ST. MARY UNIVERSITY

DEPARTMENT OF MARKETING MANAGEMENT

POSTGRADUATE PROGRAM

EFFECT OF E-MARKETING PRACTICES ON BUSINESS PERFORMANCE IN THE CASE OF SMALL AND MEDIUM ENTERPRISE(SMES) IN ADDIS ABABA

BY

KIBROM BIRHANE

(ID. NO. SGS/0397/2015A)

ADVISOR– TEMESIGEN BELAYNEH (PHD.)

MAY 2024G.C

ST. MARY UNIVERSITY

DEPARTMENT OF MARKETING MANAGEMENT

POSTGRADUATE PROGRAM

EFFECT OF E-MARKETING PRACTICES ON BUSINESS PERFORMANCE IN THE CASE OF SMALL AND MEDIUM ENTERPRISE(SMES) IN ADDIS ABABA

BY: **KIBROM BIRHANE**

APPROVAL BOARD COMMITTEE

Dean, School of Graduate Studies	**Signature**	**Date**
_____	_____	_____
Research Advisor	**Signature**	**Date**
_____	_____	_____
External Examiner	**Signature**	**Date**
_____	_____	_____
Internal Examiner	**Signature**	**Date**
_____	_____	_____

Statement of Certification

This is to certify that **KIBROM BIRHANE SGS** has carried out his research work on the topic entitled "**Effect of E-marketing Practices on Business Performance in The Case Of Small and Medium Enterprise (SMES) In Addis Ababa**" is his original work and is suitable for submission for the award of Master's Degree in Marketing Management.

_____

TEMESIGEN BELAYNEH (PhD)

(Advisor)

April, 2024

Declaration

I, **Kibrom Birhane**, hereby declare that the thesis work entitled "**Effect Of E-marketing Practices on Business Performance in The Case of Small and Medium Enterprise (SMES) In Addis Ababa**." submitted in partial fulfillment of the requirements for Master of Arts in Marketing Management to Kidist Mariam University, is the outcome of my own effort and that all sources of materials used for the study have been duly acknowledged.

This study has not been submitted for any degree in this University or any other University.

Name: **Kibrom Birhane**

Signature: _____

Date: _____

Acknowledgments

Firstly, I would primarily like to cordially thank my Advisor, Temesigen Belayneh (PhD), for his proactive guidance, sharing the necessary information and relevant reference materials.

I would also like to extend my gratitude to the concerned staffs of Addis Ababa Yeka, Kirkos and Lideta sub city Micro and Small Enterprise Development Bureau for their unreserved hospitality, sharing important information, and source documents that helped me as an input for this research.

Last but not least, my gratitude goes to my family members for their unprecedented support across the whole of my study in general and the research thesis in particular. My sincerest thanks to you all!

April, 2024

Kibrom Birhane

Table of Contents

List of Tables

List of figures

ACRONYMS

AAMSEDB: Addis Ababa Micro and Small Enterprise Development Bureau

ANOVA: Analysis of Variance

MSE: Micro and Small-Scale Enterprise

ROA: Return on Asset

ROE: Return on Equity

ROI: Return on Investment

SD: Standard Deviation

SMEs: Small and Medium Scale Enterprises

SPSS: Statistical Package for Social Science

SWOT: Strength, Weakness, Opportunity, Threat

ABSTRACT

Marketing strategies constitute one of the key functional strategies that Small and Medium Enterprises (SMEs) adopt to enhance performance. This study is aimed to examine the effect of e-marketing Practices on SMEs performance in Addis Ababa City. By taking the research objectives and questions into considerations, quantitative research approach and both descriptive and explanatory research designs were used. The study was delimited to proportionate stratified techniques. Quantitative data were collected using a structured questionnaire and distributed to a sample of 309 owners and/or managers of SMEs in the Yeka, Kirkos and Lideta sub-city. With a response rate of 94%, 290 questionnaires have been returned and were valid for data analysis. The quantitative data were analyzed by using descriptive and inferential analysis. The findings of descriptive statistics have shown that the mean score of e-marketing strategy variables i.e., website information's quality, social media marketing, online advertising, quality customer service and reliability inclined to higher agreement level. All independent variables have the significant positive correlation with the dependent variable business performance. In this case, relatively Quality Customer Service had a higher strong relationship with business performance. Likewise, the result of the multiple linear regression indicated that, all the five factors except online advertising have a positive and significant effect on the business Performance of SMEs. The results also revealed that these independent variables were significant joint predictors of performance. The independent variables jointly explained 61.5% of the variance in performance. Finally, based on the finding of the study SMEs in Addis Ababa need to focus on their practices of E-marketing.

Key words: *E-Marketing, online marketing, Quality Customer Service social media marketing, online advertising, reliability, Marketing strategy, Small and Medium Enterprises, business Performance.*

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

There is no doubt about it: the Internet has changed the world we live in. Never before has it been so easy to access information, communicate with people all over the globe and share articles, videos, photos and all manner of media. The Internet has led to an increasingly connected communications environment, and the growth of Internet usage has resulted in declining distribution of traditional media such as television, radio, newspapers and magazines. Marketing in this interconnected environment and using that connectivity to market is digital marketing(Stokes, 2008).

Marketing is that it is the creation of demand for your product or service. If all goes well, this demand should translate into sales and, ultimately, revenue. If marketing creates demand, digital marketing drives the creation of demand using the power of the Internet. The Internet is an interactive medium. It allows for the exchange of currency, but more than that, it allows for the exchange of value(Stokes, 2008).

E-Marketing stands for electronic marketing, is also known as Internet marketing. In contrast to traditional marketing, E-Marketing takes marketing techniques and concepts, and applies them through the electronic medium of the internet. Essentially, E-marketing threads the technical and graphical aspects of online tools together, allowing for design, advertising, brand development, promotion and sales. Internet marketing offer the possibility to tracking almost every action a visitor or potential customer takes in response to marketing messages and how they navigate through their buying cycle (Dept of MBA).

E-marketing strategies entail utilizing existing and emerging communication and data networks to impart personalized and uninterrupted communication between the firm and its customers and to

provide value above traditional networks. Electronic business (e-business) solutions are currently evolving on a global scale and all businesses will like to increase to their market share and widen their client base, so they are more engaged. IBM regards e-business as: "…the use of Internet technologies to improve and transform key business process(Andreki & Yazdanifard, 2014).

E-marketing is a process of planning and executing the conception, distribution, promotion, and pricing of products and services in a computerized, networked environment, such as the Internet and the World Wide Web, to facilitate exchanges and satisfy customer demands. It has two distinct advantages over traditional marketing. E-marketing provides customers with more convenience and more competitive prices, and it enables businesses to reduce operational costs "E-Marketing." Encyclopedia of Business and Finance, 2nd ed.

As businesses offer e-marketing and online shopping, customers can get market information from their computers or cell phones and buy goods or find services without leaving home twenty-four hours a day and seven days a week (24/7). They can read ads on the Web or from e-mail, get e-coupons, view pictures of goods, compare prices, and make purchases with a few clicks of their mouse, saving the time and money it would take to shop in person at a brick-and-mortar store. At the same time, E-businesses can reduce costs in distribution channels and physical store space and thus pass the savings on to customers ("E-Marketing." Encyclopedia of Business and Finance, 2nd ed.)

The rapid development of new marketing strategies, coupled with an increase in the number of businesses using the internet, have transformed the field of marketing. This new approach has allowed small businesses to grow more quickly and effectively. Small enterprises are considered to be the development of countries as they are the main source of employment in the private sector(Al Adwan, 2019). It has altered the way certain firms sell their goods, and the introduction of social media has the potential to transform the way companies and consumers engage in the future. It also helps to understand the determinants of marketing performance.

small and medium-sized enterprises (SMEs) have a potential impact on achieving many of the sustainable development goals much greater than their size(Endris & Kassegn, 2022). Small and

Medium-sized Enterprises (SMEs) play extremely essential role in the quick-changing and increasingly competitive global market with a significant contribute on the economies of many countries, from this counters' Ethiopia is one of them. Small and medium enterprises play a crucial role in economic growth and job creation in Addis Ababa also has a huge role in job creation. Now a days some of this small and Medium-sized Enterprises (SMEs) like most of other companies in the world they are trying to use e-marketing to sale their product and to connect with their customers.

1.2. Statement of the Problem

Marketing is considered as a key element for any successful business. The ultimate goal of any business is to be successful and remain in business profitably. And business performance is the major evaluator of marketing. Business performance is an indicator of commercial effectiveness, which is the capacity of an organization, a division, or a person to achieve the company's goals and anticipated outcomes. Commercial effectiveness concerns costs, timeliness, quality, and revenue or sales, which are useful metrics to evaluate a business.

Small business enterprises (SBEs) are considered to be the economic engine leading to worldwide economic development(Eid & El-Gohary, 2013). In the constantly evolving and technologically advanced business landscape, Addis Ababa's small and medium-sized businesses (SMEs) are at a turning point in their quest for long-term expansion and competitive advantage. The emergence of E-marketing, which includes digital platforms, social media interaction, and online advertising, brings with it both potential and challenges for these businesses. Although e-marketing is widely recognized to have potential benefits, a thorough understanding of how e-marketing really affects SMEs' business performance in the Addis Ababa context is still lacking.

Njelita (Njelita et al., 2023) investigates the influence of social media marketing on the performance of SMEs in Onitsha, Anambra state. And the evidence show that social media marketing has significant influence on customer satisfaction and loyalty of small and medium businesses in Onitsha Anambra State, Nigeria. And the satisfaction and loyalty of a customer have direct effect on the performance of a business. thefindingsof the research show that social media marketing has the strongest effect on competitiveness as a measure of SMEs' performance.

Marketing performance was measured by multiple performance indicators such as gaining new customers, increasing sales, and reducing the sales cost. The findings of Naser Al Zubi(Naser Al Zubi, 2022) revealed that implementing effective E-marketing can help companies interact with their customers and improve their marketing performance and effectiveness. The study also showed that the marketing performance of small business enterprises was highly affected by E-marketing activities.

As the study done by Ali Mechman (Ali Mechman, 2021) on "The Effect of Digital Marketing, And E-Commence on SMEs performance of Baghdad" revealed that SME's performance is influenced by digital marketing and e-commerce and as such should be considered by SMEs as an effective marketing tool in Iranian SMEs. The result of the statistical analysis confirmed that the main research hypotheses were accepted. Also, the result showed that digital marketing and e-commerce have a positive influence on SME's performance towards a product or firm.

A study by Chinelo and Alozie (Chinelo Jenevive Obiekwe and Alozie, 2022)shows that SMEs in Enugu interested in implementing and integrating e-marketing into their business strategies achieve above-average business performance and sustainably transform their companies by coordinating their clients, internal business operations, and technology to profitably achieve growth in a fast-paced, cutthroat business environment.

The finding of a study conducted on Swedish And Nigerian companies " by Abdulrazak Taiye Arobo(Arobo, 2022)shows that most SMEs do not have a clear digital marketing strategy in their brand marketing approach. Some believe it is time consuming and a bit tricky to implement, despite the huge importance it can bring in growing a sustainable and successful brand. The study also reflects the importance of brand recognition; customer awareness and involvement were the most identified reasons for the use of digital marketing by SMEs. The researcher found out in this study, that digital marketing has the capacity to attract and retain customers, playing a vital impact on customer loyalty and brand association.

Generally speaking, despite the fact that several research studies have been carried out on the topic (The effect of E-marketing on business performance in SMEs) in different parts of the world, it is

challenging to generalize the study's findings in the context of Ethiopian SMEs without empirical testing.

As a result, the purpose of this study was to investigate how Ethiopian small and medium-sized enterprises perform in relation to e-marketing.

1.3. Basic Research Questions

This study attempted to answer the following research questions

- How does the adoption of E-marketing strategies affect the overall business performance of small and medium enterprises (SMEs) in Addis Ababa?
- To what extent does the use of social media marketing affect the business performance of SMEs in Addis Ababa?
- To what extent does the use of online advertising affect the business performance of SMEs in the market?
- To what extent does the quality of website information's influence the business performance of SMEs?
- To what extent does the quality customer service affect the business performance of SMEs?
- To what extent does the reliability (system safety) of SMEs affect their business performance?

1.4. Objectives

1.4.1. General objective

The general objective of this study was to ascertaining the effect of E-marketing Practices on the business performance of small and medium enterprise (SMEs) in Addis Ababa.

1.4.2. Specific objectives

- To assess the perception of customers towards e-marketing practices on the business performance of SMEs in Addis Ababa.

- To examine the extent of the effect of Social Media Marketing on the business performance of SMEs in Addis Ababa.
- To assess the extent effect reliability (system safety) of e-marketing on the business performance of SMEs in Addis Ababa.
- To examine the extent of the effect quality customer service of e-business on the business performance of SMEs in Addis Ababa.
- To assess the effect website information quality of e-marketing on the business performance of SMEs in Addis Ababa.
- To examine the extent of Online Advertising of E-marketing affect business performance of SMEs in Addis Ababa.

1.5. The Scope of the Study

This study is focused only on business to customer (B2C) e-marketing. The study also only focused in small and medium enterprise (SMEs) that found in Addis Ababa.

- ✓ **Conceptual scope**- establishes the theoretical underpinnings and foundational concepts that will guide the study on the effect of E-marketing practices on SMEs' business performance in Addis Ababa. Researchers can use this conceptual scope as a basis for developing a more detailed and focused research framework.
- ✓ **Geographic scope** - This study was specifically focused on small and medium enterprises (SMEs) located in Addis Ababa, Ethiopia. The research did not extend its analysis to SMEs outside the Addis Ababa region.
- ✓ **Methodological scope-** in order to determine the effect of E-marketing practices on business performance in SMEs in Addis Ababa, the study used a mix of quantitative and qualitative research methods and data were gathered using questioner and interviewing method. Researchers can use this methodological scope as a foundation and tailor it to the specific requirements of their study.

1.6. Significance of the Study

The paper discussed on the effect of e-marketing and the study has provided SME owners, managers, and stakeholders in Addis Ababa with empirical evidence on the impact of E-marketing on business performance. This information is crucial for informed decision-making in developing and adjusting business strategies. The study can aid in the creation of specialized interventions and support systems to increase the adoption of digital marketing techniques among SMEs by identifying the potential and difficulties related to e-marketing. The results of the study can support the expansion of the Addis Ababa local economy because SMEs are essential to economic development. E-marketing tactics that work can help SMEs become more competitive by drawing in new clients and encouraging company growth. The study's conclusions might affect regulatory agencies and legislators. It can provide guidance for the creation of laws that encourage the adoption of e-marketing and support its growth, so advancing the SME sector as a whole. The report can work as a reference point for Addis Ababa's SMEs, enabling them to assess how well their E-marketing strategies and results stack up against industry norms. The SME sector can be stimulated to innovate and improve by identifying best practices. From an academic standpoint, the study can add to the corpus of information already available on the relationship between business performance and e-marketing in the context of SMEs. It might be used as a guide for upcoming studies and advance scholarly knowledge of digital marketing in developing nations.

