

**DIGITAL MARKETING STRATEGIES AND COMPETITIVE ADVANTAGE OF
TOP 100 SMALL AND MEDIUM ENTERPRISES IN NAIROBI COUNTY,
KENYA**


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2022

DECLARATION

I declare that this research project is my original work and has not been submitted for an award at any university or institution of higher learning.

Signature.......... Date.....12thSeptember-2022.....

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

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DEDICATION

This project is dedicated to the Almighty God, for granting me the strength, guidance, and a sense of purpose in life. His faithfulness was evident throughout the study.

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I wish to express my humble gratitude to the Almighty God for the strength and courage throughout my study. I believe I would not have accomplished this study without God's guidance and help. Besides, I remain indebted in gratitude to my supervisor DR. WINNIE NJERU whose support and supervision has contributed to a successful completion of my project. I cannot forget to thank my family members for their love and support during the entire period of study and to my colleagues at work who provided me with a wealth of knowledge, encouragement and support during the project.

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ABSTRACT

The research objective was to research and analyze the digital marketing approaches that give the competitive advantage of top 100 Small and Medium Enterprises in Nairobi, Kenya. The study was based on the theory of diffusion of innovation, and theory of competitive advantage. Based on theoretical models, it was considered and noted that that digital marketing approaches help the SMEs to promote their competitive advantage globally. Data collection was acquired through primary and secondary data. The secondary data was gained from the websites and social media platforms of the top 100 SMEs in Nairobi County, Kenya. However, the primary data was collected using a questionnaire method from the top 100 Small and Medium Enterprises in Nairobi County, Kenya. The inquiry adopted descriptive cross-sectional study design and the descriptive model was used to evaluate the link uniting the digital marketing approaches and the competitive advantage of the firms. The analysis outcomes indicated that use of digital marketing platforms help to promote the competitive advantage of top 100 SMEs within Nairobi, Kenya. The study also established that the application of digital marketing platforms has beneficial effects on the competitive advantage of top 100 SMEs in Nairobi Kenya. Using social media platforms, websites and SEO platforms was noted to be imperative in promoting the sales volume of the SMEs through attraction of new customers and sharing of the SMEs products and services online. The analysis concluded that SMEs should use social media platforms as well websites and other digital platforms to increase their competitive advantage, profitability, sales volume and revenues. The inquiry considered that SMEs should adopt the use of Facebook, Twitter and YouTube to increase their competitive advantage. The analysis also regards that SMEs adopt cost-friendly digital marketing platforms to improve their performance.

The study revealed and concluded that the majority of the SMEs were using social media marketing platforms to increase their competitive advantage. The study also found out that applications of other digital marketing platforms such as blogs, websites and SEOs largely improved the competitive advantage of SMEs. This is because these platforms allowed the SMEs to reach a wider range of customers from different regions within a short time. The study results indicated that the use of digital marketing platforms led to an increased number of visitors on the social media pages of the SMEs and this helped to attract customers outside the country. In the end the study recommends the use of digital technology and proper website management to promote the competitive advantage and performance of SMEs, customer loyalty and engagement.

CHAPTER ONE: INTRODUCTION

1.1 Background Information

Digital marketing usage has increased among SMEs and social media is one of the latest and most efficient means of marketing a company (Wankel & Pate, 2013). This has enhanced and vitalized creativity and interactive sessions marketing among members. Despite the recent internet bubble burst that has happened in the recent years, there is still a belief among marketers that the e-commerce future is bright. The 20th century was shaped by the Industrial Revolution. From 1760s to 1820s, industrial revolution changed the processes of manufacturing in the whole of Europe and the United States (Minama, 2016). This transition entailed progressing from manual methods of production to machine use, current manufacturing of chemicals manufacturing and processes for production of iron as well as adoption of the use of water and steam power and finally, the developed machine tools and the uptake of the mechanized factory system (Dai & Kauffman, 2011). However, revolution in technology has shaped the 21st century and companies are entering the market via advanced new technology. The internet impresses on almost all sphered of business. In this century, digital marketing is no longer an option for businesses - it is a necessity (Stamlin, 2013). It is digital technology that gives firms high competitive advantage in the current society (McIntire, 2012).

This study is based on two fundamental theories: theory of diffusion of innovation, and theory of Competitive Advantage by Porter's. The innovation theory posits that an innovation adoption decision is based on how its advantages are perceived and its compatibility to existing systems and processes is imperative for firms. The theory is

appropriate as it highlights the process and influencing factors for SMEs when adopting digital marketing (Stamlin, 2013). The study will also include the porter's competitive advantage theory which outline that firm can have high competitive ability by adopting cost leadership plans as well as differentiation and focus strategies.

In Nairobi Kenya, SMEs constitute on average 90% of the business enterprises and are estimated to create on average 50% employment opportunities in the county and thus substantially contribute to the Gross Domestic Production (GDP) of the country as well as act as key drivers of the economy (GOK, 2017). SMEs within Nairobi are typically smaller businesses with an owner and a limited number workers, their regulation is under the Ministry of Trade and are valued between \$100 and \$5000. Despite this, the SMEs face a number of challenges key among them being lack of sufficient initial capital, stiff competition from larger firms and the dumping and the increase of counterfeit goods from countries such as China (Tal, 2018). Faced with these bottlenecks, it is necessary that they adopt innovative digital marketing techniques that improves their competitive advantage in the industry

1.1.1 Digital Marketing Strategies

The concept of online advertising strategies refers to the utilization of online podiums for example the internet for promotion, endorsement and marketing of a firm's products or services (Rowley, 2011). Lee and Kim (2009) indicate that there exists a range of diverse digital marketing strategies e.g. social media avenues such as Facebook- run by Meta and Twitter platform, Search Engine Optimization (SEO), blogs, e-mail marketing, websites and use of social media influencers. Other strategies that can be used include audiovisual advertisements, content boosting on popular sites, and online flash sales

(Mbugua, 2016). Digital technology can be described based on the firm stock in social media marketing, the use of mobile phones as well as investment of the firm in multi-media and other online platforms (Minama, 2016).

SMEs can maximize digital marketing channels to promote their products and ensure that they appeal to a larger target group and thus improving their competition against their peers. Digital marketing strategies provide businesses with a platform that targets specific customers with specific marketing strategies depending on their age among other considerations. (Stamlin, 2013). Utilizing digital marketing strategies, enables companies to cut down on their marketing costs as digital options are considerably cheaper compared to above the line channels such as billboards, TV advertisements and Newspaper Advertisements; thus making it more contributory to SMEs who have limited funds. (Lee & Kim, 2009). That said; whilst digital marketing strategies are more cost effective with a wider reach, firms face unique challenges such as content generation, site management and active online interactions with their clients; thus requiring capacity building for the team (Kithinji, 2014). In essence, there is a created opportunity for SMEs to thrive whilst ensuring that they minimize on expenses. The minimized expenses should be utilized in creating and researching innovative ideas that will minimize the risks involved with digital marketing.

