

**DIGITAL MARKETING ADOPTION AND SME'S SALES PERFORMANCE: A  
CASE STUDY OF ABAITA ABABIRI**

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**UGANDA CHRISTIAN  
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**DECLARATION**

I, AINEBYONA DANIEL, declare that this research project is my original work and to the best of my knowledge, this work has not been submitted anywhere else and has been done through my own sweat and efforts.

Signature.......... Date.....15/04/20.....

AINEBYONA DANIEL

**APPROVAL**

This Research report has been submitted with my approval for examination.

Signature..... *Allen* ..... Date..... *15/04/26* .....

Mrs. Allen Kagume

## **DEDICATION**

I, Ainebyona Daniel dedicate this research first of all to my parents, my mom Kebirungi peace and Muhwezi Gaston and Aunt Jackie and her beloved nephew Ian .I also dedicate this research to my Pastors Fredrick and Grace Kemirembe Ssemwogerere union miracle center church Kitala in Entebbe. I also dedicate to my obs Able , Mwesigwa, Busingye , James Jobline, Aaron and Paul , William Nyede, and mostly to God for enabling me to go through every challenge.

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## **LIST OF ABBREVIATIONS AND ACRONYMES.**

SMEs	:	Small and Medium Enterprises
SPSS	:	Statistical Package for the Social Sciences
TAM	:	Technology Acceptance Model
ANOVA	:	Analysis of Variance
r	:	Pearson Correlation Coefficient
R <sup>2</sup>	:	Coefficient of Determination

## ABSTRACT

This research was conducted with the objective to examine the correlation between adaptation of digital marketing and sales performance of Small and Medium Enterprises in Abaita Ababiri. It had three objectives as follows: ‘to determine the digital marketing platforms used by SMEs to determine the extent to which sales performance was experienced by the SMEs and to determine the relationship between digital marketing and sales performance cross sectional survey research design was applied data was collected using a quantitative method from 30 respondents in Abaita Ababiri Questionnaires was used for data collection data was analyzed using SPSS package The results obtained indicate that among the digital platforms Social Media ranks highest at 36.7%, followed by Mobile Marketing with 26.7%. The study also indicates that most of SMEs 66.7% have small digital marketing budgets less than 50,000/= Ugandan shillings. The correlation between variables through Pearson Correlation reveals that there is a significant strong positive correlation  $r=0.742$  between digital marketing adaptation and sales performance with a significance value of  $p= 000$  This research concludes that digital marketing enhances small business sales growth in suburban localities. High data prices and low technical expertise on the other hand still deter complete utilization of digital services the research further advises SME associations in that locality to conduct hands on digital literacy training programs telecommunication companies on the other hand should give attractive business data bundles to smes businesses should consider using local languages such as Luganda to enhance customer base connectivity in Abayita Ababiri

## CHAPTER ONE

### 1.0 Introduction

This chapter introduced outlines of the background of the study statement of the problem research questions significance of the study the scope of the study and the conceptual framework.

### 1.1 Background of the study.

The contexts of the background of the study narrowed it down from the world wide perspective up to Uganda s perspective.

Worldwide the argument had moved beyond whether smes could have embraced digital marketing to how SMEs could have embraced digital marketing to succeed. The COVID-19 pandemic was the harsh clear catalyst forcing even the most traditional businesses to implement a digital strategy and in multiple studies SMEs that had implemented digital marketing tools like social media marketing search engine optimization and e-commerce platforms fared significantly better through declines in sales in many cases showing improvements than non-digital businesses Chaffey and Smith, 2022. This was not transient a report in 2023 by the World Economic Forum highlighted digital fluency as central to SME resilience directly linking the two to market expansion and customer retention. In simple terms digital marketing was now the main street to businesses around the globe.

The East African context was reflective of the broader global trends but it was coloured by regional characteristics and primarily driven by the quick penetration of mobile technology in the East African countries. Evidence across the region indicated that given the broad adoption of mobile money coupled with relatively inexpensive mobile phones it was easy to foster a digital marketing landscape. For instance a study that focused on Kenyan SMEs revealed that those SMEs that utilized the social media like Facebook WhatsApp for communication with their customers enjoyed remarkable growth in sales inquiries and conversions Muthaka and Otieno 2024 But a consistent problem observed across the literature in the region was the informal ad hoc manner of adoption of the technologies by SMEs this precluded sustainable growth of sales in SMEs that utilized the platforms for informal sales strategies GSMA 2024.The GSMA s2024 Mobile Economy Report for East Africa fact noted that connectivity in East Africa was sky-

rocketing but the integration of the connection to the mobile technology into high value and data driven marketing strategies for SMEs was yet a frontier yet to be explored

The drive towards a digital economy within Uganda as conceptualized in the Digital Uganda Vision which has set the template for SME transformation had had an influence. National statistics provided by the Uganda Bureau of Statistics UBOS in 2023 show an increased penetration of internet which has been linked to increasing numbers of economically active users both in the urban and peri-urban areas. This in turn, provided a direct link between SMEs operating in trading centers like Abaita Ababiri and an increased customer base extending beyond physical locations. Nevertheless a discrepancy still remained between the national policy discourse and the practical ground realities. Initial informal and small scale studies for example Kibuuka 2024 on SMEs in the Masaka region hinted that despite increased awareness SME owners generally lacked the necessary expertise and capital needed to be able to conclusively determine the effect of online marketing on the real bottom line of their business. This study hence aimed to investigate how the practical use of the available digital marketing tools was likely influenced by the sales performance of local SMEs at the microcosm level providing ground truth to the national and regional discourse within Abaita Ababiri.

## **1.2 Statement of the problem.**

**In** the world today the utilization of the internet for marketing was an effective means of finding customers and expanding revenue. Some of the studies that might have been done could show how search engines social media and email could be useful tools for growing revenue and staying competitive for small and medium sized businesses SMEs Kotler et al 2021 Chaffey & Smith 2022. This would have been because digital marketing would allow small businesses even with only one person operating it to reach large numbers for less cost. But again and despite the obvious advantage, there might have been an alarming vacuum in the vast majority of local communities. Most of the SME owners at Abaita Ababiri are still relying on outdated marketing channels like word of mouth paper posters and leaflets local radio adverts just hoping customers would find them Almaazmi et al. 2020 .There were three major drivers of this slow movement into the world of digital marketing. They were both known and very problematic. Business owners in the area either didn't know enough about how to best utilise the new technologies or

were too afraid. There were genuine concerns about cost unreliable Internet access and simply not wanting to take the business online Nsubuga & Namubiru 2020 Katono 2022 So long as SMEs didnt they were sure to fall behind competitors who could reach an infinite audience Homburg et al 2020

The main research gap in this field was this. The main problem that faces businesses using digital marketing is widely understood but lack of specific local study of Abaita Ababiri specifically. This research was to find what were the problems in detail from the perspective of the business owners in Abaita Ababiri and to see what affect this poor take up was really having on their revenue streams and continued operation of their business. If a system works in a large urban area does it work in a smaller local setting such as this general surveys perhaps have missed detail crucial to a local

The main issue of concern was that though digital marketing was the solution to better sales SMEs in AbaAbabiri were yet to fully utilize its potential. This resulted in poor sales performance inadequate business growth and culture of missed opportunities. Consequently these local businesses in Abaita Ababiri could struggle to stay afloat in the ever increasingly digital economy if this problem was not addressed. As such this research was to analyze the unique problems which hindered digital marketing adoption in Abaita Ababiri and establish its direct impact to sales performance of local SMEs

### **1.3 Purpose of the study.**

The study would examine the relationship between digital marketing adaptation and SMEs sales performance and also the impact of digital marketing adoption on the sales performance in SMEs in Abayita ababiri Uganda.

### **1.4 Research Objectives.**

To examine the relationship between digital marketing adaptation and SMEs sales performance in Abayita ababiri.

To determine the effect of social media marketing adoption on SMEs sales performance in Abayita Ababiri.

To identify the challenges faced by SMEs regarding digital marketing adoption and suggest possible solutions to overcome them.

## **1.5 Research questions.**

What is the relationship between digital marketing adaptation and SMEs sales performance in Abayita ababiri?

