INFLUENCE OF SOCIAL MEDIA MARKETING ON PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN NAIROBI COUNTY, KENYA

BY

KHAMIS ABDUL MBWANA

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DECLARATION

I, the undersigned, with full understanding of the guidelines, per the required format of the project, declare that this research project has been conducted in my time as a postgraduate student. I hereby, having fully complied with the prescribed guidelines for the program, declare that the originality of this document presented is authentic and to the best of my knowledge that no previous researchers have conducted a research for the same in this or any other university or academic institution.

Signature………………………… Date…………………………..

Khamis Abdul Mbwana

D61/85506/2016

SUPERVISOR

I, the undersigned been the supervisor for this submitted project, do hereby confirm that I have dully approved the submission of this project for that this research project has been submitted for examination.

Signature……………………………………………………….. Date…………………………

Prof. J.M. Munyoki

Department of Business Administration

School of Business

University of Nairobi
DEDICATION

Having conducted, analyzed and completed this research project, all thanks and dedication go to my God.
ACKNOWLEDGMENT

Truly, the program has been full of excitement, challenging and informative study period. I owe it all to God for the gift wisdom and resources he granted me throughout this period. I am also grateful to my big brother Jay Khamisi, for been an excellent role model and motivation in my studies. I am also grateful to my parents, lovely wife Fatma and sister in law Gertrude for been supportive throughout my Master’s program and to my three champs – Luqman, Mikael and Akram, I hope and pray you will all find this study beneficial in your academic lives.

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ACRONYMS

B2C    Business to Consumers
GDP    Gross Domestic Product
MSEA   Micro, Small, and Medium Enterprises Authority
SME    Small and Medium Enterprises
ABSTRACT
In the most recent time, popularity of social media has grown tremendously in the last decade and is projected to grow even more in the coming years. Underpinned by marketing equity and Chaffey’s theories, the current study aimed at adducing empirical evidence on the relationship and association between social media marketing as a marketing approach and organizational performance in the context of Small and Medium Enterprises in Nairobi County. The target population of this study would be all the Small and Medium Enterprises (SMEs) in Nairobi County enlisted by the Micro, Small and Medium Enterprises Authority (MSEA). The study used descriptive survey design, and sampled 255 respondents out of which 204 successfully complete and returned the questionnaires. Data analysis was done using SPSS version 23, using both descriptive and regression analyses. The study determined that social media marketing is common among the SMEs in Nairobi County as shown by the descriptive statistics. The study has also established that social media marketing has significant influence on performance of the SMEs in Nairobi County. The findings of the this current study, therefore, agrees with a few studies, and disagrees others. The study findings also have adduced evidence in support of both marketing equity, and Chaffey’s theories. The study recommends an in-depth study should be done on challenges facing the adoption of social media marketing in other contexts including the government. The study also recommends that the influence of moderating and mediating factors should be examined, especially where lack of consensus among studies has been noted. This is because the differences in findings could be attributed to the influence of the control variables.
CHAPTER ONE
INTRODUCTION

1.1 Background of the study

The acceptance, usage and popularity of social media has grown tremendously in the last few decades in well-developed countries and developed nations in the world. This is projected to grow even more in the coming years (Ashley & Tuten, 2015). Businesses appear to be in a rush to use these internet applications as a marketing platform for their products and services, with the main aim of acquiring new customers and retaining existing ones, and to eventually increase sales and maximize profits. Against the backdrop of stiff competition in the market, majority of SMEs have opted to use digital marketing as a marketing strategy to ensure they achieve their marketing and sales objectives (Castronovo & Huang, 2012).

Online marketing has, hence, proven to be cost effective and the returns seem to be sustainable since the target market is readily accessible thus information and ideas are easily relayed on the different social media platforms where the whole engagement and interaction are based. According to Chaffey (2016) social media marketing as a strategy has key concepts which are meant to build and maintain an interested online community of engaged followers and supporters.

If effectively implemented, this strategy will enhance product awareness and encourage the market to identity, purchase, consume and repurchase the product being marketed online thus cultivating brand loyalty. Others such as Heinze (2016) and Hobson (2017) determined that with the technological advancement and popularity of online platforms that people use as an avenue to engage and relay information to the general public, people
have captured the opportunity to use their mobile devices to share information online, making social media marketing such a powerful tool.

Underpinned by two theories, the current study aimed at adducing empirical evidence on the research objective to establish the relationship and association between social media marketing and overall organizational performance as per the business targets in the context of SMEs in Nairobi County. Marketing equities theory postulates that social media marketing activities have an impact on various aspects of marketing including brand equity, purchase intention, and relationship equity (Kim & Kom 2012). Chaffey’s theory of social media marketing, on other justifiable opinion, looks at social media marketing from a sociological point of view. Chaffey (2012) argued that the one-on-one interactions on social media platforms between brands and customers helps build long-term relationships that will in the end be of financial benefit to the business, a view also shared by Ashley and Tuten (2015).

Extending the scope of Chaffey (2012) postulations, Ashley and Tuten (2015) emphasized that communication is core to any marketing strategy. According to this theoretical argument, social media achieves this by actively engaging consumers on different social media platforms. This appeals to them, and improves their satisfaction with the business’ services, and ultimately the business’ performance. SMEs in Nairobi County have optimized the opportunity to build on their businesses by engaging with their prospective and actual customers on online platforms (Ogaji et al., 2017).

According to Micro and Small Enterprises Authority (MSEA), there were a total of 699 SMEs in Nairobi County. Previous studies such as Olonde (2017) came to a conclusion that the enterprises were actively utilizing social media marketing, in harmony with the
findings of Ogaji et al. (2017). The conflation between social media marketing and SME performance in Nairobi County is, however, yet to be determined.

1.1.1 Social Media Marketing

Social Media as a concept by itself is relatively ambiguous. Social media is not a clearly defined concept. According to Hollensen and Raman (2014), various values underpin social media, namely: participation of interested individuals, openness towards sharing information and giving feedback, ongoing conversation on a particular topic of discussion, community based engagement and connectedness of people and organizations. According to Hofacker et al. (2016), people and organizations are embracing the use of social media platforms accessible from the networks as an avenue to relay information and ideas.

According to a study by Ogaji et al. (2017) Kenya is caught in the buzz and is, in fact, one of most engaged and having a huge base of social media users, therefore it is one of the active countries when it comes to the use of social media. Individuals and organizations use social media platforms to share information and ideas on their products and services on online platforms. Different demographics in the Kenyan population are active social media users. Kenya ranks second in Africa when it comes to social media activities, second to South Africa. Kenya has 22million internet users. 58% of internet activity is directed towards social media. The most popular platforms in Kenya are Facebook, Twitter, WhatsApp, YouTube, and Instagram. Dimensions and measurement of social media impact is still a subject of debate among scholars.

