

**RELATIONSHIP BETWEEN SOCIAL MEDIA MARKETING AND PROFITABILITY OF
MICRO-BUSINESSES IN MERU COUNTY,KENYA**

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CT207/0041/16

**A RESEARCH PROPOSAL SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT
FOR BACHELOR'S OF BUSINESS INFORMATION TECHNOLOGY IN A SCHOOL OF
COMPUTING AND INFORMATICS OF MERU UNIVERSITY OF SCIENCE AND
TECHNOLOGY, KENYA.**

DATE: NOVEMBER ,2019

DECLARATION

I declare that this research proposal is my real work except for the quotations and citations that have been herein duly acknowledged and it has not been previously and is not currently being submitted for any other degree at MUST or any other institution.

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Supervisors Declaration: This research proposal has been submitted for review with my approval as university supervisor.

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DEDICATION

I would like to dedicate this work to my father, mum and brothers and sisters who have always supported throughout the course of my studies to see that I realize my dreams.

ACKNOWLEDGMENT

This achievement could not have been a success without input from various important stakeholders. To begin with, all glory and thanks I give to Almighty God for the life and love He has given to us. I also pass my sincere appreciation to my family and friends for the support they have rendered to me throughout. Finally, I would also want to salute my supervisor Mr. Harrison Mwangi for his guidance in this research and for guiding me with a lot of enthusiasm and interest and for being available whenever I needed his assistance.

Table of Contents

DECLARATION.....	i
DEDICATION.....	ii
ACKNOWLEDGMENT.....	iii
ABBREVIATION AND ACRONYMS.....	vi
ABSTRACT.....	vii
CHAPTER ONE.....	1
INTRODUCTION.....	1
1.0 Introduction.....	1
1.1 Background to the study.....	1
1.2 Statement of the problem.....	3
1.2.1 Purpose of the Study.....	4
1.2.2 Specific Objectives.....	4
1.2.3 Research Hypotheses.....	4
1.3 Justification of the Study.....	5
1.4 Limitations and Delimitation.....	6
1.4.1 Limitations of the Study.....	6
1.4.2 Delimitation of the study.....	6
1.5 Assumptions of the Study.....	6
1.6 Conceptual Framework.....	7
CHAPTER TWO.....	8
LITERATURE REVIEW.....	8
2.1 Introduction.....	8
2.1 Theoretical Review.....	8
2.1.1 Social Network Theory.....	8
2.2 Empirical review.....	11
2.2.1 Use of Facebook as marketing tool by micro-businesses.....	11
2.2.2 Use of Whatsapp in Marketing by micro-businesses.....	13
2.2.3 Use of Youtube in Marketing by micro-businesses.....	15
2.2.4 Use of Twitter in Marketing by micro-businesses.....	17
2.3 Chapter Summary.....	19
CHAPTER THREE.....	21
RESEARCH DESIGN AND METHODOLOGY.....	21
3.0 Introduction.....	21

3.1 Research design.....	21
3.1.1 Variables.....	21
3.1.2 Research methods.....	21
3.2 Location of the study.....	22
3.3 Target population.....	22
3.4 Sampling Techniques and sample size.....	23
3.4.1 Sampling Techniques.....	23
3.4.2 Sample Size.....	23
3.5 Research Instruments.....	24
3.6 Pilot study.....	24
3.6.1 Validity.....	25
3.6.2 Reliability.....	25
3.7 Data collection Methods.....	25
3.8 Data Analysis.....	26
3.9 Logistical and Ethical Consideration.....	27
3.9.1 Logistical Consideration.....	27
3.9.2 Ethical Consideration.....	27
REFERENCES.....	28

ABBREVIATION AND ACRONYMS

SME- Small and Medium-Sized Enterprises

ABSTRACT

The general objective of the study was to establish the effect of social Media marketing on profitability of Micro-businesses in Meru County. The study will be guided by the following study objectives that were driven to determining the effect of Facebook marketing on profitability of micro-business in Meru county, to assess the influence of Whatsapp Marketing on profitability of Micro-businesses in Meru County, to find out how twitter Marketing leads to profitability of Micro-businesses in Meru County and to determine the effect of YouTube marketing on profitability of Micro-businesses in Meru County.

This study will adopt a descriptive survey research design. The target population will constitute registered SME's in Meru County, Kenya. The entire target population will comprise of 1650 registered SME's. The sampling frame will be obtained from office of economics and statistical data in Meru County. Stratified sampling technique will be adopted for this study, since the study will be looking at different heterogeneous categories of SMEs within Meru County, stratified sampling was ideal. For this study, Yamane (1967) formula will be used to determine the sample size of 92 SMEs. The study will utilized a questionnaire as a tool to collect primary data. The Statistical Package for Social Sciences (SPSS) will be used to analyze descriptive statistics (percentages and frequencies); and inferential statistics that involved correlation analysis and regression analysis. Analyzed data was presented using tables and figures.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter attempts to explain the background to the study, statement of the problem and purpose of the study. It will also look at research objectives, hypotheses, justification of the study, limitations and delimitation of the study and at last it will discuss the conceptual framework of the causes of failure among young entrepreneurs in Meru county, Kenya

1.1 Background to the study

Social media can be described as a way in which people consume and disseminate information by sharing among each other through the use of internet (Cook, 2008). Social media is like a tool that many small businesses have adopted in order to increase customer awareness as well as accessibility. Some of the present social media platforms include: twitter, Facebook, Instagram, YouTube and LinkedIn (Walsh, 2009).

