurial change in business results to a market environment that is suitable for further changes. The innovation was duplicated, applied in areas similar or that are related and transferred to other areas that are not related. Because of great duplication by entrepreneurs, these innovations have significantly transformed the economy. One of the main effects of widespread duplication was the fact that innovativeness became an event that was isolated and it wasn’t uniformly distributed and as time passed they became clustered thus was because majority of the companies followed the same innovativeness with the intent of being Ibid). An Austrian economist made a conclusion that innovation the development of capitalist economy but in by jerks and rushes. The procedure was paining procedure that was distinctive (Ibid).

**Resource Based Theory**

This theory is very influential and mostly cited in the cases on theorizing management. This theory provides explanation to the internal resources which leads an organization to the attainment of competitive advantage (Kraaijenbrink, Spender, & Groen, 2010). This theory has its foundation on Penrose (Roos, Roos, Edvinsson, & Dragonetti, 1997). The first thing that Penrose provided was explaining growth of a company logically through clarification of causal association among the resources of a company, performance and capacity of production. The main aim is to make use of resources effectively and efficiently. Her claim was that the resources under the control of a company differ significantly in companies this implies that even if companies are in the same industry they are still no homogeneous (Barney & Clark, 2007).
Wernerfelt (1984) used the perspective of a resource in analysing antecedents of products and the performance of organization and was convinced that products as well as resources are like sides of the same coin and that companies that diversified based on resources that were available and they accumulated through the behaviour of acquisition.

The literature on knowledge based of a company results in the creation of this theory of resource based because it is considered that knowledge regarding the organization of resources is the most complicated one (Alavi & Leidner, 2001). The most dominating concept of the business strategies of a company has its basis on the idea of economic rent and the perception that a firm is abilities that are combined together. The concept of the strategies has the role of integrating the places the company ahead of other decisions. Ganotakis and Love (2010) applied the use of RBT in explaining how important human resource is to entrepreneurship. Based on RBT, companies attain the competitive advantage through human capital. When a company owns some of the specific assets it enables it to have the competitive advantage. The result is that resources endowments become idiosyncratic (Peppard & Rylander, 2001). RBT indicated that for a company to attain sustainable competitive advantage they should have resources which cannot be imitated, cannot be substituted, be synergetic and be tacit in nature, (Barney, 1991). It is therefore important for managers to determine those resources that are the main determinants of performance and are of great value to their business.

**Marketing Orientation (Mo) Theory**

For the past many years, researchers have tried to establish how MO influences the way a company performs. It is the way a company reacts to the internal environment which implies the way they deal with their clients and rivals (Kumar, Jones, Venkatesan & Leone, 2001). Hills, Hultman and Miles (2008) established that the process of marketing in EM didn’t take the route of variables of traditional marketing mix which are location, price, product as well as promotions but these entrepreneurial marketers are at per with the market, the preference of clients and the vision of their business is what they constantly think of and also they think of ways in which they can better their businesses. The knowledge of the idea of marketing orientation is very crucial in the way a business performs and also of new ideas in the market (Jones & Rowley, 2011). Further, the interaction that takes place between entrepreneurship, innovation and marketing is of great importance because it implies venturing into performance (O’Dwyer, Gilmore & Carson, 2009). There are various unique views that have accrued in the literature concerning MO; MO is a culture of corporations putting the interests of customers first (Deshpande & Farley, 1998), MO is formed through the combination of orientation of both the clients and the rivals (Day, 1998) and MO as generating, disseminating, responsive, and intelligence of the market (Kohli & Jaworski 1990; Jaworski & Kohli, 1993). MO is viewed as the behaviour of an organization which helps in the development of abilities which helps in acquiring intelligence in the market, then diffusing them within the firm and providing a response through the provision of products meeting the needs of the customers which in turn leads to improved performance in the company (Tajudin, Musa & Musa, 2012). It is an added perspective of the system-based. MO is conceptualized based on various activities of the organization. The system of management is grouped in 5 subsystems; the organization, information, plan, control, and HR.
Conceptual Framework

