

**A SURVEY OF INFLUENCE OF DEMOGRAPHICS ON THE ADOPTION OF
SOCIAL MEDIA AS A STRATEGIC MARKETING TOOL AMONG MICRO
SMALL AND MEDIUM ENTERPRISES WITHIN MERU MUNICIPALITY**

BY


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DECLARATION

This project report is my original work and has not been submitted in any other institution.

Signed 

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This project report has been submitted for examination with my approval as a university supervisor.

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DEDICATION

This research project is dedicated to my beloved family, my wife Caroline Wambura, my son Justin Gachukia. My mother Judith Wahu and in loving memory of my late father George Gachukia who believed in me and gave me a fine foundation.

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LIST OF ABBREVIATIONS AND ACRONYMS

BBS	Bulletin Board System
COO	Chief Operations Officer
ICT	Information and Communication Technologies
IT	Information Technology
MSME	Micro Small and Medium Enterprise
PC	Personal Computer
ROI	Return on Investment
SBA	Small Business Administration
SMART	Specific, Measurable, Achievable, Realistic and Timely
SME	Small and Medium Enterprise
TAM	Technology Acceptance Model
URL	Uniform Resource Locator
UTAUT	Unified Theory of Acceptance and Use of Technology

ABSTRACT

This study aims to examine how demographic factors such as age, gender, race and education influence the adoption of social media as a strategic marketing tool within the micro small and medium sized enterprises (MSMEs). Social media can be used by businesses for various functions, including but not limited to marketing and customer relationship management. It is particularly suitable for MSMEs because of its minimal cost, low barriers to participation and low level of IT skills required to use it. Previous research on social media has focused primarily on usage patterns in the developed world. These researches reveal a high usage rate among teenagers and young adults. However, recent studies show a growing number of older adults taking a keen interest. The divide between the genders has significantly reduced with studies showing females being more involved in social media than males. Although race and education influence adoption of social media in a variety of ways, recent research has not found significant impact of these factors on patterns of use. By focusing on MSMEs within Meru Municipality which is characterized by a heterogeneous growing business community, the expected findings of this survey study will reveal the vital role demographic factors play in adoption of social media as a strategic marketing tool and in extension explain the slow adoption among African and in particular Kenyan MSMEs.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Within the past few years, social media and networking sites like Twitter, Facebook, YouTube and LinkedIn have become a cultural and global phenomenon with the online networks providing a wealth of information to companies regarding consumer preferences and feedback. In Kenya, individuals and enterprises have not been left behind as growing numbers are now taking a plunge into the social networking craze. Although the diffusion of social networking has been slow in developing African countries compared to other regions of the world, the growth potential of social networking in an emerging market such as Kenya is immense. South American countries such as Brazil and Indonesia in the Far East are prime examples of emerging markets in developing regions that have taken social media by storm. The demographics today, in terms of the diffusion of the Internet around the world have changed drastically. (Wilhelm, 2011). Oceania/Australia and North America have experienced the largest diffusion with 61.3% and 77.4%, respectively, of the total population using the Internet. The diffusion of the Internet in the remaining regions of the world is as follows: Africa 10.9%, Asia 21.5%, Middle East 29.8%, Latin America/Caribbean 34.5%, and Europe 58.4 % (Wilhelm, 2011). The low diffusion of internet noted for Africa compared with other regions of the world explains why Kenya and the rest of Africa currently lags behind other regions in adoption of social media and networking.

There is though a significant growth in number of individuals in Africa and other developing countries who are now actively involved in social networking. Businesses too are beginning to take note of the phenomenon and have made their presence known in some social media platforms. This presence in social media has not yielded the desired outcome for many businesses and entrepreneurs. The groups mostly affected are small enterprises which are unique in many ways. As Chua et al. (2009) and Parker and Castleman (2007) explain, SMEs are not a homogeneous group, but rather that they differ in several ways. For example, SME owner-managers differ from each other in their age and educational level, their attitude towards

eBusiness, their degree of entrepreneurship, market and/or export orientation, their business goals and their degree of preference for face-to-face interaction with customers, strategic focus, customer orientation, business growth, business processes, owner attitude and social networks, level of eBusiness knowledge and skills. Each of these different dimensions makes every SME different. Additionally, many of the decision makers in SMEs are not governed by typical business objectives such as profit, growth and competitive advantage but more by social and family motives, such as maintaining personal identity or maintaining family connections.

Social media are highly accessible and scalable tools for interaction and collaboration. Social media are enabled by the Internet-based technologies of the "web 2.0" (O'Reilly, 2005). The benefits of social media are the easy creation and exchange of user-generated information and content (Kaplan and Haenlein, 2010). Social media uses include; social networking (e.g., Facebook), blogging (e.g., blogger.com), micro blogging (e.g., Twitter), video sharing (e.g., YouTube), presentation sharing (e.g. Slideshare), and picture sharing (e.g. Flickr). Although users have traditionally been individual, in recent years social networking sites have developed so that groups, organizations and companies are able to create accounts - for example "fan pages" on Facebook. This lets an enterprise connect to customers and potential customers engage with them and build up a sense of community around their brands. If a company seeks to get a customer's attention online, a social media presence is indispensable. Accurate prediction of demographic attributes from social media and other informal online content is valuable for marketing, personalization, and legal investigation. (Burger et al., 2010).

The focus of this paper is on SMEs within a local Kenyan context. With social media being a relatively new phenomenon, there isn't much information and studies conducted to ascertain the level of usage especially within the Kenyan business community. However, there are significant reports and articles from industry experts that shed some light on the problem. Tentative information reveals low adoption of social media by Kenyan firms. According to Njihia (2011), Kenyan SMEs have not actively adopted digital tools for growth of their business. The most that businesses think of using the platform for is to advertise instead of engaging actively on the platform. (Njihia, 2011). The author further noted that with an increasingly competitive marketplace, most small and medium-sized enterprises are not using digital tools to gain competitive edge or at least ensure improved business prospects. Even among those enterprises

that have adopted social media as a business process tool, there is significant evidence from the industry experts that reveals low success levels in adoption of social media platforms. The desired outcomes have not been achieved by many firms. The biggest cause of this failure is attributed to lack of a well developed plan or strategy for social media adoption and use by these firms. An article in the Business Daily noted that the stumbling block in the successful adoption of social media is the strategy adopted by these SMEs. In Kenya, many local firms have failed to get their strategies right in creating brand visibility and loyalty through social media, the latest industry survey has shown. (Business Daily, 2011)

The Article on the Business Daily noted however that many companies have invested heavily on Internet platforms with an aim of tapping the growing online audience. According to the TNS Digital Life Survey (2010), 60 per cent of Kenyans on social media are resistant to brands and brand messages in their profiles, meaning that companies may not be getting returns on the investments they have made to reach the online community through the networks. (Business Daily, 2011). It is obvious from these findings that business firms in Kenya and especially the small enterprises are not getting the best out of social media. While they interact with millions of consumers daily, many firms do not make the effort to collect or analyze consumer data. (Njihia, 2011).

According to the survey by TNS Research International (2010), the race online has seen businesses across the world develop profiles on social networks such as Facebook and YouTube to speak to customers quickly and cheaply. The study however reveals that if these efforts are not carefully targeted, they are a wasted resource. The survey indicates that many firms have embraced the social media platform but without a clear strategy on who their target audiences are, leading to negative results. (Business Daily, 2011) The report further defines digital waste as the accumulation of thousands of brands rushing online without thinking who they want to talk to and why. It claims that many brands have recognized the vast potential of audiences available to them on social networks but they do not understand that these spaces belong to the consumer and their presence needs to be proportionate and justified. According to the report, although the online world presents massive opportunities for brands, only precisely tailored marketing strategies can realize this potential.

These findings come at a time when the Kenyan social media space is full of content from local firms reaching out to users .But not all is lost as 54 per cent of online users interviewed in the survey admitted that social networks are a good place to learn about products. This implies that the use of social media to gain brand visibility and market penetration is not a misguided one. It only needs more direct strategies. (Business Daily, 2011)

The findings from TNS Digital Life Survey (2010) further state that users in fast growth markets like Brazil, Indonesia and Kenya are far more open to brands on social networks compared to developed markets like the US where brand tolerance in social media stood at nine per cent compared to 40 per cent in Kenya. This means that businesses targeting users in developing countries have a wider audience base, albeit one that must be used prudently. "Social media is not a bad tool for marketing. But it is the tact and targeting that many brands are getting wrong", says Mr Francis Waithaka, a social media analyst. (Business Daily, 2011) "Most companies in Kenya have not thought through their social media engagement. There has been no strategy to their engagement and hence the high failure rate", says Mr Tumbo. "It's about time companies started having actual strategies and not me-too activities on social media."His sentiments are echoed by Waithaka. "No matter how good your product or service is, regardless of how brilliant the advertisements are, and regardless of the price you're charging, if your targeting is off, then your whole marketing campaign will be missing the mark. You'll waste a lot of cash, energy and time marketing to people who will never buy from you". (Business Daily, 2011)

As there are low barriers to the use of social networking technologies, Kenyan MSMEs can make use of social media in the same ways that large corporates can, without the need for extensive resources and still find leverage in the bigger market place. Furthermore, customers are not merely viewing the content served to them on static company websites. They have the potential to create and upload their own content and interactively engage with companies and other customers. Thus it seems likely that through various types of interaction, SMEs could gain value from social media, including jointly created value with other parties.

This research conducted a survey of at least sixty six MSMEs within Meru Municipality and sought to establish through structured questioning targeted at entrepreneurs or business managers the role that demographics play in adoption of social media as a strategic marketing tool. Several

random individuals across different age groups, race, social status, education level and occupations were targeted and their responses shed more light on the problem. Meru municipality is experiencing tremendous growth in business activity at the moment and its heterogeneous community made it a good research area for a ground breaking research into Social Media in Kenya.

1.2 Statement of the problem

Many authors and industry experts have noted that within the past few years, social networking sites like Twitter, Facebook, You tube and LinkedIn have become a cultural and global phenomenon; online networks have provided a wealth of information to companies regarding consumer preferences and feedback. In Kenya, individuals and enterprises have not been left behind as growing numbers are now taking a plunge into the social networking craze. Although the diffusion of social networking has been slow in developing countries compared to other regions of the world, the growth potential of social networking in an emerging market such as Kenya is immense. South American countries such as Brazil and Indonesia in the Far East are prime examples of emerging markets in developing regions that have taken social media by storm.

With its low barrier to adoption and ease of use, Social media can be adopted by the smallest of enterprises and make optimal use of the platforms just like a big firm would to acquire bigger markets and gain competitive advantage. Yet, early industry reports and findings reveal low adoption by firms in Kenya especially SMEs with those who have adopted social media as a strategic marketing tool failing to gain reasonable benefits to justify their investment in social media. These reports show that the biggest stumbling block is the lack of strategies or poor strategies that firms have adopted in targeting their potential customers through social media. Many firms have not taken time to analyze information regarding the customers they engage with on social media. Potential customers will be situated in a certain geographic location; will be of a particular age, gender, race, financial or social status, education level, occupation etc. Studying these aspects should fundamentally be the first thing that any business person small or big should consider before adopting social media as a strategic marketing tool. It is within this context that this study aimed to establish the crucial role that demographic factors such as age,

gender, race and education level play in adoption of social media as a strategic marketing tool with focus on Meru municipality which is currently experiencing tremendous business growth.

1.3 Objectives of the Study

The study had the following objectives:

1.3.1 General Objectives

To establish the influence of demographics on the adoption of social media as a strategic marketing tool among Meru Municipality MSMEs

1.3.2 Specific Objectives

- i. To establish the influence of age on the adoption of social media as a strategic marketing tool.
- ii. To determine the influence of gender on the adoption of social media as a strategic marketing tool.
- iii. To evaluate the influence of race on the adoption of social media as a strategic marketing tool.
- iv. To determine the influence of education level on the adoption of social media as a strategic marketing tool.

1.4 The following are the research Questions

- i. How does age influence the adoption of social media as a strategic marketing tool.
- ii. How does gender influence adoption of social media as a strategic marketing tool.
- iii. How does race and citizenship influence adoption of social media as a strategic marketing tool.
- iv. How does education level influence the adoption of social media as a strategic marketing tool.

1.5 Significance of the Study

This study is of paramount importance given the crucial role that MSMEs play in our economy. MSMEs drive the economy of any country by generating new ideas, wealth creation, employment creation and poverty reduction. With this in mind, many governments ours included have given significant attention to matters concerning MSMEs. Policies are always being formed to address how best the MSME sector can be improved so that the economy can gain from their output. The vision 2030 which is Kenya's blue print to establish it as a mid-level income country recognizes the importance of the MSME sector. The document also places significant emphasis on I.C.T as a tool that can help transform government and business processes into world class standards. With the documented struggles experienced by MSMEs in adoption of traditional I.C.T technologies thus far, the adoption of cheap, easy to use yet globally acceptable, fastest communication and networking social media platforms provide an alternative from the traditional I.C.T technologies.

