MARKETING STRATEGIES AND THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN MATUU TOWN, MACHAKOS COUNTY, KENYA

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DECLARATION

This research project is my original work and has not been presented to any other University for academic award to any examination body.

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D65/68532/2013

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

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DEDICATION

I dedicate this research project to my loving parents Daniel Njoroge and Jane Njoroge and my siblings Alex, Josephat, Annjane and Ann who have been a great source of inspiration and joy throughout my endeavors to attain my full potential.

ACKNOWLEDGEMENTS

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ACRONYMS AND ABBREVIATIONS

BSC   **-**   Balanced Scorecard

CRM   -   Customer Relationship Marketing

GDP   –   Gross Domestic Product

ICT   -   Information Communication Technology

IO   -   Industrial Organization

KIPPRA   -   Kenya Institute for Public Policy Research and Analysis

KRA   **-**   Kenya Revenue Authority

MSE   -   Micro and Small Enterprises

R&D   -   Research and Development

RBV   -   Resources Based View

SMEs   –   Small and Medium Enterprises

ABSTRACT

Marketing strategies constitute one of the key functional strategies that Small and Medium Enterprises (SMEs) adopt to enhance performance. Organizations including Small and Medium Enterprises have realized the need to institute strategies that will help them gain an in depth understanding of the market, particularly with regards to their competitors and customers. Thus, the main objective of this study was to establish the influence of marketing strategies on the performance of small and medium enterprises in Matuu town Machakos County, Kenya. To achieve the study objectives the study used a descriptive research design and the population of interest comprised all the Small and medium enterprise in Matuu town, Machakos County. A sample of 86 SMEs was selected for the using simple random and stratified sampling methods. Data was collected using a semi-structured questionnaire which administered to the owners and employees of the sampled SMEs. To establish the instrument reliability the Cronbach Coefficient alpha (α) was used. The data collected was analyzed using descriptive and inferential statistics using the statistical package for social sciences (SPSS). To establish the relationship between the dependent variable (performance) and the independent variable the classical linear regression model was used. The study established that customer relationship marketing strategies and technology based marketing strategies have a positive insignificant influence on the performance of SMEs in Matuu town while innovative marketing strategies have a significant negative relationship with the performance of SMEs in Matuu town. The study concluded that marketing strategies influence the performance of Small and medium enterprises and recommended that that small and medium enterprises should develop effective policies on marketing since marketing is one of the major determinants of SMEs performance.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Smaller businesses are one of the developing world's most powerful economic forces, comprising the lion's share of employment and GDP (IFC, 2011). Small business plays a central role in everyone's life because much of our day today economic activities are based on small businesses. SMEs provide various service, professional practices and merchandisers filling immediate needs of their customers and clients, so small business contribute to the high quality of life that we enjoy (Gajanayake, 2010). Under the right conditions, SMEs can be key parts of thriving, globally competitive industries, creating the large numbers of jobs needed to reduce poverty. In the right business environment, SMEs can grow into large firms, changing the game locally, carving their niche globally (IFC, 2011). The SME sector occupies a key and strategic role in most economies around the world. It is unanimously agreed that the SME sector has played a big role in accelerating economic growth and achieving rapid industrialization in most developing countries (Makate, 2014).

Small and medium sized enterprises (SMEs) emerged as a field of study in its own right, because of the innovations and the solution they provide to different economic problems, particularly in terms of employment. There exists a consensus on the importance and key roles these enterprises play in different economies (Woldie et al., 2008). Small firms are defined as an independent owner/managed business organization of limited significance in the industry, in which less than one hundred employees are employed. Small firms tend to be more innovative and creative than larger ones. Small firms have the capacity of operating on that of slim margins and can take the decisions very quickly (Awan and Hashmi, 2014). Studies have established that the SME sector

is a crucial segment and a major section of private sector in developing countries consists of SMEs. As such, it is important to accelerate the growth of SMEs in order to gain sustainable development in the country (Gajanayake, 2010).

There is a general understanding among researchers and economists that in this new economic era we are moving towards favoring of small firms. This is because small businesses in an economy that is growing uniformly across this industrialized world small firms are doing better than that of big firms in the economy. Empirical studies have proved that small firms are more efficient and innovative in their operation, product development and marketing strategies (Awan and Hashmi, 2014). Thus, SMEs need to formulate their goals clearly and then evaluate the various innovative marketing alternatives based on their capabilities and resources. Marketing can function effectively only when the commitment from the management and people in the organization comes. Therefore, SMEs can easily bring in the innovative marketing practices, as they do not have layers between the decision makers and the people who implement these decisions. The SMEs' innovative marketing strategy can work, if it is based on clearly formulated marketing programme to reach the potential and existing customers (Trivedi, 2013).

1.1.1 Marketing Strategies

A marketing strategy is a method of focusing an organization's energies and resources on a course of action, which can lead to increased sales and dominance in a targeted market. It is most effective when it is an integral component of overall firm strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena (Keetch, 2009). According to Aaker (2008), marketing strategy is a process that can allow an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage. Kimani (2014) posits that marketing strategies

are fundamental in setting out basic and long term activities in the marketing field. The formulation, evaluation and selection of market-oriented strategies consequently contribute to the goals of the company and its marketing objectives.

Marketing strategies constitute one of the key functional strategies that Small and Medium Enterprises (SMEs) adopt to enhance performance. Organizations including Small and Medium Enterprises have realized the need to institute strategies that will help them gain an in depth understanding of the market, particularly with regards to their competitors and customers (Dzisi and Ofosu, 2014). The marketing of small firm characterized as unstructured, loose and informal. SME marketers may consider marketing as a synonym of either advertising or selling basic marketing concepts such as segmentation, targeting, positioning, customer orientation and seeking for competitive advantage apply to small as well as large ones (Awan and Hashmi, 2014). Ardjouman & Asma (2015) argued that adoption of technology in marketing management strategies can be mainstreamed into SMEs development agenda and that marketing management strategy is a veritable tool for sustainable development of SMEs.

In the current competitive business environment, marketing can be seen as a matrix of business activities organized to plan, produce, price, promote, distribute goods, service, and ideas for the satisfaction of relevant customers and clients (Dzisi and Ofosu, 2014). The marketing concept reflects a customer philosophy that identifies consumer needs and integrates marketing activities with all functional areas in the organization to attain corporate goals by satisfying those needs (Spillan and Parnell, 2006). The modern days industrial customers are captivated by innovative marketing practices like digital media, creative product placement, brand consistency, internet as promotional tool to name a few. SMEs cannot generate revenue by selling same old products to

the same old market in the same old way. There is vast possibility of changing marketing practices (Trivedi, 2013).

