



Influence of Social Media Marketing Strategies on Profitability of Retail Industry in Mombasa County Kenya.

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ABSTRACT

The pervasive influence of technology has thoroughly integrated into various facets of daily life, serving as a linchpin around which modern existence revolves. In this context, it is incumbent upon companies to adopt technology in a manner that confers a competitive advantage across various organizational functions. Leveraging technological tools and strategies is not just an enhancement but a necessity for capitalizing on emergent opportunities and ensuring long-term viability. The objective of this research is to assess the impact of social media marketing on retail profitability in Mombasa county Kenyan. The research employed a descriptive research design, targeting a population of 250 employees from selected supermarkets in Mombasa County. A subset of 154 respondents was identified using the Taro Yamane formula to ensure a representative sample. The study associated a social media marketing strategy with a B of 1.265, Wald statistic of 5.805, a p-value of 0.016, and Exp (B) of 0.282. In conclusion, the research found that businesses with internally managed websites, Facebook pages/suites, experienced significantly increased profitability odds. The study recommended businesses to prioritize internally manage create multiple Facebook pages/suites, collaborate with marketers using apps, and focus on various online marketing strategies.

Keywords: Social Media, Facebook, profitability, retail shops.

1.0 INTRODUCTION

1.1 Background of the Study

Numerous technological advancements have emerged recently, driven by current trends. These innovations have effectively tackled various challenges faced by communities in different areas. One particular sector that has encountered significant difficulties is marketing, as the rise of countless local and global businesses has intensified competition. Moreover, the county is experiencing a high unemployment rate, leading people to seek self-employment opportunities. It is evident from statistics on annual graduation rates from universities and other tertiary institutions that not all graduates can secure traditional office jobs (Wójcik & Ioannou, 2020). As a result, many graduates are choosing to start their own businesses, with some even venturing into entrepreneurship while still in school. In this scenario, internet marketing has played a crucial role in supporting both small and large businesses in numerous countries. The primary reason behind this is its ability to simplify the marketing process, providing a significant advantage to businesses utilizing it.

The landscape of global commerce has been radically reshaped by technological advancements, enabling an unprecedented level of interconnectedness between businesses and consumers. According to Shi et al. (2020), these advancements have created a seamless framework for engagement, irrespective of geographical location. With the proliferation of digital platforms, a substantial volume of international trade now transpires through electronic networks. The internet's extensive infrastructure facilitates global user interactions and provides access to an immense reservoir of information. Enabled by various digital devices, users can access the internet virtually anytime and anywhere, revolutionizing their expectations in terms of cost, service speed, convenience, and product information (Luo, 2022).

The ramifications of this transformation are staggering in terms of scale and reach. For instance, in the United States, internet penetration exceeds 80% among households, with the average American dedicating approximately 32 hours per month online. Mobile internet usage is also a burgeoning trend, with over 63 million U.S. citizens engaging online via smartphones. Internationally, the statistics are even more compelling: more than 2 billion people have internet access, with a billion using mobile phones for connectivity. This user base is projected to experience exponential growth in the near future, particularly in mobile internet usage (Kotler, 2018). As a consequence, the corporate landscape has been quick to adapt. The overwhelming majority of traditional enterprises have augmented their business models to incorporate online sales and communication platforms (Kotler & Armstrong, 2017).

Within this paradigm, companies like Amazon have emerged as behemoths. Currently standing as the third-largest retailer globally, Amazon commands an impressive portfolio that includes not only retail but also forays into fashion and proprietary label creation. The phenomenon is not limited to the

Western market; Alibaba, for instance, dominates online retail in China and is expanding its international footprint (Gensler, 2017). Further, the emergence of specific online shopping events, such as Cyber Monday in the United States, underscores the magnitude of this shift. Featuring participation from major retailers like Amazon, Walmart, and Target, Cyber Monday in 2017 alone generated an unprecedented \$6.6 billion in sales (Orare & Nkirina, 2019).