As Kenyan MSMEs join the rest of the world in adopting social media in business processes, the findings of this study will go along way into formulating best adoption strategies to ensure success and further growth of the sector. Moreover, Kenyan MSMEs will find an accessible launch pad to achieve leverage in a globally competitive market place. With that comes rise in income, employment and poverty reduction. The study being among the first academic papers on Social Media will provide new insight from a Kenyan perspective and also add to the existing knowledge while at the same time provide recommendations for further research work on social media in Kenya and Africa.

1.6 Scope of the Study

The research focused on the influence of demographic factors such as age, gender, race and education level on the adoption of Social Media as a strategic marketing tool among Micro Small and Medium Enterprise in Meru Municipality. The Municipality has witnessed a tremendous growth in new business with many other opportunities coming up. There is a mixture of new and old small enterprises amongst well and established big corporate companies in the municipality. Owners of these small enterprises are unique. Some are old established local business men while

a good number are young and ambitious entrepreneurs who are not locals but have moved from other towns. They differ in education level, gender, income, race and their industry.

1.7 Assumptions of the Study

The study assumed the following:

- i. The respondents answered the questionnaire correctly and truthfully
- ii. The selected sample size was a true representation of the target population to enable generalizations from the study results.
- iii. The data collection procedure utilized was valid and reliable.
- iv. A good number of the respondents had encountered and used social media before and could comprehend its value to business.

1.8 Limitation of the Study

The researcher faced a number of challenges including but not limited to the inability by respondents to comprehend and connect the social media discourse to their own business processes. A good number of the respondents had never encountered or used social media platforms before while others due to their education level did not respond adequately to questions pertaining to strategy formulation. However, the researcher addressed these challenges by use of researcher administered questionnaire to ensure immediate guidance to challenging questions. Even for those respondents had never encountered social media before, the answers to obtained from such respondents revealed their perception to this new phenomenon and gauged their perceived interest in learning about it and adopting it in the near future. The benefits assured to their enterprises as a result of social media use generated good interest from all the respondents and ensured accurate and reliable data was collected.

1.9 Delimitation of the Study

The study was limited to small businesses within Meru Municipality. The areas specifically covered included Town center, Makutano, Kaaga, Kinoru and Gitimbine areas. The results of the study may not be used as a large scale generalization of the influence of demographics on Social Media adoption among MSMEs due to the small target population where age and gender of respondents was skewed towards males over 55 years of age.

1.10 Definition of significant terms

Several terms have been used in the development of this study. Thus this section presents the definition of key terms as used in the study.

Independent Variables: These are demographic factors such as age, gender, race, and education level.

Moderating Variables

Experience: The extent to which a person has been exposed to the new information technology

Voluntariness: The extent to which potential adopters perceive the adoption decision to be non-mandatory. Whether it is mandatory to use the technology

Intervening Variables

Intention of use (MSMEs marketing strategies): The degree to which a person has formulated conscious plans or strategies to perform or not perform some specified future behavior (adoption of information technology)

Dependent Variables

MSMEs Adoption of Social Media: The extent of integration of social media and networking tools into MSMEs business processes.

1.11 Organization of the Study

Chapter 1 of this study introduced the problem statement and described the specific problems addressed in the study as well as design components.

Chapter 2 presents a review of literature and relevant research associated with the problem addressed in this study.

Chapter 3 presents the methodology and procedures used for data collection and analysis.

Chapter 4 contains an analysis of the data and presentation of the results.

Chapter 5 offers a summary and discussion of the researcher's findings, implications for practice, and recommendations for future research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter reviews both theoretical and empirical literature with regard to social media. It begins with definition of digital and social media and looks at the global perspective. The review also looks at social media use in business and narrows down to MSMEs in Kenya. Business value of social media is also review. The literature review then progresses into demographic factors and how they impact on perception, adoption and use of social media platforms. The demographic factors examined are age, gender, race or citizenship and education level. The chapter ends by reviewing different theoretical frameworks that have been developed to explain social media adoption. From these theories, a conceptual framework to guide this study is developed.

2.2 Digital and Social Media

Social media is part of digital media. The two terms are commonly used interchangeably. Digital media is the different platforms on which people communicate electronically. Derekflanzraich (2010) According to Aggarwal et al. (2011). Social Media, also referred to as social networking, encompasses many Internet-based tools that make it easier for people to listen, interact, engage and collaborate with each other. Examples of social media tools and platforms include Facebook, YouTube, LinkedIn, Twitter, Myspace, message boards, blogs and Wikipedia. (Aggarwal et al., (2011). Boyd and Ellison (2009) have further defined a social network as any “web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system”

2.3 Social Media: A global perspective

Social media is fundamentally impacting the way we globally consume media and communication. Over 50% of the population worldwide is active in social media. (Smith, 2010)

2.3.1 The Internet is all social

Since launching in 2009, the Global Web Index and the 4 waves of research that have been delivered to date, have demonstrated substantial growth in social media adoption. The fastest growing type of website between July 2009 and February 2011 is unsurprisingly Social Networks, with the percentage of consumers visiting on a monthly basis rising 29% to 49%. This is mirrored with video sharing sites (increase of 18), photo sharing (15%) and consumer review sites (7%) In contrast static sites such as news, portals and even search have declined in consumer visits globally. This shows a dramatic shift from the early model of the internet defined by siloed URLs, static content and automated algorithms, to a model today that is defined by social technologies and the internet users that use them. (Smith, 2010)

The result is a stunning level of consumer involvement in social media. (Smith, 2010). When looking at a combination of active participation in, blogging, Forums / BBS, micro-blogging, uploading video and social networks via a PC device we can see that in all markets at least 50% of internet users take part in one activity on a monthly basis. (Smith, 2010). In some markets such as Brazil, China and Russia this climbs to over 80%. Even more telling is that this percentage has grown slightly in all markets over the last 18 months, showing that social is cemented and here to stay. (Smith, 2010)

2.3.2 Real-Time Taking Over From

There is a major shift taking place in terms of the social platforms that internet users actively contribute too. According to Smith (2010) as of February 2011 the fastest growing form of social contribution was Microblogging (not just Twitter), growing 28.4% in 18 months, with 14% of global internet users now actively contributing on a monthly basis. This is followed by Social Networking, which grew 20.8% and video sharing 19.9%. (Smith, 2010). In contrast,

contributing to a website only grew 6.4%, blogging 3.4% and posting in a forum or BBS actually declined 5.8%.

The number of people who use these sites is the first indication that something big is happening. Facebook has more than 750 million users, 70 percent of them outside the United States (US). Twitter has more than 200 million users sending hundreds of millions of 'tweets' (short messages) a day. Even Google+ reported 10 million users just two weeks after its launch, which was by invitation only.

2.4 Business use of Social Media

According to Jones (2012), the first thing that comes to mind when thinking about digital technology and business growth is social media. She further notes that social media penetrates many areas of a business (recruitment, business development, brand development, and so on), and if executed correctly, social media strategies can help companies enjoy significant returns for minimal costs. Digital technology is more of a requirement, and not merely an option, for growing your business, regardless of your industry or location. (Jones, 2012)

The history of social media sites began with the launch of SixDegrees.com in 1997, progressed through the launch of major sites such as Facebook and MySpace in 2003 and by 2008 it had become a global phenomenon. (Boyd and Ellison, 2008). Although social media was originally a tool for friends to connect, communicate and share it has also been adopted as a business tool (Bughin and Manyika, 2007). Many businesses now have a presence on social networks in order to assist with business processes such as marketing (Kim et al, 2010; Harris and Rae, 2009b), customer relations management, (Kim et al, 2010; Harris and Rae, 2009b; Hawn, 2009), business networking both inside (Kim et al, 2010; Leader-Chivéé et al, 2008) and outside (Kim et al, 2010) the company and recruitment (Millard, 2007).

According to Alex (2009), the internet has had a serious impact on how companies approach marketing today. In an age where the web is more highly trafficked than any non-virtual location, older media sources such as print, billboards, and even television ads are becoming increasingly obsolete. We turn to the internet for shopping, research, business and socializing; it's no great surprise that advertising in this arena will achieve the most exposure for your business. (Alex, 2009)

2.5 Social Media in SMEs

Harris et al. (2008) points out that SMEs have often struggled to adopt technology due to their lack of skills, resources and technical knowledge compared with large firms. However, Web 2.0 provides an SME with an opportunity to overcome these difficulties. The internet has massively reduced costs of marketing compared to traditional methods (Harris et al. 2008). Businesses can take advantage of others' connections to each other to market their products, services and brands (Harris and Rae, 2009). Thus "gifted amateurs" can "punch above their weight" (Harris and Rae, 2009).

Social media is now a bonafide marketing tool for small and medium enterprises. (PeachtreeSEO, 2012). A recent report from Borrell Associates showed how SMEs have adopted social media strategies to enhance their marketing efforts. It's not a secret that a social network like Facebook has become a marketplace turning it to a destination-location for merchants and customers. The report shows that most local businesses between 45% and 70% have already established a social media presence through Facebook and about 60% and 64% of these businesses have a formal presence on social media sites. Social media has never had a more influential impact on the everyday lives of individuals and businesses alike. (Mitchell, 2012). According to Mitchell (2012), a well-developed social media presence enables SMEs to understand their audience and improve trust and loyalty in their brand. Kinra (2012) also recommends that, besides conventional marketing practices, SMEs should also adopt online marketing strategies to promote their business in the social media space, which already has a huge and potential consumer base.

However, despite the popularity of social media as marketing platform and their perceived value in business, majority of authors have come to terms with the fact that small businesses especially in developed countries have not been able to successfully adopt it to their advantage. According to Mitchell (2012) for many small enterprises social media is merely something that is talked about rather than adopted as part of an online marketing strategy. Very few SMEs take advantage of the benefits social media can bring to fledgling businesses in terms of enhancing their online presence and tapping into different consumer demographics. (Mitchell, 2012). Certain factors unique to SMEs have contributed to these shortcomings. Chua et al (2009) and Parker and Castleman (2007) recognized that SMEs are not a homogeneous group, but rather that they differ

in several ways. For example, SME owner-managers differ from each other in their age and educational level, their attitude towards eBusiness, their degree of entrepreneurship, market and/or export orientation, their business goals and their degree of preference for face-to-face interaction with customers, strategic focus, customer orientation, business growth, business processes, owner attitude and social networks, level of eBusiness knowledge and skills. Furthermore, they note differences in the pressure from customers and/or suppliers to use eBusiness. Each of these different dimensions makes every SME different. Additionally, many of the decision makers in SMEs are not governed by typical business objectives such as profit, growth and competitive advantage but more by social and family motives, such as maintaining personal identity or maintaining family connections. (Chua et al., 2009 and Parker and Castleman, 2007)

2.5.1 Adoption of Social Media by Kenyan SMEs

According to Njihia (2011), Kenyan SMEs have not actively adopted digital tools for growth of their business. It's a given that there are more than a million Kenyans on Facebook but the most that businesses think of using the platform for, is to advertise instead of engaging actively on the platform. (Njihia 2011). The author has further noted that with an increasingly competitive marketplace, most micro small and medium-sized enterprises are not using digital tools to gain competitive edge or at least ensure improved business prospects. While they interact with millions of consumers daily, many firms do not make the effort to collect or analyse consumer data.

One noted stumbling block in the successful adoption of social media is the strategy adopted by these SMEs. In Kenya, many local firms have failed to get their strategies right in creating brand visibility and loyalty through social media, the latest industry survey has shown. (Business Daily, 2011) The Article on the Business Daily noted however that many companies have invested heavily on Internet platforms with an aim of tapping the growing online audience. According to the TNS Digital Life Survey (2010), 60 per cent of Kenyans on social media are resistant to brands and brand messages in their profiles, meaning that companies may not be getting returns on the investments they have made to reach the online community through the networks. (Business Daily, 2011)

According to the survey by TNS Research International (2010), the race online has seen businesses across the world develop profiles on social networks such as Facebook and YouTube to speak to customers quickly and cheaply. The study however reveals that if these efforts are not carefully targeted, they are a wasted resource. The survey indicates that many firms have embraced the social media platform but without a clear strategy on who their target audiences are, leading to negative results. (Business Daily, 2011) The report further defines digital waste as the accumulation of thousands of brands rushing online without thinking who they want to talk to and why. It claims that many brands have recognised the vast potential of audiences available to them on social networks but they do not understand that these spaces belong to the consumer and their presence needs to be proportionate and justified. According to the report, although the online world presents massive opportunities for brands, only precisely tailored marketing strategies can realise this potential.

