

**INTERNET MARKETING STRATEGIES AND PROFITABILITY OF SELECTED
SUPERMARKETS IN KENYA**

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DECLARATION

This thesis is my original work and has not been presented for a degree or any other award in any other University.

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We confirm that the work reported in this thesis was carried out by the candidate under our supervision.

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DEDICATION

This study is dedicated to my family especially my son Ian Ngeti for his constant encouragement, prayers and patience throughout my academic struggle.

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The completion of this study would have not been possible without the material and moral support from various people. It is my obligation therefore to extend my gratitude to them. First, I thank the Almighty God for giving me good health, and guiding me through the entire course.

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ABSTRACT

Technology has become part of our daily lives every aspect of life revolves around it. Companies should therefore embrace technology to achieve competitive advantage in all its functions to strategically exploit emerging opportunities to survive. The purpose of the study was to determine the effects of internet marketing strategies on the profitability of the retail industry in Kenya. The Specific objectives on the study were to establish the effect of social media marketing strategies, affiliate marketing strategies, content marketing strategies, mobile marketing strategies and profitability in the retail industry in Kenya. This research adopted a descriptive research design and targeted 250 employee of selected supermarkets in Kenya. A sample of 154 respondents for the study was obtained through the Taro Yamane formula. Questionnaires were used to collect primary data through both online questionnaires as well as in-person delivered questionnaires. SPSS was used in data analysis. Both descriptive and inferential analysis were used, frequencies, percentages and standard deviation were carried out. Binary logistic regression was conducted to test hypothesis. The result showed that majority of the respondents agree that website design marketing strategy gives the business instant presence online and that it is easy to access and update data whenever the need arises thus keeping customers always informed on the products in the market. Besides, the study revealed a $B = 1.525$, $Wald = 8.271$, a $p\text{-value} = 0.0004$ and $Exp(B) = 0.282$. Respondents also indicated that they use social media to build conversations with the target audience also to learn from competitors. The study revealed that social media marketing strategy was associated with a $B = 1.265$, $Wald = 5.805$, a $p\text{-value} = 0.016$, and $Exp(B) = 0.282$. The majority of respondents agree that they use affiliate marketing to increase awareness and visibility of the business and its products. The study revealed that affiliate strategy was associated with a $B = 1.304$, $Wald = 6.281$, a $p\text{-value} = 0.012$, and $Exp(B) = 0.271$. Majority of the respondents agree that content marketing attracts loyal customers. The study revealed content strategy was associated with a $B = 0.831$, $Wald = 1.583$, a $p\text{-value} = 0.208$ and $Exp(B) = 0.436$. Respondents also agree that email marketing makes it easy to communicate to the mass audience and enables to segment customers accordingly. The study revealed that email-marketing strategy was associated with a $B = 1.386$, $Wald = 6.988$, a $p\text{-value} = 0.008$, which was less than 0.05 therefore significant effect, and $Exp(B) = 0.250$. The study concluded that where firms owned a website other than outsourcing consultants' website management it increased profitability significantly. The study also concluded that where the business owned a Facebook page business suite other than lacking a Facebook page increased the odds of profitability significantly. The study concluded that where the affiliate marketer had an APP other than a URL it increased the odds of profitability significantly. Content marketing did not significantly increase the odds of profitability. The study concluded that where the firm used triggered email other than batch marketing increased the odds of profitability significantly. The study recommended for business to have their own managed websites, to create more Facebook pages/suites to use using marketers who use APPs in their marketing, to focus more on other online marketing strategies other than content marketing. Finally, more retail business should focus on the use of triggered email other than the use of batch email to boost odds of profitability among the retail business.

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LIST OF ACRONYMS

Ad.	-Advertisement
App	- Application
DMA	- Data Marketing Association
KNBS	- Kenya Bureau of Statistics
KEMU	- Kenya Methodist University
KPMG	- Klysvelt Peat Marwick Goerdeler
NACOSTI.	- National Commission for Science, Technology and Innovation
NSE	- Nairobi Stock Exchange
NHL	- National Hockey League
PBC	- Perceived Behaviour Control
NHL	- National hockey league
SEO	- Search Engine Optimization
SME	- Micro and Small Enterprise
SPSS	- Statistical Package for Social Sciences
TPB	- Theory of Planned Behaviour
USA	- United States of America

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Based on the current trends in technology, numerous innovations have been brought into existence. Some of the innovations in technology have been used to solve numerous challenges that face the community in different aspects (Tiago & Veríssimo, 2014). Mainly, based on the fact that many businesses have been set up in different parts of the country and globally, marketing has been faced by numerous challenges. The country is also facing a high growth rate of unemployment and therefore, many people are advised to ensure that they initiate self-employment opportunities.

Justifiably, according to statistics performed on the rate of students graduating from various universities and other tertiary learning institutions every year, it is logical to comment that they may not all fit in offices (Emery & Tian, 2009). This factor makes most of the graduates to initiate their own businesses. In fact, some of the graduates' initiate and run businesses while still in the learning institutions. Based on this consideration, internet marketing has been a great boost to the small scale as well as large scale businesses in the country. The main reason behind this point is that the issue makes the aspect of marketing easier.

1.1.1 Internet Marketing Strategy

Based on this realization, the business managers have an advantage since they can market their products to a large population in the country as well as globally. Internet marketing has also been an advantage for the customers in the country since they have been allowed to compare different prices from different dealers in the country. Additionally, the

customers can access the services from various businesses any time they want and therefore this is a merit due to improved accessibility. Based on the merits of internet marketing, this paper will elaborate on how the profitability of the Kenyan retail industry can be affected by internet marketing. The Kenyan market has been impacted by the introduction of internet marketing. As the paper had elaborated, internet marketing has been acquired by small, medium and large organization. However, large organizations in the country have laid down the internet marketing infrastructure following the dynamics of business that have been caused globally. Mainly, the large organizations like Telecommunication and banking in the country have been in the forefront of the internet marketing infrastructure implementation (Malhotra et al., 2012).

The main reason behind this point is that they want to improve on profitability through various means and stand competitive as well as sustainable in the market. By this realization, the retail industry has set up various internet marketing strategies online. Among the strategies is website marketing, referring to the use of the internet to promote one's website. Another strategy is social media marketing, using social media platforms such as Instagram, WhatsApp, Twitter, LinkedIn, Twitter, Imo, Facebook and more, to market the various commodities in the supermarket stores (Kotler & Armstrong, 2014). Numerous social media sites have been targeted to attract more customers nationally and internationally.

1.1.2 Internet Marketing Strategies and Profitability

It is through the social media platform that the retail industry has gained popularity in the country. Additionally, since most people are operating in social media, the plan by the retail to place some of their services online through this technique has really been a boost

since business brands have been created and popularized online. Therefore, the impact internet marketing can have on a business's profitability cannot be ignored. On the other hand, the issue of email marketing is another aspect of internet marketing being used by some retail shops in the country. Basically, this method works by ensuring that emails are sent to various target customers regarding the release of new products in the market as well as prices to the customers. Based on this understanding, once the customers are notified of such critical information; they tend to improve their concern on the products and raise their trust. This enables the business to have a large number of customers and therefore the process improves the profitability for the businesses (Tiago & Veríssimo, 2014).

Another type of marketing in the category of internet marketing is the issue of influencer marketing. This type of marketing involves the use of various business managers and brand ambassadors to ensure that they are informed about various products of a business. Through reaching at the people, business gains popularity and therefore, the profitability is improved (Lee & Kacen, 2002). Additionally, internet marketing in Kenya has also been diverted to another category known as search engine optimization, this is the process of increasing one's website traffic quantity and quality by raising the position of a webpage or website on a search engine's lists of results.

Retail business in Nairobi have been using the strategy to improve their profitability. On the other hand, there has been the use of content marketing, a type of marketing that specializes in the creation, publication and distribution of content to a targeted online audience. Another type of internet marketing strategy being used by various retail business in the country is Affiliate marketing strategy (Strauss & Frost, 2008). Definitely, this type of marketing strategy involves the conduction of performance-based marketing, this

is when a business rewards an affiliate based on the amount of customers the affiliate brings to the business. Finally, internet marketing has also taken the wheel of paid advertising, an example of which is pay-per-click. This is an internet marketing model where a business pays a fee for each click of their advertisement (Gensler, 2017). Based on the understanding of various prevalent marketing strategies in the Kenya retail industry, this research will incorporate the analysis of various technologies that have a great role to play to ensure that profitability has been improved in the retail industry. By this process, the paper will define the nature of profitability in the context of online marketing in the country.

1.1.3 Global Perspective on Internet Marketing Strategies

Globally information technology is being adopted at an exponential pace. Over half of the people on earth are able to access a computer or a mobile device. Along with being a massive information archive, the internet has turned into an enormous global marketplace with a quickly growing and developing commercial ecosystem. Today a majority of shoppers can access the internet to review and buy various products using their smartphone, tablet or computer (Boulelouah & Fih, 2015).

This interconnectivity and global consumer outlook is due to new technological advancements which grant easy linkage among companies and with each other regardless of physical locations (Solomon et al., 2013). Presently a lot of the world's commerce takes place over digital systems that link customers to businesses. Through a vast public array of computer networks, the internet connects various users worldwide to each other and to a remarkably huge archive of information. Today, one can connect to the internet from virtually anywhere at virtually any time with a computer, tablet, smartphone, television or gaming device. The internet intrinsically altered previous concepts of cost, speed, service,

convenience and product information, held by customers. This has led to marketers having a completely new way of building relationships with customers and generating value for them (Saunders, 2009).

The use of the internet and its impact is continually and constantly growing. Above 80 percent of all United States of America households use the web, with the typical American internet user spending roughly 32 hours online per month. Additionally, over 63 million U.S citizens access the internet through their smartphones. Globally, over 2 billion people have access to the internet with 1 billion people accessing the internet through mobile phones. The number of these mobile internet users is anticipated to multiply by two in the next five years since smartphones are becoming an ever-more favored method of getting on the web (Kotler, 2018). All types of companies are now marketing online in order to seize upon this blooming market. Almost all traditional companies have established online sales and communication channels, and it is difficult to encounter a modern company without a significant online presence (Kotler & Armstrong, 2014).

Amazon, the giant global online retailer, is presently the third-biggest retailer with respect to market value, profits, revenue and assets worldwide, as well as one of the world's most influential public corporations. Apart from retail, the company has also entered into fashion and even created their own private label. Online shopping is likewise popular in China, and its biggest online store is Alibaba which conducts a lot of its business outside China (Gensler, 2017). Large online shopping stores are now creating online shopping days which are recording exceptional sales. Cyber Monday is an annual event in the United States in which businesses such as Amazon, Walmart and Target have sales on specific products. In

2017, Cyber Monday online shoppers purchased \$6.6 billion worth of goods, making it the year's largest shopping day (Orare & Nkirina, 2019).

1.1.4 Regional Perspective on Internet Marketing Strategies

The last decade in Africa, corporations in various economic sectors hurried to grab a place in the online business community and embraced internet usage in their everyday activities (Barnes & Hinton, 2007). In the business setting, a multitude of companies (notably retail) zealously embraced the internet as an additional marketing instrument (Hubert, 2001).

The retail sector is not unaccounted for in embracing e-commerce, this is evidenced by the various retail companies, which established their presence online. The implications of this new development are many and diverse. First, more than ever before, the numerous barriers (geographic, psychic and legal among others) hindering African consumers from shopping beyond their immediate geography are rapidly dissolving. As a result, latent consumption powers are being released and unleashed, thus, giving unprecedented consumption freedom to the millions of consumers who were excluded from the limitless choices in the rich global market and allowing such consumers to exercise their shopping rights. Second, intra-Africa trade is set to witness immense growth, and this has been argued to represent valuable development window that would give African economies the opportunity to grow (Nkamnebe, 2006). Third, it is now becoming possible for Africans in diaspora to remotely shop from Africa, thus, increasing their remittances, which has been recognized as important supplier of fund for the region's development and at the same time help maintain cultural affinity between the diaspora and their mother culture. Fourth, the opening up of the African market through the online shop has made it possible for the entire world to also shop in and experience Africa, since one must not be in Africa to shop

from Africa. Africa is set to witness a renaissance that will result to equal opportunity in the global supply chain. This is instances are supported with the reported forms of shopping by consumers in Africa which is now shifting the use of the Internet as a shopping platform.

Africa's middle class is growing and they spending power in terms of disposable income is also expanding. Between \$4 and \$20 spent on a daily basis by roughly 33% of the African continent and data from the African Development Bank forecasts this percentage will increase to 42% by 2060. As a result of intensive internet penetration, a portion of this spending is beginning to occur online. As reported by the management consultancy Mckinsey report, 50 percent of Africa is forecast to have internet access by 2025, if this happens, online shopping alone might account for 10 percent or \$75 billion of retail sales. Google indicates that online searches in African are increasing with a substantial spike in commercial inquiries (Deloitte & Touche, 2015).

Founded in 2012 in Nigeria, Jumia is the biggest African, online business-to-consumer retailer. The website has made a permanent imprint in more than 23 African countries with an excess of three million customers situated all over the continent. Takealot, a South African online retailer, is another popular online African store that has existed for over a decade as it was founded in 2002. It is known for its clear and convenient online shopping and user experience. Amazon, AliExpress and Alibaba are some multinational corporations that are likewise broadening toward the online retail industry in Africa (International Trade Centre [ITC], 2015).

1.1.5 Local Perspective on Internet Marketing Strategies

In Kenya, the increasing promise of online shopping over traditional retailing emanates from its obvious advantages. For example, online shopping offers advantages: convenience of home delivery and privacy (Swinyard & Smith, 2003); convenience of avoiding crowds, no time wastage in checkout queues, no fighting over parking spots, amazing comfort of remote shopping (Ahmad et al., 2010); and reduction in research and buying time, ease in information and easier buying decisions (Monsuwe et al., 2004). The recent rise in the wave of terrorist attacks at shopping malls such as the attack on shoppers at the Westgate Mall in Westlands, Nairobi, and the present Covid-19, or coronavirus, pandemic in the global system which has isolated people to their homes, such insecurity challenges may further encourage shoppers to drift further away from mortar-and-brick shopping and gladly glide towards online shopping.

Online shopping has become a growing source of growth for firms. This arises from the fact that the internet is dramatically altering the methods retailers display, advertise, sell and correspond with customers as well as providing a global marketplace that reaches past the conventional geographic markets served by brick and mortar stores (Ahmed & Ramayah, 2010).

With these advantages and some positive changes in the country, online shopping has triggered a shopping revolution that is restructuring local retailing environment, making it investment choice for retailing entrepreneurs. Therefore, it is now common to see various sectors in Kenya integrating the internet in their daily operations. For instance, banks have launched their internet banking on a fairly daily basis (e-banking); educational institutions and other agencies across the country have deployed the Internet to build bridges with their

markets, religious groups are also reaching out to worshippers through the internet (e-evangelism); even the government now seek to relate and serve citizens through the internet(e-citizen), and most recently is the increasing number of retailing organizations that are using the internet as a platform for transactional relations (online shops).

Online shopping is on the rise in Kenya, though behind the global rate of 23 percent (Deloitte & Touche, 2015). The various reasons cited for this difference consist of slow delivery, absence of trust, high cost of shipping, doubts over product legitimacy, apprehension of the security of payment methods and an absence of consumer knowledge on the steps required to place orders using the internet. There has been an increase in the use of Facebook, WhatsApp, Instagram and other social media to shop online, these contribute to at least 15 percent of online retail sales. Jumia and Kilimall are Kenya's most popular online shopping websites and they make up 38 percent and 22 percent respectively, of the online retail market (Nkirina, 2019).

1.1.6 Profile of Retail Industry

As reported by the Kenya National Bureau of Statistics (KBNS, 2019) the retail industry has the fifth largest share of Kenya's GDP and has the third largest share of private sector employment. According to records in Nairobi City County, Directorate of Trade leading Chain Supermarkets are supermarkets which employ 50 to 100 employees /over 3001sq.m. Most of these super markets have stores spread all over the country.