Buzz Marketing
- Real time marketing
- Viral marketing
- Mouth-to-mouth

Guerilla Marketing
- Creative marketing
- Undercover Marketing
- Ambient Marketing

New Product Marketing Strategy
- Product Marketing Support
- Email marketing
- Trade-In Marketing

E-commerce
- Internet Marketing
- Content Marketing
- Mobile Marketing

Performance of MSEs
- Profitability
- Increased market share
- Increased sales

Independent Variables

Buzz Marketing and Performance of MSEs
Gicquel (2006), explained that buzz marketing is a method that was previously referred to as marketing on the street and its purpose to boost the product and services in the public for the purpose of developing a WOM with a focus on a huge population. Billon and Tardieu (2002) stated that buss marketing is based on WOM so as to create buzz to products. This allows the information to diffuse fast and there be mass transfer of information which is done by the customers. This type of marketing is considered to be a vector of the first communicated, interactive, which attracts the attention of the targeted customers and therefore making them the marketers of the brand. The Royal Mail (2004) did a study with the aim of determining which source of information made customers to feel very comfortable with a product. From their study they established that the top most (76%) was recommendations made by friends, it was followed by ones past experience (68%). A conclusion can therefore be made that WOM is the most effective form of advertising. This study established the effects that are brought about by organic WOM; it also indicated that it can be boosted by use of manufactured WOM also known as buzz marketing. This type of marketing intends to attract the attention of customers as well as that of the media until it reaches that point when their brand is being talked about it feels entertaining, fascinating and worth the news (Oosterwijk & Loeffen, 2005).
At the moment, buzz marketing is mostly used by marketers and it is seen to be the most appropriate substitution for traditional methods used in marketing (Oosterwijk & Loeffen, 2005).

**Guerrilla Marketing and Performance of MSEs**

Guerrilla marketing is uncommon technique to promote the activities of marketing using a while maintaining the budget minimal. This technique of marketing uses creativity as well as legal attacks which are aimed at their rivals for the purpose of maintaining their impact on their clients or even increasing it. These marketers focus on goals such as increasing profitability or growth and they try to achieve their goals by use of various promotion approach that are exceptional such as advertisements, wild post or non-traditional outside adverts vehicles (Ay, Aytekin & Nardali, 2010). Because in today’s world people confronted with several advertisements in the media and therefore it is important that a company comes up with advertising strategy that will make them stand out among the rest. This is very important especially for SMEs who have the limitation of restricted budgets and stiff external competition from large companies. Therefore the company should make sure that their marketing is profitable. The main issue that is put into consideration by the guerrilla marketers is the issue of low-cost communication. It’s relevant for small firms to apply differentiation in the techniques they use in promoting their products this will enable them to diversify themselves from their competitors; large companies have also adopted the guerrilla marketing strategies (Ay, Aytekin & Nardali, 2010). The strength of Guerrilla marketing is achieved from the power of imagination and also creativity; this makes it a hybrid strategy in marketing and it utilizes various practices that are different from the traditional ways of marketing, and by use of innovative materials and techniques achievement of optimum turnover using low cost becomes possible. This type of marketing is very powerful in improving the competitive edge of a company especially for those companies that are small and middle scale enterprises (Bigat, 2012).

**New Product Marketing Strategy and Performance of MSEs**

The development of new products help firms to diversify the range of customers being targeted and also helps the company expand into new markets. The advantage of a marketing strategy before a new product is launched in the market is that it helps connect the potential consumers of the product with the product and help them build interest and excitement on the new product. The strategy that is used should touch all the strong points and use the information of the customers to boost the brand in all ways possible. When coming up with a strategy it’s important to concentrate of the experience of the customers. It doesn’t matter whether the firm is dealing with a new product or improvements done on an already existing product, the marketing strategy assists in attracting the interest of customers. Through the combination of various marketing strategies with other digital marketing techniques assists in reaching a many people and in a short time while maintaining the cost low and resources applied minimal. A marketing strategy designed for a product is a preparation that is made for a company to use finances as well as resources, risk evaluation, and provision of time management for the newly created product before it is released to the market (Jurevicius, 2013).
E-Commerce Marketing and Performance of MSEs

E-commerce refers to any business activity that involves purchasing selling or exchange of products by use of internet (Grandon & Pearson, 2004). The main activities that are the characteristic of e-commerce are procuring, entering order, process of transactions, paying of goods and services, controlling of inventories, fulfilling of orders and supporting of clients. The business gains several advantages through transaction done electronically. Taking advantage of opportunity that’s created by e-commerce, firms use websites whose operations are at high e-commerce levels.