Marketing methods, especially those were used traditionally as a blueprint in business activities are gradually fading from markets and innovative methods. The changing of today's marketplace makes businesses to adopt innovative approaches and new resources to rely on in this situation. In order to competing in global markets, organizations should move to lower production costs, higher qualities and short product lifecycle that lead into higher customer satisfaction (Manijeh et al., 2014). According to Dzisi and Ofosu, (2014) SMEs should thus adopt more modern technological marketing tool such as mobile marketing to improve on their performance since most SMEs use traditional forms of marketing to reach potential customers and to entrench their brands and only few of them use modern technology in marketing their products and services.

1.1.2 Organizational Performance

Organizational performance is made up of the actual output and result of an organization measured against its input (Ringim, 2012). Performance is defined as the outcomes of work because it provides the strongest linkage to the strategic goals of an organization, customer satisfaction and economic contributions (Salem, 2003). According to Carton (2004), performance is a contextual concept associated with the phenomenon being studied. For instance, in the context of organizational financial performance, performance is a measure of the change of the financial state of an organization, or the financial outcomes that results from management decisions and the execution of those decisions by members of the organization (Carton, 2004). Performance is the key interest of every small and medium enterprise manager or owner.

Performance can be divided to financial or business performance. Financial performance is at the core of the organizational effectiveness domain and accounting-based standards such as return on assets (ROA), return on sales (ROS) and return on equity (ROE) measures financial success. Business performance measures market-related items such as market share, growth, diversification, and product development. Indicators related to growth/share in existing business (e.g. sales growth and market share) and those indicators related to the future positioning of the firm (e.g. new product development and diversification) are used to measure business success (Gibcus & Kemp, 2003). To assess how well a business is performing, an organization needs to develop some quantifiable measures by identifying those aspects of the business processes that need improvement and those that are working well (Molly, 2013). Performance management system aims at improving the results of people's efforts by linking these to the organization's goals and objectives (Salem, 2003).

Performance measurement is the process of measuring how well organizations are managed against their targets and the value they generate for their stakeholders (Illmer, 2011). Performance measurement enables organizations to focus on units that need improvement by evaluating the level of work progress in terms of cost, quality and time as well as consolidating in areas with higher output (Ringim, 2012). There are a number of criteria's used in assessing the performance of SMEs and other organizations for long run survival in the event of globalization and competition. The key indicators used in measuring organizational includes among others: profitability, management performance, liquidity, leverage market share, innovation, productivity, quality of goods and services, human resource management (Mata and Aliyu, 2014). Organizational performance is one of the most important variables in the management research and arguably the most important indicator of the organizational performance.

Continuous performance is the objective of any organization because only through performance, organizations are able to grow and progress (Gavrea, 2011).

1.1.3 SMEs in Kenya

Small and medium enterprises (SMEs) in Kenya represent a vital part of the economy, being the source of various economic contributions through the generation of income, providing new job opportunities, introducing innovations, stimulating competition, and engine for employment (Ochanda, 2014). According to Kenya economic report of 2013, the Micro and Small Enterprise sector in Kenya is an important and fast growing sector employing 42 per cent of the working population, and accounting for 75 per cent of all modern establishments in Kenya as at 2011. MSEs dominate in majority of the sectors, including wholesale and retail trade, restaurants, hotels, community and social services, insurance, real estate, business services, manufacturing, agriculture, transport and communication and construction (KIPPRA, 2013).

In Kenya, Small and Medium Enterprises (SMEs) are regulated by the Micro and Small Enterprise (MSE) Act No. 55 of 2012 was passed by Parliament in late 2012 (KIPPRA, 2013). The MSE act of 2012 and the current Kenya constitution at provide a new window of opportunity to address SMEs related issues through regulatory and institutional reforms under a new, devolved governance system (Ong'olo & Odhiambo, 2013). The objectives of the MSE Act includes provision of an enabling business environment; facilitation of business development services; formalization and upgrading of informal micro and small enterprises; promoting an entrepreneurial culture; and promoting representative associations (KIPPRA, 2013). According to Kiveu (2013) the SME sector in Kenya is critical & strategic in attaining vision 2030 and is one of the crucial components of the economic pillar & is central in national strategies for stimulating economic activity and reducing unemployment and poverty.

However, despite the economic benefits generated by the SME sector in Kenya, SMEs face critical constraints that inhibit their growth, competitiveness and contribution. SMEs face limited market access, which remains a major constraint for over a decade, worsened by shrinking domestic markets. The limited market access can be attributed to limited access to market information, limited marketing capacity, poor quality products, lack of capacity to explore niche markets and & overcrowded markets, ineffective markets due to insufficient information, high transaction costs and poor market research which results in discrepancy between the supply and demand (Kiveu, 2013).

1.2 Research Problem

Despite the apparent significance associated with Small and Medium enterprises and the numerous policy initiatives introduced by respective governments in the developing economies during the past decade to accelerate the growth and survival of SMEs, the performance of SMEs has been disappointing (Woldie et al., 2008). Compared to large enterprises, small and medium enterprises face many unique challenges, including limited resources and lack of experience in conducting market research lack of marketing skills and the tendency of limiting their marketing to selling within their own industry (Tang et al., 2005). The marketing function in SMEs is also hindered by constraints such as poor cash flow, lack of marketing expertise, business size, tactical customer related problems, and strategic customer-related problems (Marjanova and Stojanovski, 2012). In addition, marketing theory development in SMEs has been somewhat limited and often relies on the application of classical marketing models to smaller businesses (Yan and Chew, 2011).

In Kenya, the contribution of the SME sector has been momentous but despite their significance, most SMEs are faced with the threat of failure with past statistics indicating that three out five

fail within the first few months (Bowen, Morara and Mureithi, 2009). The mortality rate of SMEs in Kenya remains very high and affects both start-ups and older established SMEs. Statistics indicate that the high failure rates of small firms are largely attributed to weaknesses in financial management and marketing. The alarming rate of small business failure is a major concern hence the need to investigate their marketing strategies and determine if they influence their performance.

Numerous studies exist on marketing strategies the performance of organization internationally, in Africa and locally. Internationally, a study on the effects of marketing-related variables on business performance of small firms in China by Tang et al (2005) established that marketing strategies are positively associated with a small firm's business performance in China. On the other hand, Gajanayake (2010) investigated the impact of marketing strategies and behavior of SMEs on their business growth in Sri Lanka and established that there was no significant impact of marketing strategies on their business growth. In Africa, Akinyele (2011) investigated the impact of strategic marketing and firm's performance of the Nigerian oil and gas industry and found out that there was no significant impact of marketing strategies on their business growth hence an inconclusive evidence of whether marketing strategies influence performance. As such, the studies concentrated on different marketing variables, with others concentrating on a specific marketing strategy which may not be generalized to the Kenyan situation.