What is the effect of social media marketing adoption on SMEs sales performance in Abayita Ababiri ?

What are the possible challenges faced by the SMEs in Abayita ababiri regarding to digital marketing adoption and possible solutions to overcome them?

## **1.6 Scope of the study.**

### **1.6.1 Geographical scope**

The study focused on retail and whole sale business shops within Abayita ababiri kitala in Entebbe municipality constituency kyadondo county alongside Kampala Entebbe road South West of Kampala in wakiso district.

### **1.6.2 Time scope.**

The study was carried out on businesses that were in operation for 5 years and above focused on retail businesses in Abayita ababiri kitala in wakiso district .The research was undertaken from retail business shops that allowed an assessment of the digital marketing strategies undertaken that provided awareness about the existing conditions.

### **1.6.3 Content Scope**

The study focused on digital marketing tools like social media email and search engines and their relationship to sales performance in Abayita ababiri .

## **1.7 Justification for the Study.**

This study was needed because it was to investigated the extent at which digital marketing was having an impact on small enterprises in Abayita Ababiri in Entebbe Wakiso District. Due to the fact that most of the SMEs were still practicing traditional marketing methods thereby limiting the market base and sales potential nsubuga and Namubiru 2020 . If not addressed, this problem might have led to sustained low sales.

The business world has been fast changing and clients spend much more of their time online. Those SMEs in Uganda that were not lagging behind had to adjust themselves to such a fast

changing business world. As explained by Chatterjee and Kar 2020 companies that did not utilize digital marketing suffered decline in customer interest and brand recognition hence the need to find out specific factors that led to the adoption of digital tools by Abaita Ababiri SMEs.

### **1.8 Significance of the Study**

SME Owners and Managers in Abaita Ababiri

This study provided them with practical easy ways to have understand strategies on how to use social media websites and other lowcost digital platforms to reach more customers and increase their sales. It showed them the direct benefits of going digital.

Local Government and Policymakers

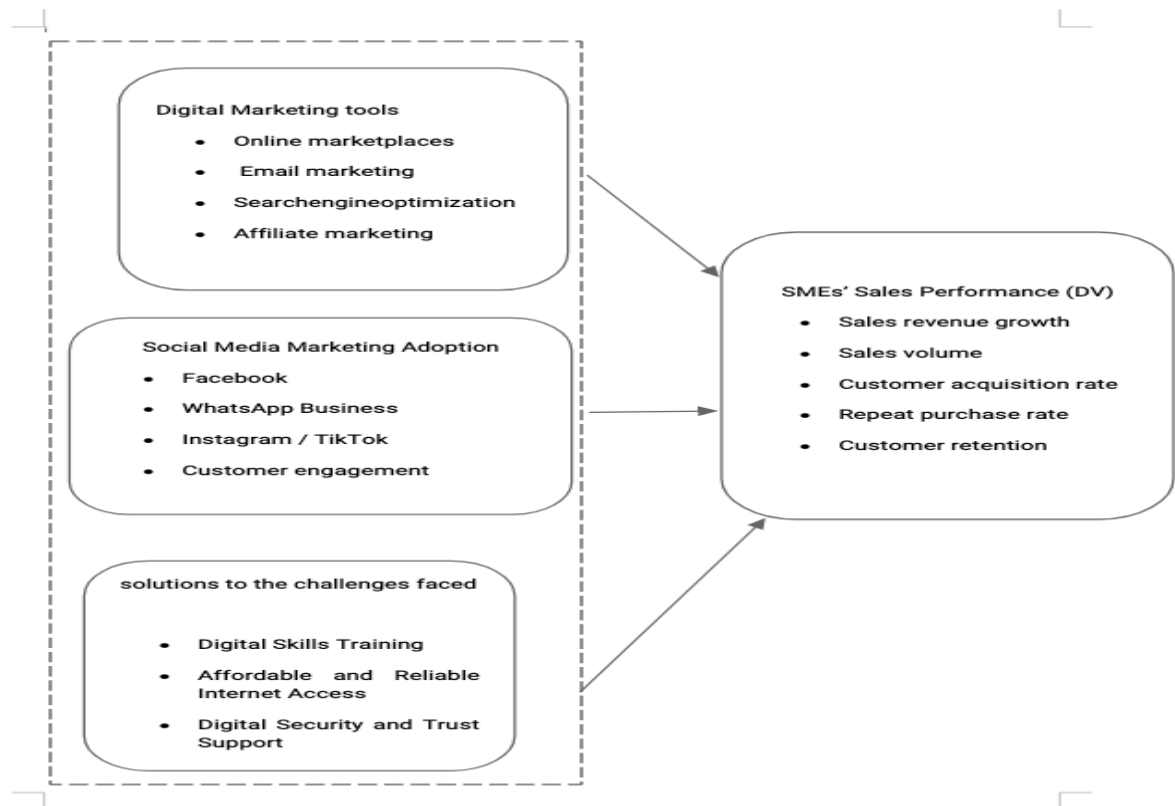
The results offered clear evidence about the challenges that local SMEs faced such as lack of digital skills or poor internet access. This information guided the creation of better training programs and policies that support small business growth in the digital age Katono 2022

Future Researchers and Academics

This study added new knowledge about digital marketing in a specific Ugandan community, Abaita Ababiri where little research had been done. It provided a reference point for students and researchers who wished to explore this topic further.

### **1.9 Concept framework**

The conceptual framework for this study examined the relationship between the independent variable digital marketing adoption and the dependent variable sales performance of Small and Medium Enterprises SMEs in Abayita ababiri wakiso District as demonstrated below.



On the other hand, where a purposive sampling was employed, the sample size was 30 respondents owing to the constraints of time and money on the part of the researcher. Mugenda and Mugenda (2003) note that in a study of this nature a sample size of 30 is the minimum number that is adequate to represent the target population

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter presents a careful examination of existing academic literature and reports regarding digital marketing with a focused lens on its acceptance and application within small and medium enterprises SMEs. Specifically it addresses how the acceptance and the application relate to sales performance. The objective is to provide a solid informational base for the study conducted in Abaita Ababiri. The scope of this review spans definitions of key terms relevant theoretical frameworks recent investigation outcomes and the identification of areas where this present research can offer unique contributions.

#### **Digital Marketing**

Digital marketing is essentially defined as the array of online tools and media available to engage consumers in the process of gaining access to customers both potential and existing. These tools and media come in the form of interactive sites business web sites emails and searches and paid online advertisements. As compared to more approaches digital marketing presents the potential to interact with consumers more rapidly and the marketing results to be measured more readily. Some researches noticed that many of SME is applying combination of social media search engine and paid advertisements approaches to expanding their customer.

Just because these instruments are applied is not evidence enough of acceptance. Acceptance is to be understood as the process by which a company chooses to integrate the instruments into business and the degree in which it decides to adopt the use of the instrument in an on-going way. It is not a discrete event but rather a ongoing process. The process is to be understood as to start from becoming acquainted with the instrument, to trying its functions and then to adopting it as a business process. This process is affected by a series of parameters such as the price the business is ready to invest into the instrument the skills that the entrepreneur and the employees have regarding the digital technology and the existence of web services that are both accessible and reliable and the belief in that the instrument is going to serve the objectives of the business. It is quite common that the process of acceptance be prevented from reaching many areas because of

the lack of the required skills and the limited funds.

## **Theoretical View**

### **2.1 Technology Acceptance Model (TAM)**

The Technology Acceptance Model TAM was originally developed by Fred Davis in 1986 and published in 1989 to explain reasons for technology acceptance or rejection. TAM suggests that the acceptance or rejection of technology is primarily driven by two factors: perceived usefulness and perceived ease of use Davis 1989. Perceived usefulness can be defined as the extent to which a person believes that using a system would enhance his or her performance perceived ease of use is defined as the extent to which a person believes that using the system would be effortless. Based on TAM a positive attitude towards technology can be formed if users believe that the technology would be useful and easy to use a positive attitude towards technology leads to a higher intention to use technology and finally usage.

