

FACTORS AFFECTING THE ADOPTION OF INTERNET ADVERTISEMENT IN SMALL AND MEDIUM SIZE ENTERPRISES IN MOMBASA KENYA

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Abstract: The objective of the study was about factors affecting the adoption of internet advertisement in small and medium size enterprises in Mombasa Kenya. Specific objectives were to find out how top management willingness affects the adoption of internet advertisement in small and medium size enterprises in Mombasa Kenya and Determine whether the skills of internet advertising affects the adoption of internet advertising in SMEs in Mombasa Kenya. Descriptive research design was adopted for the study. The study was 500 entrepreneurs with formal premises registered with the Mombasa County operating within the CBD and the Sample size was 80. The main source of data was primary data. The data collected was analyzed by SPSS. Pearson's correlation coefficient indicated weak positive correlation between management willingness and adoption of internet advertisement. Skills of internet positive strongly correlated with value of 1.00 which was significant at 95% level of confidence with p-value of 0.000 ($0.00 < 0.05$). First null hypothesis was rejected because p-value was less than 0.05 ($0.00 < 0.05$). Second null hypothesis was rejected at 95% confidence level with p-value of 0.000.

Keywords: internet advertisement, small and medium size enterprises, internet advertising.

ABBREVIATIONS AND ACRONYMS

SME	Small and Medium Enterprise
MSE	Medium and Small Enterprise
TAM	Technology Acceptance Theory
ICT	Information Communication Technology
KNBS	Kenya National Bureau of Statistics
DIT	Diffusion Innovation Theory
RBV	Resource Based View
IT	Information Technology

1. INTRODUCTION

1.1 Background of the Study

The rapid changes in the cyber world, information resources available through computer networks and the internet, is causing changes in traditional marketing and among consumers (Schware, 2015). Given advancing technology, shifts in consumer consumption patterns and lifestyle, the platforms for communications are apparently becoming more complex. Hence, today's markets illustrate advertising to be radically different from that of past years, where new means and ways coupled with innovative ideas have not only transformed traditional media advertising, but have also transcended to the new media, to gain better reach of the audience. Today, the global advertising foray is evolving from the traditional communications of advertisements to digitally led content advertisements. The industry is seeing new growth that extends beyond traditional revenue streams. This is in regards to the inclusion of the online medium of the Internet or new media, which is taking content to mass audiences using digital media communications channels and devices(Wanjuki 2016.)

Kenya's financial landscape has considerably changed in the recent past and the financial sector has grown in assets, deposits, profitability and products offering. The growth can be attributed to an industry wide branch network expansion strategy, automation of a large number of services and a move towards emphasis on the complex customer needs rather than traditional 'off-the-shelf' products. The CBK annual supervision report (2014) noted that increased competition in the sector can be attributed to increased use of internet by the banks to advertise and transact. Internet advertising has been extensively used in the modern day by the banks as they try to position themselves in the competitive markets which have already been invaded by Micro finance institutions, private lenders and shylocks. This technology has encouraged commercial banks to reconsider their internal and external relations and transactions. Therefore, in order to succeed and build for the future, the administrative processes of banks are being transferred to electronic systems.

1.1.1 Concept of internet Advertisement

Changing media environment requires a thorough understanding of how communication with customers is now negotiated rather than passively received. The change caused by technological improvements during the last years, has dramatically increased customers' market power. The internet and other new digital technologies are not only transforming the practice of marketing but also the way we think about it (Were,2017). Today, consumers have more choices, more services, more media, more messages, and more internet conversations than ever (Wymbs, 2016).

1.1.2 Small and medium size enterprises in Mombasa

SMEs in Kenya cut across all sectors of the economy and provide one of the main sources of employment and generate widespread economic benefits (GoK, 2005).According to Ocha (2011). In Kenya "small-enterprises" are those that comprise of 10 or less workers while medium enterprises comprise 11-50 workers. The 1999 National Micro and Small Enterprise Baseline Survey defines MSEs as enterprises employing 1-50 workers (Republic of Kenya Sessional paper No.2, 2005). Due to their size and resource limitations SMEs are said to face a liability of smallness and are unable to develop new technologies or make important changes to existing ones. There is however evidence that SMEs have the potential to initiate minor technological innovations to suit their circumstances (Jeffcoate et al. 2002). Akkeren and Cavaye (1999) found that SMEs need specific policy measures to ensure that technology services and infrastructure are provided in order to fully develop and use this potential.

