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DIGITAL MARKETING IMPACT ON THE GROWTH OF SMALL AND MEDIUM SIZE ENTERPRISES IN CAMEROON CASE STUDY JUMIA

Thesis
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Marketing has been a major challenge to small and medium size enterprises (SMEs) around the world due to high cost. The classical marketing communication system such as television, radio, etc. seems to have a high cost for which it does not even reach the targeted customers and hence, not producing the expected result. The objective of this study was to evaluate the impact of digital marketing of the growth of SMEs in Cameroon. To achieve this, several channels of digital marketing were used such as email marketing, social media, online advertisement, etc. while the concept of growth was evaluated in terms of sales and market share. Thus, questionnaires were formulated and administered through an online platform and 46 of the 50 questionnaire distributed respondents answered, giving a respond rate of 92.00%. The population was made of customers and the employees as well as employer of JUMIA.

The data was collected following the research question and objective in which a qualitative deduction approach was used. Descriptive statistics such as bar chart, pie chart as well as table were used. The data was analyzed using the Statistical Package for Social Science (SPSS) v.21.00 software. The general finding shows that digital marketing channels such as social marketing, online marketing, greatly contribute to the growth of SMEs in Cameroon in general and JUMIA. Therefore it was suggested that policies such as the digitalization of the economy should be implemented as it will go a long way to create more sensitization on the use of electronic devices that could create and develop the country as a whole through marketing communication.
ABSTRACT

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1 INTRODUCTION

Digital marketing is the use of internet, social media, search engines, mobile devices, display advertising and other channels to reach consumers, so the maxim, if an enterprise cannot be found in social media, then it does not exist, seems to depict consumer behavior nowadays. It should be clear that the utilization of digital channels is imperative for brands, and it should be advanced in to Small and Medium Enterprises (SMEs) if they want to stay viable and grow. However, it seems that many SMEs do not use the full potential of these new digital tools (Gilmore 2007, 137-145). SMEs are a substantial part of the world economy. For example, in Europe 99% of companies are SMEs (of which 92% are micro-enterprises) and those companies provide more than 75% of private sector jobs (European Commission 2012); in the United States (US) economy, SMEs represent 99.7% of all employer firms and employ half of U.S. workers (Small Business Administration 2014). The importance of these companies cannot be unheeded.

Businesses generally aim to grow in terms of market share, assets and to ensure that they attract and retain customers to remain profitable while having durable competitive advantages over its competitors. Jobber & Ellis 2013, 909-918 noted that marketing concepts are based on the basic principles of implementation which are very vital for business development. They also stated clearly that marketing is not an abstract concept, but rather a decisive test that has on the corporate indices such as profitability and market share. SMEs need to grow in order to ensure survival and be able to compete in the market. According to Ayyagari et al. (2007, 415-434) stated that in both the developed and the less developed countries, SMEs contribute roughly 75% of the manufacturing sector’s formal employment. The growth of SMEs in any country is therefore very imperatives as it implies an economic growth. One of the major factors of growth of SMEs is sales which generate income. This can be attained by marketing their products and services to create awareness and make their products and services preferred as compared to that of competitors. Therefore, the size, availability of resources and life cycle of the company, marketing objectives will always differ hence different marketing methods or strategies.

Jain (2014, 215-227) stated that large businesses usually have huge openings due to their large marketing budgets, permitting them to be simply noticeable through multi-channel marketing effort. On the contrary, lack of enough resources by SMEs which make them highly limited to the marketing possibilities on the large market size. SMEs are to an extend rotating around limited avenues due to mouth marketing
and hence, no potentials for growth. Equally, SMEs do implement marketing strategies which are not planned, informal and employ a bottom-up approach.

1.1 Definitions of concepts

Several authors and associations have come up with the definition of marketing. According to the American Marketing Association (2008), marketing is a set of institutions, processes, communicating, delivering, and exchanging goods and services of higher values to the customer, partners, and the society at large. Thus, over the years, marketing has evolved from the notion of production to the notion of product, following the notion of diverse selling derived by the enterprises of the same or different sector. Due to the diverse marketing channels, the growth of internet and digital channels has made marketing reach the customer within a very short interval at a very high speed as the company tends to exploit these channels and interact with them (American Marketing Association 2008).

1.1.1 Digital marketing

Also called online marketing or web-based marketing, can be defined as the use of the internet and related digital technologies to achieve marketing objective and to support the transactions of marketing activities such as supply chain management, customer relationship and quality services delivery (Harrigan 2012, 127-163). Therefore, digital marketing is the use of electronic means, devices (computer) such as smartphones, cellphones, etc. to communicate with the customers. Digital marketing techniques have thus succeeded to eradicate the classical marketing techniques and hence the extension of the marketing mixes. The flexibility provided by technology has therefore made digital marketing more significant basically in the entire sector due to the high interconnectivity levels the internet has been compared to the wheel and the airplane in terms of its ability to influence the future business and economic development. (Richard 2015, 76-85).

1.1.2 Social media

The word media comes from the Latin plural of medium which is said to be a means by which something is communicated or expressed. Social media refers to the means of interactions among people, in which
they create, share, and/or ex-change information and ideas in virtual communities and networks (Chan & Lawrence 2011, 45-63) Some of the popular social media sites are Facebook, Twitter, YouTube and Instagram.