1.1.2 Competitive Advantage

Competitive advantage is the extra advantage one firm has over its competitor in a given market, strategic group or industry (Kay, 1993). A firm can have a competitive advantage over another, by offering at a lower cost or by providing at lower level of wages as well as providing a superior customer service. However, Porter (1985) argues that, organizations

should assess its superior performance factor against its competing parties in business; describing that the competitive advantage involves generating long-term huge profits as compared to competitors. Product quality is used to measure competition, the models of pricing adopted by the firm as well as the levels of customer satisfaction in the firm.

A competitive advantage ideally should demonstrate superior performance than competitors and offer authentic customer value, thereby achieving a top coveted market position. (Mwangi & Brown, 2015). An organizations internal strengths and resources have a key role in enhancing the competitive advantage. Achieving competitive advantage in any market, a small or medium enterprise needs to deliver customer needs at lowest prices as compared to their competition or give customers advantage that other competitors cannot pull off. This can be achieved through adopting cost efficiency or differentiation as well as through adoption of market segmentation and providing unique and rare products. Delivering high quality products and services also form parts of models firms use to improve their competitive advantage in the long run (Porter, 1985).

1.1.3 Small and Medium Enterprises [SMEs] in Nairobi County

In Nairobi-Kenya, (SMEs) are defined as enterprises, businesses or industries that do not employ more than nine people and whose total annual revenue is less than 500,000 shillings (Wamuyu, 2015). While there is no comprehensive government record of SME's in Kenya, Mwangi and Brown (2015) estimates that there are about 7.5 million enterprises that contribute to 4% of Kenya's GDP as of the year 2017; these enterprises create approximately 80% of new jobs in Kenya and form 95% of businesses in the county. Notably, the SMEs are found in the food, small manufacturing, transport textile, communication, agriculture, beauty and other small enterprises; they form the backbone of

the Kenyan economy through creation of employment and stimulating the economy (Mbugua, 2016).

Nairobi has seen thousands of SMEs every year, 40% of which fold never live to witness their first anniversary, 80% will not see their fifth anniversary and 96% will be non-existent in 10 years from their date of formation; the OECD attributes this to lack of enough capital, limited knowledge, and poor managerial and governance skills, lack of proper and predictive business structures coupled with poor product quality (Mbugua, 2016). However, the growth of digital marketing can be attributed to exponential increase of internet consumers in the world and more so here in Kenya (Mwangi & Brown, 2015). Currently, many SMEs are using digital marketing platforms to outsmart their competitors in various industries (CAK, 2016). KPMG also launched the top 100 SMEs competition in Nairobi in the year 2018 to point out excellent SMEs and encourage the adoption of digital technology in their operations and activities (Kithinji, 2014).

1.2 Research Problem

Although there has been a positive uptake of digital advertising strategies such as Social Media, Search Engine Optimization (SEO), display adverts and websites, many companies have been unable to use these digital marketing models to promote their competitive advantage. The majority of firms use these models mainly to increase their internet penetration and attract customers from different regions (Wang & Chang, 2013). The digital platforms involve automation and reduce costs of operations among firms, especially towards their marketing budget.

Digital technology has been applied in many global firms across the world to improve performance and attract customers. However, many past studies have neglected the importance of digital marketing strategies on promoting the competitive advantage of SMEs across the globe. Currently, many Multinational firms are adopting the use of digital technology to improve their performance levels (Stamlin, 2013). The majority of these multinationals focus mainly on how digital technology can be used to improve their performance and ignore how it can be used to promote competitive advantage. Despite the widespread of digital technology as a marketing model among various SMEs across the globe, many SMEs have failed to adopt digital technology in their operations. This is why the study partly aims to determine how digital marketing strategies are important towards the promotion of competitive advantage of SMEs.

Several past studies also confirm the importance of adoption of marketing digitally by SMEs in different regions across the globe. A research study by Danhil et al (2014) on influence of adopting online communication podiums for promotion by SMEs in Thailand recognized that it had a positive influence on the marketing efforts of the SMEs through improved sales and enhanced brand image. Datelink and Bick (2013) focused on the social media marketing effects on the overall marketing strategies of SMEs in South Africa. The study found that social media had a huge impact on their strategies and ergo was instrumental in the selection of their marketing and visibility action plan. Lee (2009) studied the influence that digital marketing had on the banking industry in Latvia and established that it led to a bigger market share and improvement with their customer uptake of internet banking products. However, this study failed to consider the importance of adopting digital technology to promote competitive advantage of SMEs.

Different local studies also depict the importance of digital marketing in promoting SMEs success in almost all industries. In a study conducted by Nga'nga' (2015) on the success of digital marketing tactics in the Kenyan banking industry; it was realized that it led to an increase in consumer awareness of the bank's financial offering and as a result improved bank financial performance. Mbugua (2016) observed the marketing approaches implemented by SMEs in Kenya and their influence on the success or failure of the firms; the research revealed that marketing had a progressive outcome on the SME performance. Kithinji (2014) also assessed the result of online marketing on SMEs in Kenya and ultimately concluded that there were improved profits and market sector. Additionally, there was an enhancement of the company's brand visibility and perception that reached a wider market economy. Despite this, the study failed to consider how digital technology can be used to promote competitive advantage of SMEs in the country. However, a study done by Pedersen (2014) in UK indicated that digital marketing plans do not promote competitive advantage of firms in the long run since it is expensive and required skilful manpower.

Based on the above findings, few studies have been done on the efficiency of marketing digitally on promoting the competitive advantage of SMEs. Past researchers emphasized the influence of internet publicizing in promoting the accomplishment of well-established firms such as banks in the country and neglected the SMEs. Therefore, this research study answered the following question of research: Is there a significant association amid internet advertising strategies and the competitive advantage of 100 most profitable SMEs in Nairobi County, Kenya?

1.3 Research Objective

The objective of this research was to find the association between digital marketing approaches and the competitive advantage of top 100 Small and Medium Enterprises in Nairobi County, Kenya.

1.4 Value of the Study

The study beneficiaries are various stakeholders including the top managers of different SMEs in Nairobi, Kenya, policy makers and other practitioners.

The theoretical knowledge gained from this study would help top managers of SMEs in Nairobi Kenya to design the best digital marketing plans in their operations and improve their revenue growth and market share for long-term reasons. The research discoveries would enhance future studies in the digital marketing and SMEs space to have a background context of the study focus. The findings of this study would also guide future researchers in conducting future studies on the influence of online advertising tactics on the competitive advantage of SMEs around the world. The various researchers and scholars around the world would also utilize the results as reference to their future studies.

Furthermore, the study findings and results would also help policy makers and government agencies dealing with formulation and implementation of policies associated with SMEs in Kenya to formulate and implement effective digital management policies and other SMEs management programs in the country. This is because this learning would indicate the innumerable digital marketing approaches implemented by SMEs in Nairobi, Kenya as well as show how effective they are in promoting the competitive advantage of enterprises and organizations. The discoveries of this research will also be appreciated by digital

marketing specialists and will guide them to get feedback on product feedback as well as improvement areas; as well as how to increase and promote their competitive advantage in the long run.