Commerce websites are classified in 7 various levels the ones for corporate information, information for products and services, support for clients, processing of orders made via credit cards, for ordering information, for processing purchased order, and for market places. Through this classification done by Moore's it shows that websites have different capabilities of e-commerce. It’s agreed that there are those websites that are just basic that is have the information of the company or can be advanced implying that they have the function that assist in generating sales in the market (Yao, 2004). In general e-commerce is seen as being the aspect of sales in an e-business. In addition it includes exchanging data to enable financing and also payment of the transaction. Through this, an organization can effectively and efficiently communicate and also it provides a very effective way in which business can be conducted (Chaudhury at el, 2002).

Performance of Micro and Small Enterprises

Firm specific factors include the age of SME, specific sector in the industry, the size of the enterprise, sector of operations the various sources of the strategies that SMEs use etc. Makate (2014) found that performance of MSEs was affected by specific factors of the company and other factors that are in the conduct of the structure. The study found that age of firm and marketing related variables such as grading, contracting with clients, price determination method significantly affects the performance of SMEs. As such, younger firms achieve proportionate increase in scale easier as compared to older ones. Young companies have the tendency of growing rapidly because of their dynamic management and innovativeness. A study by Chittithaworn et al (2010) on elements affecting success of Thailand’s SMEs in the manufacturing sector found that performance is significantly affected by techniques of conducting business, clients, resources, finances, and the environment. Additionally, performance is affected by legal, political and government interventions and the nature of the market which can be said to be the environmental factors. Muzenda (2014) also reached a conclusion that the external environment is related with the performance of SMEs and therefore it is important that entrepreneurs of MSEs strategically select locations that are competitive for their businesses for the purpose of sustaining competition in their market.

RESEARCH METHODOLOGY

The study used descriptive survey design. The study targeted 20,000 MSEs in Nairobi County. The study adopted Krejcie and Morgan formular to acquire a sample of 392 respondents comprising with MSEs managers as unit of observation. Primary data was collected using semi structured questionnaires and captured through a 5-point likert scale. Inferential and descriptive statistics was used to analyze data.
Results of the analysis were presented by use of tables and figures. Inferential statistics was used to establish the association between independent variables and dependent variable. Performance of micro and small enterprises (MSEs) was regressed against four variables of entrepreneurial marketing strategies (buzz marketing, guerilla marketing, new product marketing strategy and e-commerce). The regression model is as follows:

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \]

Where \( Y \) = Performance of MSEs, \( X_1 \) = Buzz Marketing, \( X_2 \) = Guerilla Marketing, \( X_3 \) = New product marketing strategy, \( X_4 \) = E-commerce Marketing, \( \beta_1, \beta_2, \beta_3, \beta_4, \beta_5 \) are regression coefficients corresponding to \( X_1, X_2, X_3, X_4 \) respectively, \( \varepsilon \) = Error term and \( \beta \) = the beta coefficients of independent variables.

RESULTS

The study administered 392 questionnaires to managers of MSEs in the County of Nairobi and 314 questionnaires were filled and returned. This represented a response rate of 80.1%.

Descriptive findings and analysis

Buzz marketing

The study aimed at establishing the level to which the respondents agree or disagree on the statements about the influence of Buzz marketing on performance of MSEs in Kenya using a scale of 1-5. The results were as shown in Table 1. The findings show that the respondents were in agreement that buzz marketing promotes effective promotions as shown by a mean of 4.410, buzz marketing helps in building trust with customers as shown by a mean of 4.369, buzz marketing allows the organization to focus on enhancing the its products as shown by a mean of 4.283, buzz marketing is the cheapest form of advertising as shown by a mean of 4.169, and in buzz marketing more customers are reached as shown by a mean of 4.121. Leila and Gharbi (2013) did a study on the effects of effective buzz marketing campaign on the image, awareness and purchasing decision. It was established that buzz marketing campaign affects purchase, image, and awareness. Because of how efficient it is, it provides direct stimuli and response to the requirements and to produce means which result to interaction of clients and brands. The basis was speech exchange.