Marketing can be defined as a relationship between a seller and a buyer in an exchange of goods and services in return. Informing consumers about the product and services offered and convincing them to buy is what is referred to as marketing (Blanchard, 2011). Social media marketing incorporates the use of online social media instruments like the Facebook, Twitter, Instagram, and Whatsapp to pursue clients in creative ways. Given that many purchasers are using internet, businesses of all sorts are getting included into online social media in an effort to contact new audience and fortify their ties with existing customers (Hoffman & Fodor, 2010). Social networking gives small entrepreneurs massive opportunities to exploit useful relationship with customers. Social media is one of the all time platform that almost every one is using it in the world today. Businesses have found out that it is the best arena where they can easily reach out to any customer from wherever they are. Social media is the platform that offers free marketing where any type of business can advertise themselves at no cost. Micro-businesses can leverage on this opportunity and propel their business thereby leading to increased sales.

Internet and social media technology are known to have brought about huge impacts on the operations and success of Businesses (Bennett,2012). The main reason behind is that internet including social media platforms such as Facebook and twitter offers the view of familiarity and closeness with virtual interaction (Barnes, 2012).

Most of these social media that are used include WhatsApp, twitter, Facebook, Snap chat and Instagram. As of July 2019, statistics indicates that Facebook is them most widely used platform with approximately 2.375 billion users, followed by YouTube at 2 billion users, Whatsapp 1.6 billion and Twitter with 330 million users worldwide. According to the study dubbed 'Social Media Consumption in Kenya' that was conducted as a joint partnership between the United States International University-Africa(USIU) and U.S Embassy in March 2019, Kenya is the leading social media consumer in Africa. This means that Kenyans have adopted social media and internet in a greater extend.

Before the use of social media, most businesses adopted the traditional way of communication to reach customers which includes the use of magazines, radio, newspapers and formal word of mouth (McCartan-Quinn and Carson (2003)). Today, most businesses have been able to greatly scale up their businesses and earned more profits because of the use of social media. This has boosted their sales since they are able to reach more customers and make them aware of their products or services.

Despite the fact that social media marketing is affordable, Large organizations seems to still have better advantage in exploiting from it than micro-businesses. Many of the adverts that are being disseminated in social media belongs to bigger organizations such as Cocacola, Safaricom, Airtel ,Telkom among others. This is because many of the bigger organizations have the ability to advertise on alternative platforms such as Television and radio adverts and road shows. This creates much familiarity which make them easily recognized in the social media platform. For Micro-businesses trying to advertise on social media platform especially in Meru County, trust is an issue since customers are not likely to trust them easily. Lack of enough capital is another factor that make micro-business not able to advertise in other popular platforms apart from social media.

The purpose of these study therefore is to find out if there is relationship between social media platform such as Facebook, Twitter, Whatsapp and YouTube and the profitability of Micro-businesses in Meru

County, Kenya. This study is important because it helps the Micro-businesses in Meru to find better strategies in marketing via social media and to improve their profits through social media platforms.

1.2 Statement of the problem

Social media is a marketing tool in business and also helps consumers in decision making when buying a product (Baird and Parasnis (2011)). The study indicates that social media will only be effective tool in marketing only if businesses and consumers have their full presence in social media and there is complete information needed for targeted customers. The study also goes ahead to advise micro-businesses to make use of specific social media platform in order to reach their targeted customers . This will increase awareness among the potential customers and create trust which leads to increased purchases hence more profits.

However, micro-businesses have not been in a position to gain much profits and customers through social media marketing because of the following reasons. First, since social media is a global platform, micro-businesses do not have a mechanism to know which customers are looking at their adverts. In other words, they are not able to target their desired potential customers. Bigger companies have the ability to outsource their advertising to companies like google who have the software infrastructure to analyze its users' information and know who to post the adverts to. That is not the case for micro-businesses. It is of no help if a micro-business in Meru post its adverts and someone in another part of the world sees it. They will not be in a position to access the services or goods offered by the organization because they are far away. This clearly depicts that it is a challenge for micro-businesses to target their desired target population while marketing itself in social media. Secondly, social media platforms such as Facebook, Twitter and Instagram allows business to establish relationship through "Like" or "Follow" features. However, it is so hard for micro-businesses to get likes or to be followed by people in such platforms when they post their products or services. Many people will always want to see and get associated with bigger companies or brands.

Almost all successful businesses have been utilizing social media to target their potential customer and increase customer awareness of their goods and services. Most of the research done were based on the effectiveness of social media strategy to large businesses. The strategies that big organizations apply to market themselves out there do not always apply in the case of Micro-businesses especially those in Meru County. This raises the need for this study which proposes to examine the relationship between

use of Youtube, Whatsapp, Facebook and twitter and the profits earned by micro-businesses in Meru County, Kenya.

1.2.1 Purpose of the Study

The purpose of the study is to find out the relationship between the social media platforms and profitability of small scale businesses in Meru County.

1.2.2 Specific Objectives

The study will be guided by the following specific objectives:

1. To establish the relationship between the use Facebook and profitability of small scale businesses in Meru County.
2. To ascertain the relationship between the use Twitter and profitability of small scale businesses in Meru County.
3. To find out the relationship between the use of WhatsApp and profitability of small scale businesses in Meru county.
4. To investigate the relationship between the use of YouTube and profitability of small scale businesses in Meru county.

1.2.3 Research Hypotheses

i. H_0 There is no relationship between the use Facebook and profitability of small scale businesses in Meru County.

H_i

ii. H_0 There is no relationship between the use Twitter and profitability of small scale businesses in Meru County.

H_i

iii. H_0 There is no relationship between the use Whatsapp and profitability of small scale businesses in Meru County.