In the past ten years, businesses across various sectors in Africa have eagerly embraced the internet and incorporated it into their daily operations (Barnes & Hinton, 2007). This includes numerous companies in the retail sector, who have enthusiastically adopted the internet as an additional marketing tool (Hubert, 2001). The retail industry in Africa has also actively embraced e-commerce, as evidenced by the establishment of online presence by various retail companies. This development has far-reaching implications. Firstly, it has significantly reduced the barriers, such as geographical, psychological, and legal obstacles, that previously limited African consumers from shopping beyond their immediate vicinity. Consequently, previously untapped consumer purchasing power has been unleashed, granting millions of consumer's unprecedented freedom to make choices from the vast global market and exercise their shopping rights. Secondly, there is expected to be substantial growth in intra-African trade, which is seen as a valuable opportunity for the development of African economies (Nkamnebe, 2006). Thirdly, the ability for Africans living overseas to purchase remotely from their home continent has raised remittances that support regional growth while also preserving cultural linkages between the diaspora and their own nation. Fourthly, regardless of their geographical location, individuals from all over the globe may purchase and experience Africa thanks to the openness of the African market via online platforms. With equitable chances in the global supply chain, this denotes a revival in Africa. These occurrences are backed by the shift in consumer behavior in Africa, where more individuals are purchasing online.

The expansion of Africa's middle class, coupled with rising disposable incomes, marks a significant economic transition on the continent. Estimates suggest that around 33% of Africans are spending between \$4 and \$20 on a daily basis, a figure that the African Development Bank projects will increase to 42% by 2060. Concomitant with this economic buoyancy is the rapid penetration of internet access across Africa. McKinsey's report posits that by 2025, approximately 50% of the African populace will have internet connectivity. If these predictions hold, online shopping could potentially constitute as much as 10% of retail sales, translating to an estimated \$75 billion (Deloitte & Touche, 2015). Google's data further corroborates this trend, indicating a substantial uptick in online commercial searches originating from Africa. This burgeoning digital economy has given rise to several prominent e-commerce platforms within the continent. Jumia, founded in Nigeria in 2012, has established itself as Africa's largest business-to-consumer online retailer. Boasting a customer base of over three million across more than 23 countries, Jumia is a pivotal player in African e-commerce. Similarly, South Africa's Takealot has been a steadfast presence since its inception in 2002, gaining accolades for its user-centric shopping experience.

The significant growth potential of Africa's online retail sector has not gone unnoticed by multinational corporations. E-commerce giants like Amazon, AliExpress, and Alibaba are making inroads into the African market, indicating a recognition of its emerging importance as a nexus for online retail (International Trade Centre [ITC], 2015). The confluence of an ascending middle class, expanding internet penetration, and the global interest in Africa's e-commerce potential makes the continent a critical frontier for the future of online retail. As such, local and international businesses alike would do well to strategize accordingly, as they stand to gain considerably from the demographic and technological shifts currently shaping the African market.

In Kenya, the advantages of online shopping compared to traditional retailing have led to its increasing popularity. These advantages include the convenience of home delivery and privacy, the ability to avoid crowds and save time in checkout queues, and the comfort of shopping from the comfort of one's own home. Online shopping also saves time in research and decision-making, as well as providing easier access to information (Swinyard & Smith, 2003; Ahmad et al., 2010; Monsuwe et al., 2004). Recent events such as terrorist attacks at shopping malls and the Covid-19 pandemic have further emphasized the importance of online shopping due to concerns about security and the need to stay at home (Westgate Mall attack in Westlands, Nairobi). These factors may encourage more people to shift away from traditional brick-and-mortar stores and embrace online shopping.

The advent of the internet has become a transformative catalyst for business innovation and growth in Kenya. It has redefined the modalities through which retailers interact with customers, allowing for a broadening of the marketplace beyond the spatial confines of brick-and-mortar establishments (Ahmed & Ramayah, 2010). This digital transformation has incited a retail metamorphosis in Kenya, attracting considerable entrepreneurial investments. The proliferation of internet usage has not remained limited to the retail sector; its impact is pervasive, influencing the operational strategies of financial institutions, educational entities, religious organizations, and even governmental agencies.