1.7. Limitation

The study focuses on the small and medium enterprises that are located in Addis Ababa. And here are several potential limitations: The study's conclusions could be restricted to the Addis Ababa location, and they might not apply to SMEs in other areas or nations. Variations can be observed in factors like regulatory settings, market dynamics, and cultural variations. Biases like non-response bias or self-selection bias could affect the study's sample. The representativeness of the sample may be impacted by the systemic differences between SMEs who choose to participate and those who do not. The study's time scope might have an effect on its capacity to document the long-term consequences of e-marketing on company performance. It might not take into consideration modifications to market dynamics, trends, or technology that might happen after the study period.

The performance of SMEs' businesses may be impacted by other variables that are outside the purview of the study, such as unanticipated events, shifts in consumer behaviour, or economic downturns. These elements may cause noise to enter the analysis. listing these limitations is essential for maintaining transparency and rigor in the research process. Researchers can address these limitations by carefully considering their implications, discussing them in the research paper, and providing recommendations for future studies to overcome these challenges.

1.8. Operational Definition

E-marketing – E-marketing is the process of marketing a product or service using the Internet. E-marketing not only includes marketing on the Internet, but also includes marketing done via e-mail and wireless media(Prasad, 2020). It uses a range of technologies to help to acquire new customers and provide services to existing customers.

Business performance – is a measure of how well a company executes its strategies and achieves its objectives. the operational ability to satisfy the desires of the company's major stakeholders(Smith, 1999). It encompasses various key indicators that reflect the overall health, efficiency, and effectiveness of a business

Social media marketing - a new generation marketing tool encouraging higher attention and participation from the consumers through the use of social networks(Jara, 2014). it refers to the strategic use of social media platforms and channels to promote products or services, engage with target audiences, and achieve marketing objectives measurable marketing outcomes.

Quality customer service - Quality customer service is the ability for service providers to match expected service with perceived service to achieve customer satisfaction(Seth, 2005). And it refers to the delivery of consistent and exceptional assistance, support, and satisfaction to customers before, during, and after their interactions with a business or organization.

Reliability (system safety) - The ability of an item to perform a required function, under given environmental and operational conditions and for a stated period of time(ISO-8402, 1986). refers to the consistent and dependable performance of a system, equipment, or process under normal operating conditions and in the face of potential hazards or adverse events.

Website information quality - Website information quality refers to the accuracy, relevance, credibility, completeness, and usability of the content presented on a website (DeLone, 2003).

Online advertising - According to Kotler and Keller online advertising is a form of marketing and advertising which uses the internet to deliver promotional messages to consumers(Kotler, 2016). and to reach and engage target audiences, drive traffic to websites or landing pages, and achieve specific marketing objectives.

1.9. Structure of the Study

This study is divided into five chapters. The first chapter of this study set the introduction of overview about the E-marketing and included any relevant background materials includes the purpose of the study, why this study is done, and the central research objectives. The second Chapter contains a review of the literature. The third Chapter presents the research design and methodology. The fourth Chapter presents the finding and analysis. The fifth Chapter presents conclusions, recommendation and scope for the further research that is drawn from the findings.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Conceptual Literature

2.1.1. E-marketing

E-Marketing (Electronic Marketing) are also known as Internet Marketing, Web Marketing, Digital Marketing, or Online Marketing. E-marketing is the process of marketing a product or service using the Internet. E-marketing not only includes marketing on the Internet, but also includes marketing done via e-mail and wireless media. It uses a range of technologies to help connect businesses to their customers(Prasad, 2020).

E-marketing is marketing online whether via web sites, online ads, opt-in e-mail, interactive kiosks, interactive TV or mobiles. It involves getting close to customers, understanding them better and maintaining a dialogue with them(Ramachandran, Nov 4, 2008). E-marketing has evolvedsignificantly with the proliferation of digital technologies and the internet. From its nascent stages characterized by email campaigns and banner ads to the present-day landscape encompassing social media, search engine optimization (SEO), content marketing, and data-driven analytics, e-marketing has transformed how businesses engage with customers and promote their offerings(Chaffey & Ellis-Chadwick, 2019).

E-marketing, also known as digital marketing or online marketing, has revolutionized the way businesses connect with their target audience, promote their products or services, and drive revenue growth in today's digital era. According to Chaffey (Chaffey, 2007), e-marketing involves "achieving marketing objectives through the use of electronic communications technology". E-Marketing takes marketing techniques and concepts, and applies them through the electronic medium of the internet. Essentially, E-marketing threads the technical and graphical aspects of online tools together, allowing for design, advertising, brand development, promotion and sales.

E-Marketing Versus Traditional Marketing

Marketing is nothing but everything an organization does to attract customers and maintain a relationship with them. In simple words we can say that everything an organization does to place its goods or services in the hands of customers is marketing(Brajananda, December (2020)).In today's rapidly evolving business landscape, marketers are faced with an array of choices when it comes to promoting their products or services. Two primary approaches dominate the marketing arena: traditional marketing and e-marketing (also known as digital marketing or online marketing).

Traditional marketing refers to conventional promotional methods that have been used for decades to reach target audiences. Many components are considered as traditional marketing like business cards, print ads in magazines or newspapers. Furthermore, posters, commercials advertise on media, billboards and brochures are also included. Overall, traditional marketing include anything except digital tools to brand product, service or logo(Jalaliyoon, 2014). E-marketing encompasses a wide range of digital marketing strategies and tactics designed to reach and engage audiences online. Let's explore the key differences between these two methods:

Reach and audience targeting:

Traditional marketing methods such as print ads, tv commercials and billboards have historically offered broad reach but limited targeting capabilities. Marketers often rely on demographics and general audience characteristics to reach their target market. Kotler and Keller (Kotler, 2016) highlight that "traditional marketing techniques generally have less precise targeting capabilities, often resulting in broader audience reach but with less relevance to individual consumers"

E-marketing provides precise targeting options based on demographics, interests, behaviors', and even specific search terms. Social media platforms, search engine advertising, and email marketing allow marketers to tailor their messages to highly segmented audiences, maximizing relevance and effectiveness. Chaffey and Ellis-Chadwick (Chaffey, 2019) state that "digital marketing enables highly targeted campaigns, reaching specific audience segments with tailored messages"

Cost and budgeting

Traditional marketing channels often require substantial budgets, especially for high-profile media placements such as television advertising or print campaigns. Costs can vary widely based on factors like audience size, publication circulation, and time slots. traditional marketing budgets are often set in advance, with limited ability to make real-time adjustments based on performance (Kotler, 2016).

E-marketing tends to be more cost-effective, with options available for businesses of all sizes and budgets. Pay-per-click (PPC) advertising, social media advertising, and email campaigns allow marketers to set precise budgets and only pay for actual engagement or conversions, reducing waste and maximizing ROI. digital marketing provides greater control over budgeting, with the ability to track expenditures and optimize spend in real time (Chaffey, 2019).

Measurement and analytics

Measuring the effectiveness of traditional marketing efforts can be challenging. While techniques like market research surveys and tracking coupon redemptions provide some insights, the data is often limited and lacks real-time visibility. measuring the impact of traditional marketing campaigns is often challenging and imprecise, relying on indirect methods and assumptions. And also, traditional marketing analytics are generally less granular and slower, making it difficult to obtain detailed insights and timely feedback(Kotler, 2016).

e-marketing offers robust analytics and measurement tools that provide real-time insights into campaign performance. Marketers can track metrics such as website traffic, click-through rates, conversion rates, and return on ad spend (ROAS), allowing for continuous optimization and improvement. digital marketing provides detailed and accurate measurement of campaign performance, enabling marketers to track user interactions and outcomes with high granularity. digital marketing analytics enable sophisticated analysis of user data, helping marketers to understand customer behavior and optimize campaigns for better results (Chaffey, 2019).

Flexibility and agility

Traditional marketing campaigns often require long lead times for planning, production, and distribution. Changes or updates to campaigns can be difficult and costly to implement once they are in motion (Kotler, 2016).

E-marketing campaigns offer greater flexibility and agility, allowing marketers to make rapid adjustments based on real-time data and feedback. Ad creatives, targeting parameters, and campaign budgets can be modified on the fly to optimize performance and capitalize on emerging opportunities (Chaffey, 2019).

Engagement and interactivity

Traditional marketing methods are generally one-way communication channels, with limited opportunities for audience interaction or engagement(Kotler, 2016). While impactful visuals or catchy slogans can capture attention, the level of engagement is often passive.

e-marketing platforms promotes higher levels of engagement by offering interactive experiences and personalized content that resonate with individual preferences (Chaffey, 2019). And provide opportunities for two-way communication and interactive engagement with audiences. Social media posts, email newsletters, and live chat support enable direct interactions between brands and customers fostering relationships and driving brand loyalty.

2.1.2. E-marketing Strategies

E-marketing or internet marketing is the marketing of products and services over the internet (Emeh, Ahaiwe & Okoro, 2019). It entails the execution of marketing campaigns and strategies through digital and internet-based channels. Electronic marketing is not limited to marketing activities executed on the internet; its scope encompasses marketing operations done through electronic mail (e-mail) and wireless communication channels such as wireless local area networks (WLANs), wireless sensor networks, terrestrial microwave networks, cell phones, and satellite communication networks (Gao, Meng, Mata, Martins, Iqbal & Farrukh, 2021). It uses a range of technologies to help connect businesses to their customers (Emeh, Ahaiwe & Okoro, 2019).

According to Roumieh, Garg, Gupta, and Singh (2018), E-marketing includes a wider range of marketing elements than traditional marketing due to the extra channels and marketing mechanisms available on the internet. As such, electronic marketing gives companies a global reach by allowing their products, services, and promotions to reach millions of people across the world within the span of a few minutes. It is a two-way communication channel that enables firms not only to send out information to customers; but also, to get feedback from them (Habibi, Hamilton, Valos & Callaghan, 2015).

Similarly, Qashou and Saleh (2018) observed that electronic marketing is flexible and could easily be adjusted to suit prevailing market conditions at every point in time. E-marketing strategies are those online, wireless, or internet-based tools or channels which could be adopted by companies to create and deliver promotional content to customers; and interact with them more effectively (Papadopoulos, Baltas & Balta, 2020). These strategies are numerous, dynamic, and constantly evolving as the internet and digital technologies also evolve. They generally include email marketing, search engine marketing, website marketing, affiliate marketing, social media marketing, online advertising, mobile marketing, viral marketing, content marketing, e-distribution, banner advertising, pay-per-click advertising, sticky advertising, or pop-up advertising, among others.

2.1.3. Business Performance

Business performance management entails systematic use of information and analytical methods for measurement of performance in the business environment. Business performance management refers to the system used by enterprises to track and report internal and external performance(Luo, 2022). Business performance is a critical determinant of organizational success and sustainability. By focusing on key performance indicators, utilizing evaluation methods, and implementing strategies for improvement, businesses can enhance their competitiveness, achieve strategic objectives, and drive long-term growth and profitability in an ever-changing marketplace.

Business performance encompasses the effectiveness and efficiency with which a company achieves its objectives and goals. It serves as a measure of the organization's overall health, competitiveness, and success in the marketplace. Venkatraman and Ramanujam state that a comprehensive evaluation of business performance requires an integrative approach that considers various dimensions of

success (Venkatraman, 1986). Business performance is multifaceted and encompasses various dimensions, including:

Financial performance: As articulated by Fama and French, "financial performance metrics are crucial for assessing the economic health and viability of a firm (Fama, 1992). This includes metrics such as revenue, profitability, return on investment (ROI), cash flow, and gross margins. Financial performance indicators provide insights into the company's ability to generate profits, manage expenses, and maintain liquidity.

Operational performance: focuses on the efficiency and effectiveness of business processes and activities. Key metrics may include production output, cycle times, inventory turnover, quality defects, and resource utilization. Neely, Gregory, and Platts (2005) emphasized that "operational performance metrics are essential for understanding how well a company utilizes its resources to deliver products and services (Neely, 2005). Improving operational performance can lead to cost savings, productivity gains, and enhanced customer satisfaction.

Customer Satisfaction and loyalty: Customer-centric metrics, such as Net Promoter Score (NPS), customer retention rate, and customer lifetime value (CLV), gauge the level of satisfaction and loyalty among customers. Kotler and Keller stress that understanding and meeting customer needs is crucial for achieving high levels of customer satisfaction and loyalty, which are key drivers of business success(Kotler, 2016). Positive customer experiences are essential for building brand reputation, fostering repeat business, and driving revenue growth.

Employee Engagement and Productivity: Engaged and motivated employees are vital for driving business success. Effective human resource management is crucial for sustaining high levels of employee engagement and performance. Armstrong asserts that "investing in human resource performance is fundamental to achieving long-term organizational success and maintaining a motivated and productive workforce(Armstrong, 2006). Metrics such as employee satisfaction scores, turnover rates, absenteeism, and productivity levels measure the effectiveness of workforce management practices and organizational culture.

2.1.4. Performance of SMEs

SMEs performance is a measure of efficiency and effectiveness of the sales, marketing, financial and managerial activities and strategies of small and medium-sized enterprises (Lin & Lin, 2016). It is the degree to which SMEs are able to meet or realize their specific short, medium, and long-term business goals. According to Dzisi and Ofosu (2014), the performance of SMEs takes a look at whether or not SMEs are able to attain set standards and objectives desired by operators and employees. It also explores how effective and efficient strategies of SMEs are at actualizing organizational goals and objectives relating to manufacturing, distribution, sales, promotion, pricing, resource allocation, human resource management, among others (Lin & Lin, 2016).

The performance of SMEs is a critical factor determining the economic growth of most developing African countries because SMEs dominate the economies of most developing countries (Papadopoulos, Baltas & Balta, 2020). This entails that as SMEs perform more effectively and efficiently, the overall national economy is improved as well as jobs are created, domestic demands are satisfied, standards of living rise, cost of living declines, and foreign trade through exportation grows. This is why governments of some developing African countries such as Nigeria, Ghana, Angola, and South Africa are investing in support programs and initiatives targeted at helping SMEs grow, understanding their links with the broader national economy (Igwe, Ogundana, Egere & Anigbo, 2018).

However, to improve the performance of SMEs, there is a need to first gain insights into the actual dimensions or indicators of SMEs performance. According to Wang, Pauleen, and Zhang (2016), SMEs performance could be broadly categorized into financial indicators and non-financial indicators. Financial indicators relate directly to the financial health of SMEs; they are concerned with financial metrics such as revenue, return on investment, equity, profitability, liquidity, financial assets, capital base, and earnings before tax, earnings after-tax, and others (Nasiri, Ukko, Saunila, Rantala & Rantanen, 2020). The non-financial indicators are marketing and managerial metrics such as employee recruitment, satisfaction, motivation, and retention; corporate image; customer patronage; new customer acquisition; customer retention; market share; sales volume; new market acquisition; and customer demand (Onyango, 2016; Njoroge, 2017).

