

**PERCEIVED INFLUENCE OF DIGITAL MARKETING ON  
MARKETING PERFORMANCE OF JUMIA KENYA**

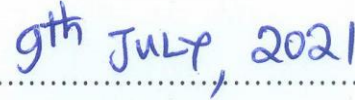
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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT  
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE  
OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF  
BUSINESS, UNIVERSITY OF NAIROBI**

**JULY, 2021**

## DECLARATION

This research project is my unique work and has not been presented for a scholarly honor in some other University, College of Institution of Higher Learning.



Signature

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This project has been submitted for assessment with my approval as the University supervisor.



...**30<sup>th</sup> August, 2021**.....

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Above all, I am grateful to God almighty who has always been with me throughout this academic journey

## **DEDICATION**

I dedicate this work to my loving parents who have constantly encouraged me throughout my academic journey. Thank you for all the hard work and sweat you endured to ensure I achieve this level of education.

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## **ABSTRACT**

Digital marketing sprung in the past decade and provided organizations and customers with various social media networks geared towards attaining both branding goal and marketing communication. Digital marketing strives to offer more inclusive techniques regarding customer relationship. The usage of the internet for advertising through e-mail, splash display, banners, and viral marketing have provided new communication channels that can be explored by organizations to improve on their marketing capabilities. Digital advertising essentially refers to various forms of marketing media that are digitally displayed for instance on the smart phones, internet as well as on other hand-held media devices. The aim of the study was to assess the perceived influence of digital marketing on the marketing performance of Jumia Kenya. A descriptive cross-sectional design was employed, and a questionnaire was used to collect data from the target population which comprised all the 31 employees working in the digital and the sales and marketing departments of Jumia Kenya. Data was analyzed quantitatively. The study found that to a great extent online advertising was the most used digital marketing platform and that digital marketing had increased brand awareness and recognition. The study established that the sales revenue grows every year by over 30%. Amidst all these successes, some of the challenges facing Jumia included lack of adequate infrastructure to promote digital marketing, lack of adequate training on the operation of the online platform and keeping up with the digital trends. The study concluded that online advertising was the most used digital marketing platform and that digital marketing had increased brand awareness and recognition. The company therefore needs to leverage further on the key digital marketing tools that greatly impact on its performance in order to be competitive.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

Evolving digital technology strives to improve customer services by offering fast and resourceful means of delivering services (Teo, 2005). The adoption of digital marketing technologies has consequently changed consumers' perceptions as well as expectations regarding modern day marketing. To succeed, companies must merge traditional and online approaches to better meet customer wants. Digital marketing is important for companies to succeed in creating brands and increasing traffic (Song, 2001). In Singapore, the triumph of digital marketing in organizations has been tested and found to be valuable for realizing results (Teo, 2005). In particular, evolution of digital marketing is as a result of the rapid evolution of technology plus changing market trends (Mort, Sullivan, Drennan and Judy, 2002). The upsurge of search engine-optimization has resulted in monotonous growth in digital marketing through advertising and marketing techniques.

The study was guided by Technology Acceptance Model (TAM) and Innovation Diffusion Theory. TAM emphasizes that beliefs influence attitudes, leading to intentions that generate behavior. Diffusion of innovation theory indicates that the key to a smooth diffusion process is to improve on customer awareness of new technologies among the intended innovation users. This will emanate from observing other users of the technology. The comparative advantage of an innovation is the extent to which a particular user group perceives it as better than an alternative idea. In essence, innovation adoption success will be dependent on early adopters since they have considerable influence over innovation adoption. The adoption of innovation in an organization is beneficial since old processes are improved hence improving on overall performance. Archaic processes are eliminated when new systems are adopted thus leading to efficiency that translates to better organizational performance.

Online shopping has, over the recent past, taken a new shape to dictate how Kenyans and people worldwide do their shopping. To choose which an online platform for

advertisement in Kenya, online security is the most important aspect to consider. The most trusted online platform in Kenya is Jumia. Jumia plans to increase its investment in Kenya in order to grow its business two-fold by growing the number of vendors by at least twice the current number and achieving a target of 5 million products. This commitment by the company to invest further in Kenya in spite of the challenges experienced in 2016 stirs up curiosity on the strategies they intend to employ in order to return to profitability (Jumia, 2019).