1.1.3 Growth of SMEs

The concept of growth can be viewed as the process of improving business performance. Growth is an increase in the number of new products and services, geographical expansion, acquisition, and mergers. Growth generally comes as a result of increase in demands for goods and services for which the initial result can be seen on sales but the investment in additional factors of production will enable us to meet with new demands (Janssen 2009, 293-315). Business growth basically comes due to goods utilization of resources and capability that are used to ease the growth of the enterprise. It is made of capacities, acquired information, resources (Coad, Frankish, Robert & Storey 2013, 91-112). The market structure and innovations greatly determine growth and there is a huge possibility that little or small innovating businesses can grow faster than large firms. Even though enterprises need huge investment small businesses do vary greatly in size and capacity for growth which if not well managed can eventually lead to death of the enterprise (Abed, Dwivedi, & Williams 2015, 159-179).

1.1.4 Small and medium size enterprises

There is a growing recognition of the important role SMEs enterprises play in economic development. They are often described as efficient and prolific job creators, the seeds of big businesses and the fuel of national economic engines. Even in the developed industrial economies, it is the SME sector rather than the multinationals that is the largest employer of workers (Mullineux 1997, 23-28). Small and Medium Sized Enterprises (SMEs) play a crucial role in the development of a country’s economy. They are significant to the economy of developing countries such as Cameroon, where challenges such as poverty eradication and unemployment are still considered as major issues facing citizens. In Cameroon, SMEs are the main driver of the economy, accounting for almost 90% of the economic fabric and employ more than 50% of the workforce in the private sector (National Institute of Statistics 2009).

The enterprise survey conducted by the National Institute of Statistics (2009) reveals that there are 93,969 enterprises in Cameroon out of which 99.2% are SMEs. Statistics also show that 33,000 SMEs
have been created in Cameroon since 2010 (CFCE 2015). SMEs are also believed to contribute greatly to the country’s GDP. In Cameroon, formal and informal SMEs contribute to 50% of GDP and account for about 92% of businesses in Cameroon (INS 2005). As far as employment and poverty alleviation is concerned, SMEs remain the backbone of the economy. It is also important to note that SMEs also greatly contribute to the creation and redistribution of wealth in Cameroon. Between 2003 and 2005, formal and informal SMEs paid 208 billion as salaries per year (INS 2006). As far as investments are concerned, SMEs still stand out clear as an important entity of the Cameroonian economy, accounting for 40% of Cameroonian investments (INS 2005).

1.2 Aim of the study

Thus, this study may be of prominence to all SMEs in Cameroon. It gives the SMEs owners a foundation on the use of digital marketing to sell and inform consumers about their products and services.

To begin with, the results of this study may be of significance to policy makers. The results of the study shall indicate the preferences of the new age consumers and the kind of information they require from their sellers. This may enable better marketing strategies by various SMEs. Moreover, the results of this study may be of significance to consumers. The results of the study shall show how organizations used digital marketing to gain competitiveness. This may enable consumers to appreciate how organizations work and thus improve their decision-making on the digital channels. And finally, the results of this research have extra information in the market about SMEs and digital marketing. Scholars in the business field have a prospect to rise to a current study in the marketing field.

1.3 Limitation of the study

The study was based in Cameroon and the case company is JUMIA which is an enterprise that used digital marketing tools to carry out in the day-to-day business. The purpose for selecting this enterprise is justified by the rapid expansion and sales growth, which has also attracted so many enterprises to start using the various digital marketing channels.
1.4 Problem statement

The importance of SMEs in both developed and under-developed countries cannot be overemphasized as it provides the highest employment in the economy. The sustainability of these SMEs can only be actualized when they make sales, realized profit, gain new market share and be able to cover the invested capital. The commercialization aspect of SMEs is generally different from that of large enterprises, hence, making the adoption of digital marketing to be a big challenge to them (Lipiainen, & Karjaluoto 2015, 733-741). The adoption of digital marketing channels is likely to be more successful in big enterprises than the small enterprises since they are more likely to have the required resources and technology compared to SMEs (Barnes, Slingo & Woollings 2012, 2467-2481). Several studies have been conducted in different countries such as that of Onyango, (2016, 101-105) who make an analysis on the impact of digital marketing strategies on the performance of flowers exporting forms in Kenya who analyses the impact of digital marketing on customers services at Barclays Bank of Kenya by using a content analysis, different from the former. Thus, due to many contradictory ideas of many authors on the impact of digital marketing on the growth of SMEs, this study sought to outline the impact of digital marketing on the growth of SMEs with an enterprise being the JUMIA enterprise.

1.5 Objective of the study

The main objective of this study is to assess the impact of digital marketing on the growth of SMEs in Cameroon. More specifically, to examine the effects of digital channels of sales growth of SMEs in Cameroon, to examine the effect of digital marketing strategies on the growth of SMEs in Cameroon. While the main research question of this study is to determine the impact of digital marketing on the growth of SMEs in Cameroon. More specifically, what are the effects of digital channels on the sales growth of SMEs in Cameroon, what are the effects of online marketing strategies on the growth of SMEs in Cameroon?
2 LITERATURE REVIEW

This chapter talks on the different theoretical framework as well as the empirical review on the impact of digital marketing on the growth of SMEs. It draws some experience from different writers, academics, experts who have explored the literature that is related to this study. The literature review as part of this research provides theoretical framework of the research topic, related terms and concept. It deals with what other authors have written on digital marketing and the growth of SMEs. Here, I shall review several theories that centered on the topic under study as seen below.