2.1.5. Social Media Marketing and Performance of SMEs

Social media is a collection of internet platforms or networks that promote virtual communications and exchanges of contents between and among registered participants in an interactive, two-way manner (Jussila, Kärkkäinen & Aramo-Immonen, 2014). Social media marketing is, therefore the adoption and utilization of social networks and platforms such as Twitter, Facebook, Instagram, and YouTube to run advertisements or other promotions; interact with target customers; deliver customer services; carry out sales and build harmonious relationships with the target market (Leung, Bai & Stahura, 2015). It is the integration of social media into the marketing mix of companies and the deployment of social networks and sites as channels for executing marketing campaigns and strategies.

The effectiveness of social media marketing at enhancing the performance of business organizations intensifies rapidly as social media proliferates and penetrates deeper into consumer populations. Consequently, customers rely on social media to obtain information on potential purchases, while companies use social media to promote their brands, interact with potential and existing customers; and enhance their sales and marketing performance (Emeh, Ahaiwe&Okoro, 2019; Anne, 2020).

This premise is supported by the study of Onyango (2016), which revealed that social media marketing had a strong correlation with the performance (revenue, market share, and profitability) of flower firms in Kenya. The premise is also supported by the study of Akyuz and Ibrahim (2020), which revealed that social media marketing had a significant positive effect on the performance of SMEs in Nasarawa State. Similarly, the foregoing premise finds backing in the study of Anne (2020), which revealed that social media had a significant influence on the marketing performance of SMEs.

2.1.6. Online Advertising and Performance of SMEs

Online advertising is the non-personal and paid-for presentation and promotion of goods, services, and ideas using the internet as a medium by an identified sponsor (Emeh, Ahaiwe & Okoro, 2019). It is the process of using internet tools like display advertising, search engine optimization, company-owned or affiliated websites, etc., to communicate information about a firm, its products,

and services to specific groups of online-based users (customers) in order to enlighten, inform, educate, and persuade positive responses from customers towards a firm and its products and services (Deshwal, 2016).

Online advertising is the process of targeting specific sets of customers on the internet using consumer information gathered on them for the purpose of reaching them with information about goods and services they are likely to require and influencing them to patronize. Online advertising is flexible, far-reaching, innovative, less expensive, and has a wider reach, thereby enabling companies, including SMEs to target and promote their offerings to a large audience. A creative and well-executed online advertising campaign can enable a company to gain market awareness and amass large sales volumes of its products within a very short period of time (Silas & Junior, 2020). This entails that online advertising could substantially improve a company's marketing performance.

This premise is reinforced by the study of Adede, Kibera, and Owino (2017), which revealed that online advertising had a significant positive influence on the performance of telecommunications companies in Kenya. The premise is also backed by the study of Njau and Karugu (2014), which revealed that online advertising had significant positive associations with the performance of SMEs in Kenya. Similarly, the premise is reinforced by the study of Olusegun, Olympus, and Olakunle (2020), which revealed that online advertising had significant positive effects and correlations with the performance of SMEs in Lagos State, Nigeria.

2.1.7. Email Marketing and Performance of SMEs

Email marketing is the use of electronic mail by firms to target specific groups of consumers and to present and promote products and services to them with the objective of informing, reminding, and leading them to make purchases (Elrod &Fortenberry, 2020). It is marketing activities that are formulated and executed using electronic mail (email). Firms often use a variety of ways to get customers' email addresses like registration requirements or buying from online marketers. They use these email addresses to prepare a mailing list based on unique customer preferences and patterns, and periodically send messages containing information of available products and services to customers on those mailing lists. Zhang, Kumar, and Cosguner (2017) viewed email marketing as the act of sending a commercial message, typically to a group of people, using email.

Email marketing has become a very popular form of communication in business. The purpose of email marketing is to reach customers quickly and increase customer patronage instantaneously. When used as part of a marketing strategy, email can quickly and easily share information with customers; it can be used to gather marketing data; and it can be tailored to customers based on their needs and preferences (Kamarov&Anatoley, 2014). As a dominant E-marketing tool, email marketing has the capacity to substantially improve the marketing performance of organizations across industries.

The foregoing assumption is confirmed by the study of Onyango (2016), which revealed that e-mail marketing had a strong correlation with the performance (revenue, market share, and profitability) of flower firms in Kenya. The assumption is also backed by the study of Saleh (2020), which revealed that email marketing had a significant positive effect and relationship with the performance of small and medium-sized family enterprises in Malaysia. Similarly, the foregoing assumption is supported by the study of Njau and Karugu (2014), which revealed that email marketing had a significant positive association with the performance of SMEs in Kenya.

2.1.8. Quality Customer Service

Customers are one of a company's most valuable assets, and it is critical for businesses to focus on them and ensure that they are well cared for. Companies can achieve a positive reputation, referrals, and new business ventures by focusing on customers (Habibi et al., 2015). As a result, innovative SMEs can attract new clients and grow their business. Furthermore, by focusing on customers, firms may build effective long-term relationships and manage their people by using information rather than going through people to get the information they need (Nwokah and Irimagha, 2017). According to Lady and Arafah (2018), the quantity and quality of knowledge communication is critical in any organization. Market orientation delivers benefits in a variety of ways, including innovation, customer loyalty, product quality, and, ultimately, company performance (Chen and Huang, 2016).

A growing stream of studies today endorses the adoption of different strategic orientations such as market orientation, innovation orientation, quality orientation, and productivity orientation (Mazzarol, 2015). To continually enhancing the quality of their products, organizations pursuing a

quality enhancement strategy must make regular changes or continuous improvements in the production process (Lee et al., 2010). Pollanen et al. (2107) investigate the role of strategic performance measures in strategic decision-making and their impact on organizational performance. The study revealed that SPM efficiency and effectiveness are significantly correlated to performance, as well as the former to strategy implementations and strategic evaluation decisions, based on 143 online survey responses from senior administrators throughout Canadian public organizations. Yousaf et al. (2018) argued that the role of e-marketing is central to the successful implementation of business strategies because the current competitive business environment calls for a continuous emphasis on delivering superior quality enhancement of products and services to customers.

The term "e-marketing orientation" has been established to define a company's usage of these technologies, which has a favorable impact on customer satisfaction, sales performance, quality improvement, and relationship development (Al Adwan et al., 2019). According to Ofori and The Effect of E-marketing Orientation on E-business Strategy: E-trust as a Mediator [208] El-Gayar (2020), e-marketing orientation positively contributes to these objectives by boosting communication, allowing for more intensity, and increasing information sharing. The market orientation performance chain is mediated by innovativeness, customer loyalty, and quality, according to Abrar et al. (2016) revised model based on previous empirical investigations.

2.1.9. Reliability (System Safety)

Reliability in the context of system safety refers to the ability of a system or component to consistently perform its required functions under specified conditions for a designated period of time. According to Smith (Smith, 2017), Reliability engineering is a discipline that applies scientific principles to the design, operation, and maintenance of systems to ensure they perform as required, enhancing system safety and dependability. The reliability of a system is a fundamental attribute that directly impacts its safety, effectiveness, and overall performance. It is a key factor in the design and operational planning of systems across various industries (Blanchard, 2011).

2.1.10. Website Information's Quality

In e-commerce, the website is where transactions between customers and e-retailers commonly happen (Liang et al., 2011). Some online retailers' websites are more persuasive than others due to their effective WQ features (Shang and Bao, 2020). Aladwani and Palvia (2002, p. 469) define customers' perception of WQ as "consumer's assessments about website's characteristics that meet consumers' needs and represent the cumulative website effectiveness". The shopping website is not solely a system of information but also an interface between e-retailers and customers (Gefen et al., 2003). Alshibly and Chiong (Alshibly, 2015) proposed that for an e-commerce company to succeed and improve its position online and to understand the competition and improve industry benchmarks, it was critical to evaluate the quality of its website.

From an e-commerce perspective, WQ is regarded as a significant internal element for customers to examine the criteria of e-retailers (Kim and Lennon, 2013). Aggarwal and Aakash (2018) highlighted that online shopping websites which deliver better functionality, accessibility, reliability, usability, flexibility, and stability to online consumers could be conceded as a website of high quality. Information Systems (IS) success model, coined by DeLone and McLean (2003), directly evaluates the characteristics of a WQ in e-commerce. They point to three vastly acknowledged dimensions: information quality, system quality, and service quality. The basic factors in assessing expectations and perceptions of website users about WQ could be these three dimensions (DeLone and McLean, 2003; Liang and Chen, 2009). In online CS, these three dimensions of quality play a crucial role (DeLone and McLean, 2003). Information quality is about comprehensive content on the web that enables consumers to perceive provided information. This web content is related, compact, personalized, secure, and understandable for consumers (Chi, 2018). The system quality alludes to the efficiency and features of systems on the web, which are accessible, adaptable, responsive, and reliable to consumers (Chi, 2018). Additionally, service quality refers to the online assistance provided to consumers by the management of the website, as customer service for improving the browsing and shopping experience of consumers (Chi, 2018).

According to Lowry et al. (2014), WQ can be considered the features of a website that helps achieve online CS. It is also a crucial element for retailers' success as the website is an initial impression on

every consumer (Akram et al., 2018). Previous scholars propounded that WQ directly impacts CS (Tandon et al., 2020). A high-quality website can maximize reach and satisfaction and generate positive eWOM. Many scholars have found that WQ and CS are directly and positively correlated with each other (Lin, 2007; Shin et al., 2013; Zhou and Jia, 2018). Customers who perceive and experience better quality of a specific shopping website will create eWOM by sharing their experience with relatives, friends, colleagues, and others. Tarkang et al. (2022) revealed that WQ is crucially responsible for eWOM; for instance, when a website user gets a website that is user-friendly, attractive, and easily accessible, there would be a higher probability of the user recommending the website.

2.2. Theoretical Literature

The theoretical literature underscores the significant positive effect of e-marketing practices on business performance. By leveraging digital tools and platforms, businesses can enhance their market reach, customer engagement, and operational efficiency, leading to improved performance outcomes. E-marketing is thus a critical component of modern business strategies, particularly for small and medium enterprises aiming to compete in an increasingly digital marketplace. There are Several theories that support the relationship between e-marketing practices and business performance.

2.2.1. Technology Acceptance Model (TAM) Theory

The Technology Acceptance Model (TAM) is a widely used framework that explains how users come to accept and use a technology. Developed by Davis, TAM posits that perceived usefulness and perceived ease of use are the primary factors influencing technology adoption. This model is particularly relevant in understanding the adoption and impact of e-marketing practices on business performance (Davis, 1989).

Technology Acceptance Model (Davis, 1989) has been one of the most influential models of technology acceptance, with two primary factors influencing an individual's intention to use new

technology: perceived ease of use and perceived usefulness. Perceived Usefulness (PU) is the degree to which a person believes that using a particular system would enhance their job performance because they facilitate customer engagement, data analysis, and targeted marketing campaigns. Perceived Ease of Use (PEOU**)** is the degree to which a person believes that using a particular system would be free of effort. The ease of use of digital marketing platforms is crucial for their adoption. User-friendly interfaces, intuitive design, and accessible training resources make it easier for businesses to integrate e-marketing practices into their operations,

The Technology Acceptance Model (TAM) provides a robust framework for understanding the adoption and impact of e-marketing practices on business performance. By focusing on perceived usefulness and ease of use, TAM explains how businesses come to integrate digital marketing tools into their operations and how this integration enhances their performance. Study by Karahanna and Straub found that the perceived ease of use and usefulness of information technology significantly influence its adoption and subsequent business performance improvements(Karahanna, 1999).

The adoption of e-marketing practices, as explained by TAM, positively impacts business performance in several ways:

Enhanced Customer Reach and Engagement: E-marketing tools enable businesses to reach a wider audience and engage with customers more effectively. For instance, social media platforms facilitate direct interaction with customers, building stronger relationships and loyalty, which in turn enhance business performance (Kaplan, 2010).

Improved Marketing Efficiency: The perceived usefulness of e-marketing tools in automating and streamlining marketing processes leads to increased operational efficiency. Businesses can execute marketing campaigns more swiftly and at a lower cost, thereby improving their overall performance(Chaffey & Ellis-Chadwick, 2019).

Competitive Advantage: Businesses that effectively adopt and utilize e-marketing tools gain a competitive edge in the market. Their ability to respond quickly to market changes and customer needs enhances their competitive position and drives superior business performance (Porter, 2001).

2.2.2. Diffusion Of Innovations Theory

The Diffusion of Innovations Theory, developed by Everett Rogers in 1962, explains how, why, and at what rate new ideas and technology spread through cultures. This theory provides valuable insights into the adoption and impact of e-marketing practices on business performance (Rogers, 1962). It provides a comprehensive framework for understanding how e-marketing practices are adopted and integrated into business strategies. By embracing digital innovations early and effectively, businesses can achieve superior business performance.

Rogers highlighted numerous case studies showing how early adopters of digital marketing technologies gained competitive advantage and improved market performance(Rogers, 2003). Teo, Lim, and Lai found that firms leveraging internet-based marketing practices experienced significant improvements in customer acquisition and retention, directly impacting business performance(Teo, 1999).

The adoption of e-marketing practices, guided by the Diffusion of Innovations Theory, can positively impact business performance in several ways:

Competitive Advantage: Businesses that adopt e-marketing early can differentiate themselves from competitors by leveraging innovative digital strategies. They can attract and retain customers more effectively, leading to increased market share and profitability (Rogers, 2003).

Enhanced Customer Engagement: E-marketing allows businesses to engage with customers in real-time through interactive content, personalized messages, and social media interactions. This engagement fosters stronger customer relationships and brand loyalty, contributing to long-term business success (Rogers, 2003).

Efficiency and Cost-Effectiveness: Digital marketing tools and automation improve operational efficiency and reduce marketing costs compared to traditional methods. Businesses can optimize their marketing spend and achieve higher returns on investment (ROI), thereby enhancing overall business performance (Rogers, 2003).

2.2.3. **Resource-Based View (RBV) Theory**

The resource-based view (RBV) often referred to as the "resource-based view of the firm (Hooley, 1998), is a managerial framework used to determine the strategic resources a firm can exploit to achieve sustainable competitive advantage. RBV proposes that firms are heterogeneous because they possess heterogeneous resources, meaning that firms can adopt differing strategies because they have different resource mixes (Lavie, 2008).

The Resource-Based View (RBV) theory provides a comprehensive framework for understanding the impact of e-marketing practices on business performance. The RBV posits that firms possess a bundle of resources and capabilities that are heterogeneously distributed across firms and are imperfectly mobile. These resources and capabilities can be classified into four categories: valuable, rare, inimitable, and non-substitutable (Barney, 1991).