Despite these advancements, the rate of online shopping in Kenya trails the global average of 23%, attributed to several impediments such as slow delivery timelines, a deficit of consumer trust, elevated shipping costs, apprehensions about the authenticity of products and the security of payment systems, as well as a general lack of consumer savvy regarding online transactions (Deloitte & Touche, 2015). Notably, social media platforms like Facebook, WhatsApp, and Instagram have acted as supplemental channels for online retail, contributing to approximately 15% of total sales in this segment. Indigenous online retail platforms, Jumia and Kilimall, command a significant share of the online market, with market shares of 38% and 22% respectively (Nkirina, 2019).

Given these developments, business managers in Kenya have acquired a strategic advantage, able to reach an expanded and more diverse audience both within and beyond national borders. Moreover, consumers have also reaped the benefits of internet marketing, availing themselves of the opportunity to engage in price comparisons and enjoy enhanced accessibility to various services. The overarching aim of this discourse is to delve into the influence of internet marketing on the profitability of the retail sector in Kenya.

Major corporations, especially those in telecommunications and banking, have been at the forefront of integrating internet marketing infrastructures to remain competitive in a continually evolving global business ecosystem (Hitt, Ireland & Hoskisson, 2019). The primary motivation for these integrations is twofold: first, to bolster profitability and, second, to sustain a competitive edge in an increasingly digitized marketplace. To realize these objectives,

multiple online marketing strategies have been adopted. Among them, website marketing and social media marketing stand out as particularly effective. Website marketing revolves around the optimization of online platforms to boost brand visibility, while social media marketing leverages platforms such as Instagram, WhatsApp, Twitter, LinkedIn, Imo, and Facebook to publicize the array of products available in retail stores (Hitt et al., 2019).

The retail industry in Kenya has become increasingly popular by leveraging social media platforms. This strategy has proven to be highly advantageous because it enables businesses to establish and promote their brands online, tapping into the vast number of social media users. Consequently, the significance of internet marketing for a company's profitability should not be overlooked. Additionally, certain retail stores also employ email marketing as an internet marketing tactic. This approach involves sending personalized emails to customers, keeping them informed about new product launches and pricing. By providing customers with relevant information, their interest and confidence in the products grow, leading to a larger customer base and enhanced profitability for the businesses. (Ndiege, 2019).

In the retail industry, a prominent internet marketing approach is influencer marketing. This strategy involves partnering with business managers and brand ambassadors to promote a company's products. By leveraging the popularity of influential individuals, businesses can enhance their reputation and ultimately increase profits (Varadarajan et al., 2022). Another significant aspect of internet marketing in Kenya is search engine optimization, which aims to improve a website's ranking on search engine result pages. This, in turn, drives more high-quality and abundant traffic to the website. Retail businesses in Mombasa have been effectively utilizing this strategy to boost their profitability. Additionally, content marketing plays a crucial role for several retail businesses in the country. This approach centers on creating and distributing tailored content to reach a specific online audience. Furthermore, affiliate marketing is another strategy being used, where affiliates receive rewards based on the customers they bring to the business (Damjanovic, 2020).

Another kind of internet marketing is paid advertising, like pay-per-click. Businesses in this strategy are charged a fee each time one of their advertisements is clicked (Gensler, 2017). The goal of this study is to examine numerous technological developments that have a big impact on Kenya's retail sector's potential to increase profitability via internet marketing. The study will clarify the nature of profitability within the context of internet marketing in the nation by looking at these tactics. The adoption of information technology is rapidly increasing worldwide, with over half of the global population having access to computers or mobile devices. The internet, in addition to being a vast source of information, has transformed into a vast global marketplace, continuously growing and evolving. Nowadays, most consumers can use their smartphones, tablets, or computers to browse and purchase a wide range of products online (Kim, Libaque & Park, 2019).

According to a report by the Kenya National Bureau of Statistics (KBNS, 2019), the retail sector holds a significant portion of Kenya's GDP, ranking fifth in terms of share. Additionally, it stands as the third largest employer within the private sector. Mombasa City County's Directorate of Trade has documented that leading Chain Supermarkets, which typically encompass an area of over 3001sq.m and employ 50 to 100 individuals, can be found in various locations nationwide.