A study by Rugut (2012) examined the marketing strategies adopted by SMEs in Nairobi Central Business District and established that SMEs use a variety of marketing strategies including persuasion, reading the market, searching for market opportunities, differentiation and diversification. However, the study investigated the marketing strategies adopted by SMEs and not their effect on performance. Moreover, most of the past literatures on SMEs performance, for

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instance Woldie et al. (2008) concentrated on micro and macroeconomic factor like owner characteristics, management experience, lack of access to credit, competition, infrastructure, insecurity among others. Thus, little research exists on the impact of marketing and marketing strategies variables on the performance of Small and Medium enterprises. Additionally, in Kenya academic studies on marketing strategies and the performance of SMEs are trivial. Therefore, this study aims to address: Do marketing strategies influence the performance of Small and Medium Enterprises in Kenya?

1.3 Research Objectives

The main objective of this study was to establish the influence of marketing strategies on the performance of small and medium enterprises in Matuu town Machakos County, Kenya

The specific objectives were

i) To determine the influence of relationship marketing strategies on the performance of small and medium enterprises in Matuu town Machakos County, Kenya

ii) To determine the influence of innovative marketing strategies on the performance of small and medium enterprises in Matuu town Machakos County, Kenya

iii) To determine the influence of technology based marketing strategies on the performance of small and medium enterprises in Matuu town Machakos County, Kenya

1.4 Value of the Study

This study will be of significance to small and medium enterprise owners since most of them aim to maximize profitability and the owner's interest. Thus, this study will help SMEs owners and managers to identify the necessary marketing strategies to enhance their performance. In addition

the study will be of importance to marketing agencies. This is because marketing agencies provide marketing service to various organizations. Therefore, this study will help them to identify the specific marketing practices, which enhance performance of enterprises.

Additionally, policy makers like the government and other stakeholders around the world have been developing strategies to improve the performance and sustainability of SMES. Therefore, this study will highlight the impact of marketing and marketing concepts on SMEs performance. The findings may be used to generate new policies and revision of the existing policies. Further, the study will provide additional knowledge and literature on marketing strategies and performance of SMEs. Future researcher and scholars may use the research findings to carry out their own studies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents the theoretical literature review, an overview of marketing approaches and the determinants of SMEs performance. In addition, the chapter presents a review of past studies by various scholars on influence of marketing strategies on performance.

2.2 Theoretical Review

This study will explore on the resource based view theory, the balanced scorecard theory and the industrial organization theory to explain the concept of performance.

2.2.1 Resource Based View

The Resources Based View (RBV) emanated from Barney (1991) and the basic logic of the resource based view starts with the assumption that a company has a unique resource or a bundle of resources (distinctive competencies). The resource-based view emphasizes the firm's resources as the fundamental determinants of competitive advantage and performance. The resource based view framework has a broad selection of strategically relevant resources that can affect the success or failure of a firm (Barney, 1997). According to Spillan and Parnell (2006) organizational resources include the company's systems and processes and encompass its marketing and other functional strategies, its structure, and its culture. Physical resources consist of plants and equipment, geographical locations, access to raw materials, distribution networks, and technology.

Grant (1991) notes that resources are inputs into the production process and they include items of capital equipment, skills of individual employees, patents, brand names, finance, and so on.

However, only few resources are productive thus productive activity requires the cooperation and coordination of teams of resources. Barney (1991) posits that a firm is said to have sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy. In the resource-based view of the firm, specific resources and capabilities affect a firm's performance. Effective marketing strategies is one of the core competency of any organization thus, SMEs should adopt effective marketing strategies to enhance their performance and competitive advantage.

2.2.2 The Balanced Scorecard Theory

The Balanced Scorecard Approach emanated from the works of Kaplan and Norton (1990). The balanced scorecard approach emphasizes on the need to provide management with a set of information that covers all relevant areas of performance in an objective way. The idea of the balanced scorecard is that performance could be measured form four different perspectives. The four areas of performance are defined and labeled into financial perspective, customer perspective internal business and innovation and learning perspectives respectively. The four performance perspectives are not necessarily comprehensive, but should represent the critical success factors necessary for continued organizational success hence they are intended to be a close link between the business unit strategy adopted and the performance measures selected (Otley, 1999).

According to Otley (1999), the major strength of the balanced scorecard approach is the emphasis it places on linking performance measures with business unit strategy. According to Kaplan & Norton (1996), the balanced scorecard not only allows the monitoring of present

performance, but also tries to capture information about how well the organization is positioned to perform in the future. The balanced scorecard is designed to be at the centre of an organization's control mechanisms to effectively deploy strategy and to link operational practices with strategic intent (Otley, 1999). The idea of the balance scorecard is that you should not evaluate a firm based on one single measure thus in marketing the balanced score card can be used to link the marketing strategies with the overall organizational goals. Additionally, SMEs can use the balanced score card approach to link their marketing strategies with their strategic plans.

2.2.3 Industrial Organization (IO) Theory

The industrial organization (IO) theory emphasizes the influence of the industry environment upon the firm. The theory views the organization as an external market positioning as the critical factor for attaining and sustaining competitive advantage, or in other words, the traditional I/O perspective offered strategic management a systematic model for assessing competition within an industry (Porter, 1981). The main idea behind IO theory is that a firm must adapt to influences in its industry to survive and prosper (Porter, 1981). According to the IO theory, strategic managers should seek to understand the nature of the industry and formulate strategies that feed off the industry's characteristics (Porter, 1981). Thus, it is more important for SMEs to choose the correct industry within which to compete.

2.3 Marketing Approaches

There are various marketing strategies used by SMEs to enhance their performance and to market their products and services. This study examines the customer relationship marketing strategy, innovative marketing strategies and the technology based marketing strategies.

Customer relationship marketing goal is to provide increased value to the customer and results in a lifetime value for the service provider. Customer relationship marketing is very important concept to attract and keep the customers in organizations. In modern business world, marketing focus reflect the move away from transactional marketing to relationship marketing. Establishing, maintaining and enhancing customer relationships have always been an important aspect of business (Velnampy and Sivesan, 2012). Customers Relationship Marketing is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. CRM is a business strategy used to identify, cultivate, and maintain long-term profitable customer relationships. A study by Alibhai (2015) established that customer's relationship marketing strategies influence firm performance. Further, the study established that service quality enables the firms to maintain communication with the customers. The study concluded that all the employees who are conversant with the CRM strategies and are constantly involved in the implementation of the strategies. In addition, Velnampy and Sivesan (2012) established that customer relationship marketing impact on customer value creation in mobile service providing companies.