H_i

iv. H_0 There is no relationship between the use YouTube and profitability of small scale businesses in Meru County.

1.3 Justification of the Study

The goal of this study is to examine the relationship between the use of YouTube, Twitter, Facebook and Whatsapp and profitability of micro-business in Meru County, Kenya. The findings of this study will benefit the following:

1. Owners of Micro-businesses

The findings of this study helps the owners of micro-businesses to understand the relationship between social media marketing and their business and how they can make use of social media marketing to increase their profitability.

2. Government

Social media marketing is a new marketing tool that has been actualized by advances in technology. This study finding offers insights on the use of social media in marketing that will help the government formulate laws and regulations that will govern the use of social media in marketing.

3. Scholars and Researchers

Existing studies on social media marketing are limited to large organizations and global firms. This study focuses on the relationship between the use of social media marketing and the profitability of micro-businesses. The findings adds to existing literature an important perspective of social media marketing. This will therefore benefits the scholars and researchers greatly in the field of marketing. The project can also be used as a reference by future scholars in the field of social media marketing.

1.4 Limitations and Delimitation

1.4.1 Limitations of the Study

The findings of this study have to be seen in light of some limitations. The first is that lack of enough financial support could threaten the validity of this study. This study needed a lot of finance in order to enable the researcher to collect the data from all the sampled micro-businesses in Meru County.

However, this was not possible because the researcher lacked sufficient funds. The second limitation concerns the number of micro-business sampled , the study was carried out by sampling micro-business along Nchiru ,Kianjai and Meru town micro-businesses. This is a relatively small sample when compared to population of micro-businesses in the entire Meru County.

1.4.2 Delimitation of the study

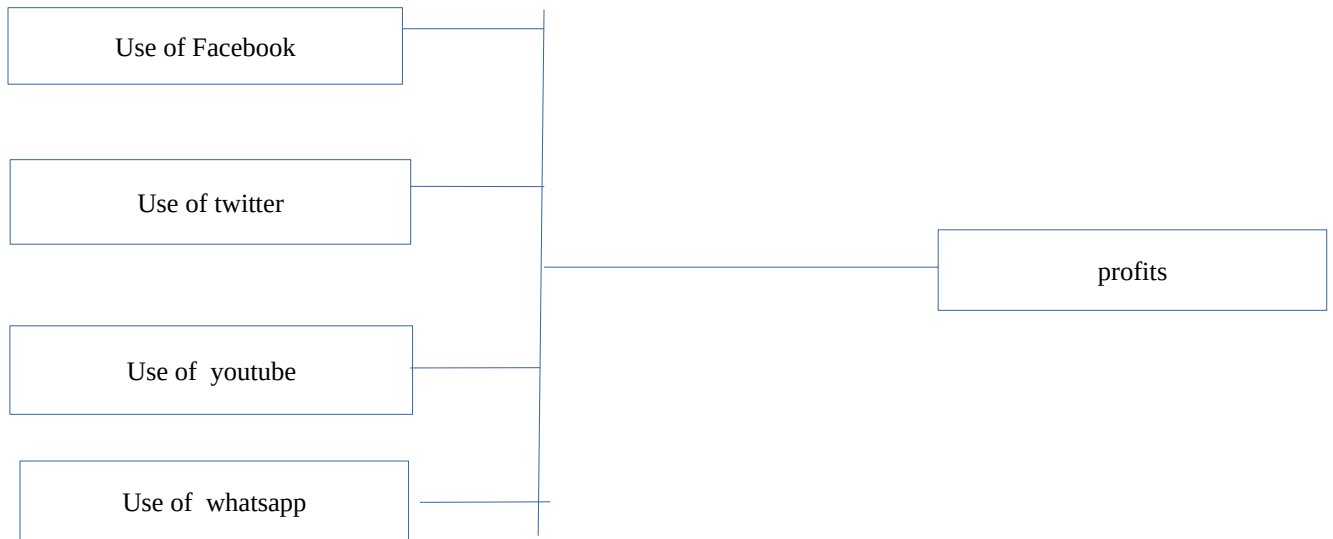
The scope of this study was covering all micro-businesses in Meru county. The study focused on how the use of social media affects profitability of these micro-businesses . The study took place between September and December 2019. The researcher obtained information from only the selected micro-business within Nchiru, Kianjai and Meru town. The study collected all the information regarding use of social media but not personal information and credentials. This is to make sure the respondents collaborate well and openly share their information with the researcher.

1.5 Assumptions of the Study

The study assumes the following:

- That all SME's are using Social media platforms.

1.6 Conceptual Framework



Source:Kiprono Denis

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter looks at different literature and theories done by various scholars in order to find out the following: the use of Facebook as marketing tool by Micro-businesses, use of Twitter in marketing by micro-businesses, utilization of Whatsapp in marketing by micro-business and how YouTube is used as marketing tool by micro-business in Meru County, Kenya. Lastly, it deals with the chapter summary that explains the main points discussed throughout the entire chapter.