These findings come at a time when the Kenyan social media space is full of content from local firms reaching out to users .But not all is lost as 54 per cent of online users interviewed in the survey admitted that social networks are a good place to learn about products. This implies that the use of social media to gain brand visibility and market penetration is not a misguided one. It only needs more direct strategies. (Business Daily, 2011) The findings from TNS Digital Life Survey (2010) further state that users in fast growth markets like Brazil, Indonesia and Kenya are far more open to brands on social networks compared to developed markets like the US where brand tolerance in social media stood at nine per cent compared to 40 per cent in Kenya. This means that businesses targeting users in developing countries have a wider audience base, albeit one that must be used prudently. "Social media is not a bad tool for marketing. But it is the tact and targeting that many brands are getting wrong", says Mr Francis Waithaka, a social media analyst. (Business Daily, 2011)

"Most companies in Kenya have not thought through their social media engagement. There has been no strategy to their engagement and hence the high failure rate", says Mr Tumbo. "It's about time companies started having actual strategies and not me-too activities on social media."His sentiments are echoed by Waithaka. "No matter how good your product or service is, regardless of how brilliant the advertisements are, and regardless of the price you're charging, if your targeting is off, then your whole marketing campaign will be missing the mark. You'll waste a lot

of cash, energy and time marketing to people who will never buy from you". (Business Daily, 2011)

2.6 Business Value of Social Media

Kinra (2012) observed that since the emergence of social media, marketing as a term has evolved extensively. The available social media is mostly free in nature and fulfills the basic essentials of marketing and communication for businesses. The author further emphasizes that the real power of social media marketing lies in brand building and longevity of the content the company adds to the social community. It efficiently helps to create a dialogue between the brands and the consumer. It also has the ability to gain important insights into the market that you may serve. Plus, social media marketing helps to improve customer loyalty, as it facilitates community building around a brand. (Kinra, 2012).

2.6.1 Integrating Business functions

Other authors point to its flexibility in integrating firm functions. Social media can be used by businesses for a range of functions, including but not limited to marketing and customer relationship management. Kinra (2012) further adds that Social media has value to business as it allows a business to keep focus on its core business while still using the medium to generate the desired results. According to a survey conducted by Daryl Willcox Publishing, 68 per cent of SMEs use social media marketing for networking, 63 per cent for attracting new customers and 61 per cent for raising brand awareness.

2.6.2 Smart Marketing Asset

Hall Thomas, a communication professional approached the Social Media ROI (Return on Investment) in a rather interesting point-of-view in the recently held DMA 2011 conference. He focused on the fact that social media is an extremely effective mode of marketing communication and should be treated like a vehicle and not a destination. Social media is not the stopping place, but instead the starting place for any marketing strategy. Marketers who are looking for an effective medium to promote their products can thus use it as an effective power tool. It has been efficiently proved that if SME owners and marketers approach social media marketing as a SMART marketing asset, it can surely drive them on the highway of success.

Therefore, SMEs should be consistently focused on social media marketing to effectively win an edge over their competitors. The success of this mode of marketing can be proved by the fact that the number of SMEs using this mode of marketing has grown many times since 2009. (Kinra, 2012)

However, the value of Social media to most SMEs is only tied to the sales it generates as Kinra (2012) reiterates, “but for every SME, marketing comes second to sales as it's usually the survival game which takes most of mind space for these entrepreneurs. And hence, unless social media can have a direct impact on sales most SMEs will stay away from the same.”

2.6.3 Co-creation of value

Marketing has historically been viewed as the exchange of goods, whereby the goal of economic activity is the production and selling of goods. In order to sell goods, they needed to have value embedded in them during manufacture so that they would be more desirable to customers than the goods manufactured by competitors. This traditional view has been challenged by a service-dominant model (Vargo and Lusch, 2004) that views marketing as an ongoing social process focused on providing a service. Value is not something residing in a manufactured good, but is in fact defined by and co-created with the customer (Vargo and Lusch, 2004, p5). In the service-centered logic, a good is not a repository for value, but is rather one of a kit of tools with which firms and their customers jointly create value (Vargo and Lusch, 2004). Historically, marketing has been a one-way flow of mass communication, from the marketer to the market. In order to co-produce value with customers this communication has to become a dialogue, asking and answering questions (Vargo and Lusch, 2004). This dialogue is not necessarily controlled or even initiated by the firm and, with the advent of social media, can even be customer to customer with the marketer observing but not necessarily directly participating (Vargo and Lusch, 2004).

Prahalad (2004) takes this further arguing that the next dominant logic for marketing is that of experience-centric marketing. This moves beyond the service-centered view, as the firm is no longer the central figure in the interaction. This change is driven by technological advances: ubiquitous connectivity, convergence of (digital) technologies and the globalization of information which the social media now offers. Under the experience-centred view, customers,

communities and firms all interact and communities of customers are integral to the process of value creation.

2.7 Social media Adoption strategies

Nutt (2012) points out that merely having an online presence is not enough for even strictly bricks and mortar companies. With the Internet having proliferated into the medium that provides the most impressions, a good digital media strategy is crucial to online and offline business success. (Nutt, 2012). Hughes (2010) also points out that developing a digital media strategy is about knowing who your clients or users are and clearing a direct path from you to them. It is knowing who your clients are and what the message is that you want to deliver and that they want to hear.

2.7.1 Strategies to accentuate sales

According to Kinra (2012) SME brands must identify causes that their consumers are passionate about, and directly associate themselves with these causes to keep the proposition simple, and thus impact sales. Businesses also need to provide effective local offers to the target audience, so that they have the opportunity to avail it instantaneously. The author further explains the importance of social media in transforming consumers into evangelists. According to him, Social media sites that conveniently promote sharing are the most efficient way to turn costumers into evangelists. These modes of marketing can yield greater results by connecting one's products or services with the online share-o- sphere. (Kinra, 2012)

2.7.2 Importance of research in developing a digital media strategy

According to Nutt (2012), there is a common thought among companies that they need to be on the latest social networks in order to connect or retain customers. This is simply not true. Plain and simple, companies need to be where their customers are online. (Nutt, 2012). In order to truly connect with an audience, companies need to understand their audience's behavior, which Altimeter (A digital research company) has termed as "social graphics." (Nutt, 2012). To build a digital strategy and connect with your audience, Altimeter has developed the following key questions to use to evaluate your audience's behavior:

- a) Where are your customers online?
- b) What are your customers' social behaviors?
- c) What social information or people do customers rely on?
- d) How do your customers use social technologies to learn, make decisions and support your products and/or services?

Listening before leaping is the best move a company can make before engaging in social media. It starts with a social media audit to determine where your customers are, what they are talking about, the competitive landscape and what types of content and interaction is preferred. (Hughes, 2010; Nutt, 2012). According to Kinra (2012), the most prolific challenge faced by SMEs is maintaining consistency in their daily operations; this maintenance of consistency in exploring the social media marketing possibilities eventually helps them to succeed by enhancing relationship with clients. Social media marketing offers this exclusive opportunity to SME owners to effortlessly engage with customers through digital interaction. (Kinra, 2012)

Kinra (2012) offers good advice to entrepreneurs to approach or engage social media analysts and experts who understand the space better and can help set up the infrastructure and also manage the show behalf of the entrepreneur.

2.8 Demographics and social media use

2.8.1 Influence of age on perception, frequency and amount of use of social media

Recent growth of social media is not uniformly distributed across age groups. (Chou et al., (2009) Madden and Savage (2000) found that age has an inverse relationship with Internet use. More recently, Pew Internet & American Life Project (2004) echoed the findings of (Madden and Savage, 2000). Similar findings can be found in the adoptions of specific Internet-related technologies such as online chat rooms and Webcasting (Peter, *et al.*, 2006; Lin, 2004).

According to Cha (2010) most studies and industry reports have focused on the impact of age on adoption likelihood or frequency of media use. Cha (2010) also found out that younger college students use social networking sites more often, but do not necessarily spend more time using them. The age factor has the second strongest impact on frequency, following the interpersonal

utility motive. The reverse relationship between age and frequency of using social networking sites can be seen as consistent with other reports pertaining to Internet and chat room use (Pew Internet & American Life Project, 2004; Peter, *et al.*, 2006).

According to Chou et al. (2009), approximately 69% of US adults reported having access to the Internet in 2007. Among Internet users, 5% participated in an online support group, 7% reported blogging, and 23% used a social networking site. Multivariate analysis found that younger age was the only significant predictor of blogging and social networking site participation; a statistically significant linear relationship was observed, with younger categories reporting more frequent use. In their study of Social Media Use in the United States: Implications for Health Communication, Chou et al. (2009) found out that among Internet users, use of social media was not uniformly distributed across the age strata. The largest proportion of social media use occurred among Internet users between the ages of 18 and 24 (65%) and decreased thereafter with each subsequent age group. (Chou et al., 2009). In this study age was stratified into three categories for multivariate logistic regression models: 18-34 (younger group), 35-54 (middle-age group), 55 and older (older group). In general, the stratified models confirmed age to be the single most important predictor of social media use. (Chou et al., 2009).

A U.K study conducted by Priestley (2011) indicates emergence of division based on age as well, with nearly all (95 per cent) of 18 – 25s having an active Facebook profile, with this figure dropping significantly to 55 per cent of over 65s. LinkedIn bucked the trend of social media platforms being most popular amongst the 18 – 24 year old age bracket, however. Nearly a quarter (23 per cent) of all 25 – 34-year-olds have an active Linked in profile, but just 14 per cent of under 24s, demonstrating the platform's success in attracting more mature users keen to further their careers and connect on a professional level. (Priestley, 2011)

A report by Madden (2010) based on the findings of a daily tracking survey on Americans' use of the Internet highlighted a significant adoption of social media among the older adults. While social media use has grown dramatically across all age groups, older users have been especially enthusiastic over the past year about embracing new networking tools. Social networking use among internet users ages 50 and older nearly doubled—from 22% in April 2009 to 42% in May

2010. By comparison, social networking use among users ages 18-29 grew by 13%—from 76% to 86%. Madden (2010)

As a marketing tool, social media is perceived to be more effective when targeted at younger age group, with 18-25 being the most likely to be influenced: However, the over-65 age group closely trailed the under-18 and 26-35 age brackets. (Gillin et al., 2007) From a marketer's point of view according to Camusio (2009), the most likely age group to be using social media network marketing is the 30 to 39 year-olds. The next most likely age group is 20 to 29 year-olds, and finally the 50 to 59 age group. The percentages of people dedicating 20 hours or more per week within these age groups are 44.8%, 40.3% and 38.7%, respectively. The findings are consistent in that the most likely age group also has the highest percentage of 10+hour users. (Camusio, 2009),

2.8.2 Influence of Gender on perception and use of social media

Browning, Gerlich & Westermann (2011) found that there is no significant differences exist between males and females in their internet usage, social media usage, and beliefs about social media sites in general. However according to Priestley (2011), the social media landscape is changing rapidly and gender divides are starting to become apparent, with men clearly favouring YouTube and LinkedIn, but women opting to use Facebook as their chosen medium of communication. The findings of Priestley (2011) can be explained by expanding the discussion to consider the adoption of new technology in general, the Technology Acceptance Model was used to determine that on all points of measurement, men's technology usage decisions were more strongly influenced by their perception of usefulness. In contrast, women were more strongly influenced by their perceptions of ease of use. (Morris, Venkatesh, 2000.)

Females have been found to have a more negative attitude toward computers and the Internet than men, and males have been found to have less computer anxiety than females. (Broos, 2005). His General Linear Model analysis revealed a significant effect of gender, computer use and self-perceived computer experience on computer anxiety attitudes. Additional gender differences were noted in the way that males and females respond to online rich media. Rich media is the term given to digital communication that features audio, video, animation or interactive elements. Matching richness to task equivocality only resulted in

better performance for the all-female teams, likely because females are more sensitive to nonverbal communication and more affected by its absence in computer-mediated communication. Results supported media richness theory only for all-female teams. (Dennis, Kinney & Hung, 1999.)

Traditionally, innovation diffusion literature suggests that males are more likely than females to adopt a new technology earlier (Dutton, *et al.*, 1987; LaRose and Atkin, 1988; Jeffres and Atkin, 1996). The adoption of the Internet is no exception. More males used the Internet in its nascent years than females (Ernst & Young, 1999; Pew Research Center for the People and the Press, 1998). Male dominance in Internet usage was, however, overturned. A recent report by Tech Crunchies (2008) indicates that more women used the Internet than their male counterparts in the U.S. as of 2008 and the trend will continue in the near future. Similar findings were confirmed by Priestly (2011) who found out that women, were more likely to have active Facebook accounts but men were more likely to use LinkedIn and location-based platforms such as Foursquare to connect with others. Specifically, focusing on the frequency and amount of Internet-based technology usage, Leung (2001) found that female college students seek more socialization gratification through instant messages than relaxation and entertainment. Further, the study revealed that female college students chat through messengers more often and longer per session than male college students. Taken together, the current study proposes that there is a gender difference in social networking site usage.