Innovation is an important and critical factor for the organizations in order to create value and sustainable competitive advantage in today's complex and changing environment; and more innovative organizations will be more successful in dealing with changing environments and in creating and developing novel capabilities, which allow them to achieve a higher performance (Ghorbani and Fakhimi, 2013). The intense competition between organizations in the global market leads that the innovation is considered as a critical characteristic for organizations. Thus, sustainable innovation helps the organizations including SMEs to maintain their competitive position in the market (Ghorbani and Fakhimi, 2013). According to Manijeh et al. (2013), the

changing of today's marketplace makes businesses to adopt innovative approaches and new resources to rely on in this situation. Thus, organizations should transit from traditionally as a blueprint in business activities are gradually fading from markets and innovative methods.

Technology based marketing strategies mainly technology base tools like the internet and social media. Internet marketing is a business effort to inform, converse, promote and sell products and services over the internet (Burges and Bothma, 2007). It involves online marketing, which aims at reaching out to many existing and potential customers as possible using the internet. Past studies have established that internet marketing influence the performance of SMEs. For instance, a study by Kithinji (2014) examined internet marketing and performance of small and medium enterprises in Nairobi County. The study established that internet marketing has a positive impact on the performance of SMEs since it increased profitability, SMEs market share, enhanced firm's image and increased competitive advantage as well as more loyalty and access to new markets. According to Gordon (2010), social media marketing refers to the process of gaining traffic or attention through social media sites. Consumers use social media to participate in social networks, which enable them to create and share content, communicate with one another, and build relationships with other consumers.

2.4 Determinants of SMEs Performance

There are several determinants of small and medium enterprises but this study summarizes them into firm factors, entrepreneur factors and external environment factors.

Firm specific factors include age of the SME, specific industrial sector, size of the enterprise, sector within which the enterprise operates and source of capital and marketing strategies adopted by the SME among others. Makate (2014) established firm specific factors and factors

within the structure conduct and performance framework were found to significantly influence performance of SMEs. The study found that age of firm and marketing related variables such as grading, contracting with clients, price determination method significantly affects the performance of small to medium firms. As such, younger firms achieve proportionate increase in scale easier as compared to older ones. Young firms tend to grow rapidly as they tend to have dynamic management and innovative ideas.

Entrepreneur factors include age, gender, business experience, educational qualification, managerial competence etc. Existing literature has established the influence of entrepreneur characteristics on the performance of SMEs. For example, Makate (2014) found that the experience of owner when he/she started the business is very significant as expected i.e. performance tends to increase with experience of business operators. The more experienced the enterprise owner, the more likely it is that the firm will do better. In addition, Muzenda (2014) found that entrepreneurship education yields self-supporting well performing enterprises and educational qualification and background on SMEs influenced the performance of SMEs.

A study by Chittithaworn et al (2010) on the study of factors affecting business success of SMEs in the manufacturing sector in Thailand established that customer and market, ways of doing business, resources, finance, and the external environment significantly affect performance. In addition, environmental factors like the legal, political and regulatory nature of the market, the extent of government intervention also affect the performance of SMEs. Muzenda (2014) also concluded that external environment all have associations with small and medium enterprises performance thus entrepreneurs of small and medium businesses should strategically choose competitive areas for location of their businesses in order to sustain competition in the market.

2.5 Influence of Marketing Strategies on Performance

Marketing is a major issue in business performance and innovation with significant influence on business strategy. Good marketing supports sales and expansion, and contributes significantly to the growth of market share in competitive markets (Marjanova and Stojanovski, 2012). Studies have established that marketing strategies play an important role in enhancing the performance For instance, Taiwo (2010) found that strategic marketing practices have a significant impact on performance variables and that they interact with the different components to facilitate performance. Santos-Vijande et al (2012) also analyzed the organizational antecedents of marketing capabilities and their impact on business performance and established that marketing capabilities exert a significant and positive effect on clients' satisfaction and loyalty, which ultimately lead to better organizational performance in terms of sales, profit, and market share.

Merrilees, Thiele and Lye (2010) examined the marketing capabilities: antecedents and implications for B2B SME performance. The study evaluated concurrently the contribution of innovation and branding marketing capabilities, with innovation capability the strongest determinant of SME performance and established that market orientation and management capability act as enabling mechanisms for building marketing capabilities. In addition, Yan and Chew (2011) also investigated how construction SMEs in China competed for success via the use of marketing strategy in the post-WTO era. The study revealed that construction SMEs in China; understands the importance of marketing differentiation and innovation to achieve their superior performance.

Manijeh et al (2013) investigated innovative marketing methods based on product, price, place and promotion based strategies and established that the impact of marketing strategies on innovation is through entrepreneurial orientation, which affects firm's performance. Dzisi and

Ofosu (2014) examined the relationship between marketing strategies and the performance of SMEs in Ghana and found there was a positive relationship between marketing strategies and SMEs performance. Strategic marketing strategies were found to be drivers of organizational positioning in a dynamic environment, which helps to enhance the development of new product/service for existing markets. Ardjouman & Asma (2015) also explored marketing management strategies adopted by SMEs in Cote d'Ivoire in order to improve their performances and established that there is a high level of awareness of the significance roles played by marketing management strategies in the performance of SMEs.

Oloko et al. (2014) examined the marketing strategies that Safaricom Ltd has utilized to spur its remarkable growth in terms of the market share as well as its unprecedented strong super profit within the telecommunication industry in both Kenya and the entire East Africa region. The study found out that various marketing mix and techniques were employed by Safaricom, which included auditory marketing, new product creation, animation, pricing, place, content localization and the techniques were found to enhance the uptake of Safaricom's products hence, resulting to increased revenue leading to profitability. Kimani (2014) explored the effectiveness of the various marketing strategies, which are undertaken at the Kenya Revenue Authority, the success and impact of marketing on the operations of the Authority. The study found that that marketing has greatly affected the amount of revenue collected by KRA.