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</tr>
<tr>
<td>In Buzz marketing more customers are reached</td>
<td>19</td>
<td>11</td>
<td>31</td>
<td>209</td>
<td>45</td>
<td>4.121</td>
<td>1.186</td>
</tr>
<tr>
<td>Buzz marketing helps in building trust with customers</td>
<td>15</td>
<td>5</td>
<td>15</td>
<td>203</td>
<td>77</td>
<td>4.369</td>
<td>1.205</td>
</tr>
</tbody>
</table>
Guerrilla marketing

The study aimed at establishing the level to which the respondents agree or disagree with statements about the effect of Guerilla marketing on performance of MSEs in Kenya using a scale of 1-5. The results were as shown in Table 2. The results reveal that they agreed that guerrilla marketing allows businesses that target same customers to collaborate; this attracts more customers as shown by a mean of 4.300, guerilla marketing helps in improving customer base as shown by a mean of 4.283, guerrilla marketing gives a unique and memorable experience of one’s business, to customers as shown by a mean of 4.234, and guerrilla marketing requires low cost as shown by a mean of 4.210. Muscat (2016) studied the impact of guerrilla marketing on consumer behavior that respondents displayed a positive attitude towards the ad, brand and purchase intention. It also concurs with Kamau (2013) who studied the impacts of guerilla marketing on development of beauty shops and found that the owners of the beauty shops applied the use of guerilla marketing in promoting their business.

Table 2: Guerrilla Marketing on Performance of MSEs

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guerilla marketing helps in improving customer base</td>
<td>10</td>
<td>11</td>
<td>21</td>
<td>218</td>
<td>55</td>
<td>4.283</td>
<td>1.258</td>
</tr>
<tr>
<td>Guerrilla marketing requires low cost</td>
<td>10</td>
<td>11</td>
<td>26</td>
<td>229</td>
<td>39</td>
<td>4.210</td>
<td>1.319</td>
</tr>
<tr>
<td>Guerrilla marketing gives a unique and memorable experience</td>
<td>14</td>
<td>5</td>
<td>31</td>
<td>214</td>
<td>51</td>
<td>4.234</td>
<td>1.225</td>
</tr>
<tr>
<td>of your business, to customers.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guerrilla marketing allows businesses that target same customers</td>
<td>9</td>
<td>15</td>
<td>5</td>
<td>237</td>
<td>49</td>
<td>4.300</td>
<td>1.389</td>
</tr>
</tbody>
</table>

New Product Marketing Strategy

The aim of the study was establishing the level to which the respondents agree or disagree with statements about the influence of new product marketing strategy on performance of MSEs in Kenya using a scale of 1-5. The results were as shown in Table 3. The findings show that respondents agreed that new product marketing strategy: helps in determining the price of the product as shown by a mean of 4.279; it is a way of introducing the product to the consumers as shown by a mean of 4.193; it identifies the market that the organization will be targeting as shown by a mean of 4.145; and it helps in determining the distribution channels as shown by a mean of 4.072. Jurevicius (2013) that a marketing strategy designed for a product is a preparation that is made for a company to use finances as well as resources, risk evaluation, and provision of time management for the newly created product before it is released to the market.
Table 3: New Product Marketing Strategy on Performance of MSEs

