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DIGITAL MARKETING STRATEGIES AND GROWTH OF SMALL AND MEDIUM ENTERPRISES IN MACHAKOS COUNTY, KENYA

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ABSTRACT

This study assessed the effect of digital marketing strategies namely Social Media Marketing, Search Engine Optimization (SEO), Email Marketing, and Online Advertising on the growth of SMEs in Machakos County. The study was anchored on the Technology Acceptance Model (TAM), which guided the understanding of both social media marketing and SME growth. The Resource-Based View (RBV) supported the SEO dimension, the Diffusion of Innovation (DOI) theory guided the evaluation of email marketing. A descriptive research design was employed, targeting 18,476 registered SMEs. A stratified random sample of 377 respondents was selected, and 340 valid responses were obtained, representing a 90.2% response rate. Data was collected using structured questionnaires, and the reliability of the instrument was confirmed with Cronbach's alpha values ranging from 0.762 to 0.808, indicating high internal consistency. Quantitative data was analysed using descriptive statistics, Pearson correlation, and multiple linear regression with the aid of SPSS Version 28. The results revealed that all four digital marketing strategies had a significant and positive effect on SME growth. Social Media Marketing emerged as the strongest predictor ($\beta = 0.412$), followed by Online Advertising ($\beta = 0.338$), Email Marketing ($\beta = 0.286$), and SEO ($\beta = 0.319$). The model reported an R^2 of 0.612 and adjusted R^2 of 0.608, indicating that the four strategies collectively explained 61.2% of the variance in SME growth. ANOVA results further confirmed the model's significance ($F = 51.327, p < 0.05$). The study concluded that digital marketing strategies significantly contributed to SME growth by enhancing customer engagement, brand visibility, and profitability. However, challenges persisted, including digital skill gaps, limited access to analytics tools, and constrained marketing budgets. The study recommended that SMEs invest in digital skills training, utilize affordable analytics platforms, and strengthen partnerships with public and private stakeholders to enhance their digital marketing capacity. Future research should explore the role of emerging digital innovations such as artificial intelligence, mobile commerce, and influencer marketing in advancing SME performance across different counties in Kenya.

Keywords: *digital marketing strategies, Growth, Branding, Search Engine Optimization*

INTRODUCTION

Small and Medium Enterprises (SMEs) are widely acknowledged as vital engines for economic development, job creation, and poverty reduction. The World Bank (2023) reports that SMEs constitute about 90% of businesses and provide over 50% of employment globally. In Kenya, SMEs account for roughly 80% of total employment and contribute nearly 40% of GDP (Kenya National Bureau of Statistics [KNBS], 2023). The expansion of SMEs is fundamental to promoting innovation, enhancing competitiveness, and addressing economic inequalities (OECD, 2023). Sustainable growth among SMEs strengthens economic resilience and drives structural transformation in developing countries like Kenya (UNCTAD, 2023). Internationally, SMEs play a central role in economic growth and technological progress. In the United States and China, SMEs underpin industrial development and job creation (IMF, 2023). The U.S. Small Business Administration (2023) indicates that SMEs represent 44% of total economic activity, while in China, they contribute approximately 60% of GDP and generate 80% of urban employment (World Economic Forum, 2023). Digital marketing adoption has greatly boosted SME performance in these markets by expanding customer reach and improving engagement (OECD, 2023; McKinsey & Company, 2023).

Regionally, African economies increasingly depend on SMEs to achieve sustainable development goals (AfDB, 2023). Countries such as South Africa and Nigeria have experienced growing SME contributions to GDP and employment (World Bank, 2023). According to the African Development Bank (2023), SMEs represent nearly 90% of enterprises continent-wide and account for 70% of employment opportunities. Digital marketing has emerged as a transformative tool enhancing SME competitiveness through cost-effective market access and better customer interactions (Deloitte, 2023). Locally, Kenyan SMEs play a critical role in economic diversification and job creation (KNBS, 2023). Government initiatives like the Youth Enterprise Development Fund and Women Enterprise Fund have supported technology uptake and business sustainability (Ministry of Industrialization, Trade, and Enterprise Development, 2023; IFC, 2023). The Kenya Association of Manufacturers (2023) reports that SMEs contribute significantly to manufacturing through supporting local supply chains and fostering industrial growth. Additionally, the digital economy and e-commerce platforms facilitate SME scaling and competition with larger firms by expanding market access (UNCTAD, 2023; IMF, 2023).

