

**EVALUATION OF DIGITAL MARKETING ON THE EXPANSION OF SMEs
IN NAIROBI**

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DECLARATION FORM

This research project is my original work and not has not been presented for award of any degree or any other purpose in any university or institution.

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ABBREVIATIONS AND ACRONYMS

S.P.S.S- Statistical packages for social sciences

SMEs- small and medium enterprises

OPERATIONAL DEFINITION OF TERMS

Digital marketing-The technological practice of using the internet to advertise and use various ways to produce, distribute and satisfy customer need

ABSTRACT

The main purpose of the research study was to investigate the various how digital marketing has in turn contributed towards the expansion and the market of small and medium scale enterprises in Kenya. The problem statement of the research study was that there has been less research carried out in Kenya and there was also less empirical study pertaining the concept of digital marketing and how contributed towards the expansion and market penetration of various small and medium scale enterprises. The research study was intended to be carried out in Nairobi at Trident insurance company whereby the insurance firm allowed the researcher to issue out questionnaires to its respective policy insurance holders who had small and medium scale enterprises and later used the information onto carry out data analysis. The target population of the research study was 500 businesses while the research study settled for a sample of 10% upon using Salome (2019) sampling techniques. Upon gathering the data, the researcher used both Microsoft excel and statistical packages for social sciences in order to analyze the quantitative data

CHAPTER ONE: INTRODUCTION

1.1 Background of the research study

The world of commerce is increasingly adopting the value of information technology in businesses. Most companies in the agribusiness industry are constantly putting an effort in making sure that they reinstate the state-of-the-art modern technological advancements that in turn facilitate easier and efficient work put and also cut on several costs that in turn facilitate the maximization of profits in businesses. (Keya, 2018). According to Omollo (2019) digital commerce technology has in turn been the hub of most businesses since their utilization fosters out a very significant and productive output in its respective operations production's facilities. He further states that in any given event that business enterprise loses the value of understanding or cogitating the value and significance of information technology, the businesses enterprise might at any time have a stumbling foot stole having in mind that for businesses to continue competing out effectively there is the need for most of them to keep in the factor of digital commercial technology.

According to Philip Kotler (2016) Digital marketing may in turn be defined and discussed as the technological application of information technology towards the business development objective of bringing all forces into place in order to satisfy customers and enhance customer relationship and customer-organization relationship. He further alludes that most organizations in the United States of America have in turn made strides with information technology companies in order to create out application software's that in turn contribute towards the making sure that the organizations or companies products and services.

Keplan & Haenlain (2019) suggested that digitization in commercial marketing world is becoming a modern development aspect that in turn is changing the shape and the routine of most of the traditional business activities not only in the developed nations but also is an evident factor in some of the African and sub-Saharan nations in turn. Their analysis indicates that out of ten commercial dominating gas companies in the republic of Romania that they were able to sample out in their research thesis, they were able to account an observation that all of the ten dominating gas companies were utilizing the application of digital technology and thus was an

instigating factor in positioning themselves as some of the leading gas companies in the republic of Romania.

Neislein (2018) quoted a philosophical adage that, *“if a company is not found in google it does not exist”* His research paper won the British technology and innovations research award whereby he concluded in his research that despite the beuractratic and systematic creed of most businesses, there is the constant gap that always co-exists whenever a company’s management decides to venture into strategical business development. This constant gap that always co-exists is factor to do with the advancements of information commerce technology in making sure that a business is able to adopt a competitive advantage over its competitive spheres.

1.1.1 Profile of trident insurance company

Trident insurance company is a registered business insurance service provider company in Kenya whose main business objective is to facilitate insurance services to its customers. The organization main branch is located in Nairobi.

1.1.2 Oogenesis of the business name and brand

A name Trident was developed by the overseer of the company who in turn was the owner of the company. The company’s owner had a visionary objective of turning the company into one of the leading insurance companies in Kenya and beyond the eastern African region.

1.1.3 Historical chronology of the company operations

It was licensed and began full operations in the year 1982. It has a team of highly qualified, experienced and dynamic staffs who render personalize efficient and professional insurance services.

Currently the insurance company is still fulfilling its operational mandate of providing insurance services to its various composite customers.

1.2 Statement of the research problem

The global business world is on the move of embracing the modern digital methodology of marketing. According to Fenkey (2019) there has been a statistical result that accounts that most businesses in the United Kingdom have so far embraced various digital marketing techniques and in turn have contributed towards the radical expansion of its capacity operations thus in turn making it a favorable aspect to consider in business.