1.2 Problem Statement

Previous studies have indicated that SMEs achieve significant benefits by adopting and utilizing internet which is a very powerful method or tool of doing business as its use enables enterprises to carry out their business from any location and penetrate new markets at a click of a mouse (Olson and Boyer, 2002). Despite this Small and medium Enterprises in Kenya do not appear to be utilizing its potential to the full to increase their productivity, improve customer support and reduce the overall costs with an aim of gaining a competitive advantage in the market. This study sought to unearth the determinants of the adoption of internet advertising in small and medium sizes enterprises in Mombasa Kenya.

There is a great motivation to expand commercial activities beyond the physical boundaries of the organizations into distant geographical regions through the domains of computer networks telecommunications, satellite broadcasting, digital television (Chaston, 2004) and the Internet. The channels of these networks were mostly through personal computers (PC's) but Internet technology more recently has facilitated the use of devices such as digital cell phones, smart phones, palm-pads, laptop computers and many similar devices.Mbuvi (2000) in his study found that most tour operators mainly used the internet for the purposes of gathering information as opposed to carrying out transactions and that the tour operators were prepared and had the potential to adopt e-commerce. Accordingly, there was need for further studies to investigate other factors that affect the adoption of internet in SMEs in Mombasa, Kenya. Therefore, this research was to answer the question of the factors affecting the adoption of internet advertising in SMEs in Mombasa.

1.3 Objectives of the Study

1.3.1 General Objective

The main objective of the study will be to find out the factors affecting the adoption of internet advertising in small and medium size enterprises in Mombasa.

1.3.2 Specific Objectives

- i. To find out how top management willingness affects the adoption of internet advertisement in small and medium size enterprises in Mombasa Kenya

- ii. To determine whether the skills of internet advertising affects the adoption of internet advertising in SMEs in Mombasa Kenya

1.4 Study Hypothesis

H₀: The skills of internet advertising do not significantly affect the adoption of internet advertisement on SMEs in Mombasa town.

H₀: The accessibility of internet does not significantly affect the adoption of internet advertisement on SMEs in Mombasa town.

1.5 Significance of the Study

Findings from this research may help managers of SMEs in Mombasa to understand the factors behind use of internet advertising in carrying out their business activities. Internet advertising has become a very important way of doing business and therefore so many enterprises have recognized the opportunities for gaining a competitive advantage as well as the risks associated with the performance of ICT. Considering this the study looked into the utilization of internet advertisement by the small and medium size enterprises in Mombasa. It carried the assumption that adoption of internet advertisement represents both positive as well as negative implications hence the negatives was also highlighted so that SMEs in Mombasa can address these shortcomings.

2. LITERATURE REVIEW

2.1 Diffusion Innovation Theory

The Diffusion Innovation Theory (DIT) was formulated by done Gabriel Tarde in 1903 by plotting the original S-shaped diffusion curve. Tardes' (1903), S-shaped curve is of current importance because most innovations have an S-shaped rate of adoption (Rogers, 2014). Diffusion research centers on the conditions which increase or decrease the likelihood that a new idea, product, or practice will be adopted by members of a given culture. Diffusion of innovation theory predicts that media as well as interpersonal contacts provide information and influence opinion and judgment. Studying how innovation occurs, Rogers (2014) argued that it consists of four stages: invention, diffusion (or communication) through the social system, time and consequences. The information flows through networks. The nature of networks and the roles opinion leaders play in them determine the likelihood that the innovation will be adopted. Innovation diffusion research has attempted to explain the variables that influence how and why users adopt a new information medium, such as the Internet. Opinion leaders exert influence on audience behavior via their personal contact, but additional intermediaries called change agents and gatekeepers are also included in the process of diffusion. According to Robert and Barry, (2014), five adopter categories are: innovators, early adopters, early majority, late majority, and laggards. Sutton (2015) indicated that these categories follow a standard deviation-curve, very little innovators adopt the innovation in the beginning (2,5%), early adopters making up for 13,5% a short time later, the early majority 34%, the late majority 34% and after some time finally the laggards make up for 16%.