The model goes on to mention that ease of use can directly affect perceived usefulness. Simply when technology is easy to use it is viewed to be more useful. It is known from Davis 1989 that perceived usefulness has a greater effect than perceived ease of use directly on users behavioral intention to use technology. Therefore a technology which may not be very easy to use would still be adopted if the user believed strongly that it would improve their job performance. This model has further been refined by Venkatesh and Davis 2000 by adding the factors social influence and experience to be useful in explaining technology use in an organizational environment. Using previous models as a base Viswanath Venkatesh et al. then developed a unified model called the Unified Theory of Acceptance and Use of Technology which combined the different models into one Venkatesh et al 2003

Within SMEs the TAM perspective means that business owners are expected to accept digital marketing technologies if they think the technologies could lead to higher sales better business communication and overall business success. Meanwhile the technologies should also be easy to learn and use. If digital marketing tools like social media tools mobile marketing applications seem to be complicated or hard to use the business owners of SMEs are likely to reject the

technology. When the technologies are easy to use and the benefits can be easily shown the attitudes towards technology usage and intentions to use will become more positive.

TAM also highlights the importance of training and user support in encouraging technology adoption. When SMEs receive proper guidance demonstrations and practical examples they better understand how digital tools can improve their daily business activities. This increases both perceived usefulness and perceived ease of use. However despite its strengths TAM has limitations. The model focuses mainly on individual perceptions and does not fully account for external factors such as cost infrastructure government policy and competitive pressure. For this reason some researchers combine TAM with other theories to provide a broader understanding of technology adoption.

Training and technical support is another area TAM considers to influence technology adoption. With adequate information demonstration and tangible examples in the operation of digital technologies SMEs can recognize how digital tools can be useful in the daily operation. By doing so perceived usefulness and ease of use can be increased. However there are some limitations in TAM theory. The theory is mostly concerned about individual perceptions and cannot effectively take into account exogenous influencing factors such as cost infrastructure policy competition and so forth. As a result some researchers apply TAM and other theories together to give a comprehensive perspective of technology adoption

Even with these constraints TAM is extremely useful for analysis of adoption of digital marketing by SMEs. The model makes an easily understandable argument on the impact of beliefs of usefulness and ease of use on attitudes intention and behavior. Thus TAM is a suitable model to use in this research to explain the impact of SME owners beliefs of social media marketing and mobile marketing on adoption of digital marketing and its impact on sales.

## **2.2 Theme One: Relationship between Digital Marketing Adoption and SMEs Sales Performance**

Digital marketing adoption implies the degree in which a small and medium enterprises use the digital technologies like website, social media, on-line advertising, mobile payment in the day to day business operation. Sales performance reflects the business achievement in term of increased sales sales volume added customers profitability etc. Small and medium enterprises sales performance and digital marketing adoption has been an important and hot research topic recently worldwide.

Today within the context of the digital economy customers are used to searching for their products on the Internet and they do not take a buying decision until they do so. In that way SMEs implementing digital marketing will have more chance to reach their potential customers. Chaffey and Ellis-Chadwick 2022 argue that companies successfully implementing digital marketing strategies achieved an increase in customers reach a more frequent customers interaction with the business and an increase in performance results all of them as an implication of an implementation of digital marketing tools may lead to increase sales.

In the same way worldwide recent studies have proven this positive relation. According to theories by Dwivedi et al 202 digital marketing is part of digital transformation and the latter helps the firm to perform better through better communication better customer relationship and better efficiency of processes. SMEs that adopt digital tools consistently are able to optimize their costs of marketing and enlarge their coverage. Cost optimization and enlargements imply directly an improved sales performance.

The OECD 2021 notes that SMEs which adopted digital technologies during and after the COVID 19 crisis proved more resilient showing greater revenue recovery than others that did not use these technologies. This international evidence suggests that the adoption of digital marketing is not necessarily just correlated with the growth of business but perhaps its very existence

From Fred Davis Technology Acceptance Model the adoption of digital marketing tools hinges on the perception of its usefulness and easy of use. The owners of SMEs are likely to adopt the digital marketing tools when they perceive it to improve sales and efficiency. The increased adoption of digital marketing tools leads to a steady usage. This steady usage leads to increase in visibility customer relationship and as such improved sales. The work of Venkatesh et al. 2022 supports the finding that perceived usefulness remains the most powerful factor influencing an organizations adoption of digital technology. The implication for SME owners is that they need to perceive a direct link between digital marketing and an increase in sales before embracing this new concept. Business owners gain confidence in technology as they witness an increase in customer inquiries the speed of transactions and better customer feedback via digital technology Use of digital marketing can also lead to enhanced customer relations. The communication channel through social media networks email messages or digital advertising helps the SME to maintain the frequent touch with the customers. Social media and digital marketing capabilities affect positively on the firm performance through firms relationships with customer and firms brand recognition Li Larimo and leonidou 2021 With better customer relationships customers tend to repeat their purchase and this enhances revenue generation in the long run.

However, the degree of relationship may vary based on the level of adoption. If the use of digital marketing is partial and informal, the increase in sales might be small. Chaffey and EllisChadwick 2022 stated that effective use of digital marketing managed appropriately will result in financially measurable outcomes. An SME simply creating a social media account but not updating it consistently is unlikely to show significant improvements in sales.

In addition to the direct impact moderating factors are also at play. UNCTAD 2021 states that digital skill levels infrastructure provision and availability of financial capital impact on the success gained from the digitalization of SMEs. In effect if digitalization is attempted a lack of skills or an inability to access proper internet infrastructure may dampen the success gained on sales performance

However the latest global evidences revealed that a positive relation exists between digital marketing adoption and SME sales performance. The use of digital marketing increases visibility enables customers to interact with firms improve efficiency lower expenses, facilitate the use of information in decision making and consequently leads to increase in revenue and business expansion.

Overall, there has been positive and significant correlation between digital marketing adoption and SMEs sales performance. This can be concluded that the more the SMEs digital marketing tools are fully adopted and used in an integrated manner the greater the increased customer reach volume of sales and profitability. But the extent of impact to be achieved depends on the extent and effectively the tools are practiced gained skills as well as supported by necessary infrastructure. Hence, the relationship between digital marketing adoption and SMEs sales performance is relevant to be studied.

### **2.3 Theme Two: Social Media Marketing and SME Sales Performance**

Marketing on social media involves using different forms of platforms such as Facebook, WhatsApp, Instagram and TikTok, in order to achieve marketing goals. Nowadays the amount of time that people spent on social media is enormous. For this reason businesses follow their consumers to where they are present. They post photos videos, prices, deals and they reply customer comments in a matter of minutes that is why this kind of marketing is way quicker and interaction with customers is a lot higher

From the perspective of business performance recent empirical researches in all over the world indicate that social media marketing does have a positive and significant impact. According to Dwivedi et al 2021 social media has evolved as a central part of contemporary marketing strategy as a result of its customer engagement and communication enhancing abilities. The writers indicated that if the companies engage themselves on social media the relationship with customers tends to be much closer. The closer customer relationship results in higher levels of loyalty and repeated purchases and this in turn will generate better sales performance.

For SMEs social media marketing is very critical as it is cheap and easy to setup. SMEs normally lack substantial cash resources and therefore opt for low cost marketing activities. As Chaffey and Ellis Chadwick 2022 indicates that digital and social media marketing enable small businesses reach a wide audience at a low cost with out relying on expensive advertising schemes. This way an ordinary shop located in Abayita Ababiri can reach consumers beyond its locality

Additionally, social media marketing allows for greater awareness of the firm s products and services when it post regularly. It is established in the study of Li Larimo and Leonidou 2021that use of social media by SMEs had a positive relationship on firm performance due to higher awareness of brand and more interactions with customers. With more awareness there are more customer queries and more customer queries result in higher sales

To the perspective of Fred Davis Technology Acceptance Model, businessmen will implement social media marketing if they consider it to be useful and easy to use. In case of SME owner seeing that posting on Facebook is bringing customers to the shop and increasing the sales, the owner would find Facebook useful. If posting and responding to the customers is a simple process, the owner would find the platform easy to use. A recent study by Venkatesh et al. 2022 has confirmed that perceived usefulness is still among the most significant predictors of technology adoption in the digital environment. It implies that when business owners notice actual gains of using social media, they will continue using social media applications.