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>New product marketing strategy helps in determining the price of</td>
<td>13</td>
<td>11</td>
<td>11</td>
<td>227</td>
<td>53</td>
<td>4.279</td>
<td>1.323</td>
</tr>
<tr>
<td>the product</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It helps in determining the distribution channels</td>
<td>11</td>
<td>19</td>
<td>38</td>
<td>217</td>
<td>30</td>
<td>4.072</td>
<td>1.233</td>
</tr>
<tr>
<td>It is a way of introducing the product to the consumers</td>
<td>6</td>
<td>15</td>
<td>40</td>
<td>210</td>
<td>44</td>
<td>4.193</td>
<td>1.187</td>
</tr>
<tr>
<td>It identifies the market that the organization will be targeting</td>
<td>12</td>
<td>17</td>
<td>43</td>
<td>188</td>
<td>55</td>
<td>4.145</td>
<td>1.049</td>
</tr>
</tbody>
</table>

E-Commerce Marketing

First, the study aimed at determining some of the strategies of e-commerce marketing that are used by the respondents in their businesses. The study established that social sites, online marketing and digital marketing were some of the strategies that were used. The study sought to establish the level to which the respondents agree or disagree with the statements about the impact of e-commerce marketing on performance of MSEs in Kenya using a scale of 1-5. The results were as shown in Table 4. The findings show that they agreed that e-commerce marketing strategies: increases the organization market share as shown by a mean of 4.083; it helps to reach out to many existing and potential customers as shown by a mean of 4.070; it enables SMEs to reach many customers all over the world as shown by a mean of 3.975; and the use of social networks enables a firm to create, share content, and communicate with one another as shown by a mean of 4.073. Karagozoglu and Lindell (2004) studied e-commerce strategy, operations, and performance in SMEs and established that SMEs tend to pursue e-commerce strategy associated with expanding the number of clients and the services offered to clients that are consistent with attaining competitive strategies and building e-commerce that is in line with their strategies. These strategies lead to increased profits and sales of the SMEs.
Table 4: E-Commerce Marketing on Performance of MSEs

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce marketing helps to reach out to many existing and potential customers</td>
<td>3</td>
<td>6</td>
<td>6</td>
<td>255</td>
<td>45</td>
<td>4.070</td>
<td>1.393</td>
</tr>
<tr>
<td>E-commerce marketing strategies increases the organization market share</td>
<td>3</td>
<td>3</td>
<td>13</td>
<td>246</td>
<td>50</td>
<td>4.083</td>
<td>1.336</td>
</tr>
<tr>
<td>The use of social networks enables a firm to create, share content, and communicate with one another</td>
<td>6</td>
<td>3</td>
<td>10</td>
<td>243</td>
<td>53</td>
<td>4.073</td>
<td>1.322</td>
</tr>
<tr>
<td>E-commerce marketing enables SMEs to reach many customers all over the world</td>
<td>3</td>
<td>10</td>
<td>13</td>
<td>259</td>
<td>30</td>
<td>3.975</td>
<td>1.412</td>
</tr>
</tbody>
</table>

Business Performance due to Entrepreneurial Marketing

Respondents were asked to indicate the extent in which their business performance has grown in the following areas due to entrepreneurial marketing using a scale of 1-5. The results were as shown in Table 5. The findings show that respondents agreed that their business performance in terms of sales had grown to a great extent as shown by a mean of 4.140, same to market share as shown by a mean of 4.073, and also profitability had grown to a great extent as shown by a mean of 4.038.

Table 5: Performance due to Entrepreneurial Marketing

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability</td>
<td>6</td>
<td>3</td>
<td>6</td>
<td>262</td>
<td>38</td>
<td>4.038</td>
<td>1.436</td>
</tr>
<tr>
<td>Market share</td>
<td>3</td>
<td>3</td>
<td>10</td>
<td>255</td>
<td>44</td>
<td>4.073</td>
<td>1.391</td>
</tr>
<tr>
<td>Sales</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>248</td>
<td>57</td>
<td>4.140</td>
<td>1.358</td>
</tr>
</tbody>
</table>

Inferential Analysis

Correlation Analysis

The relationship between the response and the predictor variables were analyzed using correlation analysis. The association between buzz marketing, guerilla marketing, new product marketing strategy, and e-commerce marketing with performance of MSEs in Kenya were determined using Pearson Moment Correlation. The results were as shown in Table 6. The results established that buzz marketing and performance of MSEs in Kenya had a strong and positive correlation as shown by $r = 0.871$, guerilla marketing and performance of MSEs in Kenya had a strong and positive correlation as shown by $r = 0.864$; new product marketing
strategy and performance of MSEs in Kenya had a strong and positive correlation as shown by $r = 0.860$; e-commerce marketing and performance of MSEs in Kenya had a strong and positive correlation as shown by $r = 0.857$. This implies that buzz marketing, guerilla marketing, new product marketing strategy, and e-commerce marketing with performance of MSEs in Kenya are related.