A U.K study conducted by Priestley (2011) found that men and women favour different platforms, with nearly twice as many men than women having an active LinkedIn account; 22 per cent as opposed to 13 per cent. What's more, of those with a profile, 28 per cent of men checked theirs at least once a day, compared with just 14 per cent of women. Facebook, clearly emerging as the UK's most popular social networking site, with 77 per cent of all UK residents having an active profile, was used by 80 per cent of women, but a significantly lower 72 per cent of men. (Priestley, 2011)

According to Browning, Gerlich & Westermann (2011) the lack of significant difference between males and females demonstrate that relative parity has come to not only internet usage, but also that of social media. While it is possible that males and females utilize these two for

different reasons (and in different ways), the fact that both genders are using them in fairly equal (and large) amounts presents opportunities. Social media are a tool to be leveraged, not avoided. (Browning, Gerlich & Westermann, 2011)

With the rise in growth and popularity of the Internet, more recent studies and statistics reveal a reversal in gender differences as far as Internet use is concerned. Today, women represent a larger number of Internet users than men. As of last year, Facebook had 500 million users worldwide. Seventy percent of the users reside outside the United States; 46% of the users are male and 54% are female. In comparison, Twitter had 106 million users, with men representing 48% of the users and female 52%. Sixty percent of Twitter users reside outside of the United States (TechStroke, 2011)

2.8.3 The Influence of race on social media adoption

Examination of social media utilization patterns by race suggests that minority Americans are higher utilizers of mobile Internet access, especially via handheld devices. According to a Pew Research Center study, “Nearly two-thirds of African-Americans (64 percent) and Latinos (63 percent) are wireless internet users, and minority Americans are significantly more likely to own a cell phone than their white counterparts (87 percent of blacks and Hispanics own a cell phone, compared with 80 percent of whites). Additionally, black and Latino cell phone owners take advantage of a much wider array of their phones’ data functions compared to white cell phone owners.” (Smith, 2010, p.3)

Senior Research Specialist Smith (2011) presented the Pew Internet Project's latest findings on the use of social media by communities of color to the California Immunization Coalition on January 25th, 2011. The findings indicate that 23% of all adults use their phones to access social networking sites with 19% being whites, 33% being Blacks and 36% being of the Hispanic origin. The study also found that 10% of whites will purchase products from their phones compared to 13% Blacks and 18% Hispanics. On social media in general, the study found out that people of colour have equal or greater rates of usage on most major social media platforms. 61% whites use social media networks compared to 63% blacks and 65% latinos.

The Asian Americans make up 4.5% of the American population. Rainie (2011). According to him, Asians lead the other races in broad band, internet and mobile connectivity. They also lead

the other races in intensity of use. However, their use of social media is at 65%, more or less same as the Hispanics use of social media.

From a global market perspective, social media penetration does not offer much insight into the influence of race on adoption. For Instance, a global survey conducted by Global Web Index (2011) has the average global social network penetration at slightly above 50%. The leading markets being Philippines and Indonesia both at above 75% followed by Malaysia 67%, Brazil 65%, Russia 65%, India 63% and Singapore 61%. U.S.A, Canada and China are nearer the global average of 50 %. Surprisingly, Japan reported the least penetration at 15% followed by South Korea at 33%. Evidently, there is no data for the African continent and Middle Eastern countries. We can assume that these countries have lagged behind in social media penetration and especially utilizing it as a marketing tool. The surveys done in America and included in this literature review are a clearer guide on racial influence on Social media adoption due to the mixed composition of the American population and the relative access to technologies and access of information.

2.8.4 Impact of Education on social media perception and use

Present research works do not appear to directly link education level of individuals and their adoption of social media. In fact, research by Pew Internet & American Life project survey (2008) found that individual with less than High school to be using social networking sites more at 43% compared to those in college who comprised 41%. However, there is a distinct relationship between education level of individuals and how they perceive and utilize different forms of social media. Hargittai and Hinnant (2008) suggested that individuals with higher levels of education use social media differently than those with lower levels of education. Boyd elaborates on this theory, calling Myspace a “digital ghetto” and noting that “Myspace users are more likely to be barely educated” and that Facebook users are significantly “more cultured” than their Myspace counterparts. (Boyd, 2009) Boyds’ sentiments are echoed by Page who is the BlogHer Co-founder and COO, “BlogHer Network users are younger, better educated, more affluent” (Page, 2010).

Education is also seen as one element of successfully engaging a social media audience.

Relevant literature reports that the key purpose of all forms of social media applications is to engage people for example: (Safko, 2010; Xiang and Gretzel, 2010). In the case of business organizations, people engagement can lead towards the most desired outcome - that of profit generation. Safko (2010) suggests four ways to engage people with social media; communication, collaboration, education and entertainment.

2.9 Theoretical framework

2.9.1 The Unified Theory of Acceptance and Use of Technology (UTAUT)

Unified theory of acceptance and use of technology (UTAUT) is a technology acceptance model formulated by Venkatesh et al. (2003) in "User acceptance of information technology: Toward a unified view". The UTAUT aims to explain user intentions to use an information system and subsequent usage behavior. The theory holds that four key constructs (performance expectancy, effort expectancy, social influence, and facilitating conditions) are direct determinants of usage intention and behaviour. Gender, age, experience, and voluntariness of use are posited to mediate the impact of the four key constructs on usage intention and behavior. The theory was developed through a review and consolidation of the constructs of eight models that earlier research had employed to explain information systems usage behavior: (Theory of Reasoned Action; Technology Acceptance Model; Motivational Model; Theory of Planned Behavior; A Combined Theory of Planned Behavior/Technology Acceptance Model; Model of Personal Computer Use; Diffusion of Innovations Theory; and Social Cognitive Theory). Subsequent validation of UTAUT in a longitudinal study found it to account for an impressive 70% of the variance in BI and about 50% in actual use.

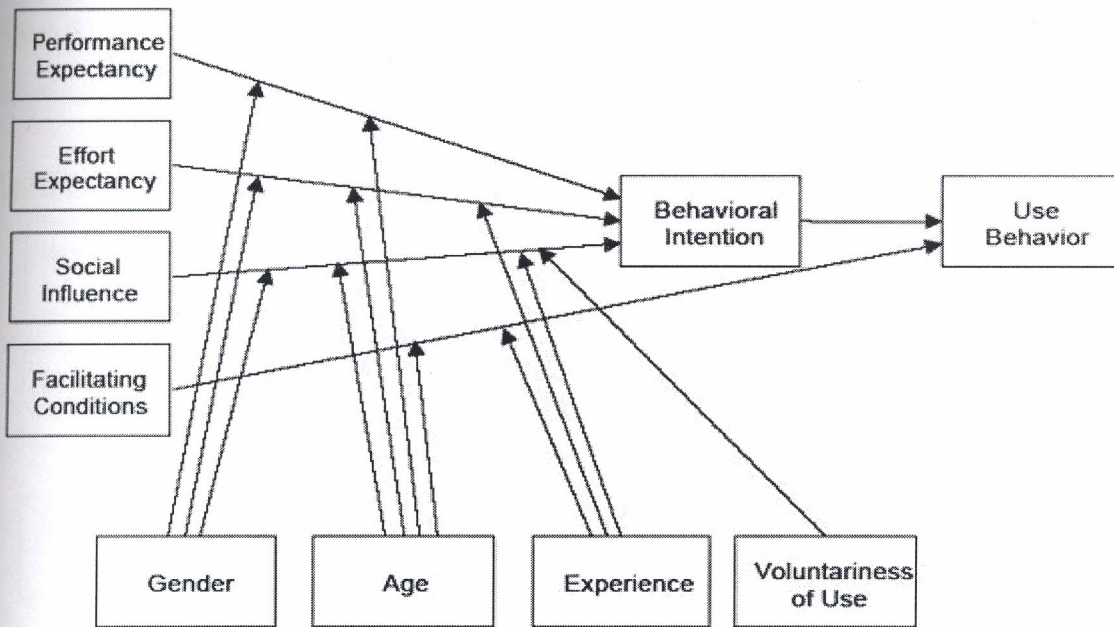


Figure 1: Unified Theory of Acceptance and Use of Technology (UTAUT)* Source: Venkatesh et al., (2003)

Eckhardt et al. (2009) applied UTAUT to study social influence of workplace referent groups (superiors, colleagues) on intention to adopt technology in 152 German companies and found significant impact of social influence from workplace referents on information technology adoption. Another author Curtis et al. (2010) applied UTAUT to the adoption of social media by 409 United States nonprofit organizations. UTAUT had not been previously applied to the use of social media in public relations. They found that organizations with defined public relations departments are more likely to adopt social media technologies and use them to achieve their organizational goals. Women considered social media to be beneficial, and men exhibited more confidence in actively utilizing social media.

The UTAUT is therefore the most ideal theory to guide this study of impact of demographics on the adoption of social media as a strategic marketing tool due to its emphasis on the social influence of a given information technology. It has been developed from previous good theories such as The Technology Acceptance Model (TAM) which postulates that perceived usefulness and perceived ease of use are the determinants of adoption of a given information technology.

2.10 Conceptual framework

Through analysis of the Unified Theory of Acceptance and Use of Technology model (UTAUT), a conceptual framework below is developed to guide this study.

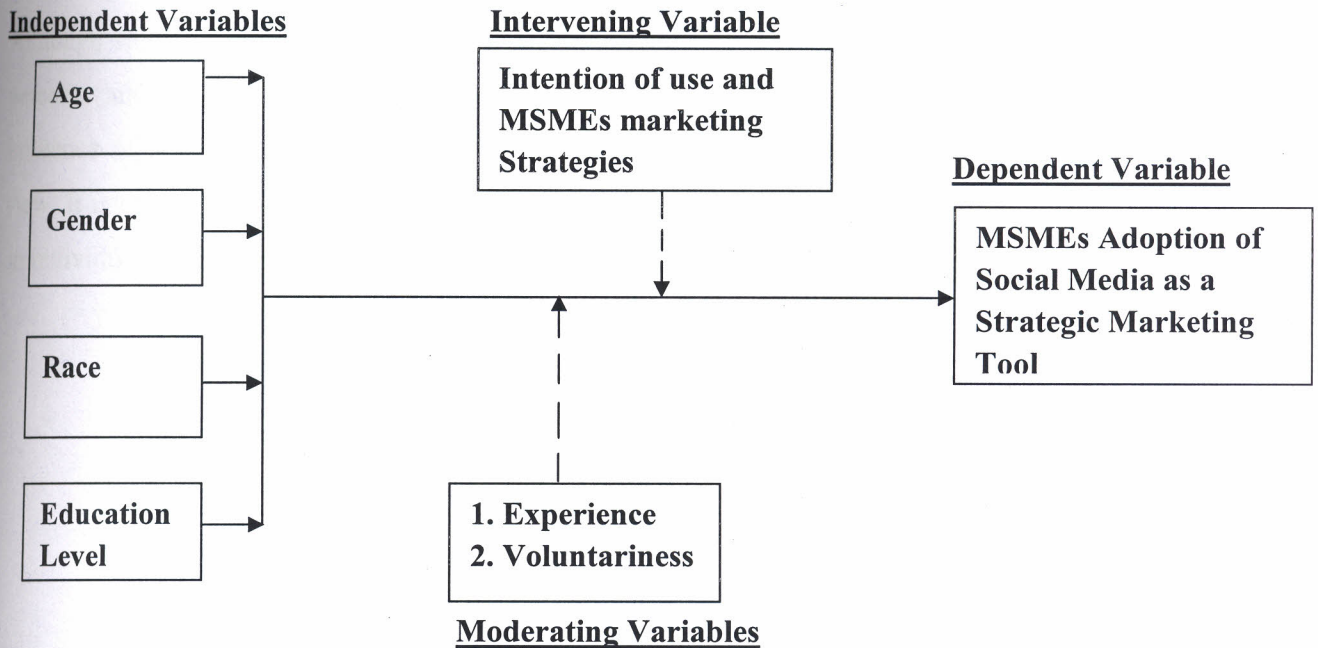


Figure 2: Conceptual Framework

2.11 Summary

In this chapter, we have looked at both existing theoretical and empirical literature on social media use. Basic definitions and a general overview of social media was looked at but focus shifted to business utilization of social media and more attention was placed on small enterprises that are seen to be the potential biggest beneficiaries of social media and networking. The review of available scanty literature reveals a relatively high adoption rate in the developing regions of the world with the emerging markets of South America and the Far East showing early success. However, countries in the Sub Saharan region still lag behind in business adoption of social media. Social media experts in Kenya claim that small businesses in Kenya have not taken the full opportunity to incorporate social media in their business processes such as marketing. Many have not adopted and those who have adopted have done so with little success. Their main concern is that firms and businessmen are not getting their strategies right in adoption of social media. Their targeting is especially off leading to waste of resources. One of the notable reasons

for failure is their lack of information regarding their potential customers with regards to social media. These valuable information which is demographic in nature if made available to the business men would assist them formulate best social media adoption strategies going forward.