2.1 Theoretical Review

2.1.1 Social Network Theory

There are many theories that researchers have come up with to explain the social interaction and networks. One of these theory is Social Network theory that was first developed by Jacob Moreno(1930). This theory perceives a social relationship in terms of nodes and ties. Nodes and entities are called actors. They could be people, or organizations. Actors are connected together by relationships or ties in a network. These ties have a number of properties such as : directionality, reciprocity, strength and homophily. Directionality refers to direction between nodes e.g a tie flowing from node A to node B. Reciprocity is the state when direction of ties between nodes is in reverse. Tie strength refers to the extend to which nodes are related. For example, family member have strong tie strength than normal friends or neighbors. Tie strength may be influenced by number of factors such as intimacy, amount of time spent and valence associated with a tie. Ties are said to be homophilic when actors interact with one another on the basis of shared values e.g being course-mates or schoolmates. (Paul S., Peggy C. & Mark P., 2016)

The properties of a social network includes transitivity, density and closure. Networks that have high transitivity are said to have are the ones whose ties flow in both direction . For instance, a tie flowing from node A to B and B to A. Dense networks are those that have high proportion of actual ties to possible ones. Closure refers to the extend to which an actor is close to those they are related with in a network. If closure among the neighbors of a focal actor is low, then this actor may represent a bridge and span a structural hole or gap in the network. (Van den Bulte & Wuyts, 2007).

An actors importance is measured by centrality. There are three types of centrality: One is degree centrality which refers to a number of ties an actor has. They can be measured in terms of in-degree and out-degree. Secondly, closeness centrality is the extend to which an actor is close to each of the other actors in a network. Finally, Eigenvalue centrality measures the extent to which an actor with high prestige is connected to another with high prestige. Centralization reflects the importance of actors in a network.

While this theory tries to analyses the connection between people in a social media alongside the relationship between them, it does not show how this network can be manipulated by small businesses to gain more profits.

Social Network Theory and Social Media Marketing.

Social media marketing is more than the use of collaborative media to create viral marketing or word of mouth effects.(Paul S., Peggy C. & Mark P., 2016). They continue to argue that , the foundation of social marketing is the creation of many to many ,one to one network. Many to many network involves a network in which information flow from many people to the rest in the network. A good example is Facebook or YouTube platform where many people can post photos or videos to be seen by other people. One to one network is the one in which information flows from one person to only one person in a network. A perfect example may be Facebook messenger or Whatsapp. A social network analysis of social media shows that social media may be better termed viral broadcast marketing because they do not have strong social effects.

Social network analysis of micro-blogs such as Twitter indicates that a special form of centrality, namely eigenvalue centrality can be at work. Prestige or expertise is associated with the number of “followers” or in-degree links relative to “following” or out-degree links. Marketers may exploit this by implementing “celebrity blogs” for product sponsorship or endorsement. YouTube on the other hand is simply used to post commercials distributed in regular broadcast channels. Whatsapp is also a network building platform that can be helpful in local advertising.

The effectiveness of social advertising likely depends upon a variety of factors including buying motives, consumer involvement, product conspicuousness, and the availability of supporting expert or celebrity endorsements in the advertising copy. If a social network suffers from low homophily and

ties, social advertising will not work. Instead, the marketer should emphasize referral and word-of-mouth programs.

2.1.2 SMALL WORLD THEORY

This a theory developed by Travers and Milgram(1969), it studied the length of paths between two individuals, the question of probability of any two random selected individual knowing each other and how many acquaintances might connect them in a chain of people. They hypothesized that individuals should all be connected to each other at least one chain of various lengths or pathways. They set out to explore this hypotheses, seeking to understand the probable mean and median number of intermediaries between any two give individuals. This experiment became widely known as the “Six Degree Experiment”. They challenged people to pass a document addressed to an individual to someone they thought might be close to that named individual and they they counted the number of steps to took for the document to reach the person. In this experiment, 29%(64 out 296 initial documents) reached the intended persons. The mean number of the steps the document took was 6 steps (Stone, 2018).

This led to small world theory which led to the idea that everyone is connected to everyone else through six degrees of separation or fewer. Social media platform has implemented the essence of this theory in one common way. Facebook, twitter, Whatsapp and YouTube have a feature duped “share” that allows users to share content on and across the platform. The sharing aspect play a crucial role because after a few levels of content sharing many people would have already get informed of the information being disseminated. This is helpful in spreading advertisements to others who might not have seen the content at its original source.

However, there are a number of methodological criticisms of the small-world experiment, which suggest that the average path length might actually be smaller or larger than Milgram expected. One such criticisms was done by Judith Kleinfeld, she argues that Milgram's study suffers from selection and non-response bias due to the way participants were recruited and high non-completion rates. First, the "starters" were not chosen at random, as they were recruited through an advertisement that specifically sought people who considered themselves well-connected. Another problem has to do with the attrition rate. If one assumes a constant portion of non-response for each person in the chain, longer chains will be under-represented because it is more likely that they will encounter an unwilling participant. Hence, Milgram's experiment should underestimate the true average path length. Several methods have been suggested to correct these estimates; one uses a variant of survival analysis in order

to account for the length information of interrupted chains, and thus reduce the bias in the estimation of average degrees of separation. The other criticism involved the fact that participants are asked to they know who is most likely to know the target individual. But in many cases, the participant may be unsure which of their friends is the most likely to know the target. Thus, since the participants of the Milgram experiment do not have a topological map of the social network, they might actually be sending the package further away from the target rather than sending it along the shortest path. This is very likely to increase route length, overestimating the average number of ties needed to connect two random people. An omniscient path-planner, having access to the complete social graph of the country, would be able to choose a shortest path that is, in general, shorter than the path produced by the greedy algorithm that makes local decisions only.

This study tries to look at the degree of separation between two randomly selected people and posits that there are 6 degree of separation between two given people. The study was experimented passing a letters through selected people with hope of reaching the selected individual. With the advent of technology the time it takes to transmit a message or an information is relatively reduced and this is due to the rise of social media platforms. The study does not cover the speed at which the message could be delivered between two given people and does not show how social media could be used as far connection between individuals is concerned.