### **1.1.1 Digital Marketing**

Digital marketing refers to any activity that is aimed at promoting products and services through online platforms (Digital Marketer, 2019). According to Soni (2017), digital marketing is quantifiable, interactive and oriented to the conversion of products through the application of innovation to acquire customers and convert them into loyal customers in a sustainable way. He adds that paid advertising, search engine optimization, social networks, email marketing, web analysis and mobile selling are the pillars of digitalized marketing. Digital marketing sprung in the past decade and provided organizations and customers with various social media networks geared towards attaining both branding goal and marketing communication.

Digital marketing strives to offer more inclusive techniques regarding customer relationship. The usage of the internet for advertising through e-mail, splash display, banners, and viral marketing have provided new communication channels that can be explored by organizations to improve on their marketing capabilities. Digital advertising essentially refers to various forms of marketing media that are digitally displayed for instance on the smart phones, internet as well as on other hand-held media devices (Basheer & Ibrahim, 2008). Digital marketing possesses the potential to push brands forward in the consciousness of their present and potential customers thereby leading to lasting adoption and advocacy. Digital components also enable target audience to feel important as it serves to improve customer retention as well as the attraction of new customers. Customers feel appreciated as they can access goods and services at their convenience. Digital marketing can forge individual organization relationships with

target consumer audience through direct engagement with each member of the audience (Buchanan, 2011).

### **1.1.2 Organizational Performance**

Ghemawat, Malik and Zaidi (2011), define organizational performance as basically the accomplishment of set tasks which are gauged by the degree of completion, accuracy and completeness. According to Koontz and Donnell (2003), organization performance has various scopes which may be hard to enumerate. There exists a wide range of literature on parameters and models for measuring an organization's performance. Most organizations majorly exist to make profit hence the ultimate goal is to increase shareholders' wealth. Nevertheless, other goals exist for instance, long term survival, customer satisfaction, technological advancement and even market share. Financial indicators are used by organizations to assess performance over time by comparing capital employed to revenue generated from operations (Spender, 2006).

Organizations aim to maximize profits by utilizing involved organizational resources that are broadly in limited supply. The need to continuously generate returns for the conceivable future is the ultimate goal of any profit seeking company (Lebans & Euske, 2006). According to Rowley (2011), indicators for organizational performance are classified as financial and non-financial. In the services sector, Mishra (2008) reports that worker creation is utilized as a proportion of execution. Execution can likewise be benchmarked against different rivals in similar industry with respect to item quality, conveyance time and stock administration throughout a given timeframe (Kates and Matthew, 2013). Kotler (2000) contends that showcasing execution is controlled by examining deals, dissecting piece of the pie, investigating deals to promoting costs, and generally monetary execution. According to Pearson (2016) there are numerous categories of measurements that could be used in assessing performance of e-commerce units: traffic and site usage metrics (hits, pageview, ad views and visits); marketing metrics (customer profile analysis, referrer analysis, location analysis, analysis of shopping basket); financial metrics (return on investment, revenue, expenses); and multi-dimensional scorecards. The Balanced Scorecard, a strategic evaluation tool for

performance developed by Kaplan and Norton (1992), views organization performance measurement in four viewpoints namely; customer aspect; learning and growth aspect; internal aspect and financial aspect. The Balanced Scorecard customer perspective and internal perspective measures identify the factors that the company considers most important for success.

### **1.1.3 Jumia Kenya**

Jumia Kenya was founded in May 2013 with the goal and vision of becoming a one-stop retail shop with engagement of best practices both offline and online. Jumia is open to everyone in Kenya who has access to the internet. Jumia's platforms includes among others, Jumia Market, Food, Travel, Deals, Jobs and Jumia Car. These offer a platform to people wishing to purchase products for instance, home appliances, groceries, home and health care products, travel and flight bookings among others. Jumia accepts all types of payment from cash to mobile money to visas and credit cards. Home deliveries, drop offs and pick-ups are part of additional services offered (Jumia, 2019).

Jumia has employed over 1000 youths which is made up of a team comprising of 150 members tasked with customer service (Jumia, 2019). The company announced its financial results for the first time in April 2018 with the aim of increasing stakeholders' confidence. Jumia has registered a yearly growth of 80%, despite a decline in gross profit from 30.2 million euros in 2016 to 27 million euros. The company plans to increase its investment in Kenya in order to grow its business two-fold by growing the number of vendors by at least twice the current number and achieving a target of 5 million products (Mbogo, 2018). This commitment by the company to invest further in Kenya in spite of the challenges experienced in 2016 stirs up curiosity on the strategies they intend to employ in order to return to profitability.