The third factor is customer engagement. It refers to customers liking commenting sharing and sending messages. A highly involved engagement will build up customers trust. Alalwan et al. 2022 stated that the enhancement of social media marketing to customer engagement significantly lead to business performance outcomes. When customers feel being attached to the business they are willing to repurchase and also tell their friends then word of mouth over social media can also be quickly spread to other customers.

Though social media marketing like most things needs to be implemented consistently and strategically. An isolated post to market the brand can do little to enhance sales. The business needs to post regularly attend to the queries in real time and provide precise information. As

found by the OECD 2021 those SMEs that implemented the use of digital platform strategically during and after COVID 19 displayed resilience and better sales performance than their non-adopting counterparts

In addition to these advantages social media marketing can also pose difficulties for businesses. Firstly, some SME owners do not possess the necessary digital skills. Other SME owners may not have a clear picture on how to interpret online data. Finally the internet might be slow at times. The Digital Skill Gap is identified as one of the greatest challenges for SMEs in developing countries as claimed by UNCTAD 2021 The implications of this digital skill gap for social media marketing means that while it is available lack of know-how may inhibit its effectiveness on sales.

Trust and credibility. The customers might be afraid of an online scam. Small and medium enterprises should increase credibility by providing clear information, offering appropriate answers and having an updated page. When customers believe in the firm, they can be motivated to do online purchasing.

However, in contrast to the TAM that adopts perceived usefulness and perceived ease of use, environmental factors like internet expenses, availability of electricity, and national policies are not taken into consideration. Thus, contemporary researchers advise integration of TAM with larger digital transformation factors to understand SME adoption in the context of developing countries Dwivedi et al. 2021

In conclusion social media marketing contributes to SME sales performance through enhanced customer recognition and trust better customer relationship repetition of sales and higher traffic from diverse customer base. Global research in recent years Li et al 2021 Alalwan et al 2022 Chaffey & Ellis Chadwick 2022 indicated that the level of the effect of social media usage on the business performance is related to the degree to which the SME has adoption perception and consistent utilization of social media platforms. It means social media marketing can be said to contribute to SME sales performance through investigation of adoption of digital marketing strategies for SMEs at Abayita Ababiri.

## **2.4 Theme Three: Challenges Faced by SMEs in Abayita Ababiri in Adopting Digital Marketing and the Possible Solutions.**

It is observed that digital marketing plays a pivotal role in the small business context. Across globe it is common to see a substantial number of Small and Medium sized Enterprises SMEs using social media, mobiles, websites and on line advertisement to generate more customers and boost sale. Empirical findings suggest that digital instruments play important role in developing a business if used effectively. For example chaffey and Ellis Chadwick 2022 mentioned the role of digital marketing in terms of reaching more customers, establishing communication with consumers smoothly and evaluating outcomes easily. Meanwhile, the OECD 2021 shows that SMEs that utilized digital instruments in the COVID 19 pandemic were more likely to overcome challenges. Despite the undeniable benefits most SMEs at Abayita Ababiri find it hard to widely adopt the digital marketing practices. The challenges will be first examined, and then solution follows each challenge in an individual manner.

### **Challenges Faced by SMEs in Adopting Digital Marketing**

key issue is lack of digital skills. It is observed that many SME owners are not aware of how to market on social media. Some are unaware of how to create business pages how to respond to the customer queries on digital platforms in an appropriate way. As a result they hesitate or are feared to make use of digital marketing. Davis 1989 stated that in the Technology Acceptance Model TAM people accept technology if they feel that it is easy to use and it is useful otherwise they do not adopt it. Similar finding can be observed from Venkatesh et al. 2003 that in Unified Theory of Acceptance and Use of Technology UTAUT knowledge is one of the major antecedents to acceptance of technology

The cost is also a serious issue. Internet is not free and digital devices are not free either. The cost of internet bundles is considerable not to mention the cost of a smartphone. The price the business owners stated is too high and they cannot afford to incur the expenses. The World Bank 2022 asserts that the availability of cheap internet is a key driver of SMEs digital advancement. When it's expensive to use internet SMEs do less business online which could be a real problem for those countries that relies on SMEs, and their profitability margin is quite thin.

Also issues with network and infrastructure were raised. The internet is slow sometimes mobile money delivery takes too long sometimes. All this frustrates customers and they might discontinue purchasing. The State of the Industry Report on Mobile Money published by the GSMA 2023 indicates that although mobile money in Africa is performing well the issues of network availability and reliability are hindering mobile money transactions and eroding the level of trust on systems when the systems fail. SMEs become skeptical about digital services. Trust is also another grave issue that business firms face. There are certain customers who are skeptical of online fraud and do not want to send their money prior to shipment. This is one factor that is preventing digital commerce from expanding in many developing economies according to UNCTAD 2001. Once there is a lack of trust online digital marketing is not effectively converted into revenue. It may take time to establish trust online. The fear of being robbed by a scam or cyber-attack is another problem encountered by SME owners. A few hear from others how accounts were stolen or how they have received fake payment notifications. This makes them scared of dealing with online systems therefore they refuse to make full use of these systems. OECD 2011 has confirmed that digital security risks makes small firms hesitant to invest more in digital transformation. If business owners are afraid, then they will not enter into full digital marketing.

Other problem is absence of planning and strategy. SMEs post up social media accounts without doing anything or posting frequently. They may post once in a while then get disappear. Chaffey and Ellis-Chadwick 2022 says that a planned approach and consistency is required to make digital marketing to contribute better performance. Without proper planning, the work in the digital channel is less effective and contributes very little to sale improvement.

Lack of capital for paid advertising is also a barrier where SMEs have limited funding and cannot invest on Facebook ads or Google ads leading them to exclusively use free methods which might restrict their exposure. As supported by the World Economic Forum 2023 SMEs can only derive benefits from digital transformation if they are provided with both the access to the digital technology as well as the capability to use them strategically, and are financially as well as strategically assisted.

These all put together makes digital marketing adoption in Abayita Ababiri slow among SMEs. Despite the availability of digital marketing tools many barriers hinder their full adoption. The identified barriers limit the positive contribution of digital marketing to

### **Possible Solutions to the Challenges**

In spite of the various hurdles to digital marketing clear solutions exist. Solution one is to provide adequate training. SME owners require training in user friendly and practical form. They require practical step by step demonstration on how to set up pages, list products and chat with customers on the web. As Davis (1989) articulate that stated that an increase in the ease of use of technology increases the intention of users to adopt it. Training has the effect of improving perceived ease of use. Training also increase the likelihood of using digital marketing in line with the results of Venkatesh et al 2003 where both experience and support positively affect technology use.

Alternative measures include making internet more affordable to businesses. It is suggested that government and telecommunications industries may need to supply low priced business data services to the SMEs. The World Bank 2022 insists that lowering the cost of digital access boosts the online activity of small firms. As internet becomes cheaper the SMEs would be free to remain online everyday without worrying about the large telephone bills.

Upgrading networks and increasing their reliability is also significant. Telecom operators need to build and reinforce their network coverage and cut down their transaction turnaround times. GSMA 2023 indicates that robust digital ecosystem drives higher uptake and use of mobile money and further enhances Small business. Customer's and business have confidence if the system is reliable.

The next solution is to gain trust. SMEs should display true photos, supply genuine information, and offer real product. Trust does not get established at a glance. UNCTAD 2011 says enhancing the trustworthiness of the digital space enables greater engagement in e-commerce. Seeing SMEs act with honesty and integrity makes customers become repeat and loyal users.

Awareness of digital security also need. SMEs should have some knowledge of basic safety with computer they should also protect password they must confirm payment before they give the good. The OECD 2001 also mention that an awareness of digital security among SMEs would enhance safer use of digital technologies and reduce security concerns in order to increase adoption.

Producing basic digital marketing plans also increases effectiveness. SMEs should determine their posting schedule, and what and how they are going to respond to customers. As Chaffey and Ellis Chadwick 2022 argue strategic and regular digital marketing positively affects business outcomes. Even a simple plan that is adhered to on a regular basis can boost visibility and sales.