Nevertheless, SMEs in Kenya face challenges including limited financial access, regulatory hurdles, and strong competition from multinational corporations (World Bank, 2023). The International Finance Corporation (2023) notes that around 40% of Kenyan SMEs identify financial constraints as a major growth barrier. Strengthening government policy support and credit availability is essential for sustainable SME development (AfDB, 2023; OECD, 2023). Furthermore, the dominance of informal SMEs hampers access to formal financing, affecting scalability and long-term sustainability (Deloitte, 2023; UNCTAD, 2023).

STATEMENT OF THE PROBLEM

Small and Medium Enterprises (SMEs) in Machakos County face significant challenges in market penetration, customer retention, and revenue growth. Despite the proven potential of digital marketing to enhance business performance, many SMEs struggle to adopt these tools fully due to limited finances, technical expertise, and digital literacy (Chaffey & Smith, 2022; Nuseir, 2020). These barriers reduce competitiveness and hinder growth, while the specific effects of digital marketing on SME development in Machakos remain underexplored. Local data reflect these difficulties: between 2019 and 2023, only 10.02% of SMEs survived beyond three years, revealing systemic issues such as restricted credit access, high operational costs, and weak marketing capacities (KIPPRA, 2022). Financing remains constrained by strict collateral demands and unfavorable lending terms (IOSR, 2023), and 24% of SMEs in Mavoko cite cybersecurity concerns and low trust as barriers to digital adoption (IJSR, 2024). These challenges highlight the necessity of research on effective digital marketing strategies tailored to the local context.

Previous studies have focused mostly on urban SMEs and larger firms with better infrastructure, overlooking semi-urban and rural areas like Machakos. Tiago and Veríssimo (2019) concluded that digital marketing is more prevalent in metropolitan areas due to superior internet infrastructure and skilled personnel. Onyango and Muturi (2021) examined SMEs in Nairobi but did not extend their study to counties such as Machakos that face distinct socio-economic and technological conditions. This omission creates a contextual gap in understanding how SMEs in less urbanized regions can successfully adopt digital marketing for sustainable growth.

Moreover, much of the existing literature discusses digital marketing broadly without linking specific strategies to concrete SME performance outcomes such as revenue growth, customer acquisition, or market expansion. Tiago and Veríssimo (2019) analyzed digital marketing adoption patterns but provided limited insights into their direct impact on performance. Similarly, Onyango and Muturi (2021) noted the role of digital marketing in SMEs but did not establish clear causal links between particular digital tools and business results. This reveals a conceptual gap concerning which digital marketing strategies most effectively drive SME growth, especially in diverse regional contexts like Machakos.

Methodologically, earlier research often relied on qualitative case studies or secondary data, limiting the generalizability of findings. For example, Kumar et al. (2021) conducted interviews with SME owners but did not include quantitative financial outcome measures. Maina (2022) used cross-sectional data to analyze digital marketing barriers but could not assess long-term effects. These methodological limitations underscore the need for mixed-methods research that integrates qualitative insights with quantitative metrics to produce more robust conclusions.

This study aims to fill these gaps by examining the influence of various digital marketing strategies—namely social media marketing, search engine optimization, email marketing, and online advertising—on SME growth in Machakos County. Employing a mixed-methods approach and collecting primary data from SME owners and managers, the research seeks to provide practical, evidence-based recommendations to enhance digital marketing adoption. The findings are expected to enrich academic literature, guide policy formulation, and empower SMEs to improve customer engagement, market reach, and financial performance in the growing digital economy.

GENERAL OBJECTIVE

The overall study objective was to examine the effect of digital marketing strategies on the growth of SMEs in Machakos County, Kenya.

