# THE EFFECT OF ONLINE MARKETING ON COMPETITIVE ADVANTAGE OF A FIRM

CASE STUDY; KAYMU UGANDA

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A DISSERTATION PRESENTED TO THE FACULTY OF BUSINESS
ADMINISTRATION AND MANAGEMENT IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF A BACHELOR'S DEGREE BUSINESS
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#### **ABSTRACT**

The aim of this study was to assess the effect of online marketing on competitive advantage. The study considered E-mail marketing, mobile marketing and social media marketing as online marketing strategies. The study design was a case study and the area of study was Kaymu Uganda head offices on Ben Kiwunuka Street in Kampala and the respondents were randomly selected among the staff members thus the population total was55 and sample size of 48 respondents. Questionnaire was used as the instrument for data collection. Data from the field was analyzed using SPSS version 16 and descriptive statistics was used to analyze the data and correlation analysis was computed to test the relationship between the variables. The study revealed that the ismoderate weak positive and a significant relationship between E-mail marketing and competitive advantage, moderate strong positive and a significant relationship between mobile marketing and competitive advantage and moderate weak positive and a significant relationship between Social media marketing and Competitive advantage. The study recommended that Kaymu Uganda should give more serious attention to online marketing and endeavor to choose appropriate strategies that match for every product and service as well adopt and effectively fulfill the orders of customers in time. Social media is an indispensable factor of online marketing as all tenets of social media must be executed through its human capital; therefore Kaymu Uganda must endeavor to take Social media very serious for assurance of increased sales.

#### **CHAPTER ONE**

#### GENERAL INTRODUCTION

#### 1.0 Introduction

Business marketing has a great importance in enhancing the overall exposure to a company but today, also called internet marketing has taken over the world with its exceptional return on investment with almost zero investment. This provides reason for my choice of study. This chapter mainly explains; background, statement, objectives, Hypothesis, scope, significance and justification of this study

#### 1.1Background of the study

Chaffey (2009) defined E-commerce as both financial and informational electronically mediated transactions between an organisation and any third party it deals with. By the nature of business transactions, e-commerce can be classified into business-to-consumer (B2B), business-to-consumer (B2C), consumer-to-consumer (C2C), consumer-to-business (C2B), and intra-organisational e-commerce (Dou & Chou 2002). E-commerce transactions have grown significantly during the past years and are expected to continue growing with double digit annual growth rates (Daniels et al, 2008). One of the main reasons for the growth of B2C e-commerce is increasing number of internet users. According to Mulpura (2008), online marketing is a marketing strategy that involves the use of the internet as a medium to obtain website traffic, target and deliver marketing messages to the right customers.

Getting online is much cheaper than most businesses think and it is opening a whole new world of opportunity for attracting customers (Titman, 2012). The use of the Internet is increasing worldwide (Santana, 2010), therefore, it is imperative to determine the competitive advantage of a firm which is engaged in e-commerce in terms of their profitability, quality, and price of products offered. The Internet, as the most significant technological phenomenon

today, provides competitive opportunities to firms businesses of all sizes have the opportunity to build competitive advantage (Othman, et.al, 2010), The firm's competitive advantage is not only affected by the environment, but also depends on competitive strategy it involved. The competition strategy is the strategic choice that can influence firm's performance (Yan, 2010).

Small firms should use innovation strategy to obtain competitive advantage in rapidly changing environment. The adoption of new technologies, quality products and other organizational strategy related factors are also revealed to have important influence on superior performance of firms (Tang et. al., 2007). Business firms should rely heavily on developing competitive strategy in order to have competitive advantage in the industry (Strauss and Raymond, 2003). Online marketing has become an important consideration because customers can get items quickly without bargaining on price or quality and can order amazing variety of products (Yomnak, 2007). It is the conduct of business on the Internet, not only buying and selling but also servicing customers and collaborating with business partners. Many companies are rethinking their businesses in terms of the Internet marketing strategies like emails, blogs, social media, banners and mobile marketing and its new culture and capabilities (Koon and Husain, 2012). Companies are using the Web to buy parts and supplies from other companies, to collaborate on sales promotions, and to do joint research. Exploiting the convenience, availability, and world-wide reach of the Internet (Rouse, 2005).

Through e-commerce, carrying costs will decrease; thus, improve cash flow, and more dependable supplier schedules (Afzal, 2007). This would result in reduced costs including cost of goods, storage space, service, and insurance, negotiate better payment terms, take advantage of discounts, enter more long term contracts, improve the analysis of pricing changes (Ferguson, 2010). It makes each transaction more cost effective than a brick-and-

mortar business (Afzal, 2007). Likewise, E-commerce transaction has less burden of cost on the business, making each transaction more cost effective than a brick-and-mortar business, which leads to more cost effective product and service delivery in comparison with traditional shopping (Lorette, 2013). Anent to this, (Chang, 2007) found that the Internet makes it easier for a firm to compare prices as compared to visiting different physical storefronts, which is costly and time consuming.

Competitive advantage is an outstanding characteristic that makes a firm more desirable to consumers than competitors which include superior quality, lower price and better customer service (Clark, 2006). This can be measured by their sales volume, business growth and sustainable growth and awareness on how to gain competitive advantages through online marketing. As growing industries, this will help them to enhance their business potentials and capabilities in order to compete in the global market (Santana, 2010). This will be an avenue for them to conceptualize effective online marketing strategies to capture greater percentage of the market. Online marketing technologies present unique opportunities and challenges for firms and this will lead them in realizing their organizational mission and objectives.

#### 1.2 Statement of problem

Online marketing has become an important consideration because customers can get items quickly without bargaining on price or quality and can order amazing variety of products (Yomnak, 2007). While social media has existed for nearly a decade, the leveraging of these communication channels by for-profit companies still in its infancy, but is a growing phenomenon and the sales areas within these business organizations have been relatively slow to adopt the medium, which may be a result of general skepticism among salespeople(Lager, 2014). This research will address the issue of the loopholes in providing products that are advertised on the online site to the buyer but they can be solved by the improvement of these sites. These issues are simply caused by the online

site. In Uganda, internet users don't trust the system of paying and how the bought product is supplied.

## 1.3 objectives of the study

### 1.3.1General objective

To investigate the relationship between online marketing and competitive advantage of Kaymu Uganda

#### 1.3.2 Specific objectives

- To examine the relationship between Email marketing and competitive advantage ofKaymu Uganda
- To assess the relationship between mobile marketing and competitive advantage of Kaymu Uganda
- 3. To investigate the relationship between social media marketing and competitive advantage of Kaymu Uganda

#### 1.4 Research questions

- 1. What is the relationship between Email marketing and competitive advantage of Kaymu Uganda?
- 2. What is the relationship between mobile marketing and competitive advantage of Kaymu Uganda?
- 3. What is the relationship between social media marketing and competitive advantage of Kaymu Uganda?