### **1.2 Research Problem**

Markets in most organization are expected to make a great contribution to the performance of the organization through customer acquisition, customer retention, customer satisfaction, growth of sales and revenue as well as growth of market share.

There have been many studies on the influence of digital marketing and performance of an organization. Rajiv's (2016) research of digital marketing in India has shown that it improves the competitive advantage of organizations. Ekaterina (2018), a study of digital marketing and its effect on the perception of a company's brand image, has established that digital marketing influences brand. Alexander and Cheryl (2007) examined how direct market farmers adopt electronic marketing in the northeastern United States. The results showed that not all farmers in the direct market want to utilize the Internet as a marketing tool. In Kenya, a study by Mathenge (2017) in Safaricom Limited of online marketing tactics vis-a-vis performance of telecommunications companies and found that there exist an association between performance and digital marketing.

Today online shopping is fast becoming a new way of life for most internet savvy consumers. A recent and more relatable example is the introduction of regulations on mobile money transfer instead of cash by Central Bank of Kenya (CBK, 2020). The immediate impact of these measures has seen more citizens to getting connected to the internet in order to abide by the new government directive. Jumia Kenya has undergone tremendous growth, challenges experienced in 2016 with regards to dip in gross profit notwithstanding. Despite this, Jumia still plans to double its investment in Kenya by increasing the number of vendors (Mbogo, 2018). This aggressive approach to business amid challenges experience in 2016 spurs research interest and curiosity with respect to the online business industry and particularly Jumia Kenya. Several studies focused solely on social media's influence on organizational performance hence a conceptual gap. For example, Otieno (2014) study on tourism industry revolved around Facebook only as a tool for marketing. Other studies cited were conducted in different countries or regions and industries thus highlighting a contextual gap. To fill these conceptual and contextual gaps highlighted above, this study sought to establish the relationship between digital marketing and marketing performance of online sales companies with particular reference to Jumia Kenya?

### **1.3 Research Objective**

The objective of the study was to establish the perceived influence of digital marketing on the marketing performance of Jumia Kenya.

### **1.4 Value of the Study**

Online sales companies are an integral part of the economy due to the latest trends in the use and application of technology in Kenya. Kenyans are now spending ample time online which has been made possible by available of internet and mobile gadgets. As this becomes the trend, companies will be interested to know the best digital marketing tools to reach their target market. This study will seek to provide a direction by identifying the current digital marketing tools used and how they impact on organizational marketing performance. The gaps that may arise from this study will be used by other researchers for further probe and therefore not only add to the general body of knowledge but be a platform for further research.

In practice this research will inform and guide online sales companies in Kenya on the best digital marketing tools to adopt vis-à-vis overall company objectives. This study will also benefit new investors in the industry by providing guidance on industry best practices for digital marketing tools, how to respond to a changing business environment and how to create and maintain an advantage. Industry and government regulators will also find essential information about current digital marketing trends in the country. This will help in formulation policies geared towards encouraging the increased usage of digital marketing practices as the country strives to be at par with the developed countries.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter provides the literature and theoretical foundation about organizational marketing performance and digital marketing.

### **2.2 Theoretical Foundation of the Study**

The section provides the guiding theories related to digital marketing and organizational performance. The theories that anchor this study include the theory of Diffusion of Innovation together with the model of Technology Acceptance. These two theories highlight how innovative ideas are embraced in the market and the factors that influence their acceptance.

#### **2.2.1 Diffusion of Innovation Theory**

In the ever-changing world, innovative technologies are the only mechanisms through which organizations can enhance profitable and sustainable competitive advantage leading to high performance. Rogers (1962) advanced the theory of Diffusion of Innovation (DOI) in which he explains how an idea / product evolves over time in a specific population or social circle. Essentially, the success of the adoption of the innovation will depend on early adopters, since they possess a considerable effect on the adoption of the innovation (Rogers, 2003). According to the theory, the key to a smooth diffusion process is to improve on customer awareness of new technologies among the intended innovation users. This will emanate from observing other users of the technology.