Henry (2017) discussed in his research findings that despite the favorable adoption of this technological advancements in most commercial business enterprises there has also been statistical evidence that shows there has been slow adoption or rather no adoption of this digital marketing technology in some of the companies in sub-Saharan and central African countries. This in turn gave out a potential research gap that despite the knowledge that digital technology is significant in offering out potential maximized results upon investment, it also constitutes the fact that there other forces that in turn vindicate this businesses enterprise or companies from adopting this technology based platform.

In Kenya, there have been many research carried out on the emergence of information marketing technology (commonly known as digital marketing) but there has been no published research that so far indicates how digital marketing has contributed towards the expansion and penetration of SMEs in Kenya. There has also been little empirical review on how digital marketing has so far contributed towards the expansion of SMEs in Kenya.

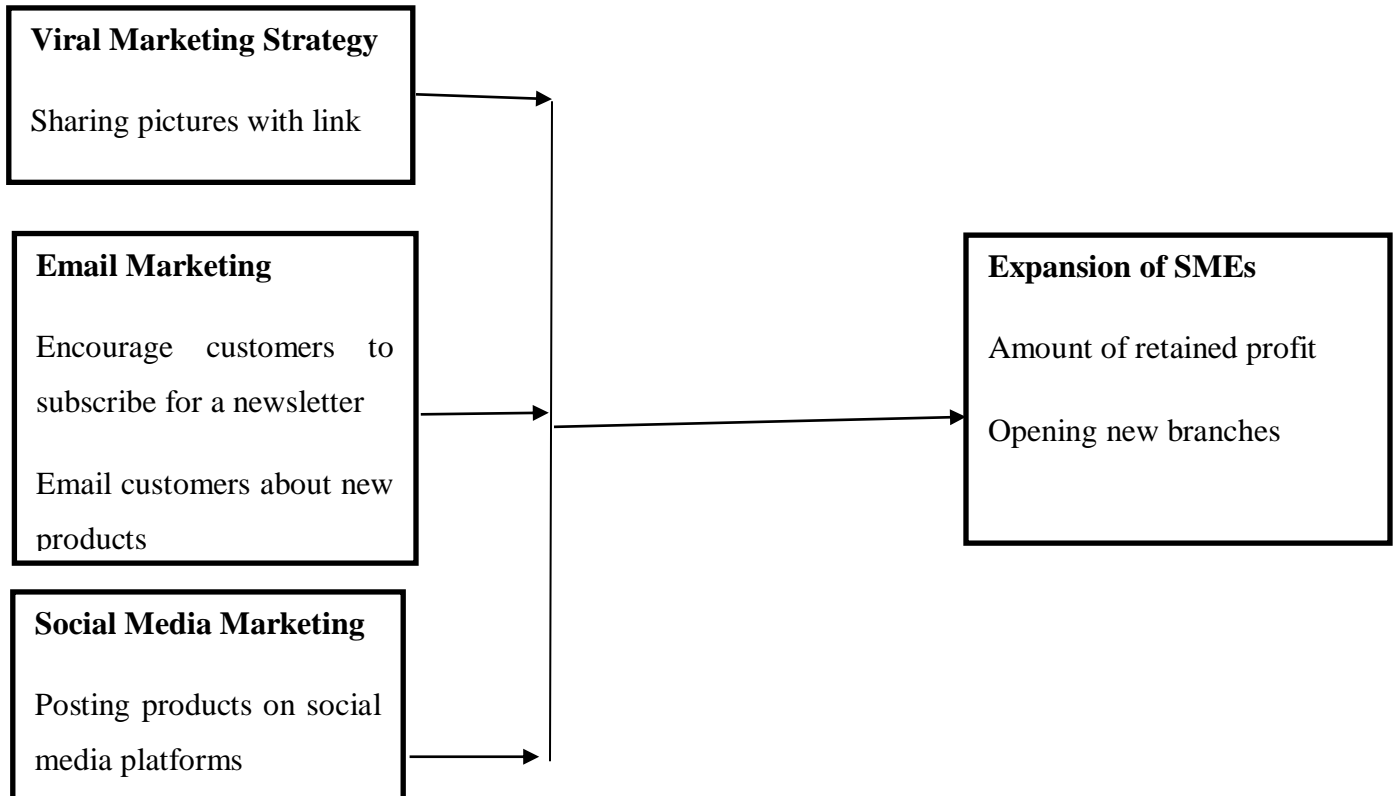
1.3 Purpose of the research study

The main purpose of the research study was to investigate how digital marketing has so far contributed towards the expansion and of SMEs.