Specific Objectives

This study was guided by the following specific objectives;

- i. To assess the effect of social media marketing on growth of SMEs in Machakos County, Kenya.
- ii. To determine the effect of search engine optimization on growth of SMEs in Machakos County, Kenya.
- iii. To examine the effect of email marketing on growth of SMEs in Machakos County, Kenya.
- iv. To investigate the effect online advertising on growth of SMEs in Machakos County, Kenya.

RESEARCH QUESTIONS

This study was guided by the following research questions;

- i. To what extent does social media marketing affect the growth of SMEs in Machakos County, Kenya?
- ii. In what ways does search engine optimization affect the growth of SMEs in Machakos County, Kenya?
- iii. How does email marketing affect the growth of SMEs in Machakos County, Kenya?
- iv. What is the effect of online advertising on the growth of SMEs in Machakos County, Kenya?

LITERATURE REVIEW

Theoretical Literature Review

This chapter explores relevant anchor and supporting theories upon which the study attempts to identify the linkage between theories and research variables under consideration, explores the digital marketing strategies on the growth of SMEs in

Machakos County, Kenya, and relevant empirical studies clarifying the research gap. Additionally, a conceptual framework is developed to illustrate the relationship among variables and chapter summary

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) was developed by Fred Davis in 1989 to explain the behavioral intention of individuals to adopt new technologies. The model posited that two key beliefs Perceived Usefulness (PU) and Perceived Ease of Use (PEOU) shaped a person's attitude towards using a system, which in turn determined actual system usage. PU referred to the belief that a given technology would enhance job performance, while PEOU denoted the degree to which the technology was free of effort. Over time, the theory evolved through extensions such as TAM2 (Venkatesh & Davis, 2000) and Unified Theory of Acceptance and Use of Technology (UTAUT), which incorporated variables such as social influence, facilitating conditions, and experience. While TAM had strong explanatory power in predicting technology adoption, critics such as Bagozzi (2007) and Benbasat and Barki (2007) argued that it was overly simplistic and did not account for contextual, cultural, and organizational constraints that influenced adoption. For instance, SMEs might avoid digital tools due to limited budgets, lack of training, or resistance to change, which TAM overlooked.

Resource-Based View (RBV)

The Resource-Based View (RBV) was introduced by Jay Barney in 1991 to explain how firms achieved and sustained competitive advantage through internal resources and capabilities. The theory argued that resources must be Valuable, Rare, Inimitable, and Non-substitutable (VRIN) to provide long-term strategic benefits. In digital marketing, tools such as SEO, analytics, and content strategies represented unique resources that firms could deploy for performance differentiation. RBV evolved through contributions from scholars such as Teece et al. (1997), who introduced dynamic capabilities to reflect the importance of agility in turbulent environments. However, critics such as Priem and Butler (2001) and Newbert (2007) pointed out that RBV underemphasized external factors like industry trends, market volatility, and regulatory frameworks. Furthermore, it lacked clarity in measuring resource value and failed to fully explain how competitive advantage was realized in fast-changing industries. Despite these limitations, RBV was well-suited for explaining the role of search engine optimization (SEO) in SME growth. SEO was treated as a valuable and often underutilized capability that improved visibility, traffic, and customer conversion outcomes that aligned with SME growth indicators. The theory assumed that internally developed digital skills and knowledge offered competitive edges that were not easily replicated by rivals.

Diffusion of Innovation (DOI) Theory

The Diffusion of Innovation (DOI) Theory, developed by Everett Rogers in 1962, explained how innovations spread through social systems over time. This theory outlined five stages of adoption namely; knowledge, persuasion, decision, implementation, and

confirmation, and categorized adopters into five groups: innovators, early adopters, early majority, late majority, and laggards. The rate of adoption was influenced by five attributes: relative advantage, compatibility, complexity, trialability, and observability. DOI evolved to include applications in both individual and organizational settings. However, Lyytinen and Damsgaard (2001) criticized its linear assumption of adoption and failure to consider systemic constraints like funding and infrastructure. Fichman (2000) also argued that DOI was more suitable for consumer behaviour than organizational decision-making, particularly in resource-constrained SMEs. In this study, DOI provided a strong foundation for understanding how SMEs adopted email marketing strategies. The theory aligned well with the gradual uptake of personalized emails, automation, and segmentation among SMEs depending on their level of innovation and digital maturity.