#### 1.5 Scope of the study

#### 1.5.1 Geographical scope

The study will focus on Kaymu Uganda head office in Kampala central business district.

#### 1.5.2 Content scope

The independent variable is online marketing and the dependent variable is competitive advantage. The study will focus on online marketing variables like; email marketing, mobile marketing and social media marketing as strategies.. On the other hand, loyalty, market share and profitability have to be considered in measurement of competitive advantage.

#### 1.5.3 Time scope

The study considered information relating to the period of three years that is 2013-2015 in order to capture previous and latest statistics and trends to ensure reliability and validity for the presented findings.

#### 1.6 Significance of the study

This study will provide the online marketers information on how to have an upper hand in the market or competitive advantage. These include items will make online marketers the best in Uganda and the rest of the world.

This study will provide grounds for other researchers including investors to find out more on the issues concerning online marketing. This will be enabled by the review of the literature.

This study will be significant to the policy makers thus enabling them in formulating accurate taxes and policies which have made the Kaymu fulfil their social and corporate responsibilities plus how it affects its economic factors.

This research will give potential or companies interested in adopting this marketing type information on how it works and its effects to an organisation

#### 1.7 Justification of study

Ugandan businesses can exploit opportunities beyond local borders if they utilise opportunities in Information and Communications technology has to offer. Local businesses like KAYMU, OLX, LAMUDI, COASTNET ETC are increasingly taking on online marketing in an effort of market their products across the globe with ease of clicking. They are also promoting local products over the internet therefore it's a medium for making our products known to wider clientele since they are East African and African based. However, online marketing in Uganda is still in its rudimentary form. Compaines still lack the essentials for online trade. They miss the capacity to supply to online buyers in further countries like United States or Europe. Kaymu Uganda has some loopholes in its methodologies and therefore if research is not carried soon the market will lose interest and excitement.

It will provide information of the cons, pros of the sector its involved, ways to improve the marketing type and an analysis of how Kaymu Uganda has attained its competitive advantage.

#### 1.8 Definition of key terms and concepts

Online marketing: uses the internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing (SEM), social media marketing many types of displayed advertising (including web banner advertising) and mobile marketing.

**Competitive advantage:** occurs when an organisation acquires or develops an attribute or combination of attributes that allows it to outperform its competitors. These attributes can include access to natural resources, skilled personnel human resources and new technologies

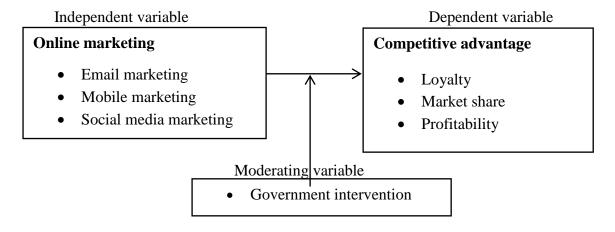
**Email marketing:** involves both advertising and promotional marketing efforts via e-mails messages to current and prospective customers.

**Social media marketing:** involves both advertising and marketing efforts via social networking sites like Facebook, Twitter, YouTube, Whatsapp including others

#### 1.9 Conceptual framework

Many companies are rethinking their businesses in terms of the Internet marketing strategies like emails, blogs, social media, banners and mobile marketing and its new culture and capabilities (Koon and Husain, 2012). Competitive advantage occurs through an outstanding the characteristics that make a firm more desirable to consumers than competitors which include superior quality, lower price and better customer service and this can be measured by their sales volume, business growth and sustainable growth (Clark, 2006)

Figure 1: conceptual framework



Source: (Koon and Husain, 2012; Clark, 2006) and modified by the researcher

The figure illustrates the relationship between the independent variables, dependent variables and the moderating variables. The variables in the conceptual framework are further divided into their indicators which are email marketing, mobile marketing, and social media marketing for the independent variable which is online marketing and then, loyalty, market share and profitability for the dependent variable which is performance. All these variables

are influenced by the moderating variable which is government intervention in marketing activities since government has to monitor business activities for different purposes. .

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.0 Introduction

This chapter intends to explore the available and relevant data regarding the researchers' topic of interest as pointed out and discussed in different by various scholars.

#### 2.1The concept of online marketing

The use of the internet for marketing has been a natural progression and particularly matched the relationship marketing concept. The internet allows businesses to communicate with consumers more quickly, more powerfully and often more cheaply. It has also helped marketing firms to collect consumer data, customize production and target potential customers. With its goal of soliciting and retaining customers, marketing has jumped on the Internet "band wagon" at break-neck speed (Chiger, 2008). For example, as prospects visit Web Sites, they leave a trail of information that includes e-mail addresses and clues about their lifestyle and interests (Bush et al, 2010). New information technologies give businesses fast new ways to interact and develop long term relationships with their customers and suppliers. Marketers using the internet have an increased ability to research, record and analyse customer behaviour and preferences.

The cost of this tracking and analysis is now within the reach of most businesses. The cost of tracking consumers is not the only cost reduction available. Advertising costs can also be lower. Advertising on a web site might cost individuals less who view it and direct mail could also reduce cost (Mack, 2011). Communication, relationships, speed and cost advantages have encouraged marketers to use the Internet, making use of a range of different practical developments. The following section outlines some of these developments. Web advertisements are typically one or two pages long and represent the Web's version of traditional print advertisements (Smith, 2006) Information pages provide an online brochure

for products and services. More recent developments have taken the form of interactive sites using multimedia, including animated graphics and streaming video.

#### 2.1.1 Search Engines

With the huge uptake of web sites on the internet, search engines have become essential. Even with the most awesome web site in place, a business cannot expect to relate to customers unless those people can find their business. Marketers have also been quick to discover that "most people look at only the first 20 listings returned by a search engine. And even the most advanced search engine can profile only a fraction of the Internet (Duggan and Deveney, 2009). As a result, marketing efforts are made to improve the position of sites on key search engines. More recently companies have been buying the rights to key words on search engines in order to appear earlier on the result list than their competitors (Mack, 2011). Along with improving the ability of search engines to find sites, marketers have focused on the numbers of people using search engines. The search engine owners themselves have made use of this by selling advertising on their site and even displaying different advertising depending on the keywords being searched for.

#### 2.1.2 Online Shops

A development that is the next step, beyond information pages and brochures, is the development of on-line shops. Allowing customers to not only view the product or service but also to order it includes more of the marketing process. Travel tickets, books and even cars or houses can be purchased on-line. On-line shops offer the customer the convenience of 24 hour, 7 day per week access rather than the normal business hours (Smith, 2006). More and more companies are making use of on-line shops. In the year 2000 it is expected that 24 percent of U.S. companies were selling products over the Internet (Abrahamson, 2008). Online shopping sites allow the shopper to browse the web site and add items to their shopping cart. When the shopping activities are completed, the customer goes to the check

out and pays for the items selected using a credit card or meeting sellers and pay in person (Smith, 2006).