2.3. Empirical Literature

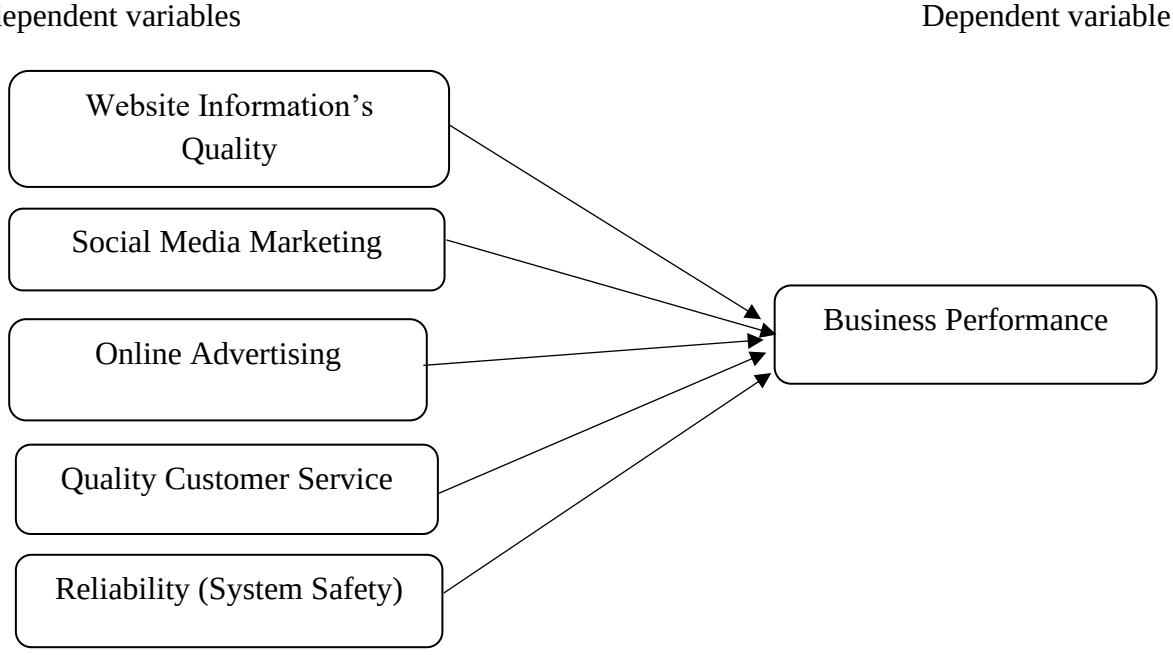
An Empirical Evidence on the Usage of Internet Marketing in the Hospitality Sector in an Emerging Economy and its Relationship to Profitability in South Africa was the study conducted by Rosemary(Rosemary, (2012). The researcher employs a quantitative methodology. The main conclusions of this study show that internet marketing can have a positive impact on a company's profitability and that the hospitality industry's use of internet marketing is heavily influenced by factors like technological proficiency, managerial support, star rating, and alliances.

Dr. Ram Chand Garg and Ravinder Kumar stated long-standing sustainability directly depends on factors like changes in the market, innovations, expansion of target segments and geographical areas across the country through technological advancement and creating awareness. There is also a need for becoming more of customer centric organization rather than a product centric organization. In this intricate business world, the online marketing will become tremendous business strategic concept, and it may be very helpful and most profitable method of business process in coming decade(Kumar, 2018).

The findings of Khalid Naser revealed that implementing effective E-marketing can help companies interact with their customers and improve their marketing performance and effectiveness(Naser Al Zubi, 2022). According to the study, small business enterprises' marketing performance may benefit from the implementation of E-marketing. The adoption of this technology does not, however, imply an inherent increase in marketing effectiveness or competitive advantage. Instead, the proactive use of tools and forms by marketing skilled personnel is the major factor contributing to the adoption of E-marketing being advantageous for small company organizations. They may be able to increase their companies' marketing effectiveness and competitive edge as a result.

2.4. Conceptual Framework

The researcher has identified variables which influence business performance in e-marketing of a small and medium enterprises (SMEs)in Addis Ababa, Ethiopia. These variables are: Social Media Marketing, Online Advertising, Website information's quality, quality customer service and reliability (System safety).



Source: conceptual frame work adapted from Solomon A. (2016)

Figure 1:conceptual frame work

2.5. Research Hypotheses

In this study after reviewing multiple theoretical and empirical literatures that have been studied and researched in the area, I developed five hypothesis that were examined as the influential factors that affects the business performance to SMEs.

Performance has a wide range of measurement dimensions that are categorized as financial and non-financial (Kaplan, 1993; Lebans, 2006) as well as operational and strategic performance measurements (Wu, 2006). Regular indicators used in measuring business performance are profit, return on investment (ROI), turnover or number of customers (Wood, 2006), and design quality and product improvement (Laura, 1996). However, in this study business Performance were considered in the dimensions of business profit, sales growth,

The following hypotheses were formulated and tested to answers to the research questions mentioned above. Therefore, the following alternative hypotheses were formulated:

H1: Website Information's Quality have positive significant effect on the performance of SMEs.

A study by Ahn, Ryu, and Han found that information quality significantly influences user satisfaction and purchase intentions in the context of e-commerce (Ahn, 2007). According to Ranganathan and Ganapathy websites with high information quality experienced higher customer satisfaction and increased sales, underscoring the importance of accurate, relevant, and timely information in enhancing business outcomes(Ranganathan, 2002)). A study by Chen and Cheng indicated that information quality significantly influences customer satisfaction, which in turn affects purchase intentions and repeat business, highlighting the critical role of information quality in driving business performance(Chen, 2009).

H2: Social Media Marketing has positive significant effect on the performance of SMEs.

Laroche, Habibi, and Richard study found that active participation in brand communities on social media strengthens customer relationships, enhances brand trust, and fosters loyalty, which are critical for long-term business success(Laroche, 2013). Social media marketing activities have a

positive effect on brand equity, which in turn influences customer response variables such as purchase intention(Kim, 2012).

H3: Online Advertising has positive significant effect on the performance of SMEs.

A study by Goldfarb and Tucker shows that online advertising, when effectively targeted, can lead to substantial increases in sales and revenue(Goldfarb, 2011). Research by Dahlen and Edenius found that repeated exposure to online ads significantly enhanced brand recall and recognition, which are critical components of business performance(Dahlen, 2007).

H4: Quality Customer Service has positive significant effect on the performance of SMEs.

A study by Bitner, Booms, and Tetreault indicate that high-quality customer service significantly enhances customer satisfaction and loyalty(Bitner, 1990). Research by Anderson, Fornell, and Lehmann demonstrated that companies providing high-quality customer service experience better financial performance, including higher profitability and market share(Anderson, 1994). A study by Roth and Van Der Velde found that businesses providing exceptional customer service differentiate themselves from competitors, leading to increased customer loyalty and market share(Roth, 1991).

H5: Reliability (System Safety) has positive significant effect on the performance of SMEs.

A study by Collins and Porras indicate that reliable systems lead to higher customer satisfaction and loyalty, as customers value consistent and uninterrupted services(Collins, 1994). A study by Manuele showed that Effective risk management through system reliability and safety leads to improved compliance and a stronger market position(Manuele, 2008).

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

Research methodology has necessary to provide a reliable and valid research study. This chapter presented the research methodology adopted in conducting the study in order to achieve the study's objective. The chapter was thus structured into research design, data collection techniques, sampling strategy, research instrument, measurement constructs, data processing, and data analysis were all included in the study.

3.1. Research Approach

To understand research problem and answering research question, utilization of both qualitative and quantitative data was preferred. The purpose of the qualitative technique is to collect data from statistically representative samples of the target population; for this reason, it is typically carried out among several hundred respondents. This kind of study addresses inquiries that aim to ascertain the amount.

Moreover, qualitative approach was used because it can describe the actual condition of e-marketing practice in SMEs with non-numerical ways. Thus, Interviewing of the SMEs managers and employees using qualitative data, to get respondents' opinion & understand the effect on e-marketing on business performance. On the other hand, quantitative data developed in structured questionnaires which helped to get relevant information from participants. After collecting relevant information using qualitative and quantitative data; it had coded & quantified in numbers and then the quantified data analyzed in statistical model such as mean, standard deviations, correlation, and regression analysis.

3.2. Research Design

This study used explanatory type of research design in order to explain the relationship between the E-marketing variables and business performance, assess the effect relationship between e-marketing

variables and business performance and how these e-marketing dimensions affect business performance of SMEs in Addis Ababa.

3.3. Target Population, Sample Size and Sample Technique

3.3.1. Target Population

According to the information obtained from AAMSEDB, there were total of more than 4,000 SMEs from this 1386 of them were practicing e-marketing in three sub-cities operating in 5 sectors which include: Manufacturing (743), Trade (75), Service (93), Construction (445), and Urban Agriculture (30) as at November, 2023.

3.3.2. Sample Size

As a general rule, one can say that the sample must be of an optimum size i.e., it should neither be excessively large nor too small (Kothari, 2004). Sample size can be determined using certain formula in the case of quantitative study, whereas, in qualitative study, determining sample size is entirely a matter of judgment, there are no set rules (Cohen, Manion, and Morrison, 2000). Thus, to get a representative sample for the population, Yemane (1967) finite and large population sample size formula with 95% confidence level was employed. The formula used to obtain this sample size is presented below:

$$n = \frac{N}{1+N(e)^2}$$

Where: n represents sample size, N represents total number of population size, and e represents sampling error/level precision

Therefore, based on the above formula the sample size of the study is 310 SMEs.

$$n = \frac{1386}{1+1386\,(0.05)^2} = 309$$

3.3.3. Sampling Technique

In this study, the stratified and purposive sampling techniques were used in combination. The researcher preferred stratified sampling technique based on Kothari (2004) statement that, "If a population from which a sample is to be drawn does not constitute a homogeneous group, stratified sampling technique is generally applied in order to obtain a representative sample. In this technique population is divided into several sub-populations that are individually more homogeneous than the total population (the different sub-populations are called strata)". Therefore, the strata in this study were the 5 sectors as per Addis Ababa Micro and Small Enterprise Development Bureau (AAMSEDB) classifications. These are: manufacturing, trade, service, construction, and urban agriculture. In general, since each stratum is more homogeneous than the total population, the researcher is able to get more precise estimates of the sample for each stratum and by estimating more accurately each of the component parts and get a better estimate of the whole; in brief, stratified sampling results in more reliable and detailed information (Kothari, 2004, pp. 63). Besides to the stratified sampling technique, purposive sampling technique was used to select the respondents from each stratum. This technique was needed to choose members of the population to participate in the study purposively based on researcher's own judgments" to answer research questions and/or achieve research objectives.

Following the sample size determination, the researcher was allocated the sample size of each stratum through the method of proportional allocation under which the sizes of the samples from the different strata are kept proportional to the sizes of the strata. In order to do so, proportionate stratified sampling (PSS) formula was used.

proportionate stratified sampling (PSS) formula

$$ni = \frac{Ni}{N} n$$

Where: ni represents sample size taken from each stratum/sector, Ni total no. of population of each stratum/sector, n total sample size of the study, and N total population size

Table 1: Sample Size of the Respondents from each Stratum

S/n	Strata (Sector)	Activities of SMEs	Total no. of SME in the Sub-City as at Nov 2024	Sample From each ni=Ni /N*309
1	Manufacturing	Textile & garment, leather & leather product, food processing & beverage, metal works & engineering, wood woks, etc	743	165
2	Construction	Sub-contracting, building materials, concrete brick, cobblestone, etc	445	99
3	Service	Transport, cafe, restaurant, store service, packaging, beauty salon, electronics, maintenance, etc	93	21
4	Trade	Wholesale, retailer, raw material supply, etc	75	17
5	Urban	Agriculture Animal husbandry, apiculture, horticulture, animal food processing	30	7
	Total		1386	309

3.4. Source of Data

The study was used both primary and secondary source of data. The primary source of data was the response collected from the owner and/or manager of SMEs. On the other hand, the secondary

source of the data was gathered from different books, articles, journals, and different reports of SMEs to support the primary data.

3.5. Methods of Data Collection

Quantitative data: Surveys has been conducted to collect quantitative data on e-marketing activities and business performance indicators. The survey questionnaire is designed to measure variables such as e-marketing expenditure, digital marketing channels used, website traffic, conversion rates, and revenue growth.

Qualitative Data: were conducted with SME owners, managers, and marketing professionals to gather qualitative insights into their e-marketing strategies, challenges faced, and perceived impacts on business performance. This qualitative data provides contextual understanding and enrich the quantitative findings.

3.6. Validity and Reliability

Validity and reliability of the measures need to be assessed before using the instrument of data collection (Hair et al., 2003). Validity concerns whether an instrument can accurately measure, while reliability pertains to the consistency in measurement. Therefore, in this study the reliability and validity were tested as follows;

3.6.1. Validity

Validity is the degree to which a measure accurately represents what it is supposed to. It is concerned with how well the concept is defined by the measure(s). There are three types of validity: content validity, predictive validity, and construct validity. The content validity is the assessment of the correspondence between the individual items and concept. Validity is the criteria for how effective the design is in employing methods of measurement that will capture the data to address the research questions (Kazi, 2010).

Therefore, in this study in order to assure the validity of the research instrument, various relevant literatures and different previous research questionnaires were used. Also, the research advisor and the internal examiner were critically checked for the validity of the questionnaire. As well, the draft

survey questionnaire was pilot tested with at least 10 respondents in order to assure that the instrument is clear and unambiguous. Then, following the above mentioned means and pilot testing, the researcher was incorporated the feedback of the respondents into designing of the final survey questionnaire. So, after passing this all process, the research instrument was distributed to the respondents.

3.6.2. Reliability

The reliability of a measure indicates the stability and consistency with which the instrument measures the concept and helps to assess the goodness of a measure (Zikmund, 2003). In this study, the reliability of the items in the instrument was measured using Cronbach's alpha. Cronbach's alpha initially published in 1951 by Lee Cronbach(Cronbach, 1951) and it is the most frequently used reliability test to measure internal consistency when using the Likert scale. Likert scale is a rating scale used to measure opinions, attitudes or behaviors. According to Sekaran (2003), the closer the reliability coefficient gets to 1.0, the better it is, and those values over .80 are considered as good. Those values in the .70 are considered as acceptable and that reliability value less than .60 is considered being poor.

Therefore, the reliability point for website information's quality is 0.849 which is more than 0.8 and is regarded as good and acceptable. The reliability point for social media marketing is 0.764 which is more than 0.70 and considered as acceptable. The reliability point for online advertising is 0.725 which is more than 0.70 and regarded as acceptable. The reliability point for quality customer service is 0.749 which is more than 0.70 and considered as acceptable. The reliability point for reliability (system safety) is 0.774 which is more than 0.70 and regarded as acceptable.