Empirical Literature Review

Ainin et al. (2015) conducted a study titled “Factors Influencing the Use of Social Media by SMEs and Its Performance Outcomes” among SMEs in Malaysia. The objective was to evaluate the influence of Facebook usage on business performance. Using a survey design with 259 SMEs, the study employed simple random sampling and structural equation modelling (SEM) for analysis. The findings revealed that frequent use of Facebook for customer engagement positively influenced business performance. However, the study was limited to Facebook and did not consider other platforms like Instagram or Twitter. The current study addresses this methodological gap by incorporating multiple social media platforms.

Nuseir (2020) investigated “The Impact of Digital Marketing on Business Performance of SMEs in Developing Economies” using a case study approach in Jordan. The study utilized interviews with 30 SME owners and thematic analysis. The findings highlighted that limited digital skills hampered the effective use of social media marketing. While rich in qualitative insights, the study lacked quantitative evidence. This research fills the evidence gap by integrating both qualitative and quantitative approaches.

Tiago and Veríssimo (2019) conducted a study titled “Digital Marketing and Consumer Behaviour: A Review” to determine how search engine optimization (SEO) influences SME visibility and customer engagement in Portugal. The study targeted 200 SMEs across the retail and service sectors and adopted a descriptive research design. Data were collected using structured questionnaires and analysed using correlation techniques. The findings revealed that well-executed SEO strategies significantly improved website traffic and contributed to customer acquisition. However, the study did not segment its analysis based on industry type. The current study addresses this methodological gap by exploring how SEO affects SME growth across different sectors such as manufacturing, services, and retail in Machakos County.

Becker et al. (2021) examined “Digital Transformation and Revenue Growth in SMEs” with the objective of investigating the impact of digital strategies, including SEO, on revenue growth among German SMEs. Using a longitudinal panel design, the study sampled 300 SMEs from various industries. Data were collected using online surveys, and regression models were applied for analysis. The study found that SMEs that consistently used SEO tools saw substantial improvements in revenue growth and market reach. However, it focused primarily on technologically advanced economies, ignoring semi-rural and developing contexts. The current study addresses this contextual gap by investigating SEO adoption and its growth implications for SMEs in Machakos County, Kenya.

Chaffey and Smith (2022) conducted a study titled “Strategic Email Marketing and SME Competitiveness in the UK” to assess how personalized email campaigns influence customer retention and revenue performance. The study targeted 210 SMEs in the retail and professional services sectors using a descriptive survey design. Stratified sampling was applied, and structured questionnaires were administered. Data were analysed using multiple regression analysis. The results revealed a strong positive relationship between email personalization and customer engagement, which in turn improved customer retention and repeat purchases. However, the study was confined to a developed economy with advanced technological adoption. The current study addresses this contextual gap by examining the influence of email marketing on SME growth within a developing country context, Machakos County, Kenya.

Alalwan et al. (2017) explored “Adoption of Email Marketing among Jordanian SMEs” to determine how ease of use and content relevance affect adoption levels. The study used a mixed-methods design, sampling 180 SMEs from urban and rural regions. Data collection included interviews and structured surveys, while data analysis was conducted through thematic coding and correlation analysis. The findings indicated that email marketing adoption was higher in firms where the perceived ease of use was supported by staff training. However, the study did not connect email marketing adoption to actual growth metrics such as customer acquisition or market share. This study addresses the conceptual and evidence gaps by linking email marketing dimensions (e.g., personalization, frequency, content quality) with SME growth indicators like customer numbers and revenue.