1.2 Statement of the Problem

The existing retail industry especially supermarkets in Kenya have had mixed fortunes. Traditionally most of the supermarkets adopted a business model where they depended on a large volume of sales at small profit margins. Most of this traditional big industry players

invested in brick-and-mortar, operating many branches spread across the country, with Uchumi, Nakumatt, Naivas, and Tuskys all having over 25 branches (Drummond, 2016). In 2016, Naivas, Tuskys and Choppies were able to achieve a positive profit margin. In the same year Uchumi supermarket, who had borrowed in excess of 3 billion shillings between 1997 and 2004, ended up with a negative of 44.1% net margin. Most of the borrowed money had been invested in real estate expansion, operating costs and utility costs such as depreciation, rent, and electricity. The business model proved to be not viable, and in the end, most of Uchumi's outlets had to be closed down. Nakumatt supermarket also faced the same fate. Taking the above scenarios into consideration, there is need for the retailers facing such challenges to adopt a different business model that minimizes operating expenses. The online shopping model should be an option that such retailers could consider (Cytonn, 2018).

Currently in Kenya, a few retailers are on online business, though they are facing various challenges. Foremost, customers can't have a feel for virtual products they see in online stores. They are unable to touch, smell nor hear a product, and this lack of face-to-face communication makes consumers develop a low level of trust. Further these consumers recognize and deliberate the types of risks linked to online purchasing. Hence, if a consumer perceives the risk of purchasing the commodity to be high, he or she might opt for the traditional brick-and-mortar retailer to buy the product (Berthon et al., 2012). The online firms, therefore, still have the task of convincing the consumer to buy their products despite the risks involved with online shopping.

Based on the realization that the current internet marketing strategies in Kenyan retail industry have been faced by numerous challenges, this research aims at improving the

strategies, giving direction to those that have not embraced the use of any internet marketing strategies elaborated earlier. Additionally, the research targets at providing a solution to some of the challenges that face the current online marketing strategies by giving an analysis of the best strategies process which will help to improve profitability (Kalla & Gupta, 2010). On the other hand, the research aims at ensuring that it elaborates the challenges and the risks involved in internet marketing strategies. Through this process, the research will discuss various strategies which will help in improving the safety precautions and reduce the losses that emanate from bad management of the marketing sites.

1.3 Objective of the Study

1.3.1 General Objective

The general objective of this research was to find out the effect of internet marketing strategies on profitability in retail industry in Kenya.

1.3.2 Specific Objectives

- i. To assess effect of website marketing strategies on profitability of retail industry in Kenya
- ii. To determine the effect of social media marketing strategies on profitability of retail industry in Kenya
- iii. To analyze the effect of affiliate marketing strategies on profitability of retail industry in Kenya
- iv. To establish the effect of content marketing strategies on profitability of retail industry in Kenya

- v. To analyze the effect of e-mail marketing strategies on profitability of retail industry in Kenya

1.4 Research Hypothesis

Ho1: Website marketing strategies do not affect the profitability of the retail industry in Kenya

Ho2: Social media marketing strategies do not affect profitability of retail industry in Kenya.

Ho3: Affiliate marketing strategies do not affect profitability of the retail industry in Kenya.

Ho4: Content marketing strategies do not affect profitability of the retail industry in Kenya.

Ho5: Email marketing strategies do not affect profitability of retail industry in Kenya.

1.5 Justification for the Study

The aim of this research is to add to the current academic literature on internet marketing strategies in retail industry. The research will be a source of secondary data for researchers who may want to do further research in the same field. The findings could be used by marketers to assist in improving internet marketing strategies. The recommendations of the study will assist the policy makers in developing policies that will facilitate and enhance internet marketing. Further it will benefit the retail industry players who would wish to hone their skills in internet marketing as well as those who would like to venture into internet marketing business.

1.6 Scope of the Study

The scope of this study will concentrate on the evaluation of the effects of internet marketing on profitability of retail industry in Kenya. Five variable considered in the study

include: website marketing strategies, social media marketing strategies, affiliate marketing strategies, content marketing strategies, and email marketing strategies.

The study focused on selected supermarkets in Kenya, which had a capital base of over Kshs. 3 billion also with atleast 15 branches. The focus was therefore on eight leading supermarkets, which included: Naivas, Tuskys, Quickmatt, Choppies, Eastmatt, Carrefour, Foodplus Chandarana and Cleanself. The supermarkets considered were also in urban areas where the purchasing power is also high and the buyers were more enlightened on use of internet because they either, owned a smart phone where they can browse or a laptop.

1.7 Limitations and De-limitations of the study

Due to time constraint, this research narrowed its scope and focused on a small sample of the population, which might not give a broader perspective of the actual situation on the ground. In addition, some respondents were hostile and others were suspicious of the researcher. Hence, they are concerned about the extent of information they are required to provide without any repercussions. These concerns were mitigated as much as possible by the researcher by assuring the respondents of the confidentiality and that the information they were to provide was to be utilized for academic interests only. Besides, probability sampling was used to have a more representative sample and therefore avoiding biasness.

1.8 Operational Definition of Terms

Online marketing: use of internet to market products online by sharing photos, short notes or photos of the products and sharing contacts and location to make prospective buyers buy products online or make them to

physically locate your business to a make sales
(Saunders, 2009)

Website marketing strategies: refers to a marketing strategy whereby a firm builds up a website to market its products (Nkrina, 2019)

Social media marketing strategies: refers to an online marketing strategy where a company uses the social media platform including Facebook or Facebook page, twitter and WhatsApp to sell its product (Nkamnebe, 2006)

Affiliate marketing strategies: refers to a marketing strategy where a company uses a third party to market its product online such through use of links such as URL or applications (Berthon et al., 2012)

Content marketing strategies: an online marketing strategy where a company sells its products by sharing information about the products through online videos, online magazines or e-book to give more information about the use of the product and not necessary for purposes of making sale (Ahmed & Raymayah, 2010).

E-mail marketing strategies: refers to a strategy in online marketing, which works by ensuring that email is sent to various target customers regarding the release of new products in the market as well as prices to the

customers. It can be done through batch or triggered email (Tiago & Verissimo, 2014).

Profitability:

refers to the ability of an organization to make earning through sale of its inventory, which is the difference between inventory cost and price (Saunders, 2009).

Retail Business:

refers to businesses in the sale of products to the final consumers, which includes shopping centers such as supermarkets (Boulelouah & Fih, 2015).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter consists of the theoretical framework. In order to understand what others have already provided to the existing academic literature on the effects of internet marketing strategies on profitability, the research reviewed information from various sources. This chapter begins with an exploration of a number of theories related to internet marketing strategies and discussions on the same as well as the advantages of embracing technology. Further, it highlights the empirical review and critiques of past studies and the research gap, and finally the conceptual and operational framework of this thesis

2.2 Theoretical Review

Internet marketing otherwise known as online marketing, is the use of the internet to advertise a business or brand and its goods or services through the application of tools that induce customer interest, leads and sales. This study conforms to the following theories: Generational Theory, Theory of Planned Behaviour and Game Theory.

2.2.1 Generational Theory

Generational theory posits that people of the same generation acquire similar mindsets and beliefs (Bilgihan, 2016). A generation can be defined as people born within a 20-year period (Strauss & Howe, 2000). The nature of a generation can be clearly described by three things: an individual's perception that they belong to a certain generation which starts during adolescence, the shared common beliefs and attitudes towards career, religion, marriage or sex, and the shared common turning points or political events, even calamities that must have occurred during the individual's formative years in history. The

generational theory can be used as a device to analyze internet marketing strategies. The theory advocates that different generation have different inclinations and attitudes, such as how they behave, dress, communicate and preferences on what to spend money on.

A social media strategy, for example would adopt the Generational Theory to ensure that it markets only products that appeal to frequent users of a specific social media platform. Different social media platforms comprise different statistics in terms of the frequency that users access the platform and ages of the users. A content marketing strategy on the other hand would ensure that the appropriate content is shown to the appropriate age-group. The generation cohorts would also determine the different places where marketers can find their consumers online (Barnier, 2010). For example, generation Y or Millennials, (aged between 19 and 38) their response to internet marketing is anticipated to be dissimilar because they are five times faster compared to older generations in taking in information on a website and among all generations, they are the least loyal and most emotional customers. A company using Affiliate marketing strategy should ensure that the affiliate is someone who would be able to appeal to the targeted market segment. The personality should be from the same generation as the targeted consumers (Bourcier et al., 2010).

According to Klynveld Peat Marwick Goerdeler (2017) report, generation X (age between 39 and 54) recorded the most purchases online of all the other generations. Which is contrary to the assumption that the increase in online shopping is mostly due to the highly technology savvy and younger millennials. An individual's salary level and phase in life are without a doubt fundamental factors that influence their online and offline shopping, and generation X are likely to purchase more consumer goods because they are in general, further and more settled in their professions, families and home building, as compared to

millennials. It is reasonable to presume that the Baby Boomer generation (aged between 55-74) are less willing to shop online. In spite of this, on average this generation spent more per purchase as compared to both of the younger age groups. This is because Baby Boomers have a higher chance of purchasing costly products such as wine, healthcare products, appliances and household goods. While Millennials mostly buy accessories, bags and beauty products (Moschis, 1996).

Using the information from the generation theory, online marketers would be able to invent online marketing strategies that would appeal to the appropriate target audience and optimize their sales in return (Lissitsa, 2016). Marketers should also bear in mind that their audience will grow, mature and evolve and as such will not be an ideal audience permanently (Bourcier et al., 2010). A business's brand and products to be compatible and significant to new entrants in the market who have a reference frame that is different from the norm. By recognizing the generational aspect of audience demographics marketers will be able to create smarter and highly focused advertising content.

As an illustration, when targeting generation X customers, Volvo, a Swedish car manufacturer, employed a marketing strategy aimed at highlighting their company's transparency and openness. Volvo's manager of national advertising for cars, the marketing strategy noted that generation X was the first to experience mass media marketing. Because of this, the generation is able to easily filter out dishonest and untrustworthy marketing content. Volvo's strategy placed an emphasis on social media and peer to peer word of mouth marketing to make sure its campaign was not drowned out when combined with their more general marketing (Houston, 2011).

Therefore, in recognizing and comprehending the hints given by the generational theory regarding the various age groups in a target audience, marketers are able to create the right messages to satisfy the needs of their audience (Lissitsa, 2016).

2.2.2 Theory of Planned Behaviour (TPB)

The Theory of Planned Behaviour asserts that intention towards attitude, subject norms, and perceived behavioural control, all form a person's behavioral intentions and behaviors (Ajzen, 1991). It explains the behaviors in which people can exercise self-control. According to the Theory, behavioral intent is influenced by individual's belief in three areas: (1) Normative beliefs (Subjective Norms) which are the perceived social pressure to perform a given behavior, (2) the individual's belief (Attitude toward behaviour) that a certain behaviour will have an expected result, and (3) the individual belief in their efficacy (Perceived behavioural control) to perform the a given behaviour (Cameron et al., 2012).

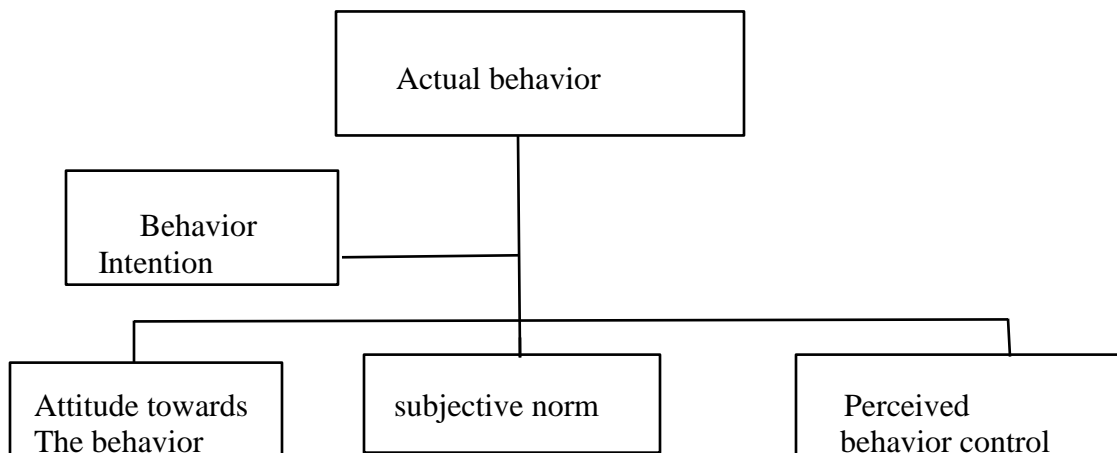
The three antecedents in the Theory of Planned Behaviour model are regarded to be factors, both direct and indirect, on various behaviours through the process of altering behavioral intention, and several reviews and meta analyses determine that the Theory of Planned Behaviour is valid (Armitage & Connor, 2001). From its establishment, the theory has been applied in several technological adoption settings (Fan-Chen & Ching, 2014). Baker and White (2010) explain that the theory postulates that a persons' intentions are the primary influences of their behaviour, with intention conceptualized to capture a persons' desire to carry out a certain behaviour. Therefore, the possibility of partaking in a behaviour rises when a person's intentions to carry out said behaviour are powerful.

Consumers tend to avoid making online purchases due to reservations on whether the personal information that they give to the online shops will be kept private. Consumers'

belief in the internet being trustworthy would positively affect their attitude toward online shopping, and in turn, positively affect their purchasing behaviour. A positive belief by consumers in their own ability regarding online purchasing positively also affects perceived behavioural control (PBC), and the PBC then affects online purchasing (George, 2004). In a typical Theory of Planned Behaviour model, when the given behaviour is the making of an internet purchase, the intention to make an internet purchase will appear as a construct preceding the purchasing behaviour. However, the two cannot occur in the same model because intent and behaviour occur at different times. There will be a direct path between the different attitudes towards internet purchasing decision. The figure below illustrates Theory of Planned Behaviour:

Figure 2.1

Theory of Planned Behaviour



Source: Author (2020)

When implementing an internet marketing strategy, marketers of online shop should be concerned with addressing attitudes and subjective norms. A content marketing strategy should be educative enough to give customers confidence that they are purchasing the correct items which they know how to use. This would positively address the customers’

fears concerning their efficacy in internet purchasing. A content marketing strategy could also concentrate on addressing safety concerns that the users have over unauthorized access to their private information (Kirui, 2016). An affiliate marketing strategy should be a personality with a large following to convince people that they are purchasing a useful commodity. An affiliate should be someone who is influential enough to change people's attitude or change a general subjective norm. Further, the Theory of planned behaviour can be applied to the website marketing strategy since a website needs to be designed in such a way that it can gather as much information as possible about its users. Information such as browsing history and geographical location could be used by the marketers to accurately target customers and hopefully change their intent or attitudes concerning online purchasing (Hall, 2019). Social media marketing strategy can be carried out by buying a targeted fan: this is the chance to gain admission to fan's social graph. Given the right stimuli, fans will circulate and endorse your brand to their connection who share interests. Hence, marketers influence them to change their altitude intent towards the brand.

2.2.3 Game Theory

Competition in markets is somehow similar to competition in the battlefield. (Kotler & Singh, 1981). Game Theory came into existence since the publication of a paper by John von Neumann titled: On the Theory of Games of Strategy. The theory involves analyzing the behaviour of other individuals within the same environment who are behaving strategically and later coming up with your own strategies based on their performance. The assumptions of Game Theory are: all the members operating within the external environment are rational, the players involved are familiar with the rules and regulations, and the reactions of the other players within the external environment can be calculated

and analyzed mathematically. The environment could be one of conflict like a sport, or it could be one of cooperation such as a merger or partnership.

Game Theory is a useful tool that can be used in duopoly or oligopolistic structure such as the retail sector in Kenya since it takes into account the strategic actions of other members in the external environment. The theory is, however, not suitable in a monopoly (Nick & Chowdrey, 2014). Companies that deploy internet marketing strategies need to consider Game Theory as a part of an effective and efficient decision-making process as they strive to generate online leads or gain in market share. Since most firms that use internet marketing strategies deploy them as a profit making investment, they have to ensure that they invest in the right marketing strategy and avoid unnecessary expenditure. An online shop can learn from the mistakes of its competitor and avoid investing in a marketing strategy that is likely not yield the desired results. On the other hand, they can learn from the positive investments made by their competitors and adopt internet marketing strategies that work. The framework of Game Theory also allows firms to adopt multiple competitive reactions like price cutting in areas where their competitors have invested heavily, and later analyze the effects of their actions on their overall market share (Chintagunta & Vilcassim, 1992).