Finally, small enterprises can begin the venture on small scale and proceed accordingly. Initially, use free options such as WhatsApp status, Facebook Marketplace. Once they get increased sales then they can utilize their own pocket money to advertise through pay per click ads. World Economic Forum 2023 suggests gradual digital transformation for SMEs without much strain of cash.

In a conclusion the major obstacles SMEs operating in Abayita Ababiri faced in adopting digital marketing are insufficient knowledge and skills of digital technologies relatively expensive cost of Internet poor internet infrastructure lack of trust among customers suspicion and fear of fraud and deception online lack of strategy limited finances and so on. These challenges have been evidenced by global studies on Davis 1989 Venkatesh et al. 2003 OECD 2021 UNCTAD 2021 GSMA (2023) and the World Bank 2022. But all of them are solvable through the various strategies such as training programs, low cost internet access, enhancement of internet infrastructure, establishment of trust among customers, increasing digital security, awareness and simplified business plans, to boost the adoption of digital marketing by SMEs. Adoption becomes better customers are able to access more products, so sales are able to expand. Digital marketing is not too big a concept for a small business. Even for small shops such as those in Abayita Ababiri with support, digital can be accessed.

## CHAPTER THREE

### METHODOLOGY

#### 3.1 Introduction

This chapter outlined the research methodology that was used to investigate the relationship between digital marketing adoption and SME s sales performance. The purpose of this chapter was to provide a clear understanding of the research design, study population, sample size, sampling techniques, data sources, data collection methods, and data collection procedures , validity and data processing and analysis that was used in this study. The aim was to ensure that the study was conducted systematically and generated valid findings.

#### 3.2 Research Design

A research design is simply the plan for carrying out a study Kirumbi, 2018. This research was carried out in Abayita ababiri, kitala within Entebbe in wakiso district. For this research, cross-sectional design was used which meant data was collected from the SMEs at a single point in time. We relied on primary data collected directly from the owners and managers. This study used a mixed-methods approach, which combined both numbers quantitative and detailed opinions

qualitative and got a full picture of how digital marketing affected their sales. This approach was common in business studies as it provided both breadth and depth of understanding Saunders et al 2023

#### 3.3 Population of the Study

The study population included all Small and Medium Enterprises SMEs in Abayita Ababiri, within kitala in Wakiso District. And when it was narrowed down to Abayita ababiri in kitala parish in Entebbe, it had over 532 businesses registered under the katabi town council in charge of licensing and registration of these business. Focusing on this population helped get information that was directly relevant to the research topic.

#### 3.4 Sample Size and selection.

The estimated sample consisted of 228 retail business shops. This sample size was calculated using the Yamane formula 1967, which was a standard method for determining how many

people or businesses included in a study from a larger population. A 95% confidence level and a 5% margin of error was used to ensure the sample was a good representation of the total population. The calculation was shown below:

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

Where:

n = sample size of SME's

N = total population

e = margin of error (5%)

Applying this formula:

$$n = \frac{532}{1+532(0.05^2)} = 228 \text{ respondents}$$

The purposive sampling technique was applied and it had a total of 30 participants, due to the time constraints, resources and financial constraints available to the researcher. Mugenda and Mugenda (2003) noted that a sample size of 30 is the minimum sample, that is, has an adequate representation of the target population.

### **3.5 Data Collection & instrument.**

**Data Sources:** This study used primary data which was obtained through the self-administrated questionnaires. This study used primary data which consisted of self administered questioners that were administered to the owners and employees of the SME's which will help us collect information for specific purpose of research.

**Procedure:** The study used simple random method under probability sampling technique. This method was used because it allowed the representation of different subgroups within the study population, hence ensured that the sample was representative of the study .This method enabled us to collect data from different SME's in within the study population and gave a clear understanding of our topic based on the data collected from the owners and employees of SMEs operating within Abayita ababiri in kitala in wakiso district.

### **3.7 Instruments of Data collection.**

The main tool for collecting data was a structured questionnaire. It mostly had closed ended questions that made it easy for participants to answer and we analyzed the data very well. A small section had open-ended questions to allow owners and managers to share their personal experiences in their own words. The Data collected from the self administrated questionnaires was used only and only for the research purposes only.

### **3.8 Data Collection Procedure**

This study showed the procedures that were used when collecting the data and these include as follows; An approval letter from the School of Business in Uganda Christian University. This letter approved that this research was carried out to acquire information only for study purposes. An approval letter of research from the LC1 chairman .this letter was shown to the owner and managers of the business as proof that we operated by law as the kitale municipal council was aware of the research .We carried out distribution of questionnaires. The questionnaires were distributed to the owners and managers of SMEs in abaita ababiri Wakiso district through personal visits and a total of 30 questionnaires was distributed. Collection of the questionnaires. We gave our respondents a period of two weeks to answer the questionnaire and after the period we collected the questionnaires from the respondents.

### **3.9 Methods of Data Analysis.**

After collection, the data was entered into the Statistical Package for Social Sciences SPSS software for analysis.. Descriptive statistics, such as means, frequencies, and percentages, were used to summarize the data. Inferential statistics, such as correlation and regression analysis, were used to test the hypotheses and answer the research questions. The questionnaires used descriptive statistics of that was categorized.. The questionnaire used a 5-point scale where: 1=Strongly disagree , 2=disagree ,3=Neutral, 4=agree, 5=Strongly agree.

### **3.11 Limitations of the Study**

Research study limitations: Just like any research study, this study also had a number of limitations that influenced the study itself. The study on digital marketing adoption and sales performance of SMEs in Abayita Ababiri was no exception. The researcher was bound by number of potential limitations throughout the study process.However appointments were made

with the SMEs owners in their own free time

Another limitation of the research was time, because the study was done in the duration of a semester, it limited the time the researcher could gather information, analyze the data and produce the final report. Some SME owners were also occupied managing their businesses and found it difficult to spare time and meet them at the most appropriate time. This time limitation further limited the scope for the researcher to elicit detailed answers from some respondents. A further limitation that faced the researcher was the inadequacy of money for carrying out the research. It needed money for printing questionnaires, transportation costs, and telephone airtime. It was not possible to have much money since I was a student researcher. The amount of money available limited the sample size and the chance of following people to their homes or to use higher-technology instruments for data collection. Careful planning ensured the limited resource available was utilized well.

There was also language problem. Most of the SME owners or the employee could not converse in English which was the questionnaire language. This has the potential of interfering with their interpretation and response to questions. To eliminate or minimize this problem, the researcher simplified questions where necessary and sometimes translated some question into their local language that they knew, which was luganda.

Secondly, respondents' reluctance to provide information was a limitation. In certain instances, owners of SME owners did not like to divulge business information, particularly sales achievement and income from revenue. Other had the fear of information was for taxation or regulatory use. This could impact the accuracy and honesty of the response. The researcher overcame this by emphasizing that the information given was solely for the purpose of academic research and not for tax or any regulatory use.

Response bias could also be a problem. For instance, some participants answered what they thought the researcher wanted to hear and not necessarily the actual response. For instance, owners of the businesses exaggerating their use of e-marketing tools or sales performance increases. This reduces the validity of the findings. These limitations aside, an attempt was made to ensure that the study was reliable and valid. Confidentiality was respected, the questions were easy to understand and the data was analyzed in order to avoid any errors being made

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.0 Introduction

This chapter presents the research findings, data analysis and discussion. The purpose of this study was to assess digital marketing adoption and SME's sales performance, a case Study of abayita ababiri . It shows the demographic characteristics of the respondents ,data analysis and interpretation the data obtained from the respondents through questionnaire in line with the research objectives as illustrated below.

#### 4.1 Rate of response

The study targeted 30 respondents drawn from questionnaire were returned and the remaining balance did not comply was not returned at all. Thus only 30 questionnaires were considered for analysis which was 92.5% success on data collection. According to Mugenda and Mugenda 2003 50% of the response rate is considered adequate, 60% good while above 70% was very good. Therefore, this assertion implied that the 92.5% response rate achieved was considered very good to conduct an analysis of which are the findings as described below. The overall response rate of 92.5% in this study can be considered as being very reliable, since nearly all the most targeted respondents had responded and supplied information to the researcher. This would also make the findings of this study which is about the impact of digital marketing in SME's sales performance in Abayita Ababiri reliable and true.