According to Robinson (2012), the comparative advantage of an innovation is the extent to which a particular user group perceives it as better than the next idea. Features of comparison include social prestige, economic advantage, satisfaction or convenience. He argues that the larger the perceived comparative advantage of an idea, the faster its adoption frequency will be. The adoption of innovation in an organization is beneficial since old processes are improved hence improving on overall performance. Archaic



processes are eliminated when new systems are adopted thus leading to efficiency that translates to better organizational performance. Innovation will serve to simplify complex processes thus leading to few errors on part of employees hence improving on their productivity.

### **2.2.2 Technology Acceptance Model (TAM)**

The proponent of the model is Davis in the year 1989. He was a computer and information systems scholar at the University of Michigan. According to the model seen usability and utility are significant determinants on the reception and acceptance of technology. In addition, Davis states that perceived utility is an individual perception on how adoption of a technology in going to improve his or her skills in relation to work productivity. Since its creation, the model has been widely studied and has become a widely applied model for user acceptance and usage. The model is generally pegged on the theory of social psychology (Fishbein and Azjen, 1975). It emphasizes that beliefs influence attitudes, leading to intentions that generate behavior. TAM and the original model expanded in TAM2 to encompass social influence characteristics utility (Davila *et al.*, 2003). This study adopted TAM2 collectively with TAM as the standard model. The theory is appropriate for this study as digital marketing is a relatively new concept world over.

### **2.3 Digital Marketing and Organizational Marketing Performance**

Digital marketing has given rise to new competition at the marketplace hence prompting existing companies to sharpen their strategies. Prosperous companies are creating a niche in the virtual internet space to respond to customers, create networks with industry leaders and to tell the tale of their brands in a creative, sincere, and visually engaging way. These efforts have led to a positive correlation between digital marketing and firm performance (Hendricks, 2012). Theodosiou and Katsikea (2012) did a study on the influence of natural and authoritative components on force of adoption of electronic commerce by modern organizations. The results showed that the power of the client had the best effect on the force of the utilization of electronic business, followed by the capacity for organizational learning, the culture of adhocracy and management action.

In examining how the success of small business marketing in United Kingdom is influenced by use of electronic marketing, Riyadh and Hatem (2013) discovered that electronic marketing has a constructive influence SMEs performance. The results also demonstrated that pre-sale and after-sales marketing actions have a direct influence on the success of SMEs. The wide adoption of digital marketing components and deeper penetration in the market has further enhanced mobile marketing especially among young people who have the largest access to the internet.

This form of marketing has therefore proved to be imperative in improving customer engagement which has a direct positive association with firm performance (Smith & Chaffey, 2012). A study by Wisdom (2015) on the degree of use of digital marketing by companies in south Africa found that there were four main forms of electronic marketing used by members which included company websites, Facebook, and word of mouth. The study further established that only a few individuals had adopted other form of electronic marketing. The other form includes Instagram, YouTube, publication which are virtual, and other links from other company websites.

Otieno (2014) considered Facebook as a tool for marketing the Kenyan tourism industry and discovered that tour operators were not utilizing Facebook correctly for marketing. The study recommended that the Tourism Ministry together with the relevant Tourism Board, sponsor national awareness campaigns to encourage Facebook use as a marketing tool for the sector. In her research on electronic commerce and its performance in East Africa, particularly in Kenya and Tanzania, Njoka (2014) discovered that the most preferred component for electronic commerce was the website, the operating cost not affected by the size of the business.

## **2.4 Summary**

Despite the challenges experienced with respect to initial investment and adoption of internet in the country, massive progress has been made years later resulting in more and more citizens getting connected to the grid. This has begotten online and digital activities as a way of life including but not limited to online shopping. Organizations have been proactive at utilizing this fast and direct mode of reaching their target markets which

portends enormous benefits to all market players in terms of convenience, cost effectiveness, reliability among others. The success has been witnessed in global companies like Amazon and E-bay.

In Kenya, online sales is a relatively new concept and more players are keen to join this industry to capitalize on the opportunities that exist. Previous research projects have covered the area of business performance vis-à-vis digital marketing in a variety of industries but there still exists knowledge gaps with regards to online sales companies like Jumia which was the focus of this study. This study also concentrated on a variety of digital marketing tools and their impact on organization performance as opposed to previous studies that narrowed down to only one or two tools.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter presents the methodology of the study. The methodology comprises of the research design, the study population and the sample size, data collection and data analysis.