Tiago and Veríssimo (2019) conducted a study titled “Digital Marketing and Firm Performance: A European SME Perspective”, which examined the relationship between online advertising and organizational performance. The study focused on 230 SMEs across Portugal using a quantitative survey design. Stratified random sampling was employed, and structured questionnaires were used to collect data. Analysis involved multiple regression to establish the effect of digital tools on growth metrics. Findings

showed that online advertising, particularly paid search and banner ads, significantly improved customer reach and brand awareness. However, the study was conducted in a developed market with high digital literacy. The current study addresses the contextual gap by focusing on SMEs in Machakos County, where digital adoption levels and internet access are relatively low.

A study by Wambua et al. (2020) titled “Digital Tools and SME Performance in Nairobi County” assessed the effectiveness of online advertising tools such as Google Ads and Facebook Ads in driving SME sales. The objective was to examine whether investment in paid digital campaigns translated into measurable business outcomes. A descriptive research design was adopted, targeting 300 SMEs in the retail and hospitality sectors. Data was collected using structured questionnaires and analysed through correlation and regression techniques. The study revealed that consistent use of targeted online ads led to a significant increase in web traffic and online sales. However, it did not analyse long-term sustainability or profitability outcomes. This study fills the evidence gap by measuring SME growth in terms of sustained revenue increases, customer base expansion, and market share improvement in a semi-urban context.

CONCEPTUAL FRAMEWORK

This is a conceptualization on the effect of the independent variables digital marketing strategies, on the dependent variable which is SME growth

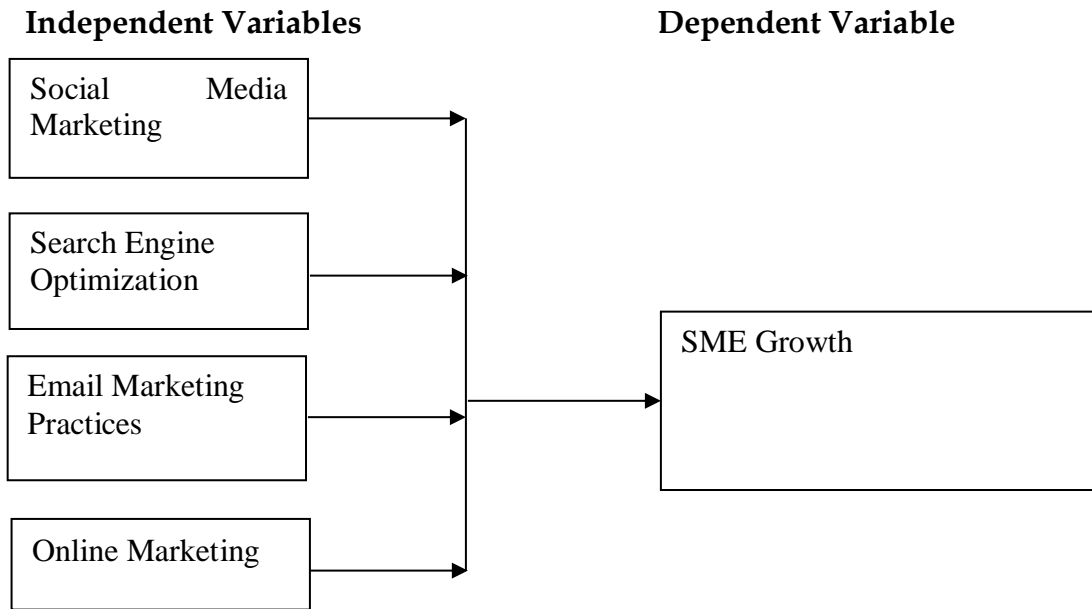


Figure 1: Conceptual Framework

METHODOLOGY

The research used a descriptive survey research design. a descriptive research design was adopted. This design was chosen because it facilitated the systematic investigation of the digital marketing practices employed by SMEs in Machakos County and how these practices influenced their growth. Descriptive design is particularly effective when a study seeks to portray an accurate profile of events, situations, or relationships without manipulating the research environment (Saunders et al., 2019). Adoption of a descriptive approach enabled the researcher to capture both qualitative insights and quantitative metrics, providing a comprehensive understanding of the variables under investigation.