Although studies conducted have revealed how people in different demographic circumstances perceive and use different social media platforms, there are not many studies to show the influence of these demographic factors on adoption of social media from a business point of view. It is expected that these research will reveal a major influence of demographic factors on an individual's decision to adopt social media as a strategic marketing tool.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology employed in the study. The researcher focused on the proposed research design, selection of the target population, sampling procedures, data collection procedures and the methods to be employed in data analysis.

3.2 The Research Design

The research study utilized a Survey Research Design which entailed the collection of quantifiable information from the selected respondents. This design is especially important given the growing number of small businesses existing in Meru municipality. The large number of these business enterprises rules out other research designs. According to Mugenda & Mugenda (2003), surveys are excellent vehicles for the measurement of characteristics of large populations.

3.3 The Target Population

This is the population about which information is desired i.e the population that is actually surveyed in the study population. The research focused on 220 Micro Small and Medium Enterprises within Meru Municipality. The inclusion of Micro enterprises in the study and the target population arose from the realization that a big number of businesses were too small to be considered as small according to the Capital Markets Authority's (2011) definitions of MSMEs. Meru Municipality is a heterogeneous business community with people from different backgrounds and of different demographic profiles. The documented growth of Meru town makes it of interest in this study. The town is currently attractive for business investors from all over the country. It is worth noting that the majority of Micro Small and Medium Enterprise in Kenya are mainly self managed meaning that the owners of these enterprises also double up as their managers or directors and hence their selection as the respondents in this research study.

3.4 Sampling Procedure

In selecting subjects to be included in the sample, the researcher identified at least 66 which is thirty percent of the Micro Small and Medium Enterprises in the target population. These were well known and established enterprises within Meru municipality. Most of the Micro enterprises in the town were either too small or too similar. The researcher therefore selected the enterprises that stood out. In the selection process, the researcher was guided by the key criteria of identifying MSMEs according to The Capital Markets Authority of Kenya (2011) definition of MSMEs illustrated in table 3.1 below. The chosen enterprises were then categorized according to criteria such as nature of business or industry, age, gender, race of owners and the size of the enterprises. Stratified random sampling was then employed in order to end up with a representative sample population. According to Mugenda & Mugenda (2003), stratified random sampling helps the researcher achieve the best desired representation of various sub-groups in the population.

Table 3.1: Definition of MSME is Kenya

Category	Number of full time employees	Turnover
Micro Enterprise	1-10	Kshs. 0 – 5 Million
Small Enterprise	11 - 50	Kshs. 5 – 50 Million
Medium Enterprise	51 - 100	Kshs. 51M – 1 Billion

Source: Capital Markets Authority (2011)

3.4.1 Sample size

For the purpose of this study and considering the variables being examined, a sample of 66 representing thirty percent of the Micro Small and Medium Enterprises from the town centre, Makutano area, Kinoru area, Kaaga area and Gitimbine area was selected. A sample size of 66 is double the minimum recommended sample size in the social sciences.

Table 3.2: Population and Sample Size

Major Centres within Meru Municipality	Number of Micro Small and Medium Enterprises	Sample Size
Town Centre	165	50
Makutano	25	8
Kinoru	10	3
Kaaga	15	5
Gitimbine	5	2
Total	220	66

3.6 Methods of Data Collection

The researcher made use of questionnaires as the data collection instrument. Due to technicality of the problem, a structured questionnaire was used in order to enhance data analysis and at the same time permit quality response from the respondents. As was expected most of the respondents were in a position to complete the questionnaire on their own.

3.7 Reliability and Validity of Data

Reliability is a measure of the degree to which a research instrument yields consistent results after repeated trials while validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. (Mugenda and Mugenda, 2003). Subsequently, in order to ensure reliability and validity in the data collected, the questionnaire was pre-tested on a selected sample similar to the actual sample which the researcher used in the study. Subjects used in the actual sample were not used in the pre-test. Pre-testing the questionnaires revealed some deficiencies which were corrected thus improving the reliability and validity of the data collected.

3.8 Methods of Data Analysis

Quantitative and qualitative analysis of data was employed in order to answer the research questions of this study. Both descriptive and inferential statistical analysis techniques were used. Data that was collected was sorted, classified and coded then tabulated for ease of analysis. The data was then be summarized and categorized according to common themes. Data collected was analyzed using frequency distribution tables, descriptive statistics and inferential statistics. The results were presented using tables. The SPSS computer software was used to help in the analysis of data. This computer software is user-friendly and most appropriate for analysis of responses.

3.9 Operational definition of variables

According to Martyn (2008) Operationalization is defined as the process of strictly defining variables into measurable factors. This process defines fuzzy concepts and allows them to be measured, empirically and quantitatively.

Table 3.3: {Operationalization of variables}

Objective	Variable	Indicator(s)	Data Collection Method	Measurement scale	Data Analysis
To establish the influence of age on the adoption of social media as a strategic marketing tool.	<u>Independent Variable</u> Age	Age group categories e.g.18-24, 25-30 etc	Questionnaire	Interval	Descriptive statistics
To determine the influence of gender on the adoption of social media as a strategic marketing tool.	<u>Independent Variable</u> Gender	Either Male or Female	Questionnaire	Nominal	Descriptive statistics
To evaluate the influence of race and citizenship on the adoption of social media as a strategic marketing tool.	<u>Independent Variable</u> Race/Citizenship	Race categories e.g.; African, white, Asian, Hispanic etc	Questionnaire	Nominal	Descriptive statistics
To determine the influence of education level on the adoption of social media as a strategic marketing tool.	<u>Independent Variable</u> Education level	Highest level of education experience	Questionnaire	Ordinal	Descriptive statistics

CHAPTER FOUR

DATA ANALYSIS INTERPRETATION AND PRESENTATION

4.1 Introduction

This chapter presents the analysis of data collected from the fielded items in the study questionnaire. The findings were analyzed and presented in the form of frequency tables, numerical values and percentages generated through Statistical Package for Social Science (SPSS) (Version 17) computer software for comparison of the responses. The responses are presented followed by a brief interpretation guided by the research objectives and a discussion on research findings from the analysis of the data.

4.2 Response Rate

Table 4.1: Response Rate

	Frequency	Percent
Responded	56	85
Non Response	10	15
Total	66	100

The questionnaires were distributed to 66 randomly selected respondents of which 56 were completed and returned, giving a response rate of 85%. The collection procedures involved personal administration, reminder and personal collection whenever possible. The other 15% (10 questionnaires) were attributed to non-responding to the data collection instrument or where the responses were deemed incomplete or grossly biased. Some of them were not returned at all. The high response rate of 85% reflects a very high response rate which was attained by the researcher's consistent follow up of the respondents.

4.3 Descriptive Statistics: Frequency Distributions

4.3.1 Background Information of Respondents

This section presents the descriptive statistics that was captured by the data collection instrument as representing general background of the respondents as analyzed in the tables and charts that follow.

4.3.1.1 Years in Operation

Table 4.2: Years in Operation

Years in operation	Frequency	Percent
Less than one year	2	3.6
Between 2-5 yrs	27	48.2
Between 5-10	10	17.9
Over 10 yrs	17	30.4
Total	56	100

From Table 4.3, 3.6% of the 56 respondents were less than a year in operation, 48.2% were in operation for periods between 2-5 years, 17.9% had been in operation for 5-10 years while 30.4% had been in operation for over 10 years. Majority therefore had been in operation for between 2-5 years. The findings are in line with statistics published by the Small Business Administration (SBA), Seven out of 10 new employer firms survive at least 2 years, half at least 5 years, a third at least 10 years, and a quarter stay in business 15 years or more. Caverly (2008) also noted that less than 30 percent of companies last 10 years.

4.3.1.2 Number of Employees

Table 4.3 Number of Employees

Number of Employees	Frequency	Percent
Less than 5	20	35.7
Between 5-10	12	21.4
Between 10-20	6	10.7
Over 20	18	32.1
Total	56	100

Table 4.4 indicates that 35.7% of the respondents had less than 5 employees 10.7% had between 10-20 employees while 32% of the respondent’s firms had over 20 employees. The findings appear to correspond to the table for period in business above. Firms in their growth stage (between 2-5 years) will tend to have fewer employees while firms established firms tend to have higher employee numbers.

4.3.1.3 Gender of Principal Owner

The respondents were asked to indicate the gender profile in terms being male or female. This expresses the nature of gender relations in the construction industry. Table 4.5 illustrates gender profile of the sample.

Table 4.4 Gender of Principal Owner

Gender	Frequency	Percent
Male	48	85.7
Female	8	14.3
Total	56	100

The study found out that the majority of the respondents (85.7%) were the male gender while 14.3% were female. This is an indication of gender imbalance. The findings above appear to be common place especially in urban areas. Sharon R. Bird and Stephen G. Sapp (2004) conducted a research on “Understanding the Gender Gap In Small Business Success; Urban and Rural Comparisons” From their final sample containing 131 businesses owned by one or two White women and 526 by one or two white men they found out that Twenty-two percent (n = 91) of the rural businesses were owned by women and 78 percent (n = 332) by men. Seventeen percent (n = 40) of the urban businesses were owned by women and 83 percent (n = 194) by men. Their findings are closely echoed by Bharadwaj et al., (2010). In their study of Small Business Ownership in Rural Pennsylvania, they found that 78% of the respondents were male and 22 % were female.

4.3.1.4 Age of Enterprise Principal Owner

Table 4.5 Age of enterprise principal owner

Age (years)	Frequency	Percent
< 24 yrs	2	3.6
25-34 yrs	13	23.2
35-44 yrs	13	23.2
45-54 yrs	11	19.6
> 55 yrs	17	30.4
Total	56	100

Table 4.6 shows that most (30%) of the enterprises principal owners were over 55 years. The study indicated that only 3.6% of the enterprise principal owners were below 24 years, 23.2% were between 25-34 years, 23.2 were between 35-44, while 19.6% were between 45-54 years. This research finding is close to other empirical literature on ages profile of entrepreneurs. For instance, a report by CIBC World Markets Corp (2004) found that the majority of Canadian entrepreneurs are between the ages of 35 and 55. Another study conducted in rural Pennsylvania by (Bharadwaj et al., 2010) found the average age of the respondents to be 53, and the median age was 54.

4.3.1.5 Citizenship of Enterprise Owner

Table 4.6 Citizenship of Enterprise Owner

Citizenship	Frequency	Percent
Kenyan	49	87.5
Foreigner	7	12.5
Total	56	100

From Table 4.7 it is evident that 87.5% of the enterprise owners were Kenyan citizens while 12.5 % were foreigners of Asian origin.

4.3.1.6 Respondents Position in the Enterprise

Table 4.7 Respondents Position in the Enterprise

Position in the Enterprise	Frequency	Percent
Owner/Manager	35	62.5
Employee/Manager	7	12.5
Employee/Other	14	25
Total	56	100

From Table 4.8 majority of the respondents (62.5%) were the owners/managers while 25% of the respondents were employees/others.

4.3.1.7 Education Level of Enterprise Principal Owner

Table 4.8 Education Level of Enterprise Principal Owner

Education Level	Frequency	Percent
Secondary level	2	3.6
Tertiary college level	14	25
University undergraduate	31	55.4
Post graduate	9	16.1
Total	56	100

Table 4.9 shows the education level of enterprise principal owners and from the findings 3.6% held secondary school certificates as their highest education achievement, 25% of the principal owners had tertiary college level certification. 55.4% the majority held undergraduate university degrees while 16.1% held postgraduate degrees. This high level of literacy and education achievement from the research is supported by the findings of Bharadwaj et al., (2010) in their study conducted in rural Pennsylvania where they noted that the education level of the respondents was quite high, with about 52 % possessing a college degree.

4.3.1.8 Enterprise Annual Turnover

Table 4.9 Enterprise Annual Turnover

Annual turnover (Kes)	Frequency	Percent
Below 100,000	4	7.1
100,000 - 500,000	2	3.6
500,000 - 1,000,000	7	12.5
1M-5M	8	14.3
5M-10M	15	26.8
10M-20M	7	12.5
Over 20M	7	12.5
I don't Know	6	10.7
Total	56	100

From Table 4.10 it is evident that 7.1% of the respondents had an annual operating budget/income of less than Kes.100,000, 3.6% ranged between Kes. 100,000-500,000, 12.5% ranged between Kes. 500,000-1,000,000, 14.3% had an operating budget of between Kes. 1M-5M, 26.89% the majority ranged from Kes. 5M-10M, 12.5% ranged from Kes. 10M-20M and another 12.5% had an annual operating budget income of over Kes. 20M while 10.7% of the respondents did not know their enterprise Annual operating budget/income.

4.3.1.9 Cross Tabulation between Age of Enterprise Principal Owner and Their Education Level

Cross tabulations are used to summarize data in such a way that reveals the relationship between two variables.