1.2 Statement of the Problem

The retail industry in Kenya, particularly supermarkets, has experienced mixed results. Historically, many supermarkets relied on a business model that emphasized high sales volume with narrow profit margins. Another kind of internet marketing is paid advertising, like pay-per-click. Businesses in this strategy are charged a fee each time one of their advertising is clicked (Gensler, 2017). The goal of this study is to examine numerous technological developments that have a big impact on Kenya's retail sector's potential to increase profitability via internet marketing. The study will clarify the nature of profitability within the context of internet marketing in the nation by looking at these tactics. This business model proved unviable, leading to the closure of many Uchumi outlets, Nakumatt and Tuskys supermarkets faced a similar fate. In light of these circumstances, retailers facing such challenges must consider alternative business models that reduce operating expenses. One potential option for them is adopting online shopping (Cytonn, 2018).

Presently, a few retailers in Kenya operate online businesses, but they encounter various difficulties. One major challenge is that customers cannot physically interact with products displayed in online stores. The inability to touch, smell, or hear a product creates a lack of trust due to the absence of face-to-face communication. Additionally, consumers are aware of and consider the risks associated with online purchases. Consequently, if a consumer perceives a high risk in buying a particular item, they may opt for a traditional brick-and-mortar retailer instead (Berthon et al., 2012). Therefore, online firms must convince consumers to purchase their products despite the risks involved in online shopping.

Recognizing the challenges faced by current internet marketing strategies in the Kenyan retail industry, this research aims to enhance and provide guidance to those retailers who have not yet embraced any internet marketing strategies mentioned earlier. Furthermore, the study seeks to address the challenges and risks associated with existing online marketing strategies by analyzing the best process for improving profitability (Varadarajan et al., 2020). The research also intends to explore various strategies for enhancing safety precautions and reducing losses resulting from inadequate management of marketing sites.

1.3 Objective of the study

To determine the effect of social media marketing strategies on profitability of retail industry in Mombasa county

1.4 Research question

What is the effect of social media marketing strategies on profitability of retail industry in Mombasa County?

2.0 LITERATURE REVIEW

2.1 Theoretical Review

Online marketing, also referred to as internet marketing, involves utilizing the internet to promote a business, brand, and its products or services by employing various tools that attract customer attention, generate leads, and drive sales. This research aligns with Generational Theory

2.1.1 Generational Theory

According to generational theory, people of the same generation tend to have same worldviews and values (Bilgihan, 2016). According to Strauss and Howe (2000), a generation consists of those born during a 20-year window. An individual's self-awareness as a member of a specific generation, shared common experiences of significant events or political occurrences during their formative years, and shared common beliefs and attitudes toward topics like career, religion, marriage, and sex are the three key factors in understanding a generation. This theory can be applied to analyze internet marketing strategies, where each generation has distinct inclinations and attitudes in terms of behavior, fashion, communication style, and spending preferences. For instance, a social media strategy would consider the generational theory to target products specifically appealing to active users of a particular social media platform. Different platforms have varying user demographics and usage patterns. Similarly, a content marketing strategy would tailor content to suit specific age groups. Marketers can also identify the online platforms where their target consumers are present based on their generational cohorts (Barnier, 2010). For instance, the response of Generation Y or Millennials (aged 19-38) to internet marketing is expected to differ because they process website information more quickly than older generations and exhibit lower loyalty but greater emotional engagement. When using an affiliate marketing strategy, it is crucial to select an affiliate from the same generation as the target consumers (Bourcier et al., 2010).

Klynveld Peat Marwick Goerdeler (2017) found that, contrary to popular belief, those in Generation X (those between the ages of 39 and 54) were the most likely to buy online. Reasons for this include the fact that members of Generation X are often better off financially and have more settled families and houses than their younger counterparts, the millennial generation. The Baby Boomer generation (those now between the ages of 55 and 74) may be less likely to buy online than younger generations, but they are more likely to spend more money on each transaction. In contrast, millennials tend to put greater emphasis on accessories, bags, and beauty products (Moschis, 1996). This is because Baby Boomers tend to purchase more expensive things like wine, healthcare products, appliances, and home goods.