**Table 6: Correlations Coefficient**

<table>
<thead>
<tr>
<th></th>
<th>Performance</th>
<th>Buzz marketing</th>
<th>Guerilla marketing</th>
<th>New product marketing strategy</th>
<th>E-commerce marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Performance</strong></td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>314</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Buzz marketing</strong></td>
<td>Pearson Correlation</td>
<td>.871**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>314</td>
<td>314</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Guerilla marketing</strong></td>
<td>Pearson Correlation</td>
<td>.864**</td>
<td>.168</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>314</td>
<td>314</td>
<td>314</td>
<td></td>
</tr>
<tr>
<td><strong>New product marketing strategy</strong></td>
<td>Pearson Correlation</td>
<td>.860**</td>
<td>.156</td>
<td>.147</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>314</td>
<td>314</td>
<td>314</td>
<td>314</td>
</tr>
<tr>
<td><strong>E-commerce marketing</strong></td>
<td>Pearson Correlation</td>
<td>.857**</td>
<td>.165</td>
<td>.144</td>
<td>.193</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>314</td>
<td>314</td>
<td>314</td>
<td>314</td>
</tr>
</tbody>
</table>
Model Summary

The variation of the response variables due to changes of predictor variables was analyzed using model summary and results presented in table 7. Variations of performance of MSEs in Kenya due to the changes of buzz marketing, guerilla marketing, new product marketing strategy, and e-commerce marketing was analysed. The adjusted $R^2$ was 0.797 implying that there was 79.7% variation of performance of MSEs in Kenya due to the changes of buzz marketing, guerilla marketing, new product marketing strategy, and e-commerce marketing. The remaining 20.3% imply that there are other factors that influenced performance of MSEs in Kenya which weren’t discussed in this study. The association between the study variables is shown by $R$ which is the correlation coefficient. It was established that the variables were strongly and positively corelated as shown by 0.895.

Table 7: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.895$^a$</td>
<td>0.801</td>
<td>.797</td>
<td>.02143</td>
</tr>
</tbody>
</table>

To establish whether the variables applied in the study were significant, ANOVA was used and results presented in table 8. The findings revealed that the population parameters were significant since $p=0.001$. This implied that the data was suitable for making conclusion because $p$ value was not greater than 0.05. The value of $F$ critical was less than $F$ calculated (98.255>2.401). This shows that buzz marketing, guerilla marketing, new product marketing strategy, and e-commerce marketing significantly influence performance of MSEs in Kenya.

Table 8: Analysis of Variance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>Sig.</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>19.487</td>
<td>4</td>
<td>4.872</td>
<td>98.255</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>15.321</td>
<td>309</td>
<td>0.050</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34.808</strong></td>
<td><strong>313</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The regression results presented in table 9 revealed that buzz marketing is statistically significant to performance of MSEs in Kenya as shown by ($β = 0.221$, $P = 0.003$). This suggests that buzz marketing and the way MSEs in Kenya perform have a positive and significant relationship. Therefore increasing buzz marketing by a single unit will have a positive impact on the way MSEs in Kenya perform. Guerilla marketing is statistically significant to performance of MSEs in Kenya as shown by ($β = 0.261$, $P = 0.001$). This suggests that guerilla marketing and the way MSEs in Kenya perform have a positive and significant relationship. Therefore increasing guerilla marketing by a single unit will have a positive impact on the way MSEs in Kenya perform.
New product marketing strategy is statistically significant to performance of MSEs in Kenya as shown by (β = 0.253, P = 0.001). This suggests that new product marketing strategy and the way MSEs in Kenya perform have a positive and significant relationship. Therefore increasing new product marketing strategy by a single unit will have a positive impact on the way MSEs in Kenya perform. E-commerce marketing is statistically significant to performance of MSEs in Kenya as shown by (β = 0.230, P = 0.002). This suggests that e-commerce marketing and the way MSEs in Kenya perform have a positive and significant relationship. Therefore increasing e-commerce marketing by a single unit will have a positive impact on the way MSEs in Kenya perform.