2.1 The generational theory

This explains that the era in which a person was born can impact his/her perception of the world at large. It also indicates that our values are shaped over the years either by our families, friends, society, events, or the general year in which we are born (Jurkiewicz & Brown 1998, 363-382). Generational marketing theory thus, stipulates that consumers born during the same era generally have similar behavior due to the influenced they had or has been molded. This current era can be defined as that of digital or technological information which can be defined using social media. Generational theory is relevant to digital marketing based on how each generation make used of the available information. This theory is thus useful to the study since it helps SMEs to identify customers’ needs and hence formulate appropriate marketing content for them using the information technology.

2.1.1 The social network theory

The network method originates from diverse structural concepts initiated by sociological thinkers such as Georg Simmel and anthropologists whose studies were based largely on the understanding of the different social networks. Social networks theory therefore analyses all kinds of relationships, be there people, animals or things. Social network thus, is used for learning about patterns that manifest within social networks and their effects or attitude. Digital marketing tools are therefore, essentials in this regard since they permit marketers to listen and to comprehend what is said by their clients, and also permit them to take advantage of different potential used so as to be able to spread the message to others in their
respective networks. Most studies have shown that potential users are the most influential on the diverse networks.

They social network theory sees social relationships in terms of lumps and stalemates. They act as players within the context of the network and are somehow related to the players. Several types of stalemates are therefore presented for analysis. Social networks can also be used to calculate the owners’ equity in an enterprise. These ideas are generally demonstrated in social network diagrams or frequencies. In summary, the theory is useful in this study since it permits us to diagnose how SMEs can exploit their networks towards satisfying their clients. (Durkin, Pauric & Niall 2013, 374-379).

2.1.2 The collective intelligence theory

The collective intelligence theory refers to a process where huge number of persons can converge together at certain level of know-how, while at the same moment, trying to attain their objectives. The collective intelligence states that groups are usually more productive than when they operate differently. For collective intelligence to exist and exert, it needs at least four main things, i.e. honesty, spreading/distribution, peering and acting universally.

Honesty is for collective intelligence to operate correctly; people or enterprises need to present and be sincere about their ideas to the persons using internet so that their product can be trues wealthy.

Peering is considering old information or product and modifying them to suit the new ones so that people can use them.

Spreading shows how intellectual property can be shared or distributed to other members. It is thus, important for us to allow a persistent exchange of ideas and open critics which can better in hands productivity of the enterprise.

Universal acting is based on information technology and the level of advancement that enterprise has made to organize and collaborate with all her networks. This permit to overcome challenges such as local acting or thinking and put more efforts on new ideas, new talents and niche market. In summary, the theory permitted to this study which indicate how digital marketing can help bring SMEs and her diverse clients together for better interactions which could go a long way to strengthen their performance (David 2004, 952-958).
2.2 Types of Digital Marketing

Information technology so far has been able to blend the traditional channels and marketing communications to be able to cover all the aspect of digital marketing mix. Digital marketing therefore includes the use of social media in the commercialization process or marketing process such as email marketing, online advertising, search engine optimization (SEO), social media, pay-per-click and viral marketing. Email marketing is one of the digital marketing channels earlier used and which has to do with providing messages to specific persons at the correct time. With this channel, enterprises can deliver mails to meet the user’s expectations. Mobile marketing is another form of digital marketing that use wireless medium to provide their clients with time and précised location and with information that are very vital for their products, services, etc. (Scharl 2005).

Mobile marketing permits to ameliorate the transaction level between clients and their mobile phones together with the mobile advertising channels that permit to control the environment, thereby creating other channels that are more useful for new line of marketing. Search engine optimization (SEO) is one of the digital channels designed for a particular content of website to fit what the enterprise is looking for, and presenting it in a way that can easily be accessible to the persons concerned and the search engines.

Online advertising is usually done with the help of the internet and it consists of advertising goods and services on the search engine. It is sometimes entrenched in the email and other means with the aim being to create awareness for the customers. The major aim of advertisement is to acquire a prospective customer to act directly by clunking on the advert in question. Advertising are generally used to promote various actions from the potential clients and to meet several marketing communication objectives such as increasing actions, changing options, etc. Viral marketing is a mixture of the different elements of digital marketing channels and it involves publicity, multiples tools of sensitization and knowledge base on the product or services in question. It includes e-marketing, blogs, YouTube, video and some classical ways of sales or commercialization component permitting to create market attention and to spread the goods and services available.
2.2.1 Digital marketing and the growth of SMEs

Several research and literature have shown a relationship between digital marketing and the growth of enterprises. Digital marketing can reach new clients and provide personal contact to the client, thus increasing awareness and consequently growth (Jain 2014). SMEs could be able to use digital channels such as social media, email, online advertisement which is relatively cheaper to access the potential customers. Most of the digital marketing tools such as SEO, online advertisement and viral marketing are some of the tools used to increase the growth of SMEs.