#### 2.2 Competitive advantage concept

Competitive advantage is the asymmetry or differential in any firm attribute or factor which allows one firm to better serve the customers than others and therefore create better customer value and as well achieve superior performance (Bramhe, 2011). According to Alsheikh and Bojei, (2012) there are several ways, in which distinctive competitive positions can be developed and maintained; one such way is through product service differentiation, which offers a clear image of a firm as well as its products/services in the eyes and minds of customers. Decisions regarding the design of the organisation as well as the firm's competitive strategy are very essential in order to gain competitive advantage and thus improve firm performance (Kanniainen 2010).

According to Kanniainen (2010), the knowledge of theory when combined with contextual insights can also be an important resource through which certain conditions can yield competitive advantage. Thus it therefore means that knowledge is very important for firms and the individuals in it. This knowledge can therefore be acquired in a variety of ways including, research on concepts and theories, observation of other firms, learning from its own experiences, as well as reflection on their own successes, failures and trials. A contrary view on the other hand states that knowledge alone is not necessarily sufficient in acquiring competitive advantage. A firm therefore needs to go further to look into its structure so as to determine whether it serves it well.

In an effort to provide a description of competitive advantage the resource based view (RBV) theory is used. It explores the role of key resources which are identified as intangible assets and capabilities that increases competitive performance. At its core is the relationship

between customer value, competitive advantage as well as superior performance (Clulow, et al., 2007). According to the theory, key resources exhibit particular characteristics that enable a firm to implement strategies which meet the needs of customers thereby offering the business' ability to ensure a sustainable competitive advantage. The competitive advantage secured by the key intangible assets which are identified with the use of resource based view then are reflected in the superior performance of firms which is again measured in financial terms such as higher profits(Porter, 2008).Porter goes ahead to outline conditions suitable for competitive advantage to arise. He adds that resource durability and imitability is vital for a firm to survive gain competitive edge. Companies are requested to make use of information technology. Through the use of E-marketing, they are able to differentiate their products and services and thus create more value for the customer, create new products, or improve production efficiency and cost advantage (Porter, 2008).

According to Porter (2008), an effective competitive strategy takes offensive or defensive action in order to create a defendable position against the five competitive forces. After analyzing the Five Forces, a company is able to state about industry profitability and attractiveness. A strategist can come up with the strengths and the weaknesses of an organization and is able create a plan for a stronger position within the industry. Managers are able to set a higher focus on the external environment in comparison to the traditional 'SWOT' analysis. The goal of the Five Forces framework is not only to assess industry profitability and attractiveness but also to comprehend the underpinnings of competition and the root causes of profitability.

Firms are currently facing aggressive competition and unlimited opportunities; this is because they are forced to find a new basis for competition and in doing this firms are forced to examine their strengths and opportunities so that they take a competitive position in a competitive market place (Anderson, 2010). The only thing that matters for service

innovators to be successful in the long run is not only being able to launch a service innovation once, but also to be able to introduce as well as exploit service innovations repeatedly (Hertog, et al., 2010). Porter's Five Forces model is a powerful management tool for analyzing the current industry profitability and attractiveness by utilizing the outside-in perspective. It employs information technology as a tool for implementing change. But in recent days, information technology has a much advanced status in today's business world which makes it qualify as a factor and catalyst for change. The Competitive Forces oversimplified the micro-economic theory by using only Five Forces. It provides the opportunity to examine and evaluate complex interactions of competitors in an industry in a structured way (Porter, 2008).

#### 2.3 Effect of Email marketing on competitive advantage

E-mail marketing is a form of direct marketing which uses E-mail as a means of communicating commercial or fund-raising messages to an audience (Riazi, 2011). In its broadest sense, every E-mail sent to a potential or current customer could be considered E-mail marketing (Jenkins, 2009). However, the term is usually used to refer to: 1) Sending E-mail messages with the purpose of enhancing the relationship of a merchant with its current or previous customers, to encourage customer loyalty and repeat business 2) Sending E-mail messages with the purpose of acquiring new customers or convincing current customers to purchase something immediately 3) Adding advertisements to E-mail messages sent by other companies to their customers (VanBoskrik et al, 2011). Permission based email marketing is sending electronic mail using email software with commercial intentions that require pre-approved permission from the recipient (Jones, 2009). It is called also opt-in marketing practically meaning the same thing (Godin, 1999). It seems that legislative definition of permission based and unsolicited email pave acceptance and clarity to email marketing as a marketing communication channel.

When recipient agree to provide information to get commercial solicitations, marketing can become more personalized and efficient (Cases et al. 2010). E-mail marketing has quickly become the preferred method of contact for businesses looking to cut expenses, connect with buyers and increase profits. Email is a popular and cost effective communication channel, especially for SME markets due to low operational costs (Chaffey, 2010). Low operational costs and measurability makes email widely used and desirable direct marketing communication channel. Even though, social networks and instant messaging are increasing rapidly and have surpassed email as most used medium email is still forecasted by some studies to increase to nearly 4.1 billion email accounts at the end of 2015 (The Radicati Group, 2011).

In terms of creating brand awareness it is important for companies to real-time track the content of e-mails and digital media like Google+ where information flow is very fast and interactive (Metric, 2009). On one hand, rapid spreading of proactive contents has high level of impact on creating brand awareness. Monitoring, controlling and managing of proactive e-mail content by organizations is very important for the corporate identity of the company. Tolba and Hassan (2009) noted that E-mails create paid digital content where content is shared in a controlled way. Corporate web sites, SMS, EMS, MMS, IVR, banners, sponsorships, micro-web sites, search engine advertisement, in app advertisement can be given as examples of marketing communication tools that create paid digital content. Corporate web sites are official showcases of companies on digital environment (Ambler, 2004). Corporate web sites can be defined as the media where the most reliable digital content is available, which allows corporate identity for the brand to be seen. Web site content is,

generally, the corporate identity of the company, product and services, communication information, history, company vision and mission (Rettie et al., 2005).

Increased volumes of spam is a pest for email marketers, that requires more skills and knowledge to keep gaining good results from email direct marketing. Many companies still send unsolicited emails (MAAWG, 2011) even though it has been recognized as an unproductive and illegal direct marketing channel for more than a decade (Allen, 1997; Sterne, 2000; Mehta & Sivadas, 1995; Tezinde et al, 2002). However, lowered operating costs might explain unsolicited email as a direct marketing medium among other variables as well as lack of knowledge to process information from the recipient's point-of-view (Pavlov et al. 2008). Gopal et al. (2001) study showed that 0, 5 % response rate was enough to gain cost-effectiveness in commercial unsolicited email campaigns.