According to Kietzmann et al. (2011) identity refers to the desire by entities to position themselves in the environment using social media. Conversation dimension refers to the
use of the social media by individuals to facilitate a discussion that would otherwise be physical. Sharing dimension refers to the application of the social media by the communities to address needs, economic or otherwise. Presence dimension refers to the use by entities to communicate their availability. Relationships dimension refers to the application of social media by persons to network and bypass the limitations of time and space. Reputation dimension is the use of social media by registered online individuals and corporations to relay and configure the general targeted public opinion of them. Finally, the groups dimension refers to the phenomenon where persons come together with a common agenda; social, economic, or otherwise. The current study used the first four dimensions of social media to develop inclusive indicators, this is due to their wide application in similar studies.

1.1.2 Organization performance

Organizational performance is defined by business scholar as the actual output of an entity in compared to the originally planned output (Richard et al. 2009). It is therefore a way of comparing what the business actually achieved versus the goals it had set for that business year. It is a method that was developed in order to standardize the methods used in comparing business performance, and also to form an acceptable model that can be used in researches focusing on business performance. It is therefore a reliable methodological approach for assessing social media marketing impact on an organization.

A notable feature of organizational performance is that it does not focus solely on sales and profits as other marketing analysis tools do. It is a model that holistically looks at the performance of the business in general. Richard et al (2009) argues that there are three features that form the pillars of organizational performance: The first is financial
performance. This focuses on profits and returns on investment on the set business targets as per the management. The second pillar is product market performance, which encompasses sales, market share acquisition, and other indices of marketing performance. Lastly, it factors in shareholder return.

In this sector, factors such as shareholder return and economic value added come into play. It therefore takes a wide, but measurable view on the performance of a business. Theoretically, the use and continuous usage of social media marketing should improve the financial and operations performance of a business where the managers should shave the idea of how best to apply the concept. Studies have gone ahead to prove that this is indeed true. Parveen, Jaafar, and Sulaiman (2014) looked at Social media’s impact on organizational performance in organizations. The study revealed that social media was able to improve not only the financial performance of the business, but also improved customer relations, and led to better information access about the market. The current study applied both financial and non-financial measures of organizational performance since exclusive use of financial measures has been found to be skewed. The specific indicators to be used are return on investment (ROI), market share, shareholder return, sales, and economic value added (EVA).

1.1.3 Small and Medium Enterprises in Kenya

Small and Medium Enterprise (SME) refers to a business whose sales turnover or the number of full time staff falls below a certain limit. The exact thresholds vary from country to country. As per the description of the Micro and Small Enterprise Act, 2012, firms are considered small when they have a turnover not exceeding 5 million and have between 11 and 50 employees. Micro-enterprises are those that have 1 – 10 employees and their
turnovers do not exceed 500,000 Kenyan shillings. The sector has grown rapidly in the last decade and has been a huge boost to the economy. A large driving force to the sector has been the banking sector (World Bank, 2015). The growth of the sector has also created a lot of job opportunities for the youth, in both the formal and informal sector.

Innovation is also a major driver in economic development, and SMEs are at its forefront of it. Just like in many other developing countries, SMEs in Kenya are the leading in innovation, science, and in business strategies (Olonde, 2017). These innovative ideas foster development by creating new opportunities. This ultimately leads to creation of employment, and increase in business returns. Compared to other corporations, SMEs often have very little financing. Their capital base is not as wide as that of established companies. Most of them are start-ups in the intensive phase of business growth and are struggling to keep up with capital needs.

Douglas et al (2016), in a study on the success factors for SMEs, found out that financing is a major limitation to their growth. In fact, most of the SMEs rely heavily on credit for financing. They are therefore limited from carrying out a lot of their businesses, including marketing, in the traditional manner. Given the financial constraints of SMEs, it is quite hard for them to use classic marketing techniques such as radio, TV, and print ads, or road show campaigns.

They have to opt for cheaper methods that can expand their customer base without draining their bank accounts. Social media is so far the best option for them. According to a survey by the Central Bank of Kenya, SMEs contribute to 98% of all businesses in Kenya. This is because the Kenyan economy is dominated by small informal businesses which have been growing rapidly in the past several years (Central Bank of Kenya, 2017).
1.2 Research Problem

Due to the emergence of social media as a powerful networking tool, replacing a significant part of direct contact and other traditional forms of interaction, business enterprises have jumped into the gravy train hoping to significantly cut down on the costs of sales and marketing. In spite of this, there is not yet concrete evidence that performance improvements among such enterprises can be accurately attributable to the adoption of social media marketing, rather than other confounding factors such as legal reforms, among others. SMEs are increasingly embracing social media marketing with a view to enhancing organizational performance (Olonde, 2017). This is especially because compared to their larger corporate counterparts, they are less resource-endowed and ought to be more innovative in their operations, including marketing.

The SMEs also tend to have flexible decision making systems, making it easier to use non-traditional strategies such as social media marketing. Accordingly, there has been growing intellectual interest on this phenomenon, albeit in different contexts, with conceptual and methodological gaps. A study by Pelling and White (2009) focused on the popularity of social media in the United States of America. The study determined that social media marketing had grown tremendously in the previous decade and that it was projected to grow even more in the subsequent years. This study was based on the American context and its findings may not reflect the Kenyan SME scenario. Another study of a similar nature was conducted in Ayedun (2014) in the context of Hungary, aiming to identify different social media marketing strategies and their effectiveness. The study identified several social media marketing strategies such as one-on-one client engagement, and public sharing of branded content as very effective marketing techniques (Öztamur, 2014).
However, the study did not objectively assess the impact of each of these methods on organizational performance of a business. A study by Hoffman and Fodor (2010) aimed to come up with ways of measuring the return on investment on a business from social media marketing approaches been adequately applied by the firm. The study findings revealed and described that looking at the immediate financial performance was the best way of assessing the impact of social media marketing campaigns due to its unique approach. The study instead proposed that one should focus on marketing performance as social media improves customer motivation and brand loyalty. However, the study did not apply this model and use it to look at how businesses were influenced by various social media marketing campaigns.

A study by Öztamur et al. (2014) focused on the association and relationship between online community marketing or social media marketing and performance of SMEs. The study established that the concept of social media marketing was taking root among SMEs globally. This was however a conceptual review hence not context was examined. A study by Oponde (2017) examined the conflation between social media marketing approaches and campaigns and sales growth for the targeted SMEs in Nairobi County, Kenya. Although the study established a strong positive correlation, it only modelled sales growth yet performance has many dimensions, including non-financial.