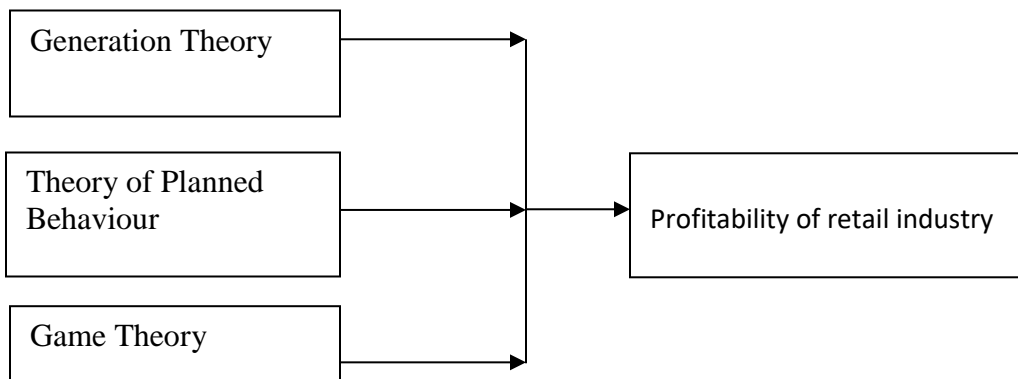
A company that decides to market using any of the four main internet marketing strategies needs to remember that they need to spend just like in any other undertaking. They should invest in a strategy that is measurable in terms of the cost that they incur. For instance, an affiliate marketing strategy could be more expensive compared to a social media marketing strategy thus making the latter option preferable. A cost-benefit analysis should be conducted for every strategy to determine if they are beneficial or not. Online marketers

need to also bear in mind that they operate within a legal framework and the internet marketing strategy could be illegal depending on their jurisdiction. For example, several social media platforms are banned in some countries and deciding to operate a social media marketing strategy could be futile. Also, online marketers should adopt the proper internet marketing mix and always consider whether their strategies have any effect on the company's market share on the long run (Mota et al., 2016).

A company can also use its website to get hold of targeted customer, for example, customer journey, which is using software like marketo or par dot to nurture leads. Lead nurturing is the process of making a 'customer journey' to convert new visitors of a website into customers by influencing them into decisions that lead to sales. This is possible through enticing the visitor with various content types and automating additional operations depending on the content that is interacted with. To make this work, all or almost all of the customer's decisions should be rationalized in order to lead them through a predetermined path so that their actions can be anticipated and replied to in a way that most effectively ends up with a sale (Chodrewy, 2014).

Figure 2.2

Theoretical Framework



Source: Mota et al. (2016).

2.3 Empirical Review

This section discusses empirical studies on the variables, which include: Website design marketing strategy, Social Media Marketing Strategy, Affiliate Marketing Strategy, Content Marketing Strategy and Email Marketing Strategy.

2.3.1 Website Design Marketing Strategy

Creating a website is the first stage of online marketing. Marketers should design an appealing website and come up with methods to drive customers to their website, have them stick around and return regularly (Kotler & Armstrong, 2014). Orare and Nkirina (2019), conducted a research on how the market share of Nairobi online shops is influenced by internet marketing and argued that website design marketing strategies are considered to be good strategy in improving sales relationships with customer and are used due to their ability to serve customers Worldwide. Online business need to know their customers' needs before coming up with a website to serve them. The brand and culture of the company should be captured in the website's design. This would determine the type of images being displayed, the color being used, and the graphics. The site should also be goal driven. For instance, an entertainment website should have more pictorials whereas an educative website should have as much information as possible such as the company profile, management structure, goals, and objectives (Fadeyey, 2008).

Orare and Nkirina (2019) research which was descriptive in nature concluded that website design strategies were not an effective internet marketing strategy when deployed in isolation. The strategy needs to be deployed as part of an internet marketing mix. The moreover stated that all aspects of website design are important and online business need to invest in making sure that their websites are aesthetic, easy to use, search friendly and

secure. The website being the initial point of interaction between the customer and the seller, and that the customer's experiences when using a website could affect their decision regarding whether to purchase or not. The study further established that most online business considered the cost as a major hindrance in deploying website design.

Diageo, a leading multinational alcoholic beverages company with yearly revenues of €14,500 million and widely known for the brands: Guinness, Johnnie Walker, Smirnoff and Baileys, realized profitability through website design according to Malhotra, (2012). Given that Diageo is a massive company, the coordination needed to distribute accurate data over hundreds of websites in over 20 countries was an intimidating job. The marketing and brand managers situated around the world needed to access their website and find analytics reports written in their local language. Despite the fact that Google hosts and oversees the hardware framework and servers of their analytics platform, Diageo hired the specialist agency, Conversion Works, a Google Analytics Partner, to set up Google analytics in all its brands and to educate their marketing teams. Through working with the website design contractors of each Diageo brand, Conversion Works realized that the corporation's massive size lead to geographically decentralized marketing teams with conceivably thousands of marketing directors scatted around the world, this posed the challenge of delivering the analytics to the brand managers and not have them chase for it. Utilizing the Google Application programming interface, Diageo was capable of displaying the most recent reports and date straight on their websites. Analytics from every Google Analytics account was automatically obtained and displayed every time a brand and marketing manager logged into the intranet (Malhotra, 2012).

This resulted in saving time, increasing work process and eventually increase in profitability. Search Engine Optimization (SEO) is online advertising's trump card. Robust SEO strategies aid in increasing traffic and thus increasing the amount of customers that visit the site. This is possible because SEO boosts website visibility through raising the position of the site on the results page of search engines like Google.

2.3.2 Social Media Marketing Strategy

Globally, social media marketing is a fundamental aspect of business. The purview of social media marketing is expansive and ranges from defenders to trailblazers, with a culture that encompasses the extremes of conservatism and modernism, and a governance that varies from autocracy to anarchy (Blake et al., 2012).

Social media marketing is a sub category of web marketing involving the creation and distribution of content on social media platforms to accomplish marketing and branding objectives. This type of marketing consists of activities such as uploading text and photo updates, videos and more to prompt audience engagement, along with paid advertisements. Kotler and Armstrong (2014), propagates that social media marketing is a strong method of attracting potential customers regardless of the business's size. Customers at present are using social media platforms such as, Twitter, Pinterest, Instagram and Facebook to communicate with brands, ignoring to utilize this opportunity to directly interact with the audience is a disadvantageous to the business. Excellent marketing by a business on social media platforms could propel them to exceptional prosperity, leading to loyal brand supporters as well as generating leads and sales. Along with boosting website traffic and gaining more customers, marketing by utilizing social media yields a path to improve what is learned and understood about target audiences. The world is quickly becoming social

and online, with Facebook being the most online and most social company. Every day the lives of hundreds of millions of social media users are strongly affected by the massive online social network (Kotler & Armstrong, 2014).

Rotich (2015) in his investigation on how the sale of communication services at Telkom Kenya, Eldoret are effected by internet marketing strategies, re-counted that among adults Facebook is still dominating as one of the most extensively used online platforms. And most of its members use the platform daily, giving a brand or business the chance for peak visibility. Times have rapidly changed in the Facebook advertising realm, purchasing a small number of Facebook advertisements and having users “like” the page is not sufficient in building up a brand anymore. One needs a unified marketing procedure that factors in paid media as well as earned media (worth of mouth, sharing and endorsements). Purchasing advertisements is among the most productive methods on Facebook in getting information to the appropriate audience. One can focus their content to an audience that has the highest chance of being attracted to the brand in question and therefore has a higher likelihood of interacting with the content. Paid media provides some large advantages. The brand marketer or agency creates the message along with the advert, offering the retailer full command of what is released (barring sponsored stories). Along with this, the retailer controls the timeline of delivery and amount of advertisements. The effect of paid media on the growth of a Facebook page is effortlessly determined, therefore the retailer is able to watch how well or how poorly they are doing (Bilgihan, 2016).

Given that Facebook is a platform that people use to unwind and talk with friends, it is advised to have a message with a light and friendly mood. Do not forget the natural reach of Facebook might be very minimal, therefore it is better to look at cost-effective Facebook

advertisement strategies, this could also largely affect the business's organic Facebook presence. More shares and endorsements, leads to a rise of trust in a brand and a rise in interaction with the Facebook page. A chain reaction could develop with the initial Facebook advertisement being dwarfed by the large amount of users sharing the brand. As a matter of fact, it is possible to determine more lasting boons from earned media as compared to paid media, since sharing could carry on and expand well past the completion of the original advertisement campaign (Harris & Dan, 2002). Provided that the Facebook adverts reach supporters in the targeted demographic, marketers should inspire them to do more than simply "Like" by using calls-to-action to spur comments, shares and different engagement. This would leverage a large amount of activity to purchase effective "Page Post like Sponsored Stories," which utilize the fans' comments in adverts, leading to the brand being noticeably presented to friends of the fans. Rotich and Mukhongo (2015) recommends that web marketing needs consumers to utilize current technology as opposed to conventional media to ensure fast and wide coverage.

According to Solomon (2013) Pinterest is among the social media platforms that have experienced rapid growth in their usage. It is a perfect fit for retail due to its image-centered platform, although any business could boost their sales by placing adverts on Pinterest. The social media platform gives businesses the opportunity to display their goods and at the same time cultivate a brand personality using appealing and original pin boards. The majority of Pinterest's users are female. In addition, the social media platform Twitter is a marketing tool that allows one to publicize their updates throughout the internet. Businesses can follow twitter users in their market of interest or relevant industries and in turn secure a stable stream of followers.

Intersperse official tweets regarding announcements, sales and specials with fun tweets to build the brand. Every retailer should ensure they retweet whenever a customer is praising their business, and whenever feasible always answer people's queries. Discourse and communication should be the primary aspect of using Twitter as a marketing instrument, this ensures there is maximum interaction in order to nurture and build followers (Blake et al., 2012)

If you are looking for a more professional social media platform to conduct your marketing, a good option is LinkedIn. Through LinkedIn Groups, you are able to have a professional discussion with people in industries akin to your own and share content with an audience that thinks in a similar way as you. Additionally, it is an excellent place to advertise jobs and for employees to network. Prompt customers to recommend the business's LinkedIn page since recommendations increase the business's authenticity and reliability to prospective customers. Browsing the Questions area of LinkedIn and giving solutions will assist in establishing the business as an expert in its field and increase its brand's trustworthiness (Marshall, 2012).

YouTube is the foremost social media platform for making and distributing video content, and it has the potential of being a very effective marketing instrument. A lot of businesses attempt to make videos that "go viral" but realistically, the odds of this happening are extremely small. Rather, concentrate on making helpful, informative "how-to" videos. Such videos have the additional advantage of placing higher on Google's video search results page, therefore do not assume that the effectiveness of video content is low (Strauss & Raymond, 2014).

Dandekar (2015) informed that businesses with physical stores looking to utilize social media marketing could considerably benefit from the social media platforms Yelp and FourSquare. Businesses sign up on those platforms to claim the location position, and then think of additional motivators like check-in prizes or special discounts. Remember, these customers will have their phones and therefore can write and upload their evaluation of the business. Many positive reviews could massively assist in persuading potential customers to visit, and then develop the business.

Further, Reddit is ideal for distributing compelling content. Monthly, the site averages more than 2 billion page views making it very promising as a social media marketing tool, although marketers must be aware that only content that is genuinely original and intriguing will be able to sell. Uploading content on Reddit is very dangerous, if spam is submitted or the post is overtly an advertisement, the business might be castigated by the site's extremely tech-savvy users. If a business has content which they believe would be appreciated by an audience that is majorly young, liberal, geeky and obsessed, will realize enormous rewards and obtain substantial traffic (Bogers, 2014).

2.3.3 Affiliate Marketing Strategy

Affiliate marketing is an outstanding, modern method of performance-dependent online marketing, where a business pays affiliates for every customer directed to the business as a result of the affiliates marketing activities. Among other e-commerce marketing instruments, affiliate marketing is considered to have one of the highest potential for customer acquisition (Edelman & Brandi, 2015).

This marketing strategy could be carried out by means of social media, web content or a product integration. The affiliate receives a special URL (an affiliate URL or link) and the

business monitors the clicks of that specific link. Affiliate marketing is a procedure where an affiliate makes a commission in exchange for advertising an individual's or a business's goods. The affiliate merely finds a product they like, endorses it and then earns a percentage of the profit for every purchase of the product due to them. The purchases are monitored and recorded through affiliate URL from one site to another. By distributing the responsibilities of advertising a product over multiple parties, affiliate marketing can use the capabilities of various persons to create a more potent marketing strategy and at the same time giving the affiliates a portion of the profit (Edelman, 2013). The different actors needed in order for this to function are the vendor and product maker, the affiliate or advertiser and the customer.

Malenya (2017) investigated the elements affecting the growth of e-commerce in Nairobi County. Malenya's research which was descriptive in nature found out most e-commerce vendors were employed, and the second most were self-employed. Therefore, concluding that aristocrats were more inclined to take part in e-commerce sales. These are persons with; the capital to spend, access to the internet, and do not have the time necessary to physically go to a store and make the purchase. As such, they rapidly make their web purchase and have it delivered to their homes. Malenya concludes that a buyer works best when they are assured of security and can trust the transaction, hence need for retailers to use well known affiliates to boost confidence of the buyers. This will increase the traffic of customers and promote significant growth of new customers.

Duffy (2005) in his study on affiliate marketing and its influence on e-commerce retaliates that the seller, even if they are a lone entrepreneur or big company, is a vendor, product creator, merchant, or retailer with a product to advertise. The product could be a tangible

item, like a technological gadget, or a service, like a “how-to” video. The seller, alternatively the brand, can choose to only be a passive participant in the marketing or be the marketer and earn through the sharing of proceeds that affiliate marketing is known for (Duffy, 2005). The affiliate, also called publisher, may be a person or business that markets the seller’s goods or services in a manner that attracts prospective buyers. To reiterate, the affiliate markets the product as useful or advantageous to the customers so that they are persuaded to buy it. The affiliate then takes a percentage of the revenue if the sale is made. Usually affiliates advertise to a particular target audience and they largely stick to the audience’s preferences (Edelman & Brandi, 2015). This assists the affiliate to establish a specific niche or individual brand that draws in customers that have a high chance of pursuing the advertised product.

Whether consumers aware or not, affiliate marketing is only possible because of them and their purchases. The affiliate advertises the products to them through social media platforms, blogs and websites. When the products are purchased by consumers the revenue is divided between the affiliate and seller. At times the affiliate could choose to be straightforward with their audience and acknowledge they will earn a commission per purchase (Bilgihan, 2016). While in other instances the customer could be totally unaware of the existence of an affiliate marketing program connected to their purchase. Whether it is the first scenario or the second, affiliate marketing seldom increases the price of the product; the affiliate’s portion of the revenue is factored into the retail price. The transaction procedure and acquiring of the product will occur as usual and the customer will be unaffected by the affiliate marketing program they played a critical role in facilitating. Retailers who engage the services of affiliates expand the market in which

they can sell their goods and services, resulting in an increase in customers and more sales with no time invested in customer acquisition (Tiago & Veríssimo, 2014). In addition, computer software's which record and collate data from affiliate websites, supply credible information on the ongoing consumer behaviour on trends and interests at no additional fees. It also broadens the audience, boost reputation and it is cost effective. All these can rapidly scale the traffic and sales.

According to Jumia's website, one of the leading affiliate companies in Kenya, founded in Kenya on 3 March 2013. The company offers a wide selection of products, online access, online payment options and delivery services. Jumia posts to be Kenya 's one-stop store for any consumer's fashion and technology demands. They provide an extensive range of products consisting of men and women's fashion, electronic devices, furniture, appliances, kitchen tools, beauty, groceries, bay and children products, books and many more and delivering the same to the customer's doorstep (Gensler, 2017).

Jumia is an online platform that unites sellers with customers; a logistics service, that facilitates the transportation and delivery of a seller's products to the customers; as well as a payment system, that allows Jumia's users, in specific markets, to participate in the buying and selling of goods (Ahmet et al, 2017). Their advertising media include banners, text links and product feed which is a more detailed product information. With the recent developments in the world and in Kenya as well, the outbreak of Corona Virus (Covid-19) in December in China and the spread of the same to Kenya has heightened the need for affiliate companies such as Jumia. Due to the need for people to be isolated, people prefer to shop from online and the shopping to be delivered at their door steps, hence many retailer shops need to for an affiliated to advertise, sell and deliver the products to the customer

(Ahmet et al, 2017). Leading supermarkets such as Carrefour is already contracting the service of Jumia.