#### 2.3.1 Advantages of E-mail Marketing

**Most of what you invest, you get.** Recent research shows that for every dollar invested in E-mail marketing, you can expect that according to the Direct Marketing Association, E-mail marketing in 2009, acquired for \$ 43.52. So E-mail Marketing has the highest return on investment than other marketing methods (Jenkins, 2009).

It is very meaningful. You can customize messages for different customers and provide contents and promotions that are consistent with their profile. Finally, your customers acquire what they want and thus they obtain better view about what each section of current business will respond. So you can continue to send more relevant E-mails (Sutton, 2011).

**Measurability:** By E-mail marketing, you can easily find the number of E-mails sent, number of E-mails that have been opened and that those who have opened up, the number of people who are not registered, and click rate (which includes the link been effective and who clicked on it) (Littell et al, 2008)

It is easy; Creating a marketing message via E-mail isalmost as easy as writing an E-mail (Jenkins, 2009).

**It is automatic.** E-mail marketing has a tool called an "auto responder". For example, if you want to send a campaign message to your recipients on special days you just create the messages and schedule it (Jenkins, 2009).

It is fast and efficient: Timing is everything, so it can be said: this is a quick and efficient way. Promotions through E-mail with a clear call to action can have tremendous impact on earnings since use of E-mail marketing helps to create and schedule message to customers on special offerings(Jenkins, 2009). E-mail marketing is known as a permission marketing and it is one of its advantages because it allows customers to decide whether they want to be reached via E-mail (Sutton, 2011)., mass customization are enabled by E-mail marketing so each message is unique to each customer, it helps marketers to inform the success of their promotions easily and quickly, it provides a major insights into the recipient's actions through measurable events such as message open, hyperlinks clicked (Littell et al, 2008).

#### 2.3.2 Disadvantage of E-mail Marketing

However, as the dynamic world of marketing has progressed, analysts are have encountered some disadvantages to e-mail marketing that have made other alternatives like direct marketing campaigns or text campaigns look more appealing.

**Undelivered E-mail:** These days many ISPs use complex junk-mail filters. So there is no guarantee that your E-mails are getting into your audience inbox. Also, it is possible that individuals delete an E-mail from someone who is not in their contact list. This is increasingly becoming a disadvantage of e-mail marketing (Fusion, 2011).

**E-mail response decay:** It's not easy to keep subscribers actively engaged with your company in the long-term (Business Marketing Plan. 2011).

**Renderability.** Difficulty of displaying the creative as intended within the in-box of different E-mail reading systems. Your subscribers may want a message with "unsecured" items such as color, graphics and links that not all browsers will support them. Finally, your recipient will instantly close the window or you will have to just settle for the drab all-text E-mail (Business Marketing Plan. 2011).

**Expenses.** Some people and technology resources are required to deliver a sophisticated E-mail newsletter that engages the consumer. Even though E-mail marketing is very inexpensive to propagate, the outcome could wind up costing a lot more if a judge deems your messages "useless spam (Business Marketing Plan. 2011).

**E-mail Overload.** When an E-mail gets through to the consumer, there is so much E-mail that needs to be looked at sometimes it is difficult for the individual to distinguish between solicited and unsolicited E-mail, as well as have time to read through the E-mail (Clifton, 2012). Another disadvantage of E-mail marketing is to transmit many software viruses and it makes customers to become suspicious even to the trusted sources and market (Fusion, 2011).

#### 2.4 Effect of Mobile marketing on competitive advantage

The mobile phone has emerged as an important channel for marketing communications, thus drawing enormous interest from both marketers and consumers (Karjaluoto et al., 2004). According to the International Telecommunications Union (2012), mobile phone users now stand at 6 billion globally. Feature phones form the majority of these phones while smart phones stand at about 1 billion. Therefore, mobile phones present the greatest opportunity of all connected devices (Notebooks, desktops, mobile phones, tablets, and ultra-mobile Portable Computers) as a marketing platform. The Mobile phone presents several marketing communication vehicles since its not limited to Mobile search, Mobile video, Mobile display

and Mobile messaging. One avenue of mobile marketing that has received significant attention is Mobile messaging through the short message service (SMS) marketing. SMS is an application that allows mobile users to send a text message of up to 160 characters between mobile devices (MMA, 2008). Sending short messages is also commonly known as texting or text messaging. To date, SMS has become the most popular of all mobile applications (Salo et al., 2008). In 2010, the number of text messages sent globally reached 6.1 trillion, or about 600,000 text messages are sent every second (International Telecommunication Union, 2010).

Mobile marketing is taking over the marketplace due to the fact that it increases the competitiveness of the brand hosting the application service since it eliminates the cost that the customer would have incurred in moving from one end of the town to the other by solving their need in split second through a few taps on the mobile phone (Bellman *et.al*, 2011). These mobile applications are software developed for small low - power hand-held devices (in this context the mobile phones) which are sometimes preinstalled by the manufacturer of the mobile phone and other times downloaded by the user (Holzer and Ondrus, 2009). Some of these apps are developed in open source communities, while others are developed in-house by the owners (Canessa et al., 2010). Apps are the order of the day for most Smartphone users as they provide quick, direct, and easy access to the platform of the chosen service provider (Christ, 2011). For example, at the convenience of lying in bed, transactions can be carried out expeditiously.

Mobile Marketing can generally utilize two types of strategies: push and pull. With about 7 billion people living in our world today and hundreds of millions of them interconnected via social media channels like Facebook, Twitter, LinkedIn, Yahoo, and a host of others, companies are now able to capture chunks of customers spread across the globe (Associated Press, 2011). This is fuelled by the rapid increase in development of innovative

technology and continued drive to lower costs. One of the strengths of marketing is the way it constantly adapts and responds to changing conditions" (Hub, 2005). InMobi, (2011) pointed out that India and China collectively added about 300 million new mobile subscriptions in 2010. Perhaps it might be tasking, if not impossible to find some other item gaining similar level of penetrations and spread into the global market according to Chen, et al. (2009) referring to the mobile phone as an indispensable implement. It could be interesting to note that over 1.3 billion handsets were sold in 2010 (InMobi, 2011).

Short Message Service has now become an integral part of many firms' marketing mix and is effectively used in various applications, such as advertising, games, coupons, and information services. Many retailers have now adopted text messaging as a regular channel for customer service, such as promotional updates and for tracking orders (Shankar et al., 2010). When designing an SMS campaign, there are several types of messages available to reach consumers, each defined by its unique features. These include personalized, interactive, or even plain messages with no added features. Personalized mobile advertising refers to the tailoring of promotional messages sent to mobile devices based on a combination of user parameters, such as demographic profile, preference, context, and content (Xu, 2007). Mobile marketing offers a wide array of benefits for marketers, including maintaining customer relationships, influencing consumer attitudes toward an ad, improving a company's marketing performance and increasing campaign response rates (Barutcu, 2007).