2.2 Empirical review

2.2.1 Use of Facebook as marketing tool by micro-businesses

Facebook is a digital social media platform that was created by Mark Zuckerberg in the year 2004 at Harvard University. This interactive online communication platform was realized to the general public in the year 2006 after being restricted to certain age for about two years. The research conducted in 2014 showed that Facebook has more than 1.23 billion registered users, while social network keep improving and boosting its appeal to users with different new applications. Such opportunities has been considered by many businesses who sees social as a way to boost their business in conducting business under low cost, increasing market accessibility and easy communication process (Paquette, 2013).

About 80 percent of small business owners use Facebook for marketing, according to a recent study. That makes the iconic social media platform the most popular tool for small business marketers in the

digital world and beyond. It's more popular than other social channels like Twitter and LinkedIn(Pilon, 2017)

Facebook rolled out a series of new tools aimed at small and mid-sized businesses which includes an Automated Ads platform, video editing features and appointment booking capabilities. Facebook is estimated to have close to over 90 million small and medium size businesses.

The Automated Ads feature created by Facebook have made small businesses now have a tool that will automatically create up to six different versions of an ad that can run across Facebook, Instagram, Messenger and Audience Network. The tool will lead advertisers through a series of questions about their business and the goals of the ad, and then suggest call-to-action buttons, text and creative details based on the business' Facebook Page. Facebook will also offer ad targeting recommendations and budget suggestions based on the goal of the ad. (If an advertiser sets their own budget, Facebook will provide estimated results.) The Automated Ads platform will then optimize the ad campaign once it's live to deliver the best performing ad. Advertisers using Automated Ads receive performance reports on their campaigns that include recommendations to enhance results.

Another feature that helps accelerate facebook marketing is Video editing tools. Facebook's Ads Manager platform is getting three new video editing tools: automatic cropping, video trimming and image and text overlays. The features open up new possibilities for marketers and microbusinesses with limited advertising budgets, making it easy to create a video ad without the resources or budget often needed to pull together creative assets for video.

Appointment booking is another feature that Facebook introduce to facilitate booking of appointments by customers for business' Facebook page. Businesses on Facebook and Instagram now have access to appointment management tools that allow customers to book services on the platforms. Customers can schedule an appointment and once the business accepts it, the online system will send reminders to the customers through Messenger or via a text. Facebook is also making it possible for businesses to manage appointments on their Pages as well; It allows customization of Business' menu services, availability and accepting and managing all appointments directly from the business page.

Along with the latest ad, video and booking features, Facebook is introducing new Blueprint courses and said it plans to host more than 200 SMB training events this year. Facebook says its online and in-person educational events are part of the company's goal to train a million workers and entrepreneurs on the digital skills needed in today's economy.(Gesenhues & Gesenhues, 2019)

2.2.2 Use of Whatsapp in Marketing by micro-businesses

WhatsApp Messenger is a freeware, cross-platform messaging and Voice over IP (VoIP) service owned by Facebook. It allows users to send text messages and voice messages, make voice and video calls, and share images, documents, user locations, and other media. WhatsApp's client application runs on mobile devices but is also accessible from desktop computers, as long as the user's mobile device remains connected to the Internet while they use the desktop app. The service requires users to provide a standard cellular mobile number for registering with the service. In January 2018, WhatsApp released a standalone business app targeted at small business owners, called WhatsApp Business, to allow companies to communicate with customers who use the standard WhatsApp client.

Many businesses use WhatsApp to advertise by sending ads videos and poster to their respective groups and contacts. The main goal of using WhatsApp to market your business is to achieve the following:

Real-time Customer Service

Providing real time customer service is a luxury small businesses cannot afford, but with WhatsApp businesses can answer any inquiries made by customers quickly. And because the app supports rich media, you can use text, audio or video to provide a personal customer service experience.

Customer Support

Small businesses provide a multitude of services, and whether you are an electrician, carpenter or repair computers, you can create video presentations for your customers. These can be easy how-to of tasks they can perform on their own that don't require a professional or something else.

The customer support can also extend to live-video help or tutorials to fix something or provide guidance. This will make your company a reliable resource customers can count on, and when they need extended services, you will be well positioned to be the one they call first.

Feedback

The open rate for WhatsApp messages is 70 percent. So instead of calling customers for feedback, you can create questions for your group that will deliver answers that are relevant to your business. This is marketing research at its best, and it is free.

With the feedback you receive from your customers, you can respond to their requests and improve the products and services you provide. By developing creative and entertaining questionnaires, you can interact with your customers in a way that is not intrusive. And their input can be of great value, which can be rewarded with special offers and coupons to encourage future engagement, brand loyalty and long term customer retention.

Personal Touch

As the WhatsApp group continues to grow, interaction with customers can be personalized using one-on-one communication. This is especially important for small businesses, because they can have a direct relationship, where customers can message them if they need a particular product, have a question or need support.(Guta, 2017)

Creating and Targeting Groups

A small business probably specializes in a particular product or service, and by creating or targeting groups in WhatsApp that are interested in related topics, they can increase your customer base.

If you have created video content and provide live-support, members will share it with contacts that are outside of the group. This can lead to more users consuming the content, joining the group and eventually even becoming customers.(Guta, 2017)

Share Promotional Codes, Flash Sales

With the new Status feature, you can create special promotional codes your customers can share to redeem at your business. Using the instant photo and location feature, Status can let everyone in your group know about the promotions you are running. This could include a two hour flash sale or a one day special to drive in traffic and create buzz. Based on interaction levels, you can expand the promotion with WhatsApp-Status exclusive coupons or promotions.(Guta, 2017)

2.2.3 Use of Youtube in Marketing by micro-businesses

YouTube is an American video-sharing platform headquartered in San Bruno, California. Three former PayPal employees—Chad Hurley, Steve Chen, and Jawed Karim—created the service in February 2005. Google bought the site in November 2006 for US\$1.65 billion; YouTube now operates as one of Google's subsidiaries.