Kilimall is one of Kenya's biggest web-based shopping malls. According to its website, it was inaugurated in July 2014 in Kenya, founded by Chinese national Yang Tao who moved to Kenya in the year 2010, it has since expanded its sites to Nigeria and Uganda. It provides a marketplace for retailers and customers that keeps on expanding exponentially, which offers 10 million plus goods that cover a wide range of categories like, clothing, fashion bags, baby products, make up, smartphones, laptops, subwoofers, home appliances and many more (Lee & Kacen, 2002). Kilimall ships to over 20 countries and regions. Kilimall also provides training material for their affiliates to enable them hone their marketing skills. Their wide variety of services are created to make sure the site's ease of use and retail procedure provide the highest amounts of customer satisfaction; product shipment – tracking, dedicated technical support and helpline, and a host of more high-end services (Strauss, 2014). The corporation is extremely customer-focused and is devoted to discovering ways to make the customer shopping process better. The company has made it very easy for customers to access their services by developing an APP (Kilimall App APK) and enjoy unparalleled online services.

2.3.4 Content Marketing strategy

As stated by Rowley (2008) content marketing could be described as an administration procedure in which a company identifies, analyses and satisfies consumer demand in a profitable way, through digital content shared electronically (Rowley, 2008).

Content Marketing Institute (2015) argues that content marketing has no generally agreed upon definition, but they define it as the marketing and business process for making and

circulating germane and important content to captivate, acquire, and engross a specific and understood target audience – at the aim of stimulating revenue-generating customer activity. Content marketing focuses on providing the content sought by your audience in every area they look for it. It is the effectual consolidation of created, curated and syndicated content (Barbour & Marshall, 2015).

Content marketing is therefore a calculated marketing procedure aimed at making and circulating important, germane, and consistent content to acquire, captivate and engross a distinctly specific audience and in the end stimulate revenue-generating customer activity. This type of marketing is distinct from the product advertising; whose goal is the sale of a good or service. Content marketing is something a business constructs and distributes to communicate its story. “As individuals must gain the trust of others to manage them, similarly the companies need to gain confidence of their potential clients in their products and services in order to impose themselves on the market (Milhinhos, 2015). Content could be displayed in various mediums such as: infographics, slide decks, blogs, e-books, case studies, images, videos, memes, white papers, quizzes and e-books, among others (Milhinhos, 2015). Strauss (2014) in his edition voiced that this marketing type is an approach consisting of making and uploading content to websites and social media platforms (Ahmet et al, 2017). Strauss indicated the created content should be easy to grasp, easy to share, enticing, accessible and captivating.

Tarver (2019), stated that the extremely successful “Share a Coke” campaign by the Coca-Cola Company, was a good example of content marketing. The company replaced its logo on 500ml bottles with 250 of the most common American names and consumers were encourage to search for bottles containing names that were meaningful to them and gift

them to friends or relatives. Taking advantage of the social media trend, Coca-Cola prompted consumers to tweet about their experiences and upload pictures with the hashtag #shareacoke. Consumers were encouraged to make online media content and entrusted to talk about the product on social media, in a manner which gave control to the consumers. As a result, consumers circulated over 500,000 pictures through the #shareacoke hashtag the year the campaign was launched. Coca-Cola increased their Facebook following by 25 million in that year while the “Share a Coke” campaign continued to spread. In 2015, Coca-Cola expanded the names featured on the bottle from 250 to 1000 also launched an e-commerce store that sold bottles that customers could customize. Along with this, song lyrics were introduced to the bottle packing, allowing consumers to also share music. Two years later, another feature was introduced which allowed fans to listen to a short jingle containing their name. Then in 2018, the company turned the name labels into detachable stickers which were able to be placed on notebooks, phones, clothes and more (Tatver, 2019)

Weerasinghe (2018) in her investigation on the effect of content marketing on online customer engagement in Sri Lanka, recommended that marketers could provide discernible benefits to customers and potential customers by supplying pertinent information that answers or assists in answering their most difficult queries. Further, the marketers should think and behave in the same way as a publisher, content marketing needs marketers to behave similar to publishers supplying helpful editorial products instead of a marketer vending goods and services. Use of the B.E.S.T (Behaviour, essential, strategic, target) formula as content marketing roadmap. Through combining information about the audience, organizational goals, and financial plan, marketers should be capable of deciding

on a suitable content blend of products. The marketers should also attentively supervise content creation, organization, keyword choice, search engine optimization uploads, style amendments, tagging and photos (Weerasinghe, 2018). And finally Weerasinghe concludes that according to her analysis its revealed that content marketing has positive impact to business growth.

2.3.5 E-mail Marketing strategy

Armstrong (2012) E-mail marketing is a critical and expanding web marketing instrument. E-mail is a widely utilized communication instrument: one approximation hypothesizes that globally, there exists over 3 billion e-mail accounts. Unsurprisingly, recent research done by the Data Marketing Association (DMA) discovered that out of all direct marketing campaigns, 78 percent of them use e-mail. Regardless of the disarray of e-mails, it produces among the largest returns on investment in marketing. As reported by the DMA, marketers are able to make a return of \$40 for each dollar spent on e-mail. In 2011, corporations in the United States spent \$1.15 billion solely on e-mail marketing, a large increase from the \$243 million a decade prior (Kotler & Armstrong, 2012).

Proper utilization of e-mail marketing could be the greatest direct marketing channel. A majority of blue-chip marketers consistently employ it and with fantastic returns. E-mail enables them to distribute very targeted, acutely personalized, relationship-constructing messages. For instance, the National Hockey League (NHL) circulates hyper targeted bulletins to fans depending on which team they support and their location. There are 62 variants of the e-bulletins sent every week, two for every one of the 30 teams, adjusted to fit the Canadian and U.S fans accordingly, as well as two general league e-bulletins for

each country. What's more, there were 930 variants of an NHL e-mail campaign advertising the beginning of one-game ticket sales (Cohen, 2014).

Kotler (2014) According to Market Research Association, New York, only 32 percent of all emails sent are not spam. E-mail marketers teeter on the edge of being too intrusive and proving benefits for customers. In response to these issues, most genuine marketers must exercise consent-dependent e-mail marketing, circulating e-mail adverts solely to customers that have subscribed. A lot of companies utilize customizable e-mail systems which allow customers to select what they wish to receive. Amazon.com targets customers subscribed to their e-mail list with a restricted amount of useful, "we thought you'd like to know," messages depending on the customer's disclosed interests and past purchases. Hardly any customers protest, and a lot of them actually appreciate the advertising messages. The online retailer gains due to the greater return rates and by preventing the estrangement of customers caused by unwanted e-mails. Considering its targeting efficacy and inexpensiveness, e-mail could be an exceptional marketing investment. As stated by the DMA, e-mail marketing generates the highest return on investment amongst all direct marketing media (Kotler & Armstrong, 2014).

Cohen (2014) informs that fundamentally, e-mail marketing is using e-mail to advertise. Among other uses, it is employed to grow connections with prospective customers, notify and update present customers about the business and boost customer loyalty by proving vouchers. It is a type of direct marketing, like snail mail marketing, although e-mail marketing has a greater efficiency in terms of cost and the environment due to the lack of paper involved. Some may believe e-mail marketing is outdated; however, they would be very incorrect in thinking so. Even though e-mail marketing started soon after the

beginning of the internet, it has developed and matured significantly over the decades and remains a highly valuable marketing instrument. Actually, numerous entrepreneurs contend that e-mail marketing has a greater importance today than it ever has. There is valid rationale as to why 85 percent of retailers in the United States regard e-mail marketing to be among the greatest strategies in customer acquisition (Cohen, 2014).

Nkamnebe (2006) investigated Africa's retailing environment on online shopping and concluded that Africa's retailing environment was experiencing huge transformations, which was being covered by the previous poor macro-economic indices in the region. However, with the changes in the environment of Africa generally, and the growth in the region's information and communication technology stock, online shopping in the region was witnessing irrevocable growth, which had obvious impacts on the region's development and participation in the global economy. However, for the potentials of online shopping to be fully exploited, some of the challenges that hinder online shopping should be addressed. Most importantly, online shops in the region must be proactive in terms of strategy choice; the strategy that worked in the advanced economies may work in most of the African markets due to obvious contextual variations; combining online strategy with offline strategies promises to yield better results (Nkamnebe, 2006).

Anyang (2019) in his study of e-commerce strategy adoption and performance of micro and small enterprise (MSE) in Nairobi country, discusses that e-mail marketing is among the principal methods used to bolster customer relationships. To begin with, the customers must register for bulletins in order for them to be regularly reminded of the latest goods, announcements as well as any discounts awarded by the business. E-mail marketing boosts customer loyalty while also giving customers wonderful perks provided that they elect to

subscribe. Other than these, a myriad of internet marketing tools exists for marketers to think about using. Every one of them devised to appeal to consumers, raise search engine position as well as helping to grow the brand. Based on the type of business, marketers should select the exact styles of internet marketing instruments and approaches that would be the most effective. Regardless of the approach chosen its always wise to hire professional services to advertise the company and put in place an effective, as well as cost-effective, marketing strategies. Anyang's research which utilized a descriptive survey investigation methodology targeted a total of 83 businesses. The findings showed that e-commerce strategy adoption affected business to a great extent with 71.5 per cent finding it significant to their business sales growth. The study also tested the impact of e-commerce on customer services where 57.2 per cent of the respondents reported that they have significant improvement in service. He further informed that 81.7 per cent of the respondents confirmed increased profitability from various internet marketing strategies. In addition, 65.3 per cent confirmed significant improved compared to when they only used traditional methods only. The research concluded that MSEs that implement e-commerce strategies in their businesses had significant improvement in profitability, sales volume and had better customer service (Anyang, 2019).

2.4 Summary of literature Review

Available studies have connected the relationship that exists or do not exist between the internet marketing strategies and profitability of organizations. Theories have also been used to explain the phenomenon of internet marketing on the profitability of organizations. A conceptual framework has also been shown to provide the indicators of the variables in

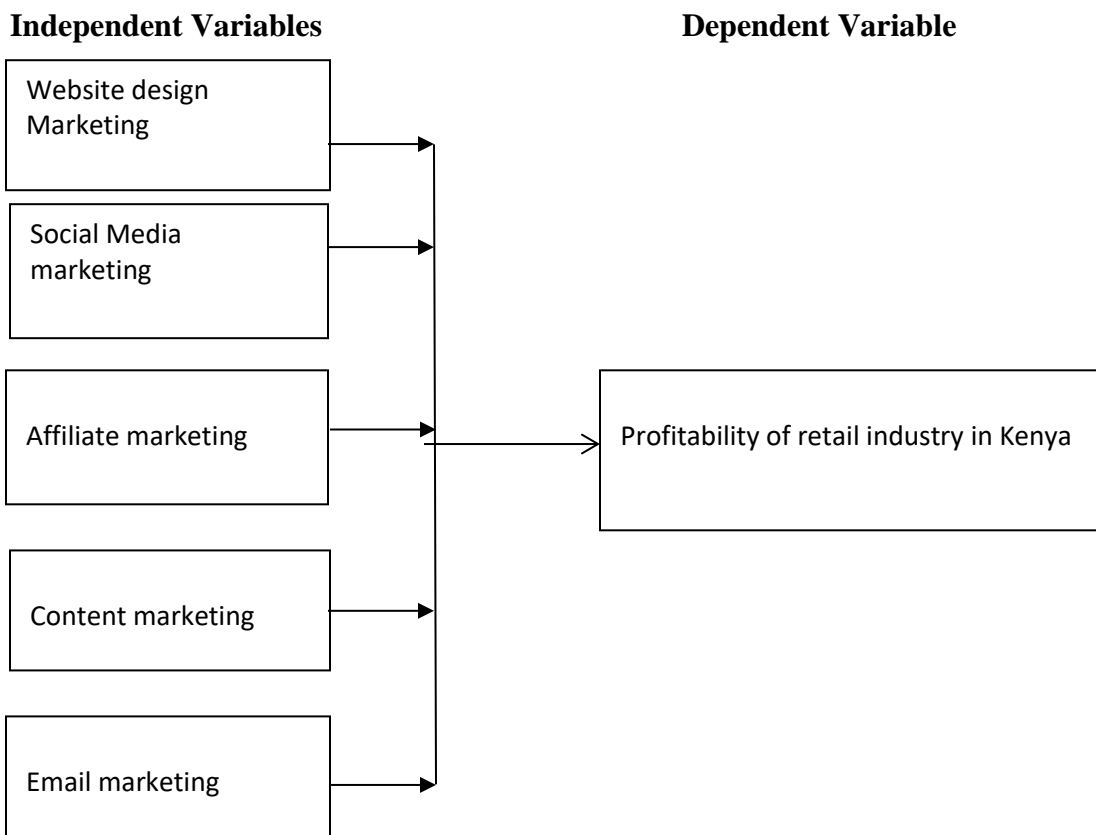
the study for easier understanding of the concept of internet marketing strategies and profitability.

2.5 Conceptual Framework

A conceptual framework is a matrix representation of the study variables and how they interrelate with each other in the research. The motivation of the research study is to investigate the effect of web marketing on the profitability of retailers in the country. The Internet marketing strategies make up the independent variables while profitability of retail industry in Kenya is the dependent variable. Below is the illustration in figure 2.2

Figure 2.3

Conceptual Framework



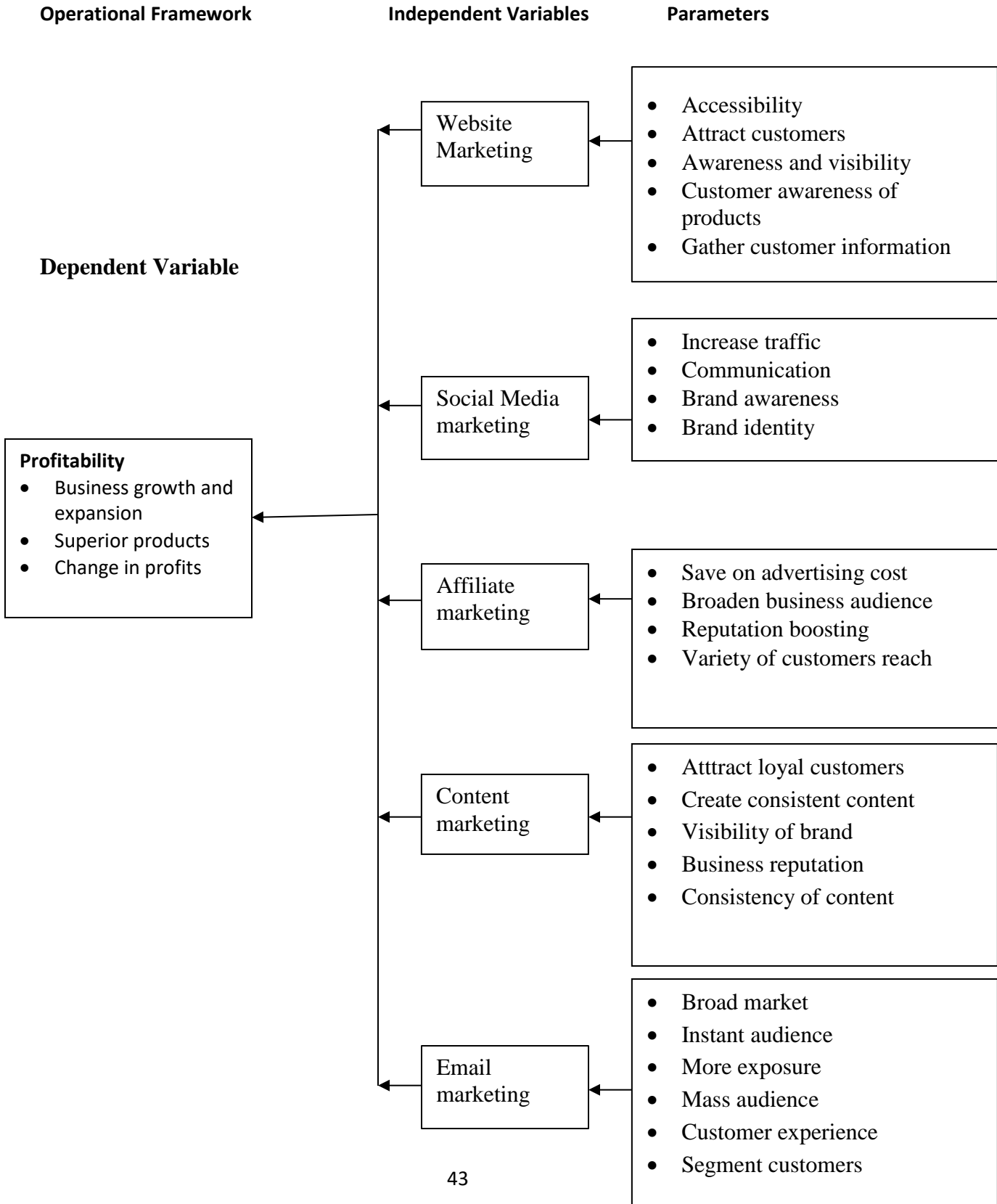
Source: Research (2020)

2.6 Operational Framework

The operational framework provided the measurement of the independent and dependent variables in the study. Website strategy indicators included, design & launch a business website, design website layout and appearance to attract customer, website that is accessible and easy to update date to keep customer aware of new trends of products at the shop, design website to gather customer information for use in research. Social media strategy had indicators such: use social media (Facebook, Instagram, and YouTube) to increase traffic to the website, increased presences of the business in social media and use social media to communicate with customers. Affiliate marketing was shown through: use of affiliate to reach a wide market and customer base, let the affiliate advertise and promote the products, use affiliate who have good reputation and are popular and use who increase the sales. Content marketing was measured through share content that tell the company's story share content to connect with customers, share content that build the brand reputation share content that is valuable, relevant and consistent. Email marketing strategy was measured by, we send e-mail that are very targeted, acutely personalized, relationship-constructing messages, send permission-based e-mail to avoid being intrusive and send coupons to loyal customers. Profitability of retail businesses was measured through; business growth and expansion, superior products and increased customer base and changes in prices.