1.4 Conceptual framework

Independent variable

dependent variable



1.5 Research questions

Some of the research questions were as follows;

- a) How has viral marketing contributed towards the expansion and market SMEs?
- b) Has email marketing contributed towards the expansion and of SMEs?
- c) Has social media marketing contributed towards the expansion of SMEs?

1.6 Objectives of the study

The objective of the research study was as follows;

1.6.1 General objective

The general objective of the research study was to evaluate and ascertain how digital marketing has led towards the expansion of SMEs.

1.6.2 Specific objectives

Some of the specific objectives of the research study was as follows:

- a) To justify if viral marketing contributed towards the expansion of SMEs
- b) To evaluate if email marketing has contributed towards the expansion of SMEs
- c) To investigate how social media marketing towards the expansion of SMEs

1.7Significance of the study

The research study was important to the following groups of people;

- a. Future marketing students in the field of sales and marketing
- b. Researchers and scholarly individuals conducting out future research
- c. The case study organization that is being used for carrying out the research study

1.8 Delimitations or scope of the study

The research study was carried out at Trident insurance company whereby the researcher issued out questionnaires to various respondents who were in turn insurance holders in the case study organization who in turn owned small and medium scale businesses.

1.9 Limitations of the study

The main limitation anticipated was the support of consumers to answer questioners due to the fear on further investigations, the support of some consumers to accept the activity of filling in the questioner forms as included as part of the research study.

1.10 Assumptions of the study

It was assumed that digital marketing did not at all facilitate the expansion and market penetration of SMEs.

CHAPTER TWO: LITERATURE REVIEW

Introduction

This section mainly gave out an account about the various literature reviews pertaining the main topic of the research study.

2.2. Electronic Marketing Practices (Digital marketing)

Electronic marketing is part of integrated marketing practice that includes: viral marketing, social media and email marketing.

2.2.1. Viral marketing

Viral marketing is referred to as internet marketing or also digital marketing in other related terms. The term internet marketing refers to the marketing of products and services using World Wide Web (Johns, 1999). Although definition of viral marketing is marred by diverse perspectives, several scholars conquer that the term viral marketing is a set of approaches employed by organizations to market products and services online.

In the recent past, electronic marketing has been vibrant and marketers have been actively engaged in developing various approaches to marketing online in a bid to attract visitors to their sites in the hope of translating them to increased sales. Such advances include blogging and homepage designing (Chaffey, Mayer, Johnston & Ellis, 2000). According to Chaffey, Mayer, Johnston & Ellis (2000) marketers constantly develop various viral marketing tools aimed at improving sales performance and customer loyalty.

Viral marketing has taken center stage as a cost effective approach for businesses to access their clients as well as their potential markets. The objective of internet marketing for many organizations is to inform audience about an organization's products and services, to carry out research and target markets as well as to market products and services. Viral marketing has gained tremendous adoption in the developed countries. In contrast, developing countries are still lagging behind partly due to fraudulent customers (Kelly, 2000).

While viral marketing is very key in customer retention, constant communication with clients will keep them at par with the company's product offerings. This in turn enables an organization to achieve customer retention which is consistent with commitment trust theory that seeks to establish better customer relationship management services for improved customer retention. Rohit and Gerald (1993) argue that viral marketing enables the customers to easily get access to information about the products and services through a cost effective means.

2.2.2. Social Media

The term Social Media can be defined as a social instrument for communication. Social media helps an organization to elevate its base of audience and clients in a major way. There are principles that apply in effective application of social media as a marketing platform which include; the law of listening, the law of focus, the law of quality, the law of patience, the law of compounding and the law of influence among others (Palmer, 1997). One of the disadvantages of social media is that it is difficult to quantify the return on investment and the value of one channel over another (Mulki & Stock, 2003).

In the social media marketing strategy, the idea is to develop information and content whose intention is to capture the interest of the audience and bid them to share the information with other users in the social site (Moller & Halinen, 2000). Within this platform, there is often word of mouth expected between the readers about products, services or even brands that is useful to the organization is often more credible than messages the organization gives about itself on any media platform. There are a number of social media platforms that can be employed by marketers. These include: Face book, Twitter and Linked-In (Duck, 1991).

Facebook and twitter are the two social media platforms used mainly for interaction and communication. Face book has quite a huge number of users who are potentially a market for any organization's products or services. For this reason, marketers are turning to Facebook more and more each day while trying to establish other better approaches to communicate with their target market (Duck, 1991). Some of the ways that they are using to reach clients includes; providing offers for potential consumers on Face book (Cowles, 1997).