 A study by Mbugua (2013) established that poor marketing was statistically significant in determining growth of micro and small enterprises but most of the small business entrepreneurs were no keen with marketing since they relied on the quality of their products as their marketing tool. Kiveu (2013) also established that marketing strategies are great contributors to growth as well as to profits, thus SMEs should think about their customers, current and potential, could

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well be beneficial. Mutambuki and Orwa (2014) examined the marketing strategies of commercial fish farming in Kitui County. The study findings established that product branding, sales promotion, market positioning and core competences marketing strategies affect commercial fish farming under economic stimulus and that most of commercialized fish farmers would not easily sell their produce due to poor mechanisms of marketing strategies.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter will present the research design, the study population, and the sample design, the data collection procedure, reliability and validity and finally data analysis method

3.2 Research Design

Zikmund et al., (2010) defines a research design as a master plan that specifies the methods and procedures for collecting and analyzing the needed information. A research design provides a framework or plan of action for the research. As such, to achieve the study objectives the study used a descriptive research design. A descriptive research describes the characteristics of objects, people, groups, organizations, or environments.

3.3 Population of the Study

A population is any complete group of entities that share some common set of characteristics. The population of interest comprised all the Small and medium enterprise in Matuu town, Machakos County. According to the Machakos, county records there are about 432 registered SMEs within Matuu town.

Table 3.1 Population of the Study

Category	Total
Traders, shops and retail stores	246
Small financial services	41
Restaurants and hotels	39
Private education institutions	28
Small and medium private health facilities	23
Small and medium supermarkets	17
Small and medium professional service firms	25
Petrol filling stations	13
Total	**432**

Source: Matuu Sub County Records (2015)

3.4 Sample Design

A sample design is a definite plan determined before any data are actually collected for obtaining a sample from a given population. According to Gay (1981), a sample should be sufficiently representative hence a sample of 86 SMEs was used for the study. The sample was 20% of the total population as recommended by Mugenda and Mugenda (2003) that a sample of 10-30% is adequate if properly selected. Simple random sampling and stratified sampling method were used to select the respondents from the respective SMEs within the town. Stratified sampling was used to classify the population into subgroups (strata) after which simple random sampling was used to select the respondents from each strata. According to Zikmund et al. (2010), simple

random sampling ensures each element in the population has an equal chance of being included in the sample.

3.5 Data Collection

Data was collected using a semi-structured questionnaire. Questionnaires are a popular method for data collection in deduction because of the relative ease and cost-effectiveness with which they are constructed and administered (Mugenda and Mugenda, 2003). The questionnaires were administered to the owners and employees of the sampled SMEs. The self-administration technique was appropriate since the researcher was able to rectify any questions at the ground and made sure all the questions have been responded to.

3.6 Validity and Reliability

Validity is the accuracy of a measure or the extent to which a score truthfully represents a concept while reliability represents how consistent a measure is, in that the different attempts at measuring the same thing converge on the same point (Zikmund et al., 2010). To establish the instruments validity a panel of experts including the project supervisor were consulted. To establish the instrument reliability the Cronbach Coefficient alpha (α) was used. The coefficient alpha is the most commonly applied estimate of a multiple-item scale's reliability with a coefficient of 0.70 and above considered to have good reliability.

3.7 Data Analysis

The data collected was analyzed using descriptive and inferential statistics using the statistical package for social sciences (SPSS). Descriptive statistics summarized and described the data in a simple and understandable manner while inferential statistics was used to draw conclusions. To establish the relationship between the dependent variable (performance) and the independent

variable the classical linear regression model was used. Both the dependent and independent variable were measured using descriptive statistics. The regression model took the following form

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where: Y = Firm Performance

X_1 = Customer Relationship Marketing Strategy

X_2 = Innovative Marketing Strategies

X_3 = Technology Based Marketing Strategies

β_0 = Constant

$\beta_1 - \beta_3$ = Regression coefficients

ε = Regression error

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the response rate, data reliability, an analysis of the study variables, regression analysis and interpretation of the study findings.

4.2 Response Rate

A total of 86 questionnaires were administered to the sampled respondents however only 63 of them were returned fully responded to. Table 4.1 shows the results obtained

Table 4.1 Response Rate

	Frequency	Percent
Questionnaire returned	63	73.26
Unreturned questionnaires	23	26.74
Total	86	100.0

Source: Research Findings

Table 4.1 indicates that 73.26% of the questionnaires were returned fully responded to hence a response rate of 73.26% which was deemed adequate for the study while 26.74% of the questionnaires were not returned.

4.3 Data Reliability

The Cronbach Coefficient alpha was used to establish the instruments reliability. The Cronbach yielded an alpha coefficient of 0.797 for customer relationship marketing strategies, 0.820 for innovative marketing strategies, 0.714 for technology based marketing strategies and 0.880 for performance. Table 4.2 indicates the results obtained

Table 4.2 Cronbach Coefficient Alpha

	Cronbach's Alpha	N of Items
Customer Relationship Marketing Strategies	.797	5
Innovative Marketing Strategies	.820	5
Technology Based Marketing Strategies	.714	5
Performance	.880	5

Source: Research Findings

4.4 Respondents Profile

This analyzed the respondents' demographic data which included gender, period of business operation and the type of business. Table 4.3 shows the results obtained

Table 4.3 Respondents Profile

		Frequency	Percent
Gender	Male	37	58.7
	Female	26	41.3
	Total	63	100.0
Period in operations	Less than 1 year	15	23.8
	2-5 years	26	41.3
	Over 5 years	22	34.9
	Total	63	100.0
Type of business	Sole proprietor	40	63.5
	Partnership	9	14.3
	Company	14	22.2
	Total	63	100.0

On the gender of the respondents, table 4.3 indicates that 58.7% of the respondents were male while 41.3% were female. This indicates that majority of the small and medium size entrepreneurs in Matuu town were male.

On the period of operations, the results indicate that 41.3% of the SMEs had been in operation for a period of 2-5 years whereas 34.9% had been operation for over 5 years while 23.8% had been in operation for less than one year. On average the findings indicate that most SMEs in Matuu town had been in operation for more than 2 years.

On the type of business, the results indicate that 63.5% of the SME entrepreneurs were sole proprietors while 22.2% were private limited companies whereas 14.3% were partnerships. This indicates that most of the SME entrepreneurs in Matuu town are sole proprietors.

4.4 Customer Relationship Marketing Strategies

This section analyzed the customer relationship strategies adopted by SMEs in Matuu town and evaluated several statements on customer relationship marketing strategies. The results obtained were as follows.

4.4.1 Customer Relationship Marketing Strategies Adopted by SMEs

This aimed at establishing the customer relationship marketing strategies adopted by SMEs in Matuu town. Table 4.4 shows the results obtained

Table 4.4 Customers Relationship Marketing Strategies Adopted by SMEs

	Frequency	Percent
Service quality	13	20.6
Enhanced Customer Attention	7	11.1
Employee involvement	9	14.3
Customer involvement and orientation	8	12.7
Process automation	8	12.7
Reliability and accountability	10	15.9
Customer feedback	8	12.7
Total	63	100.0

Source: Research Findings

According to the results on table 4.4, 20.6% of the SME entrepreneurs indicated that they had adopted service quality strategy whereas 15.9% and 14.3% indicated that they employed reliability and accountability and employee involvement respectively. Additionally, 12.7% indicated that they had adopted customer involvement and orientation, process automation and customer feedback correspondingly while 11.1% indicated that they had enhanced customer attention. This indicates that service quality was the most preferred relationship marketing strategy.