Table 4.10 Cross tabulation between Age of Enterprise Principal Owner and Education Level of Enterprise Principal Owner

		Education Level of Enterprise Principal Owner				Total
		Secondary level	College level	University Undergraduate	Post Graduate	
Age of	< 24 yrs	2	0	0	0	2
Enterprise	25-34 yrs	0	4	9	0	13
Principal	35-44 yrs	0	5	6	2	13
Owner	45-54 yrs	0	1	7	3	11
	> 55 yrs	0	4	9	4	17
Total		2	14	31	9	56

Table 4.11 represents a cross tabulation of the education level of enterprise principal owner, where 2 principal owners with below 24 years held Secondary level certificates, 4 between the ages of 25-34 year had tertiary college certificates and 9 were university graduates. Between the age bracket of 35-44 years 5 were college graduates, 6 held university degrees while 2 had post graduate degrees. Out of those enterprise principal owners aged between 45-54 years, 1 had a college diploma, 7 were university graduates while 3 held post graduate degrees. In the over 55 years age bracket, 4 had tertiary level diplomas, 9 held university degrees while 4 held post graduate degrees. The findings are similar to the findings of (Smith 2010) who discovered that over half have a college education, but not all: 19 percent have only a high school degree and 3 percent have less than a high school degree, 32 percent have attended trade school, have some college, or a two year degree 45 percent have at least a four year college degree.

4.3.1.10 Cross Tabulation between Gender of Principal Owner and Their Education Level

Table 4.11 Cross tabulation between Gender of Principal Owner and Education Level of Enterprise Principal Owner Cross Tabulation

		Education Level Of Enterprise Principal Owner				Total
		Secondary level	Tertiary College level	University Undergraduate	Post Graduate	
Gender of Principal Owner	Male	0	12	27	9	48
	Female	2	2	4	0	8
Total		2	14	31	9	56

Table 4.12 reveals a cross tabulation of the gender of principal owners with their education level. The majority being of the male gender, 12 had tertiary college certification, 27 had university degrees while 9 had post graduate degrees while for the female gender, 2 had secondary level certificates. Another 2 possessed tertiary college level diploma certificates while 4 of them university degree. There were no post graduate qualifications among the females in the study.

4.3.1.11 Cross Tabulation between Gender of Principal Owner and Their Position in the Enterprise

Table 4.12 Cross tabulation between Gender of Principal Owner and respondents Position in the Enterprise

		Respondents position in the enterprise			Total
		Owner/Manager	Employee/Manager	Employee/Other	
Gender of Principal Owner	Male	31	7	10	48
	Female	4	0	4	8
Total		35	7	14	56

Table 4.13 indicates a cross tabulation of the gender of principal owners with the respondents position in the enterprise. For the male gender 31 were the remaining 17 were either employee/manager or other employee. For the female respondents, 4 were owner/manager while the remaining 4 were other employee.

4.3.1.12 Cross Tabulation between Gender of Principal Owner and Age of Enterprise Principal Owner

Table 4.13 Cross tabulation between Gender of Principal Owner and Age of Enterprise Principal Owner

		Age of Enterprise Principal Owner					Total
		Below 24 yrs	25-34 yrs	35-44 yrs	45-54 yrs	Over 55 yrs	
Gender of Principal Owner	Male	0	12	8	11	17	48
	Female	2	1	5	0	0	8
Total		2	13	13	11	17	56

Table 4.14 presents a cross tabulation between the gender of principal owner and the age of the enterprise principal owner. For the male gender 12 were between 25-34 years, 8 of them were between 35-44 years, 11 of them were between 45-34 years and the majority 17 were above 55 years. For the female genders 2 were below 24 years, 1 was between 25-34 years while 5 were between 35-44 years.

4.3.1.13 Cross Tabulation between Gender of Principal Owner and Number of Employee

Table 4.14 Cross tabulation between Gender of Principal Owner and Number of Employee

		Number of Employees				Total
		Less than 5	Between 5-10	Between 10-20	Over 20	
Gender of Principal Owner	Male	15	11	6	16	48
	Female	5	1	0	2	8
Total		20	12	6	18	56

Table 4.15 shows the cross tabulation of the gender of principal owners with the number of employees. For the males 15 had employed less than 5 employees, 11 had employed between 5-10 employees, 6 had between 10-20 employees and 16 had over 20 employees. On the other hand the females employed lesser personnel with 5 having less than 5 employees, 1 had 5-10 employees and only 2 had employed over 20 employees.

According to Smith (2010), 31 percent have just one employee (the owner), and the median number of employees is 3. In a survey of 3,800 marketers Stelzner (2012) found out that the largest group who took the survey work for small businesses of 2-10 employees 34% followed by the self employed 21% These findings are similar as to table 4.15 below with over 35.7 % of the small businesses having less than 5 employees.

4.3.1.14 Descriptive Statistics on Respondents Attributes

Table 4.15 Descriptive Statistics on Respondents Attributes

	N	Mean	Std. Deviation
Years in operation	56	2.75	0.93905
Number of employees	56	2.3929	1.27463
Age of enterprise principal owner	56	3.5	1.25045
Valid N (list wise)	56		

The responses from the respondents indicate that years in operation had a mean response of 2.7500 with a standard deviation of 0.93905 which indicates that there was statistically no significant deviation from the mean. On the Number of employee the mean was 2.3929 with a standard deviation of 1.27463 and indication that there was a statistically significant deviation from the mean, while for the Age of enterprise principal owner the mean was 3.500 with a standard deviation of 1.25045, an indication that there was a statistically significant deviation from the mean.

4.3.2. Frequency Count On Adoption of Social Media for Business

Table 4.16 Familiarity with social media terms

	Frequency	Percent
Yes	52	92.9
No	4	7.1
Total	56	100

On how familiar the respondents were familiar with social media terms, there was a 92.9% who said yes with another 7.1% who said No.

Table 4.17 Thought on Social media and networking's value to business

	Frequency	Percent
Yes	41	73.2
No	15	26.8
Total	56	100

On the question on whether the respondents thought that Social media and networking's have value to business; there was 73.2% of the respondents who said yes while 26.8% said no. According to Boling, Burns and Dick, (2011) small business see the need to establish a presence on the internet and that there would appear to be recognition that the social networking sites have something to offer.

Table 4.18 Thoughts on Social media and networking's value to own business

	Frequency	Percent
Yes	37	66.1
No	4	7.1
Don't Know	15	26.8
Total	56	100

Asked whether the respondents thought Social media and networking's added value to their business 66.1% of the respondents said yes. 7.1% answered No while 26.8% said they don't know. This table emphasizes the point made previously under table 4.18. And according to Boling, Burns and Dick (2011) the businesses see a need for the presence but are doing very little with it other than using it as a way in which to provide general information.

Table 4.19 Incorporation of social media in own Business

	Frequency	Percent
Yes	30	53.6
No	26	46.4
Total	56	100

On whether the respondents had incorporated Social Media in their Businesses, 53.6% said Yes while 46% said No. Once again, the result from table 4.20 emphasizes the points made above. Most businesses recognize the value of social media but majority have done little to fully realize its potential benefits. However, these figures suggest a substantially low adoption rate compared to studies done elsewhere outside Africa. According to Tomlin (2011) and Smith (2010), 75 percent surveyed have a company page on a social networking site. Boling, Burns and Dick, (2011) also found out that out of all the small businesses participating in their study all had a web presence at least in the form of a Facebook page and a web site. Some had a third avenue of internet presence.

Table 4.20 Existing of any marketing strategy

	Frequency	Percent
Yes	28	50
No	28	50
Total	56	100

The responses on the Existing of any marketing strategy had a 50.0% of respondents who said Yes while 50.0% said No. These results highlight the problems faced by small business owners when it comes to strategy formulation and execution. Small businesses are highly successful in getting referrals from existing customers, but struggle to be creative and differentiate themselves. (Smith, 2010)

Table 4.21 Possibility of seeking expert opinion on social media

	Frequency	Percent
Yes	39	69.6
No	17	30.4
Total	56	100

The respondents were asked on the possibility of seeking expert opinion on social media and 69.6% yes they would while 30.4% said no.

4.3.3 Social Media and the Enterprise

Table 4.22 How Respondents learnt about social media

	Frequency	Percent
Family Members	19	33.9
Business Colleagues	12	21.4
Friends	9	16.1
Digital And Print Media	10	17.9
Other	6	10.7
Total	56	100

On how they came to know about social media; 33.9% said through Family Members with a further 21.4% saying it was through Business Colleagues with 17.9% saying it was through Digital and Print Media.16.1% learnt through their friends while 10.7% learnt from other sources.

Table 4.23 General perception about social media

	Frequency	Percent
Tool for making friends	29	51.8
Tool with potential for business applications	20	35.7
Hard to use	4	7.1
Never gave it a thought	1	1.8
Easy to use	2	3.6
Total	56	100

The respondents were asked on their general perception about social media and those who said it was a tool for making friends were 51.8%, and as tool with potential for business were 35.7%. However those who said it was easy to use were 3.6 % and those who said they never gave it a thought were 1.8% with 7.1% saying they perceived it as hard to use. These findings further emphasize what we have discovered from the respondents on their general perception of social media. A big majority are yet to recognize it as a tool which can add value to their business. This in turn has contributed to the low adoption rates.

Table 4.24 Type of social Media familiar with

	Frequency	Percent
Face Book	48	85.7
Google Alerts	2	3.6
MySpace	2	3.6
YouTube	4	7.1
Total	56	100

The study sought to establish the type of social Media the respondents were familiar with and 85.7% said they were familiar with Face Book, while 3.65% said Google Alerts with 3.65% saying MySpace and 7.15% said YouTube. As expected, Facebook leads in popularity figures.

Boling, Burns and Dick, (2011) found that 100 % of the small businesses in their survey had a Facebook account.

Table 4.25 Length in time of using social media

	Frequency	Percent
Less than one year	11	19.6
Between 2-5 Yrs	18	32.1
Over 5 Years	5	8.9
Never	22	39.3
Total	56	100

On the length of time respondents have been using Social Media, there was 19.6% who said they had used for less than one year with 32.1% having experience of between 2-5 years 8.9% of respondents had over 5 years of experience where as 39.3% said they had never used social media. These findings are similar to what Stelzner (2012) found from 3,800 marketers he studied that 40% of them had 1-3 years of experience while 23% of them 6-12 months and 17% having less than 6 months experience.

Table 4.26 Type of social media and networking tools incorporated

	Frequency	Percent
Face Book	28	50
Twitter	3	5.4
You Tube	2	3.6
Other	23	41.1
Total	56	100

On the type of social media and networking tools incorporated there was 50.0% who indicated Facebook while 5.4% indicated twitter and 3.6% indicated Youtube. 41.1% incorporated other forms social media. The findings here indicate that Facebook is a favourite among the respondents. Global findings indicate that Facebook, LinkedIn, blogs and YouTube are the top five social media tools used by marketers, with Facebook leading the pack. According to

Stelzner (2012), all of the other social media tools paled in comparison to these top five. The top five have remained virtually the same since 2011.

Table 4.27 Reason and goal of social media participation

	Frequency	Percent
Business Growth	27	48.2
Business Promotion	10	17.9
Not Sure	19	33.9
Total	56	100

On the motivation to participate in social media, majority of the respondents 48.2% were in it for business growth while 17.9% were in it to promote their business. 33.9% of the respondents were not sure. According to Stelzner (2012), the number-one benefit of social media marketing is generating more business exposure and growth. The 33.9% who represent the respondents who were not sure indicates that a large group who are in social media without a clear plan or strategy.

Table: 4.28 Primary activities undertaken by your business on social networking

	Frequency	Percent
Advertising/Brand Building	20	35.7
Creating/Maintain Business Profile	4	7.1
Message/Commenting/Tweeting	1	1.8
Engaging and Responding To Customers	6	10.7
Reference /Education/Research	3	5.4
Other	22	39.3
Total	56	100

The study sought to find out the primary activity undertaken by small businesses owners on social networking with 35.7% stating advertising/brand building. 10.7% were engaging their customers. 7.1% were creating/maintain business profiles. A small group of 1.8% was messaging and tweeting while 5.4% used social media for reference and research. A substantial group 39.3% was using social media for other activities. Paul (2009), suggests that networks like Facebook and LinkedIn can be used for marketing, recruitment, prospecting and brand enhancement. In a similar vein Wallace (2007) suggested the key areas are around branding, linking to the business site, attracting traffic, interaction with the public and networking opportunities.

Table 4.29 Time per day that business dedicates to social media

	Frequency	Percent
Less than one hour	16	28.6
1-5 hrs	7	12.5
More than 10 hrs	9	16.1
Never	24	42.9
Total	56	100

On the time per day the respondents business dedicated to social media, 28.6% said less than one hour, with 16.1% saying more than 10 hrs, with 12.5% saying 1-5 hrs, and 42.9% said never. From an online survey, Ball (2010) found 29% of small businesses were using social media at least 60 minutes in a day. Similar results were obtained from a survey conducted by Roundpeg, (2012) where the younger segment averaged 1- 2 hours daily in comparison to the older group which averages 30-60 minutes daily. (Ball, 2010). These two findings are similar to the research findings because majority of the respondents were of the older age group.