YouTube allows users to upload, view, rate, share, add to playlists, report, comment on videos, and subscribe to other users. It offers a wide variety of user-generated and corporate media videos. Available content includes video clips, TV show clips, music videos, short and documentary films, audio recordings, movie trailers, live streams, and other content such as video blogging, short original videos, and educational videos. Most content on YouTube is uploaded by individuals, but media corporations including CBS, the BBC, Vevo, and Hulu offer some of their material via YouTube as part of the YouTube partnership program. Unregistered users can only watch videos on the site, while registered users are permitted to upload an unlimited number of videos and add comments to videos. Videos deemed potentially inappropriate are available only to registered users affirming themselves to be at least 18 years old.

YouTube and selected creators earn advertising revenue from Google AdSense, a program which targets ads according to site content and audience. The vast majority of its videos are free to view, but there are exceptions, including subscription-based premium channels, film rentals, as well as YouTube Music and YouTube Premium, subscription services respectively offering premium and ad-free music streaming, and ad-free access to all content, including exclusive content commissioned from notable personalities. As of February 2017, there were more than 400 hours of content uploaded to YouTube each minute, and one billion hours of content being watched on YouTube every day. As of August 2018, the website is ranked as the second-most popular site in the world, according to Alexa Internet, just behind Google.[5] As of May 2019, more than 500 hours of video content are uploaded to YouTube every minute.[6]

Youtube can be use in Marketing in the following ways: First and foremost, YouTube can be Used as a way to connect personally with customers. There's a very old maxim in the sales game: "You're really just selling yourself." In other words, consumers and business customers want to buy from people they know and trust. YouTube provides an exceptional medium for micro-businesses to present themselves and make their audience feel like they know them. Posting one or more YouTube videos to introduce

your Micro-business and why you are in business, make the customers be aware and develop trust in your Business. The goal of YouTube Marketing is to get the customer to make a quick, favorable impression the business.

Secondly, YouTube is used to showcase products' top features. This can be done by a way of taking a close-up videos of the products the business is selling. This will helps the customers ascertain the quality,easy of use and reliability of the business's products. The can be further enhanced by posting videos of the products while in use and featuring the different angles of the products in the video Doing so turns abstract benefits into viable, real-world solutions in the customers' minds.

Thirdly, YouTube is a platform that can be used to prove skills and expertise. Customers and prospects are looking for the best product or service they can afford to satisfy their needs. They want the products or services, the company and the people who represent the company to be the top in their field. Bragging about expertise doesn't cut it. The way to let your personal or business expertise shine through is to post informative videos containing tips and hints, results of studies you've conducted, case histories describing solutions you've provided, and other material that demonstrate your expertise and make it believable to the audience. If you are camera-shy or don't have anyone who can take a good video of you talking to the camera, create and narrate a short PowerPoint presentation.

YouTube can as well be used as a medium to present customer testimonials.It's one thing if your customers see you talking about your product and showing the world how it works. It's quite another if 10 people sing your praises. Customers identify with other customers, so if you have some customers who rave about your business, don't be afraid to get their permission and take videos of them talking about their experiences. Whether the customer was particularly pleased with you, your products, or both, his or her message will be a powerful voice in favor of your business. To encourage customers to give you these video testimonials, don't try to get them to come to your office or go to a recording studio. If you're speaking to someone in person, simply ask if you could record their comments and then whip out your smartphone and start recording. The videos will seem more true to life than they would if they were recorded in a formal setting, and thus gain more interest from viewers.(Fels, 2019)

Finally,Use YouTube a medium to present in-depth "how-to" videos related to your products. Whether your products are complex or not, upload instructional videos that demonstrate in a step-by-step way how to use your product for various tasks. Doing so makes sense from a marketing point of view because buyers often want to know what's involved with using a product or service before they buy it.

Other potential customers may want to have videos available because they prefer viewing videos to reading a manual. (The how-to-use videos will provide an added benefit for you, too, since they may cut down on support calls.)The ideal length for instructional videos according to one study is 6 minutes or less. One might cover how to put together the product (if assembly is required), another might be operating and/or safety tips, another could be special features or accessories. If you are demoing a software application, your videos could demonstrate how to get started, and how to use each feature in the software. The how-to videos you post will go hand-in-hand with your testimonials, other personable customer messages and "in action" videos so that your customers get a complete picture of you and your products.(Fels, 2019)

2.2.4 Use of Twitter in Marketing by micro-businesses

Twitter is a social networking/micro blogging platform that allows groups and individuals to stay connected through the exchange of short status messages character limit. Twitter plays a vital role in marketing and creating relationships with customers. With limited barrier to entry, small businesses are beginning to use twitter as a means of marketing. Unfortunately, many small businesses struggle to use social media like twitter and have no strategy going into it. As a result, without a basic understanding of the advantages of social media such as twitter and how to use it to engage customers, countless opportunities are missed (Grewal & Levy, 2013). Social media is very popular. According to Twitter's CEO Dick Costolo, "Twitter has 200 million registered users with 50 million active users logging in every day. The micro-blogging service hosts roughly 230 million tweets every day". It comes as no surprise that businesses want to embrace the opportunities these services provide (Taylor, David, & Kenneth, 2012). Twitter can be important to micro-businesses because it help them to achieve the following:

1. Connect to customers

Twitter has millions of users and more people are joining it every day, which makes it one of the best places to look for potential customers. Small businesses catering to a niche market or people from a certain location can use Twitter to connect with them. Not just that, businesses can also connect with

their existing customers and interact with them to know more about how the business or brand is being perceived in the market.