By leveraging the insights from generational theory, online marketers can develop strategies that effectively target their desired audience and maximize sales (Lissitsa, 2016). It is important for marketers to recognize that their audience will evolve and change over time, and therefore, they should adapt their brand and products to remain relevant to new market entrants with different reference frames. Understanding the generational aspects of audience demographics allows marketers to create more intelligent and targeted advertising content. Swedish automaker Volvo, for instance, used an approach to marketing that prioritized openness and honesty in order to attract consumers from Generation X. Volvo knew that Generation X would be the first to be exposed to mass media marketing, therefore the company aimed to make their campaign stand out by emphasizing social media and word of mouth among consumers (Houston, 2011). In conclusion, by acknowledging and understanding the insights provided by generational theory about different age groups within their target audience, marketers can craft messages that effectively meet the needs of their audience (Lissitsa, 2016).

2.2 Empirical literature

2.2.1 Social Media Marketing Strategy

Globally, social media marketing plays a crucial role in business operations. It encompasses a wide range of activities, from traditional approaches to innovative strategies, and it encompasses a diverse cultural landscape, spanning from conservatism to modernism, and a variety of governance styles, ranging from autocracy to anarchy (Raj, 2022). In order to promote products or services and build a name for a company, businesses often turn to social media marketing. Posting status updates with text and images, uploading videos, and sponsoring content are all part of this strategy. According to Kotler and Armstrong (2017), businesses of all sizes may benefit from using social media marketing to reach a wider audience. In today's digital landscape, customers frequently use social media platforms like Twitter, Pinterest, Instagram, and Facebook to interact with brands. Neglecting this opportunity to engage directly with the audience can be disadvantageous for the business. Implementing effective marketing strategies on social media platforms can lead to remarkable success, including loyal brand supporters, increased leads and sales, improved website traffic, and better understanding of target audiences. Among these platforms, Facebook holds the position of being the most popular and socially impactful company in the online world (Kotler & Armstrong, 2017).

In a study on the influence of internet marketing strategies on the market share of online shops in Nairobi county in Kenya, Orare and Nkirina (2019) found that Facebook remains the dominant online platform for adults, with a significant number of daily users. This provides businesses and brands with a valuable opportunity for high visibility. However, relying solely on purchasing a few Facebook ads and accumulating page likes is no longer sufficient for building a brand. A comprehensive marketing approach is needed, incorporating both paid media and earned media (word of mouth, sharing, and endorsements). Paid advertisements on Facebook can effectively reach the target audience and allow businesses to control the message, delivery timeline, and ad volume (except for sponsored stories). This enables retailers to easily measure the impact of paid media on the growth of their Facebook page. On

the other hand, earned media, such as sharing, has the potential for longer-term benefits compared to paid media. The act of sharing can extend the reach of an advertisement campaign even after its completion (Appel et al., 2020).

Considering that Facebook is primarily used for socializing and connecting with friends, it is advisable to adopt a light and friendly tone in marketing messages. Additionally, it is important to note that organic reach on Facebook may be limited, so it is beneficial to explore cost-effective advertising strategies to enhance the business's presence. More shares and endorsements lead to increased trust in the brand and higher engagement on the Facebook page. This can create a chain reaction, where the initial advertisement is amplified by users sharing the brand. Therefore, earned media has the potential for lasting benefits beyond the initial campaign (Appel et al., 2020). To maximize engagement on Facebook, marketers should encourage users to go beyond simply liking posts by using calls-to-action to prompt comments, shares, and other forms of engagement. This can lead to the creation of effective "Page Post like Sponsored Stories," where fans' comments are used in advertisements, increasing the brand's visibility to their friends (Orare & Nkirina, 2019)