4.4.2 Evaluation of Customer Relationship Strategies

This part sought to evaluate several statements on customer relationship marketing strategies. Table 4.5 shows the results obtained

Table 4.5 Evaluation of Customer Relationship Strategies

Statement	Mean	Std. Deviation
A good and positive relationship with customers promotes customers loyalty	4.02	1.055
Good customer relationship provides increased value to new and existing customers	4.05	1.007
Customer relationship marketing attracts and keep the customers in an organization	4.14	.913
Maintaining and enhancing customer relationships is an important aspect of business	4.16	.827

Source: Research Findings

Table 4.5 shows that maintaining and enhancing customer relationships is an important aspect of business with a mean of 4.16 and standard deviation of 0.827. Addition the findings show that customer relationship marketing attracts and keep the customers in an organization with a mean of 4.14 and std. deviation of 0.913. As such, the findings show that good customer relationship provides increased value to new and existing customers with a mean of 4.05 and std. deviation of 1.007. Additionally, the results show that a good and positive relationship with customers promotes customers loyalty with a mean of 4.02 and std. deviation of 1.055. This indicates maintaining and enhancing customer relationship and adopting customer relationship marketing strategy keeps customers in the organization.

4.5 Innovative Marketing Strategies

This section analyzed the innovative marketing strategies adopted by SMEs in Matuu town and evaluated several statements on innovative marketing strategies. The results obtained were as follows.

4.5.1 Innovative Marketing Strategies adopted by SMEs

This part sought to establish the innovative marketing strategies adopted by SMEs in Matuu town. Table 4.6 shows the results obtained.

Table 4.6 Innovative Marketing Strategies adopted by SMEs

	Frequency	Percent
Digital media	10	15.9
Creative product placement	17	27.0
Brand consistency	11	17.5
Innovative branding	14	22.2
Animation	11	17.5
Total	63	100.0

Source: Research Findings

According to the results on table 4.6, 27% of the SME entrepreneurs indicated that they adopted creative product placement whereas 22.2%, 17.5% and 15.9S indicated that they had adopted innovative branding, brand consistency, animation and digital media in that order. This indicates the most preferred innovative marketing strategies by SMEs in Matuu Town are creative product placement and innovative branding.

4.6 Evaluation of Innovative Marketing Strategies

This part sought to evaluate various statements on innovative marketing strategies. The results obtained are shown by table 4.7

Table 4.7 Evaluation of Innovative Marketing Strategies

	Mean	Std. Deviation
Innovative marketing strategies develops capabilities which allow SMEs to achieve a higher performance	3.95	.812
Innovation marketing strategies helps SMEs to maintain their competitive position in the market.	4.08	.725
Innovative marketing strategies are helpful in dealing with changing marketing environment	4.16	.745
Most SMEs still use traditional marketing strategies	3.98	1.114

Source: Research Findings

Table 4.7 shows that innovative marketing strategies are helpful in dealing with changing marketing environment with a mean of 4.16 and std. deviation of 0.745. In addition, the findings indicate that innovative marketing strategies are helpful in dealing with changing marketing environment with a mean of 4.08 and std. deviation of 0.725. The study findings also established that most SMEs still use traditional marketing strategies with a mean of 3.98 and a standard deviation of 1.114. Further, the findings also found that innovative marketing strategies develop capabilities which allow SMEs to achieve a higher performance with a mean of 3.95 and std. deviation of 0.812. This shows that innovative marketing strategies are helpful in dealing with the changing environment and to maintain a competitive advantage. The findings also show that SMEs are not still using traditional marketing strategies.

4.7 Technology Based Marketing Strategies

This section analyzed the technology based marketing strategies adopted by SMEs in Matuu town and evaluated several statements on technology based marketing strategies. The results obtained were as follows.

4.7.1 Technology Based Marketing Strategies adopted by SMEs

This part sought to establish the technology based marketing strategies adopted by SMEs in Matuu town. The results obtained are shown by table 4.8

Table 4.8 Technology Based Marketing Strategies adopted by SMEs

	Frequency	Percent
Online marketing	21	33.3
Use of Social Sites	27	42.9
Digital advertising	15	23.8
Total	63	100.0

Source: Research Findings

Table 4.8 indicates that 42.9% of the SMEs entrepreneurs use social sites as a technology based marketing strategy while 33.3% had adopted online marketing whereas 23.8% had adopted digital marketing. This indicates the use of social sites was the mostly preferred technology based marketing strategy adopted by SMEs in Matuu town.

4.7.2 Evaluation of Technology Based Marketing Strategies

This part sought to evaluate various statements on technology based marketing strategies. The results obtained are shown by table 4.9

Table 4.9 Evaluation of Technology Based Marketing Strategies

Statement	Mean	Std. Deviation
Use of technology helps to reach out to many existing and potential customers	4.05	.906
Uses of technology based strategies enhances a firm's image hence increasing its market share	4.03	.879
The use of social networks enables a SMEs to create, share content, and communicate with customers	4.10	.875
Technology based marketing is a cheaper option to SMEs and less time consuming	4.11	.825

Source: Research Findings

Table 4.9 shows that technology based marketing is a cheaper option to SMEs and less time consuming with a mean of 4.11 and std. deviation of 0.825. Additionally, the findings show that use of social networks enables a firm to create, share content, and communicate with customers with a mean of 4.10 and std. deviation of 0.875 respectively. The results also show that the use of technology helps to reach out to many existing and potential customers with a mean of 4.05 and std. deviation of 0.906 respectively. Further the results show that the use of technology based strategies enhances SMEs image hence increasing its market share with a mean of 4.03 and std.

deviation of 0.879 correspondingly. This findings show that technology based marketing is a cheaper option for SMEs and it enables SMEs to share content and communicate with their customers.

4.8 Organizational Performance

This part presented the influence of marketing strategies on SMEs performance and analyzed various growth areas of the sampled SMEs. The results obtained were as follows.

4.8.1 Influence of marketing strategies on SMEs performance

This part sought to establish the extent to which marketing strategies influenced the performance of SMEs in Matuu town. Table 4.10 shows the results obtained.