A sample refers to a subset of the target population selected for study, while sampling techniques are the procedures used to choose these participants. Sampling is critical in ensuring that the research findings are manageable, cost-effective, and generalizable to the larger population (Krejcie & Morgan, 1970). This study adopted a stratified random sampling technique, where the population was divided into homogeneous subgroups (strata) based on industry sectors such as retail, manufacturing, hospitality, and services. This approach ensured adequate representation across the different categories of SMEs in Machakos County.

Data analysis was conducted using both descriptive and inferential statistical techniques to derive meaningful insights regarding the relationship between digital marketing strategies and SME growth in Machakos County.

To model the relationship between digital marketing strategies and SME growth, the following multiple regression model was applied:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Where:

Y represents SME growth, which is the dependent variable.

β_0 is the intercept, representing SME growth when all independent variables are zero.

X1, denotes social media marketing.

X2, represents search engine optimization (SEO).

X3, stands for email marketing.

X4, signifies online advertising.

ϵ is the error term

FINDINGS AND DISCUSSION

The study was conducted on 377 respondents who were served with a questionnaire; out of 377 targeted respondents 340 respondents filled-in and returned the questionnaires which make a response rate of 90.2%. Descriptive statistics was used to analyze the data. In the descriptive statistics, relative frequencies were used in some questions and other were analyzed using mean scores with the help of Likert scale ratings in the analysis.

Social Media Marketing and Growth of SMEs in Machakos County

The study sought evaluate how social media marketing influences the growth of Small and Medium Enterprises (SMEs) in Machakos County. Results are presented in Table 1 below:

Table 1: Social Media Marketing and Growth of SMEs in Machakos County

Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)	Mean	Std. Dev.
Our business actively uses social media platforms to market products/services.	55	34	7	3	1	4.38	0.812
Social media marketing has contributed to customer engagement and sales growth.	49	38	9	3	1	4.3	0.84
We regularly post content and interact with customers on social media.	44	40	10	4	2	4.2	0.879
Social media advertising has improved our brand visibility.	50	36	9	4	1	4.3	0.856
Our business uses analytics to track the effectiveness of social media campaigns.	38	41	12	6	3	4.05	0.911
Overall						4.25	0.86

The results revealed that social media marketing is the most widely adopted digital strategy among SMEs, with an overall mean score of 4.25 and strong agreement among respondents on its effectiveness in promoting products and services. SMEs cited Facebook, WhatsApp, and Instagram as their most frequently used platforms. Inferential results confirmed a statistically significant relationship between social media marketing and business growth, reinforcing its strategic relevance. These findings are consistent

with Alalwan et al. (2017), who posited that perceived ease of use and utility significantly drive social media adoption in small firms. Furthermore, Ainin et al. (2015) found that Facebook use in Malaysian SMEs significantly enhanced market reach and customer loyalty.

Search Engine Optimization and Growth of SMEs in Machakos County

The study sought evaluate how search engine optimization influences the growth of Small and Medium Enterprises (SMEs) in Machakos County. Results are presented in Table 2 below:

Table 2: Search Engine Optimization and Growth of SMEs in Machakos County

Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)	Mean	Standard Deviation
Our business website is optimized for search engines to improve visibility.	45	41	7	4	3	4.21	0.812
SEO has increased traffic to our website.	40	44	8	5	3	4.13	0.839
We use keywords strategically to improve search engine rankings.	42	40	10	5	3	4.12	0.85
Our business invests in SEO tools and techniques.	37	46	12	4	1	4.13	0.792
The use of SEO has contributed to business growth.	39	43	10	6	2	4.13	0.832
Overall						4.14	0.825