Sengar (2021) noted that Pinterest has witnessed significant growth as a social media platform. Its focus on visual content makes it particularly suitable for retail, although any business can enhance its sales by advertising on Pinterest. The platform offers businesses the opportunity to showcase their products while cultivating a unique brand identity through appealing and original pin boards. The majority of Pinterest's user base consists of females. Additionally, Twitter serves as a marketing tool that enables users to promote their updates across the internet. Businesses can follow relevant users in their target market or related industries, ensuring a steady stream of followers. Incorporating both official tweets regarding announcements and promotions, as well as fun tweets, helps build the brand. It is crucial for retailers to retweet customer praise and respond to inquiries whenever possible, as effective communication and engagement are key to using Twitter as a marketing instrument.

For those seeking a more professional social media platform for marketing purposes, LinkedIn is an excellent choice. Utilizing LinkedIn Groups allows for professional discussions with individuals in similar industries, sharing content with like-minded audiences. It also serves as a platform for job advertisements and networking opportunities. Encouraging customers to recommend the business's LinkedIn page enhances its credibility and reliability among potential customers. Engaging in the Questions section of LinkedIn and providing solutions helps establish the business as an industry expert, thus increasing brand trustworthiness (Somosi, Hajdú & Molnár, 2023).

YouTube is the leading platform for creating and sharing video content, offering great potential as a marketing tool. While many businesses aim for viral videos, the chances of achieving that are minimal. Instead, focusing on creating helpful and informative "how-to" videos can be more effective. These videos also have the advantage of ranking higher in Google's video search results, highlighting the value of video content (Schwemmer, & Ziewiecki, 2018).

Frith and Wilken (2019) suggested that businesses with physical stores can greatly benefit from utilizing Yelp and FourSquare as social media marketing platforms. By claiming their location on these platforms, businesses can offer additional incentives like check-in rewards or special discounts. It is important to remember that customers using these platforms can write and share their reviews, which can significantly impact the business. Accumulating positive reviews can greatly influence potential customers and contribute to business growth.

Furthermore, Reddit is an ideal platform for sharing compelling content. With over 2 billion monthly page views, it holds significant promise as a social media marketing tool. However, marketers should be aware that only genuinely original and intriguing content is likely to succeed. Posting spam or overt advertisements can lead to backlash from Reddit's tech-savvy user base. If a business possesses content that would resonate with a young, liberal, geeky, and passionate audience, they can expect substantial rewards and increased traffic (Kwon, & Shao, 2021).

3.0 METHODS

3.1 Research Design

In the present study, a descriptive research approach was adopted. Such a method aims to accurately describe the characteristics of the participants and the phenomena under investigation, particularly from an industry-specific perspective (Sekaram, 2006).

3.2 Target population

For this study, the targeted population consisted of retail supermarkets with a capital base exceeding Kshs. 3 billion and a minimum of 15 branches. Accordingly, the study focused on seven key supermarkets: Naivas, Quickmatt, Choppies, Eastmatt, Carrefour, Chandarana, and Cleanself which are operating in Mombasa County. The chosen demographic for this study was branch managers within these leading supermarket chains, as they bear responsibility for implementing and overseeing internet marketing initiatives within their respective stores. This study aimed to examine a population comprising 250 managers and sales representatives in charge of internet marketing across supermarkets located in Mombasa County.

4.0 RESEARCH FINDINGS, ANALYSIS AND PRESENTATION

4.1 Response Rate

The investigator distributed 154 questionnaires to the seven prominent chain supermarkets located in Mombasa County. Of these 154 surveys, 111 were completed and returned, resulting in a response rate of 72.07%. Notably, 27.93% of the respondents either did not return their surveys or their provided information was deemed unusable for the study. According to Mugenda and Mugenda (2003), a response rate exceeding 70% is considered adequate for a research study.

4.2 Social Media Marketing Strategy

The study second objective sought to determine the effect of social media marketing strategies on profitability of selected supermarkets in Mombasa County.

4.2.1 Facebook Page

This part of the study sought from respondents whether their firms had a Facebook page.

The results are illustrated in Table 1.