A study by by Cherotich (2016) investigated the association and relationship between social media marketing based on the emerging identified social media platforms and performance of SMEs in Kasarani Constituency in Kenya. Although it edged closer to the Nairobi County context, Kasarani is only one of the seventeen constituencies in Nairobi
County, hence an examination of the same phenomenon in the wider Nairobi County would probably yield different results.

It is evident from the above summary of previous studies on the conflation between social media marketing and organizational performance that more needs to be researched on as gaps in knowledge still prevail. Some studies have yielded divergent results on the same focus, others have been based in foreign and sub-units of Nairobi County, and yet others have been largely conceptual reviews. This presents conceptual, contextual, and methodological gaps respectively. The current study therefore seeks to answer the question and the research objective: what is the effect social media marketing on organization performance of SMEs in Nairobi County?

1.3 Research Objective

The study aimed at conducting an analytical research and establishing the evident effects on business performance by the direct influence of social media marketing on organization performance for a targeted sample study of Small and Medium Enterprises in Nairobi County.

1.4 Value of Study

Academia in the field of marketing management, strategy, and organizational development would use the results from the current study to further their research interests. The postulations of the various theories underpinning the current study would find further empirical foundation in light of the linkages between TQM social media marketing and organizational performance. This would spur further studies in other contexts, public, private, manufacturing, and service.
The study also contributeS to the existing body of empirical evidence on the association between the two variables, thereby leading to development of the knowledge portfolio in the field of marketing management, strategy and organizational development. The study would provide useful data for the development of policies that would be geared towards increasing the sustainability of the SMEs through social media marketing.

The Micro, Small, and Medium Enterprises Authority (MSEA) would apply study results in decision making since it would assist in developing well-informed policies geared towards the achievement of the Vision 2030, the Big Four agenda, and the sustainable development goals in Kenya. The owners and managers of the various SMEs would gain invaluable input capable of providing guidance in making necessary changes in their various firms to enable them compete effectively in the increasingly crowded sector, as well as against the large corporations including multinational corporations. In specific, the study would draw important lessons for success and best practices for the SME growth since they comprise a significant portion of the Kenyan Gross Domestic Product (GDP).
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

The underpinned and narrated discussions based on this section of the project paper entail a review of the literature on social media marketing and organizational performance. It comprises both theoretical as well as empirical literature review on the key study variables. The literature is both theoretical and empirical. The theoretical literature include a review of the agency and stakeholder theories. Each of the theories has been reviewed based on its general postulations, specific prediction on the linkages between the two study variables, and limitations. Empirical literature has been reviewed linkages between the study variables, namely: social media marketing and organizational performance. The empirical literature review has considered each study, its focus, findings, and limitations.

2.2 Theoretical Foundation

The marketing equities theory and Chaffey’s theory each have predictions on the association and relationship between social media marketing and organizational performance. Founded by Kim and Kom (2012) the former predicts that social media marketing activities effect the business performance and therefore have a positive and evident effect on the performance of a business. Originated by Chaffey (2012) latter predicts that by establishing a long term relation with clients, not only does social media marketing cause an immediate impact, but also secures the business performance in the long term. Below is an elaborate discussion on the postulations of each theory, and their limitations in light of the current study.
2.2.1 Marketing Equities Theory

Originated by Kim and Kom (2012) marketing equities theory postulates that social media marketing activities have proved to have a positive evident effect on the performance of an organisation. The originators of the theory initially focused on the marketing activities used by luxury fashion brands to promote their products. They included entertainment in the particular sector of the industry, customer interaction based on the goals of the business, trendiness, customization of the products and services offered to the targeted audience for consumption, recommendation and word of mouth. Their impact on firm performance was analyzed in terms of brand equity, customer equity, purchase intention, value equity, and equity linkages.

Finally Kim and Kom (2012) concluded that this model provides a solid view on the workings of social media marketing. The five marketing techniques are at the pillars of the strategy.

Frequent customer interaction offers the firm and the management running the business a good opportunity and avenue to directly or indirectly showcase the benefits of its products, and address any complaints raised by the customers. The significance of this theory to the study is that it looks at the association between marketing activities, and business performance. It directly correlates social media marketing strategies to improved marketing features. It therefore forms a good basis in the research working to evaluate the impact of social media marketing. However, the theory overly assumes that the same dimensions of social media marketing would be applicable across contexts, yet the reality is that various practitioners explore different dimensions of social media marketing.
2.2.2 Chaffey’s Theory

Originated by Chaffey (2012), the theory looks at social media marketing as an informal marketing approach. According to the theory, communication and human networking are at the core of human behavior, and ultimately customer behavior. Social media marketing therefore utilizes these platforms to influence opinions on different products and services, and ultimately lead them into making purchases, and even maintain loyalty to one brand. This theory focuses on social media as a relationship-building tool. Through such interactions, a meaningful relationship is fostered between the business and its clients. The significance of this theory to the study is that it brings in a new angle of viewing the impact of social media marketing (Heinze et al., 2016). By establishing a long term relationship with clients, not only does it cause an immediate impact, but also secures the performance of the business in the long term. It therefore calls for an evaluation of the short term and critically overseeing the long term benefits of social media marketing. The theory however does not specify the conditions under which its postulations would be valid. Previous studies such as Kimaru (2011) have for example determined that haphazardly implemented communication and networks can actually be counterproductive.

2.3 Empirical Literature Review

Based on the main and core objective of the research, in this particular region a few studies have been conducted and submitted for examination. Most of them have focused on the use of social media in other fields, but few have looked at it as a marketing tool. Flanigan and Obermier (2016) conducted a study on the use of Social Media in the Industrial Distribution Business-to-Business Market Sector in the United States of America.
The study was however based in a more developed economy context, and focused on large corporations. Srinivasan, Bajaj and Bhanot (2016) considered the effect of social media strategies utilized by SMEs on client acquisition and retention. The study found that social media participation strong influence on brand trust and confidence, clients have a reason to find credibility in the products, which thus, affects customer acquisition and retention. It was likewise found that there is a positive conflation between revenue and social media visibility; and that web-based social networking promoting techniques affect customer acquisition and retention and to increment in piece of the overall industry. The study however focused on client retention which is not a measure of growth but of stability. It was also conducted in foreign country context.

Ayedun et al. (2014) examined the impact of advertising procedures on corporate execution of estate surveying and valuation firms in Kaduna City of Nigeria. The study had the findings that it is well evident that there is for sure a positive association and relationship between marketing methodologies adopted by firms in attaining business goals and remaining relevant in the industry and corporate performance of the firms. The study was however focused on advertising, a single dimension of marketing. It also focused on valuation firms, most of which are conservative and are not growth aggressive.