### **3.2 Research Design**

The research design refers to the ways through which data is collected and depends on the stage in which information on the subject of research has progressed (Sekaran and Bougie, 2010). A descriptive cross-sectional design was employed as it is concerned with determining the rate of occurrence of an event or the association of variables. Therefore, this design was befitting because the study intends to amass detailed information through useful descriptions to identify association that exists between digital marketing and marketing performance of Jumia.

### **3.3 Target Population**

The population of study encompassed all the employees working in the digital department and the sales and marketing department of Jumia Kenya. This included the digital marketing managers, sales and marketing managers and their teams. The study targeted all the 31 employees in the two departments hence census method was used.

### **3.4 Data Collection**

Primary data was collected by the use of a questionnaire which comprised of three sections designed to collect general information about respondents, data on digital marketing and a final section that covers marketing performance indicators. Respondents for this study were employees working in the digital and sales and marketing departments. These included general managers, product managers, sales managers and marketing managers. The interviews were conducted face-to-face at company premises or administered via email for those respondents who were reluctant to allow face-to-face meetings.

### **3.5 Data Analysis**

Data was analyzed by the use of both descriptive statistics as well as inferential statistics. Descriptive statistics included frequency, percentage, mean and standard deviation. Inferential statistics utilized in this study included Pearson correlation which was used to establish the relationship between the independent and dependent variable. The correlation is utilized in establishing a relationship between continuous variables or variables of interest which are based on covariance method.

## **CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION**

### **4.1 Introduction**

This chapter presents analysis of findings, interpretations, and discussion of findings as per the research objectives.

### **4.2 Response Rate of the Study**

The researcher gave out 31 questionnaires out of which 26 questionnaires were filled and returned. This made a response rate of 83% which was appropriate for data analysis. According to Kothari et. al. (2104) a response which is above 70% is excellent and is appropriate for data analysis of a study.

### **4.3. Respondents Profile**

The respondents profile comprised of the gender, highest academic qualification and duration of work in the organization.

#### **4.3.1. Respondents Gender**

The respondents were asked to indicate their gender and the findings are shown in Table 4.1

**Table 4. 1. Respondents Gender**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Male	16	61.5
Female	10	38.5
<b>Total</b>	<b>26</b>	<b>100.0</b>

Source: Primary Data

From the findings in Table 4.1, 16 (61.5%) of the respondents were male while 10(38.5)% of the were female. This depicts that majority of the responses emanated from the male gender.

#### 4.3.2. Respondent Level of Education

The respondents were asked to indicate their education level. The findings are shown in Table 4.2.

**Table 4. 2 Distribution of participants by Level of Education**

<b>Level of education</b>	<b>Frequency</b>	<b>Percentage (%)</b>
University	18	69.2
Post graduate	8	30.8
<b>Total</b>	<b>26</b>	<b>100.0</b>

Source: Primary Data

Table 4.2 shows that 18(69.2%) of the respondents had university level of education, while 8(30.8%) had postgraduate level of education. This implies that respondents were well knowledgeable in their areas of expertise.

#### 4.3.3. Respondent Duration of Work in the Jumia

The study sought to establish the respondent duration of work in Jumia and the findings are as shown in Table 4.3

**Table 4. 3 Respondent Duration of Work in the Jumia**

<b>Duration of work</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Less than 5 years	19	73.1
5-10 years	7	26.9
<b>Total</b>	<b>26</b>	<b>100.0</b>

Source: Primary Data

Results in Table 4.3 show that 19(73.1%) of the respondents indicated that they had worked in Jumia for a duration of less than 5 years, while 7(26.9%) indicated a duration

between 5-10 years. This depicts that most of respondents had worked at Jumia for 5 years.

#### **4.4. Digital Marketing**

This section presents findings on Digital Marketing. The findings are as shown in the following subsections.

##### **4.4.1. Digital Marketing Strategy and Prospect For New Customers**

The study sought to establish the digital strategies used by companies. The findings are as shown in Table 4.4.

**Table 4. 4 Digital Marketing Strategy and Prospect for New Customers**

<b>Digital marketing strategy</b>	<b>Frequency</b>	<b>Percentage</b>
Online advertising	24	95%
Mobile applications	23	90%
Websites	22	87%
Social media	21	81%
Digital displays	20	78%
Short video display	18	70%
You tube	17	68%
E-mails	16	62%
Short message texts	15	60%

Source: Primary Data

From the findings in Table 4.4, online advertising (95%) was the most utilized form of digital marketing prospect for new customers, followed by mobile applications (90%), websites (87%), social media (81%), digital displays (78%), short video display (70%),



Youtube (68%), E-mails (62%), and short message texts (60%). This depicts that the digital marketing tool mostly employed by the company was online advertising.