Table 1: Facebook Page

Statement	Frequency	Percent
We do not have a Facebook page	42	37.8
We have a Facebook page with a business suit	69	62.2
Total	111	100.0

Source: Researcher (2023)

Table 1 illustrates that a significant portion of the surveyed companies maintained a Facebook page with a business presence, as evidenced by 62.2% of the respondents. In contrast, a smaller proportion of firms, totaling 37.8%, did not possess a Facebook page. This observation underscores the extensive use of digital marketing strategies, particularly via social media platforms such as Facebook, by these companies.

4.2.2 Practices on Social Media Marketing Strategy

The participants were required to indicate their concurrence with the given statement regarding social media marketing strategy. The findings are presented in table 2.

Table 2: Descriptive Statistics of Social Media Marketing Strategy

Statement	SD	D	N	A	SA
	f	f	f	f	f
	%	%	%	%	%
Utilizing social media (Facebook, the internet, and Instagram) increases website traffic.	21.8	10.9	1210.8	5953.2	3733.3
Utilizing social media, we can connect and communicate with crucial audiences better.	00	32.7	1311.7	5145.9	4439.6
We use social media to increase brand recognition.	21.8	10.9	76.3	6356.8	3834.2
Utilizing social media, we build a brand's reputation and favorable brand associations.	00	54.5	87.2	4338.7	5549.5
We engage the intended audience in dialogue through social media.	43.6	76.3	1816.2	4036.0	4237.8
We utilize social media to observe rivals.	10.9	43.6	1210.8	5549.5	3935.1

Source: Researcher (2023)

As indicated in Table 2, the consensus among survey participants regarding the utilization of social media platforms (specifically, Facebook, the Internet, and Instagram) by supermarkets for augmenting website traffic is evident. A significant proportion of respondents, comprising 53.2%, expressed agreement with this proposition, while 33.3% of participants strongly concurred. A smaller percentage, 10.8%, maintained a neutral stance, with a mere 0.9% registering disagreement with the assertion.

Regarding the assertion that retail enterprises deploy social media to enhance communication and engagement with their core target audiences, the data depicted in Table 4.8 demonstrates a similar pattern. Here, 45.9% of respondents concurred, and 39.6% strongly concurred, whereas only 11.7% maintained a neutral position, and a scant 2.7% dissented from the statement. The findings also reveals that retail businesses employ social media as a

means to elevate brand awareness. The majority of survey respondents, encompassing 56.8%, affirmed agreement with this notion, with 34.2% expressing strong agreement. In contrast, 6.3% of respondents adopted a neutral stance, while a mere 0.90% registered disagreement with the statement.

Regarding the use of social media by retail businesses to establish a brand identity and cultivate positive brand associations, the survey results in Table 4.8 illustrate a robust consensus. Notably, 49.5% of participants strongly agreed, and 38.7% expressed agreement, while 7.2% assumed a neutral position, and only 4.5% dissented from the assertion. In relation to the claim that retail establishments employ social media platforms to foster dialogues with their target audiences, the data presented in Table 4.8 reflects a prevailing consensus. Specifically, 36.0% of respondents agreed, and 37.8% strongly agreed with this assertion, while 16.2% maintained a neutral perspective, and a mere 6.3% of respondents disagreed.

Further, with regard to the statement asserting that retail businesses leverage social media to gain insights from their competitors, the majority of survey participants, comprising 49.5%, concurred, while 35.1% strongly agreed. A smaller segment, 10.8%, assumed a neutral position, with a mere 0.9% of respondents strongly dissenting. These findings align with the research of Harris and Dan (2012), who contend that Facebook posts hold the potential to go viral, with users sharing the brand content, often surpassing the value derived from the initial investment in Facebook advertisements. It is plausible to extract more benefits from earned media compared to paid media, as customer engagement endures well beyond the conclusion of the original marketing campaign. Moreover, the observations of Felix et al. (2017) posit that social media, when utilized as a marketing tool, engenders conversations and facilitates continuous interaction to nurture and cultivate a dedicated follower base.