4.3.4 Social Media and Business marketing strategy

Table 4.30 What is prioritized in plans and decision making towards social media use

	Frequency	Percent
The Target Market	41	73.2
Communication type and message to use	2	3.6
Other	13	23.2
Total	56	100

On what was prioritized in plans and decision making towards Social Media use, 73.2% said the target market with 3.6% answering communication type and message to use while 23.2% said others. As De Souza and Dick (2009) noted, People post a great deal of personal information on social network sites – this can be used for targeted advertising. According to Mize (2007) the costs can be significantly lower than paying for advertizing too

Table 4.31 Demographic factors considered important when planning for social media adoption

	Frequency	Percent
Age	20	35.7
Gender	2	3.6
Income Level	4	7.1
Education level	6	10.7
Occupation/ Industry	24	42.9
Total	56	100

On the question of which demographic factor was considered important in social media planning and use in the business, 42.9% reckoned industry was the most important. It was followed closely by age supported by 35.7% of the respondents. Education was considered important by 10.7% of the respondents. 7.1% thought Income level was important while 3.6% reckoned it was

gender which was important. The above findings are fully supported by Roundpeg (2012) survey which found that while gender did not affect the choice of primary networks, age, company size and industry seem to have significant influence.

Table 4.32 Measure of satisfaction from social media by small enterprises

	Frequency	Percent
Very satisfied	21	37.5
Somewhat satisfied	7	12.5
Neither satisfied nor dissatisfied	11	19.6
Very dissatisfied	17	30.4
Total	56	100

On the measure of satisfaction from social media use, 37.5% of respondents reported to being very satisfied. 12.5 % were somewhat satisfied while 19.6% claimed to neither being satisfied nor dissatisfied. A significant 30.4% were very dissatisfied. Again the above report appears to agree with what has been studied elsewhere. According to AT&T Small Business Technology Poll (2010) out of 2,246 small business owners and/or employees interviewed, 41% reported of better communications/relationship with new or existing customers, 28% reported of increased sales. 21% chose none of the above indicating indifference and lack of satisfaction. The high level of dissatisfaction may stem from lack of a proper plan on social media adoption and use in marketing. Most small business owners have not allocated enough resources especially time to social media in order to achieve significant rewards. Stelzner (2012) points out that the main financial cost of social media marketing is the time it takes to gain success. Nearly half of those who spend at least 11 hours per week on social media efforts saw a benefit of reduced marketing expenses. (Stelzner, 2012). There is a strong indication that companies who invest at least 10% of their marketing budgets in social media are more likely to report a significant percentage of their web traffic being generated by social media activities. (Roundpeg, 2012)

Table 4.33 Challenges faced by business in adoption of social media

	Frequency	Percent
Time	30	53.6
Cost	11	19.6
Lack of experience, education and skills	3	5.4
Lack of strategy	1	1.8
Lack of equipment and personnel	11	19.6
Total	56	100

The study sought to establish challenges faced by small businesses in adoption of social media. A huge percentage 53.6% indicated time as the major obstacle. 19.6% indicated while a similar number indicated lack of equipment and personnel. Lack of experience was a challenge to 5.4% of the respondents while a paltry 1.8% said lack of strategy. According to Stelzner (2012) the main financial cost of social media marketing is the time it takes to gain success.

Table 4.34 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Familiarity with social media terms	56	1	2	1.0714	0.25987
If no do you have interest in familiarizing yourself	56	2	3	2.9643	0.18726
Think Social Media and Networking has value to business	56	1	2	1.2679	0.44685
Think Social Media and Networking has value to your business	56	1	3	1.6071	0.88787
Incorporated Social Media in your business	56	1	2	1.4643	0.50324
Plans to incorporate Social Media in future	56	1	2	1.7857	0.41404
Business having an account in any Social Media platform	56	1	2	1.625	0.4885
Existence of any marketing strategy	56	1	2	1.5	0.50452
Possibility of seeking expert opinion on Social Media	56	1	2	1.3036	0.46396
Valid N (list wise)	56				

The response on the question of respondent's familiarity with social media terms had a mean of 1.0714 and a standard deviation 0.25987 which is statistically not significant. The response on the question of If no do, you have interest in familiarizing your self had a mean of 2.9643 and a standard deviation 0.18726 which is statistically not significant. The response on the question if they thought Social media and networking's had value to business had a mean of 1.2679 and a standard deviation 0.4 4685 which is statistically not significant.

The response on the question if they thought Social media and networking had value to their business had a mean of 1.6071 and a standard deviation 0.88787 which is statistically not significant. The response on the question if they have incorporated social media in your business had a mean of 1.4643 and a standard deviation 0.50324 which is statistically not significant. The response on the question if there were plans to incorporate social media in future to their business had a mean of 1.7857 and a standard deviation 0.41404 which is statistically not significant.

The response on the question if business is had an account in any social media networking site had a mean of 1.6250 and a standard deviation 0.48850 which is statistically not significant. The response on the question of existence of any marketing strategy had a mean of 1.5000 and a standard deviation 0.50452 which is statistically not significant. The response on the question of the possibility of seeking expert opinion on social media had a mean of 1.3036 and a standard deviation 0.46396 which is statistically not significant

4.3.5 Measures of Central Tendencies on Demographic

Table 4.35 Descriptive Statistics on the Demographic Attributes of Respondents

	Mean	Std. Deviation	N
Education level of enterprise principal owner	3.9286	0.65663	56
Citizenship of enterprise owner	1.1786	0.43095	56
Age of enterprise principal owner	3.3929	1.0901	56
Gender of principal owner	1.125	0.33371	56

Education level of enterprise principal owner had a mean of 3.9286 and a standard deviation of 0.65663 which is statistically not significant; the Citizenship of enterprise owner had a mean of 1.1786 and a standard deviation 0.43095 which is statistically not significant; the Age of enterprise principal owner had a mean of 3.3929 and a standard deviation 1.09010 which is statistically significant and Gender of principal owner had a mean of 1.1250 and a standard deviation of 0.33371 which is statistically not significant

Table 4.36 Correlations of Demographic Attributes of Respondents

			Education	Citizenship	Age of	Gender of
			level of	of	enterprise	enterprise
			enterprise	enterprise	principal	principal
			principal	owner	owner	owner
			owner	owner	owner	owner
Education	level of	Pearson				
enterprise	principal	Correlation	1	0.303*	0.015	-0.124
owner		Sig. (2-tailed)		0.023	0.915	0.361
		N	56	56	56	56
Citizenship	of	Pearson				
enterprise	owner	Correlation	0.303*	1	0.08	-0.158
		Sig. (2-tailed)	0.023		0.557	0.245
		N	56	56	56	56
Age of	enterprise	Pearson				
principal	owner	Correlation	0.015	0.08	1	-0.187
		Sig. (2-tailed)	0.915	0.557		0.167
		N	56	56	56	56
Gender of	principal	Pearson				
owner		Correlation	-0.124	-0.158	-0.187	1
		Sig. (2-tailed)	0.361	0.245	0.167	
		N	56	56	56	56

The correlation coefficient between Education level of enterprise principal owner and Citizenship of enterprise owner was 0.303* which is low. However the relationship was found to be significant at 0.01 level (2-tailed). Statistically there is also a significant relationship between Education level of enterprise principal owner and Citizenship of enterprise owner on the adoption of social media as a strategic marketing tool because P- Value is 0.023 (P<0.05)

The correlation coefficient between education levels of enterprise principal owner and age of enterprise principal owner was 0.015 which is Insignificant. There is also no significant

statistical relationship between education levels of enterprise principal owner and age of enterprise principal owner on the adoption of social media as a strategic marketing tool because P-value is 0.915 ($P > 0.05$).

The correlation coefficient between education level of enterprise principal owner and gender of principal owner was -0.124 which is insignificant. There is also no statistically significant relationship between education level of enterprise principal owner and gender of principal owner on the adoption of social media as a strategic marketing tool because the P-value was 0.361 ($P > 0.05$).

The correlation coefficient between gender of principal owner and citizenship of enterprise owner was -0.158 which is insignificant. There is also no statistically significant relationship between gender of principal owner and citizenship of enterprise owner on the adoption of social media as a strategic marketing tool because the P-value was 0.245 ($P > 0.05$).

The correlation coefficient between gender of principal owner and age of enterprise principal owner was -0.187 which is statistically insignificant. There is also no statistically significant relationship between gender of principal owner and age of enterprise principal owner on the adoption of social media as a strategic marketing tool because the P-value was 0.167 ($P > 0.05$).

4.4 Summary of Data Analysis

Majority of the respondents 85.7% were of the male gender while majority (30%) of the enterprises principal owners were over 55 years. 87.5% of the enterprise owners were Kenyan citizens. Majority of the respondents (62.5%) were the owners/managers with 55.4% of them holding university degrees. On annual operating income 26.89% ranged between 5m- and 10m. 92.9% of the respondents were familiar with social media terms. 73.2% of them saw Social Media and Networking as having value to business with 66.1% who thought Social Media and Networking added value to their own business somehow.

However on their general perception about social media, majority 51.8% saw it as a tool for making friends. 35.7% however saw it as a tool with potential for business applications. Facebook was the one most respondents were familiar with at 85.7%. 32.1% of the respondents

had used social media for between 2-5 years. However, 39.3% reported to have never used social media and networking tools.

Out of the 56 respondents, 53.6% of them incorporated Social Media in their businesses with 37.5% of the businesses having an account in any one of social media sites. Facebook was again the site mostly incorporated at 50%. There was 50.0% who reported existence of any marketing strategy with 69.6% claiming they would seek expert opinion on social media and networking. On the reason and goal for social media participation in their business, 48.2% said for growth of business, 17.9% for promotion and 33.9% were not sure of their goals in participation.

Primary activity undertaken by the small businesses on social networking was advertising and brand building at 35.7% while 10.7% were actively engaging and responding to customers. The majority at 39.3% responded with other activities. On Time per day the respondents dedicated to social media, 28.6% said less than one hour while a majority 42.9% said never. When planning for social media use and strategy planning, majority of the respondents 73.2% gave the target market priority. Demographic factor considered most important in social media planning and adoption was industry at 42.9% followed closely by Age 35.7% and education at 10.7%. Gender and income level were not very important to the respondents.

A good number of respondents 37.5% said they were very satisfied with the impact of Social Media in their business. 12.5% reported to being satisfied. However a significant 30.4% said they were very dissatisfied with 12.5% being neither satisfied nor dissatisfied. The most challenging obstacle facing small business owners in the adoption of Social Media and networking is time reported by 53.6% of the respondents. A further 19.6% claimed cost while a similar number said lack of equipment and personnel. A small group 5.4% said their main challenge was lack of experience and skills. The research obtained a mean of 3.3929 for the Age of enterprise principal owner and a standard deviation of 1.09010 which was found to be statistically significant in this study.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the study findings and draws conclusions from the data collected. In this chapter, recommendations to the government and stakeholders on affirmative action policy areas and areas that further research will also need to be undertaken.

5.2 Summary of Findings

The study was an investigation of the influence of demographic factors on the adoption of Social Media and Networking as a strategic marketing tool among SMEs within Meru Municipality. Specifically the study sought to establish the influence of age, gender, citizenship, income levels and education level on the adoption of social media as a strategic marketing tool. The study utilized a survey research design with a questionnaire as the data collection instrument for 66 Micro Small and Medium Enterprises.

Majority of the respondents were the male gender while most of the enterprises principal owners were over 55 years and most of the enterprise owners were Kenyan citizens. Majority of the respondents were the owners/managers with most holding university degrees. On operating income most ranged between 5million and 10million shillings. The majority who were familiar with social media terms saw Social Media and Networking as having value to business with most of them believing Social Media and Networking added value to their own business somehow. However only half of the respondents incorporated Social Media in their Businesses, most of them had a businesses account in a social media site with Facebook leading the numbers.

Half of the respondents reported to having a marketing strategy with majority eager to seek assistance from Social Media experts. The respondent's general perception about Social Media is that is mainly a tool for making friends. A good number saw its potential for business applications. Facebook is the site most respondents were familiar with but a big number claimed to have never used social media before. The respondent's goal for Social media participation was to grow and promote their business. But again a significant majority said they were not sure.

Primary activity undertaken by their businesses on Social Media was advertising, brand building and engagement with customers while a significant group said other activities. Time allocated to Social Media and Networking by the respondents was less than one hour a day. In their planning for Social Media use, majority gave the target market priority. The demographic factor considered most important in Social Media planning and adoption by a majority of the respondents was the industry in which they operated in followed closely by Age then education level. Gender, income level and citizenship were not considered very important factors.