2.2.3. Email Marketing

Halinen (2000) defines email marketing as the process of directly marketing a commercial message to a group of people using email. Organizations use email as one of their most powerful

marketing channels. Christopher and MClark (1999) argue that e-marketing is used as a tool to educate customers about their organization. This enables the customer to understand the products and services offered by an organization.

Email marketing is meant to build loyalty, trust or brand awareness (Conway & Swift, 2000). Same time, commitment trust theory provides that trust and confidence are the key pillars of building a strong foundation with customers. This increases chances for consistent sales which eventually lead to customer retention. This therefore shows that any organization that hopes to succeed in customer retention should build confidence and trust in the products and services offered to win the hearts of customers and retain them.

Hart (2002) posit that organizations send email messages with the objective of enhancing the relationship with their customer to encourage loyalty and repeat business. E-mail marketing is primarily a way to enhance a long lasting relationship between the customers and the organization. To start this process, customers are required sign up for an E-mail publication so that they can be repeatedly reminded about their product or service in order to attract repeat business.

Email marketing provides information in the form of emails to prospective customers who subscribe to their emails. Existing customers also learn about the new products and services. This keeps them up-dated about the products and services offered and thus influence their purchase decision. Customers prefer to buy products that they have information about since they understand the product.

2.7 Theoretical frameworks

2.7.1 Innovative theory of marketing

The theory noted that the organization should adapt to changes in the external environment in order to achieve its goals and objectives. The organization needs to adopt and implement contemporary marketing strategies. Viral marketing is one of the competitive marketing strategies that seek to improve cost reductions, accessibility and market share. It influences

purchase decision and enhances consistent sales since customers will prefer to buy goods and services repeatedly.

According to Frank(2018) he stated that the helm of technological advancement is the wind to which most companies should rather adopt and rather not abstain towards since it improves the way an organization is able to perform and hence ensure that it gains out a competitive advantage over its spheres, therefore its remarkable to state that its potentially gainful to ensure that most organizations in the world of commerce are able to get into an adopting culture when it comes towards digital marketing(viral marketing)

CHAPTER THREE: RESEARCH METHODOLOGY

Introduction

This section mainly contains the various research methods that was be used by the researcher in the process of carrying out the various data analysis.

3.1 Research design

The research study design was a case study whereby the research study only focused on trident insurance company. The researcher in turn gathered out data towards the chosen case study and further later analyzed the data systematically in order to cohesively output out data that satisfy out the research questions of the research study.

3.2 Study area

The research study was carried out at Trident insurance company. The insurance firm was located in the Eastern region of Nairobi County in the republic of Kenya.

3.3 Target population

According to Mugenda and Mugenda (2017), target population is commonly defined as the total composite populous number of characters in a research case that in turn are intended to be investigated in order to account out information about a particular research phenomenal.

Trident insurance company had a total customer base of about 500 insurance holders whom had accessed insurance policies that pertain to safeguard their preferred businesses under which most of them are mainly small scale and medium scale enterprises.

3.4 Sampling techniques

Rabern (2018) discussed and elucidated the meaning of sampling in his research on the analysis of various marketing models; he stated that sampling is the process of segregating and assimilating a possible number of characters, individuals and cases that intend to issue out meaningful information in any given research.

Kelvin & Hother (2019) also gave out various understanding about the term sampling, they emphasized that sampling is the potential use of a few sizable and calculated number of respondents who in turn are used in the process in the giving out opinion's, evidence or statistical variances pertaining a particular phenomenal.

The research study settled for simple random sampling under which different clustered small and medium scale enterprises were used in the process of attaining a potential sample size. The businesses were used in various differentiated categories such as small scale manufactures, Taxi drivers, electronic shops, Retail and wholesale shops and various Chips café hotels

Cluster businesses	Type of business specifications
1	Small scale manufactures
2	Taxi drivers
3	Electronic shops
4	Retail and wholesale shops
5	Chips café hotels

3.5 Sample size

The term sample size may in turn be defined as some of the various scientific statistical methods that in turn are used in segregating out a possible sample size (Hart, 2017).The research study isolated a valid number of businesses that in turn were of small and medium scale enterprises in order to potentially give out various information that met the research objective.

According to Salome (2019) she stated that 10% of the total composite population in any case study research is considered viable for any valid action of data analysis. Therefore, the research study used only 10% of the total target population (which was 500)

Table 3.1 Microsoft excel calibration on sample size

Sampe size calibrati

50/100*500

250

3.6 Research instruments

The research instrument used a questionnaire that contained both open ended and close ended questionnaire.