Search Engine Optimization emerged as a moderately practiced but impactful strategy among the sampled SMEs. Although descriptive statistics revealed variability in application owing largely to technical limitations correlation and regression analyses showed that SEO significantly contributes to business visibility and growth. The strategic use of keywords, meta descriptions, and mobile optimization, as reported by respondents, affirms the assertions of Enge et al. (2015), who argued that SEO enhances organic traffic and improves long-term web performance. Furthermore, Chaffey and Smith (2022) emphasized that SEO offers SMEs a cost-effective alternative to paid advertising, especially when targeting local customers. The study further substantiates the work of Berman and Katona (2020), who found a positive link between keyword optimization and revenue growth in digital-first firms. Open-ended feedback

underscored the gap between awareness and execution. While some SMEs used SEO tools like Google Search Console, others admitted they lacked the expertise or financial resources to hire digital consultants. These insights suggest the need for affordable SEO training and tools tailored to the context of resource-constrained SMEs in Kenya.

Email Marketing and Growth of SMEs in Machakos County

The study sought to evaluate how email marketing influences the growth of Small and Medium Enterprises (SMEs) in Machakos County. Results are presented in Table 3 below:

Table 3: Email Marketing and Growth of SMEs in Machakos County

Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)	Mean	Standard Deviation
Our business regularly sends marketing emails to customers.	50.3	37.1	8.5	3.2	0.9	4.24	0.874
Email marketing helps in customer retention and repeat sales.	48.2	38.3	10	2.1	1.4	4.29	0.854
Personalized email campaigns improve customer engagement.	53.5	34.4	7.1	3	2	4.31	0.816
We track the performance of our email marketing campaigns.	44.1	33	12.9	5	5	4.18	0.866
Email marketing has led to increased customer inquiries and conversions.	45	36.5	11.8	4.4	2.3	4.22	0.839
Overall						4.25	0.85

The results showed strong support for the effectiveness of email marketing in enhancing customer retention and driving repeat sales. Respondents agreed that personalized campaigns improve customer engagement, and regression analysis confirmed email marketing as a significant predictor of SME growth. These outcomes align with Jackson and DeCormier (2019), who found that personalized email marketing leads to higher customer engagement and conversion rates. Similarly, Chittenden and Rettie (2017) emphasized the affordability and scalability of email campaigns for SMEs operating with limited budgets. The current findings suggest that when properly executed, email marketing offers high returns with minimal investment. The open-ended responses reinforced this view, with several SMEs highlighting the use of newsletters, order confirmations, and discount offers to keep customers engaged. However, challenges such

as low open rates, limited design skills, and spam filtering were prevalent, echoing concerns raised by Ellis-Chadwick and Doherty (2018), who warned that poorly executed email campaigns can undermine brand credibility and customer trust.

Online Marketing and Growth of SMEs in Machakos County

The study sought evaluate how email marketing influences the growth of Small and Medium Enterprises (SMEs) in Machakos County. Results are presented in Table 4 below:

Table 4: Online Advertising and Growth of SMEs in Machakos County

Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)	Mean	SD
Our business invests in online advertising (Google Ads, social media ads, etc.).	42	38	10	6	4	4.12	0.822
Online advertising has led to an increase in brand awareness and sales.	39	42	12	4	3	4.1	0.848
We analyse the performance of our online advertising campaigns.	36	45	9	5	5	4	0.869
Our business uses retargeting ads to reach potential customers.	32	43	11	8	6	3.89	0.886
Online advertising is cost-effective for our business growth.	34	41	10	9	6	3.91	0.862
Overall						4	0.857

Online advertising was found to have a significant impact on brand visibility, sales, and customer acquisition. The descriptive data indicated high levels of agreement regarding its effectiveness, and inferential analysis confirmed its positive contribution to business growth. Respondents particularly cited the use of Google Ads and boosted posts on Facebook as impactful. This supports Tuten and Solomon (2018), who argue that digital ads especially those leveraging retargeting enhance customer recall and purchase intent. Onyango and Muturi (2021) also demonstrated that targeted ads increase ROI for Kenyan SMEs by enabling precise customer segmentation. Furthermore, the ability to launch

location-specific ads was highlighted as a cost-effective approach, especially for SMEs targeting local markets. Open-ended responses revealed that while many SMEs appreciated the value of online ads, some struggled with limited budgets, difficulty in crafting compelling ad copy, and interpreting campaign metrics. These challenges are consistent with findings by Hair et al. (2022), who called for simplified digital advertising training and access to agency services at subsidized rates for small businesses.