Figure 2.4

Operational Framework



2.4 Research Gaps

By examining the scholarly literature, it is apparent that many studies have been conducted in the developed countries, concerning internet marketing and profitability in the retail industry. It is particularly important to note that most of the research in this area has been conducted in the United States and the United Kingdom. Internet marketing is the future of the retail industry and the sooner the local retail grabs the opportunity and runs with it the better, the studies have however, focused mainly in developed countries, fewer studies have been conducted in developing countries especially in retail businesses. The current study will focus on the effect of internet marketing on profitability of retail business in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter entails the various techniques utilized to acquire the information relevant to this study. It is comprised of the research design, target population, sampling process and proportion, instrumentation, preparation of the data collection instruments/instrumentation, data collection procedures, operational definition of variable and methods of data analysis.

3.2 Research Design

Research design is the structure or procedure for undertaking a marketing research study. It elucidates the processes essential in acquiring the data required to answer or provide a solution to the marketing research problem (Malhotra et al., 2012). This study employed descriptive design procedure. Descriptive research is a research constructed to portray the participants precisely. Sekaram (2006) noted that a descriptive research's objective is to provide a profile to the researcher or illustrate the pertinent characteristics of the phenomena concerned from an industry's point of view.

This study explored the effect of internet marketing strategies on profitability of retail industry. Descriptive survey made it possible to collect information through questionnaires to assess the opinions, preferences, perceptions and attitudes of the targeted sample for research, through the closed question that provided quantitative data on the likert scales as suggested by Kothari (2008).

3.3 Target Population

Kothari (2008) advises that the targeted population should be adequate to prevent sampling mistakes, the population should share similar characteristics or qualities but should also remain heterogeneous. In the current study the target population included retail supermarkets that had a capital base of over Kshs. 3 billion also with at least 15 branches. The focus was therefore on eight leading supermarkets which included; Naivas, Tuskys, Quickmatt, Choppies, Eastmatt, Carrefour , Chandarana and Cleanself with a total of 250 branches country-wide (Ministry of industrialization trade and enterprise development, 2020). It would be misleading to capture all retail business especially where the topic interest is in internet marketing, some small retail supermarkets have not started internet marketing, therefore it was important to consider only the leading supermarkets. The target population is comprised of branch managers in the leading supermarkets. The target population was arrived at guided by the fact that they are the ones responsible for internet marketing in their respective retail stores. These branch managers work in the eight (8) leading chain supermarkets some of which have stores country-wide, (Appendix I). The research targeted a population of 250 branch managers responsible for internet marketing, one from each branch. The branch managers were targeted since they are in charge of informing policy and directing marketing activities.

Table 3.1

Population Distribution

Name of retailer	Store count
Naivas	82
Tuskys	61
Quickmatt	21
Choppies	16
Eastmatt	19
Carrefour	18
Food plus Chandarana	18
Clean self	15
Total	250

Source: Ministry of Industrialization, Trade and Enterprise Development (2020)

3.4 Sample size and Sampling Procedure

Scientifically a sample is a subset of population units. Sampling procedure consists selecting a subset of a population unit for the purpose of data collection in order to establish the truths about that population (Mugenda & Mugenda, 2008). The sample for the study was 154. The research used Taro Yamane (967) formula for sampling. The formula is $n = N / [(1 + N(e^2))] / e^2$. Where n is the sample size, N is the total population in the study, and e is the margin of error that should be squared. With a margin of error of 5% the sample size is give as follows:

$$n = 250 / [(1 + 250 * 0.05)] = 153.84610 \text{ which became } 154 \text{ to the nearest figure.}$$

The sample obtained was distributed proportionately in ratios. To arrive at the respondents' random approach of respondents was made for each category. Table 3.2 shows the sample distribution.

$$\text{Naivas} = 82/250 = 0.328$$

$$\text{Tuskys} = 61/250 = 0.244$$

$$\text{Quickmatt} = 21/250 = 0.084$$

Choppies=16/250=0.064

Eastmatt=19/250=0.076

Carrefour=18/250=0.072

Foodplus Chandarana=18/154=0.072

Cleanself =15/250=0.06

Table 3.2

Sample Distribution

Name of Retailer	Population size	Ratio	Sample size
Naivas	82	0.328	51
Tuskys	61	0.244	37
Quickmat	21	0.084	13
Choppies	16	0.064	10
Eastmatt	19	0.076	12
Carrefour	18	0.072	11
Foodplus Chandarana	18	0.072	11
Cleanself	15	0.060	9
Total	250	1	154

Source: Research (2020)

3.5 Data Collection Procedures

Data collection was conducted through the use of questionnaires as the main tool for collection of the primary data. The questionnaires were physically administered where possible also sent via email. Any questions that arose were answered through telephone and email. The respondents were given a maximum of a week to complete the questionnaire. The questionnaires were then collected from the respondents for coding and analysis.

3.6 Pilot Study

The pre-test was conducted to test for both reliability and validity of the questionnaire.

The size of the pretest was determined as follows: $np=8\%(N-n)$, where: np was pre-test

sized at 8% margin of error, N was the population size whereas n was the study sample size. Therefore the pre-test size was $np=8\%(250-154) = 8$. Therefore, eight questionnaire were given to eight branch managers in the retail supermarkets. Results of the pilot were not included in the actual study, only reliability results were given. The participants were asked to review the preliminary questionnaire and reply like they were actual respondents. Following this, the researcher asked the participants if the questions elicited the necessary replies, and used their comments to enact the necessary modifications to the questionnaire. The questionnaire was fine-tuned to accurately capture data needed after the pilot.

Two distinct portions made up the questionnaire. The first part was mainly background material while the second portion was on internet marketing strategies undertaken to influence profitability in the retail industry. The reasons for using the closed-ended questionnaire in this research study are to ensure quick responses, improved consistency of responses, uniformity, clarity of questions, easier comparison with other respondents, less costly coding, and statistical analysis (Mugenda & Mugenda, 2008).

3.6.1 Reliability of the Instruments

According to Mugenda and Mugenda (2008) for a researcher to achieve validity and reliability has to pre-test or pilot test the research tool by utilizing a sample of the participants with characteristics akin to the target population. Bryman and Bell (2007) revealed that a very reliable questionnaire would obtain analogous responses even if different researcher repeated the process.

The reliability test was measured using the Cronbach's Alpha whose threshold is 0.7 (Mugenda & Mugenda, 2008). Reliability was assessed by calculating the Cronbach's alpha value (Malhotra, 2012).

3.6.2 Validity of the Instruments

To check if the designed measures were determining concepts accurately, an examination of validity was undertaken using Content Validity. According to (Malhotra, 2012) content validity is done by evaluating how accurately the content of a scale represents the measurement job to be done. Thus it analyzed if the measure items sufficiently covered the whole domain of the construct which was being measured. Hence, the test ensured that the contents of the research instrument were relevant to the purpose of the study and that the instrument actually measured what it exactly claimed to measure.

3.7 Data Analysis

Data analysis is the procedure of turning field data into meaningful information that can be comprehended. Once information was sought from the field, data collected using the questionnaire was inspected and cleaned by checking incompleteness and logic. When the errors were pinpointed, suitable corrective measures were implemented before data analysis was performed. Then the coding of the items in the data collection instrument was uploaded into the Statistical Package for Social Sciences (SPSS) computer application (Mugenda & Mugenda, 2008). Descriptive analysis was done through percentages and frequencies for the Likert data and closed questions (Mugenda & Mugenda, 2008). Inferential analysis was carried out through binary regression analysis. A binary mode was developed for the study to test the hypotheses between the independent and dependent variables. The model applied in the study was of the following form:

Logit (π_{ijklz}) = $\eta + \alpha_i + \beta_j + \gamma_k + c_l + e_z$, where

Where π probability of having a profitable organization or the log odd for the profitable organization. $(1 - \pi)$ is odd of having no change in the profitability of the organizations. η is a constant: $i=1,2$ website marketing (we have our website for marketing. We rely on our outsourced consultants' website for marketing): for social media marketing: $j=1,2$ (We have a Facebook page with a business suit. We do not have a Facebook page): for affiliate marketing: $k=1,2$ (Our affiliate marketers us an APP, Our affiliate marketers have a blog URL): content marketing, $l=1,2,3$ (use of online videos. Use of educational articles, and use of e-books): for email marketing, $z=1,2$ (batch email, triggered email). α , β , γ , C , E represents the variables estimates. We used the reference cell method whereby α_1 , β_1 , γ_1 , c_1 , and $e_1 = 0$. Presentation of the findings was on tables, figures, and narratives.

3.8 Ethical Considerations

In research study its ethical to protect those taking part in research from any form of harm either physical or psychological. Thus it was of utmost importance to consider ethical considerations which include; criteria, code, requirements or principles for conduct that regulate or direct moral decisions regarding researcher behavior as well as the relationship with others. These was useful in establishing the understanding between acceptable and unacceptable behaviours during the conduct of the research study. The main objective of ethics in research is to ensure that no participant in the study suffers any form of harm as a consequence from research activities that include data collection, analysis and reporting of the findings from the research study (Saunders et al., 2009).

The researcher ensured confidentiality was observed of the research data and participants by ensuring anonymity by omitting names of the participants on the questionnaires and the

answers given were treated with strict confidentiality to ensure no one could be identified based on the answers on the questionnaires. The participants were also informed about the goals of the research, and its results were to be used for academic purposes only. The participants were allowed to give their consents freely without any form coercion whatsoever to participate in this research study. The participants were also informed of the significance of their input during data gathering to ensure the success of the research study. Furthermore, authorization to carry out data collection from the target population for the study was sought from the Kenya Methodist University (KEMU) also from the National Commission for Science, Technology and Innovation (NACOSTI).

CHAPTER FOUR

RESULTS AND ANALYSIS

4.1 Introduction

The chapter represents analytical view of the responses collected from the field of study on the effect of internet marketing strategies on profitability of retail industry in Kenya. Physically administered questionnaires were used to collect the data from store managers working in leading Chain Supermarkets in Kenya. The data was analyzed using descriptive techniques and was presented in the form of tables, percentages, graphs and charts.

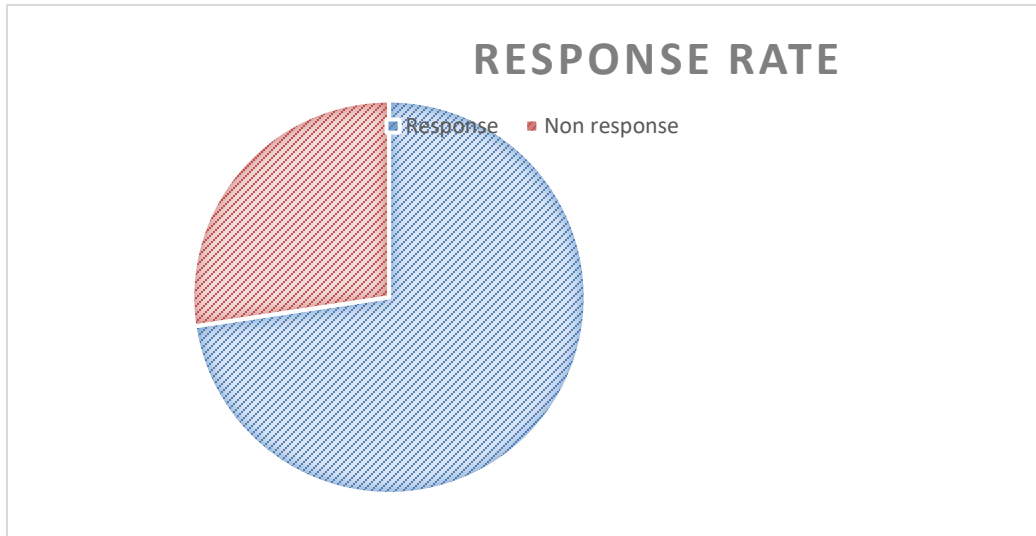
4.2 Response Rate

The researcher handed out 154 questionnaires to the 8 leading chain supermarkets in Nairobi, registered and licensed by Nairobi City County, Directorate of Trade. These Supermarkets have a total of 154 branches country wide. The 154 branch managers were targeted for research and 154 questionnaires were distributed to them. Out of 154 questionnaires distributed 111 duly completed were received back, providing a response level of 72.07%, only 27.93% of the respondents did not return their questionnaires or the information they gave could not be used in the study. Mugenda and Mugenda (2003) established that a response level of over 70% provide sufficient basis for research study.

Figure 4.1 show the response rate results in a chart.

Figure 4.1

Response Rate



Source: Researcher (2020)

4.1.3 Reliability Analysis

Reliability Test of the research instrument was established by Cronbach's Alpha which analyses internal consistency by finding out whether particular objects within a scale measure similar construct validity. Table 4.1 gives an illustration of the findings;

Table 4.1

Reliability Analysis

Variable	Number of Items	Cronbach Alpha
Website Design Marketing Strategy	6	0.798
Social Media Marketing Strategy	7	0.854
Affiliate Marketing Strategy	6	0.789
Content Marketing Strategy	6	0.795
Email Marketing Strategy	7	0.789
Profitability of Retail Industry	5	0.852

Source: Researcher (2020)

In Table 4.1 all the variables of the research had Cronbach Alpha values above 0.7, hence the scale used in the research study was reliable. The findings are consistent with Malhotra (2012) who states that the threshold of above 0.7 is acceptable for a study.

4.1 Demographic Information

The study needed to know the general information of the target sample, this entailed, gender, age, level of education as well as number of years of working in the retail supermarket business.

4.4.1 Respondents' Gender Distribution

The study required to find out the number of male and female among the respondents in the leading Chain Supermarket retail business in the country. The results are tabulated on table 4.2.

Table 4.2

Respondents' Gender Distribution

Gender	Frequency	Percent (%)
Male	77	69.4
Female	34	30.6
Total	111	100.0

Source: Researcher (2020)

The results from the study showed that 69.4% of the respondents were male and 30% were female. This established that the retail business is dominated by male gender. The management is changing whereby nowadays the top management is not only a reserve for the male but with cultural changes more women are taking up positions, which used to be regarded as positions for male.

4.2.2 Respondents' Educational Level

The study sought to find out the highest level of education of the participants. The findings are illustrated in Table 4.3

Table 4.3

Educational Level of Respondents

Educational level	Frequency	Percentage (%)
Secondary	21	18.9
Diploma	26	23.4
Undergraduate	50	45.0
Postgraduate	14	12.6
Total	111	100.0

Source: Researcher 2020

From table 4.3 the findings indicate that majority of the respondents had undergraduate as their highest level of education as shown by 45% of the participants, followed by 23.4% who had a diplomat, 18.9% had secondary school education whereas only 12.6% had postgraduate education. All the respondents could understand the questionnaire and respond accordingly

4.2.3 Respondents' Work Experience

The study needed to find out the work experience of the participants. The findings are tabulated in Table 4.4.

Table 4.4

Respondents' Work Experience

Experience	Frequency	Percent (%)
Less than 5 years	2	1.8
Between 6 to 10 years	56	50.8
Above 11years	53	47.7
Total	111	100.0

Source: Researcher (2020)

From table 4.4 the findings indicate that the majority of respondents had worked for their organization as branch managers between 6 and 10 years as shown by 50.5% of the participant, 47.7% had working experience of above 11 years, only 1.8% had work experience of fewer than 5 years. This indicates that the majority of the respondents had

adequate work experience to understand marketing strategies, especially the effects of internet marketing strategies on the profitability of the retail industry in Kenya, hence they gave credible information for the research.