2.2.2 The effectiveness of digital marketing

The increased importance of the measure of digital marketing success as an effective tool has been made possible in several business in today’s Android world, due to its dynamism and effective usage. Digital marketing channels have some manners or were measuring various business owners (Samuel & Sarprasatha 2016, 138-148). One of the approaches used by entrepreneurs in operating marketing is through analytics built in most of the digital marketing channels. Therefore, there has been rapid growth driven by the marketing technology (e-marketing). The availability of data and digital platforms has provided many possibilities to inferences by marketers from the data and make the right decision (Jain 2014, 215-227).

Different studies have reviewed similar result concerning the concept of digital marketing and the growth of SMEs. Researchers such as Onyango (2016, 101-105) did a study on the effects of digital marketing strategies on the performance of cut flowers exporting firms in Kenya. The study concluded by saying that with qualitative and quantitative approaches, using semi-structured interview indicated that digital marketing significantly exerts a positive effect of the market share in other to increase profit. Thus, it was noted that digital marketing has a major benefit in terms of interactions and time gained. Yasmin (2015) did a study on the impact of digital marketing forms on firm’s sales. The study makes use of primary data examining a sample of 150 enterprises and 50 managers selected randomly, to evaluate the effectiveness of digital marketing. The data was analyzed using descriptive statistics tools as well as the correlations coefficient test. The result shows that digital marketing exerts a positive tool such as advertising, online marketing, email marketing and social media influence or effect on the firm’s sales.
In summary, the criteria of research were to gather information based on problem that needs to be defined and selected objectives that help to understand and identify the desired information through convincing approach and literature. The combination of information gathered through research articles and journals published by different authors have explored the parameters set to proceed towards methodology. The next step of this research will follow key components through standard procedures. To proceed further it is necessary to understand the fundamentals of methodology and its components that play important role in continuation of research and conclusion. According to different research methodology is part of research that combines and connects other parts of study in different ways. The research published by university of Bradford concluded that methodology is known as logical yet systematic process that helps to create manner through which required information is collected, analyzed, and concluded (Anon 2007. 313-321).

The proceeding chapters permitted me to circumscribe from the available literatures factors that are susceptible to orientate the adoption of digital marketing in Cameroon. The second part of this thesis has as goal to empirically verify the relation that exists between digital marketing and the growth of SMEs within the Cameroon context. Chapter three consists to present the methodology used in answering the research question by presenting the facts of the research and the sample of our study including the mode of data collection and the mode of data analysis. The fourth chapter presents the results of the different analysis and the impact of digital marketing on the growth of SMEs.
3 METHOD USE IN EVALUATING THE IMPACT OF DIGITAL MARKETING

Every research must follow a procedure, which is defined and approved in advance; the restitution of my study is done in conformity with a methodological approach. The methodology responds to the question how the subject will be treated. Methodology is the set of methods and technique used to verify and to answer our research question. From the above theoretical considerations, the methodology will be presented on what the work is based. I had access to data through questionnaires (primary data) address to some workers and managers through online (email), those using digital marketing in Cameroon constituted our population and sample size of the study. I will also present and elaborate on the target population, sample and the tools used in data analysis and justifying our choice of model. This research thus, follows a deductive approach (that is moving from general to particular) and the survey design and analysis are based on primary data. The primary data was collected through a structured questionnaire administered to respondents from different SMEs in Cameroon and JUMIA via online. I will start by presenting the methodology used in the research.

3.1 Research design

A research design is a plan, structure and strategy of investigation conceived as to obtain answers to research questions or problems. Research is seen as blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings (Charriere, & Durieux, 2007). Research design can be defined as the researcher’s overall for answering the research question or testing the research hypothesis if any (Creswell 2003, 62). Research design is a conceptual framework within which research is conducted. A descriptive research design was used in this study. The objective of descriptive research is to portray an accurate profile of persons events, or situations (Creswell 2003 62). Descriptive research design gave a description of phenomenon’s characteristics and association of variables, in this case, the relationship between social media and the growth of SMEs. Descriptive research is appropriate since it enabled high level of analysis such as correlation analysis between the variables and reduces data to a manageable size.
3.1.1 Method of data collection

Data collection process in this study was principally through primary data collection. The student used information from books and scientific articles to bring out the research questionnaire. The structured questionnaire was the tool used for the data collection.

3.1.2 Primary sources of data collection

Primary source of data is a collection of items to which a respondent is expected to react in writing as defined by the questionnaire form (Oso & Onen 2008, 456-489). Being the main instrument used for data collection, the questionnaire comprised well-designed questions administered to the target population of this study. Questionnaire is one of the most common tools for gathering data on survey, research is a set of targeted questions which utilizes different scales to measure the perspective and insight of a respondent. Content validity was used to determine the validity of the questionnaire. That is, the developed questionnaire was restored and modified based on the opinions of the afore mention expert and scholar to determine the reliability of this study, the questionnaires were distributed among a small sample of respondents, and after collecting the data, the correlation and regression coefficients served as a bases for their validity and reliability.