Thus the Diffusion Innovation Theory will guide this study to focus on; the characteristics of an innovation which may influence its adoption; the decision-making process that occurs when individuals consider adopting a new idea, product or practice; the characteristics of individuals that make them likely to adopt an innovation; the consequences for individuals and society of adopting an innovation and finally communication channels used in the adoption process to enhance digital marketing in the banking industry.

2.2. Technology Acceptance Theory (TAM)

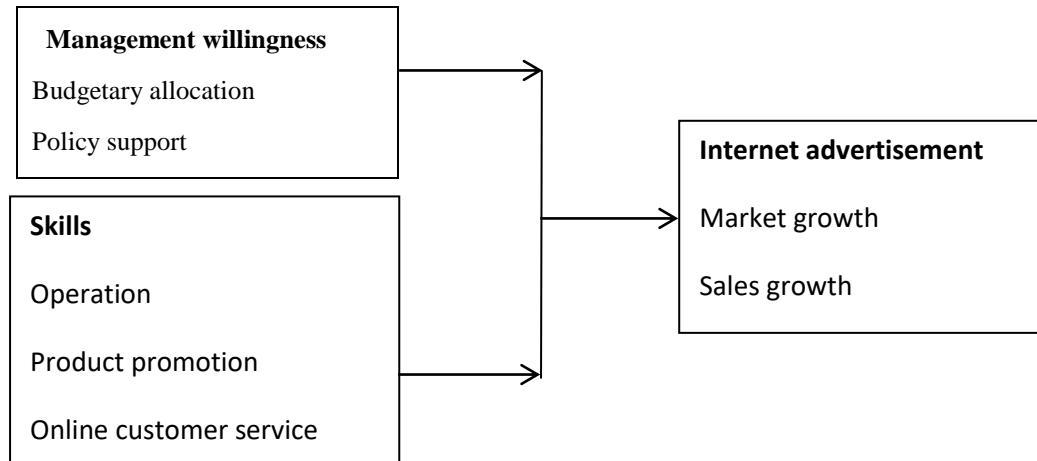
This theory was developed by Davis in 1986 and it was an adaptation of the Theory of Reasoned Action (TRA) to the field of information science. TAM position that perceived usefulness and perceived ease of use determine an individual's intentions to use a system with the intention of serving as a mediator of actual system use. Perceived usefulness is also seen as being directly impacted by perceived ease of use. Researchers like Venkatesh (2013) have simplified TAM by removing the attitude construct found in TRA from the current specification. Attempts to extend TAM have generally taken one of three approaches: by introducing factors from related models, by introducing additional or alternative belief factors, and by examining antecedents and moderators of perceived usefulness and perceived ease of use (Wixom and Todd, 2015). In a recent paper, Gefen and Larsen (2017) demonstrated that TAM's construct relationships primarily emerge from semantic relationships between its questionnaire items.

2.3 Conceptual Framework

This is how ideas are organized to achieve a research project’s purpose. It identifies how variables are connected to each other in the research study.

Independent variable

dependent variable



2.3.1 Management Willingness

Top management involvement is defined as the “extent to which senior management participates in digitalization process (Homburg, 2013). One key role of top management is participation in decision-making (Homburg, 2013). However, top management involvement should be “multifaceted” (Capon, 2014) and decision-making is but one of its numerous roles (Guesalaga and Johnston, 2014). Thus, top management involvement should not be limited only to the degree to which top managers participate in decision-making but with overview responsibilities. In particular, top management involvement should include meetings with senior personnel at the customer’s premises, which signals the special status of the customers and improves responsiveness to their needs (Millman, 2015). Moreover, because a typical digital programme involves many functional units, top management should ensure that the digital marketing obtains the necessary resources from across the organization (Napolitano, 2015) and encourages cross-organizational responsiveness (Storbacka, 2016).