Durkin, McGowan and McKeown (2013) investigated web-based social networking reception in little to medium-sized ventures in Ireland. It was found that an assortment of various ways to deal with web-based social networking selection which regularly changed by hierarchical setting and staff competency level. It was additionally observed that organizations shared nervousness were they not to embrace what was seen to be another crucial tool for business development. This was a foreign country context, whose SME
environment is most likely different from that of Kenya, hence it findings may not be applicable to the Kenyan SME scenario.

A study by Masinde (2012) was conducted in Nairobi County and it focused on university students, and how they respond to social media marketing. The study was a quantitative descriptive study that tried to establish whether social media campaigns had an impact on brand awareness and brand loyalty among the students. The results of the study indicated that social media did in fact have a positive impact. There was increased brand awareness, improved attitude towards the brand, and increased level of loyalty.

The limitation of study is that it assessed the impact and direct effectiveness of social media marketing on targeted consumers who would prefer to use the services offered from the business and not the impact it had on the business. It also does not explain the impact of the marketing technique on organizational performance of the business. Another limitation of this study is that it targeted a very unique market demography that is university students. This is a unique group of individuals who are basically well versed with the application of social media and who spend a significant amount of time on social media platforms in search of their interests, and tend to follow trends. Therefore, the impact of social media in this population cannot be taken to be a representative of the entire market. This study aims to resolve this bias by targeting a more representative population.

A study by Kimaru (2011) aimed at assessing the tourism sector as a whole and establishing the role of social media marketing approaches as a marketing tool to advertise the services in the lucrative industry. The study core objectives were basically to find out whether tourism companies use social media marketing to promote their destinations and services in general. It also looked into the social media strategies utilized by these companies. The
findings of the study indicated that social media boosts awareness about tourist destination and stirs interest in them. The study however identified that companies do not have comprehensive marketing strategies on social media marketing, and recommended the adoption of new social media marketing channels by businesses. This study however had a few shortcomings that this research aims to address.

For starters, it solely targeted the tourism industry. There is therefore an informational gap about the utilization of social media in other industries. The study also did not look at the impact of these social media campaigns on business performance. Lastly, the study was conducted in seven years ago, that was the year 2011. This is quite a duration in the digital world, and a lot has changed since then. It is therefore important to assess the current situation.

An investigation by Njeri (2014) aimed at evaluating the effect of social media in the banking industry in Kenya. From the study, it typically targeted all the operating commercial banks, and tried to determine how social media interactions affected their financial performance. Based on the findings of the study, it was established and it revealed that social media has improved the financial position of all the banks. Through social media, they were able to acquire a good number of customers, and at a reduced cost. There was also increased revenue due to increased uptake of loans. The net effect was therefore quite positive. There are several limitations of this study.

First, it targeted a specific industry, and therefore leaves a knowledge gap for all the other industries utilizing social media marketing campaigns based on online interactions as a marketing tool. Secondly, the same study conducted revealed and could not fully establish if the financial benefits were exclusively a result of social media marketing or multiple
other factors such as economic performance in the finance industry in that year. Conducted in Nakuru town in Kenya, a study by Mwaniki (2012) targeted SMEs being run by the youth in the town. This is a much relatable study as it targeted the same demographics that this research wants to reach. The study was also descriptive, and involved collecting data from individuals running SMEs in the targeted towns for the research. The study results revealed that indeed, youths used social media as an avenue to promote their businesses in Nakuru town.

The study also identified social media marketing as an upcoming marketing technique that is bound to become the primary method of business promotion in the region. This study has very few shortcomings. It addresses the same issues that this research aims to achieve. The only shortcoming is that the study did not objectively look into the impact of social media marketing on the organizational performance of the business. Also, it was conducted and reported in a different location that is Nakuru, which has different dynamics compared to Nairobi County.

Social media is theorized to have an evident positive effect and its impact on business is justifiable based on the business goals and marketing operations objectives. There is however a need to have a methodological way of assessing the business performance, and this is where organizational performance comes in. Organizational performance refers to the actual outputs of a business entity measured against its targets. It focuses on major pillars of a business such as finances, sales, and assets.

2.4 Summary of Literature Review and Knowledge Gaps

Attempts have been made by previous empirical studies to determine the association between social media marketing and organizational performance. Whereas scholars have
edged closer to unravelling this phenomenon, there are still gray areas. This sets the agenda for continued research in this thematic area. Table 2.1 below is a summary of the literature review, the knowledge gaps, and focus of the current study in a bid to address the gaps.

Table 2.1 Summary of Literature Review and Knowledge Gaps

<table>
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<th>Researchers</th>
<th>Focus of Study</th>
<th>Study Model/Variables</th>
<th>Methodology</th>
<th>Findings</th>
<th>Research Gaps</th>
<th>Focus of current study to fill the gaps</th>
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<tr>
<td>Flanigan and Obermier (2016)</td>
<td>Usage of social media in the Industrial Distribution Business-to-Business Market</td>
<td>Social Media Marketing and Business-turnover Survey</td>
<td>Cross-sectional Survey</td>
<td>It is not known, the impact of social media on industrial context</td>
<td>Kenyan context is different from Kenyan</td>
<td>Focus on the SMEs in Kenya</td>
</tr>
<tr>
<td>Srinivasan, Bajaj and Bhano (2016)</td>
<td>Effect of social media strategies on client acquisition and retention.</td>
<td>Social Media Marketing and Client Acquisition</td>
<td>Cross-sectional Survey</td>
<td>Strong association between social media and brand trust</td>
<td>Client retention is not a measure of growth but of stability</td>
<td>Focus on business growth indicators of performance in the SMEs in Nairobi County</td>
</tr>
<tr>
<td>Ayedu et al. (2014)</td>
<td>Advertising impact on corporate valuation</td>
<td>Advertising procedures and corporate execution of state surveying and valuation firms</td>
<td>Cross-sectional Survey of top management team</td>
<td>A positive association and relationship between applied marketing strategies and corporate performance</td>
<td>The study focused on advertising, a single dimension of marketing.</td>
<td>Focus on diverse dimensions of marketing other than marketing; it also focuses on the SME sector that are normally growth and expansion oriented</td>
</tr>
<tr>
<td>Author(s) (Year)</td>
<td>Title</td>
<td>Methodology</td>
<td>Findings</td>
<td>Focus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>-------</td>
<td>-------------</td>
<td>----------</td>
<td>-------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Njeri (2014)</td>
<td>Effect of social media in the banking industry in Kenya.</td>
<td>Descriptive Study</td>
<td>Strong association between social media marketing and performance</td>
<td>Focus on the SMEs in Nairobi County.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Durkin, McGowan and McKown (2013)</td>
<td>Web-based social networking reception in little to medium-sized ventures in Ireland.</td>
<td>Cross-sectional Survey</td>
<td>An assortment of various ways to deal with web-based social networking selection which regularly changed by hierarchical setting and staff competency level</td>
<td>Focus on association between social media marketing and organizational performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Masinde (2012)</td>
<td>Conducted in Nairobi County and focused on university students, and how they respond to social media marketing.</td>
<td>Descriptive and Quantitative study</td>
<td>There was rapid adoption of social media among the respondents</td>
<td>Focus on SMEs drawn from diverse age groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mwaniki (2012)</td>
<td>SMEs run by the youth in the Nakuru town, Kenya.</td>
<td>Descriptive Study</td>
<td>Social media widely used in marketing</td>
<td>Focus on SMEs in Nairobi County without focus on age orientation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
From Table 2.1 above, previously conducted studies suggest that it positively influences the organizational performance of a business. Whereas this has been an area of consensus, majority of studies also agree that contextual differences are worth attention. This provides an opportunity for continued research on this subject. The current study is therefore an attempt to investigate, comprehend and establish the evident association between social media marketing strategies applied by different targeted firms based organizational performance as per the desired business goals outlined by the management in the context of SMEs in Nairobi County, Kenya.