Practitioners such as Digital Marketing Associations and Entrepreneurial Groups would also benefit from this study since it would provide research based evidence on the importance of using digital marketing plans in promoting competitive advantage of firms across the world. Practitioners within the digital marketing industry would also use the study findings to outline the best digital marketing activities around the world. It will help the management of various SMEs in Nairobi, Kenya to understand how to use various theories associated with digital marketing strategies can help to improve their competitive advantage. This is important since it would promote the market share and performance of the firms as well. The theoretical knowledge gained from this study would also help top managers of SMEs in Nairobi Kenya to design the best digital marketing plans in their operations and improve their revenue increase and market long-term shares.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter highlights relevant literature review e, both empirical and theoretical, relating to the area study to facilitate the building of a framework for the study. First, the theoretical foundation for the essence of the study is provided. The chapter also introduces and explores the concept various forms of digital marketing platforms that can be used by SMEs around the globe. Related studies are also reviewed so as to identify gaps in the studies and the chapter closes with a critical literature review.

2.2 Theoretical Foundation

This study is pegged on two theories. The theories considered are the innovation diffusion theory and Porter's theory.

2.2.1 The Diffusion of Innovation Theory

The Diffusion of Innovation Theory can be traced back to Everett M. Rogers in 1962 where he argued that innovation diffusion is a means of engaging in behavior science research, especially with regard to technological changes in various sectors in the world. The theory assumes that individuals perceive information differently and the process of diffusion helps to promote the adoption of new technology in organizations. The theory indicates that new technology can spread in the firm without any laid down plans and programs. Effective communication and understanding of the new technology is what the employees need to adopt new technology. Due to this, global firms can use digital innovation diffusion theory

to help their business understand the process of buyer periodically adopting and engaging with new products or technologies.

The Diffusion theory is mostly used for new product launches or introducing current products and services into a new market. The SMEs can adopt new software to improve their financial management and attract their customers. This will help increase their sales and automate their services delivery leading to cost reduction. However, it is important that the firm customers consider the impression, behavior, or product as being new or unique in order to attract their customers and reduce their cost of operations.

2.2.3 Porter's Theory of Competitive Advantage

Competitive advantage is achieved when firms obtains a set of qualities that help it outfox its competitors. Access to natural resources, skilled labor and technological innovations are some of the strategies involved. Porter (1985) underscored that competitive advantage will increase as long as the value presented by the business exceeds the cost of the product. He came up with 3 generic strategies which would help businesses gain competitive advantage over its competitors. These included the use and adoption of cost leadership plans as well as differentiating and focusing tactics. The strategy of cost leadership entails producing at a cheaper cost than other players. This encompasses finding resources at a relatively lower cost. Differentiation strategy is the production of goods and services with a unique offering in comparison to competitors. To achieve this, the firm needs to invest in innovation of skills and ideas with a high- quality output as the end result.

The theory advocates for a strategy that involves addressing certain segments without spreading out the reach to unwanted ones. To achieve the competitive advantage, an

organization's business strategy must be able to manipulate resources over which it has direct control so as to generate competitive advantage (Reed and Fillippi, 2010). With globalization taking shape, new and unique management styles are being used especially in the face of competition e.g. management of heterogeneous structures, tolerance for ambiguity and use of different marketing strategies in order to achieve the desired goals. The theory can also be used to promote the competitive advantage of marketing firms across the world.

2.3 Digital Marketing Strategies

Many organizations today including SMEs are aligned to the notion that the world is a global village; thus creating a platform for digital marketing. Firms have embraced varied passages of digital marketing which bring them closer to their target audience through clear and excellent communication. (Cameron, 2009). According to Teo and Pian (2013), the adoption of digital technology enables market and client share expansion in the long run. The use of digital marketing enhances an organization's performance capability by widening its coverage and spreading its fundamental business through penetration of markets and improvement of products. The Ansoff marketing growth strategies can be adopted through digital advertising with its ability to empower firms to penetrate markets and increase their shares (Ansoff, 1965). The use of the digital promotion has helped firms to undertake new markets through the use of their current products. However the communicating nature of digital advertising has given firms feedback which has been useful in the development of new products, thus leading to diversification (Porter, 2001). Marketing through emails, social media platforms, web advertising, YouTube, as well as

the use of Blogs and other multi-media marketing platforms, are some of the ways used to market digitally.

2.3.1 Websites and Search Engine Marketing

Search engine optimization (SEO) has developed into an e-commerce vital element. Without proper knowledge and execution of SEO procedures, a firm may be unable to get positive rankings on renowned search engines like Google. Over the years, SEO approaches have been manipulated. Therefore, most search engines and directories have modified their algorithms as a way of providing the best and relevant services to customers during searches.

The aim of search engine methods is to put specific words that are constantly searched in specific places on websites. Its goal is to provide applicable and valuable information to the target consumer, while refining the general website ranking. SMEs should adopt the use of SEO platforms to help improve their products presence online.

They are important to organizations as they portray the firm's offering to the clients. Websites today allow firms to put together data on the number of people viewing the advertisement on a set time as well as viewer exposure time. This assists the firm in effectively monitoring the effectiveness of their adverts in comparison to magazine or television advertisements (Porter, 2001).

Other functions such as order placements can be done on websites thus offering convenience to the client. With websites, firms are able to share information about their products and customers can also provide their reviews based on different products.

Notably, the use of Google Ad-Words is ubiquitous and many serious firms are currently using it to reach a wide customer base in their operations

2.3.2 Social Media Marketing

Marketing on internet communication platforms is regarded as one of the greatest tactics for online businesses. The tactics have fast results and a weighty impact on a business's general operation. Marketing on social media entails the promotion of a company or a certain website on the various social media platforms like Twitter, LinkedIn, Instagram, Facebook, Blogger etc. Businesses that have websites and are advertised via digital platforms get an increase in traffic which is profitable in the long run.

Social Media has been embraced worldwide with firms taking advantage of the networking ties that it brings. Social media is not investment heavy as most sites allow a firm to open a page for free and most often than not, time and cost effective. Having your business on the digital space is a quick way of communicating and sharing the product or service with the consumer (Evans, 2008). Bing Pan (2011) says that using social media platforms for advertising ensures that the value to the organization and excellent communication to the consumer are achieved. The use of social media platforms enables customers relate better with the business and take note of its popularity and product feedback; which is instrumental when making the decision to purchase. It has also helped firms to cultivate brand loyalty and grow a comprehensive customer base.

2.3.3 YouTube and Mobile Advertising

YouTube and cellphone usage has greatly improved in the world. Kenya has reported an increase in mobile phone penetration and YouTube access particularly in the rural areas

which has made mass communication easier. SMEs have the opportunity to let the world know about their products and services.

According to Ryssen (2014), mobile commerce is important in reaching a high number of customers, especially through the use of Short Messages Service (SMS) to reach intended consumers in various parts of the globe. This has been proven to be a cheap and effective method of communicating through the development and use of Bulk SMS services. SMEs should adopt YouTube and Mobile phones to get to intended customers in several parts of the world (Omondi, 2017).

2.3.4 Multi-Media and Email Advertising

Multi-Media and E-Mail advertising is one of the major ways of strengthening the customer relations. Therefore, it is crucial to let customers sign up for new notifications so they can be notified every time a product or service is introduced or launched.