2.3.2 Skills of internet advertising.

To begin with, Mutula & Brakel (2006) says that there is a lack of knowledge and skills from users of internet and strategies to support small and medium enterprises in achieving their business objectives should be formulated. As mentioned before small and medium enterprises face the challenge that generally they are owner managed and the owner makes all or most of the decisions about the business (strategic direction). Unfortunately the owner-manager’s limitations become limitations of the business. This barrier of inadequate knowledge and skills of using social media can be classified as a strategic level problem. The internet needs to be considered a key player in the SME reaching its goals. As already expressed, the owner is the center of the business, making all or most of the decisions in the small business, so the adoption of internet by the small business depends on the owner’s ICT knowledge and skills, personality and attitude towards technology.

Secondly, Martin (2005) highlights his findings that successful Internet adoption depends on different roles of employees and uses combat names to describe them, such as warriors, interpreters, clerks and priests. The main aim for using such names was to make them easy to relate to and to give them the kind of responsibility and respect associated with those roles. The separate roles of well skilled social media users are described in the following ways: Warriors (leading the way to adoption). This role is the driver of the adoption process, and the person in this role should be passionate and support the adoption. This person does not necessarily need to be a technical person but needs to have a high purpose for the adoption (business reasons).

2.3.3 Growth of Internet Advertisement

It is believed that market attractiveness epitomizes the desire of the firm to be present within a particular marketplace. Such attractiveness is likely to dictate the nature of how and why there is a need to develop and implement viable

marketing strategy. As market attractiveness is known to impact firm performance positively (Chandler and Hanks, 2014), it is anticipated that firms are likely to remain in highly attractive markets. Organizations need to understand the drivers that influence the adoption of digital marketing to allow them create solutions and plans to attract consumers to their products and services, hence enable them gain a greater representation in the global industry market (Ghobakhloo 2014). Digital marketing therefore allows organizations a fighting chance for success in the use of local and internal markets. Internet as a marketing tool provides significant opportunities for companies to seek and adopt innovative practices in order to address the increasing demands of consumers (Rafaeli, 2015). The internet allows for fewer data entry errors creating time savings and lower labor costs.

2.4 Empirical Review

Internet advertising is defined as buying and selling of information, products, and services via computer networks or internet. Internet and electronic commerce technologies are transforming the entire economy and changing business models, revenue streams, customer bases, and supply chains in the world (Park, 2010). Customers of online shopping are delighted with prompt delivery and flawless payment mechanisms building trust in consumers. Even online classifieds have made a successful transition online with jobs and matrimonial taking the lead. Online retailers are now pushing a larger number of categories such as electronics and white goods (Nyangosi and Mitullah, 2015). Solberg, (2016) described internet advertising as a tool to activate sales and every consumer everywhere are waking up to the idea of shopping online. The impact on retailing has been profound and as a result many businesses are changing the channels they use to sell their goods and services. In some parts of the world, retailers have been quick off the mark in developing their own individually branded e-commerce stores, whereas in other parts the e-market place dominates (Were, 2016).

According to Warshaw (2016), internet advertising is the process of integrating platforms and customers experience through a digital channel. Internet offers the prospect of increasing and improving the interactions and relationships with current and prospective customers through, for instance, social networking sites, instant messaging systems and mobile applications. Tuten, (2017) stated that internet marketing is a form of online advertisement that is based on social communities and social networks, and that due to the high growth rate of social communities most businesses have started to realize the potential of internet advertising in reaching the larger audience. The advent of online communities has bridged the communication gap between brands and consumers by creating a two-way communication platform.

2.5 Critique of Empirical Review

The empirical evidence has showed numerous studies and their findings based on factual precepts though can be disputed. According to Nyangosi and Mitullah (2015), Customers of online shopping are delighted with prompt delivery and flawless payment mechanisms building trust in consumers. The online payment has attracted numerous fraudsters who have defrauded millions on money in Kenya (Central Bank Report, 2016). However, the prompt delivery may as stated by Nyangosi and Mitullah (2015) may not at times prompt due to lack of proper coordination and location of the customer area. Aluzoma (2015), has indicated a major threat to the online payments. Gender and culture-in Africa also have been found to affect the adoption of internet adverteng (Aluzoma 2015). As shown by many studies, family socialization of girls and women influences attitude towards education as well as towards computers and internet use (Rajagopal and Bojin 2016). However Aruasa (2016) has indicated that male dominance in the social and economic sphere is transferred into the sphere of technologies contributing to marginalize women as active participants in development, there has been an active campaign by the women on the equality.