<table>
<thead>
<tr>
<th>Kimaru (2011)</th>
<th>Social media as a marketing tool in the Kenyan tourism industry</th>
<th>Social media platform and online interactions as a marketing tool</th>
<th>Exploratory survey</th>
<th>Social media was a powerful tool for marketing in the tourism sector in Kenya</th>
<th>There was no correlational analysis</th>
<th>Correlational analysis of social media marketing and performance in the SME sector</th>
</tr>
</thead>
</table>

Table 2.1 Continued
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The discussions on this chapter is a presentation on the proposed research methodology proposed to be used for the current study in order to achieve the research objectives.

3.2 Research Design

An exploratory study is one that aims at finding out what is happening in a given environmental setting with regard to the phenomenon under study through asking questions; a descriptive study refers to portraying an accurate profile of a phenomenon, persons, situations so as to bring out more information; whereas an explanatory study is one that aims at establishing association between study variables (Yin, 2013). This current study soughts to establish and reveal ‘how’ the various mentioned dimensions of social media marketing and their effects on organizational performance. Therefore, based on this study, a cross-sectional study will be an effective study guide as it seeks to measure the association of variables at an instant so as to describe the incidence of a phenomenon and how the variables are related (Saunders, et al., 2009).

Descriptive statistics would be used to prepare the data for further statistical analysis to enhance the chances of generalization from the study sample to the study population. Statistical analysis would provide the basis for establishing the probabilistic association between the variables, and drawing of conclusions (Yin, 2013).

3.3 Population of the Study

Population is a collection of elements, objects or individuals forming the central focus of a study. The individuals or objects must be having similar observable characteristics (Cooper
et al., 2011). The desired target population of this current study would be all the SMEs in Nairobi County enlisted by the Micro, Small and Medium Enterprises Authority (MSEA). SMEs in Nairobi County were chosen as the population of the study due to the nature and from of the research problem and objectives of the study. A list of the firms was obtained from the Micro, Small and Medium Enterprises Authority (MSEA) (2018) indicating that there are 699 SMEs in the data base. The firms would therefore be included in the study without regard to the size, industry of operation, among other characteristics. This is because those differences in characteristics are not part of the scope of the proposed study.

3.4 Sampling Design

Sampling has been defined by Mugenda et al. (2003) as the choice of elements in a universe to be include in a study, and forming the basis of inferential statistics. Of the 699 SMEs in Nairobi County, 255 were randomly selected for inclusion in the study, the sample size was arrived at from the formula for determining sample size from a definite population:

\[ n = \left[ \frac{z_{2\alpha/2} \sigma}{E} \right]^2 \]

where: \( z_{2\alpha/2} \) is the critical value, \( +z \) value is the vertical boundary for the area of \( \alpha/2 \) normal distribution curve (right side), \( \sigma \) is standard deviation, and \( n \) is sample size. This is sampling design would facilitate economic completion of the study objectives. This sampling design has been selected because it would meet the study objective.

3.5 Data collection

Attached in Appendix II, is the structured questionnaire that was distributed to the target population as per the study objective was used to collect primary data from targeted respondents in the current study. Questions were developed to cover various aspects of
social media marketing and organizational performance. The tool contained open as well as close-ended items. The latter was used with the aim of providing more structured responses that would facilitate quantitative analytical methods, and conclusion development.

The questionnaires were administered to senior most executive of the organization because they are capable of providing valid responses in relation to the study objectives. The questionnaire consisted of two sections. Section A sought to gather and adequately analyse general information about the respondents in the industry, while section B concentrated on questions on social media marketing. Data on the various organizational performance indicators were obtained from the Micro, Small, and Medium Enterprises Authority (MSEA). The questionnaire was accompanied with a consent form attached in Appendix I, as an ethical consideration strategy.

3.6 Data Analysis

Data analyses comprised numeric measures and were done using descriptive statistics. It helped to display the data distribution, including measures of central tendency and dispersion. Multiple regression model was used to measure association between the variables as stated in the objective of the study. This was done using Statistical Package for Social Sciences (SPSS) version 23. The study analytical model was finally guided by the regression model below:

\[ Y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \mu i \]

Where,

\[ Y = \text{Composite score of Organizational Performance} \]
X₁ = Composite score of Identity
X₂ = Composite score of Conversation
X₃ = Composite score of Sharing

β = Beta coefficient of variable i the measure of the change in Y associated with a change in X. While μi refers to the expected error that is assumed to be associated with the variables.

The coefficient of determination (R-Square) obtained gave the explanatory power of the model while the correlation coefficient (Beta factor) for each of the four independent measures gave the nature and extent of association with the dependent variable. The results of significance were interpreted at 5% level of significance. The p-values were then interpreted for significance.
CHAPTER FOUR
DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This section entails data analysis, the results, presentation, and discussion. Data analysis involves demographic analysis, descriptive, and regression analyses. Discussion of the findings relate to the theoretical and prior empirical comparison with the findings of the current study.