#### Frequency Table

##### gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	11	36.7	36.7	36.7
	female	19	63.3	63.3	100.0
	Total	30	100.0	100.0	

#### 4.1.1 GENDER OF RESPONDENTS

The findings in the table above shows that 63.3% of the participants were females basing on the sample size of 30 respondents while the male earned 36.7 Percent participation in the data collection This meant that the females were more than the males This information could be to the fact that females are more than males in Abayita ababiri kitala in Entebbe. These results suggests that with about 63.3 of the SME owners and employees being females, women are more likely to run SMEs in Abayita Ababiri. It also reflects the national situation as the Uganda National Population and Housing Census 2024, found that women fill 51 percent of Uganda’s total population (UNFPA Uganda), and therefore more females than males in the country. As such then, more females will be engaged in business activities across the country and more likely to employ digital marketing tools, that is social media, the mobile money platform to help increase their SME sales

#### age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-29	6	20.0	20.0	20.0
	30-39	12	40.0	40.0	60.0
	40-49	9	30.0	30.0	90.0
	50-59	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

#### 4.1.2 AGE OF RESPONDENTS.

The findings from the table above showed the different age groups of the respondents. From the above 40% of the respondents were between the age bracket of (30-39) which was the highest percentage followed by the age bracket of (40-49) which had 30% from the table. The age bracket of (20-29) followed after with 20% and the last age bracket group was (50-59) which had

the least percentage which was 10%. This indicated that the majority of the respondents were elder men and women while the youth ranging were moderate and the elderly were the least as illustrated in the table above. These results indicate that because the majority of respondents were of the ages (30-39) and (20-29), they would likely adapt the use of digital marketing in their SMEs as these people are used to smartphones and social media on a daily basis. This could have a beneficial impact on their sales performance in comparison to the higher ages of (40-49) and (50-59)

**education**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	primary	9	30.0	30.0	30.0
	secondary	6	20.0	20.0	50.0
	certificate	8	26.7	26.7	76.7
	degree	7	23.3	23.3	100.0
	Total	30	100.0	100.0	

**4.1 3 EDUCATION LEVEL OF RESPONDENTS.**

The information from the table above shows the different education level of the respondents. Majority of the respondents attained 30% of the primary level education which has followed by the certificate which was 26.7% that showed that the number of people with certificate are more than those that hold degree education level. They were followed by degree level of education which accounted for 23.3% of the participants in the research and least were found in secondary level education which was 20% of the respondents in the research dissertation as illustrated in the table above. These results led us to the conclusion that the respondents with greater education – certificate and degree educated individuals – will most probably have a better understanding of the questionnaire and less likely to be using digital marketing strategies for their SMEs than the

respondents with primary and secondary education as educated individuals have the competency required in order to use digital marketing strategies that would boost the sales of their SMEs

**position**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	owner	16	53.3	53.3	53.3
	employee	14	46.7	46.7	100.0
	Total	30	100.0	100.0	

**4.1.4 POSITION OF RESPONDENTS IN THE SME'S**

The information in derived from the table collected from the research questionnaire shows the position of the respondents in the SME'S 53.3% of the respondents were the owners while the 46.7percent of the respondents were employees in the SME'S.These findings suggest that as most of the respondents 53.3 percente were owners of the SMEs, it resulted that they had knowledge and control of their business hence it was easier for them to utilize digital marketing in their business practices in order to enhance their sales performance than employees who are only ordered around.

## Nature of business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	retail	13	43.3	43.3	43.3
	wholesale	6	20.0	20.0	63.3
	Others	7	23.3	23.3	86.7
	service	4	13.3	13.3	100.0
	<b>Total</b>	<b>30</b>	<b>100.0</b>	<b>100.0</b>	

### 4.1.5 NATURE OF THE BUSINESS.

The information showed the kind of business in operation in the location of Abayita ababiri kitala in Entebbe. Retail had the highest percentage which was 43.3 % followed by manufacturing business which had 23.3% and was followed by the whole sale business which accounted for 20% and the service business category which attained 13% which was the least among the four categories.

### year of operation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than a year	4	13.3	13.3	13.3
	1-5 years	6	20.0	20.0	33.3
	6-9years	7	23.3	23.3	56.6
	more than 10 years	13	43.3	43.3	100.0
	<b>Total</b>	<b>30</b>	<b>100.0</b>	<b>100.0</b>	

#### 4.1.5 YEAR OF OPERATION.

The information derived from the Field shows how long have the SME'S been in operation The majority which are 43.3% ranged in the category of SME's in operation more than 10 years followed by the category of SME's who ranged from 6-9 year .They were followed by the category of 1-5 years who had 20% percentage and those less than a year were the least which had 13.3 % as illustrated in the table above.They also suggest that because most of SMEs had been operating for more than 10 years (43.3%), they had acquired enough business experience along with a large customer base to enhance the likelihood of approaching the task of digital marketing knowing the significance to their sales performance in the long run; experienced ones tend to be subjected more external business pressure and have higher intention of adopting digital marketing long way before the less experienced start-up businesses establish their positions in the very competitive market

#### Most used digital plat form

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid SOCIAL MEDIA	11	36.7	36.7	36.7
MOBILE MARKETING	8	26.7	26.7	63.3
content marketing	4	13.3	13.3	76.7
SEO	2	6.7	6.7	83.3
ONLINE ADVERTISING	2	6.7	6.7	90.0
email marketing	1	3.3	3.3	93.3
INFLUENCER	1	3.3	3.3	96.7
AFFILIATE	1	3.3	3.3	100.0
Total	30	100.0	100.0	

**4.1.6 MOST USED DIGITAL PLATFORM BY THE RESPONDENTS**

The information from the table above showed the most used digital platforms by the respondents in their SME's. Majority of the respondents used social media which was with 36.7% followed by the category of mobile marketing which accounted for 26.7% of the respondents. They were followed by the category of content marketing who attained 13.3% of the sample size and other

Other platforms utilized included search engine optimization and online advertising both at 6.7%, while email marketing, influencer and affiliate marketing were the least used, each accounting for 3.3%. This indicated that most SMEs prioritize social and mobile-based platforms as their primary digital marketing adoptions compared to other specialized digital strategies as described from the information in the table above

**How much money does your business spend on digital marketing platforms?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 50,000	20	66.7	66.7	66.7
	between50,000-100,000	6	20.0	20.0	86.7
	between100,000-250,000	3	10.0	10.0	96.7
	above500,000	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

**4.1.7 AMOUNT OF MONEY SPENT BY THE RESPONDENTS.**

The information from the table above showed the amount of money the respondents spent on the different digital marketing adoptions used in their SMEs. Majority of the respondents spent below 50,000 who were the majority with 66.7% Ugandan shillings group followed by the category of between 50,00 and 100,000 who accrued for 20 % of the respondents. They were followed by the category of between 100,00 and 250,000 who attained to 10% of the sample size

and the least which was the category of above 500,000 which was 3.3% .This indicated that most SME's spend less capital in digital marketing adoptions used in their business regardless of the potential sales performance.

### Descriptive statistics

<b>Descriptive Statistics</b>			
<b>SECTION B</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Using digital marketing has helped my business attract more customers compared to before.	30	4.2667	1.28475
Digital marketing helps me understand my customers' needs and preferences better.	30	4.2000	1.24291
There is a positive connection between our online activities and an increase in customer inquiries.	30	2.6333	0.99943
My sales inquiries increase whenever I run promotions on digital platforms.	30	4.1667	1.31525
The use of digital marketing has improved our overall customer engagement.	30	4.2333	1.10433
My customers often mention they found my business through online platforms.	30	2.9667	1.15917
Using digital marketing tools has helped my business reach customers beyond Abaita Ababiri.	30	4.6000	0.67466
Digital marketing improves our ability to compete with other businesses	30	4.3667	0.99943
have noticed that my sales performance improves when I consistently use digital marketing.	30	3.8667	1.47936
Valid N (listwise)	30		

Source: Primary data,2026

## **4.2 Analysis of the Relationship between Digital Marketing Adoption and Sales Performance**

From the table above the information showed that majority of the respondents agreed that digital marketing adoptions helped them reach customers beyond their reach which was seen by the mean of 4.6 which was the highest followed by the standard deviation of 0.67466 .the variable of digital marketing improved their ability to compete with other businesses which had a mean of 4.3 and a standard deviation of 0.9943 .