2.6 Research Gap

In regard to marketing, few studies have addressed how digitalization, information technology, and internet advertising impact the firm's performance and its market (Johnson and Bharadwaj 2015). Brodie, (2015) conducted a survey study to examine the penetration of e-marketing (eM) and its effects of that on firms' performance, but the study was only concentrated on the service industry. Marimuthu (2012) investigated how the internet advertising practices support business applications and the implications of internet marketing on the business performance of Malaysian SMEs. However (Marimuthu 2012) found a direct relationship between internet advertising and the performance of SMEs, the study was done only on Europe; places with strong economic strength thereby creating a knowledge gap in sub-Saharan countries like Kenya. Tuten, (2017) stated that internet marketing is a form of online advertisement that is based on social communities and social networks and found out that due to the high growth rate of social communities, most businesses have started to realize the potential of internet advertising in reaching the larger audience. However, the study (Tuten, 2017) did not consider factors such as Facebook, LinkedIn or Tweeter.

2.7 Summary

Digitalization is the integration of digital technologies into everyday life, which means computerization of systems and jobs for better ease and accessibility (Mahaldar & Bhadra, 2015). Consequently, adoption of internet technologies has profound implications for marketing planning and implementation to support the change of the business model. Digitalization has changed the structure and the functioning mechanisms of markets and the operation of firms, and thus the determination of firm's performance (Mulhern, 2015; Brodie, 2015 and Coviello (2016). Moreover, as found out by Tiago and Verissimo (2016), the proliferation of online social networks is one of the biggest changes in human interaction. Accordingly, the rapid growth of Web-based platforms that facilitates online social behavior has significantly modified the nature of human activities, habitats, and interactions.

3. RESEARCH METHODOLOGY

3.1 Introduction

This chapter consists of research design, target population, data collection tools and procedures, sampling techniques, research design, analysis and presentation of data.

3.2 Research Design

A descriptive research design was adopted for this study. According to Cooper & Schindler, (2014), a descriptive design defines a focus, mostly through the creation of a summary of a set of issues, events, or people, by collecting and analyzing the data to determine the measures of numerous variables and their relation to each other. Mugenda & Mugenda, (2013) found out that a descriptive design is favorable in terms of simplicity in analysis and less expensive to administer.

3.3 Population size

According to (Burrows, 2011) population size is categorized as every member of a group which is to be investigated, while accessible population is the selected elements in the target population. The target population for this study was comprised of 500 entrepreneurs operating SMEs within Mombasa town.

Table 3.1: Target Population

nature of SMEs	Target Population
service industry	200
products and goods industry	300
TOTAL	500

3.4 Sampling Technique and Sample Size

According to Mugenda and Mugenda (2012), sampling is the selection of few objects from the entire population from which the study will statistically get its conclusion over the whole organization's population whom those people constitute. On the other hand, the sample size is the representative of a whole population by a small population (Sekeran & Bougie, 2010). For this research, the Kothari, (2012) formula is used to get the sizeable sample size

$$n = \frac{z^2 N \cdot \hat{p}^2}{(N-1)e^2 + z^2 \hat{p}^2}$$

$$n = \frac{1.96^2 \times 500 \times 0.5^2}{(500 - 1)0.05^2 + 1.96^2 \times 0.5^2} = 80$$

Where;

n = Size of the sample,

N= Size of the population and given as 500,

e= Acceptable error and given as 0.05,

$\hat{\sigma}_p$ = Standard deviation of the population and given as 0.5,

Z = Standard variant at a confidence level given as 1.96 at 95% confidence level.