4.2 Response Rate

200 respondents were targeted by the study, from whom 160 (80%) successfully returned the questionnaires. Mugenda et al. (1999) suggests that a response rate of 70 percent and above is excellent. Based on the assertion, the response rate was considered to be excellent.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Questionnaire Distributed</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and Returned Copies</td>
<td>204</td>
<td>80</td>
</tr>
<tr>
<td>Unreturned Copies</td>
<td>51</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>255</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Research Findings

4.3 Demographic Information

The respondents were asked to indicate the following demographic data: level of education; the period of time for which they had undertaken the business; whether or not they were using social media for marketing; the specific type of social media platform that they were using; how regularly they used social media for marketing; and the particular social media marketing strategy that they were using.
4.3.1 Level of Education

The respondents gave information about their level of education as shown in Figure 4.1 below.

![Figure 4.1 Respondents’ Level of Education](image)

From Figure 4.1 above, 9% of the respondents had reached Certificate level, 31% had a Diploma, 48% had Bachelors, 11% had Masters, and 1% had PhD qualifications. From the foregoing statistics, majority of the respondents had Bachelors, followed by Diploma qualifications.

4.3.2 Age of the Business

The respondents gave information about the age of their businesses as shown in Figure 4.2 below.
From Figure 4.2 above, 5% of the businesses were less than one year old, 11% were 1 to 3 years old, 45% were 4 to 6 years old, 26% were 7-9 years old, while 13% were above 9 years old. From the stated information, majority of the businesses were 4 to 6 years old, followed by 7 to 9 years. The least number had existed for less than 1 year.

4.3.3 Respondents’ Use of Social Media Marketing

All the respondents used social media marketing. Therefore, they were all capable of giving valid opinion about the effectiveness of social media marketing.

4.3.4 Social Media Platforms

The respondents gave information about the use of social media platforms for marketing as shown in Figure 4.3 in the next page.
From Figure 4.3 above, 9% of the respondents used Facebook, 31% used Instagram, 48% used Google+, 11% used Twitter, while 1% used WhatsApp. No respondent used other social media platforms. From the given statistics, majority of the respondents used Google+, followed by those who used Instagram. WhatsApp was used the least among the respondents for marketing.

4.3.5 Frequency of Social Media Application

The respondents gave information about the frequency of social media use for marketing as shown in Figure 4.4 in the next page.
From Figure 4.4 above, 70% of the respondents used social media platforms daily for marketing. 29% of them used social media platforms weekly, while 1% used social media platforms a few times a week. None of the respondents used social media marketing a few times a week, and monthly. Accordingly, majority of the respondents used social media marketing daily, followed by those who used it weekly.

4.3.6 Social Media Marketing Approach

The respondents gave information about the social media marketing approach as shown in Figure 4.5 in the next page.
Figure 4.5 Social Media Marketing Approach

As shown in Figure 4.5, 20% of the respondents used business or brand page/account on social network sites, 43% of them used personal accounts to market their businesses, 33% of them got friends/associates to use their accounts to market their businesses, and 4% marketed their products on social network communities designated for marketing. From the information presented, majority of the respondents used personal accounts to market their businesses, followed by those who got their friends/associates to use their accounts to market the business. Smallest percentage of them marketed their products on social media network communities designated for marketing.

4.4 Uses of Social Media in Marketing

The study aimed at understating and establishing the direct influence of social media marketing approaches on performance of the SMEs in Nairobi County. In this section, the current study sought the respondent’s perception regarding the various uses of social media marketing. The respondents were asked to indicate to what extent they agreed to the various statements about the uses of social media in marketing.
Four uses of social media for marketing were identified and respondents’ opinion sought on the extent of application in their businesses. The respondents expressed their opinion on the extent to which their organizations made use of each dimension of social media marketing. The mean and standard deviation for each dimension (variable) were computed as shown in Table 4.2 below.

Table 4.2 Social Media Uses

<table>
<thead>
<tr>
<th>(a) Identity</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business marketing operations uses social media marketing to identify with the prospective customers</td>
<td>3.672</td>
<td>0.236</td>
</tr>
<tr>
<td>Business marketing operations uses social media marketing to identify with the current customers</td>
<td>3.363</td>
<td>0.196</td>
</tr>
<tr>
<td>business uses social media to develop a desired image</td>
<td>3.762</td>
<td>0.197</td>
</tr>
<tr>
<td>My business uses social media marketing to communicate brand offerings</td>
<td>3.552</td>
<td>0.17</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td><strong>3.587</strong></td>
<td><strong>0.200</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(b) Conversation</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business operations uses social media marketing to obtain feedback from customers</td>
<td>3.638</td>
<td>0.21</td>
</tr>
<tr>
<td>business operations uses social media marketing to get innovative ideas from customers</td>
<td>3.971</td>
<td>0.224</td>
</tr>
<tr>
<td>business operations uses social media marketing to inform the current customers of our key internal reorganizations</td>
<td>3.691</td>
<td>0.118</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td><strong>3.751</strong></td>
<td><strong>0.501</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(c) Sharing</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
</table>

31
It is evident from the discussion that the most dominant use of social media in marketing was in enhancing sharing with customers since it had the highest mean. Use of social media to promote business identity reported the least mean, even though it attracted the most stable responses as shown by the least standard deviation. Although use of social media for conversational purposes reported the second highest mean, it attracted the most unstable responses as shown by the largest standard deviation.

### 4.5 Contribution of Social Media Marketing to Business Performance

The respondents were asked to express their opinion on the contribution of social media marketing to business performance, in a scale of 1-5, where 1-Not at all, 2-Slightly, 3-Average, 4-A lot, 5-Extremely a lot. The following responses were obtained.

<table>
<thead>
<tr>
<th>% of respondents</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Average</th>
<th>A lot</th>
<th>Extremely a lot</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9%</td>
<td>31%</td>
<td>48%</td>
<td>11%</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Figure 4.6 Contribution of Social Media Marketing to Business Performance**
Figure 4.6 demonstrates that majority of the respondents, represented by 48% felt that social media marketing had an average contribution to the performance of their businesses. 31% of them, however, felt that social media marketing slightly contributed to the performance of their businesses. The least percentage of the respondents, represented by 1% felt that social media marketing contributed extremely a lot to the performance of their businesses.

4.6 Other Marketing Strategies

The respondents were asked to state the other marketing strategies used by them, other than social media. The information in Figure 4.7 below was obtained.

![Figure 4.7 Other Marketing Strategies](image)

It is evident from Figure 4.7 above that majority of the respondents used direct (one-on-one) marketing approach. 31% of them used radio/television. The smallest percentage used road-show campaigns, represented by 1%.

4.7 Effectiveness of Social Media as a Marketing Tool
The respondents were asked to rate, in a scale of 1 to 5, the effectiveness of social media as a marketing tool. The findings were as shown in Figure 4.8 in the next page.