3.7. Methods of Data Analysis

The primary data to be collected through self-administrated questionnaire was analyzed using both descriptive and inferential analysis. In order to do so, Statistical Package for Social Sciences (SPSS) software version 20 was employed. In order to test the reliability and validity of the instrument; factor analysis and Cronbach's alpha tests were used.

Descriptive statistics was used mainly to organize and summarize the demographic and general data of the respondents and enterprises. It was employed percentage, frequency, mean, and standard deviation.

Whereas, inferential statistics move beyond the description of a specific observation to make inferences about the larger population from which the sample was drawn. It was used for testing hypothesis and investigated research objectives. In this study, different types of inferential statistics were employed. Thus, the Pearson Correlation was used to explore the relationship between marketing strategy and performance variables. Likewise, multiple regression analysis was used to measure the magnitude effect of marketing strategies on performance of small and medium enterprises. At the end, the quantitative data was presented in the form of tables, graphs, and charts as desire so as to make all the data readable and understandable.

3.8. Research Ethics

The research has adhered to ethical guidelines, ensuring informed consent, confidentiality, and privacy of participants. Data collection and analysis were conducted in an ethical manner, respecting the rights and dignity of participants. And the research was done without any copy right issue or plagiarism.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

The main objective of the study has been to examine the Effect of Marketing Strategy on Small and Medium Enterprise Performance by formulating hypothesis with the seven independent variables. In order to meet the objective of the study, the data that were gathered from the primary source using questionnaire was analyzed, presented, and interpreted in this section.

4.1. Data Editing and Coding

Once the primary data was collected, prior to the analysis, the questionnaire was reviewed and it was to certify that if questionnaires were filled appropriately. Any incomplete or missing responses were rejected from the subsequent analysis. The steps which stated in the data analysis section such as coding, eliminating coding and data entry error, known as "clearing the data", Rubin &Babbie (2010) was performed in this research.

4.2. The Questionnaire Response Rate

The questionnaires were physically distributed to SMEs owners and/managers of SMEs operating in Yeka, Kirkos, and Lideta Sub-cities of Addis Ababa City. From the total of 365 questionnaires 353 were collected and the remaining 12 (3.3%) were not responded. The nominal response rate of the collected questionnaires was (96.7%); however, out of these due to incompleteness and missing values only 344 (94%) were usable for further analyses and the remaining 9 (2.5%) were discarded. According to Rubin &Babbie (2010), a response rate of 70% is "very good" for further assessment. Therefore, in this case, the response rate of 94% is significant.

Table 2: Questionnaire Response Rate

Sample Size	310
Collected	299

Remain uncollected	11
Discarded	9
Usable	290
Response Rate	94%

Source: Own Survey Result, 2024

4.3. Testing of the Research Instruments

Before undertaking the analysis to examine the effect of the independent variables on the dependent variable, the researcher undertook the validity and reliability test to assure the research instruments was valid besides reliable.

4.3.1. Validity Test

Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive. It can also be determined by using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is no numerical way to express it (Kothari, 2004). As it is stated in the methodology part, for the sake of assuring the validity of the research instrument, all the variables were adopted from previous research works. In order to look over the overall content validity of the instrument such as clarity, length & wording of all variables (items) were inspected by expertise in the area, namely: AASME officials and two university instructors. To increase the degree of clarity & understandability, the English version questionnaire has translated into Amharic language. Furthermore, the researcher also conducted a pilot test of the questionnaire among the owners and/or managers of 5 SMEs to gather feedbacks towards enhancing the validity of the instruments in line with content validity. Besides, the researchers acquired and incorporated the opinions of the owners and/or managers of SMEs and instructors in order to enhance the research instrument validity.

4.3.2. Reliability Test

Reliability is the extent to which a measurement gives results that are consistent and fundamentally concerned with issues of consistency of measures (Bryman and Bell, 2003). Cronbach's alpha is a

measure of internal consistency, that is, how closely related a set of sample items are as a group. It is considered to be a measure of scale reliability. A "high" value for alpha does not imply that the measure is one-dimensional. Technically speaking, Cronbach‟s alpha is a coefficient of reliability (or consistency). According to Hair, et al., (2006), if α is greater than 0.7, it means that it has high reliability, 0.5 is sufficient, and if α is smaller than 0.3, then it implies that there is low reliability. Accordingly, the overall Cronbach's alpha result of the 25 items in the study (5 Website Information's Quality items, 4 Social Media Marketing items, 4 Online Advertising, 4 Quality Customer Service, 4 Reliability (System Safety), and 4 performance items) was 0.949 which is higher than the minimum alpha value set as acceptable (i.e. 0.70). The Cronbach's alpha result of each item used in the questionnaire is shown in the following table.

Table 3: Cronbach's Alpha Test for Reliability

Reliability Statistics		
	Cronbach's Alpha	N of Items
Website Information's Quality	.849	5
Social Media Marketing	.764	4
Online Advertising	.725	4
Quality Customer Service	.749	4
Reliability (System Safety)	.751	4
SMEs Performance	.774	4
Overall Reliability	.949	25

Source: Own Survey Result, 2024

4.4. Descriptive Analysis

4.4.1. Demographic Characteristics of the Respondents

Demographic factors are very important indicators of performance in any organization and are the basis for research questionnaire turnout. Even though demographic characteristics are not having great influence on this study, the researcher considers some of them which are believed to have correlation to the study. Hence, the demographic characteristics of gender, age, education, experience, size of the enterprise, sub-sector of the enterprise, number of employees, total capital of the enterprise, the extent to use marketing strategy are emphasized.

Demographic and General Information Related			
Variables	**Categories**	**Outcomes**	
		Frequency	**Percentage**
Gender of the Respondents	Male	150	51.7
	Female	140	48.3
	Total	290	100.0
Age of the Respondents	≤25 years	4	1.31
	26-35	146	50.31
	36-45	64	22.06
	Over 46	76	26.22
	Total	**290**	**100.0**
Educational Status	high school	14	4.9
	First Degree	106	36.7
	Masters	155	53.6
	Doctorate and above	17	5.8
	Total	**290**	**100.0**

Table 4: Demographic Characteristics of the Respondents and General information

Source: Own Survey Result, 2024

4.4.2. Descriptive Analysis of the Variables

Descriptive statistics were used to describe the basic features of the data in a study. It provides simple summaries about the sample and the measures. The researcher used descriptive statistics to present quantitative descriptions in a manageable form; each descriptive statistic reduces lots of data into a simpler summary (Gelman, 2007). Respondents were asked to rate their insight on a five-point Likert scale ranging from 1 being „Strongly Disagree" to 5 „Strongly Agree" for marketing strategy and performance dimensions. Accordingly, the result of descriptive statistics (mean and standard deviation) of each variable is presented in the table below.

Table 5: Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	SD
Website Information's Quality	**290**	1.60	5.00	3.8215	.68410
Social Media Marketing	**290**	1.30	5.00	3.8445	.70012
Online Advertising	**290**	1.50	5.00	3.8575	.65750
Quality Customer Service	**290**	1.83	5.00	3.9329	.68928
Reliability (System Safety)	**290**	1.50	5.00	3.9440	.66839
SMEs Performance	**290**	1.83	5.00	3.9329	.68928
Valid N (listwise)	**290**				

Source: Own Survey Result, 2024

With the objectives of interpretation of the above descriptive data, the researcher adopted measurement scale intervals or range from Poonlar Btawee, (1987). Based on Btawee, mean scores ranging from 4.51 to 5.00 consider as "excellent or very good" that's means most of the respondents has been highly agreed on the practice of e market can affect on business performance of SMEs. 3.51- 4.50 as "good" means respondents has a good opinion (agree) on that the independent variables have an effect on the business performance of SMEs. 2.51-3.50 as "average or moderate" means respondents has a moderate opinion on that the independent variables have an effect on the business performance of SMEs, 1.51-2.50 as "fair" and 1.00- 1.50 as "poor" means respondents has a poor

opinion on that the independent variables have an effect on the business performance of SMEs (Hailu Demissie, 2013).

Based on these parameters, as it has shown in the above table 6, all the research variables fall in the category of the range between 3.51 and 4.50 which means respondents have a good opinion (agree) on that the independent variables have an effect on the business performance of small and medium enterprises. Likewise, all variables scored relatively low scales of standard deviation which tells us that the data are narrowly spread. This means that the respondents have a close opinion regarding each variable of the study.

4.5. Correlation Analysis

A correlation refers to a quantifiable relationship between two variables, and the statistic that provides an index of that relationship is called a correlation coefficient r, which is a measure of the relationship between two interval or ratio variables. It is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 (Field, 2005). As per the guideline suggested by Field (2005), the strength of relationship 0.1-.29 shows week relationship; 0.3-0.49 is moderate; >0.5 shows the strong relationship between the two variables. Hence, in this study correlation analysis was used to examine the relationships between marketing strategies and performance. Accordingly, the relationship between variables is indicated in the below table.

Table 6: Pearson Correlation Matrix

Correlations							
		Website information's Quality	Social Media Marketing	Online Marketing	Quality Customer Service	Reliability (System Safety)	SMEs Performance
Website information 's Quality	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	290					
Social Media Marketing	Pearson Correlation	.679**	1				
	Sig. (2-tailed)	.000					
	N	290	290				
Online	Pearson Correlation	.592**	.559**	1			

Marketing	Sig. (2-tailed)	.000	.000				
	N	290	290	290			
Quality Customer Service	Pearson Correlation	.674**	.612**	.682**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	290	290	290	290		
Reliability (System Safety)	Pearson Correlation	.673**	.580**	.538**	.601**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	290	290	290	290	290	
SMEs Performance	Pearson Correlation	.630**	.599**	.641**	.684**	.586**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	290	290	290	290	290	290
**. Correlation is significant at the 0.01 level (2-tailed).							

Source: Own Survey Result, 2024

Bivariate Correlation indicates that whether the relationship between two variables is linear (as one variable increases, the other also increases or as one variable decrease, the other variable also decreases). As indicated in the above table, the correlation matrix, all of the independent variables (Website information's Quality, Social Media Marketing, Online Marketing, Quality Customer Service and Reliability (System Safety)) were positively and strongly correlated with the dependent variable (business performance). The highest strong coefficient of correlation is between quality customer service and performance ($r=0.684$, $p \leq 0.01$). It shows that there is a strong, positive, and significant relationship between quality customer service and performance. The second highest strong coefficient of correlation is with the online marketing which has strong positive and significant with performance ($r=.641$, $p \leq 0.01$). Website information's Quality, Social Media Marketing, and Reliability (System Safety) variables have also strong, positive, and significance relationships with dependent variable (business performance) with ($r=0.630$, $p \leq 0.01$; $r=0.599$, $p \leq 0.01$; and $r=0.586$, $p \leq 0.01$, respectively). Generally, the above correlation matrix shows that all independent variables were positively and strongly correlated with the dependent variable.

Sig (2-Tailed) value: - This value tells that whether there is a statistically significant correlation between two variables or not. If the Sig (2-Tailed) value is greater than 0.05, then we can conclude

that there is no statistically significant correlation between two variables. That means, increases or decreases in one variable do not significantly relate to increases or decreases in the second variable. If the Sig (2-Tailed) value is less than or equal to .05, then we can conclude that there is a statistically significant correlation between two variables. That means, increases or decreases in one variable do significantly relate to increases or decreases in the second variable (Pedhazur, 1982).

Hence, as indicated in the above correlation table, the numbers in Sig. (2-tailed) shows that all are (.000). The value is less than .05, then the correlation is considered to be significant (meaning that the researcher can be 95% confident that the relationship between variables is not due to chance). Therefore, the research shows that there is a significant correlation between the independent variables (predictor variables) and dependent variable.

4.6. Regression Analysis

Regression is a technique used to predict the value of a dependent variable using one or more independent variables (Albaum, 1997). Regression analysis is a statistical tool for the investigation of relationships between variables. Usually, the investigator seeks to ascertain the causal effect of one variable upon another. To explore such issues, the investigator assembles data on the underlying variables of interest and employs regression to estimate the quantitative effect of the causal variables upon the variable that he/she influences. The investigator also typically assesses the "statistical significance" of the estimated relationships, that is, the degree of confidence that the true relationship is close to the estimated relationship (Malhotra, 2007). In this study, the researcher was tried to test the assumptions before running the regression analysis.

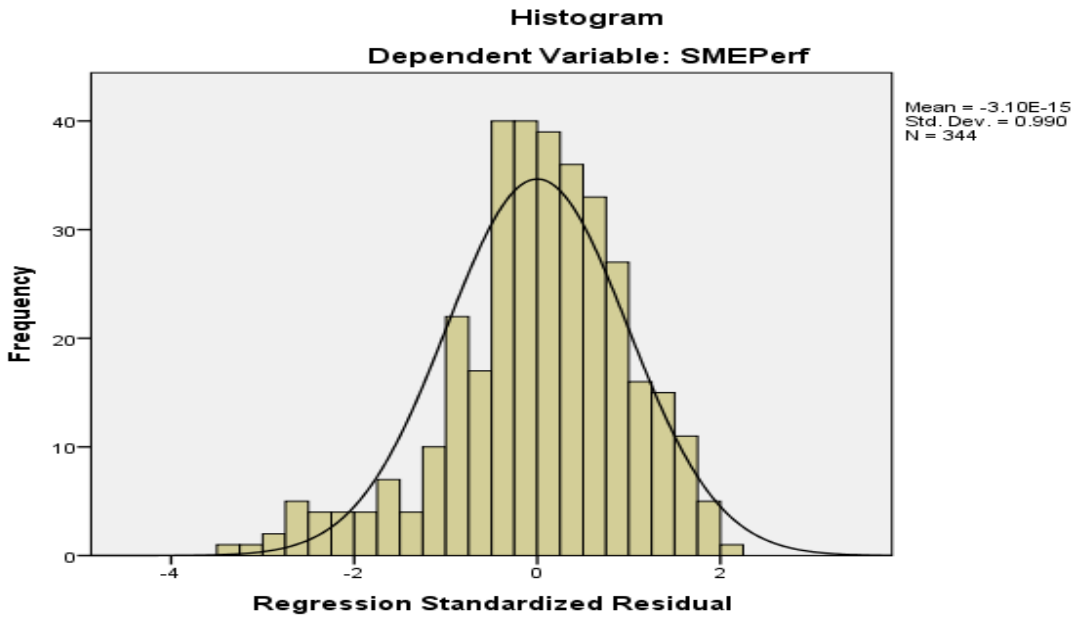
4.6.1. The Assumptions for Testing Regression Analysis

The test of assumptions should be done because the violations of the assumptions affect consequent use of multivariate statistical methods (Hair et al., 2006). Therefore, Hair et al., (2006) suggested that several assumptions regarding the utilization of multivariate statistical tools, namely normality, homoscedasticity, linearity, and multicollinearity should be applied before performing any multivariate analysis. Accordingly, the researcher has tried to confirm that the obtained data truly represented the sample and obtained the best results.