**Table 10: Regression Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>0.932</td>
<td>0.098</td>
<td>0.201</td>
<td>9.510</td>
</tr>
<tr>
<td>Buzz marketing</td>
<td>0.221</td>
<td>0.211</td>
<td>0.201</td>
<td>1.047</td>
</tr>
<tr>
<td>Guerilla marketing</td>
<td>0.261</td>
<td>0.253</td>
<td>0.163</td>
<td>1.032</td>
</tr>
<tr>
<td>New product marketing strategy</td>
<td>0.253</td>
<td>0.287</td>
<td>0.231</td>
<td>0.882</td>
</tr>
<tr>
<td>E-commerce marketing</td>
<td>0.230</td>
<td>0.260</td>
<td>0.221</td>
<td>0.885</td>
</tr>
</tbody>
</table>

The optimized regression model becomes

\[ Y = 0.932 + 0.261(\text{Guerilla marketing}) + 0.253(\text{New product marketing strategy}) + 0.230(\text{E-commerce marketing}) + 0.221(\text{Buzz marketing}) \]

The equation above revealed that holding buzz marketing, guerilla marketing, new product marketing strategy, and e-commerce marketing constant, the variables will significantly influence performance of MSEs in Kenya as shown by constant = 0.932.

**CONCLUSION**

The study established that buzz marketing is statistically significant to performance of MSEs in Kenya. The study further established that buzz marketing and the way MSEs in Kenya perform have a positive and significant relationship. The study therefore concludes that increasing buzz marketing by a single unit will have a positive impact on the way MSEs in Kenya perform. The study revealed that guerrilla marketing is statistically significant to performance of MSEs in Kenya.
Also, guerilla marketing and the way MSEs in Kenya perform have a positive and significant relationship. The study therefore concludes that increasing guerilla marketing by a single unit will have a positive impact on the way MSEs in Kenya perform.

The study found that new product marketing strategy is statistically significant to performance of MSEs in Kenya. The study further established that new product marketing strategy and the way MSEs in Kenya perform have a positive and significant relationship. The study therefore concludes that increasing new product marketing strategy by a single unit will have a positive impact on the way MSEs in Kenya perform.

The study established that E-commerce marketing is statistically significant to performance of MSEs in Kenya. The study also found that e-commerce marketing and the way MSEs in Kenya perform have a positive and significant relationship. The study therefore concludes that increasing e-commerce marketing by a single unit will have a positive impact on the way MSEs in Kenya perform.

Recommendations

Buzz marketing significantly and positively relate with the way MSEs in Kenya perform. The study recommends management of MSEs to implement buzz marketing technique in their businesses this will help them overcome advertising clutter. Also the management need to come up with different effective techniques that will create buzz in the market. Customers are confronted with an increasing amount of advertising messages every day. The study therefore recommends MSEs to adopt Guerrilla marketing because of its creativity and low-cost since it will help the organizations to develop advertising approaches that stand out and this will rapidly boosting the company’s competitive edge.

New product marketing strategy significantly and positively relate with how MSEs in Kenya perform. The study recommends MSEs to market research to assist them in coming up with new product marketing strategies that will help them diversified the range of the targeted customers and expanding into new segments in the market especially before they introduce the new product into the market. E-commerce marketing significantly and positively relate with how MSEs in Kenya perform. MSEs should embrace various forms of e-commerce as this will help the in improving the way they perform. Also the government needs to have regular workshops where they can teach MSE owners on various e-commerce and their advantages and also help them understand how they can apply them in their businesses.

Acknowledgement

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REFERENCES


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