Table 3.2: Sample Size

nature of SMEs	Target population	Sample size
service industry	200	30
products and goods industry	300	50
TOTAL	500	80

Stratified proportionate random sampling method was used to select the respondents. Stratified random sampling being unbiased sampling method, it selects within subsets ensuring representativeness after grouping heterogeneous into homogeneous subnets. Stratified random sampling focuses on attaining the required representation from different sub-groups in the populace. In stratified random sampling, subjects are randomly picked from populace in a sub-group regardless of the number of representation from a sub-group (Kothari, 2012). The process as well entails splitting the populace into a chain of appropriate layers which indicates that the sample is more likely to be represented (Cooper & Schindler, 2014).

3.5 Data Collection instruments

Primary data was used in the study of which and was collected through use of questionnaires. The questions consisted of open and closed –ended questions which was presented on a five point Likert scale allowing the respondent to answer the survey effortlessly and for ease in data interpretation. This assisted in the easy analysis of data as response variance was minimized.

3.6 Data Collection Procedure

The researcher obtained an introductory letter from the university to enable her be granted permission to gather the desired data from the respondents. Questionnaire was the main instrument for collecting data which was distributed for filling by the respondents and collected later. Questionnaire is highly favored since one can allow respondents with sufficient time for them to give responses according to their best knowledge. Information in the questionnaire was consolidated for analysis and presentation.

3.8 Data Analysis and Presentation

The questionnaires was checked for consistency and completeness done through coding, tabulating and editing of the collected data. Data was gathered by use of questionnaires which was analyzed using Statistical Packages of Social Sciences (SPSS). The link between the dependent and independent variables will be determined through the analysis of a multivariate regression as follows:

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + e$$

Where;

Y = internet adoption Advertisement

X_1 = Top Management Willingness

X_2 = skills of internet advertisement

ϵ = Error Term

4. RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter contains data analysis and interpretation of research findings that is research findings and discussion.

4.2. Descriptive Statistics

Table 4.1: Descriptive Statistics of Management Willingness on Adoption of Internet Advertisement

	N	Minimum	Maximum	Mean	Std. Deviation
The management is supporting the internet advertisement through budgetary allocation	70	1.00	4.00	2.6000	.99472
The management is supporting the internet advertisement through formulation of policies supporting it	70	1.00	5.00	3.1000	1.25237
The management is supporting the internet advertisement through strategic point of view	70	1.00	5.00	2.9500	1.27630
Valid N (listwise)	70				

Descriptive statistics was done find out the influence of management willingness on adoption of internet advertisement. The scale of 1-5 was used for the study. Results indicated that formulation of policies led on the management willingness to support adoption of internet advertisement with highest mean of 3.1 followed by having strategic point with mean of 2.95 lastly was budget allocation with mean of 2.60. All the variables under measure agreed that they influence adoption of internet advertisement by having mean above average.

Table 4.2: Descriptive Statistics skills of internet on Adoption of Internet Advertisement

	N	Minimum	Maximum	Mean	Std. Deviation
I know how to use the internet	70	2.00	5.00	4.0500	.88704
I have some training in Information technology tools	70	2.00	5.00	3.4000	.99472
I know how to use Microsoft Office	70	1.00	5.00	3.3500	1.22582
I am knowledgeable in website Maintenance	70	1.00	5.00	3.3000	1.21828
Valid N (listwise)	70				

The above table 4.8 gave descriptive statistics skills of internet on adoption of internet advertisement. The scale 1-5 was used to analyze the results. The variable under study was use of skills on internet advertising. Mean statistics was used give meaning of each variable. The highest influence was knowledge on internet usage with mean of 4.05 followed by training with mean value of 3.40, usage of Microsoft office with mean value of 3.35 and lastly was website maintenance with mean value of 3.30. All the variables agreed that they all have influence on adoption of internet advertisement.

4.3. Pearson's Correlation Coefficient

Pearson's Correlation Coefficient analysis was carried out. This was done on order to establish the relationship between independent variables and dependent variable. The significance level was 95% which gave the p-value for the study.