According to Miguel (2018) a questionnaire is a simple document that is intended to gather out information on various differentiated cases regarding various research phenomenal.

3.7 Validity of measurements

According to Kibera (2017) he alludes that validity is commonly termed as the notion under which a research is well and purely grounded and supported to the fact that it meets its preferable standards. The concept of validity in the research study was adhered to in that the research study intended to meet on the basis of the research objectives and was guided properly by the research supervisor.

3.8 Reliability of measurements

Reliability refers to the degree of consistency whereby phenomena's are given the same cluster by different observers or by the same observer on different situations (Hammersley, 2018).The research study utilized pre-testing methodology in the various questionnaires produced in order to verify if in turn the respondents were able to give out valid information and if possible to see if the respondents were able to answer the questionnaire.

3.9 Data collection techniques

The research study set aside various techniques that were used in gathering and collecting data. First, the case study organization produced out their preferred clients that were used in the process of data analysis. The respondents who in turn were part of the customers of the insurance firm filled in the questionnaires to give out information that was used in data analysis in the research study.

3.10 Data analysis

Data analysis was carried out upon gathering all the relevant research questionnaires from the respective respondents. Quantitative data was analyzed through the use of descriptive statistics and multiple linear regression analysis was carried out to determine the relationship between the dependent and independent variable.

3.11 Logistical and ethical considerations

Some of the various logistical and ethical considerations that the research study observed were as follows:

- i. To attain a legal research study permit from Gretsia University, school of business
- ii. To ensure that the respondents privacy is secured while answering the questionnaires.
- iii. To ensure that the researcher is able to financially finance his or her research fieldworks or rather seek external funding's in order to lubricate his/her research work activities.

CHAPTER FOUR: DATA ANALYSIS AND DISCUSSION

4.1. Introduction

This chapter of the research addresses the findings from the conducted study, analysis as well as interpreting the data. This study aimed at evaluating how digital marketing affects the entry into and expansion of the Small and Medium Scale Enterprises market in Kenya.

4.2. Response rate

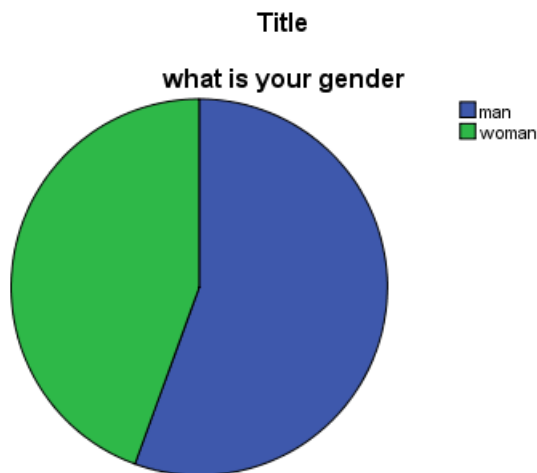
The study involved 50 SMEs to collect data for the analysis of how digital marketing has affected penetration and expansion of the SMEs. From the use of questionnaires, only 45 out of the 50 sampled SMEs responded. This therefore places the rate of response at 90% with 10% not giving their responses. The failure for response was found to be as a result of various factors such as inability to submit the questionnaires within the required period for analysis.

The data was analyzed based on the type of businesses, the duration of existence in the SMEs market, their turnover rates as well as their goals and ability of expanding their businesses to accommodate more clients.