Chaffey (2015) noted that prior to social media introduction, emails were one of the main channels of customer communication; a massive enhancement from the use of postage mails. Emails allow for short and concise communication between consumers and the business and also allow for immediate feedback. With email marketing, SMEs can share information about their products. This is important towards increasing customer base among all SMEs across the globe.

2.3.5 Online Blogs and Articles

These are web-pages containing one or more writers that put their experiences, views, and observations with a number of images together with links to other websites that provide the same information. Blogs are one of the cheapest ways used by individuals and

companies to market their products and services. They allow consumers and providers to interact while at the same time giving consumers a tour of the company. Additionally, blogs create a lot of traffic as more visitors will go ahead viewing the main website of the business or company.

Majority of firms have realized the need to change their action plan into digital marketing and they are intensifying prevailing marketing tactics with techniques of digital advertising such as the use of online blogs to attract many customers. Notably, more than 30% of the businesses had a combined digital marketing plan in 2016 and greater than 70% of marketers have confidence in digital marketing as compared to traditional ways of advertising. More than 80% of companies will escalate their spending on digital marketing in the next five years, thus, exceeding the budget of online blogs.

2.3.6 Online Markets

E-Commerce is a rising sensation across the globe with firms providing platforms and technology for client interactions and sales. E-Commerce is a site that is online and allows both products' and inventory information to be availed by several third party authorities and transactions carried out by the operator of the market. This information is available to all parties worldwide. Such markets include Bid or Buy, eBay, Deal Fish, and OLX. These platforms offer a convenient shopping experience to the customer through additional services and offers such as promotional reductions and delivery services at no cost (Post sales services).

One of the rapidly growing businesses is online marketing. In 2015, the United States raised revenue from digital marketing that exceeded the revenue from television broadcasts

and cable with over \$35 billion in online advertising in 2012, an increase of about 16% from the revenue in 2011. In 2016, the US realized an increase in revenue from digital marketing at \$50.1 billion.

2.4 Empirical Studies and knowledge gaps

A number of research readings have been carried out with regard to adoption of digital advertising approaches and Performance of firms around the world. Taiwo (2010) conducted a study in India to determine how digital marketing stimulates performance of firms. It was found that planned digital publicizing practices have a substantial effect on variables of performance and there are several other components involved to make the process a success. However, this study adopted a case study design and only looked at manufacturing firms in India.

Santos-Vijande et al (2012) analyzed the organizational backgrounds of digital selling abilities and their effect on performance of a business and established that capabilities of marketing apply a weighty and confident influence on the fulfillment and allegiance of clients which ultimately leads to better performance of an organization based on selling capacity, profits realized, and organizational share of the market. The study was conducted in UK using cross sectional survey method. However, the study failed to consider the importance of digital technology towards promoting customers loyalty in developing countries.

Regionally, Dzisi and Ofosu (2014) examined the relationship between marketing approaches and SME performance in Ghana. They found that there was an affirmative connection between different strategies of marketing and the total performance of SMEs.

Strategic marketing tactics were found to be cogs in the wheels of organization positioning in a vibrant setting, which aides in improving the new product development for existing markets. Despite this, the study failed to consider modern internet advertising tools used by businesses to promote their performance.

In Kenya, a study by Wamuyu (2015) estimates internet based promotion strategies by Nairobi based SMEs at about 30%. This usage is described as moderate. SMEs encounter pitfalls which include financial constraints to set up websites, technical knowledge gaps on digital content development and strategy execution. In order to surmount these encounters, SMEs will need to embrace digital marketing strategies despite the related costs and required specialized knowledge that they lack. It's estimated that the incapability to market their goods and services has led to copious undesirable bearings on SMEs especially with regard to their sales volumes, customer service, market awareness, branding and product and service promotion. Ultimately, impacts are felt on a macro level by the employees that offer their services and labour to these companies and the economies that they operate in due to loss of employment and taxes. However, this study only focused on how to use digital technology to promote employee satisfaction levels.

A paper done by Nga'nga' (2015) on the effectiveness of digital advertising strategies on banks in Kenya found that they enhanced the banks economic through a customer awareness uptake on the financial products that the banks offer. Mbugua (2016) studied the strategies of marketing implemented by SMEs in the country and their effect SMEs performance; from the findings, online publicizing had an affirmative effect on SME success. Kithinji (2014) also studied the consequence of internet publicizing on SMEs in Kenya and proved that it had a direct positive impact on the market and revenue share.

Oloko et al. (2014) studied the strategies of online marketing at Safaricom Limited that have seen it succeed in Kenya and across East Africa as a telecommunication industry. According to the findings, there were several marketing tactics used by the company including marketing through audio files, creating new and unique products, animating, pricing strategies, their location, making their content relatable to the audience. These techniques were found to be effective in increasing customer acceptability and increasing the company's revenue tremendously. However, this study failed to include some of the challenges that Safaricom is facing its adoption of digital marketing platforms to promote its performance.

On his part, Kimani (2014) explored the effectiveness of the various marketing strategies employed by the Kenya Revenue Authority and the success and influence of advertising on the operations of the Authority. The research found that that marketing has greatly affected revenue collection by KRA. Despite this, the study failed to consider how KRA can use modern digital tools to promote their performance and competitive advantage.

Based on the above empirical review, it is evident that past studies focused mainly on the influence of digital publicizing approaches on bank success around the world and failed to consider the effects of digital technology on promoting of SMEs competitive advantage. Majority of these past studies also provide conflicting results. Consequently, this research aims to block the gap by determining how digital marketing strategies influence competitive advantage of top 100 Small and Medium Enterprises in Nairobi County, Kenya.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter outlined and provided a discussion of the design of research, population targeted, design of sampling, and how data will be collected and analyzed. It also outlined how the questionnaires were used in data collection during the study.

3.2 Research Design

The research used a descriptive cross-sectional study design. Copper (2000) says, a research design is descriptive when it deals with establishing the 5W's and H i.e. what, who, when, where and how much. The use of this research design is definitely appropriate since the survey has great reliability, low on cost and convenient for a large population. Data collected via a descriptive study design is used to make inferences at a specific period. Cross sectional studies give an overall picture of the study population. The researcher has the freedom of standardizing the techniques, thus introducing clear definitions to what he or she would be conducting till the end of the study.

A descriptive study design is best for this kind of study since it was applied in assessing the prevalence of conditions in a population. The method made it easier for the researcher to efficiently depict the key assumptions thus saving on time and cost. The study also used descriptive cross sectional study design because it involves analyzing data collected across the population to provide an in-depth view of that population at a specific time. This kind of design allowed the study to have an insight and to establish the impact of online

advertising techniques on the competitive niche of 10 most profitable Small and Medium Enterprises in Nairobi County, Kenya.

3.3 Population of Study

Population is the collective amount of elements about which one desires to infer to in a study (Cooper & Schindler, 2003). In this study, the population focused comprised top 100 SMEs in Nairobi. The data is summarized in the appendix II (figure 2). There are more than 3000 SMEs operating within the CBD and this population sufficiently provides a sundry assemblage of numerous trade players in a Nairobi City.