Table 4.10 Influence of marketing strategies on SMEs performance

	Frequency	Percent
Not at all	7	11.1
Minimal extent	13	20.6
Moderate extent	30	47.6
Large Extent	13	20.6
Total	63	100.0

Source: Research Findings

According to the results on table 4.10, 47.6% indicated that their enterprise performance had grown to a moderate extent due to marketing strategies whereas 20.6% indicated that their enterprises performance had grown to a large and minimal extent respectively while 11.1%

indicated that their businesses performance had not had not improved at all. This indicates that marketing strategies influence SMEs performance to a moderate extent.

4.8.2 Growth in Business Performance

This part sought to establish the extent to which SMEs in Matuu town had grown in various areas due to marketing. Table 4.11 shows the results obtained.

Table 4.11 Growth in Business Performance

	Mean	Std. Deviation
Net profit	3.10	1.011
Number of employees	3.10	1.073
Sales volume	2.87	1.114
Market share	2.84	1.153

Source: Research Findings

According to the results on table 4.11, net profit and the number of employees had a mean growth of 3.10 with std. deviations of 1.0011 and 1.073 respectively. The findings also established that sales volume and market share had a mean growth of 2.87 and a std. deviation of 1.114 while market share had an average growth of 2.84 and std. deviation of 1.153 respectively. This shows that most SMEs had experience high growth in net profit and the number of employee due to marketing and moderate growth in sales volume and their market share as a result of marketing.

4.9 Inferential Statistics

This represents the regression analyses to show the relationship between the dependent and the independent variables. The results obtained are presented as follows

4.9.1 Model Summary

The model summary presents the R, R-square, adjusted R square and the standard error of the estimate. Table 4.12 show the results obtained

Table 4.12 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.348[a]	.121	.077	.871

a. Predictors: (Constant), Customer Relationship Marketing Strategies, Innovative Marketing strategies, Technology Based Marketing Strategies

Source: Research Findings

The results on table 4.12 show that the R-square is 0.121 which shows that 12.1% of the variation in the dependent variable is explained by the study variables while 87.9% is explained by other variables outside the model and the error term. The results also show the correlation coefficient of 0.348 which indicates a weak correlation between marketing strategies and the performance of SMEs in Matuu town.

4.9.2 Analysis of Variance

The analysis of variance was also carried out to establish the significance of the model. Table 4.13 shows the results obtained

Table 4.13 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	6.175	3	2.058	2.716	.053[a]
Residual	44.713	59	.758		
Total	50.889	62			

a. Predictors: (Constant), Customer Relationship Marketing Strategies, Innovative Marketing strategies, Technology Based Marketing Strategies

b. Dependent Variable: Performance

Source: Research Findings

The results on table 4.13, shows that at 5% level of significance the model was significant since the P-value (0.05< 0.05) hence a good predictor of the influence of marketing strategies on the performance of small and medium enterprises in Matuu town.

4.9.3 Model Coefficients

This sought to establish whether the study variables were significant of insignificant. Table 4.14 shows the results obtained.

Table 4.14 Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.195	.819		2.680	.010
Customer Relationship Marketing Strategies	.100	.135	.091	.742	.461
Innovative Marketing strategies	-.244	.105	-.300	-2.312	.024
Technology Based Marketing Strategies	.277	.142	.252	1.947	.056

a. Dependent Variable: Performance

Source: Research Findings

According to the results on table 4.14, the resulting regression equation was as follows

$$Y = 2.195 + 0.91X_1 - 0.300X_2 + 0.252X_3 + \varepsilon$$

The findings on table 4.13 indicate that customer relationship marketing strategies have a positive insignificant influence on the performance of SMEs in Matuu town which indicates that the use of customer relationship marketing strategies improves the performance of SMEs. The study results also found that innovative marketing strategies have a significant negative relationship with the performance of SMEs in Matuu town which shows that failure to use innovative marketing strategies affects the performance of SMEs. In addition, the findings show that technology based marketing strategies have a positive insignificant influence on the

performance of SMEs in Matuu town which indicates that the use of technology based strategies improves the performance of SMEs.

4.10 Interpretation of the Findings

The aim of this study was to examine the influence of marketing strategies on the performance of SMEs in Matuu town, Machakos County, Kenya. From the analysis of variance (ANOVA) the study revealed that marketing strategies influence the performance of SMEs in Matuu town. In addition, the study also found a positive and insignificant relationship between customer relationship between marketing strategies and the performance of SME an indication that the use of customer relationship marketing strategies influences the performance of SMEs. The study also found a negative and significant relationship between innovative marketing strategies and the performance of SME. Further, the study established a positive and insignificant relationship between marketing strategies and the performance of SMEs in Matuu town an indication that technology based strategies influence the performance of SMEs.

In similar, to the above findings are the findings of Taiwo (2010) who established that strategic marketing practices have a significant impact on performance variables and that they interact with the different components to facilitate performance. Alibhai (2015) also established similar findings that customer's relationship marketing strategies influence firm performance and concluded that all the employees who are conversant with the CRM strategies and are constantly involved in the implementation of the strategies. Additionally, Velnampy and Sivesan (2012) also established that customer relationship marketing impact on customer value creation.

Further, Manijeh et al. (2013) also had similar findings which established that the changing of today's marketplace makes businesses to adopt innovative approaches and new resources to rely

on in this situation hence organizations should transit from traditionally as a blueprint in business activities are gradually fading from markets and innovative methods. In Kenya, Kithinji (2014) also obtained similar results by establishing internet marketing had a positive impact on the performance of SMEs since it increased profitability, SMEs market share, enhanced firm's image and increased competitive advantage as well as more loyalty and access to new markets. Mbugua (2013) also obtained similar findings and concluded that poor marketing is major constraint of micro and small enterprises since most of the small business entrepreneurs are not keen with marketing since they relied on the quality of their products as their marketing tool.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study findings, conclusions, recommendations for policy, limitations of the study and suggestions for further research.

5.2 Summary

This study sought to examine marketing strategies and the performance of SMEs in Matuu town, Machakos County, Kenya. The study used a sample of 86 SMEs but only 63 of them returned their questionnaires hence a response rate of 73.26% which was deemed adequate for the study. The independent variable was the performance of SMEs while the dependent variables included customer relationship marketing strategies, innovative marketing strategies and technology based marketing strategies.

The study findings established that service quality was the most preferred relationship customers marketing strategy and maintaining and enhancing customer relationship and adopting customer relationship marketing strategy keeps customers in the organization. The study findings also revealed that the most preferred innovative marketing strategies by SMEs in Matuu Town were creative product placement and innovative branding and that innovative marketing strategies are helpful in dealing with the changing environment and to maintain a competitive advantage. Additionally, the study revealed that the use of social sites was the mostly preferred technology based marketing strategy adopted by SMEs in Matuu town and technology based marketing is one of the cheaper options for SMEs and it enables SMEs to share content and communicate with their customers at little costs compared to other marketing strategies.