![Figure 4.8 Effectiveness of Social Media as a Marketing Tool](image)

**Figure 4.8 Effectiveness of Social Media as a Marketing Tool**

It is demonstrated from Table 4.8 above that 47% of the respondents rated social media marketing as “good”, compared to 31% who rated it as “fair”, 11% as “very good”, 10% as excellent, and 1% as “poor”. From foregoing statistics, majority of the respondents felt that social media marketing was “good”.

**4.8 Regression Analysis**

The main objective of the current study was to determine and establish the influence of social media marketing approaches on performance of SMEs in Nairobi County. Various inferential statistics were interpreted in light of the study objectives. $R^2$ was used to measure the proportion of organizational performance explained by each of the dimensions of social media marketing. The beta factors were used to measure the correlation between each of the dimensions of social media marketing, and performance of the SMEs in Nairobi
Tables 4.3, 4.4, and 4.5 present summary of the findings.

**Table 4.3: 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>.808(a)</td>
<td>.653</td>
<td>.633</td>
<td>.69440</td>
</tr>
</tbody>
</table>

Table 4.3 shows that the value of adjusted R squared was 0.633, this being the coefficient of determination. This demonstrates that there was variation of 63.3% in business performance as a result of variations in corporate identity, conversation and sharing at 95% confidence interval.

In this regard, 63.3% variation in business performance could be attributed to the variations in corporate identity, conversation and sharing. The coefficient of correlation, R was 0.808, and this measures variability patterns between pairs of variables.

**Table 4.4: Analysis of Variance**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>0.813</td>
<td>3</td>
<td>0.271</td>
<td>3.045</td>
<td>.021b</td>
</tr>
<tr>
<td>1 Residual</td>
<td>2.759</td>
<td>200</td>
<td>0.089</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Total</td>
<td>3.572</td>
<td>203</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The p-value for the model was 2.1% compared to the 5% level of significance. This demonstrates that the model was fit for drawing inferences about the entire population from the sample.
From the data in the above Table 4.5, the established regression equation was

\[ Y = 1.298 + 0.237X_1 + 0.231X_2 + 0.239X_3 \]

The regression constant was 1.298, implying that if each of the social media dimensions had a score of zero, the business performance score would be 1.298. However, a unit change in identity strategy would lead to increase in business performance by 23.7%, unit change in conversation would lead to increase in business performance by 23.1%, and a unit change in sharing would lead to increase in business performance by 23.9%. The level of significance for each of the social media marketing dimensions was found to be statistically significant at 5% level of significance.

4.9 Discussion of Findings in relation to theories and previous research

Originated by Kim and Kom (2012) marketing equities theory postulates that marketing in social media activities have a positive effect on the performance of a business. The originators of the theory initially focused on the marketing activities used by luxury fashion brands to promote their products. They included entertainment, customer engagement, customization and word of mouth. Their impact on business performance was analyzed in terms of brand equity, purchase intention, value equity, and equity relations.
According to Kim and Kom (2012) this model provides a solid view on the workings of social media marketing. The five marketing techniques are at the pillars of the strategy. Customer interaction gives the business a good opportunity to showcase the benefits of its products, and address any complaints raised by the customers. The significance of this theory to the study is that it looks at the relationship between marketing activities, and business performance. It directly correlates social media marketing strategies to improved marketing features. The current study, therefore, adduced empirical evidence in support of the postulations of the theory since social media marketing was found to significantly influence business performance.

Chaffey’s theory looks at social media marketing as an informal marketing approach. According to the theory, communication and human networking are at the core of human behavior, and ultimately customer behavior. Social media marketing therefore utilizes these platforms to influence customers’ opinions on different products and services, and ultimately lead them into making purchases, and even maintain loyalty to one brand.

This theory focuses on social media as a relationship-building tool. Through such interactions, a meaningful relationship is fostered between the business and its clients. The significance of this theory to the study is that it brings in a new angle of viewing the impact of social media marketing (Heinze et al., 2016). By establishing a long term relationship with clients, not only does it cause an immediate impact, but also secures the business’ performance in the long term. It therefore calls for evaluation of both the short term and long term benefits of social media marketing. The current study, therefore, adduced empirical evidence in support of the postulations of the theory since social media marketing was found to significantly influence business performance.
Based on the relationship with previous studies, the findings of this study agree and disagree with a few previous investigations. Flanigan and Obermier (2016) conducted a study on the use of social media in the industrial distribution business-to-business market sector in the United States of America. The current study disagrees with this proposition since social media marketing has been found to significantly influence business performance. A study by Srinivasan, Bajaj and Bhanot (2016) considered the effect of social media strategies utilized by SMEs to acquire and retain customers.

It has likewise found that there is a positive connection a revenue and social media visibility and that web-based social networking promoting techniques affected customer acquisition and retention and to increment in piece of the overall industry. The study found that there was a positive conflation between marketing strategies and corporate performance entities. The current study agrees with this proposition since social media marketing has been found to significantly influence business performance.

A study by Masinde (2012) was conducted in Nairobi County and it focused on university students, and how they respond to social media marketing. The study was a quantitative descriptive study that tried to establish whether social media campaigns had an impact on brand awareness and brand loyalty among the students. The results of the study indicated that social media did in fact have a positive impact. There was increased brand awareness, improved attitude towards the brand, and increased level of loyalty. The current study agrees with this proposition since social media marketing has been found to significantly influence business performance.
An investigation by Njeri (2014) aimed at evaluating the effect of social media in the banking industry in Kenya. The study targeted all the commercial banks, and tried to determine how social media interactions affected their financial performance. The findings of the study revealed that social media has improved the financial position of all the banks. Through social media, they were able to acquire a good number of customers, and at a reduced cost. There was also increased revenue due to increased uptake of loans. The net effect was therefore quite positive. The current study agrees with this proposition since social media marketing has been found to significantly influence business performance.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section of the project paper entails a summary of the study findings, the conclusion, and recommendations of the study. Summary of the findings is a synopsis of the study results, while conclusion is based on the study interpretations. Recommendations are all based and supported on the policy, practice, and academic implications of the study.

5.2 Summary of Findings

Based on the first dimension of social media marketing, the respondents were requested to indicate there level of agreement with a set of statements on the use of social media to promote business identity. The findings revealed that identity uses of social media influenced performance of the SMEs significantly. The findings also concluded that majority of the respondents agreed that their businesses used social media to identify with prospective customers, used social media marketing to identify with the current customers, used social media to develop a desired image, and used social media marketing to communicate their brand offerings. In addition, a unit change in conversation would lead to increase in business performance by a factor of 0.421. At 5% level of significance in conversation was found to significantly influence business performance.