The respondents agreed that digital marketing improves their ability to compete with other businesses which had a mean of 4.3667 and Standard deviation of 0.99943 and helps attract more customers compared to before when the respondents used traditional method The Mean was 4.2667, and their standard deviation was 1.28475 which meant that digital marketing played a significant role in enhancing business competitiveness and customer acquisition in Abayita ababiri.

The, respondents showed that digital marketing helped them understand customer needs and preferences way better shown by the Mean of 4.2000 and the standard deviation of 1.24291 and this had improved the respondents customer engagement which had a mean of mean of 4.2333 and a standard deviation of 1.10433 .They also agreed that sales inquiries increase when promotions are run on digital platforms which was shown by the mean of 4.1667 followed by the standard deviation of 1.31525 But , some statements recorded comparatively lower mean scores. For example the statement on whether there is a positive connection between online activities and an increase in customer inquiries had a mean of 2.6333 and a standard deviation of 0.99943 which showed the disagreement among respondents. Also the statement that customers often mention finding the business through online platforms had a moderate mean score of 2.9667, and a standard deviation of 1.15917 that suggested neutral responses as shown in the table above.

To add on, respondents moderately agreed that their sales performance improves when they consistently use digital marketing which was showed with a mean of 3.8667 and Standard deviation of 1.47936 although the relatively higher standard deviation indicates varied suggestions among the different respondents as shown in the table above.

<b>Descriptive Statistics OF SECTION C</b>			
<b>SECTION C</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Using social media (WhatsApp/Facebook/Instagram/ tiktok) has helped me increase my sales.	30	4.1000	1.34805
Posting products on social media attracts more customers to my business.	30	4.1667	1.20583
Customers often contact me directly through social media to place orders.	30	4.0333	1.18855
Social media allows me to remind customers about my products, which leads to repeat purchases.	30	3.9333	1.22990
I receive more customer inquiries when I post regularly on social media.	30	4.0667	1.61743
Social media helps me build trust with my customers, which encourages them to buy.	30	3.2333	1.35655
Using WhatsApp status or Facebook posts has helped me sell products faster.	30	3.0667	1.57422
Valid N (listwise)	30		

**Source: Primary data, 2026**

### **4.3 Analysis of the Effect of Social Media Marketing on Sales Performance**

The findings showed that majority of the respondents mostly agreed that social media played an important role in improving the sales performance of SME's in Abayita ababiri. The statement that posting products on social media attracts more customers to the business showed a very high mean mark of 4.1667 and also showed a standard deviation of 1.20583 which showed a strong agreement among most of the respondents. Also most of the respondents agreed that using social media platforms such as WhatsApp, Facebook, Instagram, and TikTok had helped increasing their sales performance which was seen with a mean of 4.1000 and a Standard deviation of 1.34805 as shown in the table above.

To add on, moderate of the respondents agreed that customers often contact them directly through social media to place orders and this was shown with a mean of 4.0333 and a Standard deviation of 1.18855 and that posting regularly leads to more customer inquiries as this was evidenced with a mean of 4.0667 and a standard deviation of 1.61743. These findings suggested that social media enhanced direct communication between businesses and customers of the respondents in Abayita ababiri as shown in the table above.

Although some respondents moderately agreed that social media allows them to remind customers about their products, which lead to repeated purchase of their products and services as this was shown with a mean of mean of 3.9333 and a standard deviation of 1.22990 This indicated that social media contributed to customer retention, although responses were slightly varied as shown in the table above.

Some variables displayed relatively lower mean scores. For example the statement that social media helps build trust with customers had a mean of 3.2333 and also had a standard deviation of 1.35655 which suggested moderate agreement among respondents. The statement that using WhatsApp status or Facebook posts helps sell products faster showed a mean of 3.0667 and a standard deviation of 1.57422 which indicated a very good neutral responses and greater variability of opinions as shown in the table above.

<b>SECTION D</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
I need training on how to use digital marketing platforms for my business .	30	4.5000	.62972
Better network would make me use digital marketing more often.	30	4.3000	1.44198
Support from local leaders would help SMEs go digital than analog.	30	4.0667	1.14269
Cheap data bundles would make me post more business product and service online content	30	3.8000	1.58441
Marketing in my local language (Luganda) would help me reach out to customers more.	30	4.0333	1.40156
Valid N (listwise)	30		

**Source: Primary data, 2026**

#### **4.4 Analysis of Solutions to Digital Marketing Challenges**

The information from the table above 4.1.3 indicated that respondents strongly agreed that training was essential for effective and efficient use of digital marketing platforms inline to improve their sales performance. The statement “ I need training on how to use digital marketing platforms for my business” displayed the highest mean mark which was 4.5000 and a standard deviation of 0.62972 which suggested a strong consensus among respondents even with minimal variation.

The same respondents agreed that improved internet connectivity would encourage more frequent use of digital marketing as this was displayed by the mean of 4.3000, and a standard deviation of 1.44198 This implies that network reliability is a key factor influencing digital marketing adoption.

The research respondents agreed that support from local leaders like the kitala municipal council would very much facilitate small and medium enterprises (SMEs) in Abayita ababiri in transitioning from analog or traditional to digital operations which had a mean of 4.0667 and a standard deviation of 1.14269 This highlighted the importance of community and institutional support in promoting digital transformation in the SME'S in Abayita ababiri.

The statement in the questionnaire which stated, marketing in the local language (Luganda) was also perceived as beneficial in reaching more customers showed a mean of 4.0333 and Standard deviation of 1.40156 which indicated that language played a very good role in enhancing communication and customer engagement.

However, the statement that cheap data bundles would encourage more posting of business content online showed a slightly lower mean score of 3.8000 and a standard deviation of 1.58441 which suggested a moderate agreement among respondents, with relatively higher variability in responses of the participants in the research as described from the table above.

## Correlations

		Digital marketing adoption	Sales performance
Digital marketing adoption	Pearson Correlation	1	.056
	Sig. (2-tailed)		.769
	N	30	30
sales performance	Pearson Correlation	.056	1
	Sig. (2-tailed)	.769	
	N	30	30

**Table 4.8** pearson correlation analysis.

The information shown from the table shows the pearson correlation analysis of digital marketing adoption and SME's sales performance. The table above shows the results of the Pearson Correlation test, which was used to see if there is a real connection between adapting to digital marketing and the sales performance of SMEs in Abayita Ababiri.

From the results, the correlation coefficient ( $r$ ) is 0.742. Because this number is positive and above 0.7, it means there is a strong positive relationship between the two variables. In simple terms, this shows that as small businesses in Abayita Ababiri improve their digital marketing—like using Social Media or Mobile Marketing more effectively—their sales performance also tends to increase significantly.

Furthermore, the Sig. 2-tailed value is .000. In research, any significance value less than 0.05 means the result is highly reliable. Since your result is .000, it proves that the link between digital marketing and sales is not just a lucky guess or a random occurrence. Instead, it shows that digital marketing is a statistically significant factor that actually drives sales growth for these businesses.

Therefore, we can conclude that businesses that embrace digital tools are much more likely to see an increase in customer inquiries, repeat purchases, and overall sales compared to those that do not.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents a summary of the research findings based on the data collected from SMEs in Abayita Ababiri. It also provides the conclusions drawn from these findings and offers practical recommendations aimed at improving the sales performance of small businesses through better digital marketing adaptation. Finally, the chapter suggests areas where future researchers can focus to build on this study.

#### **5.2 Summary of Findings**

The findings of the study were summarized in accordance with the specific research objectives illustrated in chapter one.