1. Histogram

Hair et al. (2006) suggest that histogram is another method to use for comparing the observed data values with a distribution approximating the normal distribution. It is argued that the histogram of the research variables supports the expectation for the normal shape distribution of data. The following figure 4 shows the histogram generated for the study variables.

Figure 2: Histogram



2. Test of Normality

Hair et al. (2006) noted that normality relates to the shape of the data distribution for an individual metric variable and its relationship to the normal distribution. Assessment of the variables‟ levels of skewness and kurtosis is one of the methods will determine Normality. In fact, Skewness provides an indication of the symmetry of the distribution. Kurtosis turns to the peakedness or flatness of the distribution relative to the normal distribution.

Accordingly, the normal distribution is detected based on skewness and kurtosis statistics. As proposed by George and Mallery (2010) the acceptable range for normality for both statistics is

between -2 and +2. Therefore, as depicted in table 8 below, all variables' values of Kurtosis and Skewness are almost within the acceptable range for normality. So, this implies that all items show close to normal distribution considering the criteria of Skewness and kurtosis values between -2 and 2. Therefore, the data used in this study was normally distributed.

Table 7: Normality of Distribution Using Descriptive Statistics (Skewness and Kurtosis)

Descriptive Statistics					
Variables	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Website Information's Quality	**290**	-.330	.131	-.038	.262
Social Media Marketing	**290**	-.403	.131	-.300	.262
Online Advertising	**290**	-.449	.131	.269	.262
Quality Customer Service	**290**	-.468	.131	.007	.262
Reliability (System Safety)	**290**	-.665	.131	.615	.262
SMEs Performance	**290**	1.07	.131	1.06	.262
Valid N (listwise)	**290**				

Source: Survey Result, 2024

2. Multi-collinearity

Multicollinearity occurs when two or more of the independent variables are highly correlated that certain mathematical operations are impossible. The correlation between independent variables was such that multicollinearity is not a concern because multicollinearity will be created while results of the correlation coefficients are above 0.80 and to be considered-very high (Hair et al. 2006). However, there are two general procedures for assessing collinearity, including tolerance and variance inflation factor (VIF) (Pallant, 2007). The data will be absence of multicollinearity while VIF is less than ten, and tolerance value of greater than 0.10 but less than one (Robert Ho, 2006).

Accordingly, as indicated in table 8 below, the collinearity statistics analysis of variance inflation factors (VIF) value ranges from 2.059 to 4.403 and Tolerance value ranging with 0.227 to 0.486. Likewise, as indicated in table 7 of correlation analysis, the results of the correlation coefficient between independent variables were below 0.8. Therefore, these results indicated that there was no collinearity problem in this study.

Table 8: Collinearity Statistics

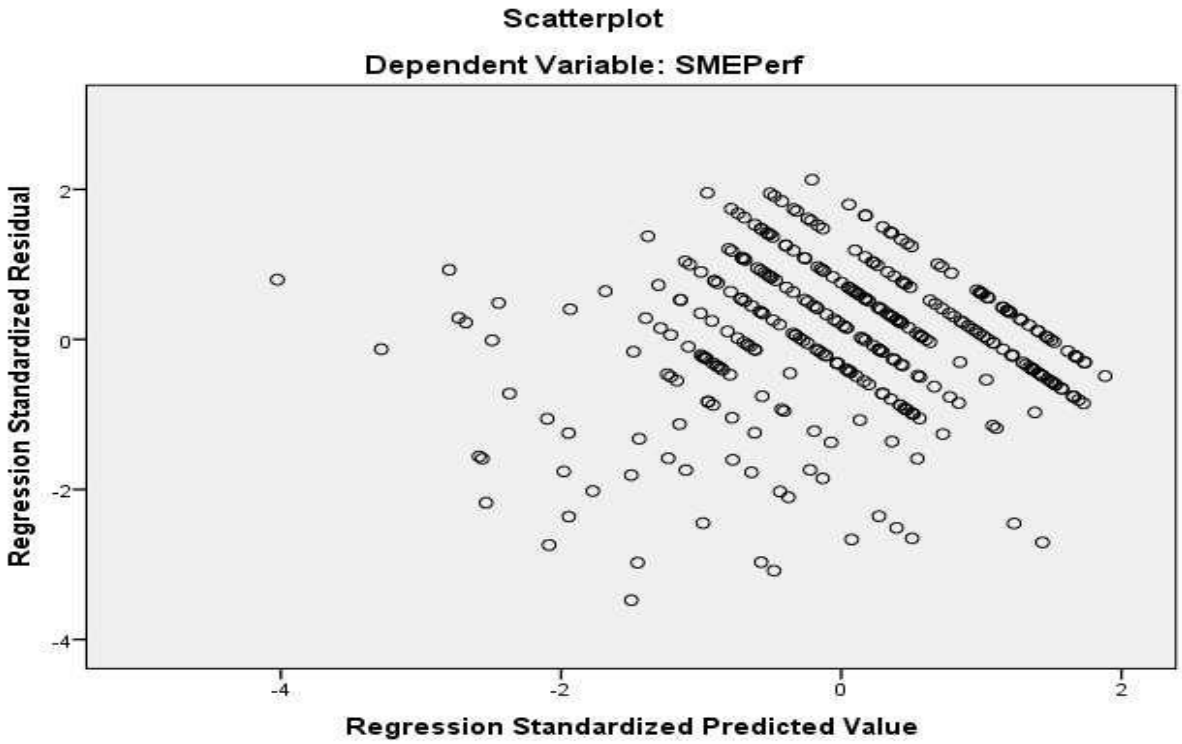
Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Website Information's Quality	.368	2.714
	Social Media Marketing	.461	2.169
	Online Advertising	.227	4.403
	Quality Customer Service	.340	2.945
	Reliability (System Safety)	.486	2.059
a. Dependent Variable: SMEs Performance			

Source: Survey Result, 2024

3. Homoscedasticity of the Error Terms

Hair et al. (2006) indicated that Homoscedasticity relates to the assumptions that dependent variable explaining equal levels of variance across the range of independent variables. Hair et al. (2006) argues the test of homoscedasticity is required because the variance of the dependent variable being explained in the dependence relationship could not be focus in simply a limited range of the independent values. Consistent with Hair et al. (2006), this study tested the homoscedasticity for metric variables using scatterplot. Scatter plots of standardized residual was conducted for all the variables and the outcomes from the data were shown in figure 5. In effect, the scatterplot showed that the pattern of data points does not contain any exact patterns and thus had not violated the assumptions (e.g., no discernible patterns of residuals were indicated).

Figure 3: Scatterplot



4. Independent errors

For any two observations, the residual terms should be uncorrelated (or independent). This eventuality is sometimes described as a lack of autocorrelation. This assumption can be tested with the Durbin–Watson test, which tests for serial correlations between errors. Specifically, it tests whether adjacent residuals are correlated. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated (Field, 2005). As shown in table 10 below, the Durbin-Watson test result is 1.939 which is closer to the acceptable standard of 2.0 shows that there is no autocorrelation problem in the model.

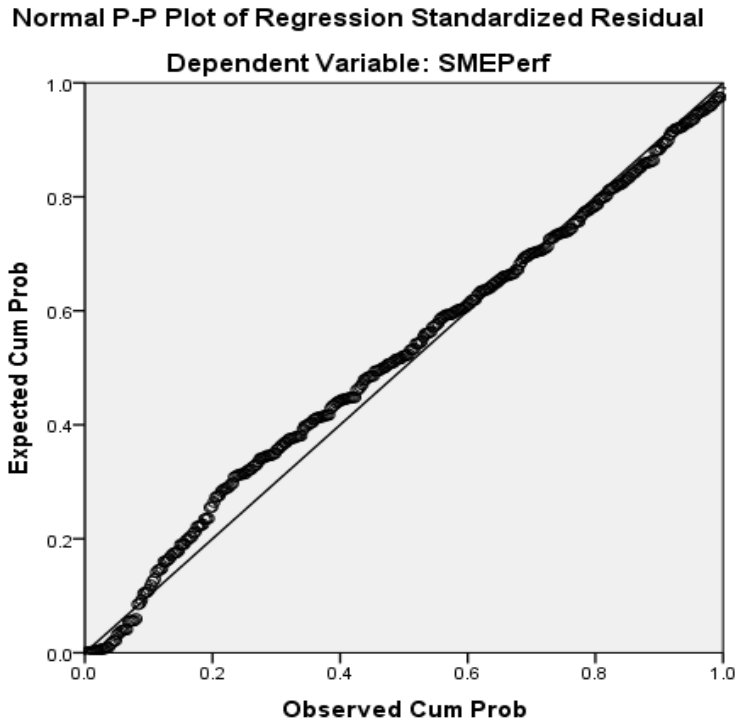
5. Linearity

The linearity of the relationship between the dependent and independent variable represented the degree to which the change in the dependent variable is associated with the independent variable

(Hair et al., 1998). In a simple sense, linear models predict values falling in a straight line by having a constant unit change (slope) of the dependent variable for a constant unit change of the independent variable (Hair et al., 1998). The linearity assumption can easily be checked using scatterplots or residual plots: plots of the residuals vs. either the predicted values of the dependent variable or against (one of) the independent variable/s (Hoekstra et al., 2014). The scatter plots of standardized residuals versus the fitted values for the regression models were visually inspected from figure 5.

There is another useful graph that the researcher can inspect to see if a distribution is normally distributed is called a P–P plot (probability–probability plot). According to Hair et al. (1998), the plots are different from residuals plots in that the standardized residuals are compared with the normal distribution. In general, the normal distribution makes a straight diagonal line, and the plotted residuals are compared with the diagonal. If a distribution is normal, the residual line will closely follow the diagonal (Hair et al., 1998). Therefore, as indicated in the figure below, the data were normally distributed.

Figure 4: Normal P-P Plot



4.6.2. Multiple Linear Regression Analysis

Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable (Field, 2005). Multiple linear regressions were conducted in order to determine the explanatory power of the independent variables (Reliability (System Safety), Online Marketing, Website information's Quality, Social Media Marketing, Quality Customer Service) to identify the relationship and to determine the most dominant variables that influenced the performance. The significance level of 0.05 with 95% confidence interval was used. The reason for using multiple regression analysis was to assess the direct effect of marketing strategy variables on the performance. Table 10 shows the model summary of the regression analysis.

Table 9: Model Summary for SME Performance

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.784[a]	.615	.607	.45019	.615	76.744	7	336	.000	1.939

Predictors: (Constant), Reliability (System Safety), Online Marketing, Website information's Quality, Social Media Marketing, Quality Customer Service

Dependent Variable: Business performance of SMEs [b]

Source: Survey Result, 2024

The above regression model presents how much of the variance in the measure of SME‟s Performance is explained by the underlying marketing strategies variables. Furthermore, let's explain R, R^2, adjusted R^2 and Durbin–Watson in detail: -

R - Indicates the value of the multiple correlation coefficients between the predictors and the outcome, with a range from 0 to 1, a larger value indicating a larger correlation and 1 representing an equation that perfectly predicts the observed value (Pedhazur, 1982). From the above model summary (R=.784a) indicated that, the linear combination of the five independent variables (Reliability (System Safety), Online Marketing, Website information's Quality, Social Media Marketing, Quality Customer Service) strongly predicted the dependent variable (SME Performance).

R Square (R^2) - Indicates the proportion of variance that can be explained in the dependent variable by the linear combination of the independent variables. The values of R^2 also range from 0 to 1 (Pedhazur, 1982). The linear combination of independent variables (Reliability (System Safety), Online Marketing, Website information's Quality, Social Media Marketing, Quality Customer Service) explain 61.5% of the variance (changes) in SMEs business Performance and the remaining 38.5% is explained by extraneous variables, which have not been included in this regression model.

Adjusted R Square (R^2) - The adjusted R^2 gives some idea of how well the model generalizes and its value to be the same, or very close to the value of R^2. That means it adjusts the value of R^2 to more accurately represent the population under study (Pedhazur, 1982). The difference for the final model is small (in fact the difference between R2 and Adjusted R2 is $(0.615 - 0.607 = 0.008)$ which is about 0.8%. This shrinkage means that if the model were derived from the population rather than a sample it would account for approximately 0.8% less variance in the outcome.

Durbin-Watson - The Durbin–Watson statistic expresses that whether the assumption of independent errors is acceptable or not. As the conservative rule suggested that, values less than 1 or greater than 3 should definitely raise alarm bells (Field, 2005). So that the desired result is when the value is closer to 2, and for this data, the value is 1.939, which is so close to 2. So that means the assumption has almost certainly been met.

Table 10: ANOVA of SMEs Performance

ANOVA[a]						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	108.877	7	15.554	76.744	.000[b]
	Residual	68.097	336	.203		
	Total	176.974	343			
Predictors: (Constant), Reliability (System Safety), Online Marketing, Website information's Quality, Social Media Marketing, Quality Customer Service						
Dependent Variable: Business performance of SMEs						

Source: Survey Result, 2024

The ANOVA table shows the overall significance/ acceptability of the model from a statistical perspective (Pedhazur, 1982). As the above table indicated, the p-value is less < 0.05 (0.000[b]), which indicates the variation explained by the model is not due to chance. So, the ANOVA table shows the acceptability of the model. As indicated in table 10, the researcher can connote that R, R2, and Adjusted R2 conducted for the multiple regression predict the SMEs performance based on the linear combination of e-marketing independent variables is statistically significant.

F–Ratio: F-ratio determines whether the model is a good fit for the data. If the improvement due to fitting the regression model is much greater than the inaccuracy within the model then the value of F will be greater than 1 and SPSS calculates the exact probability of obtaining the value of F by chance (Pedhazur, 1982). The F-ratio for the above model is 76.744, which is very unlikely to have happened by chance.

The Regression Coefficient

This study intends to identify the most contributing independent variable in the prediction of the dependent variable. Thus, the strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via standardized Beta coefficient. The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The larger value of Beta coefficient an independent variable

has, brings the more support to the independent variable as the more important determinant in predicting the dependent variable.

Table 11: Summary of Coefficient on SMEs Performance

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.363	.179		2.030	.043
	Website Information's Quality	.120	.057	.117	2.095	.037
	Social Media Marketing	.106	.052	.102	2.039	.042
	Online Advertising	.025	.078	.023	.323	.747
	Quality Customer Service	.165	.061	.159	2.734	.007
	Reliability (System Safety)	.122	.052	.113	2.337	.020
a. Dependent Variable: Business performance of SMEs						

Source: Survey Result, 2024

The marked column B is the value for the intercept (a) in the regression equation on the first row, labeled (constant). The numbers below the column "βeta" are the values for the regression coefficients for Website Information's Quality, Social Media Marketing, Online Advertising, Quality Customer Service, Reliability (System Safety), and relationship marketing. In the multiple regressions, the standardized regression coefficient Beta (β) is useful, because it allows us to compare the relative strength of each independent variable's effect on the dependent variable (Pedhazur, 1982).