The mobile web affords the Smartphone or tablet computer users the opportunity to connect through a wireless network to the internet using internet-connected applications (Rabin and Mc CathieNevile, 2008). This among others ended the restrictions of customers to having to wait till they get back to office or their home before they can weigh their options (Jaokar and Fish, 2006) thus, right on the go, options can be weighed and decisions taken which can constitute a threat to competitors. Apart from becoming informed, customers also want

to take actions at the instance of the need as they want seamless access to the entire range of products (Srinivasan et al., 2002), and since it is practically impossible to have stores located on every street, providing customers with online access to almost everything they would find in the physical store would go a long way in creating value for the customer thus leading to loyalty (Srinivasan et al., 2002). Mobile Application is an essential tool for brand awareness in the sense that it offers services on the same platform as the mobile phone.

Marketing efforts are usually targeted at determining what products and services are of interest to customers, and coming up with ways to get them to buy them (Kotler and Armstrong, 2001). Today, companies attempt to identify the customer, discover the customer's needs, satisfy them, and keep the customers (Hub, 2005). It is noteworthy that marketing strategies have changed over the years with respect to the changing tastes and preferences of customers (Kotler and Armstrong, 2001). Thus, since customer needs will still continue to witness more and more changes, marketing strategies will keep improving (Hub, 2005). Marketing strategy has evolved from the production orientation where firms focused on producing as many units of products as possible to the product orientation where the focus was on the quality of product being offered. Then from the product orientation to the selling orientation where there was little concern for what the customer wants, rather the focus was on selling what the company produced. Later, companies adopted the marketing orientation which required that they identify what customers" needs and wants were and develop the products and services to satisfy those needs and use mass media to make the offers known to them (Learn Marketing, 2011).

#### 2.5 Effect of Social media marketing and competitive advantage

Social media has been defined as a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user generated content (Kaplan and Haenlein 2010). As the definition suggests, technological advances now allow online users to collaborate and co-create content on the internet. An important underpinning of social media is the idea that individuals are connected via social networks and tend to communicate with other individuals in their network and create wide customer coverage (Kozinets et al. 2010). The co-creation of content and lack of centralized control is what makes social media unique from other technological resources available to the sales force. Unlike customer relationship management software, organizations do not possess complete control over the content created and distributed via social media applications. Rather, they must learn to leverage a resource in which they have limited control and the customer has greater influence.

The term Web 2.0 was coined in 2004 to describe a new method of how internet users collaborate and co-create online content (Kaplan and Haenlein 2010). This term emerged largely because of the development and speedy diffusion of social networking sites such as MySpace (launched in 2003), LinkedIn (launched in 2003) and Facebook (launched in 2004). While social media has existed for nearly a decade, the leveraging of these communication channels by for profit companies still in its infancy, but is a growing phenomenon. The sales areas within these business organizations have been relatively slow to adopt the medium (Lager 2009), which may be a result of general skepticism among salespeople. Reporting on a study by the sales consultancy ES Research Group, Tsai (2009) notes that only a small percentage of sales representatives believe social media can be used to help win sales. For example, approximately one-third believe LinkedIn helps win sales; only 10% said the same about Facebook, and less than 5% believe that Twitter can be leveraged to secure sales.

Nevertheless, there is growing recognition that social media applications are useful for monitoring a firm's brand image, competitive advantage and engaging customers (Aquino 2012). In 2011, approximately61% of Fortune 500 companies used Twitter, while 58% used Facebook, and 23% used Blogging (Barnes and Andonian 2011). While actual adoption has been slow, there is a growing appreciation for the relevance of social media in B2B sales. Searcy (2012) argues social media is a valuable tool to gather information to help build a profile on prospective buyers. This perspective mirrors the developing concept of Social selling which suggests that the engine driving sales is changing from who the salesperson knows to what the salesperson knows about who they know (Sexton 2012). Responding to the notion that chance favors the prepared mind, social CRM tools like Inside View help sales a team understand potential customers better and allows them to know before they go, which leads to more accurate proposals (Ostrow 2011).

According to Aquino (2012), social media applications are moving up the value chain from being simply novelties to viable communication mechanisms. Several services have emerged, providing a variety of solutions along the continuum from social media monitoring to social media engagement. Sprout Social, Inside View, Sysomos, Cymfony, and Attensity are just some examples (Aquino 2012). Broadly, these providers span popular social media websites such as Facebook, LinkedIn, Twitter, and Pinterest to present consolidated information and analytics in a usable format. These solutions are gaining traction in the B2B space. For example, Inside View has several B2B customers including Trinetan HR outsourcing company and the business software/ hardware provider ORACLE. Similarly, Sprout Social counts among its clients the computer components manufacturer AMD and software developer Adobe.

Social media applications are resources that are available to the organization as a whole, and often available to individual members within the organization. As stated above, social media usage is relatively new, which suggests individuals may not be thoroughly versed at how to best leverage these resources. Additionally, companies often grant access to their official social media applications to a small number of employees, such as those in the marketing or new media departments (Kaplan and Haenlein 2010). As a result of the newness of social media and traditional organizational structures, the sales force may not feel comfortable with or have the knowledge to leverage these tools. However, the sales force within an organization that has a high degree of inter-departmental cooperation will likely be more aware of the firm's overarching social media strategy and be more comfortable with the resources as a whole. By collaborating with fellow employees who may be more knowledgeable about social media, the sales force will be able to absorb that knowledge and use it in their individual sales processes(Kaplan and Haenlein 2010).

Social media can be useful in collecting and internally sharing this valuable customer information and being able to collect customer-generated information, social media also facilitates a collaborative, two-way communication between customer and company(Bijmolt et al. 2010). Through social media, customers can communicate directly to companies, and companies can then respond to customers in real-time which allows customers to co-create value, collaborate in the innovative process, and provide suggestions for service and product improvements (Bijmolt et al. 2010). Research indicates that customers often develop loyalty to salespeople as opposed to the company itself (Palmatie et al, 2007). This suggests that customers may be more willing to communicate with and share valuable information with their sales representatives as opposed to an unfamiliar anonymous company employee. Through the use of social media, the sales function can facilitate valuable customer supportive behaviors which should also help enhance firm performance. The social

networking capability can be one of the most valuable characteristics of social media to organizations (Trusov et al, 2009). Individual users (i.e., customers) within the social media world are linked to other users through their "personal network". This social network likely consists of other like-minded individuals who are, at least in some capacity, attracted to similar product and service offerings. Social media use allows the sales force to access customers' social networks to generate potential leads and ultimately help them to expand their business.