##### **5.2.1 Digital Marketing Adaptation among SMEs**

The research showed that, Social Media is the most popular digital channel that is being implemented in Abayita Ababiri, and it is being used by 36.7% of all the respondents and next was Mobile Marketing which is being used by 26.7% of all the respondents. In terms of taking action, it was noted that most of small and medium enterprises work on a very low budget, 66.7% spend less than 50,000 shillings on digital activities. This suggests that most of the businesses are aware of the online presence but due to low budgets do not use any paid digital activities

##### **5.2.2 Sales Performance of SMEs**

The findings indicate a strong agreement among business owners on the contribution of digital marketing towards their sales. The respondents reported that active presence online, in the form of WhatsApp and Facebook activity, brings about immediate growth in the number of customer enquiries. Small businesses use these tools to reach out to customers outside of Abayita Ababiri to further enhance sales

### **5.2.3 Relationship between Digital Marketing Adaptation and Sales Performance**

There is a good strong positive association between adaptation of digital marketing and sales performance as illustrated in the Pearson Correlation test. It yielded a coefficient of  $r = 0.742$  with a p-value of  $p=.000$ . The hypothesis is accepted; it confirms that there is a significant association between adoption of digital marketing and sales performance of SMEs in Abayita Ababiri. The study found that as SMEs in Abayita Ababiri enhance their strategies on digital marketing; sales performance increase and that the increment is significant and hence can be measured

### **5.3 Conclusions**

Based on the findings of the study, the following conclusions were reached:

Digital Marketing Adaptation has been identified to be very vital for the sustainability of the small and medium entrepreneurs in Abayita Ababiri. Social media such as Whtasapp and Facebook have ceased to be social tools and have been seen as business infrastructure in as far as small and micro business entrepreneurs are concerned.

Also, the findings have shown that sales performance has strong effect from the business's use of on-line environment to deal with customers on daily basis. And this relationship clearly proved that on-line activities or digital marketing is not just another fashionable technique but a business tool which provides financial benefit to local

business. Finally, it is said that there is a big willingness in adopting new technology, but the "digital divide" which is due to high data cost and lack of technical skills prevents the most SMEs from reaching their potential

### **5.4 Recommendations**

In light of the findings and conclusions, the study makes the following recommendations:

**Job-Specific Digital Skills Training:** In Abayita Ababiri, business associations could design and deliver practical, hands-on training on business relevant, basic skills. Such skills would include business product photography and effective use of WhatsApp Business tool in managing customer orders.

**Cheaper Business Internet packages:** The telecommunication companies should launch

subsidized “SME Data Bundles.” cheap access to the Internet will enable business owners to be online throughout, thus not impacting their low operational expenditure.

Localization of content; SME owners are encouraged to use Luganda and other local languages when producing online advertisements. This helps make their advertising message appealing and instantly trust-building with the locals around and within Abayita Ababiri.

### **5.5 Areas for Further Research**

As the scope of this study was digital marketing and sales in a suburban setting, recommendations for further study include:

The effect of Mobile Money integration on the completion of online sales among SMEs in Uganda.

A comparative analysis of effectiveness between Paid Social Media Ads and Organic Posting for micro enterprises.

How unstable power supply affects the digitalization of small business firms in peri-urban area:

### **5.6 Limitations of the Study**

Although these results are useful in the field of digital marketing and sales, there were a number of limitations and difficulties that appeared throughout the data collection as shown below.

**Small Sample Size:** Thirty (30) SMEs in Abaita Ababiri were investigated. Although the research is relevant and representative of the situation in Abaita Ababiri, with only 30 respondents, it is not possible to infer from the research findings about the state of marketing strategies in all small enterprises in the entire country of Uganda. The finding may be varied with a larger sample.

**Linguistic barriers:** There were a few business owners who seemed to prefer speaking Luganda to English. I translated the questions into Luganda so that they could understand it but there is always a small possibility that some technical terms relating to “digital adaptation” can be understood differently by each respondents.

**Hesitancy in providing Financial Information:** A number of SME owners appeared a bit hesitant in providing exact details of sales volume or of their precise digital marketing budget. It required

some additional time and effort to make them feel at ease, assuring them of confidentiality and for academic purpose at Uganda Christian University.

**Technical Difficulties:** In so far as the research used owners reflecting on their own experience of use of the internet, technical skills and knowledge of the owners had their own limitations. The owners for instance use WhatsApp for their business but were not aware that it could technically be referred to as “Mobile Marketing” and required more explanations during the process of data gathering.

**Time and Resource Limitations:** The study was conducted in a very busy place (Abayita Ababiri), so shopkeepers were very busy. They only had few minutes to spare for the discussion as they had to attend to other customers, which at times hinder lengthy discussions.

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**APPENDIX**  
**RESEARCH QUESTIONNAIRE.**  
**UGANDA CHRISTIAN UNIVERSITY .**

**TOPIC : DIGITAL MARKETING ADOPTION AND SMES SALES PERFORMANCE. A  
CASE STUDY OF ABAYITA ABABIRI, WAKISO DISTRICT 2025.**

**Questionnaire for the civil servants, business proprietors, business managers.**

**Dear respondents,**

This questionnaire is designed to study digital marketing adoption and SME's sales performance in Abayita ababiri kitala. The information you provide will help us better understand the relationship and interplay between digital marketing adoption and SME's sales performance, you were chosen because you fit in the study population area, and we request you to respond to the questionnaire frankly and honestly. Only members of the research team will access the information that you give. In order to ensure utmost privacy, you are provided with the participants . The summary of the results will be mailed to you after the data has been analysed in case you are interested. Thank you for your time and co-operation.

**Instructions to Respondents:**

This questionnaire is strictly for academic purposes. Your responses will be kept confidential.

Please tick the box

**SECTION A: DEMOGRAPHIC INFORMATION**

1) What is your gender?

Male.                       Female

2) What is your age group?

Below 25 years.               25–34 years.               35–44 years.               45 years and above

3) What is your highest level of education?

Primary.  Secondary.  Certificate.  Degree and above

4) What is your position in the business?

Owner.  Employee

5) What is your type of business?

Retail shop.  Wholesale shop.  Service business.  Other

6) What is your year of operation?

Less than 1 year.  1–5years.  6-9 years.  More than 10 years

Which digital marketing platforms does your business use?

Social Media  Email Marketing  Mobile Marketing  Website

Online Advertising.

7) How long have you been using digital marketing?

Less than 6 months  6 months – 1 year.  1–3 years.  More than 5 years

9) How frequently do you use digital marketing?

Daily.  Weekly.  Monthly.  yearly

8) How much money does your business spend on digital marketing platforms?

Below UGX 50,000.  UGX 50,000–100,000.  UGX 100,000-250,000.  UGX above 500,000

**SECTION B: RELATIONSHIP BETWEEN DIGITAL MARKETING ADOPTION AND SMEs SALES PERFORMANCE.**

**(Tick one option per statement ) 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)**

**Instruction: Tick ONE option per statement.**

N/S	ITEMS	1	2	3	4	5
B1	Using digital marketing has helped my business attract more customers compared to before.					
B2	Digital marketing helps me understand my customers' needs and preferences better.					
B3	There is a positive connection between our online activities and an increase in customer inquiries.					
B4	My sales inquiries increase whenever I run promotions on digital platforms.					
B5	The use of digital marketing has improved our overall customer engagement.					
B6	My customers often mention they found my business through online platforms.					
B7	Using digital marketing tools has helped my business reach customers beyond Abaita Ababiri.					
B8	Digital marketing improves our ability to compete with other businesses					
B9	I have noticed that my sales performance improves when I consistently use digital marketing.					

**SECTION C OBJECTIVE 2: EFFECT OF SOCIAL MEDIA MARKETING ON SALES PERFORMANCE**

**(Tick one option per statement) 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)**

**Instruction: Tick ONE option per statement**

N/S	ITEMS	1	2	3	4	5
C1	Using social media (WhatsApp/Facebook/Instagram/tiktok) has helped me increase my sales.					
C2	Posting products on social media attracts more customers to my business.					
C3	Customers often contact me directly through social media to place orders.					
C4	Social media allows me to remind customers about my products, which leads to repeat purchases.					
C5	I receive more customer inquiries when I post regularly on social media.					
C6	Social media helps me build trust with my customers, which encourages them to buy.					
C7	Using WhatsApp status or Facebook posts has helped me sell products faster.					
	Without social media, my sales would be much lower than they are today.					



# ACCEPTANCE LETTER