The above coefficient table shows the constant beta value (β) and the p-value of the variables to examine the significance of the hypothesis. The significance level of each variable (P-value) is: 0.037, .042 .747, 0.007, .020 and their standardized coefficients are 0.117, 0.102, 0.023, 0.159 &

0.113 respectively. The p-value of all the independent variables except for online marketing is below 0.05. This implies that the independent variables have a significant relationship with the dependent variable (SMEs Performance), but, the online marketing is not. Based on these results, the regression equation that predicts SMEs performance based on the linear combination of Website Information's Quality, Social Media Marketing, Online Advertising, Quality Customer Service, and Reliability (System Safety) is as follows:

$Y= \beta0+ \beta1X1+ \beta2X2+ \beta3X3+ \beta4X4+ \beta5X5+e$

$Y=.363+0.117X1+0.102X2+0.159X4+0.113X5+e$

Where: Y= SMEs Performance (Dependent Variable)

$\beta0$ = Intercept

$\beta1$, $\beta2$, $\beta3$, $\beta4$, and $\beta5$, = Coefficients of the line

X1= Website Information's Quality

X2= Social Media Marketing

X3= Online Advertising

X4= Quality Customer Service

X5= Reliability (System Safety)

e= Sampling error

This result indicates, first, the intercept is .363 when all independent variables have a value of zero. Then, moving through the equation, holding all other independent variable (Social Media Marketing, Online Advertising, Quality Customer Service, and Reliability (System Safety)) constant when Website Information's Quality increase by one unit the business Performance of SMEs increase by 0.117. The p-value for this coefficient is statistically significant ($p<.05$), meaning that Website Information's Quality is a significant predictor of SMEs performance. Accordingly, the finding revealed that the first hypothesis which states, Website Information's Quality strategy

has the positive significant effect on the performance of SMEs‟ is supported by the data collected on this survey as (p-value < 0.05; β=0.117) hence, the alternative hypothesis is confirmed.

The second hypothesis which states the Social Media Marketing has positive significant effect on the performance of SMEs‟ is also supported because the P-value of Social Media Marketing is below 0.05 which is (P<0.05; β=0.102). which means holding all other independent variable (Website Information's Quality, Online Advertising, Quality Customer Service, and Reliability (System Safety)) constant when Social Media Marketing increase by one unit the business Performance of SMEs increase by 0.102. hence the Social Media Marketing has the significant positive effect on the performance of SMEs; thus, the alternative hypothesis is confirmed.

The third hypothesis which states, the Online Advertising has the positive significant effect on the performance of SMEs‟ is not supported; because the P-value is 0.747 which is greater than 0.05, hence Online Advertising has the insignificant relationship with the performance of SMEs. Besides, the regression analysis shows that the Online Advertising has weak and insignificant positive effect on the performance of SMEs (β =0.023; P>0.05); hence, the alternative hypothesis is rejected.

The fourth hypothesis which states, the Quality Customer Service has the positive significant effect on the performance of SMEs‟ is also supported because the P-value is 0.007 which is less than 0.05; hence, Quality Customer Service has a significant relationship with SME performance. Besides, the regression analysis shows that, the Quality Customer Service has positive as well as the significant positive effect on the performance of SMEs (β =0.159; P<0.05). which means holding all other independent variable (Website Information's Quality, Social Media Marketing Online Advertising, and Reliability (System Safety)) constant when increase Quality Customer Service by one unit the business Performance of SMEs increase by 0.159.

Finally, the fifth hypothesis which states the Reliability (System Safety) has positive significant effect on the performance of SMEs‟ is also confirmed because the P-value of Reliability (System Safety) is 0.020 which is (β=0.113; P<0.05) which means holding all other independent variable (Website Information's Quality, Social Media Marketing Online Advertising, and Quality Customer Service constant when Reliability (System Safety)) increase by one unit the business

Performance of SMEs increase by 0.113. hence, the Reliability (System Safety) has the significant positive effect on the performance of SMEs; thus, the alternative hypothesis is supported.

4.7. Discussion of the Result

This study was aimed to examine the effect of e-marketing on small and medium enterprise performance in the small and medium enterprise. Under the umbrella of e-marketing strategy; Website Information's Quality, Social Media Marketing, Online Advertising, Quality Customer Service, and Reliability (System Safety) were selected as an e-marketing strategy dimensions as indicated in literature review section.

As indicate in the above table 12, all of the regression coefficients (Beta Coefficients) between the marketing strategy and performance have positive values. Hence, there were no inverse relationships between the e-marketing variables and performance. The brief discussion on each hypothesis is given below.

Quality Customer Service is the strongest predictor or has the most significant effect on the Small and Medium Enterprise performance because it has the highest Beta coefficient result ($\beta = 0.159$; $p<.05$). The Beta Coefficient result of 0.159 signifies that for a 1 unit change in the independent variable (Relationship Marketing), the dependent variable (Performance) will change by 0.159 units. It is apparent from this result that, Quality Customer Service is a decisive factor that affects the performance of the Small and Medium Enterprises. The result of this study is consistent with the study conducted by Ebitu (2015) that found Quality Customer Service has the significant positive effect the performance of SMEs. In today's entrepreneurial global economy, it is essential to acquisition and retention of customers for the survival of SMEs. Quality Customer Service is among the best e-marketing strategy that the SMEs should adopt since customer buying decisions do not solely based on the quality and price, but also depending on their relationship with the firm. According to Martins (2015) creating long lasting relationships helps to ensure long-lasting customers and repeat sales. Showing customers that you value and appreciate them encourages them to refer other potential customers which may be their colleagues, friends, relatives, and others to your business. As further supported by Rouse (2015), the goal of Quality Customer Service is to create strong, even emotional, customer connections to a brand that can lead to ongoing business,

free word-of- mouth promotion and information from customers that can generate leads. SMEs have found this strategy to be effective because they acknowledged that the firm's business performance especially the market share improves when the firm values and respects customers; give gift packs to loyal customers occasionally and discuss with customers in a bid to get their view on features and quality of products and services. Therefore, from the result, it can be said that creating long-lasting relationships helps SMEs to ensure long-lasting customers, increasing sales, increasing profitability, creating brand awareness, and satisfying customers.

The second strongest predictor is **Website Information's Quality** (β=0.117; P<.05). The Beta Coefficient result of 0.117 signifies that for a 1 unit change in the Website Information's Quality, the performance will change by 0.192 units. This result is consistent with the study of Appian-Adu and Singh (1998) that studied the Website Information's Quality -performance relationship of small and medium-sized enterprises (SMEs) in the UK and found that a Website Information's Quality has a positive effect on SMEs' performance. Asikhia (2010) also found a significant and positive Website Information's Quality -performance relationship in the Nigerian SMEs. Some literature theoretically and empirically focuses on the relationship between Website Information's Quality and firm performance. Website Information's Quality that stresses the sufficient understanding of customers' needs and the complementation of such ideology is consistent with the main purpose of small businesses. In view of the cultural attitude toward customers, small enterprises with few employees have a simple organizational structure and cohesive culture, thus it is easy to introduce and share collectively a customer focus ideology. From the perspective of organizational behavior, small enterprises can jointly devote their limited resources and attention to serve the needs of target customers. A small enterprise with a website information's quality is focused on their current and future customers" needs and find out how to serve customers efficiently. Therefore, from the result and some empirical findings, the website information's quality has the positive significant effect on the performance of small and medium enterprises.

Reliability (System Safety) (β=0.113; P<.05) is the third strongest predictor of performance identified in this study. This result is consistent with Lidia (2015), Amine and Cavusgil (2001), and Adewale et al. (2013) who found that Reliability (System Safety) has a positive and significant relationship with business performance. Reliability (System Safety) is the way an organization tries

to reach its employees. It is a critical as entrepreneurs strive to make customers aware of different products/or services and their benefits. Respondents in the study concur that Reliability (System Safety) strategy is beneficial for their business. Hence, from the results, it can be said that effective Reliability (System Safety) of SMEs products/services can improve the organization's performance. The findings revealed that the, Social Media Marketing factor (β=0.102; P<.05) is the fourth strongest predictor of performance. The result of the study indicated that the Beta Coefficient result of 0.102 signifies that for a 1 unit change in Social Media Marketing strategy variable, the dependent variable (Performance) will change by 0.102 units. The result of this study is consistent with the study conducted by Solomon A. (2016) who found that the Social Media Marketing strategy has the significant effect on performance. From the result it can be said that, Social Media Marketing is very important as it is a part of the bigger marketing plan that allows marketing managers to separate, identify and evaluate the layers of a market to design a marketing mix. Social media marketing is a consumer-oriented philosophy that first identifies the needs of the customers within a sub-market and then satisfies those needs. Hence, in entering its target market, a company can enter into such market with differentiated or undifferentiated marketing.

CHAPTER FIVE

5. SUMMARY OF MAJOR FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1. Summary of Major Findings

Regarding the demographic characteristics of the respondents and general information; the majority of the respondents were male (51.7%) and the rest 49.3% were females. And out of the total respondents, more than half (50.3%) of them were aged in the range of 26 - 35 followed by the age bracket of over 46 which accounted for 26.22%. And also, the majority (53.6%) of them were masters holders, 36.7% were first degree.

The average descriptive statistics for performance (dependent variable) result has shown that the mean score was above the midpoint i.e., 4.1592 of the Likert scale which implies that it inclined to agree.

The result of independent variables of descriptive statistics has shown that the mean score of marketing strategy variables (independent variables) i.e., Website Information's Quality, Social Media Marketing, Online Advertising, Quality Customer Service, Reliability (System Safety) has been 3.82, 3.84, 3.86, 3.93 and 3.94, respectively. The result indicated that the highest mean score from the independent variable is 3.94 for reliability and the lowest mean score is 3.82 for website information's quality. Therefore, the SMEs had better on building the long-term relationship with customers as compared to the rest independent variables.

The result of the correlation analysis has shown that, the seven independent variables: "Website Information's Quality, Social Media Marketing, Online Advertising, Quality Customer Service, Reliability (System Safety" have the strong correlation with dependent variable "performance" with 95% confidence interval & at 0.01 p-value 2-tailed, by scoring a Pearson Correlation Coefficient "R-value" of 0.630**, 0.599**, 0.641**, 0.684**, and 0.586**. Even though all variables were highly correlated with the dependent variable, there was the difference in their strength of the relationship. Accordingly, Quality Customer Service had the highest strong relationship with performance than the rest six variables i.e., r=0.684** at the $p \leq 0.01$.

Finally, the regression analysis result revealed that all independent variables except online marketing were statistically significant at p-value <.05. The score of the coefficient correlation determination (R2) is 0.615 which indicate, 61.5% of the variability of overall performance was explained by the seven independent variables. The other variables that were not considered in this study contribute about 38.5% of the variability of SMEs‟ Performance. In this study, the Beta weight score indicated that the effect of relationship marketing is greater than other independent variables. Accordingly, the study model fits regression equation become Y=0.363+0.117X1+0.102X2+0.159X4+0.113X5+0.192X6+0.237X7+e.

5.2. Conclusions

When it comes to e-marketing, most people spontaneously think about the website information's quality, social media marketing, online advertising, quality customer service, and reliability (System Safety). Market segmentation and the identification of target markets, customer orientation, and relationship marketing, however, are an important element of marketing strategy. These are the basis for determining any particular marketing mix and the corresponding business performance of any firm. In line with this, a number of empirical researchers identified the profound relationship among the company efforts paid to e-marketing strategy and the overall business performance.

In line with this, the researcher undertook the appropriate scientific study with the objective to examine the effect of e- marketing on small and medium enterprise performance. Based on this study, the following conclusions are drawn out of the research findings:

The study found that the independent variables (the selected e-marketing variables) have the significant effect on the small and medium enterprise performance but, the online advertising is not. Each one has its unique contribution and effect to the performance of the small and medium enterprises businesses. This also shows the importance of the e-marketing strategy no matter how small the business may be. Its performance is proportionately depending and goes with the marketing strategy applied. Therefore, from this result one can conclude that, when high-quality product is produced by business organizations, appropriately informed and medially marketed, efficiently serviced, and reliable, needs is customized, and long-term relationship is created it will lead to higher business performance; in term of profitability, increase sales, customer satisfaction, and brand awareness.

Correlation analysis was conducted to analyze the relationships between variables; the correlation matrix revealed that all coefficient of correlation of independent variables were positively and strongly correlated with the dependent variable. Further multiple regression analysis was also conducted to verify if the independent variables have the effect on performance.

5.3. Recommendations

The researcher forwards the following recommendations based on the research findings and the conclusions drawn in the previous sections.

- Based on the research finding website information's quality have significant effect on the business performance of SMEs. So, SMEs should develop website with high information's quality, best targeting and positioning strategy so that it can give tailored service to their customers and serve them better according to their needs.

- The SMEs should give consideration to social media marketing strategy since the finding shows that social media marketing has significant effect on business performance. And customers do really look at a product attributes such as quality, features, design, and style through social medias. Therefore, SMEs should produce the quality product in order to get competitive advantage over the large enterprise.

- Based on the research finding Reliability strategy is also another important element which strongly predicts the performance of SMEs. Hence, the SMEs should increase the reliability or safety of its service.

- Nowadays, customers have become more demanding and more particular about what they want. Hence, in order to get the competitive advantage, during the e-marketing strategy planning process the needs and wants of current and potential customers should be considered through the quality customer service strategy. And the finding of the research shows the quality of customer service have significant effect on the business performance of SMEs. So, SMEs owners and/or managers should focus primarily on the needs and preferences of their customers, and serve customers efficiently in order to have a superior performance.

- ❖ Different workshops and conferences can be set up to further empower SMEs to teach them about the website information's quality, social media marketing, quality customer service, and reliability (System Safety) strategies etc.

5.4. Limitations and Suggestions for Future Research

The findings of this study will provide a platform for a variety of future research efforts. In this study, only small and medium enterprises were taken into consideration. So, it is recommended that a similar study will be undertaken using large enterprises of the same sector and make a comparative analysis.

It is also recommendable to examine the research model of this study in other sectors which will be helpful for generalization purposes. Hence, a potential area of future research is to examine the effect of e-marketing strategy on another industry performance, especially in the Ethiopian context. This research is also limited in that it only focused on the performance of firms measured on profitability, sales, customer satisfaction, and brand awareness.

Therefore, future researchers could also study the effect of e-marketing on ROI, market share, growth, ROA, ROE, and others measures (marketing, financial, and non-financial measurements). Furthermore, mediating/moderating factors affecting the relationship between e-marketing and performance were not included in this study. According to Akroush (2003), company marketing assets and capabilities and company marketing experience are found to have the most influential effect and are the master moderators on the relationships between the marketing strategy components and the company's performance. This provides an opportunity for a research endeavor including these moderators.