The questionnaire (APPENDIX 1) used in this research constituted of a section that captures general information about the SMEs. It specifies general information such as the level of education, activity, marital status, age and other related information about the respondent. The questionnaire is divided into 3 sections. Section A of the questionnaire captures general information about the SMEs. This information includes the sector of activity of the SMEs, the age of the institution, the level of education of the respondent, and the position that the respondent has been in the institution, etc. Section B of the questionnaire captures the concept of digital marketing in SMEs. It gives details about digital marketing, such as online advertising, email, social media marketing, etc. Section C of the questionnaire captures the growth of the SMEs, the reporting system and the authenticity of information reported is very important here, the level of sales and market share. Section C (APPENDIX 2) brings out how profit of the institution has increase over time, revenue, cash flow, income, shareholder’s dividends, investors, etc. of these microfinance institutions have increased over time. Secondary sources of data (information) were also used in this study. Secondary source of data came principally from journal articles, books, published and unpublished technical reports.
3.1.3 Population and sample size

The population and the sample size of the questionnaire is going to be examined here while taking into consideration the fact that the population of every sample influence the audacity of the results that is to be obtained from the study. Sekaran and Bougie (2010, 61-84) who stated that population refers to entire groups of people, event, or things of interest that researcher wishes to investigate. In this research the population of interest is the SMEs in Cameroon in general and JUMIA chosen via online due to accessibility and convenience. Due to the objective of the study which is to examine the impact of digital marketing on the growth of SMEs, the researcher deems it necessary to work with only the SMEs of the commercial activity in order to have a vivid sample size and to make a generalized conclusion on the adoption of digital marketing.

Gary (2008, 608) defines a sample size as the number of units that were chosen from which data were gathered. He also observes that sample size can be defined in various ways; there is the designated sample size, which is the number of sample units selected for contact or data collection. There is also the final sample size, which is the number of completed units for which data are collected. The final sample size may be much smaller than the designated sample size if there is considerable non-response, ineligibility, or both. There are various approaches for computing the sample size, to determine the appropriate sample size; the basic factors to be considered are the level of precision required by users, the confidence level desired and degree of variability. A sample of 50 questionnaires was targeted and only 46 were returned thereby reducing our sample size to 46 giving a respondent rate of 92.00%.

3.1.4 Sampling technique

Conceptually, simple random sampling is the simplest of the probability sampling techniques. It requires a complete sampling frame, which may not be available or feasible to construct for large populations. Even if a complete frame is available, more efficient approaches may be possible if other useful information is available about the units in the population (Kothari 2007, 96). Advantages are that the sampling technique is free of classification error, and it requires minimum advance knowledge of the population other than the frame. Its simplicity also makes it relatively easy to interpret data collected in this manner. For these reasons, simple random sampling best suits situations where not much information is available about the population and data collection can be efficiently conducted on randomly distributed items, or where the cost of sampling is small enough to make efficiency less important than simplicity. If these
conditions do not hold, stratified sampling or cluster sampling may be a better choice. Simple random sampling is the most efficient technique used (Michael, Freda & Joel 2007, 271-304).

3.1.5 Data processing

Data from the field was compiled, sorted, edited, and coded to Excel to have the required quality, accuracy, and completeness. Data was coded and entered to the Statistical Package for Social Science (SPSS) for analysis (Mugenda 2003). Mugenda asserts that it is advisable to use computer for any kind of data analysis in order to save time and increase the accuracy of the results (Field 2000, 684-697). Data presentation was done using bar charts, percentages, and frequency tables. Regression analysis was also used to determine the relationship between our variables (the dependent and independent variables).

3.2 Method of data analysis

In this thesis, several tools were used to analyze and present the results; bar charts, pie charts and tables are the prominent ways that the results were presented. Hence, the descriptive statistics was the main model for analysis. The justification for the use of these different elements can be found below. The first step will be to present factor analysis and justify the use of factor analysis in this study. It is used to reduce dimension before other models can be carried on the reduced set of variables.
4 PRESENTATION OF FINDINGS AND RECOMMENDATIONS

The previous chapter presented the research methodology, the methods used in collecting data and the sources, regarding how the data was obtained. The objective of this chapter is to empirically analyse the feedback obtained from the questionnaire distributed and present the findings with data analysis. The data was analysed using the Ordinary Least Square Regression (OLS) to bring out the dependence or the relation between the dependent and the independent variables to provide a more precise analysis of the objective. Better still, to see how a unit change in digital marketing channel can affect the growth of SMEs in Cameroon and in JUMIA.

4.1 Respond rate from the descriptive statistics

Here the section presents the results from descriptive statistics and will consist of the description of the sample of the study, the Pearson Correlation coefficient. The description of the sample population was presented on bar charts and tables with each chart or table containing information relation to the response rate of the questionnaire. Here, the responses of the various respondents will be presented as follows.

4.1.1 Response rate

The study aimed at gathering information from managers, workers from different SMEs but with attention being the JUMIA. A total of 50 questionnaires were distributed (online platform) to select the SMEs but only 46 were collected having been filled completely. This made a response rate of 92.00% which was enough for data analysis. According to Mugenda (1999) this response rate was excellent since a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and above is excellent. (TABLE 1)
TABLE 1. Age groups of respondents (n=37)

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responded</td>
<td>46</td>
<td>92.00%</td>
<td>92.00%</td>
</tr>
<tr>
<td>Not responded</td>
<td>4</td>
<td>0.800%</td>
<td>100%</td>
</tr>
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<td>Total</td>
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</tbody>
</table>

From the distribution table of response rate, the questionnaires give a response rate of 92.00%. This high response rate is due to the pertinence that the respondents saw with respect to the objective of the research, which permits them to see how digital marketing can influence the growth of SMEs.