3.4 Sampling Design

Sampling is the procedure of choosing a representative number of a population (Mugenda & Mugenda, 2006). For this study, the investigator implemented a simple stratified random sampling to conduct the survey. According to Harri (2011), a simple random sampling is free from bias and represents the entire population. A sampling unit is selected once when simple random sampling technique is used as part of the research design. For purposes of this research, 100 sample questionnaires were issues but responses received were for only 60 respondents.whose strata is as shown below:

Gender	Frequency	Percentage
Male	33	55
Female	27	45
Total	60	100

Source: Research Data (2019)

When using stratified sampling the reader needs to see how this was done in a table showing the strata adopted.

3.5 Data Collection

Collection of primary data was done in the field while secondary data shall be gotten from the annual reports of various SMEs under study. Questionnaire is the main tool for collecting primary data. The study used a semi- structured questionnaire.

The semi structured questions helped to determine and establish the impact of digital marketing approaches on the competitive advantage of SMEs in Nairobi, Kenya. Section A of the questionnaire contained general information while section B-contains questions investigating digital marketing tactics implemented by SMEs in Nairobi, Kenya. The last section C contained information on the competitive niche of the SMEs achieved via the use of online advertising models. The respondents in the study included managers or owners of the SMEs within Nairobi. The data collection method involved an assurance to the SMEs that were sampled that the information will be held in confidence and only used for this study. With this assurance, it was easy for the respondents to give what the study presumes as a true representation of the facts with regards to effect of digital marketing. The SMEs that filled in the questionnaire were mapped out of the Research Data, 2019.

It is easy to show the data collection method and the procedure used.

3.4 Data Analysis

Qualitative data analysis has been employed in the course of this study. Data collection was achieved through the use of open and closed ended questions. The data collected quantitatively was analyzed by social scientists who applied descriptive statistics and methodology. Responses that have similar patterns or themes were put together in categories that are easy to understand.

Descriptive statistics entails the use of relative and absolute (percentage) frequencies, the deployment of central tendency measures and dispersion: mean and standard deviation respectively. Quantitative data were summarized in graphs and tables followed with an explanation in prose. Multiple linear regression analysis was employed to determine the degree of analysis that entails the exploration of a concept with the intention of providing more understanding of a topic. This also aids in awareness creation with the main concepts of the study. The underlying facts gained during the study were also analyzed.

The analysis to determine the impact of digital marketing approaches on the competitive benefit of Small and Medium Enterprises (SMEs) in Nairobi, Kenya was achieved through the linear regression methodology. The methodology covered:

$$Y = (\beta + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5)$$

Where

Y= Competitive Advantage X₁= Online Marketing β= Error Term

X₂= Social Media Marketing X₃= Multi Media Marketing

X₄= Use of YouTube Marketing X₅= Use of Websites and Blogs

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter entails an analysis of the data that was collected using the methods discussed in Chapter Three. It also covers the interpretation of the study findings. The collected data was analyzed using descriptive analysis techniques and methods and results provided based on research questions and objectives. The chapter also presents results based on background information including the rate of response and the demographic features of the study participants including gender and age. It also illustrates the impact of digital marketing on competitive advantage of SMEs based on the study findings.

4.2 Demographic Information

60 SMEs formed the sample population and provided the data collected. These were randomly selected from the 100 most profitable SMEs in Nairobi. The rate of response covered was 100%. The research considered the participants' demographic statistics in terms of their age, education level, and duration of being in the business. The data gathered is presented in the subsections below:

4.2.1 Respondents' Gender

From the study, 55% of the research participants were male with 45% being female. This is an indication that most SMEs in Nairobi are owned and operated by males and females.

This is clearly shown in table 4.2.1 below

Table 4.2.1-Gender of Respondents

Gender	Frequency	Percentage
Male	33	55
Female	27	45
Total	60	100

Source: Research Data (2019)

4.2.2 Age of Respondents

From the scrutiny of the data findings, it was evident that around 45% of the respondents were between 26 and 36 years, while around 35% were aged between 36 to 45 years, and 15% were aged between 20 and 25 years. From the study findings only 5% were over 46 years. From the results, majority of employees within Top 100 SMEs in Nairobi are youths. The table 4.2.2 depicts the outcome.

Table 4.2.2-Age of Respondents

Age of Respondents	Frequency	Percentage
20- 25 years	27	45
26-35 years	21	35
36-45 years	9	15
Above 46 years	3	05
Total	60	100

Source: Research Data (2019)

4.2.3 Respondents Education Level

In determining the respondent's education level, the study results indicated that 35% of the research participants were educated up to college level. 45% of the respondents had university level of education while about 10% were educated up to secondary level. Only about 4% of the participants had professional level of education. This is shown in table 4.2.3 below

Table 4.2.3-Respondents Education Level

Level of Education	Frequency	Percentage
Secondary Level	6	10
College Level	21	35
University Level	27	45
Professional Level	03	05
Total	60	100

Source: Research Data (2019)

4.2.4 Experience in the SMEs Business

According to the findings, 50% of the respondents had served their companies for 2 to 5 years, while 40% had worked for a few months. Only 6% had served for 6 to 10 years in their business while about 4% had served for more than 10 years in their business. The results are illustrated in the table 4.2.4 below

Table 4.2.4-Participants Experience in the SMEs Business

Time	Frequency	Percentage
1 year	24	40
2-5 years	30	50
6-10 years	4	6
Over 10 years	2	4
Total	60	100

Source: Research Data (2019)

4.3 Digital Promotion Approaches and Competitive Advantage of SMEs

To help achieve the study objectives, the researcher determined the effects of various digital marketing strategies on the competitive benefit of the top 100 SMEs in Nairobi, Kenya. This was done by considering the effects of websites and search engine marketing strategies on the competitive advantage of small businesses. The study also determined the effects of social media, multi-media channels and online platforms on the competitive advantage of small businesses. The descriptive data analysis gathered during the study is shown below:

4.3.1 Websites and Search Engine Promotion Strategies

The study was geared towards determining the effects of websites and promotion approaches used by search engines on the competitive benefit of the Top 100 SMEs in Nairobi Kenya. The results gathered were analyzed using descriptive techniques and the results are shown in table 4.3.1 below

Table 4.3.1-Effects of Website and SEO on Competitive Advantage

Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std Deviation
		1	2	3	4	5		
Website and SEO helped our customers in buying and paying for our products	Percentage	66%	16%	3%	3%	0%	1.20	0.084
Website and SEO has improved customer satisfaction	Percentage	63%	25%	9%	3%	0%	1.45	0.604
Website and SEO has improved product awareness	Percentage	48%	21%	18%	11%	0%	2.10	0.459

Source: Research Data (2019)

Based on the results on table 4.3.1, it is evident that most of the participants strongly agreed at 70% that the use of website and SEO has helped their customers in buying and paying for their products at a cost effective method. The results obtained from the data analysis indicated that 15% of the respondents supported and agreed that the use of use of website and SEO has helped their customers in buying and paying for their products at a cost effective process. However, 10% of the participants did not neither agree nor disagree whether the use of use of website and SEO has helped their customers in buying and paying for their products at a cost effective process. The results clearly indicate that the use of website and SEO is important towards the

promotion of competitive advantage of small business in terms of helping customers in buying and paying for their products at a cost effective way.