Table 4.3: Pearson's Correlation Coefficient

		ADOPTION	MANAGEMENT	SKILLS
ADOPTION	Pearson Correlation	1	.198	1.000**
	Sig. (2-tailed)		.130	.000
	N	70	60	60
MANAGEMENT	Pearson Correlation	.198	1	.198
	Sig. (2-tailed)	.130		.130
	N	60	80	60
SKILLS	Pearson Correlation	1.000**	.198	1
	Sig. (2-tailed)	.000	.130	
	N	60	60	60

** . Correlation is significant at the 0.01 level (2-tailed).

Pearson’s Correlation Coefficient Table 4.10 above showed strong positive correlation between management willingness and adoption of internet advertisement of 0.198 and p-value of 0.13 was insignificant at 95% confidence level that is p-value was greater than 0.05 (0.13> 0.05) Skills of internet strongly correlated with value of 1.00 which was significant at 95% level of confidence with p-value of 0.000 (0.00< 0.05)

4.4 Regression Analysis

The degree of relationship between the independent variables and dependent variable were analyzed using regression analysis and the results were presented in table 4.11 below.

Table 4.4: Regression Analysis

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Change Statistics R Square Change	df1	Sig. F Change
1	1.000 ^a	1.000	1.000	.00000	1.000	70	.000

a. Predictors: (Constant), management, skills

b. Dependent variable, Internet adoption

The adoption of internet advertisement was by use of regression analysis. As with the simple regression, we look to the p-value of the F-test to see if the overall model is significant. With a p-value of zero to three decimal places, the model is statistically significant. The R-squared is 1.0, meaning that approximately 100% of the variability was accounted for by the variables in the model. In this case, the adjusted R-squared indicates that 100% of the variability of variables is accounted for by the model, even after taking into account the number of predictor variables in the model. The coefficients for each of the variables indicates the amount of change one could expect in study given a one-unit change in the value of that variable, given that all other variables in the model are held constant.

4.5 ANOVA Results

Table 4.5: ANOVA

Model		Sum of Squares	df	Mean Square	Sig.
1	Regression	75.650	3	25.217	.000 ^b
	Residual	.000	67	.000	
	Total	75.650	70		

a. Dependent Variable: ADOPTION

b. Predictors: (Constant), ACCESSABILITY, MANAGEMENT, SKILLS

From the ANOVA table above, table 4.12 gave required data from the predictors variable, management willingness, skills of internet and Accessibility on adoption internet advertisement. Significance examination confirmed that all the predictors had significantly relationship on adoption of internet advertisement at confidence level of 95%; ($P= 0.00 < 0.05$) and contributes to the adoption of internet advertisement.

4.6 Regression Model Analysis

The general objective of the study was to analyze the factors affecting the adoption of internet advertisement in small and medium size enterprises in Mombasa Kenya, the linear regression models were used to assess the overall effect of independent variables on dependent variable.

Table 4.6: Regression Model Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	.000	.000		.000
	MANAGEMENT	.000	.000	.000	.000
	SKILLS	1.000	.000	1.000	.000

The analysis in Table 4.12 presents linear regression models 1. Two variables were management willingness and skills of internet they were all significant at both 95 percent level of confidence each giving p-value of 0.000.

Regression results tested first hypothesis indicated that management willingness influences adoption of internet advertising. P-value was 0.000 at 95% confidence level, therefore we reject the null hypothesis because p-value is less than 0.05 ($0.00 < 0.05$) and state that management willingness do have significant effect the adoption of internet advertisement on SMEs in Mombasa town.

Second hypothesis was test which stated that the accessibility of internet does not significantly affect the adoption of internet advertisement on SMEs in Mombasa town. Table 4.13 above gave regression results at 95% confidence level and it was found that accessibility to internet influences internet advertising with p-value of 0.000. Second null hypothesis was rejected and alternative accepted hence stating that the accessibility of internet do have significant effect the adoption of internet advertisement on SMEs in Mombasa town.

Model 1 in Table 4.13 further showed that skills on internet was positively correlated with adoption of internet advertisement, this also means that 1.00 increase in skills led to a 1 point increase in internet advertisement. The other variable according to the model any decrease or increase had no influence on internet advertisement but only this could be true when all other factors are held constant.