4.3. Respondents demographic data

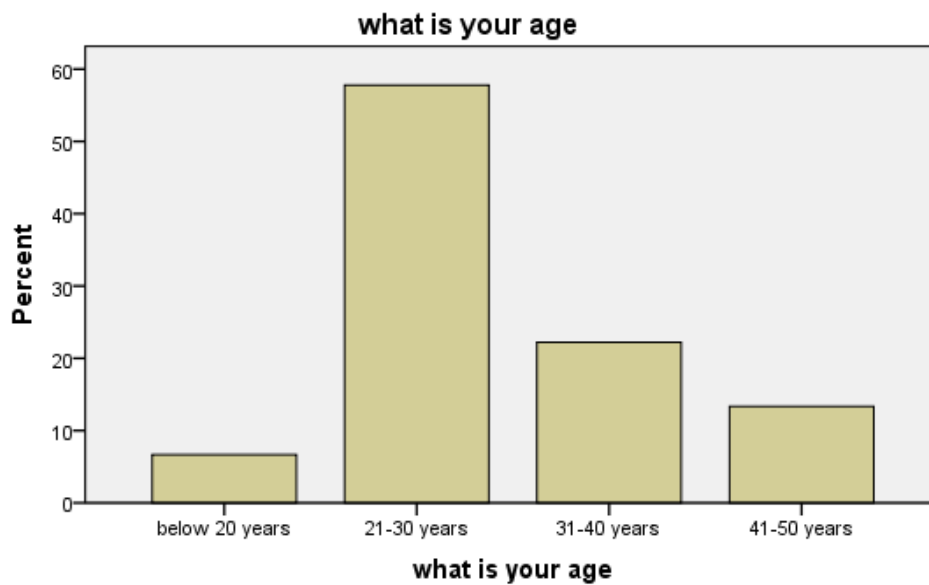
Respondent's gender was as shown below

Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Man	25	55.6	55.6	55.6
Valid Woman	20	44.4	44.4	100.0
Total	45	100.0	100.0	



The results of the study indicated that 55.6% of the SMEs are owned and managed by men, while female made up the remaining 44.4%. This showed that more men than women are involved in the SMEs operations in Nairobi.

Age of respondents



Respondents of the age category of 21-30 years made up for the highest percent of ...it was then followed by the age category of 31-40 years which contributed to ...percent. It was then followed by the age category of 41-50 years that made up of ...percent of the respondents and the last category of below 20 years that made up ...of the respondents, this was the lowest age group.

4.4. Descriptive Statistics.

The study focused on the fifty SMEs from various categories namely small scale manufactures, Electronic shops, Retail and Wholesale businesses, Taxi drivers and Chips Café businesses. Data collected was analyzed according to the said variables. Descriptive statistics helped in summarizing the variables.

4.4.1 Viral Marketing

Respondents who were using digital marketing in their businesses rated the extent to which viral marketing contributes to expansion of their businesses. In a scale of 1-5, with 1 representing strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 strongly agree. Findings were as shown in the following table.

Descriptive Statistics

	N	Mean	Std. Deviation
viral marketing greatly boost SMEs profitability	45	3.44	.813
links sent using pictures attract many customers	45	3.58	.839
viral marketing boost SMEs expansion	45	3.60	.939
Valid N (list wise)	45		

From the above findings majority of the respondents indicated that viral marketing significantly boosts SMEs profitability with a mean of 3.44, viral marketing helps in boosting SMEs expansion with a mean of 3.58, links sent using pictures help attract many customers with a mean of 43.60. The aggregate mean of 3.54 indicate that digital marketing help in expansion of SMEs on everage extent.

4.4.2 Email marketing

Respondents were asked to rate the extent to which email marketing has helped in expansion of SMEs in Nairobi. Using the provided scale of 1-5, with 1 representing strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 strongly agree. Findings were as shown in the following table.

	N	Mean	Std. Deviation
email marketing greatly contribute in expansion of SMEs every time we notify customers about a product we experience increased sales	45	3.02	.790
I have many customers who signed up for the firms newsletter	45	3.16	.662
Valid N (list wise)	45	3.20	.725

Mean score of 3.5-5.0 representing moderate extent. The study findings indicated that

email marketing greatly contribute in expansion of SMEs in Nairobi with a mean of 3.02, every time customers get notification about products in their email the business experienced increased sales with a mean of 3.16, many customers have signed up for the firms newsletter with a mean of 3.20. The findings overall mean which was 3.12, moderate extent indicated that email marketing helps in SMEs expansion in Nairobi.

4.4.3 Social media marketing

The research study tried to establish the extent of social media marketing in SMEs expansion in Nairobi. Using the provided scale of 1-5, with 1 representing strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 strongly agree. Findings were as shown in the following table.

Descriptive Statistics

	N	Mean	Std. Deviation
customers place orders from the pictures the firm posts through social media	45	3.51	.944
the firm has increased profits	45	3.62	.912
Valid N (list wise)	45		

The study findings conclude that respondents agreed that customers order placement from the firms post with a mean of 3.31, the respondents also agreed that through social media the firms has increased profits with a mean of 3.62. The aggregate mean of 3.56 and a standard deviation of 0.928 indicated that social media marketing moderately helps in expansion of SMEs in Nairobi.

4.4.4 Expansion of SMEs

Using the provided scale of 1-5, with 1 representing strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 strongly agree. Findings of the extent to which expansion of SMEs in Nairobi was measured and findings were as shown in the following table.

Descriptive Statistics

	N	Mean	Std. Deviation
retained profit is enough to expand business	45	3.76	.830
Valid N (list wise)	45		

The respondents agreed that retained profit is enough to expand business with a mean of 3.76. The aggregate mean of 3.76 and aggregate standard deviation of 0.830 indicated that retained profits of average SMEs in Nairobi is enough to expand the business...