Most of the respondents also said that the use of website and SEO has helped increase their products awareness at 64%. 16% of the participants also agreed and supported the view that the use of website and SEO has helped increase their products awareness. This is a clear indication that the embracing and usage of digital advertising platforms like website and SEO is effective towards the promotion of products awareness and attraction of customers in small businesses.

The results obtained were analyzed based on different means and standard deviations and it is evident that most of the participants said that the use of website and SEO has helped increase the competitive advantage of their business operations at a mean of about 1.75 and a standard deviation of about 0.857. These results are a clear indication that firms should use website and SEO digital marketing platforms to promote their competitive advantage.

4.3.2 Social Media Promotion Approaches

The study sought to determine the effects of internet communication platforms such as YouTube, Facebook and Twitter digital marketing approaches on the competitive benefit of the Top 100 SMEs in Nairobi Kenya. The results gathered were analyzed using descriptive techniques and the findings are as shown in table 4.3.2 below

Table 4.3.2-Effects of Social Media on Competitive Advantage

Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std Deviation

		1	2	3	4	5		
Social Media has improved the firm product awareness	Percentage	75%	17%	8%	0%	0%	1.333	0.115
Social Media as improved has improved product reviews	Percentage	58%	42%	0%	0%	0%	1.417	0.180
Social medial has improved customer loyalty and customer attraction levels	Percentage	74%	17%	9%	0%	0%	1.367	0.682

Source: Research Data (2019)

From the data analyzed in table 4.3.2, the study indicated that 75% of the participants strongly agreed that the use of internet platforms such as YouTube, Twitter, and Facebook has improved the number of their customers as well as increased their customer loyalty levels. The findings further indicated that 17% of the participants concurred that the use of internet platforms such as YouTube, Twitter, and Facebook has improved their product reviews as well as attraction of their customers to buy their products and services. These results obtained depict the importance of using digital platforms such as YouTube, Twitter, and Facebook to improve the competitive advantage of SMEs.

The results obtained in the data were analyzed based on different means and standard deviations. A majority of participants supported and found favour that the engaging of internet platforms such as YouTube, Twitter, and Facebook has improved the number of their customers as well as increased their customer loyalty levels and

improved the firm product reviews and customer’s interactions at a mean averaging at 1.441 and a standard deviate of about 0.316. These results are a clear indication that firms should use social media platforms such as YouTube, Twitter, and Facebook to promote their competitive advantage ultimately.

4.3.3 Multi-Media, Online Blogs and Email Advertising Strategies

The study sought to determine the effects of Multi-Media, Online Blogs and Email digital marketing strategies on the competitive benefit of the Top 100 SMEs in Nairobi Kenya. The results gathered were analyzed using descriptive techniques and the results are shown in table 4.3.3 below

Table 4.3.3-Multi-Media, Online Blogs and Email Advertising Strategies on Competitive Advantage

Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std Deviation
Multi-Media, Online Blogs and Email has helped to served a wide market with unique and rare products	Percentage	68%	27%	5%	0%	0%	1.133	0.074
Multi-Media, Online Blogs and Email has improved problem solving and efficiency	Percentage	60%	27%	13%	0%	0%	1.433	0.119
Multi-Media, Online Blogs and Email improved revenue, profitability and sales	Percentage	70%	20%	10%	0%	0%	1.4	0.173

Source: Research Data (2019)

From the data gathered summarized on table 4.3.3, it is true that the majority of participants at 68% strongly agreed that the study indicated that the use of Multi-Media, Online Blogs and Email digital marketing platforms has helped the firm or the SMEs business owners to served a wide market with unique and rare products at cost effective and convenient manner. The majority of the participants at 60% also strongly agreed that the use of Multi-Media, Online Blogs and Email digital marketing platforms has improved problem solving and efficiency in terms of operations. Additionally, 70% of the participants also strongly agreed that the use of Multi-Media, Online Blogs and Email digital marketing platforms has improved revenue, profitability and sales in the firm. These results obtained depict the importance of using Multi-Media, Online Blogs and Email digital marketing platforms to improve the competitive advantage of SMEs.

The results obtained in the data were analyzed based on different means and standard deviations. Most of the study participants supported and agreed strongly that the use of Multi-Media, Online Blogs and Email digital marketing platforms increased the delivery of unique and rare or high quality services and products to a wide marketplace at a convenient manner averaging to a mean of 1.267 and a standard deviate of about 0.114. These results are a clear indication that firms should use Multi-Media, Online Blogs and Email internet advertising platforms to promote their competitive benefit in the long run.

4.4 Regression Results

The study was done with the aim of determining the association between dependent and independent variables. This was done using a linear regression analysis model. In the study, the dependent variable was the competitive advantage while the independent variable was the use of digital marketing platforms including the use of social media platforms, search engine, blogs, and the use of websites together with the use of transit marketing and online publicizing platforms. Based on the results, it was the use of internet promotion proved to promote the competitive advantage of SMEs. The data gathered is provided in the table 4.6 below

Table 4.6-Regression Analysis

	Co-efficient	Std. Error	T-Ratio	P-Value
Constant	0.519	0.254	2.420	0.023
Competitive advantage	0.814	0.082	11.783	0.000
Social Media	0.815	0.084	2.532	0.001
Website and Search Engine	0.723	0.080	2.166	0.002
Multi-Media	0.718	0.067	2.641	0.003
Emailing	0.615	0.075	2.463	0.000
R-squared	0.874			
Adjusted R-squared	0.233			

Source: Research Data (2019)

Table 4.5 indicates that there is a significant association between digital advertising platforms and the competitive advantage of SMEs in Nairobi Kenya. This is because the use of websites, social media and multimedia channels benefits SMEs competitively at a

constant of 0.519 and on an R-square of 0.874. The table also provides data that support the regression model ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$) which is summarized based on the model below

$$\text{Competitive Advantage} = \text{Constant} + \beta_1 \text{Social Media} + \beta_2 \text{Website} + \beta_3 \text{Multimedia} + \beta_4 \text{Emailing} + \epsilon$$

$$Y = 0.519 + 0.815X_1 + 0.723X_2 + 0.718X_3 + 0.615X_4 + 0.254.$$

The above regression analysis support that all the digital marketing platforms such as social media (X1), websites (X2), as well as Multi-media platforms (X3) and email marketing (X4) have a beneficial influence on promoting the competitive advantage of SMEs in Nairobi, Kenya. The constant of 0.159 represent the common denominator competitive advantage enjoyed by those SMEs that have embraced digital marketing whether or not they lax in their advertisement for some time on among others, the social media platforms.

4.5 Discussion of the study Findings

The study's main purpose was to establish the effects of digital marketing platforms on the competitive benefit of top 100 SMEs within Nairobi, Kenya. The study's reports evidently demonstrated the positive effects of the use of digital marketing platforms on the competitive advantage of top 100 SMEs in Nairobi Kenya. The data findings indicated that the use of internet communication platforms, websites and SEO platforms promote the sales volume of the SMEs through attraction of new customers and sharing of the SMEs products and services online. This led to high impact and positive profitability, increase in sales volume and revenue in the firm. The use of social media platforms also improved the firm customer's loyalty. This is because the firm management is able to interact with their

customers through the use of social medial marketing sites such as Twitter, Facebook, and YouTube.