Unstandardized coefficients results from the above table were used:

$$Y = 0.00 + 0.00X_1 + 1.002X_2$$

Whereby;

Y = is the value of the dependent variable, Internet advertisement

X_1 = Top Management Willingness

X_2 = skills of internet advertisement

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the whole research process. A brief summary of the whole study is given. It also provides a summary of the main findings of the study, conclusions of the study, recommendations and suggestions for further research.

5.2 Summary of the study findings.

The purpose of this study was to investigate the factors affecting the adoption of internet advertisement in small and medium size enterprises in Mombasa Kenya. The research formulated three objectives and two research questions to guide the study. Descriptive survey design was adopted for the study. Questionnaire was used as the instrument of research.

5.3 Conclusion

5.3.1. To find out how top management willingness affects the adoption of internet advertisement in small and medium size enterprises in Mombasa Kenya

Descriptive statistics was done find out the influence of management willingness on adoption of internet advertisement. Results indicated that formulation of policies led on the management willingness to support adoption of internet advertisement with highest mean which means that the respondents agreed that management willingness affects adoption of internet advertising.

Pearson's Correlation Coefficient Table 4.10 in chapter 4 above showed strong positive correlation between management willingness and adoption of internet advertisement of 0.198 and p-value of 0.13 was insignificant at 95% confidence level that is p-value was greater than 0.05 ($0.13 > 0.05$).

ANOVA table analysis in table 4.12 in chapter 4 gave required data from the predictors variable, management willingness on adoption internet advertisement. Significance examination confirmed that management willingness had significant relationship on adoption of internet advertisement at confidence level of 95%; ($P = 0.00 < 0.05$) and contributes to the adoption of internet advertisement.

Regression results tested first hypothesis indicated that management willingness influences adoption of internet advertising. P-value was 0.000 at 95% confidence level, the null hypothesis was rejected because p-value is less than 0.05 ($0.00 < 0.05$) and conclusion was that management willingness do have significant effect the adoption of internet advertisement on SMEs in Mombasa town.

5.3.2. To determine whether the skills of internet advertising affects the adoption of internet advertising in SMEs in Mombasa Kenya

Descriptive statistics gave a mean which was above average and that indicated that all the parameters which were used to study skills in internet advertising agreed that it has influence. Pearson's correlation coefficient in chapter 4 above indicated that skills of internet strongly correlated with value of 1.00 which was significant at 95% level of confidence with p-value of 0.000 ($0.00 < 0.05$)

ANOVA table analysis in table 4.12 in chapter 4 gave required data from the predictors variable, skills of internet concerning adoption of internet advertisement. Significance results showed that skills on internet had significant relationship on adoption of internet advertisement at confidence level of 95%; ($P = 0.00 < 0.05$) and contributes to the adoption of internet advertisement.

Second hypothesis was test which stated that the accessibility of internet does not significantly affect the adoption of internet advertisement on SMEs in Mombasa town. Table 4.13 above gave regression results at 95% confidence level and it was found that accessibility to internet influences internet advertising with p-value of 0.000. Null hypothesis was rejected and alternative accepted hence concluding that accessibility of internet do have significant effect the adoption of internet advertisement on SMEs in Mombasa town.

5.4 Recommendations

The study explored the influence of internet advertising towards growth of small and medium enterprises and come up with the following recommendations:

Government through ministry of Information and Communication Technology and Communication Commission of Kenya (CCK) should consider formulation of policies and laws which would regulate pricing of internet service providers in Kenya. Internet billing is very costly which results to slow internet speed which hangs more often.

Majority of primary and secondary schools to consider introducing computer subjects in order to create early exposure to pupils. The current initiative by government to introduce laptops to standard one pupil is a positive move but more need to be done. This will create as firm foundation for students since we are living in technology world.

Colleges and universities offering business oriented courses like bachelor of commerce to introduce online advertising modules, social media marketing and internet customer care

5.5 Areas for Further Research

This research was based on factors affecting the adoption of internet advertisement in small and medium size enterprises in Mombasa Kenya, basically the research looked products and services in the business world. A further research can explore use of internet on government sectors.

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