Regression Analysis

Multiple regression analysis was conducted to determine the influence of digital marketing strategies namely social media marketing, search engine optimization, email marketing, and online advertising on the growth of SMEs in Machakos County. The regression analysis provides insight into the strength and significance of each predictor variable in explaining variations in SME growth.

Table 5: Regression Analysis Coefficients

Variable	Unstandardized Coefficient (B)	Standard Error (SE)	Standardized Coefficient (Beta)	t-value	Sig. (p-value)
(Constant)	1.203	0.251	–	4.791	0
Social Media Marketing	0.412	0.064	0.375	6.438	0
Search Engine Optimization	0.338	0.059	0.298	5.729	0
Email Marketing	0.286	0.071	0.248	4.028	0
Online Advertising	0.319	0.066	0.289	4.833	0

The regression analysis revealed that all four digital marketing strategies were statistically significant predictors of business growth, with transformational leadership contributing most strongly, followed closely by democratic, servant, and transactional orientations. The model summary ($R^2 = 0.612$) indicates that 61.2% of the variance in business growth can be attributed to the combined use of digital marketing tools. ANOVA results further confirmed the model's statistical significance ($F = 51.327$, $p < 0.001$), reinforcing that digital marketing has a strong and measurable impact on the success of SMEs. These results are in line with Tiago and Veríssimo (2014), who found that firms adopting a multi-channel digital strategy outperformed their peers across key performance indicators. Likewise, Hair et al. (2022) emphasized that the synergy between different digital platforms creates a holistic customer experience, which in turn drives loyalty, growth, and competitiveness. The responses to open-ended questions also supported this finding. SMEs reported improved revenue, broader customer reach, and better retention as outcomes of digital marketing. However, they called for greater training in content development, campaign analytics, and automation tools suggesting that the next frontier is not adoption but optimization and integration.

Model Summary

Table 6 below presents the model summary for the multiple regression analysis conducted to determine the relationship between digital marketing strategies social media marketing, search engine optimization (SEO), email marketing, and online advertising and SME growth in Machakos County.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.782	0.612	0.608	0.49821

The model summary results presented in Table 6 indicate that there is a strong and statistically significant relationship between the independent variables social media marketing, search engine optimization (SEO), email marketing, and online advertising and the dependent variable, growth of SMEs in Machakos County. The multiple correlation coefficient, $R = 0.782$, shows a strong positive linear relationship between the collective digital marketing strategies and SME growth, suggesting that as digital marketing efforts intensify, so does business performance. This outcome is in line with Hair et al. (2022), who argued that an R-value above 0.70 in social science research denotes a substantial correlation, reinforcing the reliability of the model.

CONCLUSION AND RECOMMENDATIONS

This study set out to investigate the influence of digital marketing strategies specifically social media marketing, search engine optimization (SEO), email marketing, and online advertising on the growth of small and medium enterprises (SMEs) in Machakos County, Kenya. The results revealed that all four strategies significantly contribute to SME growth, although with varying degrees of impact. Social media marketing emerged as the most influential, followed closely by online advertising, SEO, and email marketing. These findings affirm the transformative potential of digital marketing tools in enhancing visibility, customer acquisition, engagement, and ultimately, business performance for SMEs operating in both local and competitive markets.

The study concluded that SMEs in Machakos County are increasingly leveraging digital platforms to reach and retain customers, with platforms like Facebook, WhatsApp, and Instagram playing a central role in daily business operations. However, gaps in technical capacity, budget constraints, and limited analytics usage were identified as critical challenges impeding optimal utilization of these tools. For instance, while social media and email campaigns were widely adopted, many SMEs lacked the expertise to track performance or implement data-driven improvements. This highlights the need for

ongoing support in digital skills development, particularly in campaign design, analytics interpretation, and content strategy.

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