4.5. Regression analysis

Regression analysis was done to examine the relationship between the study variables used in the research. Multiple linear regression analysis was used since the independent variables were more than one. The results of the regression analysis are as follows.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.475 ^a	.226	-.040	.595	.226	.849	11	32

a. Predictors: (Constant), email marketing contributes to SMEs expansion, does viral marketing contribute to SMEs expansion, newsletter

The coefficient of determination R^2 , was 0.22 explaining the variation in the influence of 22% in SMEs expansion. This indicates that the independent variable contributes 22% to the dependent variable. Other factors that were not included in the study contribute to 78% to the dependent variables this calls for further research to determine the other factors that contribute to the remaining percentage.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.306	11	.301	.849	.596 ^b
	Residual	11.330	32	.354		
	Total	14.636	43			

a. Dependent Variable: retained profit is enough to expand business

b. Predictors: (Constant), viral marketing, email marketing, social media marketing

Anova results indicated that the regression model had a level of significance of 0.59 that helped to conclude that the model was of little significant. F value at 5% level of significance was 0.849. This indicated that the entire model was insignificant i.e. there was little significant relationship between digital marketing and SMEs expansion.

Co-efficient results

Coefficients^a						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Con
	B	Std. Error	Beta			Lower Bo
1	(Constant)	5.729	1.014		5.648	.000
	email marketing contributes to SMEs expansion	-.124	.123	-.156	-1.005	.321
	social media marketing contribute to SMEs expansion	-.133	.118	-.175	-1.120	.270
	does viral marketin contribute to SMEs expansion	-.047	.145	-.050	-.326	.746

a. Dependent Variable: retained profit is enough to expand business

The results of the study showed that viral marketing, email marketing and social media marketing at 95% level of confidence, had a negative relationship with SMEs expansion. Independent coefficient were -0.124, -0.133 and -0.47 respectively.

4.5.1 Viral marketing and SMEs expansion

According to the first objective, how viral marketing contributes to SMEs expansion, the model indicated that viral marketing had a negative relationship with expansion of SMEs with a beta value of -0.124, p 0.321 value of the p value was insignificant since it was more than 0.05 (p less

than 0.05). This resulted from viral marketing not being popular enough to customers therefore limiting its usage.

4.5.2 Email Marketing and SMEs expansion

The second objective of the study was to find out how email marketing helps in SMEs expansion. The model indicated that email marketing is negative related to SMEs expansion. With a beta value of -0.1.33 and, p value of 0.270. The p value of 0.270 at significant level of 0.05%, is statistically insignificant indicating that there is a negative relationship between email marketing and SMEs expansion.

4.5.3 Social media marketing and SMEs expansion

The third study objective was to find out how social media marketing contributes to expansion of SMEs. The model indicated that social media marketing was insignificantly contributed to SMEs expansion. With a beta value of -0.47 and a p value of 0.746 the p vale was insignificant at a level of significance of 5% Indicated that there was a negative relationship between social media marketing and SMEs expansion.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS.

5.1. Introduction

This chapter of the study looks at the summary, the conclusion of the research and recommendations the researcher gives concerning how digital marketing has affected the expansion of the 45 SMEs studied.

5.2 Summary of findings

With the startup of a business, one of the major goals of the company or the business is to maximize profits while fully satisfying the needs of their customers. These goals push the business to adopt strategies to enable the penetration and expansion of their operations in the market. This study aimed at evaluating how digital marketing has affected the penetration and expansion of SMEs. The study targeted a total population of 5000 SMEs and sampled out 50 of them. Of the 50 sampled SMEs, only 45 of them responded to the questionnaires used by the researcher to collect data. This study therefore worked with data from the 45 SMEs to come to its findings.

5.2.1 Viral marketing on SMEs expansion

The research findings on how viral marketing contributed to SMEs expansion, the findings indicated that viral marketing resulted to a significantly low rate of SME expansion. Links sent with pictures resulted to moderate customers visiting the business website, viral marketing moderately boost SMEs profitability and viral marketing moderately boost SMEs expansion.

The study findings also confirmed that there was a negative relationship between viral marketing and SMEs expansion. This was proved by a beta value of -0.124, p 0.321 value of the p value was insignificant.

5.2.2 Email marketing on SMEs expansion

The research findings on how email marketing contributed to SMEs expansion, the findings indicated that email marketing resulted to a significantly low rate of SME expansion. Customers who signed up for the firms newsletter were moderately few, email marketing had a significant low contribution in contributing SMEs expansion and viral marketing moderately boost SMEs expansion.