Based on the second dimension of social media marketing, the study sought to determine the respondent’s opinion on a set of statements on the use of social media to promote conversation with customers. The findings revealed that majority of the respondents agreed to use of social media platforms for obtaining feedback form customers, to obtain innovative ideas from customers, and to inform customers of key internal reorganizations.
Moreover, a unit change in conversation would lead to increase in business performance by a factor of 0.421. At 5% level of significance in conversation was found to significantly influence business performance. Based on the last dimension of social media marketing, the respondents were requested to indicate their perception on various statements relating to the use of social media for sharing with customers.

The study revealed that SMEs used social media platforms for getting experiences from customers, and to get public opinion of our organization. It was revealed that if there were no changes in profit maximization strategies, business performance would be at 1.213. However, a unit change in sharing would lead to increase in business performance by a factor of 0.532. At 5% level of significance in sharing was found to significantly influence business performance.

5.3 Conclusion

The study has determined that social media marketing is common among the SMEs in Nairobi County as shown by the descriptive statistics. The study has also established that social media marketing has significant influence on performance of the SMEs in Nairobi County. The findings of the study, therefore, agrees with a few studies, and disagrees with others. The study findings also have adduced evidence in support of both marketing equity, and Chaffey’s theories.
5.4 Recommendations

The study recommends that the academics in the field of marketing management, strategy, and organizational development should consider using the empirical evidence adduced to further research. Theorists should also consider the study results to find further empirical foundation on the linkages between social media marketing and performance. By so doing, further studies in other contexts, public, private, manufacturing, and service will germinate.

The study further recommends the findings for the development of policies that will be geared towards increasing the sustainability of the SMEs through social media marketing. The Micro, Small, and Medium Enterprises Authority (MSEA) should apply the study results in decision making since it would assist in developing well-informed policies geared towards the achievement of the Vision 2030, the Big Four agenda, and the sustainable development goals in Kenya.

Finally, the study recommends that the owners and managers of the various SMEs in Nairobi County should use the findings for guidance in making necessary changes in their various firms to enable them compete effectively in the increasingly crowded sector, as well as against the large corporations including multinational corporations. Specifically, because the study findings have drawn important lessons for success and best practices for the SME growth since they comprise a significant portion of the Kenyan Gross Domestic Product (GDP).
5.5 Limitations

Several limitations were encountered in the course of this study. Some respondents were uncooperative in filling the questionnaires; this limitation was mitigated by invoking a conversation with the respondent’s first to make them at ease. This strategy was used also to reduce the risk of the respondents giving socially-correct responses.

Some respondents also took longer than expected time to fully complete the questionnaire; the researcher however ensured questionnaire submission was done early enough to allow significant time for completion. Early preparation of questionnaires and pre-testing of the same also helped the researcher time for analysis and presentation.

5.6 Areas for Further Research

This study sought to determine the influence of social media marketing on performance of SMEs in Nairobi County. The study recommends an in-depth study should be done on challenges facing the adoption of social media marketing in other contexts including the government. The study also recommends that the influence of moderating and mediating factors should be examined, especially where lack of consensus among studies has been noted. This is because the differences in findings could be attributed to the influence of the control variables.
REFERENCES


APPENDICES

Appendix I: Consent Form

My name is Khamis Abdul Mbwana, I’m a Master of Business Administration (MBA) Student working on an academic research project that is aimed at assessing “The Influence of Social Media Marketing on Performance of Small and Medium Enterprises in Nairobi County, Kenya”. It is totally voluntary and you have the option of declining to participate. If you choose to participate, your personal details and that of your business will remain anonymous. If you agree to participate, please sign in the space below as informed consent of participation. Thank you.

Having fully understood and read the consent form, I am willing to participate and agree to fill in the questioner

Sign ………………….
Appendix II: Questionnaire

Section A: Demographic Information

Respond by ticking (✓) on the appropriate box or explain your response

1. What is your age bracket? (Please tick one)
   
i. Below the age of 20 years (   )
   
ii. Specified Age gap between 21 - 30 years (   )
   
iii. Specified Age gap between 31 - 40 years (   )
   
iv. Specified age bracket between 41 - 50 years (   )
   
v. Specified age bracket between 51 - 60 years (   )
   
vi. Above 60 years (   )

2. Gender. (Please tick one)
   
i. Male (   )
   
ii. Female (   )

3. What is your current level of education?
   
i. Certificate Level (   )
   
ii. Diploma Level (   )
   
iii. Bachelors (   )
   
iv. Masters Level (   )
   
v. PhD Level (   )
   
vi. Other ............................................................

4. What product or service do you sell? ........................................

5. Operation age of the business?
   
i. Less than 12 months and below(   )
ii. 1-3 years length of operation and practice ( )

iii. 4 - 6 years length of operation and practice ( )

iv. 7 – 9 years length of operation and practice ( )

v. Above 9 years ( )

7. Do you use social media to market your business?

☐ Yes  ☐ No

8. If YES to question (7) above, please proceed to Section (B) below

Section B: Performance of Construction Projects

8. This section seeks to elicit data on the state of social media marketing in your organization. Kindly indicate your degree of disagreement or agreement with the below statements in a scale of 1 to 5, where choice 1 to symbolize Strong disagreement, choice 2 to demonstrate Disagreement, moving to choice 3 describing Neutral, the next choice 4 establishing Agreement and choice 5 demonstrating Strong agreement to the set statements. Please tick (✓) the most appropriate response from the list provided.
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>My business uses social media marketing to identify with the prospective customers</td>
</tr>
<tr>
<td>2</td>
<td>My business uses social media marketing to identify with the current customers</td>
</tr>
<tr>
<td>3</td>
<td>My business uses social media to develop a desired image</td>
</tr>
<tr>
<td>4</td>
<td>My business uses social media marketing to communicate brand offerings</td>
</tr>
<tr>
<td>6</td>
<td>My business uses social media marketing to obtain feedback from customers</td>
</tr>
<tr>
<td>7</td>
<td>My business uses social media marketing to get innovative ideas from customers</td>
</tr>
<tr>
<td>8</td>
<td>My business uses social media marketing to inform the current customers of our key internal reorganizations</td>
</tr>
<tr>
<td>14</td>
<td>My business uses social media marketing to get experiences from customers</td>
</tr>
<tr>
<td>15</td>
<td>My business uses social media marketing to get public opinion of our organization</td>
</tr>
</tbody>
</table>

(b) Conversation

(c) Sharing

(c) Presence
<table>
<thead>
<tr>
<th></th>
<th>My business uses social media marketing to communicate our availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>My business uses social media marketing to inform our customers of new products/services</td>
</tr>
<tr>
<td>17</td>
<td>My business uses social media marketing to inform our customers of our branch networks</td>
</tr>
</tbody>
</table>

Briefly explain how social media marketing has impacted the performance of your organization.

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Thank you