#### 2.6 Conclusion

There has been an enormous amount of research conducted on the effects of online marketing in organizations. In this regard, this study sought to establish the effect of online marketing on the competitive advantage of a firm. The attitudinal results presented in this study provide support for the claims of online marketing proponents that allows companies to enhance sales, improve service quality, and reduce costs. online marketing in this sense, would be beneficial to organizational performance.

#### **CHAPTER THREE**

#### METHODOLOGY OF THE STUDY

#### 3.0 Introduction

This chapter presents the methodology that was used to carry out the study. This chapter describes the research designs, sample procedure, size and sampling technique, data instrument and collection tools as well as data management and analysis, population of the research, ethical considerations and the difficulties/limitations encountered during the research.

#### 3.1 Research design

Research design provides the conceptual framework within which research is conducted; it constituted the blueprint or roadmap for the collection, measurement and analysis of data (Kothari, 2007). A case study design was used since it is considered as a multi-method approach (Gillham, 2000). The researcher used quantitative approaches for data collection. A study is classified quantitative if you want to quantify the variation in a phenomenon, situation or problem and here analysis is geared to establish the magnitude of the variation (Kumar, 2005). The quantitative approach yielded numbers, graphs and tables.

#### 3.2 Area of study

The study will be conducted at KaymuUganda office at Arua Park in Kampala city. The area of study was sufficient for the researcher since it is the head office of the organization

#### 3.3 Study population

According to Ngechu (2004), a population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated to generalize the results. The study population included company computer operators, managers, and also the website users of Kaymu Uganda. An estimated population of 55people was targeted for this specific research.

#### 3.4 Sample size and selection

The researcher used convenient sampling where respondents were selected by being easily accessible. A purposive sampling technique was alsoused to gather information. The researcher used a sample of 48 respondents determined by Krejcie and Morgan table (1970) for sample size.

#### 3.5 Data Sources

**Primary sources:** the researcher directly reached out to the respondents through various data collection instruments such as interview for the study purposes and questioners.

**Secondary sources:** The researcher used document review related to the study, newspapers, books and online journals such that required data to facilitate the study was obtained.

#### 3.6 Data collection methods and instruments

Data was collected using primary source method since primary data is the first hand information obtained from respondents through use of questionnaires (Sekaran, 2006).

#### 3.6.1 Questionnaire

The primary data was collected through use of questionnaires and was constructed and administered inform of open and close ended self-administered questionnaires. The respondents were to answer on how they agreed or disagreed with the statements in the questionnaire

#### 3.7 Quality Control Methods

## **3.7.1 Validity**

Shiu et al (2009) postulated that, validity is the degree to which a research instrument serves the purpose for which it was constructed; it also relates to the extent to which the conclusions drawn from an experiment are true. Before the actual study, the instruments were discussed with the supervisor and research experts. The feedback and recommendations from the

supervisor and research experts helped in modifying the instruments such that correct ad valid data was captured for analysis.

#### 3.7.2 Reliability

The researcher conducted a test and re-test method from the same respondents to ensure a degree of consistency and precision in case the same instrument was employed the second time to the same respondents. This was performed through presenting the formulated questionnaires to the respondents the first time of collecting data and then presented the same questionnaires to the same respondents after a period of two days to enable the researcher establish whether the results acquired the first time were close or exact as those acquired the second time data was collected.

#### 3.8 Measurement of variables

The independent variable was online marketing and the dependent variable was competitive advantage of a firm. A structured standard questionnaire was used. The tool was to solicit responses on a five point likert scale with the following verbal anchors: would be: 1) Strongly disagree, 2) Disagree, 3) Not sure, 4) Agree, 5) strongly agree which will be used to measure the variables. This was used to determine the level of agreement and disagreement in responses.

#### 3.9 Data management and Analysis

The field data was managed, analyzed and presented using quantitative methods.

#### 3.9.1 Quantitative data

Data from questionnaires was summarized, coded, tabulated and analyzed. Editing was done to improve the quality of data for coding. Coded data was then be fed into the statistical package for social sciences (SPSS) version 16. This version of SPSS was selected for analysis since it offers a more user friendly interface and can easily be linked with Microsoft

office utility programs. Descriptive statistics was employed to analyze the data since it helps to generate mean scores, standard deviation and correlation analysis in form of tables and pies.

#### 3.10 Ethical considerations

The researcher requested for permission from the administration to carry out this research hence presented a letter to the management where the research was conducted.

The researcher ensured that responses from recipient especially personal or sensitive matters were kept confidential and well protected and ensured that information on respondent's attitude, feelings or personal life was not disclosed.

The researcher cited all the sources used in the study either in the literature or appendices and also accessed data through official channels

#### 3.11 Limitations of the study.

There was challenged by the cross-sectional time dimension used for collecting data since it was a short period to get information and this was minimized by use of case study design.

There was financial incapability in terms of transport and costs in printing which created, hardship to process the investigation of the problem due to limited finance.

The study was limited by scope due to the fact that it was carried out in a single firm and this did not permit a comparison of information with two or more firms.

#### 3.12 Conclusion

This chapter will give a researcher an understanding on how data will be collected and analyzed during the study. This will include understanding the population and the sample size which will be sampled during the research. Therefore through these methods, the researcher believes the information to be presented will be of a required result that is valid and reliable.

#### **CHAPTER FOUR**

#### DATA PRESENTATION, ANALYSIS, AND DISCUSSION OF FINDINGS

#### 4.0 Introduction

This chapter presents the research findings that were captured from the field of the study. The chapter presents, interprets and discusses the findings of the study "The effect of online marketing on competitive advantage". The presentation of findings is arranged in accordance with questions in the questionnaire which were prepared for the research. Therefore 48 questionnaires were designed for the studies therefore were responded to duly during the study giving a response rate of 100%.

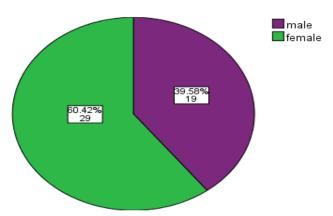
#### 4. 1 Background Information of the Respondents

In this section, efforts are made to document the background information of the respondents such as gender, education qualification and duration in the organisation.

#### **4.1.1 Gender of the Respondents**

The research study sought to establish the gender of the respondents who participated in the study. The figure below presents the findings of the study

Figure 1: showing gender of respondents



Source: primary data (2016)

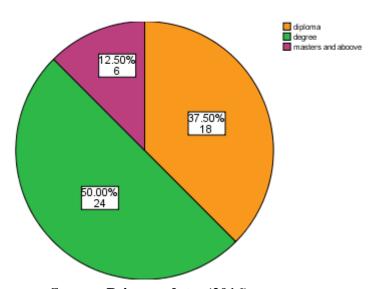
Pie 1, indicates that there were more female respondents than the male respondents. This is shown by the females having a percentage of 29(60%), while the male are shown by a

percentage of 19(40%). This therefore implies that during the research most of the respondents were females since females provide good customer service and care than males.