2. Build relationships

Once businesses have followers on Twitter, they should try to build a positive relationship with them to achieve growth. For this, they should make an effort to post updates and tweets that their customers find interesting and useful. Keeping their direct marketing posts about a sale or promotion to a minimum, as too many marketing ads can hamper your efforts of building a positive image. Also, avoiding sending out too many tweets in a particular span, as such an activity could be considered as spam.

3. Create brand awareness

Big brands need no introduction to get followers. But small business owners, who want more people to know about their product line or brand, should use Twitter to build their brand. People usually prefer to interact with a person than with a logo, unless it is well-known. So, if you own a small business that is still in its early stages, it is better to create a personal profile first and then create a profile for your company. Once you gain the trust of your followers, you could introduce them to your brand and create a profile to create awareness about it.

4. Marketing new products

The main reason that businesses should use Twitter is to connect with potential customers and market their products. Once they have created a profile for their company, they can use the Twitter account to introduce new products under that brand or product line. New products, especially those that your customers find interesting, gain more popularity through such social networking sites than they would through the traditional advertising channels.

6 Provide information

News travels faster online than it does through radio or TV. You can use your Twitter account to make important announcements and share any news that your customers ought to know. While a TV or radio

announcement can do the same job for you, Twitter is cheaper and the message will get carried to millions of people in little time.

7. Survey and feedback

Twitter can be a great tool for interacting with customers and market your goods. But it is an equally efficient tool for collecting customer feedback and their opinions about your company's products and services. All you need to do is follow the conversations about your company products and you will get your answers without even asking. If you have anything specific to learn, you can do so by asking the customers directly or by conducting a poll through your account.

8. Manage online reputation

Besides gaining customer feedback, you can also use Twitter to learn and monitor what is being said about your products and company in general. Many people use Twitter to communicate what they do and how they feel about everything and anything. So there is every possibility that a dissatisfied customer or a competitor could be using the micro-blogging site to create negative publicity for your products. Keeping a tab on Twitter conversations involving your brand can help you tackle such situations and manage your online reputation in a professional manner.

9. Boost sales with special offers and discounts

Whether you are a big brand or a small company, free discount coupon or freebie always attract more people. One of the best ways to tell your customers about any special discounts and promotional offers being run by your company is to post a tweet about it. Giving away coupon codes and special deals to users following your profile can also be a great way to attract more customers and build an online reputation for your brand.

2.3 Chapter Summary

This chapter has provided an overview of the literature and theories related to the study written by other scholars. Social networks theory and small world theory were looked at in this chapter. Briefly,

Social network theory studies networks as connection between nodes by relationships(ties).Small world theory on other hand explains the possibility of two people being connected. It showed that two randomly selected people can be connected by at most six levels of separation. The two theories seemed to be true but there some aspects the they did not cover. Both Small world and Social networks theory for example did not explain how networks could be used by firms to improve on their profitability. The study therefore will try ascertain how networks can be manipulated especially by micro-businesses in order to boost their profitability. The chapter also dealt with the following: The use of Facebook in marketing, how Whatsapp can be used in Marketing by micro-businesses, use of youTube in marketing by Small and Medium Enterprises and finally the utilization of twitter in Marketing by micro-businesses.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

This section plots the techniques to be utilized as a part of completing these study. It concentrates on research design, location of study, target population, sampling, techniques, research instruments, pilot study and data collection and analysis.

3.1 Research design

This study adopted descriptive research design. Descriptive research design attempts to identify and explain the variables that existed in a given situation and describe the relationship that exist between these variables in order to provide a picture of a particular phenomenon (Cooper & Schindler, 2008). The study sought to establish the relationships between the effectiveness of social media marketing in small business growth. Descriptive design was convenient for this study as it will enable the researcher to make inferences on the role of social media marketing to small businesses.

3.1.1 Variables

The independent variables in the study included the effect of Facebook marketing on profitability of small businesses, effect of Instagram marketing on the profitability of small businesses, effect of use of twitter in marketing on profitability of small businesses and the extend to which YouTube marketing leads to profitability of micro-businesses while the dependent variable is profitability of small businesses.

3.1.2 Research methods

This study will be employing quantitative method of research. (Bryman, 2001) argue that quantitative research approach is the research that places emphasis on numbers and figures in the collection and analysis of data. Imperatively, quantitative research approach can be seen as being scientific in nature. The use of statistical data for the research descriptions and analysis reduces the time and effort which the researcher would have invested in describing his result.

3.2 Location of the study

The study was conducted in Meru County which is county that harbors a lot of small businesses. According to Wikipedia, Meru town is the Commercial capital of Northern and Eastern Kenya. It hosts a Central Bank of Kenya's Currency Center serving the North Eastern Half of Kenya. The town is also considered the business and agricultural center for north-eastern Kenya.

3.3 Target population

Mugenda and Mugenda (2011) define population as the total entities or elements from which a researcher wish to draw a sample for the study. Population forms the subject of the study. For the purpose of this study, the target population constituted of registered SME's in Meru County in Kenya. The entire target population comprised of 1650 registered SME's (Meru County, 2014). The population distribution was as highlighted in Table 3.1

Table 3.1 Population Distribution

SME Sector	Population	Percentage
General merchants & kiosks	540	33
Medium & small retails	320	19
Informal traders	360	22
Agricultural producers & processors	280	17
Lodging hotels & restaurants	150	9
TOTAL	1650	100

Source: Meru County Office of Economics and Statistical Data (2017)

3.4 Sampling Techniques and sample size.

3.4.1 Sampling Techniques

According to Cooper and Schindler (2012), a sampling technique is defined as the method that a researcher employs to pick a sample size from the entire population. Stratified sampling technique was adopted for this study. According to Mugenda and Mugenda (2011) stratified sampling is ideal for a study that is heterogeneous. Since this study was looking at different heterogeneous categories of SMEs within Meru County, stratified sampling was ideal.