REFERENCE

Ahn, T., Ryu, S., & Han, I. (2007). The impact of web quality and playfulness on user acceptance of online retailing. (Vol. 44). Information & Management.

Al Adwan, A., Aladwan, K. M., & Al-Adwan, A. S. . (2019). The Effect of E-Marketing on The Performance of Small Business Enterprises Academy of Strategic Management Journal,.

Ali Mechman, S. S. O. (2021). The Effect of Digital Marketing, And E-Commence on SMEs performance of Baghdad.

Alshibly, H., and Chiong, R. (2015). Customer empowerment: does it influence electronic government success? A citizen-centric perspective. . Electron.Commer. Res. Appl. 14, 393–404. doi: 10.1016/j.elerap.2015.05.003 CrossRef Full Text | Google Scholar.

Anderson, E. W., Fornell, C., & Lehmann, D. R. (1994). Customer satisfaction, market share, and profitability: Findings from Sweden. Journal of Marketing, 58(3), 53-66.

Andreki, P. H. A., & Yazdanifard, R. (2014). Is E-Marketing the Future of Marketing Field. American Journal of Industrial and Business Management, 04(07), 333-336. https://doi.org/10.4236/ajibm.2014.47040

Armstrong, M. (2006). A Handbook of Human Resource Management Practice. Kogan Page.

Arobo, A. T. (2022). The Effect of Digital Marketing on SMEs: A case study of Swedish And Nigerian companies.

Barney, J. (1991). Firm resources and sustained competitive advantage. Journal of Management,, 17(1), 99-120.

Bitner, M. J., Booms, B. H., & Tetreault, M. S. (1990). The service encounter: Diagnosing favorable and unfavorable incidents. Journal of Marketing, 54(1), 71-84.

Blanchard, B. S., & Fabrycky, W. J. (2011). Systems Engineering and Analysis (Vol. 5th ed). Pearson.

Brajananda. (December (2020)). TRADITIONAL VS. DIGITAL MARKETING: A COMPARATIVE STUDY.

Chaffey, D. (2007). E-Business and E-Commerce Management: Strategy, Implementation and Practice. Pearson Education.

Chaffey, D., & Ellis-Chadwick, F. (2019). Digital Marketing: Strategy, Implementation and Practice. Pearson Education Limited.

Chaffey, D., & Ellis-Chadwick, F. (2019). Digital Marketing. Pearson. https://books.google.com.et/books?id=7gGzuAEACAAJ

Chen, S. H., & Cheng, C. C. (2009). A comprehensive model for the effects of website quality on customer satisfaction and loyalty in e-retailing. . Service Industries Journal, 29 (3), 267-283.

Chinelo Jenevive Obiekwe and Alozie, F. U. (2022). <Effect+of+Electronic+Marketing+on+the+Financial+Performance+of+SMES+in+Enugu+State+of+Nigeria.pdf>.

Collins, J. C., & Porras, J. I. (1994). Built to Last: Successful Habits of Visionary Companies. . HarperBusiness.

Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. Springer Science and Business Media LLC.

Dahlen, M., & Edenius, M. (2007). When is advertising advertising? Comparing responses to non-traditional and traditional advertising media. Journal of Current Issues & Research in Advertising, 29(1).

Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. (Vol. 13). MIS Quarterly.

DeLone, W. H., & McLean, E. R. (2003). The DeLone and McLean Model of Information Systems Success: A Ten-Year Update. Journal of Management Information Systems, .

Dept of MBA, S. E_MARKETING_E_Marketing.

Eid, R., & El-Gohary, H. (2013). The impact of E-marketing use on small business enterprises' marketing success. The Service Industries Journal, 33(1), 31-50. https://doi.org/10.1080/02642069.2011.594878

Endris, E., & Kassegn, A. (2022). The role of micro, small and medium enterprises (MSMEs) to the sustainable development of sub-Saharan Africa and its challenges: a systematic review of evidence from Ethiopia. J Innov Entrep, 11(1), 20. https://doi.org/10.1186/s13731-022-00221-8

Fama, E. F., & French, K. R. (1992). The cross-section of expected stock returns. Journal of Finance, 47(2), 427-465.

Goldfarb, A., & Tucker, C. (2011). nline display advertising: Targeting and obtrusiveness. (Vol. 30). Marketing Science.

Hooley, G. B., Amanda; Möller, Kristian. (1998). Competitive positioning and the resource-based view of the firm. Journal of Strategic Marketing, 6(2), 97–116.

ISO-8402. (1986). Quality Vocabulary.

Jalaliyoon, H. T. a. N. (2014). Marketing vs E-Marketing.

Jara, A. J., Parra, M. C., & Skarmeta, A. F. (2014). Participative marketing: Extending social media marketing through the identification and interaction capabilities from the internet of things. Personal and Ubiquitous Computing, 18(4), 997-1011. .

Kaplan, A. M., & Haenlein, M. . (2010). Users of the world, unite! The challenges and opportunities of social media. (Vol. 51). Business Horizons.

Kaplan, R. N., D. . (1993). Putting the balanced scorecard to work. . Harvard business review, September-October.

Karahanna, E., & Straub, D. W. (1999). The psychological origins of perceived usefulness and ease-of-use. (Vol. 35). Information & Management.

Kim, A. J., & Ko, E. (2012). Do Social Media Marketing Activities Enhance Customer Equity? An Empirical Study of Luxury Fashion Brand. Journal of Business Research, 65(10), 1480-1486.

Kotler, P., & Keller, K. L. (2016). Marketing Management (15th ed.). Pearson.

Kumar, D. R. C. G. a. R. (2018). Impact_of_online_Marketing_in_India_Oppo.

Laroche, M., Habibi, M. R., & Richard, M. O. . (2013). To be or not to be in Social Media: How Brand Loyalty is Affected by Social Media? . International Journal of Information Management, 33(1), 76-82.

Laura, B., Shawnee, V. & Cornelia, D. (1996). The contribution of quality to business performance. . International journal of operations & production management. .

Lavie, D. (2008). The Competitive Advantage of Interconnected Firms". 21st Century Management. A Reference Handbook.

Lebans, M. E., K. (2006). A conceptual and operational delineation of performance, Business performance measurement. .

Luo, Y. G. a. X. (2022). Research Methods on Business Performance Management.

Manuele, F. A. (2008). Advanced Safety Management: Focusing on Z10 and Serious Injury Prevention. . Wiley.

Naser Al Zubi, K. (2022). The Effect of E-Marketing on The Performance of Small Business Enterprises. International Journal of Business and Management, 18(1). https://doi.org/10.5539/ijbm.v18n1p88

Neely, A., Gregory, M., & Platts, K. (2005). Performance measurement system design: A literature review and research agenda. International Journal of Operations & Production Management, 25(12), 1228-1263.

Njelita, C., Onyeagwara, C. O., & Ekwunife Gabriel, O. (2023). Impact of Online Marketing on the Performance of Small and Medium Scale Enterprises in Anambra State. International Journal of Management & Entrepreneurship Research, 5(8), 542-553. https://doi.org/10.51594/ijmer.v5i8.518

Porter, M. E. (2001). Strategy and the internet., 79(3), 63-78.

Prasad, D. S. (2020). E-Marketing.

Ramachandran. (Nov 4, 2008). E-Marketing.

Ranganathan, C., & Ganapathy, S. (2002)). Key dimensions of business-to-consumer web sites. (Vol. 39). Information & Management.

Rogers, E. M. (1962). Diffusion of Innovations. Free Press of Glencoe.

Rogers, E. M. (2003). Diffusion of Innovations (5th ed. ed.). Free Press.

Rosemary, M. ((2012). An Empirical Evidence on the Usage of Internet Marketing in the Hospitality Sector in an Emerging Economy and its Relationship to Profitability.

International Review of Social Sciences and Humanities, Faculty of Management and Commerce Department of Business Management, University of Fort Hare.

Roth, A. V., & Van Der Velde, M. (1991). Operations as marketing: A competitive service strategy. Journal of Operations Management, 10(3), 303-328.

Seth, N., Deshmukh, S. G., & Vrat, P. . (2005). Service quality models: a review. International journal of quality & reliability management, 22(9), 913-949.

Smith, D. J. (2017). Reliability, Maintainability and Risk: Practical Methods for Engineers (Vol. 9th ed.). Butterworth-Heinemann.

Smith, T. M. R., J. S. . (1999). "The relationship of strategy, fit, productivity and business

performance in a services setting." Journal of Operations Management, 17, No. 2, pp. 145-161.

Stokes, R. (2008). eMarketing : The essential guide to digital marketing.

Teo, T. S. H., Lim, V. K. G., & Lai, R. Y. C. (1999). Intrinsic and extrinsic motivation in internet usage. (Vol. 27). Omega.

Venkatraman, N., & Ramanujam, V. (1986). Measurement of business performance in strategy research: A comparison of approaches. Academy of Management Review, 11(4), 801-814.

Wood, E. (2006). The internal predictors of business performance in small firms. . Journal of small business and enterprise development. , Vol 13(3).

Wu, D. (2006). The Performance Measurement in SMEs: A New approach.Performance measurement and management: Public and private.

Annexes

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MBA GENERAL PROGRAM

QUESTIONNAIRE

Questionnaire on "effect of e-marketing on business performance in the case of small and medium enterprise (SMEs) in Addis Ababa (Yeka, Kirkos and Lideta sub city)".

This questionnaire is aimed at gathering the necessary information needed for the analysis of the research specified. The data gathered hereby will only be used for research purpose, and something I want to assure you is that the information you provide will be kept furtively. Therefore, I would like to request you to answer the following questions accurately.

Questionnaire to be filled by respondents (Please provide your response answers with a check mark (√) in the appropriate block provided).

➢ Questionnaire code _____

➢ Enumerator name _____

➢ Signature _____

➢ Date _____

SECTION-1: DEMOGRAPHIC CHARACTERSTICS OF THE RESPONDENTS

1.Please specify your Gender

A. Male ☐ B. Female ☐

2. Please specify your age

A. 20-30 ☐ B. 31- 40 ☐ C. 41- 50 ☐ D. 51 & above ☐

3.What is your highest level of education?

A. Master's degree ☐ B. First Degree ☐ C. Diploma ☐ D. Certificate ☐

4.What is your Position in the organization?

A. Business Owner ☐ B. Top Management ☐ C. Middle Management ☐

D. Any other indicate _____

SECTION-2: GENERAL INFORMATION ON THE FIRM

1. Please specify the business sector you are engaged in

_____

2. Please specify your website address (if there is any)

_____

3. Please indicate your firm's year of operation

A. 0-2 years ☐ D. 11-15 years ☐

B. 3-5 years ☐ E. Over 15 years ☐

C. 6 -10 years ☐

4. State the number of Employees in your firm

_____

5. State your firm capital

_____

SECTION-3: INTERNET MARKETING (for SMEs actors)

1. Does your firm use internet marketing as a tool? If NO, kindly explain why?

_____

_____

_____

_____

_____

_____

_____

_____

_____

2. Please indicate the extent to which you have applied the forms of internet marketing in your firm.

Where, 5 = very great extent,	4 = great extent,
3 = Moderate,	2 = little extent and
1= no extent at all	

S.N Forms of internet marketing used by firms 5 4 3 2 1

		5	4	3	2	1
2.1	Websites					
2.2	Social media marketing business					
2.3	Email marketing					
2.4	Search engine marketing					
2.5	Online marketing					
2.6	Online blogs					

3. Kindly indicate the extent to which you have applied each of the following internet marketing in your firm operations

S.N Marketing application 5 4 3 2 1

		5	4	3	2	1
3.1	our firm use internet marketing for customer interaction and feedback (Customer relations) business your business					

3.2	our firm use internet marketing for advertisement of products or services					
3.3	We use internet marketing for accessing new markets					
3.4	We use internet marketing to improve products or services by using clients' feedback					
3.5	Our firm use Internet marketing to monitor Customer satisfaction					
3.6	We use internet marketing to share promotional material					
3.7	We use internet marketing for Information distribution and dissemination (providing customers information)					
3.	We use highly reliable internet marketing syetem					

4. Please indicate the extent to which your firm have gain advantage as a result of internet marketing for each of the following indicators

S.N Importance of internet marketing 5 4 3 2 1

		5	4	3	2	1
4.1	Using internet marketing has increased our firm profitability					
4.2	Our firm market share has shown expansion due to the use of internet marketing business your business					
4.3	Usage of internet marketing has increased market growth					
4.4	Our firms image shows enhancement due to the usage of internet marketing					
4.5	The firm competitive advantage has been increased as result of using internet marketing					

4.6	Internet marking has contributed to our firm by accessing to new market niches					
4.7	Our firm's ability to reach out to international markets has improved					
4.8	We have advantage of having expertise advice regarding our product or service regardless of the physical location by using internet marketing					

5. Please indicate the extent to which your organization has faced each of the following challenges in application of internet marketing

S.N Challenges of internet marketing application 5 4 3 2 1

		5	4	3	2	1
5.1	Our firm doesn't have adequate finances to invest more on internet marketing and be able to use all types of internet marketing					
5.2	Building a quality website is difficult					
5.3	Our firm doesn't have skilled ICT personnel					
5.4	Our firm is facing challenge to use internet marketing due to inadequate connectivity (internet connection)					
5.5	There is Limited technology infrastructure to use internet marketing					
5.6	The Connection and/or usage charges is too expensive					
5.7	Our company is having difficulty in integrating internet marketing with its current operations					

At last, any comment you have please:

Thank you in advance for providing me your precious time!!

ANNEXES 2

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MBA GENERAL PROGRAM

INTERVIEW QUESTIONS

Interview questions on "Assessment on The Use of Internet Marketing by SMEs in Bole Sub City Administration". These questions are aimed at gathering the necessary information needed for the analysis of the research specified. The data gathered hereby will only be used for research purpose, and something I want to assure you is that the information you provide will be kept furtively. Therefore, I would like to request you to answer the following questions accurately.

Interview questions to be filled by respondents

1. What are your professional background and work experience?

2. What prior education do you believe is helping you in creating and implementing internet marketing strategy for your business?

3. What decision-making process do you use to create and implement your internet marketing strategy?

4. How would you describe your marketing mix? How does internet marketing fit into your marketing mix?

5. How did your internet marketing strategy evolve over time?

6. What percent of your total marketing budget do you allocate to internet marketing?

7. What is your internet marketing budget?

8. Who is handling your internet marketing? What are the responsibilities of the person?

9. What challenges did you have when creating and implementing your internet marketing strategy?

10. What are the three specific things you are most satisfied with your internet marketing efforts?

11. What are the three specific things you are most unsatisfied with your internet marketing efforts?