Furthermore, the study findings and findings showed that proper and effective usage of digital marketing platforms allow the firm management to solve customer problems at a cost effective manner. This improved proper engagement with the customers leading to high customer satisfaction levels. The SMEs top management mainly uses social media platforms to engage their customers and learn about new feedback on their products reviews. This was important since it allowed the management to improve on how they provide products and services to their customers. Additionally, the use of SEO allowed the firm to respond to customer queries within time and without problems. The findings are supported by a study done by David (2015) who indicated that the use of social media, websites and SEO are important in increasing customer relationships and networking among SMEs within the East African region. The study also established that the use of internet advertising helped lower the operations costs of SMEs within Nairobi Kenya. Thus, it is important that SMEs uses digital marketing platforms to improve their competitive advantage and increase their profitability and revenue generation.

The study findings are similar and consistent with a study done by Cohen, (2017) which indicate that SMEs should adopt various online marketing platforms such as Multi-Media, Online Blogs and Email internet advertising platforms to promote their competitive advantage and performance in different market. The study findings noted that firms with stable online presence can attract customers across different borders in the world. The study also concluded that adopting social media marketing platforms is more cost effective than

blogs and websites and SMEs should use social media platforms to promote their success in different markets.

Furthermore, this study's findings are also similar to studies done by Mbuyisa and Leonard (2017), which indicated that using digital platforms such as YouTube, Twitter, and Facebook to improve the competitive advantage of SMEs and help the management to reach wider customers globally. From the study conclusions it was evident that developing countries prefer using social media platforms to attract their customers. This is because developing countries such as Kenya have a high number of its population using social media platforms. The study findings also noted that having stable social media platform can improve SMEs brand positioning and reputation.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This segment presents and includes a summary of the main results and findings from the study. It also covers the main conclusions reached during the study. The section also includes the study references as well as the limitation of the study and suggestions for further research studies. All these are provided based on goals of the study.

5.2 Summary of the Study Findings

There are various key conclusions that were eminent from the study. For example, the study found out that the majority of the SMEs were using social media marketing platforms to increase their competitive advantage. The study also found out that applications of other digital marketing platforms such as blogs, websites and SEOs largely improved the competitive advantage of SMEs. This is because these platforms allowed the SMEs to reach a wider range of customers from different regions within a short time.

The findings of the study also supported the view that SMEs should use display adverts to promote their competitive advantage. This is because customers like to see products they are planning to purchase. Additionally, the study findings indicated that the majority of SMEs within Nairobi use digital marketing platforms to increase their customer engagement, improve their complaint resolution as well as promote the experience and satisfaction of their customers leading to high competitive advantage. With the use of digital technology platforms, the SMEs were able to increase their sales, access new

markets and clients as well as increase their brand recognition and all these gave them high competitive advantage.

Furthermore, the study results indicated that the use of digital marketing platforms increased traffic to their social media pages of the SMEs and this helped to attract customers outside the country. The study findings also noted that some SMEs found it challenging to implement and effectively use all their digital marketing platforms to attract customers. This is because some platforms such as websites require money to maintain the domain. However, the respondents noted that using digital technology platforms to market was more profitable in the long run to the SMEs.

5.3 Conclusion

There are several conclusions that were adopted from the study findings e.g. the study concluded that the use of digital marketing platforms helps to promote the competitive advantage of top 100 SMEs within Nairobi, Kenya. The study also established that the application of digital marketing platforms has positive effects on the competitive advantage of top 100 SMEs in Nairobi Kenya. From the study findings, it was evident that using social media platforms, websites and SEO platforms promote the sales volume of the SMEs through attraction of new customers and sharing of the SMEs products and services online. SMEs that employ digital marketing have a wider market reach that is not constrained to the geographical location of the business. With increased market reach definitely there will be more revenues and employment of other auxiliary services such as last mile fulfilment which in the end creates a whole stretch of employment opportunities.

The study also concluded that SMEs should use social media platforms and websites to increase their competitive advantage as well as their lucrativeness, sales volume and revenues. It further established that social media sites provide the cheapest form of promoting the SMEs products and services. Some of the social media platforms that SMEs should adopt in their daily marketing activities include the use of Facebook, Twitter and YouTube. From this improved market advantage and profitability, there will be improved standards of living for the entrepreneurs involved and more revenues to the government which leads to better service delivery.

Moreover, the study concluded that SMEs should embrace social media digital marketing platforms to allow them to solve customer problems, increase their brand image as well as achieve high customer loyalty at a cost effective manner. The study also determined that social media platforms encourages SMEs to improve their customer engagement models leading to high customer satisfaction levels. The study also concluded the use of other digital marketing models such as websites and SEOs can allow the SMEs to reach customers outside the country and increase their competitive advantage in profitability, revenue generation and market share.

5.4 Recommendations

From the study findings and results, it is evident that SMEs can use digital technology approaches to promote their competitive advantage and performance. However, it is important that majority of SMEs adopt cost-friendly digital marketing platforms to improve their performance and competitive advantage. Some of the best and cost-friendly digital marketing strategies that SMEs can use include the use of social media platforms such as

Facebook, YouTube and Twitter. These platforms are free to open and can help reach a wide audience in the society.

To promote their customer loyalty and engagement, SMEs should also adopt effective product reviews using their customer feedback models on their social media platforms. This will help them attract more customers and improve their competitive advantage and performance in general. It is also imperative that Top 100 SMEs in the region adopts social media to promote the brand image and reputation. This can be achieved by listening to customer complains in various social media platforms and other digital technology platforms such as websites and emails.

Moreover, it is important that SMEs consider the adoption of proper website management to attract new visitors and customers to their sites. The SMEs websites should include customer reviews and visual images or videos depicting their products. This is effective towards increasing the number of sale volume and market share. Importantly, the top SMEs in the country should use psychological pricing and include blog reviews to help them attract new clients. It is worth noting that blogs and website platforms can help SMEs reach customers outside the country as well.

5.5 Limitations of the Study

During the study, there were various limitations and challenges. One of the main limitations was due to some cases where some of the respondents feel it was not ethical and right for them to provide their company data. To achieve the study objectives, the researcher managed to convince the respondents that the study was only meant for academic purposes. The researcher also assured the participants that all the responses and data gathered were

to be made private and confidential and no information will be shared with competitive parties.

However, the study also witnessed limitation in times of the busy schedule of some of the managers of SMEs within Nairobi County. To achieve the study objective, the researcher arranges for online and phone interview to plan with the respondents. This helped in getting effective response rate during the study and all the study objectives were achieved without problems.

5.6 Suggestions for Further Research

This reading mainly focused on the determination of the association between digital marketing approaches and the competitive advantage of top 100 Small and Medium Enterprises in Nairobi County, Kenya. The study only focused on SMEs within Nairobi County. Therefore, it's imperative that future learnings be done to determine and evaluate the impact of digital marketing approaches on the competitive advantage of top 100 Small and Medium Enterprises within Kenya. This will help to determine the challenges some of the top SMEs face in the country in different counties.