4.3 Descriptive Analysis

This section entails analysis of the independent variables (Website design marketing strategy, Social media marketing strategy, Affiliate marketing strategy and e-mail marketing strategy) as well as the dependent variable (profitability of retail industry) of the research.

4.3.1 Website Design Marketing Strategy

4.3.1.1 Form of Website Ownership

The study sought to establish the form of website ownership for marketing by the participants' business. The results are illustrated in table 4.5.

Table 4.5

Form of Website Ownership

State of ownership	Frequency	Percent
We rely on outsourced consultants' website for marketing	37	33.3
We have our own managed website for marketing	74	66.7
Total	111	100.0

From the analysis on Table 4.5, it indicates that the large number of firms own managed website for marketing as shown by 66% only 33.3% of the firms rely on outsourced consultants' website for marketing. This is clearly showing that the companies had invested heavily in website marketing through developing their websites for marketing and managed by their employees.

4.3.1.2 Practices on Website Marketing

The participants were required to indicate their concurrence with the given statement concerning website design marketing strategy. The findings are present in Table 4.6

Table 4.6

Descriptive Statistics of Website Design Marketing Strategy

Statement	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
We use website design marketing to gather information on prospective customers and generate more sales	5	4.5	13	11.7	11	9.9	50	45.5	32	28.8
We use website layout and appearance to attract customers to the website hence increasing traffic	1	0.9	5	4.5	11	9.9	65	58.8	29	26.1
We use website marketing to increase awareness and visibility of the business and its products	1	0.9	8	7.2	7	6.3	56	50.5	39	35.1
Our website marketing gives the Business instant presence online	1	0.9	6	5.4	8	7.2	56	50.5	40	36.0
We use our website to keep customers aware of new trends of products at the store/shop	15	13.5	17	15.3	21	18.9	35	31.5	23	20.7

Source: Researcher (2020)

On the statement, that the firms used website marketing to gather information on prospective customers and generate more sales, 45.0% agreed, followed by 28.8% of the respondents who strongly agreed, 11.7% disagreed whereas only 4.5% strongly disagreed.

On the statement, that the retail businesses used website layout and appearance to attract customers to the website hence increasing traffic majority of the participants agreed as shown by 58.8%, followed by 26.1% who strongly agreed, 9.9% were neutral whereas only 0.9% of the participants strongly disagreed.

On the statement, that the retail businesses use website marketing to increase awareness and visibility of the business and its products, the majority of participants agreed as shown

by 50.5%, followed by 35.1% who strongly agreed, followed by 7.2% who disagreed, finally only 0.9% of the respondents strongly disagreed.

On the statement that the retail businesses used website marketing to give the business instant presence online, the majority of the participants agreed as shown by 50.5%, followed by 36.0% who strongly agreed, followed by 7.2 who were neutral only 0.9% of the participants strongly disagreed with the statement.

On the statement that the retail businesses used the website to keep customers aware of new trends of products at the store/shop, the majority of the respondents agreed as shown by 31.5%, followed by 20.7%, who strongly agreed, followed by 18.9% of the neutral respondents, only 13.5% of the respondents strongly disagreed with the statement.

The findings concur with Kotler and Armstrong (2014) who states that apart from just creating a website, marketers should take time and extra effort to ensure that the site is attractive to keep the prospective customers staying on the website longer and see the products and services offered and even make orders where necessary.

4.3.2 Social Media Marketing Strategy

4.3.2.1 Facebook Page

This part of the study sought from respondents whether their firms had a Facebook page.

The results are illustrate in Table 4.7

Table 4.7

Facebook Page

Statement	Frequency	Percent
We do not have a Facebook page	42	37.8
We have a Facebook page with a business suit	69	62.2
Total	111	100.0

Source: Researcher (2020)

The table above revealed that the majority of the firms had a Facebook page with a business suit as shown by 62.2% of the participants, only 37.8% of the firms lacked Facebook page. This indicated that digital marketing was intensively conducted by the firms through social media like Facebook.

4.3.2.2 Practices on Social Media Marketing Strategy

The participants were required to indicate their concurrence with the given statement regarding social media marketing strategy. The findings are presented in table 4.8.

Table 4.8

Descriptive Statistics of Social Media Marketing Strategy

Statement	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
We use social media (Facebook, Internet, Instagram) helps increase Traffic to the website	2	1.8	1	0.9	12	10.8	59	53.2	37	33.3
We use social media to improve Communication and interaction With key audience	-	0	3	2.7	13	11.7	51	45.9	44	39.6
We use social media to raise Brand awareness	2	1.8	1	0.9	7	6.3	63	56.8	38	34.2
We use social media to create a Brand identity and positive brand association	-	0	5	4.5	8	7.2	43	38.7	55	49.5
We use social media to build Conversations with the targeted audience	4	3.6	7	6.3	18	16.2	40	36.0	42	37.8
We use social media to learn from Competitors	1	0.9	4	3.6	12	10.8	55	49.5	39	35.1

Source: Researcher (2020)

As illustrated in Table 4.8, the statement that the retail businesses used social media (Facebook, Internet, and Instagram) helps increase traffic to the Website, the majority of the participants agreed as shown by 53.2%, followed by 33.3% of the participants who strongly agreed, 10.8% were neutral, only 0.9% disagreed with the statement.

On the statement that retail businesses used social media to improve communication and interaction with key audiences, the majority of participants agreed as shown in the in table at 45.9%, followed by 39.6% who strongly agreed, followed by 11.7%, only 2.7% of the participants disagreed with the statement.

On the statement that retail businesses used social media to raise brand awareness, the majority of the respondents agreed with the statement as shown by 56.8%, followed by 34.2% of the respondents who strongly agreed, 6.3% were neutral whereas only 0.90% disagreed with the statement.

On the statement that retail businesses used social media to create a brand identity and positive brand association, the majority of participants strongly agreed as shown by 49.5%, followed by 38.7 who agreed, followed by 7.2% who were neutral, only 4.5% disagreed with the statement.

On the statement that retail businesses used social media to build conversations with the targeted audience, the majority of the respondents agreed as shown by 36.0%, followed by 37.8% who strongly agreed with the statement, followed by 16.2% who were neutral, only 6.3% of the respondents disagreed.

On the statement that the retail businesses used social media to learn from competitors, the majority of the participants agreed as shown by 49.5%, followed by 35.1% of the participants who strongly agreed with the statements, followed by 10.8% who were neutral only 0.9% of the respondents strongly disagreed.

These findings concur with Harris and Dan (2012) who state that Facebook posts have possibility of becoming viral, where the users share the brand, which can easily surpass the amount paid with original Facebook advertisement. It is possible to realize more benefits

form earned media as opposed to paid because customers continue to expand long after the original campaign. Furthermore, Felix et al.,(2017) stated that the use of social media as a marketing tool entails conversations and communicating, it also ensures frequent interaction to nurture and build followers.

4.3.3 Affiliate Marketing Strategy

4.3.3.1 Approach on Affiliate Marketers Operate

This part of the study sought to find out how the affiliate marketer operates with the firms.

Results are presented in table 4.9

Table 4.9

Approach on Affiliate Marketers Operate

Approach to affiliate	Frequency	Percent
Our affiliate marketers have a blog URL	36	32.4
Use of APP	75	67.6
Total	111	100.0

Source: Researcher (2020)

Table 4.9 revealed that the majority of the firms relied on affiliate marketers who have an application (APP) as shown by 67.6%, only 32.4% of the firms relied on affiliate marketers who used an URL blog to market products of the retailers.

4.3.3.2 Practices on Affiliate Marketing

The respondents were requested to indicate their level of agreement with the statements about the affiliate marketing strategy. The findings are shown in table 4.10.

Table 4.10***Descriptive Statistics of Affiliate Marketing Strategy***

Statement	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
We use Affiliate marketing to Increase awareness and Visibility of the business and its Products	-	0	2	1.8	11	9.9	64	57.7	34	30.6
We use Affiliate marketing to Save on advertising cost	1	0.9	2	1.8	16	14.4	58	52.3	34	30.6
We use Affiliate marketing to Broaden the business audience	2	1.8	7	6.3	14	12.6	51	45.9	37	33.3
We use Affiliate marketing to Boost reputation of the business	4	3.6	14	12.6	11	9.9	61	55.0	21	18.9
We use Affiliate marketing to Reach a variety of customer	4	3.6	14	12.6	6	5.4	58	52.3	29	26.1

Source: Researcher (2020)

From Table 4.10, on the statement that retail businesses used affiliate marketing to increase awareness and visibility of the business and its products, the majority of the participants agreed as shown by 57.7% followed by 30.6% of the participants who strongly agreed with the statement, followed by 9.9% of the neutral respondents, only 1.8% of the participants disagreed with the statement.

On the statement that the retail businesses used affiliate marketing to save on advertising cost, the majority of the participants shown by 52.3% agreed, followed by 30.6% of the respondents who strongly agreed with the statement too, followed by 14.4% of the neutral participants, only 0.9% of the respondents strongly disagreed with the statement.

On the statement that the retail businesses used affiliate marketing to broaden the business audience, the majority of the respondents agreed as shown by 45.9%, followed by 33.3% of the participants who strongly agreed, followed by 12.6% of the neutral respondents, only 1.8% of the respondents strongly disagreed with the statement.

Finally, on the statement that the retail businesses used affiliate marketing to reach a variety of customers, the majority of the respondents agreed as revealed by 52.3%, followed by 26.1% who strongly agreed, followed by 12.6% who disagreed, only 3.6% of the respondents strongly disagreed.

These findings concur with Tiago and Verissimo (2014) who stated that retailers who engage the services of affiliates acquire a large market where they sell their services and products with ease and without wasting time searching for customers (Tiago & Verissimo, 2014).

4.3.4 Content Marketing Strategy

4.3.4.1 Main Content Marketing Strategy of Online Marketing

This part of the questionnaire sought to establish the major content marketing strategy by the firms. The results of the study are presented in table 4.11.

Table 4.11

Main Content Marketing Strategy of Online Marketing

Sharing content platform	Frequency	Percent
Use of educational articles	19	17.1
Use of e-books	40	36.0
Use of online Videos	52	46.8
Total	111	100.0

Source: Researcher (2020)

Table 4.11 shows that the majority of the firms in retail used mail online videos as a major content marketing strategy as shown by 46.8%, followed by the use of e-books as shown by 36.0% whereas only 17.15 of the respondents used educational articles. The findings revealed that you-tube is mainly used to share more information/content about the business products.

4.3.4.2 Practices through Content Marketing Platform

The participants were required to indicate to what extent they agreed with the statement about content marketing strategy. The findings are tabulated in table 4.12.

Table 4.12

Descriptive Statistics of Content Marketing Strategy

Statement	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
We use content marketing to attract customers who are loyal	14	12.6	7	6.3	5	4.5	58	52.3	27	24.3
We use content marketing to Generate and pass important and Consistent information	-	0	4	3.6	9	8.1	49	44.1	49	44.1
We use content marketing to Increase visibility of our brand	1	0.9	4	3.6	13	11.7	53	47.7	40	36.0
We use content marketing to Boost reputation of the business	1	0.9	3	2.7	9	8.1	41	36.9	57	51.4
We use content marketing to Improve brand awareness and Recognition	-	0	4	3.6	9	8.1	56	50.5	42	37.8

Source: Researcher (2020)

Table 4.12 revealed that on the statement that the retail businesses used content marketing to attract loyal customers, 52.3% of the participants agreed, followed by 24.3% of the respondents who strongly agreed, 12.6% strongly disagreed whereas only 4.5% of the respondents were neutral.

On the statement that the retail businesses used content marketing to generate and pass important and consistent information, the majority of the participants agreed and strongly agreed as shown by 44.1% for each category, followed by 8.1% who were neutral, only 3.6% disagreed with the statement.

On the statement that the retail businesses used content marketing to improve brand awareness and recognition, the majority of the participants agreed as shown by 50.5%

followed 37.7% of the respondents who strongly agreed, followed by 8.1% of the neutral respondents, only 3.65% of the respondents disagreed with the statement.

These findings agrees with those of Tarver, (2019) who found that content marketing strategy at Coca-Cola Company help the company make a lot profit. The company launched it as its mega-success naming it “*share a Coke*” campaign. The campaign entails replacing the Coca- Cola log on half-litre bottles with two hundred and fifty of most common American names. Hence, consumers were enticed to buy bottles with names which they could connect with and share the bottles with friends or family members. Taking advantage of social media obsession, Coca-Cola company asked customers to share their experience through tweeting as well as posting their pictures using the hash tag “share a coke”. Customers were encouraged to create online media content which enabled them to discuss the product over social media platforms, which gave the customer opportunity to have control of the product in their hands. Consequently, customer shared over half a million photos via the hashtag “share a coke”, in the initial year. The company acquired about twenty-five million new Facebook followers within the year, while the campaign constantly expanded.

These findings are consistent with those of Burman and Aggrawal, (2015) who stated that effective content marketing is achieved when the audience receives the content they are seeking in the places they are searching for it. It is the absolute combination of generated and synthesized content.

4.3.5 Email Marketing Strategy

4.3.5.1 Form of E-mail Marketing Used

The study sough to establish the most common method of emailing used as a marketing strategy by the firms. The results of the study are tabulated in table 4.13

Table 4.13

Form of E-mail Marketing Used

Email Nature	Frequency	Percent
Batch emails	30	27.0
Triggered emails	81	73.0
Total	111	100.0

Source: Researcher (2020)

The results of the study shown by the table revealed that the majority of the supermarkets used triggered email as shown by 73.0% whereas only 27.0% of the supermarkets used batch emails as a strategy for online marketing.

The findings are consistent with those of Kotler (2014) who revealed that e-mail marketers teeter on the edge of being too intrusive and providing benefits for customers. In response to these issues, most genuine marketers must exercise consent-dependent e-mail marketing, circulating e-mail adverts solely to customers that have subscribed. A lot of companies utilize customizable e-mail systems which allow customers to select what they wish to receive.

4.3.5.2 Practices in E-mail Marketing Used

The participants were required to indicate to what extent they agreed with the statement about social media marketing strategy. The findings are illustrated in Table 4.14.

Table 4.14***Descriptive Statistics of E-mail Marketing Strategy***

Statement	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
Email marketing enable us to Reach abroad market	1	0.9	7	6.3	16	14.4	38	34.2	49	44.1
Email marketing messages Enable us to reach the audience instantly	-	0	4	3.6	19	17.1	38	34.2	50	45.0
We use e-mail marketing to Enhance more exposure	3	2.7	8	7.2	6	5.4	41	36.9	53	47.7
We use e-mail marketing to make It easy to communicate to mass audience	5	4.5	4	3.6	6	5.4	48	43.2	48	43.2
We use e-mail marketing to Enhance customer experience	4	3.6	4	3.6	10	9.0	49	44.1	44	39.6
We use e-mail marketing to <u>Enable us segment customers</u>	2	1.8	4	3.6	8	7.2	46	44.1	51	45.9

Source: Researcher (2020)

Table 4.14 revealed on the statement that e-mail marketing enables us to reach a broad market, majority of the respondents agreed as show by 44.1%, followed by 34.2% who agreed, 14.4% were neutral whereas only 0.9% of the respondents strongly disagreed.

On the statement, the e-mail marketing messages enabled the retail businesses to reach the audience instantly, the majority of participants strongly agreed as shown by 45.0%, followed by 34.2% who agreed, followed by 17.1% of the neutral respondent, only 3.6% of the respondents disagreed with the statement.

On the statement that the retail businesses used e-mail marketing to enhanced the potential for viral hence more exposure, majority of the respondents strongly agreed as shown by 47.7%, followed by 36.9% who agreed with the statement, 7.2% of the respondents disagreed, only 2.7% of the respondents strongly disagree.

On the statement that the retail businesses used e-mail marketing to enhance customer experience, majority of the respondents agreed as shown by 44.1%, followed by 39.6% of the respondents who strongly agreed, followed by 9.0% who were neutral, only 3.6% of the respondents strongly disagreed and disagreed for each category with the statement.

On the statement that the retail businesses used e-mail marketing to segment customers, the majority of the participants revealed strongly agreed as shown by 45.9%, followed by 44.1% of the participants who agreed with the statement, followed by 7.2% of the neutral participants, only 1.8% of the participants strongly disagreed.