4.1.2 Respond rate with respect to the kind of SMEs

The figure below shows the level of respondent who answered base on the type SMEs they were operating.

FIGURE 1: Response rate with respect to the kind of SMEs

From the above figure, it can be realized that 11.90% of the respondents came from very small enterprises, 40.70% were small enterprise while 35.60% were medium. All this fall within the category of the study (the type of the enterprise under study).
4.1.3 Response rate with respect to gender

The figure below (FIGURE 2) shows the level of respondent with respect to sex or gender.

![Figure 2: Response rate with respect to sex](image)

From the figure above, 63.00% of the respondents were male and 37.00% were female. The higher percentage of male is because the men were more receptive and understanding unlike the women. Equally, from the response gotten, men are more involved in digital marketing than women are.

4.1.4 Description of the sample population based on marital status

Here, the population responded base on their marital status, which ranges from: single, married and divorced as shown on figure 3.

![Figure 3: Marital status of respondents](image)

From the above FIGURE, 23 respondents are single, making up 51.00% of the sample, 18 respondents are married, constituting 40.00% of the sample, while we had 4 respondents that are divorced, making 9.00%. Hence, we can conclude that most of the respondents were single.
4.1.5 Sample population with respect to the level of education

The figure below shows the level of education of the respondents, ranging from those having Diploma to those with master’s degree or even higher.

![Bar chart showing response rate with respect to educational level](image)

**FIGURE 4: Response rate with respect to educational level**

From the above figure, we see that respondents having just diploma constituted 11.90%, Bachelor’s Degree constituted 40.70%, Master’s Degree constituted 35.60%, and other degrees constituted 8.50%. This high literacy rate of our sample can be accounted for by the fact that the social media needs a considerable level of education from its workers given the sensitivity of the services it offers.

4.1.6 Response rate with respect to the sector of activity

The figure below (FIGURE 5) shows the different sectors in which our respondents where sourced. From the figure below, it is realised that 44.00% of the respondents come from the tertiary sector while 31.00% and 22.00% respectively come from students and the secondary sectors and finally, 3.00% from the primary sector.
FIGURE 5: Response rate with respect to the sector of activity

The high response from the tertiary sector can be justified by the fact that social media deals mostly with the provision of services and the tertiary sector happens to be one. In this regard, the research deems it necessary to touch another sector so as not to make hasty or generalised conclusion.

4.1.7 Presentation of results from the Pearson correlation coefficient

From the correlation table, the dependence of SMEs growth on the social media which will permit to see how the growth of SMEs are affected by the different social network sites and its impact on JUMIA will be explained. Table 2 seeks to carry out the correlation analysis of the study variables. The purpose of undertaking correlation analysis is to check whether there is multiple correlation problem in the model and to indicate whether the variables move together or not in the same direction and the correlation coefficient indicates the strength of a linear relationship between two variables. The correlation coefficient varies from -1 to +1, a -1 indicating a perfect negative correlation, and +1 indicates perfect positive correlation. If the correlation is 0, the movements of the variables are said to have no correlation (Pearson 1896).
**TABLE 2. Correlation results**

<table>
<thead>
<tr>
<th>Email</th>
<th>Online</th>
<th>SEO</th>
<th>Social media</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.484**</td>
<td>.703**</td>
<td>.565**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.000</td>
<td>.000</td>
<td>.031</td>
</tr>
<tr>
<td>N</td>
<td>46</td>
<td>46</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Online</td>
<td>Pearson Correlation</td>
<td>.484**</td>
<td>1</td>
<td>.543**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.000</td>
<td>.000</td>
<td>.069</td>
</tr>
<tr>
<td>N</td>
<td>46</td>
<td>46</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>SEO</td>
<td>Pearson Correlation</td>
<td>.703**</td>
<td>.543**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.116</td>
</tr>
<tr>
<td>N</td>
<td>46</td>
<td>46</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Social media</td>
<td>Pearson Correlation</td>
<td>.565**</td>
<td>.686**</td>
<td>.819**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.245</td>
</tr>
<tr>
<td>N</td>
<td>46</td>
<td>46</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Growth</td>
<td>Pearson Correlation</td>
<td>.337*</td>
<td>.287</td>
<td>.249</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.031</td>
<td>.069</td>
<td>.116</td>
<td>.245</td>
</tr>
<tr>
<td>N</td>
<td>46</td>
<td>46</td>
<td>46</td>
<td>46</td>
</tr>
</tbody>
</table>

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

The Pearson correlation table above shows the relationship between variables in the study. The table shows that there is a significant relationship between digital marketing and the growth of SMEs. This can be explained by indicators of digital marketing such as social media, SEO, online advertising, and email marketing. The presences of all these indicators have a positive impact on the growth of SMEs.
This is positive and significant at 1.00% level of significance. The correlation equally shows that digital marketing has a strong and positive relationship between growth of SMEs. The correlation coefficient which is positive and significant at 1.00% level shows a strong relationship between the digital marketing and growth of SMEs. This is however consistent with a similar study made by Onyango (2016) on the effects of digital marketing strategies on the performance of cut flowers exporting firms in Kenya (Onyango 2016, 101-105)

4.2 Presentation of results from OLS regression

From the ordinary least square regression, the impact of digital marketing on the growth of SMEs in Cameroon in general and JUMIA shall be presented. The table below (TABLE 3) will show the regression results between digital marketing (captured using the various channels such as social media, SEO, Online advertising, and Email marketing etc) and the growth of SMEs.