#### 4.4.2. Use of Digital Marketing Platforms

The study sought the degree of use of various digital marketing strategies. Data was captured using a Likert scale. The findings are as shown in Table 4.5

**Table 4. 5 Use of Digital Marketing Platforms**

<b>Statements</b>	<b>Mean</b>	<b>Std. Dev</b>
Online advertising	4.27	0.5189
Social media	4.22	0.5976
Short video display	4.14	0.5324
Mobile applications	4.14	0.5128
Websites	4.09	0.5342
E-mails	4.04	0.5324
You tube	3.99	0.5125
Short message texts	3.89	0.5002
Digital displays	3.65	0.5632

Source: Primary Data

From the findings online advertising (mean=4.27) was the most used form of digital marketing, followed by social media (mean=4.22), short video display (mean=4.14), mobile applications (mean=4.14), websites (mean=4.09), E-mails (mean=4.04), YouTube (mean=3.99), short message texts (mean=3.89), and digital displays (mean=3.65). This implies that the organization mostly utilized online advertising as a digital marketing tool with moderate emphasis being paid on digital displays.

## 4.5. Performance Indicators

This section presents findings on performance indicators and digital marketing.

### 4.5.1. Organizational Performance

The study sought to establish how digital marketing has affected the various indicators of performance. The findings are as in Table 4.6

**Table 4. 6 Organizational Performance**

<b>Performance Indicators</b>	<b>Mean</b>	<b>Std. Dev</b>
Increased brand awareness and recognition	4.33	0.1382
Better customer engagement and satisfaction	4.29	0.2109
New Market Acquisition	4.25	0.2234
Increased customer loyalty	4.05	0.2210
Increased market share	3.99	0.1963
Reduction in operating costs	3.92	0.2104
Increased revenue	3.89	0.2139
More customer Acquisition	3.82	0.2009

Source: Primary Data

Findings in Table 4.6 depict that increase in brand awareness and recognition was aided by digital marketing (mean=4.33), followed by better customer engagement and satisfaction (mean=4.29), new market acquisition (mean=4.25), increased customer loyalty (mean=4.05), increased market share (mean=3.99), reduction in operating costs (mean=3.92), increased revenue (mean=3.89), and more customer acquisition (mean=3.82). The results imply that digital marketing had the greatest impact in creating brand awareness and recognition as well as customer engagement. To a moderate extent, digital marketing positively impacted on revenue and new customer acquisition.

#### 4.5.2. Percentage of Sales Revenue Growth

The study sought to establish the percentage through which sales Revenue grow every year.

**Table 4. 7 Percentage of Sales Growth**

<b>Percentage of sales growth</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Over 30%	26	100.0
<b>Total</b>	<b>26</b>	<b>100.0</b>

Source: Primary Data

According to the findings all the respondents indicated that the sales revenue grows every year by over 30%.

#### 4.5.3. Recommendation of Digital Marketing

The study sought to establish whether the respondents are likely to recommend digital marketing to other marketers or companies.

**Table 4. 8 Recommendation of Digital Marketing**

<b>Recommendation of Digital Marketing</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Extremely likely	26	100.0
<b>Total</b>	<b>26</b>	<b>100.0</b>

Source: Primary Data

From the findings in Table 4.8, all the respondents indicated that they were extremely likely to recommend digital marketing to others.

#### 4.5.4. Challenges with the Current Digital Marketing Strategies

The respondents were asked to state the challenges they face with the current digital marketing strategies. The results are shown in Table 4.9.

**Table 4. 9 Digital Marketing Challenges**

<b>Challenges</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Inadequate infrastructure	15	57.6
Inadequate training	10	38.5
Digital evolution	9	34.6
Management of social media	7	26.9

Source: Primary Data

Majority of the respondents at 57.6% felt that inadequate infrastructure was the major challenge faced with digital marketing. 38% indicated that inadequate training was a challenge, 34.6% mentioned the fast-evolving nature of the digital world as a hurdle while 26.9% pointed out that management of the social media platforms was also a setback while trying to achieve their objectives.