4.2.3 Model Summary

The model summary is used to explain how much of the dependent variable can be explained by the independent variables. The results are in Table 3.

Table 3: Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	89.071a	.107	.178

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001

In binary regression analysis, both Cox & Snell R Square and Nagelkerke R Square serve as metrics to elucidate the extent to which independent variables predict the dependent variable. As illustrated in the table, the range indicated a Cox & Snell R Square of 10.7% and a Nagelkerke R Square of 17.8%. The findings suggest that a model incorporating independent (social media strategy) could account for approximately 1.7% of the variance in the profitability of the firms, as indicated by the Nagelkerke R Square value.

4.2.4 Classification Table

Classification table is used to determine the accuracy of the model to predict the binary dependent variable. The results of the study are shown in table 4.

Table 4: Classification Table

Observed	Unchanged	Predicted Probability Increase Profits	Percentage error
Profitability	Unchanged Profits	0	.0
	Increased profits	0	100.0
Overall Percentage			82.9

a. Constant is included in the model

b. The cut value is .5000

Source: Researcher (2023)

The binary regression model is employed for predicting events as either occurring or not occurring. In this particular study, a binomial model was utilized to forecast whether retail businesses in Kenya would experience a change in profitability or remain unchanged due to the implementation of online marketing strategies among retail supermarkets. The classification table demonstrated that the model achieved an accurate classification of 82.9% of values. Values exceeding 0.5 indicated an upturn in the profitability of firms, while values below 0.5 suggested that the profits of the firms remained unaltered following the implementation of strategic online marketing.

4.2.5 Regression Coefficients and Logistic Odds

The sought to establish whether there is an effect of the independent variable on the dependent variable. Binary regression analysis was therefore, conducted to ascertain whether the independent variables increase the odds of having profitable retail businesses. The results are shown in Table 5.

Table 5: Binary Logistic odds

	B	S.E.	wald	df	Sig.	Exp(B)
Social media marketing strategy						
Do not have a Facebook page	-	-	-	-	-	1.000
Have a business suit Facebook page	1.265	.525	5.805	1	.016	.282

a. Variable(s) entered on step.1: social media strategy,

4.2.6 Effect of social media Strategy on Profitability

The research also aimed to examine the effect of a social media marketing strategy on the profitability of retail businesses in Kenya. The study found that the social media marketing strategy was correlated with a B-value of 1.265, a Wald statistic of 5.805, and a p-value of 0.016, indicating significance as it was below the 0.05 threshold. The Exp (B) value was 0.282. The results indicated that having a Facebook page business suite, as opposed to those without one, increased the odds of profitability by a factor of 0.282, holding other variables constant, as indicated by the Exp (B) value of 0.282. This aligns with the findings of Kotler and Armstrong (2014), who emphasized the strength of social media marketing in attracting potential customers, irrespective of the business's size.

5. Conclusion

The study concludes that where the business owned a Facebook page business suite other than lacking a Facebook page increase the odds of profitability by a factor of 0.282 when other factors were held constant because the Exp (B) associated with social media marketing was Exp (B) =0.282.

From the analysis of the study social media is the most used tool in internet marketing. Use of social media (Facebook, twitter, Instagram) increase traffic to the website. Hashtag is a very important means used in social media to bring together people who have an interest in a particular subject. Social media provides a platform to increase a brand audience by telling stories that relate the product and service and to engage the customers. These stories help customers to relate to the retail and build a relationship that can develop over time. Social media marketing enables the spread of word about retail brand and undertaking as compared to traditional platforms since it gets the brand to the audience very fast and effortlessly as well as getting customers to see the brand even when they do not need it. Social media also makes it possible to learn from competitors and act accordingly in good time. However, social media trends change very fast, the supermarkets must keep in toe to remain afloat.

Recommendation

Social media is the most used by retailer, to reap maximum benefits from social media marketing retailers must raise their brand awareness by telling stories that relate to the products and service and engage customers through social media platforms including a Facebook page, Instagram, or even Twitter. Retail businesses need to create more Facebook pages with business suites because it adds chances for profitability.

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