4.2.1 Results from the ordinary least square (OLS) regression

The results from the regression analysis will be presented as follows, i.e. with respect to the objective of the research, which is to examine the impact of digital marketing on the growth of SMEs in Cameroon. From the Ordinary least square Regression. The impact of each of the different dimensions of digital marketing on growth of SMEs shall be presented, to begin with, the presentation summary of the model will be as seen on the table below.

<table>
<thead>
<tr>
<th>TABLE 3. Summary of research model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Model</strong></td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Digital marketing channels.

It can be seen from TABLE 3 that the coefficient of determination R square is 0.625 which means that 76.4% of digital marketing on the growth of SMEs is explained by independent variables. This shows
that the model is good and is well explained by the independent variables. ANOVA test is going to be used to verify the global significance of the model.

4.2.2 Effects of digital marketing channels on the growth of SMEs

From the ordinary least square Regression, the effects of each of the different digital marketing channels on the growth of SMEs is presented on table 5 below

TABLE 4. Regression between digital marketing channels and the growth of SMEs

<table>
<thead>
<tr>
<th>Dependent variable: Firm Growth</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.406</td>
<td>1.772</td>
<td>1.358</td>
<td>.181</td>
</tr>
<tr>
<td>Email marketing</td>
<td>.631</td>
<td>.332</td>
<td>.658</td>
<td>1.899</td>
</tr>
<tr>
<td>Online advertisement</td>
<td>.622</td>
<td>.221</td>
<td>.379</td>
<td>1.821</td>
</tr>
<tr>
<td>SEO</td>
<td>.526</td>
<td>.187</td>
<td>.338</td>
<td>1.747</td>
</tr>
<tr>
<td>Social media</td>
<td>.582</td>
<td>.232</td>
<td>.350</td>
<td>1.649</td>
</tr>
</tbody>
</table>

Modern drivers of change have led to new features for sustaining business competitiveness: virtual enterprises, creative design, social networks, mobile platforms, etc. These responses require Information Technology-based tools, the increase of information content and creative teams. Any enterprise that wants to optimize its success in the information society must have a basic awareness and a strategy for dealing with this new environment. With the shortening of life cycle and time to market this must evolve with a pace that approaches a need for its real time creation. For example, the internet brings critical new functionalities to enterprises by real time business dynamics and relations. If they don’t constantly improve the process of managing this, they would quickly become paralyzed. Building custom software systems to accomplish it can become so complex that the software requires an 'army' of engineers and consultants to manage it. Small to medium businesses need a way to organize their data on a smaller scale and without the expense of hiring costly consultants or paying for maintenance contracts.
The approach of building and managing a customer software solution is financially out of reach for SMEs companies. Therefore, companies are moving to web-based software as it can eliminate the need to purchase and manage computer servers, firewalls and software Servers just to run the application. New communication technologies allow a global interaction like never imagined. Internet evolution, and especially the Web 3.0 opened new opportunities and benefits for SME, given its ease of communication and information dissemination. One of the greatest opportunities was the opening of new online applications of network environments known as social networks. From the above table, it can be realised that all the social media sites exert a positive effect on the growth of SMEs. The results reveal that the adoption of social media as a strategy have a positive and significant impact on SMEs growth, this means that a unit change in social media, will leads to an increase in unit growth; this is significant at 1 % level. Hence, social media sites at the same time reduce cost leading to increase growth. From the above result, it is realised that digital marketing channels contribution to the growth of SMEs particularly JUMIA with their respective coefficients are as shown on the table.

In summary, this fourth chapter has permitted me to empirically verify the relationship that exists between digital marketing and the growth of SMEs. It was done through the analysis of data collected through questionnaires and analysed using descriptive statistics and econometrical technics and we realized that these two concepts (digital marketing and growth) are directly linked. The goal of this second part was to present the methodology used in the research as well as the results of the research. The third chapter enlightened the methodology put in place in the research (justification of the method as well as the methodological approach) and the variables retained in our research. The fourth chapter on its part was based on the description of the sample population and the results of the study findings, discussion, verification, recommendations as well as some limitations of the study.

**TABLE 5. ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>201.196</td>
<td>5</td>
<td>100.598</td>
<td>10.920</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>1022.593</td>
<td>41</td>
<td>9.213</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1223.789</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Growth of SMEs

b. Predictors: (Constant), Digital marketing channels
The global model is good; the critical value of F-statistics is significantly greater than that in the table of t-statistics thus indicating that globally the model is good. In a precise manner the table above shows the regression coefficients of independent variables (social media) against the dependent variables (Growth of SMEs).
5 CONCLUDING AND POLICY IMPLICATIONS

This chapter provides the summary, conclusions and recommendations on impact of digital marketing on the growth of SMEs with JUMIA as the case study. This chapter embodies the researchers’ interpretation and conclusions from data collected, a summary of the results connected to the research problem and objectives of the research project and conclusion and recommendations were also suggested in this chapter. After collecting and analysing the data, the findings showed that: In relation to demographic profile of respondents, the findings have shown that 92.00 % of respondents provided useful information that guides to present the results in different forms such as pie chart, bar chart, and tables, etc. Using the correlation coefficient, the result shows that all the variables of digital marketing accept a positive and significant impact on the growth of SMEs in Cameroon. This was further evaluated using the OLS method.