#### **4.5.6. Importance of Digital Marketing on Future Success for Jumia Kenya**

The study sought to establish the importance of digital marketing on future success for Jumia Kenya. The findings are shown in Table 4.10.

**Table 4. 10 Importance of Digital Marketing to Success Of Jumia**

<b>Importance</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Important	26	100.0
Not important	0	0.0
<b>Total</b>	<b>26</b>	<b>100.0</b>

Source: Primary Data

According to all the respondents digital marketing is of high importance to success of Jumia. They further stated that digital marketing strategies will enable Jumia to save on

the advertising costs in that they modern digital marketing strategies are way cheaper and faster as compared to the tradition strategies that included the TV, billboards, newspaper among others. The study established that Jumia success or failure was determined by the capability of the company to cater for the needs of the customers in the products and services they offer. It is hence necessary for Jumia company to adopt to the recommended market strategies which will help it to overcome the challenges in the market and protect its market share. Digital marketing strives to offer more inclusive techniques regarding customer relationship.

#### 4.6. Correlation Analysis

This section presents findings on correlation analysis on the relationship between digital marketing and performance. The findings are shown in Table 4.11.

**Table 4. 11 Correlation Between Digital Marketing on The Performance of Jumia Kenya**

		Performance of Jumia Kenya	Digital Marketing
<b>Performance of Jumia Kenya</b>	Pearson Correlation	1	.328**
	Sig. (2-tailed)		.000
	N	26	26
<b>Digital Marketing</b>	Pearson Correlation	.328**	1
	Sig. (2-tailed)	.000	

---

\*\* . Correlation is significant at the 0.01 level (2-tailed).

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Source: Primary Data

The results presented in Table 4.11 depict a positive association between performance of Jumia and digital marketing ( $r = 0.328$ ) meaning an improvement and continuous utilization of the digital marketing tools would impact performance positively.

#### **4.7. Discussion of Findings**

The study established that the digital marketing tool mostly used to prospect for new customers and create product awareness most was online advertising. The study found that digital marketing was able to increase brand awareness to a great extent in addition to growth in sales revenue grows every year by over 30%. Hendricks, (2012) stated that digital marketing has given rise to new competition at the marketplace hence prompting existing companies to sharpen their strategies. Prosperous companies are creating a niche in the virtual internet space to respond to customers, create networks with industry leaders and to tell the tale of their brands in a creative, sincere, and visually engaging way.

The study also found that the sales revenue grows every year by over 30% and that all the respondents indicated that they were extremely likely to recommend digital marketing to others. Some of the challenges facing Jumia as per the findings included lack of adequate infrastructure to promote digital marketing, lack of adequate training on the operation of the online platform and keeping up with the digital trends. Riyadh and Hatem (2013) discovered that electronic marketing has a constructive influence on marketing performance and productivity. The wide adoption of digital marketing components and deeper penetration in the market has further enhanced mobile marketing especially among young people who have the largest access to the internet. This form of marketing has therefore proved to be imperative in improving customer engagement which has a direct positive association with firm performance (Smith and Chaffey, 2012).

The study established that Jumia success or failure was determined by the capability of the company to meet the needs of the customers in the products and services they offer. It is hence necessary for Jumia company to adopt to the recommended market strategies which will help it to overcome the challenges in the market and protect its market share. Digital marketing strives to offer more inclusive techniques regarding customer relationship. The usage of the internet for advertising through e-mail, splash display, banners, and viral marketing have provided new communication channels that can be explored by organizations to improve on their marketing capabilities (Basheer & Ibrahim, 2008).

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1. Introduction**

This section provides the summary of findings, conclusion and recommendation on the study subject which are provided in the following subsections.

### **5.2. Summary of Findings**

The key objective of the study was to establish the perceived influence of digital marketing on the marketing performance of Jumia Kenya. It emerged that digital marketing did have an impact on the performance of Jumia. The study found that digital marketing was able to increase brand awareness to a great extent in addition to growth in sales revenue every year by over 30%. The respondents indicated that they were extremely likely to recommend digital marketing to others in spite of challenges they highlighted which included lack of adequate infrastructure to promote digital marketing, lack of adequate training on the operation of the online platform and keeping up with the digital trends. It was also found from the study that when Jumia utilized digital marketing it was able to save costs as the platform was less costly as compared to the traditional forms of marketing. The study established that Jumia's success or failure was determined by the capability of the company to meet the needs of the customers in the products and services they offer.