These findings concur with Armstrong (2012) who found out that e-mail marketing is a useful and necessary tool for conducting business online. He further states that e-mail is quiet utilized, as a communication medium and there are proximately over 3 billion e-mail accounts worldwide. The finding also resonates very well with Cohen, (2012) who found out that when email marketing is used effectively can become an absolute direct marketing tool. Most large scale marketers make use of email marketing and they achieve abundant stride. E-mail makes it possible for these marketers to send targeted messages to a given audience, hence building relationships.

4.3.6 Profitability of retail industry

4.3.6.1 Overall state of Profitability

The study sought also to establish the overall state of profitability of the firms. The outcomes are presented in the figure 4.2

Figure 4.2

Overall State of Profitability



Source: Researcher (2020)

The results of the study as shown by the table above revealed that 82.88% of the firms had reported higher profits as a result of internet marketing strategies, only 17.12% of the firms had unchanged profits as a result of internet marketing strategies.

Malhotra (2012) concurred that through online marketing Diageo, a leading multinational alcoholic beverages company with yearly revenue of Euro14,500 million and widely known for the brands: Guinness, Johnnie Walker, Smirnoff, and Baileys, realized profitability through online platforms.

4.3.6.2 Descriptive Statistics on Profitability of Retail Industry

The participants were required to indicate to what extent they agreed with the statement about social media marketing strategy. The findings are shown in Table 4.15

Table 4.15***Descriptive Statistics of Internet Marketing on Profitability of Retail Industry***

Statement	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
Internet marketing has Generated more sale	3	2.7	18	16.2	8	7.2	56	50.5	26	23.4
Internet marketing has reduced Marketing expenses	4	3.6	15	13.5	8	7.2	52	46.8	32	28.8
Internet marketing saves cost in Terms of operating expenses	-	0	1	0.9	3	2.7	45	40.5	62	55.9
The retail shop has increased Profitability since the introduction of internet marketing	4	3.6	7	6.3	12	10.8	39	35.1	49	44.1

Source: Researcher (2020)

Table 4.15 revealed on the statement that internet marketing has generated more sale for retail business, majority of the respondents agreed as shown by 50.5%, followed by 32.4% who strongly agreed with the statement, followed by 16.2% of the respondents who disagreed, only 2.7% of the respondents strongly disagreed with the statement.

On the statement, that internet marketing has reduced marketing expenses, the majority of participants agreed as shown by 46.8%, followed by 28.8% who strongly agreed, with the statement, 13.5% disagreed whereas only 3.65 of the respondents strongly disagreed with the statement. This implies that retail businesses had resulted in lower marketing expenses.

On the statement that the retail shop has increase profitability since the introductions of internet marketing, the majority of the participants strongly agreed as shown by 44.15, followed by 35.15 of the respondents who agreed with statement, 10.8% of the participants were neutral whereas 3.65 of the participants strongly disagreed with the statement. The results imply that through internet marketing the majority of the businesses had their profits increased.

The results analysis concurs with Kotler and Armstrong, (2018) who found out in their study that the aggressive surge of digital technology has absolutely changed our lives in terms of communication, sharing information, access entertainment, and shop. The digital connection in the country offers a special chance for business people to reach their audience directly. The place that is promising growth for Kenya's retail business is online marketing. Hence, marketing does not take place in a vacuum, it's in the entire world where everything and everybody is digitally connected to each other. Over 3.3 billion persons, which is 46 per cent of people in the world are online and the numbers will continue to grow into the future. Kenya National Bureau of statistics census (2019) indicate that Kenya is ahead among African countries in acquisition of smartphones. This aspect has made drastic changes in digital marketing in Kenya just as it is happening across the globe

4.4 Hypothesis Testing

This section discusses correlation analysis as well as binary logistic regression analysis

4.4.1 Correlation Analysis

This section discussed relationship among the variables in the study on the strength as well as the direction of the relationship, whether negative or positive. The results are as shown in table 4.16

Table 4.16***Correlation Analysis***

		Website Strategy	Social Media Strategy	Affiliate Strategy	Content Strategy	Email Strategy	Profitability
Website Design	Pearson Correlation	1					
	sig. (1-tailed)						
Social Media Marketing	Pearson Correlation	.228**	1				
	sig. (1-tailed)	.000					
Affiliate Marketing	Pearson Correlation	.494**	.388**	1			
	sig. (1-tailed)	.000	.000				
Content Marketing	Pearson Correlation	-.154	-.138	-.085	1		
	sig. (1-tailed)	.053	.074	.186			
Email Marketing	Pearson Correlation	.361**	.396**	.375**	-.084	1	
	sig. (1-tailed)	.000	.000	.000	.190		
Profitability	Pearson Correlation	.288**	.237**	.247**	.118	.262**	1
	sig. (1-tailed)	.001	.006	.004	.110	.003	

**Correlation is significant at the 0.01 level (1-tailed).

Source: Research (2020)

The relationship between website marketing and social media marketing has a positive effect, $r=.828$ which is significant at p -value 0.001; affiliate strategy and website strategy had a positive effect, $r=0.494$ and a p -value=0.001 that was significant. Content Strategy and website marketing had a negative relationship, $r=0.154$ and a corresponding p -

value=0.053 which was insignificant, website marketing strategy and email marketing had a positive relationship, $r=0.361$ and a p-value = 0.001 which was significant, website marketing and profitability revealed an $r=0.288$ and p-value of 0.001 which was significant. Social media strategy and affiliate marketing strategy had a positive relationship an $r=0.388$ and a p-value=0.001 which was significant; social media strategy and content strategy had a negative relationship, $r=-0.138$, and a corresponding p-value=0.074 which was insignificant; social media strategy and email marketing had a positive relationship, $r=0.396$ and a p-value=0.006 which was significant.

Affiliate strategy and content strategy had a positive relationship $r=0.085$ and a p-value =0.186 which is insignificant; affiliate strategy and email marketing strategy had a positive relationship $r=0.375$ and a corresponding p-value =0.001 which is significant; affiliate strategy and profitability had a positive relationship $r=0.247$ and corresponding p-value of 0.004 which was significant.

Content strategy and email marketing strategy had a negative relationship, $r=-0.084$ and a corresponding p-value =0.190 which was insignificant; Content strategy and profitability had a positive relationship; $r=.118$, and a corresponding p-value= 0.110 which was insignificant. Finally, Email marketing had a positive relationship with profitability, $r=0.262$, and a corresponding p-value=0.003 which was significant.

Kenyans being averagely young and statistics indicate that about 75 percent of the population is below 30 years of age. It is believed that the younger population is likely to be attracted to technology as opposed to the older population. This is the reason technology has taken control of the country and contributes more to the GDP of the country which is presently at 5.7 percent. According to Namunwa (2019), more people are getting

information via smartphones and other digital devices, Kenyans are now more able to do purchases online by visiting websites, social media platforms, using you-tube to watch videos, using apps, and also access to e-mail promotions which has also increased products awareness. About 91 percent of Kenyans own mobile phones compared to 80 percent for the rest of Africa. Currently, 83 percent of Kenyans use the internet on their mobile phones.

4.4.2 Binary Logistic Regression

4.4.2.1 Chi-Square

Chi-square is conducted to establish if there are any relationship between the independent and dependent variables. The results are shown in Table 4.17

Table 4.17

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	20.919	6	.000
	Block	20.919	6	.000
	Model	20.919	6	.000

Source: Research (2020)

Table 4.17 shows that a Chi-square (χ^2) =20.919 at a p-value of 0.001 which revealed that the dependent and dependent variables had a significant relationship because the p-value of 0.001 was than 0.05. The study, therefore, rejects all the hypotheses that online marketing strategies do not influence the profitability of the firms.

4.4.2.2 Model Summary

The model summary is used to explain how much of the dependent variable can be explained by the independent variables. The results are in Table 4.18.

Table 4.18

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	89.071 ^a	.107	.178

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001

In binary regression both Cox & Snell R Square and Nagelkerke R Square can be used in explaining how much independent value predicts the dependent variable. The range as shown in the table revealed a Cox & Snell R Square (10.7%) and Nagelkerke R Square of 17.8%. The result revealed model with independent variable including website strategy, social media strategy, content strategy, affiliation strategy, and email strategy could explain about 1.7% of chance on the profitability of the firms if we consider Nagelkerke R Square value.

4.4.2.3 Classification Table

Classification table is used to determine the accuracy of the model to predict the binary dependent variable. The results of the study are shown in table 4.19.

Table 4.19:

Classification Table

Observed	Unchanged	Predicted Probability Increase Profits	Percentage correct
Profitability	Unchanged Profits	0	19
	Increased Profits	0	92
Overall Percentage			82.9

a. Constant is included in the model

b. The cut value is .5000

Source: Researcher (2020)

The binary regression model is used in predicting events not occurring or occurring. For the current study binomial model was used to predict retail businesses being profitable or failing to change profitability as a result of conducting online marketing among retail supermarkets in Kenya. The classification table revealed that the model could classify correctly 82.9% of values. With values above 0.5 indicating an increase in profitability of firms whereas anything less shown that the firms' profits remained unchanged after conducting strategic online marketing.

4.4.2.4 Regression Coefficients and Logistic Odds

The sought to establish whether there is an effect of the independent variable on the dependent variable. Binary regression analysis was therefore, conducted to ascertain whether the independent variables increase the odds of having profitable retail businesses.

The results are shown in Table 4.20

Table 4.20**Binary Logistic odds**

	B	S.E.	Wald	df	Sig.	Exp(B)
Website strategy						
Outsourced consultants' website	-	-	-	-	-	1.000
Own managed website	1.525	.530	8.271	1	.004	.218
Social media marketing strategy						
Do not have a Facebook page	-	-	-	-	-	1.000
Have a business suit Facebook page	1.265	.525	5.805	1	.016	.282
Affiliate strategy						
Affiliate marketers have a blog URL	-	-	-	-	-	1.000
Affiliate marketers use an APP	1.304	.520	6.281	1	.012	.271
Content strategy						
Use of educational articles	-	-	-	-	-	1.000
Use of e-books	.831	.661	1.583	1	.208	.436
Use of online videos	.310	.582	.284	1	.594	.733
Email-marketing strategy						
Batch emails	-	-	-	-	-	1.000
Triggered emails	1.386	.524	6.988	1	.008	.250
Constant	2.829	.596	22.555	1	.000	16.929

a. Variable(s) entered on step.1: website strategy, social media strategy, affiliate strategy, content strategy, and e-mail strategy.

4.4.2.4 .1 Effect of Website Strategy on Profitability

The study sought to establish the effect of website marketing strategy on the profitability of retail businesses in Kenya. The Study revealed that website marketing strategy was associated with a B= 1.525, Wald =8.271, a p-value=0.004 which was less than 0.05, and Exp (B) = 0.282. The result revealed that where firms owned a website other than outsourcing consultants' website management it increased odds/chances of profitability of retails businesses by a factor of 0.218 when other factors were held constant because the Exp (B) associated with website marketing was Exp (B)=0.218.

Orare and Nkirina (2019) concurred with the findings when they conducted research on how the market share of Nairobi online shops is influenced by internet marketing and argued that website design marketing strategies are considered a good strategy in

improving sales relationships with customer and are used due to their ability to serve customers Worldwide.

4.4.2.4 .2 Effect of Website Strategy on Profitability

The study also sought to establish the effect of Social media marketing strategy on the profitability of retail businesses in Kenya. The study revealed that social media marketing strategy was associate with a $B=1.265$, $Wald =5.805$, a $p\text{-value}=0.016$ which was less than 0.05 therefore significant, and $Exp (B) =0.282$. The result revealed that where the business owned a Facebook page business suite other than those which lack a Facebook page increased the odds of profitability by a factor of 0.282 when other factors were held constant because $Exp (B)$ associated with social media marketing was $Exp (B) =0.282$. Kotler and Armstrong (2014), concurred with the findings when they revealed that social media marketing is a strong method of attracting potential customers regardless of the business's size. Customers at present are using social media platforms such as Twitter, Pinterest, Instagram, and Facebook to communicate with brands, ignoring to utilize this opportunity to directly interact with the audience is disadvantageous to the business. Excellent marketing by a business on social media platforms could propel them to exceptional prosperity, leading to loyal brand supporters as well as generating leads and sales.

4.4.2.4.3 Effect of Website Strategy on Profitability

The study also sought to establish the effect of affiliate strategy on the profitability or retail businesses in Kenya. The study revealed that affiliate strategy was associate with a $B=1.304$, $Wald =6.281$, a $p\text{-value}=0.012$ which was less than 0.05 therefore significant, and $Exp (B) = 0.271$. The result revealed that where the affiliate marketer had an APP other than using URL it increased the odds of profitability by a factor of 0.271 when other

factors were held constant because the Exp (B) associated with affiliate marketing strategy was $\text{Exp (B)} = 0.271$.

Malenya (2017) concurred with study finding when they investigated the elements affecting the growth of e-commerce in Nairobi County. Malenya's found out most e-commerce vendors were employed and the second most were self-employed. Therefore, concluding that aristocrats were more inclined to take part in e-commerce sales. These are persons with; the capital to spend, access to the internet and do not have the time necessary to physically go to a store and make the purchase. As such, they rapidly make their web purchase and have it delivered to their homes. Malenya concludes that a buyer works best when they are assured of security and can trust the transaction, hence need for retailers to use well-known affiliates to boost the confidence of the buyers. This will increase the traffic of customers and promote significant growth of new customers.

4.4.2.4.4 Effect of Content Strategy on Profitability

The study also sought to establish the effect of content strategy on the profitability of retail businesses in Kenya. The study revealed that content strategy was associate with a $B = 0.831$, $\text{Wald} = 1.583$, a $p\text{-value} = 0.208$ which was greater than 0.05 therefore insignificant and $\text{Exp (B)} = 0.436$ for Use of e-books; $B = 0.310$, $\text{Wald} = 0.284$, a $p\text{-value} = 0.594$, which was greater than 0.05 therefore insignificant and $\text{Exp (B)} = 0.733$ for use of online videos. The result revealed that the relationship between content marketing and profitability had no significant relationship because the-values associated with content marketing and profitability were all greater than 0.005.

Divergent finding were revealed by Weerasinghe (2018) who investigated the effect of content marketing on online customer engagement in Sri Lanka. The study revealed that through combining information about the audience, organizational goals, and financial

plan, marketers should be capable of deciding on a suitable content blend of products. The marketers should also attentively supervise content creation, organization, key word choice, search engine optimization uploads, style amendments, tagging, and photos which according to her analysis content marketing has a positive impact on business growth.

4.4.2.4.5 Effect of Email-Marketing Strategy on Profitability

The study also sought to establish the effect of email marketing strategy on the profitability of retail businesses in Kenya. The study revealed that email marketing strategy was associated with a $B = 1.386$, $Wald = 6.988$, a $p\text{-value} = 0.008$ which was less than 0.05 therefore significant effect, and $Exp(B) = 0.2540$. The result revealed that where the firm used triggered emails other than batch marketing increased the odds of profitability by a factor of 0.250 when other factors were held constant because the $Exp(B)$ associated with email marketing strategy was $Exp(B) = 0.250$.

Cohen (2014) concurred that fundamentally, email marketing is employed to grow connections with prospective customers, notify and update present customers about the business and boost customer loyalty by providing vouchers. Email marketing strategy has developed and matured significantly over the decades and remains a highly valuable marketing instrument. Numerous entrepreneurs contend that e-mail marketing has a greater importance today than it ever has. There is a valid rationale as to why 85 percent of retailers in the United States regard e-mail marketing to be among the greater strategies in customer acquisition.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter discusses the summary, conclusion and recommendations of the research regarding the findings and analyses of the study. Further, the chapter gives suggestions of areas to be considered for research. Finally, it provides recommendations which can inform policy as well as practice.

5.2 Summary of the Findings

The purpose of the study was to determine the effect of internet marketing strategies on profitability of retail industry in Kenya. The study focused on the extent to which website design marketing strategy affect profitability of retail industry in Kenya; the extent social media marketing strategy affect profitability of retail industry in Kenya; the extent affiliate marketing strategy affect profitability of retail industry in Kenya; the extent content marketing strategy affect profitability of retail industry in Kenya; and analyze the extent email marketing strategy in Kenya.

Below is the summary of the findings:

5.2.1 Website Design Marketing Strategy and Profitability of Retail Industry

The result shows that majority of the respondents agree that website design marketing strategy gives the business instant presence online and that it is easy to access and update data whenever need arises thus keeping customers always informed on the products in the market. Moreover, the study revealed a $B=1.525$, $Wald =8.271$, a $p\text{-value}=0.004$ which was less than 0.05 and $Exp (B) = 0.282$.