The study findings also confirmed that there was a negative relationship between email marketing and SMEs expansion. This was proved by a beta value of -0.1.33 and, p value of 0.270. The p value of 0.270 at significant level of 0.05%, is statistically insignificant indicating that there is a negative relationship between email marketing and SMEs

5.2.3 Social media marketing on SMEs expansion

The research findings on how social media marketing contributed to SMEs expansion, the findings indicated that social media marketing resulted to a significantly low rate of SME expansion. Customers order placement from the pictures posted to the firms social media pages was significantly low, through social media the firm experienced significantly low profits.

The study findings also confirmed that there was a negative relationship between social media marketing and SMEs expansion. This was proved by a beta value of -0.47 and a p value of 0.746 the p vale was insignificant at a level of significance of 5% Indicated that there was a negative relationship between social media marketing and SMEs expansion.

5.3 Conclusion

From the research conducted, this study found that there is a negative relationship between viral marketing and expansion of SMEs. Both descriptive and regression analysis, viral marketing showed a significantly low contribution to the expansion of SMEs.

The study found that email marketing was averagely used by the SMEs to market their services and products offered. For those operations that adopted email marketing, there was a significant low contribution in SMEs expansion. The study therefore concluded that Use of email marketing had a low contribution to the expansion of SMEs.

Social media marketing also had a significantly low contribution to the expansion of SMEs. Descriptive statistics indicated that social media marketing had a small contribution to the expansion of SMEs.

5.4. Recommendation

From the analysis of the data collected and the conclusions drawn, the study recommends that for SMEs to expanding, they need more than digital marketin. As much as SMEs should embrace digital marketing, for them to grow and expanding they need to do mere. They need to consider

other factors like the financial aspects, sales strategies and pricing strategies among other more factors for them to grow and expand.

Given the capacity of some of the businesses such as small scale manufactures operations is small, the operators can be urged to expand so as to accommodate more customers. Government and non-government organizations could be of great help to the SMEs to enable them grow through growth programmers. This could also be a boost to the economy.

5.5. Further Research

From the findings of this study, further research would be essential to consider studying other factors that contribute to expansion of SMEs other than those that have been used in this study in order to clearly bring out factors that greatly contribute to expansion of SMEs. This would be of help not only to the existing SMEs in Kenya but even to contributing in strengthening the Kenyan economy altogether through expansion of the SMEs.

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Appendix one: Research questionnaire



My name isI am a student at Gretsa university undertaking a Bachelor's degree in commerce, as part of my qualification to attain my degree I am supposed to carry out a research on an evaluation of digital marketing on the penetration and expansion of SMEs (a case study of trident insurance company).Kindly help me in answering the following questions below

BIO INFORMATION

Kindly tick ()*

1. What is your gender? (tick appropriately)
 Male () female ()
2. Indicate your age bracket?
 Below 20 () years 21-30 () years 31-40 years () 41-50 years ()
 over 50 years ()
3. What is your level of education?
 Kcse () Certificate () diploma () graduate () post graduate ()
4. What is the general performance of your business
 Poor () Moderate () excellent ()
5. How effective was the technique used in relation to your business performance
 Not effective () little effect () Moderate effect () Very effective ()

SECTION B: DIGITAL MARKETING

Answer according to the technique(s) you have used.

1 = strongly disagree 2= Disagree 3= Neither 4= Agree 5= strongly agree

Viral marketing

Questions on Viral Marketing	1	2	3	4	5
The links sent with pictures attract many customers to my website					
Viral marketing can greatly boost SMEs profitability					
Viral marketing can greatly boost SMEs to expand					

Viral marketing contributes greatly to SMEs expansion.

Strongly disagree ()

Disagree ()

Neither ()

Agree ()

Strongly agree ()

Email marketing

Questions on Email marketing	1	2	3	4	5
I have many customers who signed up for the firm's newsletter					
Every time we notify customers about a product we experience increased sales					
Email marketing can greatly contribute in expansion of SMEs					

Email marketing contributes greatly to SMEs expansion.

Strongly disagree ()

Disagree ()

Neither ()

Agree ()

Strongly agree ()

Questions on Social media marketing	1	2	3	4	5
Customers place orders from the pictures the firm post					
Through social media the firm has experienced increased profit					

Social media marketing contributes greatly to SMEs expansion.

Strongly disagree ()

Disagree ()

Neither ()

Agree ()

Strongly agree ()

Questions on expansion of SMEs	1	2	3	4	5
Amount of retained profits is enough to expand the business					