### **5.3. Conclusion**

The study concluded that digital marketing forms an integral part in the success of online sales companies as it is the foundation over which their success is pegged. The increase in internet connectivity levels in the country as supported by the government's policies and projects like the fiber optic cable, point out to an even larger untapped market for online sales companies. The success of digital marketing can therefore not be overemphasized so current and prospective marketers should endeavor to incorporate digital marketing into their marketing mix for better attainment of their performance objectives.



#### **5.4. Recommendations**

In relation to the growth rate of the social communities most of the businesses are striving to realize the capability of digital marketing. This study recommends that the marketer should focus on digital marketing for them to be successful. This is because the digital platform is important in creating awareness of the company products and services which helps them in acquiring new customers.

The Kenyan government should invest heavily in fiber optic which would be significant in offering the necessary infrastructure for digital marketing adoption. This has long acted as a challenge to most companies as they do not have the financial muscle to procure the digital infrastructure. The investment by the government ministry in fiber optic would help the companies to reduce the cost.

The study further recommends that companies should invest in digital platforms as modern form of advertisement which would supplement the traditional forms of advertisement which are no longer most effective. This would help the companies to take full advantage and thus realize competitive advantage in the market.

#### **5.5. Limitations of the Study**

Responses were based on the perceptions of respondents and not absolute values. Some respondents did not have confidence in giving out information as they thought the information could be used against them. Some respondents seemed to have an inherent fear of availing information and thereby creating obstacles to ensure the process was as unbiased as possible. The level of objectivity in answering the questions was at times wanting from some respondents and therefore, second attempts to have them answer the questions more objectively had to be considered. Some respondents preferred to answer the questions on phone citing time challenges due to their busy schedules.

Sampling frame was limited to staff in the digital and sales and marketing departments only meaning that other departments of the organization were not covered by this study. There exists therefore the limitation to the extent to which these findings could be generalized across the entire organization.

### **5.6. Areas for Further Study**

The scope of the study was limited to Jumia Kenya hence further research could be carried out to encompass other online sales companies in Kenya. Further, this study was based on perception of Jumia employees which may not give the real scenario, a more expanded population of study covering other online sales companies could therefore be carried out to elicit varied response.

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## APPENDIX I: QUESTIONNAIRE

### **SECTION A: General Information** *(Tick as appropriate)*

**What is your gender?**

a) Male

b) Female

**What is your job title or position in the organization?**

.....

**What is your highest level of education qualification?**

a) Post graduate level

b) University

c) Tertiary College

d) Secondary

**How long have served in your organization??**

a) Less than five years

b) 5-10 years

c) Over 10 years

### **SECTION B: Digital Marketing** *(Tick as appropriate)*

**Which of the following digital marketing strategy do you use to prospect for new customers and create product awareness?**

a) E-mails

b) Digital displays

c) Short message texts

d) You tube

e) Short video display

f) Social media

g) Online advertising

- h) Mobile applications        ()
- i) Websites                    ()
- j) Others (specify) .....

**To what extent is your firm using the following digital marketing platforms? Use: 1- Not at all, 2-Small extent, 3-Moderate extent, 4-Great extent. 5- A very great extent.**

**6. Not applicable**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a) E-mails	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Digital displays	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Short message texts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) You tube	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Short video display	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Social media	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Online advertising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Mobile applications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Websites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j) Others (specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION C: Performance Indicators** *(Tick as appropriate)*

**To what extent has digital marketing affected the following performance indicators in your firm? 1= Not at all. 2= Some extent.3=Moderate extent.4=Great extent. 5= Very great extent**

<b>Performance indicator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a) Increased Sales Revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Reduction in operating costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Increased Market Share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) More Customer Acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



- e) increased customer loyalty
- f) Increased brand awareness and recognition
- g) Better customer engagement and satisfaction
- h) New Market Acquisition

**By what percentage do your sales revenue grow every year?**

- a) 1-10%
- b) 11-20%
- c) 21-30%
- d) Over 30%

**How likely are you to recommend digital marketing to others?**

- a) Extremely likely
- b) Very likely
- c) Not so likely
- d) I would not recommend

**Please share with me some of the challenges you face with your current digital marketing strategies?**.....

.....

.....

**In your own words explain the importance of digital marketing on future success for JumiaKenya?**.....

.....

.....

**THANK YOU**