### 4.1.2 Respondents' level of Education

The researcher had interest in knowing the academic qualification of respondents so that he could establish whether employees are technically skilled and also whether they have acquired formal education

Figure 2: showing the Level of Education



Source: Primary data, (2016)

Results from pie 2 above indicated that majority of the respondents 24(50%) had attained degrees, 18(27.5%) had attained diploma, the 6(12.5%) had masters and above. This possibly meant that respondents had a good educational background and fully understands the concept of online marketing and competitive advantage.

### **4.1.3 Duration spend in the organization**

In this study, Duration spend in Kaymu Uganda was analysed and details are presented in pie 3 below.

43.75% 21 56.25% 27

Figure 3: Showing Duration spend in the organization

Source: Primary data, (2016)

Results shown in pie 3 revealed that 27(56.2%) respondents have worked with Kaymu Uganda limited for over a period of 0-5 years, 21(43.8%). This probably meant they had much knowledge about online marketing and its effect on in terms of sales volume and competitive advantage.

### 4.2 Descriptive Statistics basing on study objectives

In the study, analysis was also based on study objectives and results were presented on the following statements; email, social media and mobile marketing strategies. Therefore the mean level of agreement was computed as (5+4+3+2+1)/5=3.0. This therefore implied that all responses averaging 3.0 and above amounted for Agree whereas all responses averaging below 3.0 accounted for Disagree.

#### 4.2.1 E-mail marketing and competitive advantage

Table 1: Descriptive statistics on E-mail marketing and competitive advantage

Details		•			Std.
	N	Min	Max	Mean	Deviation
E-mail messages help to acquire new customers and convince current customers to purchase	48	1	5	4.00	.744
E-mail Marketing increases returns on investment of a company	48	1	5	3.98	.785
E-mail Overload makes it difficult for the individual to distinguish between solicited and unsolicited E-mail, as well as have time to read through the E-mail	48	1	5	4.04	.683
Mass customization are enabled by E-mail marketing by informing customers about promotions easily and quickly	48	1	5	4.02	.785
Use of E-mail marketing helps to create and schedule message to customers on special offerings	48	1	5	3.98	.785

Source: Primary Research Data, (2016)

# 4.2.1.1 E-mail messages help to acquire new customers and convince current customers to purchase

Findings further revealed that respondents with a mean value of 4.00 agreed that E-mail messages help to acquire new customers and convince current customers to purchase. This is in line withVanBoskrik et al, (2011) who noted that sending E-mail messages with the purpose of acquiring new customers or convincing current customers to purchase something immediately 3) Adding advertisements to E-mail messages sent by other companies to their customers. However a standard deviation of value 0.744 of respondents was in a disagreement with the statement. This can imply that use of E-mail messages can help a Kaymu Uganda to acquire new customers and convince current customers to purchase their products and services.

#### 4.2.1.2 E-mail Marketing increases returns on investment of a company

The findings determined that respondents with a mean value of 3.98agreed that E-mail Marketing increases returns on investment of a company. This is supported by Jenkins, (2009).in a research who affirmed that for every dollar invested in E-mail marketing, you can expect that according to the Direct Marketing Association, so E-mail Marketing has the highest return on investment than other marketing methods. However a standard deviation value of 0.785 of respondents were in a disagreement with the statement which can mean that E-mail Marketing is important and worth using since it increases returns on investment.

### 4.2.1.3 E-mail Overload makes it difficult for the individual to distinguish between solicited and unsolicited E-mail, as well as have time to read through the E-mail

The field data collected indicated that respondents with a mean value of 4.04 agreed that E-mail Overload makes it difficult for the individual to distinguish between solicited and unsolicited E-mail, as well as have time to read through the E-mail. This is line with Clifton, (2012) who stressed that when an E-mail gets through to the consumer, there is so much E-mail that needs to be looked at sometimes it is difficult for the individual to distinguish between solicited and unsolicited E-mail, as well as have time to read through the E-mail. However a standard deviation of value 0.683 of respondents were in a disagreement with the statement which can means that there should limitation on emails sent to customers to avoid email overload which makes it difficult for customers to distinguish between solicited and unsolicited E-mail.

## 4.2.1.4 Mass customization are enabled by E-mail marketing by informing customers about promotions easily and quickly

The findings estimated that respondents with a mean value of 4.02 agreed thatmass customization is enabled by E-mail marketing by informing customers about promotions easily and quickly. This is in line withLittell et al, (2008) who elaborated that mass

customization are enabled by E-mail marketing so each message is unique to each customer, it helps marketers to inform the success of their promotions easily and quickly, it provides major insights into the recipient's actions through measurable events such as message open, hyperlinks clicked. However a standard deviation of value 0.785 of respondents was in a disagreement with the statement. This can imply that E-mail marketing aware customers about promotions easily and quickly which enables mass customization.

### 4.2.1.5 Use of E-mail marketing helps to create and schedule message to customers on special offerings

The study revealed that respondents with a mean value of 3.98 agreed that use of E-mail marketing helps to create and schedule message to customers on special offerings. This is in line with Jenkins, 2009) who noted that promotions through E-mail with a clear call to action, can have tremendous impact on earnings since use of E-mail marketing helps to create and schedule message to customers on special offerings. However a standard deviation of value 0.785 of respondents was in a disagreement with the statement. This can imply that creation and scheduling of message to customers on special offerings becomes easy by use of E-mail marketing.

Table 2: Correlation analysis between E-mail marketing and competitive advantage

Details	-	E-mail marketing	Competitive advantage
E-mail	Pearson Correlation	1	.501**
marketing	Sig. (2-tailed)		.005
	N	48	48
Competitive	Pearson Correlation	.501**	1
advantage	Sig. (2-tailed)	.005	
	N	48	48

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data (2016)

The study sought to determine the effect of E-mail marketing and competitive advantage. The Pearson correlation product moment technique from the table 2 above, revealed that there is a moderate weak positive and a significant relationship between E-mail marketing and competitive advantage with correlation value ( $r = 0.501^{**} p < 0.005$ ). This meant that E-mail marketinglead to an improvement in competitive advantage. The value of 0.501 meant that Email marketinghas a strong increasing effect on competitive advantage which is in line with Metric, (2009) who emphasized that in terms of creating brand awareness it is important for companies to real-time track the content of e-mails and digital media like Google+ where information flow is very fast and interactive. On one hand, rapid spreading of proactive contents has high level of impact on creating brand awareness. Monitoring, controlling and managing of proactive e-mail content by organizations are very important for the corporate identity of the company. E-mail marketing helps to create and schedule message to customers on special offerings (Jenkins, 2009). E-mail marketing is known as a permission marketing and it is one of its advantages because it allows customers to decide whether they want to be reached via E-mail (Sutton, 2011)., mass customization are enabled by E-mail marketing so each message is unique to each customer, it helps marketers to inform the success of their promotions easily and quickly, it provides a major insights into the recipient's actions through measurable events such as message open, hyperlinks clicked (Littell et al, 2008).