Digital marketing is one of the most vital subjects that have drawn the attention of researchers, managers, investors and potential investors because of the high profile it contributes to modern enterprises. Equally, many businesses around the globe are relying on digital marketing channels for several purposes like advertisement, sales, etc, to improve and promote the business being one of the primordial. The credibility of the existing social media has been put to question. Today, it is one subject that is widely studied by researchers to find solution to the short down problem. It has been agreed by various authorities that if social media channels are well used by potential entrepreneurs, it will guarantee growth.

The objective of this study was to examine the impact of digital marketing on the growth of SMEs in Cameroon (case of JUMIA). Different theoretical approaches were used to understand the digital marketing channels. Results, obtained from a model specified in panel data on a cross-section of 46 respondents of different SMEs and JUMIA Cameroon, which was the population of our study, indicate the following. Digital marketing channels turn to have a positive and significant impact on the growth of SMEs in Cameroon. This indicates that a unit variation of social networking sites does really affect the growth of SMEs either via sales, stiff competition, etc. Hence, the enterprise is positively affected.
5.1 Problems and difficulties encountered

This study, just like any other research task is faced with a good number of limitations. It is therefore advisable to highlight these shortcomings to enable a better understanding of the range of its results. The first limitation is at the methodological level which refers to the use of the method of investigation with questionnaire for data-collection. This method has two disadvantages. On one hand, the measuring instrument does not seem to cover the whole of theoretical dimensions of the concepts because the use of the closed questions. In addition, the instrument, was based on the declaratory trials to measure the perceptions of the respondents, which implies that there is strong subjectivity in the responds. The second limitation is at the level of the unwillingness of the respondents. Some of the respondents were unwilling to answer the questionnaires, while others refused to accept the questionnaires at all. This is because of their tight schedules at their workplace. Hence, some information given could be unsatisfactory thus not revealing the truth of what is needed.

All these limitations will to some extent constrain generalizations of findings. Notwithstanding, it is hoped that the study would find application in the Cameroonian context and provide the building blocks for more detailed and elaborate research.

5.2 Way forward for future research

Firstly, this study was limited only to SMEs in Yaoundé. There is need for future studies to be carried out in other towns to obtain generally acceptable results that can be globalized. Equally the variable of growth used in this study was the market share. This study was also, based on the effects of social media on the growth of SMEs in Cameroon. It is therefore imperative for further studies to be carried out in other sectors like in small services sector in Cameroon. This study will enable others to easily find out which of these social media sites can best be adopted in these other sectors to ensure growth.
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Small Business Administration 2014
Dear respondent,

My names are TSOPATSA BODOINE student of the CENTRIA UNIVERSITY OF APPLIED SCIENCES pursuing a Degree program in Business Management. I am carrying out research entitled “Impact of Digital Marketing on the Growth of Small and Medium Seize Enterprises in Cameroon: Case of JUMIA Online Marketing”.

Please spare some of your time and answer the questions that follow. Your response will be kept strictly Confidential and will only be accessed by the research team. The information provided will only be used for academic purposes in this study.

Thank you very much for your time and cooperation.
Yours Cordially,

....................................................

**General Instruction:** Please indicate your choice by putting “√” mark in the bracket.

**SECTION A: The personal profiles**

1. □ very small (0 to 5) □ small (6 to 20) □ Medium (21 to 100)
2. Sex/Gender/: Male (______) Female (______)
3. Marital status: Single (___), Married (____), Divorced (____)
4. Level of education: No certificate (____), FSLC(____), O/L certificate (____), A/L certificate (____), Diploma (_____), Bachelor’s Degree (_____), Master’s Degree (_____) or others; specify___________________
5. Staff category: Management [ ], senior [ ], junior [ ], Contract [ ]
6. Which sector of activity does your enterprise operate on? Primary [ ], Secondary [ ], tertiary [ ]

**Section B: The level of digital marketing usage**

With a scale of 1 – 5, where 1 = strongly disagreed and 5 = strongly agreed, indicated the level of digital usage in your business, the following digital marketing channels.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Emails</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Online Advertising</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Social media marketing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Impact of Digital Marketing on the Growth of SMEs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email Marketing has greatly increased the revenue of my Business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online advertising has increased the level of sales of my business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Search engine optimisation has increased the level of sales in my business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile marketing has increased sales as well as market share of my business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Section c: The growth of SMES (JUMIA)

Please tick where you think the following statement about financial performance is applicable

<table>
<thead>
<tr>
<th>MARKET SHARE</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of customers has increased over time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer’s fidelity has increased over time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer’s preference has increased over time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers obtain the value they seek from the products or services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The purchasing power of customers has increased over time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thank you for your time!!!!!!!!!!!!!!!!!!!!!!