5.2.2 Social Media Marketing Strategy and Profitability of Retail Industry

The result from the study reveal that the majority of the respondents agree that social media marketing assists to create a brand identity and positive brand association as well as raise brand awareness. Besides, use of social media such as Facebook, the internet, Instagram helps to increase traffic to the website leading to increase of sales. Respondents also indicate that they use social media to build conversations with the target audience and to learn from competitors. The study revealed that social media marketing strategy was associate with a $B= 1.265$, $Wald =5.805$, a $p\text{-value}=0.016$ which was less than 0.05 therefore significant, and $Exp (B) = 0.282$.

5.2.3 Affiliate Marketing Strategy and Profitability of Retail Industry

The majority of the respondents agree that they use affiliate marketing to increase awareness and visibility of the business and its products as well as to broaden the audience. The study revealed that affiliate strategy was associate with a $B= 1.304$, $Wald =6.281$, a $p\text{-value}=0.012$ which was less than 0.05 therefore significant, and $Exp (B) =0.271$.

5.2.4 Content Marketing Strategy and Profitability of Retail Industry

The majority of the respondents agree that content marketing attract loyal customers. Content marketing also enables the retail to develop and share convincing content as well as increase visibility of the brand, awareness and recognition.

The study revealed that content strategy was associate with a $B=0.831$, $Wald =1.583$, a $p\text{-value}=0.208$ which was greater than 0.05 therefore insignificant and $Exp (B) = 0.436$ for use of e-books; $B=0.310$, $Wald=0.284$, a $p\text{-value}=0.594$, which was greater than 0.05 therefore insignificant and $Exp (B) =0.733$ for use of online videos.

5.2.5 Email Marketing Strategy and Profitability of Retail Industry

The analysis from the study reveals that majority of the respondent agree that they use email marketing to reach a broad market, reach the audience instantly and also to enhance the potential for viral, hence more exposure. Respondents also agree that email marketing make it easy to communicate to mass audience and enable to segment customers accordingly. The study revealed that email marketing strategy was associate with a $B=1.386$, $Wald =6.988$, a $p\text{-value}=0.008$ which was less than 0.005 therefore significant effect, and $Exp (B) = 0.250$.

5.3 Conclusion

The section presents a summary of the study conclusion according to the independent variables as follows:

5.3.1 Website Design Marketing Strategy and Profitability of Retail Industry

The study concludes that where firms owned a website other than outsourcing consultant' website management it increase profitability of retail businesses by a factor of 0.218 when other factors were held constant because the $Exp (B)$ associated with website marketing was $Exp (B) = 0.218$.

It can therefore be concluded that website design marketing strategy affects profitability of retail industry positively. In this regard, marketing managers need to ensure that website design is a well thought process to ensure optimum benefits from the website. Website sets the first impression when prospective customers visit the website, they get first impression of the retail. They will judge the retail within seconds, hence the need to make a positive impact on the future customers and ensure to capture leads and not to leave the page for a competitor's page. Marketers should also ensure that search engine optimization (SEO)

fundamentals are perfect since it will influence how content is published hence affecting the way search engine index the website. To ensure effective web design practices, marketers should partner with a web design agency and understand what they are doing. Web design builds trust with customers; customers will trust a well-designed website. Thus avoid outdated information, ensure that the website looks professional so that customers can trust the business and feel comfortable and remain longer on the site increasing the opportunity to capture the leads. Website design creates consistency by building the retail brand and customers get familiar with the brand hence they choose it when they want to purchase. Further, as shown by the results of this study a retail business must have efficient and functional website.

5.3.2 Social Media Marketing Strategy and Profitability of Retail Industry

The study concludes that where the business owned a Facebook page business suite other than lacking a Facebook page increase the odds of profitability by a factor of 0.282 when other factors were held constant because the Exp (B) associated with social media marketing was $\text{Exp (B)} = 0.282$.

From the analysis of the study social media is the most used tool in internet marketing. Use of social media (Facebook, twitter, Instagram) increase traffic to the website. Hashtag is a very important means used in social media to bring together people who have an interest in a particular subject. Social media provides a platform to increase a brand audience by telling stories that relate the product and service and to engage the customers. These stories help customers to relate to the retail and build a relationship that can develop over time. Social media marketing enables the spread of word about retail brand and undertaking as compared to traditional platforms since it gets the brand to the audience very fast and

effortlessly as well as getting customers to see the brand even when they do not need it. Social media also makes it possible to learn from competitors and act accordingly in good time. However, social media trends change very fast, the retail industry must keep in toe to remain afloat.

5.3.3 Affiliate Marketing Strategy and Profitability of Retail Industry

They concluded that where the affiliate marketer had an APP other than used URL it increased the odds of profitability by a factor of 0.271 when other factors were held constant because the Exp (B) associated with affiliate marketing strategy was Exp (B) =0.271.

It can therefore, be concluded that it is the process of using influential people or parties on social media to increase brand audience and it affects retail industry profitability positively. Influencers have a lot of influence in buying decision of their followers. They usually have a large number of followers and it is possible for them to direct the followers to a particular product via posts on their social media platforms and any other form of interactions with their followers. From the analysis of the study it evident that most retail business in the country are shying off from the use of affiliates to market and promote their products instead they sell their products through social media. Moreover, affiliate marketing has not impacted fully on retail industry profitability.

5.3.4 Content Marketing Strategy and Profitability of Retail Industry

The study concludes that there was no significant relationship between content marketing and odds of profitability because all the p-values associated with videos and articles were insignificant. Content marketing can increase audience and enhance interaction leading to more sales as well as getting superior leads. As content becomes effective, marketing costs

are reduced. The retail industry in Kenya has not fully embraced content marketing so has to benefit and hit high revenue targets. The setbacks in content marketing include not making use of keywords related to a particular niche that the content is targeted to, questions the customers ask are not being responded to, when content is ranking well no advantage is taken to target Google's response box. Well written and thought-through content has the potential of boosting reputation of the retail as well as improve brand awareness and recognition.

5.3.5 Email Marketing Strategy and Profitability of Retail Industry

The conclusion that where the firm used triggered emails other than batch marketing increased the odds of profitability by a factor of 0.250 when other factors were held constant because the Exp (B) associated with email marketing strategy was $\text{Exp (B)} = 0.250$. It can therefore, be concluded that email marketing affects profitability positively. Email messages get better attention when they are personalized in a meaningful way, that's placing someone's name in greetings. Also sending personalized email that is specific to a recipient's needs and history. Email communication is superior to other forms of communication this is because most people check their email on a daily basis, unlike other media. Besides, retail business owns its mail list hence nobody can take leads away while other social media is possible to delete at any time, for any reason without notice. Email marketing has better rate of return. Email messages reach the customers instantly as well as possibility of easily communicate to a mass audience. Moreover, email marketing enables segmenting of customers and hence allow sending targeted communication.

5.4 Recommendations

Online marketing is unleashing great potential in releasing purchasing enthusiasm of over 20 million Kenyan consumers. Considering the rapid expansion of online retailers and platforms and increasing figures of buyers who purchase from global and local internet retailers. Internet marketing provides the opportunity to reach these forgotten consumers who are scattered. Retailers should embrace online marketing to release high profitability and reduce brick and mortar to cut on operating expenses.

5.4.1 Website Design Marketing Strategy and Profitability of Retail Industry

Internet marketing is the new trendy worldwide, for Kenyan retailers to reap on this they must design their websites to perform at optimum and realize return on investment (ROI) for their brands. Apart from the website acting as brochure, it should be mobile-optimized that is modelled to work in all types of screens. In addition, websites should have value adding purposes to be friendly, such as having shopping carts and e-commerce functions to enable retailers sell on internet either through credit card or mobile money. Further, include website feature marketing mechanization to assist retailers understand who their website visitors are and to gradually encourage them through the sales process until they become consumers.

The study recommended for businesses to have their website to manage other than outsourcing consultants' website because owned website increased the odd of profitability among the retail businesses.

5.4.2 Social Media Marketing Strategy and Profitability of Retail Industry

Social media is the most used by retailer, to reap maximum benefits from social media marketing retailers must raise their brand awareness by telling stories that relate to the products and service and engage customers through social media platforms including a Facebook page, Instagram, or even Twitter.

Retail businesses need to create more Facebook pages with business suites because it adds chances for profitability.

5.4.3 Affiliate Marketing Strategy and Profitability of Retail Industry

Retailers should invest in influencers to market and promote their products. Influencer who boast an impressive following, can increase audience to the retailer's brands via the use of more application (APP) development.

Retail businesses should focus on using marketers who use APPs in their marketing because it increases the odds of marketing more than where URLs are used.

5.4.4 Content Marketing Strategy and Profitability of Retail Industry

Retailers should invest in content marketing by investing in developing captivating and convincing digital information that can be share on all types of media platforms and ensuring that the message is not only meant for promoting their brand but also to educate and entertain customers. Therefore, retailers must ensure that the content they put out to consumers is well thought-out by consulting professionals. The business should focus more on other online marketing strategies other than content marketing because the study did not find a significant relationship between content marketing and profitability.

5.4.5 Email Marketing Strategy and Profitability of Retail Industry

For retailer to realize high profits from email marketing they should send messages that are personalized in a meaningful way, that's placing the recipient's name in greeting for better attention. Further, retailer should send out the message at the time when they are like to be read as well segmenting customers to enable sending targeted communication.

More retail businesses should focus on the use of triggered email other than the use of batch email to boost odds of profitability among the retail businesses.

5.5 Suggestion for more research

The research embarked finding out the effects off internet marketing strategies on profitability of retail industry in Kenya. It explored on website design marketing, social media marketing, content marketing, affiliate marketing, and email marketing. It is suggested that further studies be carried out on external factors that hinder internet marketing to give a complete aspect of the situation.

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APPENDICES

APPEDIX I: RESEARCH QUESTIONNAIRE

RESEARCH QUESTIONNAIRE

PART 1 – BIO DATA

Questionnaire No.....

Introduction

This questionnaire is intended to contribute to an academic research study by way of gathering views from respondents on the *effects of internet marketing strategies on profitability*. Please indicate the correct choice as accurately as possible by putting a (✓) against the given alternatives. All information shall be handled confidentially and used for academic study purposes only. Kindly respond to all items. Thank you.

Please answer the following questions by ticking appropriately and/or answering briefly in prose.

1. Please tick your gender.

(a) Male (b) Female

2. Please indicate your age

(a) 20 - 29 years (b) 30 - 39 years
(c) 40 – 49 years (d) 50 – 59 years
(e) 60 & above years |

3. Please indicate the highest level of education achieved

(a) Secondary Level (b) Diploma Level
(c) Undergraduate Level (d) Masters/PHD

4. How long have you been employed in this business?

(a) 5 years & Below (b) 6 - 10 years

- (c) 11 – 15 years (d) 16 – 20 years
- (e) Over 20 years

PART II

Section A: Website Design Marketing Strategy

5. Using a scale of 1 to 5 where 1 Means Strongly Disagree, 2 -Disagree, 3- Neutral, 4 Agree and 5-Strongly Agree. Please mark X where applicable

To what extent do you agree with the following statements

	Statement	1	2	3	4	5
1	We use Website design marketing to gather information on prospective customers and generates more sales					
2	We use Website layout and appearance to attract customers to the website hence increasing traffic					
3	We use Website marketing to increases awareness and visibility of the business and its products					
4	Our website is easy to access and update data whenever need arises					
5	Our Website Marketing gives the business instant presence online					
6	We use our Website to keeps customer aware of new trends of products at the store/shop					

Section B: Social Media Marketing Strategy

6. Using a scale of 1 to 5 where 1 Means Strongly Disagree, 2 -Disagree, 3- Neutral, 4 Agree and 5-Strongly Agree. Please mark X where applicable

To what extent do you agree with the following statements

	Statement	1	2	3	4	5
1	We use social media (Facebook, internet, Instagram) helps increase traffic to the website					
2	We use social media to improve communication and interaction with key audiences					
3	We use social media to raise brand awareness					

4	We use social media to create a brand identity and positive brand association					
5	We use social media to build conversations with the targeted audience					
6	We use social media to learn from competitors					

Section C: Affiliate Marketing Strategy

7. Using a scale of 1 to 5 where 1 Means Strongly Disagree, 2 -Disagree, 3- Neutral, 4 Agree and 5-Strongly Agree. Please mark X where applicable

To what extent do you agree with the following statements

	Statement	1	2	3	4	5
1	We use Affiliate marketing to increases awareness and visibility of the business and its products					
2	We use Affiliate marketing to save on advertising					
3	We use Affiliate Marketing to broaden the business audience					
4	We use Affiliate marketing to boost reputation of the business					
5	We use Affiliate marketing to reach a variety of customers					

Section D: Content Marketing Strategy

8. Using a scale of 1 to 5 where 1 Means Strongly Disagree, 2 -Disagree, 3- Neutral, 4 Agree and 5-Strongly Agree. Please mark X where applicable

To what extent do you agree with the following statements

	Statement	1	2	3	4	5
1	We use content marketing to attract customers who are loyal					
2	We use content marketing to create and distribute valuable, relevant and consistent content					
3	We use content marketing to increase visibility of our brand					

4	We use content marketing to boost reputation of the business					
5	We use content marketing to improve brand awareness and recognition					

Section E: E-mail Marketing Strategy

9. Using a scale of 1 to 5 where 1 Means Strongly Disagree, 2 -Disagree, 3- Neutral, 4 Agree and 5-Strongly Agree. Please mark X where applicable

To what extent do you agree with the following statements

	Statement	1	2	3	4	5
1	We use e-mail marketing to reach a broad market					
2	We use e-mail marketing messages to reach the audience instantly					
3	We use-mail marketing to enhance the potential for viral, hence more exposure					
4	We use e-mail marketing to make it easy to communicate to mass audience					
5	We use e-mail marketing to enhance customer experience					
6	We use e-mail marketing to enable segment customers					

Section F: Effect of internet marketing on Profitability of Retail Industry

10. Using a scale of 1 to 5 where 1 Means Strongly Disagree, 2 -Disagree, 3- Neutral, 4 Agree and 5-Strongly Agree. Please mark X where applicable

To what extent do you agree with the following statements

	Statement	1	2	3	4	5
1	Internet marketing has generated more sales					

2	Internet marketing has increased flow of customers					
3	Internet marketing has reduced marketing expenses					
4	Internet marketing saves cost in terms of operating expenses					
5	The retail shop has increased profitability since the introduction of internet marketing					

Thank you completing the questionnaire.

**APPEDIX II: A LIST OF LEADING CHAIN SUPERMARKETS IN KENYA
AS AT MARCH 2020**

	NAME OF RETAILER	STORE COUNT
1.	NAIVAS	62
2.	TUSKYS	41
3.	QUICKMATT	11
4.	CHOPPIES	10
5.	EASTMATT	9
6.	CARREFOUR	8
7.	FOODPLUS CHANDARANA	8
8.	CLEANSELF	5
	TOTAL NUMBER OF BRANCHES	154

SOURCE: Ministry of Industrialization, Trade and Enterprise Development

APPEDIX III: INTRODUCTION LETTER

Rosemary Mang’era
BUS-3-9725-3/2018
Kenya Methodist University
P O Box
NAIROBI

10th September, 2020

The Manager
.....
P O Box.....
.....

Dear Sir/Madam

REQUEST TO COLLECT RESEARCH DATA

The researcher is currently a student at Kenya Methodist University pursuing Master of Business Administration (MBA).

The research study is on **“EFFECT OF INTERNET MARKETING STRATEGIES ON PROFITABILITY OF RETAIL INDUSTRY IN KENYA”**. The researcher humbly requests for objectivity in responding to the questions. The responses given in the questionnaire will be treat with utmost confidentiality and shall be solely used for the purposes of Academic.

Kindly support this research work by completing the questions given in the questionnaire. It is hoped that, the findings obtained from this research will be useful to the retail industry in Kenya.

I thank you in advance for your support.

Yours faithfully

Rosemary Mang’era
MBA Student
Kenya Methodist University

APPEDIX IV: RESEARCH PERMIT



REPUBLIC OF KENYA



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **136088**

Date of Issue: **08/September/2020**

RESEARCH LICENSE



This is to Certify that Ms.. Rosemary Magera of Kenya Methodist University, has been licensed to conduct research in Nairobi on the topic: EFFECT OF INTERNET MARKETING STRATEGIES ON PROFITABILITY OF RETAIL INDUSTRY IN KENYA for the period ending : 08/September/2021.

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APPEDIX V: LETTER FROM KEMU TO NACOSTI