Satisfaction from Social media involvement was evened out with a good number saying they were very satisfied while a significant group claiming to being very dissatisfied. The remaining group was either somewhat satisfied or undecided. Most respondents found time to be the main obstacle to successful adoption of Social Media and Networking. Time was followed by cost and lack of equipment and personnel. Few though lack of experience and skill to be a major obstacle.

On the statistical side, the age of the enterprise owner had a deviation from the mean which was found to be significant indicating the importance of the variable towards the results of this study.

5.3 Discussions

The study with a view to establish the Influence of Age on the adoption of Social Media and Networking as a Strategic marketing tool found that Age greatly influenced adoption and use of Social Media as a strategic marketing tool. The majority of the respondents in this study were over the age of 55 years. Although this age group is the fastest growing users of Social Media today as Corbett (2010) found out, the trend is however not visible in Africa and Kenya in particular where Social Media is still considered to be for the younger generations. This study finding agrees with Stelzner (2012) who noted that there's a direct relationship between the marketer's age and time spent marketing with social media. The younger the marketer, the more time he or she spends on social media. People aged 20 to 29 years spend more time than other age groups using social media marketing (with 43% spending 11+ hours weekly, up from 41% in 2011), followed by 30- to 39-year-olds (35% spending 11+ hours per week, down from 37% in 2011). (Stelzner, 2012) The findings are again strongly supported by Chou et al. (2009) who found out that among Internet users, use of social media was not uniformly distributed across the age strata. The largest proportion of social media use occurred among Internet users between the

ages of 18 and 24 (65%) and decreased thereafter with each subsequent age group. (Chou et al., 2009). In this study age was stratified into three categories for multivariate logistic regression models: 18-34 (younger group), 35-54 (middle-age group), 55 and older (older group). In general, the stratified models confirmed age to be the single most important predictor of social media use. (Chou et al., 2009).

The study did not find significant relationship between Education level of enterprise principal owner and the use of Social Media. However, there was a distinct relationship between education level of individuals and how they perceive and utilize different forms of Social Media. Hargittai and Hinnant (2008) suggested that individuals with higher levels of education use social media differently than those with lower levels of education. We may infer that the respondents with higher education levels viewed Social Media more positively and had adopted it in their business or were eager to adopt it as a strategic marketing tool.

The study did not find statistically significant relationship between the gender of the principal enterprise owner and the adoption of social media as a strategic marketing tool. This finding is indeed supported by majority of scholars who have found that both genders perceive and use Social Media in the same way although their choice of platforms an amount of time or frequency of use may differ between men and women. Browning, Gerlich & Westermann (2011) one of many authors found that there is no significant differences exist between males and females in their internet usage, social media usage, and beliefs about social media sites in general. However according to Priestley (2011), the social media landscape is changing rapidly and gender divides are starting to become apparent, with men clearly favouring YouTube and LinkedIn, but women opting to use Facebook as their chosen medium of communication. The findings of Priestley (2011) can be explained by expanding the discussion to consider the adoption of new technology in general, the Technology Acceptance Model was used to determine that on all points of measurement, men's technology usage decisions were more strongly influenced by their perception of usefulness. In contrast, women were more strongly influenced by their perceptions of ease of use. (Morris, Venkatesh, 2000.) Since our study had very few female respondents, the study could not find conclusive evidence of such disparities.

The study did not find any statistically significant relationship between Citizenship or race of enterprise owner and the adoption of social media as a strategic marketing tool. From a global market perspective, social media penetration does not offer much insight into the influence of race and citizenship on adoption. According to a global survey conducted by Global Web Index (2011) the average global social network penetration is at slightly above 50%. The leading markets being Philippines and Indonesia both at above 75% followed by Malaysia 67%, Brazil 65%, Russia 65%, India 63% and Singapore 61%. U.S.A, Canada and China are nearer the global average of 50 %. Surprisingly, Japan reported the least penetration at 15% followed by South Korea at 33%. There are no figures for the African continent. In this study, majority of the respondents were of the African origin with the rest of Asian origin. Other variables such as education levels between these two groups may explain differences in perception on Social Media but not Race or citizenship as a variable on its own.

5.4 Conclusion

Social Media and Networking tools offer small business owners affordable, easy to use and ready tools to access wider markets and grow their business through brand building, customer engagement and online community based advertising. However, most Kenyan Micro Small and Medium Enterprises have not profited from this unique opportunity for various reasons. This study sought to find out whether the demographic factors had anything to do with the low adoption and success rates of Social Media as strategic marketing tool.

The study has revealed that most small enterprises are owned by the older generation over the age of 55. This age group is aware of the Social Media frenzy but has not shown keen interest in it. This alone explains the low adoption rate among the small enterprises in this study. This is despite of the other variables such as gender, education level and race which were found not to have significant influence on use or adoption of Social Media as a strategic marketing tool. The study therefore concludes by stating that age was the only major demographic factor influencing the adoption of social media and networking tools as a strategic marketing tool and from the findings, majority age of 55 and above may explain the low adoption.

The low satisfaction noted is also due to lack of clear cut plans and strategies for adoption of social media as a strategic marketing tool. Also, failure by the small business owners to allocate

enough resources in the form of time, equipment and personnel is seen another reason for lower satisfaction from Social Media use.

5.5 Recommendations

Micro Small and Medium Enterprises form an important sector of our economy. Their ability to create more employment and wealth is very vital for growth the economy. On this understanding, the following recommendations were proposed after analyzing the findings of the study.

- i. The government to come up with an affirmative policy action to generate more interest on Social media by the older generation
- ii. The I.C.T Policy in Kenya should highlight the importance of Social Media to generate more interest and adoption.
- iii. The school's business curriculum to introduce Social media curriculum in primary school through to university to increase its awareness at an early age. The curriculum to focus on potential usage of Social Media and its responsible usage through policy development and implementation. This will increase the number of experts to develop it further in the country
- iv. More workshops on Social Media should be organized and targeted on the business community and other potential users. Such workshops to be conducted at national and regional levels to sensitize more participants on the potential benefits of Social Media.

5.6 Suggestion for Further Study

The following suggestions for further study were proposed after analyzing the finding of the study.

- i. The role of strategic planning in success or failure of Social Media in business.
- ii. The influence of time devoted to Social Media on success of Social media usage
- iii. The role of I.C.T policy in developing Social Media practices

- iv. The importance of population, sample size and its characteristics on the outcome of Social Media research.
- v. The influence of industry, occupation and income levels on suitability and adoption of social media as a strategic marketing tool.

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APPENDICES

APPENDIX 1: TRANSMITTAL LETTER

Martin N. Gachukia

P.O. Box 1774 - 60200

MERU

Mobile: 0737- 462320/0722- 956375

Dear Respondent,

RE: RESEARCH QUESTIONNAIRE – SOCIAL MEDIA IN BUSINESS

I start by thanking you for taking your time to give this questionnaire your consideration. I am a final year Master of Arts in Project Planning and Management student at the University of Nairobi Meru Extra-Mural center. As part of my graduate study, I am undertaking a research to investigate the influence of demographic factors such as age, gender, race, income education and occupation on the adoption of social media technologies as a strategic marketing tool.

In this regard, kindly spare some time to adequately provide answers to the questions posed on the attached questionnaire. Your objectiveness, honesty and commitment to answer all questions will be highly appreciated. Findings of this study will contribute to better understanding of social media in business and lead to a higher adoption and success rate within our SME sector.

Information that you provide will be utilized only for academic purposes and your personal information will be treated with due confidence.

Thank you,

Yours faithfully,

M.N. Gachukia

APPENDIX 2: ENTERPRISE/BUSINESS QUESTIONNAIRE

Section A: General Information

1. Name of Business?
2. Nature of Business?
 - () Retail/Wholesale & distribution (Consumer goods)
 - () Insurance/Banking
 - () IT consultancy, Computers, hardware, software & outsourcing services
 - () Hardware, machinery & electronics
 - () Media
 - () Entertainment & recreation (Restaurants/bars)
 - () Farming/Agriculture
 - () Manufacturing
 - () Education
 - () Transport and communication
 - () Tourism & hospitality
 - () Utility services (Energy, Water & Sewerage)
 - () Building & construction
 - () Healthcare
 - () Professional Services
 - () Furniture & fittings,
 - () Building & construction
 - () Other
3. How many years has the enterprise been in operation?
 - () Less than a year
 - () Between 2-5 Years
 - () Between 5-10 Years
 - () Over 10 Years

4. Number of employees?
- Less than 5
 - Between 5-10
 - Between 10-20
 - Over 20
5. Gender of principal owner?
- Male
 - Female
6. Age of enterprise principal owner?
- 18 – 24 Years
 - 25 – 34 Years
 - 35 – 44 Years
 - 45 – 54 Years
 - Over 55 Years
7. Race of enterprise owner?
- Black (African)
 - Asian
 - White (European, American)
 - Hispanic
8. Respondent's Position at the enterprise?
- Owner/Manager
 - Employee/Manager
 - Employee/Other
9. Education level of enterprise owner?
- Primary school
 - Secondary school
 - Tertiary college
 - University Bachelors
 - Post Graduate

10. Enterprise's annual turnover (Kes)

- Below 100,000/=
- 100,000.00 – 500,000.00
- 500,000.00 – 1,000,000.00
- 1,000,000.00 – 5,000,000.00
- 5,000,000.00 – 10,000,000.00
- 10,000,000.00 – 20,000,000.00
- Over 20,000,000.00
- Don't Know

Section B: Social Media and the Enterprise

1. Are you familiar with the term Social Media and Social networking?

- Yes No

a) If Yes, kindly indicate how you first came to know about social media and social networking.

- Family members
- Business colleagues
- Friends
- Digital and print media
- Other

b) If No, kindly indicate if you have any interest in familiarizing yourself with social media and social networking.

- Yes
- No
- Time will tell

2. What are your general perception/thoughts about social media and networking?

- A social tool for making friends and keeping in touch with them
- A social tool with potential for business, educational and professional applications
- Hard to use
- Easy to use
- A pass time tool for young and idle people

- Adds no value to peoples' lives
 Adds value to peoples' lives
 Never gave it a thought
3. Which social media and networking tools/platforms are you familiar with?
- Facebook
 Twitter
 YouTube
 LikedIn
 Google alerts
 MySpace
 Flickr
 Other
4. In your own view, do you think social media and social networking has any value to business?
- Yes No
- a) If Yes, kindly indicate whether you see social media and networking being of any value to your own business.
- Yes
 No
 Don't know
5. Have you incorporated social media in your business processes?
- Yes No
- a) If No, kindly indicate if you have plans to incorporate it in future.
- Yes No
6. How long has your business been using social media?
- Less than a year
 Between 2-5 Years
 Over 5 Years
 Never

7. Which Social media and networking tools have you incorporated in your business?
- Facebook
 - Twitter
 - YouTube
 - LinkedIn
 - Google alerts
 - MySpace
 - Flickr
 - Other
- a) Kindly indicate if your business has an account in any one of the above platforms
- Yes No
8. What is the reason and goal of social media participation for your business?
- Business growth
 - Business promotion
 - To keep up with the trend
 - Not sure
9. What is the primary activity undertaken by your business on the social networking platform?
- Advertising/ Brand building and business promotion
 - Creating/Maintaining business profile
 - Messaging/Commenting/Tweeting
 - Engaging and responding to customers questions
 - Networking
 - Reference/Education/Research
 - Recruitment
 - Blogging
 - Other
10. How Much time per day does your business dedicate to social media and networking?
- Less than 1 hour
 - 1 – 5 hours
 - 6 – 10 hours

More than 10 hours

Don't know

Never

11. How frequently does your business use social media and networking?

Daily

At least once per week

At least once monthly

Random use

Don't know

Never

Section C: Social Media and business marketing strategy

1. Does your business have any marketing strategy?

Yes

No

a) If Yes, is Social Media included in your marketing strategy?

Yes

No

2. When adopting social media as marketing tool, which of the following is prioritized in your plans and decision making?

The target market

Business account and profile

Brand packaging

Communication type and messages to use

Resources needed and costs

Amount of time to be allocated

Others

3. Which of the following demographic characteristics do you consider most important when evaluating your target market and formulating your social media marketing strategy?

Age

Gender

- Race
 - Income level
 - Education level
 - Occupation/Industry
4. How would you rate your satisfaction from social media use in your marketing strategy?
- Very satisfied
 - Somewhat satisfied
 - Neither satisfied nor dissatisfied
 - Somewhat dissatisfied
 - Very dissatisfied
5. In your own view or from experience, what challenges does your business face in adopting social media as a marketing tool?
- Time
 - Cost
 - Lack of experience, education and skills
 - Lack of strategy
 - Lack of equipment and personnel
6. To overcome the above challenges, would you seek the services of social media experts at a fee?
- Yes No