There is also the need for comparative studies to compare the effects of digital marketing approaches and the competitive advantage SMEs in different parts of the world. It is evident that SMEs face different challenges across the globe and future studies should also try to evaluate some of the challenges that SMEs face in the country and how the government can support them to avoid their failure within the first two years of operation. This will help encourage and promote socio-economic development in the country since majority of Kenyans youths and women are in SMEs business activities and programs.

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APPENDICES

Appendix I: Questionnaire

Section A: General Information

Kindly fill all the questions either by ticking () in the boxes or writing in the spaces provided.

1. What is your Age?

a.20– 25

b.26 – 30

c.31– 35

d. Above36years

2. What is your Gender?

Male

Female

3. What is your highest level of education?

Diploma

Bachelors

Masters

Doctorate

Other (Please specify).

4. What are your years of experience in managing the SMEs?

Less than 3 years

3 – 5 years

6 – 10 years

More than 10 years

5. Are you the owner of the SMEs?

Yes

No

Section B: Main Digital Marketing Platforms Used By the SME

7. To what extent are the following digital platform used in your firm

Platform	Percentage	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std Deviation
Website and SEO helped our customers in buying and paying for our products								

Website and SEO has improved customer satisfaction								
Website and SEO has improved product awareness								

8. Please indicate the degree to which each of the following statements best describes your digital marketing initiatives.

	Please indicate the degree to which each of the following statements best describes the main digital technology platforms used by your firm	Strongly Agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)	Mean	Std Deviation
1.	Social Media has improved the firm product awareness							
2.	Social Media as improved has improved product reviews							
3.	Social medial has improved customer loyalty							

	and customer attraction levels							
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Section C: Competitive Advantage

Kindly answer the questions to the best of your knowledge; they are about competitive advantage of your firm. In case you are not sure about any question, leave it blank. Below is the scale that will guide your response.

Statement	Strongly Agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)	Mean	Std Deviation
Multi-Media, Online Blogs and Email has helped to serve a wide market with unique and rare products							
Multi-Media, Online Blogs and Email has improved problem solving and efficiency							
Multi-Media, Online Blogs and Email improved revenue, profitability and sales							

Thank You

Appendix I: List Of SMES In Nairobi

1. HAJI MOTORS LTD
2. DIAMOND PROPERTY MERCHANTS LTD
3. WORLD ENTERPRISE LTD
4. TRUEBLAQ LIMITED
5. RILEY FALCON SECURITY SERVICES LTD
6. GENERAL CARGO SERVICES LTD
7. PRAFULCHANDRA & BROTHERS LTD
8. NYWELE CREATIVES
9. MANDHIR CONSTRUCTION LTD
10. SOFTWARE TECHNOLOGIES LIMITED
11. FLOOR DÉCOR KENYA LTD
12. SPY AFRICA LIMITED
13. FAYAZ BAKERS LIMITED
14. RURAL DISTRIBUTORS LIMITED
15. EXECUTIVE HEALTHCARE SOLUTION LIMITED
16. SYNER MEDICA (KENYA) LTD
17. ECO STEEL AFRICA LIMITED
18. ORANGE PHARMA LTDQUESTWORKS LIMITED
19. RSA KENYA LIMITED
20. BLUEKEY SEIDOR (K) LTD
21. USERNAME INVESTMENT LIMITED
22. VICTORIA COURTS TRADING LIMITED

23. BELLA SAFARIS LIMITED
24. EXON INVESTMENTS LIMITED
25. GRACEFUL RESTAURANT
26. OCTAGON PENSION SERVICES LTD
27. NATIONWIDE ELECTRICAL INDUSTRIES LTD
28. BABS SECURITY SERVICES LTD
29. ISOLUTIONS ASSOCIATES LTD
30. DESIGN PARTNERSHIP LIMITED
31. MACHINES TECHNOLOGIES (2006) LIMITED
32. POLUCON SERVICES (K) LIMITED
33. PATHCARE KENYA LIMITED
34. HOTEL WATERBUCK LTD
35. BILASHAKA FLOWERS LIMITED
36. NATURAL WORLD KENYA SAFARIS LTD
37. RUP PHARM LTD
38. CHEQUERED FLAG LTD
39. UNIQUE OFFERS LIMITED
40. MYSPACE PROPERTIES (KENYA) LIMITED
41. POLYPHASE SYSTEMS LIMITED
42. METCO LIMITED
43. UFANISI FREIGHTERS (K) LTD
44. ELITE OFFSET LIMITED
45. GOODMAN AGENCY LIMITED

46. MOJO PRODUCTIONS LIMITED
47. YOGI CORP (EA) LTD
48. NOVEL TECHNOLOGIES E.A. LTD
49. NORTH STAR COOLING SYSTEM LTD
50. PREMIER INDUSTRIES LTD
51. ELIDA TOURS & SAFARIS LTD
52. VIVO ACTIVE WEAR
53. THE SCOTT TRAVEL GROUP LIMITED
54. PARSHVA LTD
55. UNITED (EA) WAREHOUSES LIMITED
56. NOVA INDUSTRIES LIMITED
57. ZIMELE ASSET MANAGEMENT
58. COMPUTER PRIDE LIMITED
59. ECONOMIC INDUSTRIES LTD
60. MAGNUM ENGINEERING & GENERAL LTD
61. SIMBA TECHNOLOGY LTD
62. TANDU ALARMS SYSTEMS LTD
63. MIC GLOBAL RISKS INSURANCE BROKERS LTD
64. SUPER-BROOM SERVICES LIMITED
65. EXPRESS COMPANY LTD
66. REAL AUTO SPARES LTD
67. KOMAL CONSTRUCTION CO. LIMITED
68. VALLEY HOSPITAL LTD

69. PALMHOUSE DAIRIES LTD
70. INDEX MODERN LIVING
71. JAMII AUTOCARE
72. TDF GROUP LIMITED
73. THE MAKINI SCHOOL LIMITED
74. POWER GOVERNORS LIMITED
75. BAGDA'S AUTO SPARE LTD
76. SIDEWAYS TOURS & CAR HIRE
77. VARSANI BRAKELININGS LTD
78. DE RUITER EAST AFRICA LTD
79. BELVA DIGITAL LIMITED
80. BIMAS KENYA LIMITED
81. KAESER COMPRESSORS LTD
82. DIGITAL CITY LTD
83. COAST FARMCARE AGROVET LTD
84. LEKHA TRADING COMPANY LTD
85. CITROLAM CONTRACTORS LIMITED
86. TIKOO A CO. LTD
87. TRAVEL CARE LIMITED
88. CLASSIC MOULDINGS LTD
89. COASTAL IMAGE TECHNOLOGIES LIMITED
90. FARMAL GENERAL MERCHANTS LTD
91. EUROCON TILES PRODUCTS LTD

92. MASTER FABRICATORS LTD
93. NEWLINE LIMITED
94. IDEAL MANUFACTURING COMPANY LIMITED
95. MAROO POLYMERS LTD
96. AGOMA GROUP LIMITED
97. OFFICE DYNAMICS LIMITED
98. EAST AFRICA TEA TRADE ASSOCIATION
99. VISCAR INDUSTRIAL CAPACITY LIMITED
100. AVTECH SYSTEMS LIMITED

Source: KNBS Report 2019