After stratification of the population, the researcher used Simple Random Sampling (SRS) to select the study respondents. SRS is a probability sampling technique that gives population elements an equal chance (probability) of being selected (Babbie, 2014). SRS was selected for this study because of its advantages which include its ease of use and its accurate representation of the larger population, and the fact that it offered all elements of the population an equal chance of being selected.

3.4.2 Sample Size

A sample size is defined as the element of a study that represents the actual population, or that elements to be examined within a study, from which, inference was made to the entire population (Babbie, 2010). For this study, Yamane (1967) formula was used to determine the sample size of 94SMEs as follows and distribution is as shown in Table 3.2:

$$n = N/(1 + N (e)^2)$$

Where n is the sample size, N is the population size and e is the margin of error (Yamane, 1967).

$$n = 1,650/$$

$$(1 + 1,650 (0.1)^2)$$

$$n = 94$$

Table 3.2 Sample Size Distribution

Micro business sector	Population	Sample Size	% Distribution
General merchants & kiosks	540	32	34
Large, medium & small retails	320	18	19
Hawkers & other informal traders	360	20	21
Agricultural producers & processors	280	14	15
Lodging hotels & restaurants	280	10	11
Total	1650	94	100

3.5 Research Instruments

This study will be done by will issuing questionnaires to the owners of Micro-business who will be present at the time of the study. A ‘questionnaire’ is the instrument for collecting the primary data (Cohen, 2013). ‘Primary data’ by extension is data that would not otherwise exist if it were not for the research process and is collected through both questionnaires or interviews,

3.6 Pilot study

A pilot test will be conducted to adhere to the fundamentals described by Cooper and Schindler (2008) who defines pilot test as a tool that should be administered to detect weakness in the research design and the instruments, also to enable to familiarize with the administration of the data collection instruments. The pilot test will be conducted in Uasin Gishu county and it will involved 15 respondents, who owns businesses that have a starting capital of more

than 10,000 Kshs and have operated for more than 6 months. An effort to avoid leading questions will be made during the interview.

3.6.1 Validity

Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are (Joppe, 2000). The following measures were taken to increase the validity: Probing technique was used, where control questions were asked to assure that no misunderstandings take place regarding the questions. The researcher then administered the questionnaires to a number of 100 respondents.

3.6.2 Reliability

Reliability demonstrates that the study can be repeated with the same outcome. Joppe, (2000) defines reliability as the extent to which results are consistent over time and an accurate representation of the total population under study. If the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. The researcher will use clear and well defined questionnaire as a method of data collection. Questions by the respondents will be also clarified. This is easily applicable to another sample to test the reliability of the results. However, subjectivity that may distort responses cannot be over ruled.

3.7 Data collection Methods

The study applied primary data collection. The primary data collection method will be conducted through the utilization of questionnaires. Cooper and Schindler (2008) explained that a questionnaire is an important data collection tool as it provides an effective and efficient way of gathering information within a very short time. The questionnaire comprised of both closed and open ended questions. Closed ended questions were used since they were not only easy to analyze but also facilitated the

harmonization of information obtained from the respondents. The questionnaires were subdivided into five sections: the first section contained the population demographics, the second section highlighted the effects of Facebook marketing to the profitability of small businesses, the third section covered the effects of Whatsapp marketing in increasing the profitability of small businesses, the fourth section examined the effects of twitter marketing on profitability of micorbusinesses and the fifth section covered the effects of YouTube Marketing to profitability of Micro-businesses in Meru County. A 5-point Likert scale was used to seek level of satisfaction from the listed structured close-ended questions where; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

3.8 Data Analysis

After completion of the field survey, all the returned questionnaires will be checked for completeness. The questionnaires will then be coded and computed to the Statistical Package for the Social Sciences (SPSS). The computed data will be cleaned to ensure consistency and accuracy. The next step stage involved processing the computed data in descriptive statistics. According to Cooper and Schindler (2008) descriptive analysis is a process of transforming a mass of raw data into tables, charts, with frequency distribution and percentages, which are a vital part of making sense of the data (Beri, 2007). In this study, frequency distribution and mean tables will be used to present the field data. The demographic data will be tabulated using frequency and percentages. Descriptive statistics will be used in presentation of responses on the study variables.

3.9 Logistical and Ethical Consideration

3.9.1 Logistical Consideration

The researcher will seek permission from the chairman of the department before conducting the actual field study.

3.9.2 Ethical Consideration

Ethics has been defined as the branch of philosophy which deals with one's conduct and serves as a guide to one's behavior, (Mugenda and Mugenda, 2003).

At the onset of data collection, the researcher provided the respondents with information about the study being undertaken including use of information or data collected, researcher's intentions, study objectives, expected duration of participation and procedure to be followed, promise of privacy and confidentiality and benefits of the study. Upon provision of this information, the respondents were given opportunity to make decision to participate or otherwise in the study.

In this study, confidentiality was of concern as the information relevant to the study was of strategic importance. In this regard, the names of the respondents were not disclosed. In addition, where a response can be attributed to specific individuals the said information was maintained in strict confidence.

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