The study also carried out a regression analysis which yielded an R-square value 0.121 indicates that 12.1% of the variation in the dependent variable is explained by the study variables while 87.9% was explained by other factors. The model was also significant at 5% level of significance hence a good predictor of the influence of marketing strategies on the performance of small and medium enterprises in Matuu town. In addition, the study established that customer relationship marketing strategies and technology based marketing strategies have a positive insignificant influence on the performance of SMEs in Matuu town while innovative marketing strategies have a significant negative relationship with the performance of SMEs in Matuu town.

5.3 Conclusions

Based on the study findings the study concludes that marketing strategies influence the performance of Small and medium enterprises in Matuu town, Machakos County, Kenya. In addition, the study concludes that customer relationship strategies also affect the performance of SMEs. The study also concludes that innovative marketing strategies influence the performance of SMEs thus they are worthy adopting than the use of traditional marketing strategies. Further, as per the study finding the study concludes that technology based marketing strategies primarily the use of social sites and online marketing influence the performance, enhance communication and the image of SMEs. Finally, the study concludes that marketing influences performance and poor marketing strategies lead to poor performance of small and medium enterprises.

5.4 Recommendations for Policy

This study recommends that small and medium enterprises should develop effective policies on marketing since marketing is one of the major determinants of SMEs performance.

Additionally, the study recommends that SMEs should regularly review their marketing strategies and policies to ensure that they are up to date and they are effective. In the review process SMEs should incorporate creative and innovative strategies which will improve the overall performance of the enterprises.

Since SMEs are an important sector to any economy the study recommends that stakeholders including the County and the National Government initiate training programs on marketing for SMEs so that SMEs entrepreneurs can have increased knowledge on marketing.

5.5 Limitations of the Study

This study examined the influence of marketing strategies on the performance of SMEs in Matuu town hence the findings are only limited to SMEs in Matuu town and may not be generalized to other towns in Kenya since most of them posses unique characteristics.

The study used primary data collected through questionnaires. The questionnaires were structured such that they required a specific response hence they may not have captured general views of the respondents. In addition, and a sample of 86 respondents with 63 of the respondents returning their questions hence a low return rate which may lead to bias due to no-response.

5.6 Suggestions for Further Research

This study investigated the influence of three types of marketing strategies which included customer relationship marketing strategies, innovative marketing strategies and technology based marketing strategies and their influence on performance. Thus, this study suggests an examination of each of the strategies on the performance of the Small and Medium enterprises.

Additionally, the study focused on a single town in Kenya, an additionally research on several towns in Kenya is highly recommend to establish the different marketing strategies employed in various localities using a larger sample.

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APPENDIX I: Questionnaire

I am a student at the University of Nairobi carrying out a research on marketing strategies and the performance of SMEs in Matuu Town. This research is academic in nature and any information provided will be treated with utmost confidence and will be used for academic purposes only.

Please tick and fill where appropriate

Section A: Background Information

1. Indicate your gender

   Male   [   ]   Female   [   ]

2. Indicate the period your business has been in operation

   Less than 1 year   [   ]

   2-5 years   [   ]

   Over 5 years   [   ]

3. Indicate the type of business

   Sole proprietor   [   ]   Partnership [   ]   Company   [   ]

Section B: Customers Relationship Marketing Strategies

4. Please indicate some of the customer relationship marketing strategies adopted by your business to market its products (you can tick more than one)

   Service quality   [   ]   Enhanced Customer Attention   [   ]

Employee involvement   [ ]   Customer involvement and orientation   [ ]

Process automation   [ ]   Reliability and accountability   [ ]

Customer feedback   [ ]   none   [ ]

Others …………………………………………………………………………………

5. Evaluate the following statements on customer relationship marketing strategies. Use the

    following scale as appropriate

    1- Strongly disagree   **2**- Disagree   **3** – Neutral   **4** - Agree   **5** – Strongly agree

Statement	1	2	3	4	5
A good and positive relationship with customers promotes customers loyalty					
Good customer relationship provides increased value to new and existing customers					
Customer relationship marketing attracts and keep the customers in an organization					
Maintaining and enhancing customer relationships is an important aspect of business					

Section C: Innovative Marketing Strategies

6. Please indicate some of the innovative relationship marketing strategies adopted by your

    business to market its products (you can tick more than one)

Digital media   [   ]   Creative product placement   [   ]

Brand consistency   [   ]   Innovative branding   [   ]

Animation   [   ]   None   [   ]

Others ……………………………………………………………………………………………

7. Evaluate the following statements on innovative marketing strategies. Use the following scale as appropriate

   1- Strongly disagree   **2**- Disagree   **3** – Neutral   **4** - Agree   **5** – Strongly agree

Statement	1	2	3	4	5
Innovative marketing strategies develops capabilities which allow SMEs to achieve a higher performance					
Innovation marketing strategies helps SMEs to maintain their competitive position in the market.					
Innovative marketing strategies are helpful in dealing with changing marketing environment					
Most SMEs still use traditional marketing strategies					

Section D: Technology Based Marketing Strategies

8. Please indicate some of the technology based marketing strategies adopted by your business to market its products (you can tick more than one)

   Online marketing   [   ]   Use of Social Sites   [   ]

Digital advertising   [   ]   None   [   ]

Others ……………………………………………………………………………..

9. Evaluate the following statements on technology based marketing strategies. Use the following scale as appropriate

   1- Strongly disagree   **2**- Disagree   **3** – Neutral   **4** - Agree   **5** – Strongly agree

Statement	1	2	3	4	5
Use of technology helps to reach out to many existing and potential customers					
Uses of technology based strategies enhances a firm's image hence increasing its market share					
The use of social networks enables a firm to create, share content, and communicate with one another					
Technology based marketing is a cheaper option to SMEs and less time consuming					

Section E: Performance

10. To what extent do marketing strategies adopted by small and medium enterprises influence performance of SMEs

    Not at all   [   ]   Minimal extent   [   ]   Moderate extent   [   ]   Large Extent   [   ]

11. Please indicate the extent in which your business performance has grown in the following areas due to marketing. Use the following scale as appropriate

1- Not at all   **2** - Minimal extent **3** – Moderate extent   **4** – Large Extent **5**- Very large extent

Statement	1	2	3	4	5
Net profit					
Number of employees					
Sales volume					
Market share					

12. Indicate other marketing strategies, which your organization uses

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Thank you for your time