#### 4.2.2 Descriptive Statistics on mobile marketing and competitive advantage

Table 3: showing descriptive statistics on mobile marketing and competitive advantage

Details	N	3.50	3.6	3.6	Std.
	N	Min	Max	Mean	Deviation
Mobile marketing increases the competitiveness of the brand hosting and reduces costs	48	1	5	4.04	.798
Mobile Marketing via social media channels like Facebook, Twitter, LinkedIn, Yahoo, and a host of others, help companies to create awareness easily	48	1	5	3.98	.785
Many retailers use text messages as a regular channel for customer service, such as promotional updates and for tracking orders		1	5	4.00	.744
Mobile marketing helps in maintaining customer relationships, consumer attitudes toward an ad and improving a company's marketing performance		1	5	4.02	.743
Mobile marketing helps companies to identify customer, discover their needs, satisfy them, and keep them	48	1	5	4.04	.743

Source: Primary Research Data, (2016)

### 4.2.2.1 Mobile marketing increases the competitiveness of the brand hosting and reduces costs

Findings still indicated revealed that respondents with a mean value of 4.04 agreed thatmobile marketing increases the competitiveness of the brand hosting and reduces costs. This is in line with Bellman et.al, (2011) who noted Mobile marketing is taking over the marketplace due to the fact that it increases the competitiveness of the brand hosting the application service since it eliminates the cost that the customer would have incurred in moving from one end of the town to the other by solving their need in split second through a few taps on the mobile phone. However a standard deviation of value 0.798 of respondents was in a disagreement with the statement. This can imply thatcompetitiveness is increased through mobile marketing and this results in costs reduction.

### 4.2.2.2 Mobile Marketing via social media channels like Facebook, Twitter, LinkedIn, Yahoo, and a host of others, help companies to create awareness easily

The field data collected indicated that respondents with a mean value of 3.98 agreed thatmobile Marketing via social media channels like Facebook, Twitter, LinkedIn, Yahoo, and a host of others, help companies to create awareness easily. This is line withAssociated Press, (2011) who affirmed that mobile Marketing can generally utilize two types of strategies: push and pull. With about 7 billion people living in our world today and hundreds of millions of them interconnected via social media channels like Facebook, Twitter, LinkedIn, Yahoo, and a host of others, companies are now able to capture chunks of customers spread across the globe. However a standard deviation of value 0.785 of respondents were in a disagreement with the statement which can means that social media channels like Facebook, Twitter, LinkedIn, Yahoo, and a host of others, via Mobile Marketing help companies to create awareness easily

## 4.2.2.3 Many retailers use text messages as a regular channel for customer service, such as promotional updates and for tracking orders

The findings estimated that respondents with a mean value of 4.00 agreed that many retailers use text messages as a regular channel for customer service, such as promotional updates and for tracking orders. This is in line with Shankar et al., (2010) who elaborated that many retailers have now adopted text messaging as a regular channel for customer service, such as promotional updates and for tracking orders. However a standard deviation of value 0.744 of respondents was in a disagreement with the statement. This can imply that retailers use text messages for promotional updates and for tracking orders as a customer service.

### 4.2.2.4 Mobile marketing helps in maintaining customer relationships, consumer attitudes toward an ad and improving a company's marketing performance

Findings still indicated revealed that respondents with a mean value of 4.02 agreed that mobile marketing helps in maintaining customer relationships, consumer attitudes toward an ad and improving a company's marketing performance. This is in line with Barutcu, (2007) who noted that mobile marketing n offers a wide array of benefits for marketers, including maintaining customer relationships, influencing consumer attitudes toward an ad, improving a company's marketing performance and increasing campaign response rates. However a standard deviation of value 0.743 of respondents was in a disagreement with the statement. This can imply that that maintaining customer relationships, consumer attitudes toward an ad and improving a company's marketing performance is achieved through mobile marketing

## 4.2.2.5 Mobile marketing helps companies to identify customer, discover their needs, satisfy them, and keep them

The findings estimated that respondents with a mean value of 4.04 agreed mobile marketing helps companies to identify customer, discover their needs, satisfy them, and keep them. This is in line with Srinivasan et al., (2002) who stressed that apart from becoming informed, customers also want to take actions at the instance of the need as they want seamless access to the entire range of products, and since it is practically impossible to have stores located on every street, providing customers with online access to almost everything they would find in the physical store would go a long way in creating value for the customer thus leading to loyalty (Srinivasan et al., 2002).. However a standard deviation of value 0.743 of respondents was in a disagreement with the statement. This can imply that keeping customers involvesidentifyingthe real customer, discover their needs, satisfy them though use of mobile marketing.

Table 4: Correlation between Mobile marketing and Competitive advantage

Details	-	Mobile marketing	Competitive advantage
Mobile	Pearson Correlation	1	.618**
marketing	Sig. (2-tailed)		.005
	N	48	48
Competitive	Pearson Correlation	.618**	1
advantage	Sig. (2-tailed)	.005	
	N	48	48

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data (2016)

The study sought to determine the effect of Mobile marketing and Competitive advantage. The Pearson correlation product moment technique from the table 4 above, revealed that there is a moderate strong positive and a significant relationship between mobile marketing and competitive advantage with a correlation value ( $r = 0.618^{**}p < 0.005$ ). This meant that mobile marketing leads to an improvement in sales performance. This meant that mobile marketing improves competitive advantage by 0.618 which is in line with Bellman et.al, (2011) who noted that mobile marketing is taking over the marketplace due to the fact that it increases the competitiveness of the brand hosting the application service since it eliminates the cost that the customer would have incurred in moving from one end of the town to the other by solving their need in split second through a few taps on the mobile phone. Holzer and Ondrus, (2009) added that these mobile applications are software developed for small low - power hand-held devices (in this context the mobile phones) which are sometimes preinstalled by the manufacturer of the mobile phone and other times downloaded by the user.

#### 4.2.3 Descriptive Statistics on Social media marketing and competitive advantage

Table 5: descriptive statistics Social media marketing and competitive advantage

Details	N	Min	Max	Mean	Std. Deviation
Social medias connect individuals via social networks and creates a wide customer coverage		1	5	4.04	.743
Social medias help sales teams understand potential customers better which leads to more accurate proposals		1	5	4.02	.729
Social medias bring collaboration within fellow employees which improves sales processes		1	5	4.02	.699
Social media is useful in collecting and internally sharing valuable customer information		1	5	4.06	.697
Through Social media, customers can communicate directly to companies, and companies can respond to customers in real-time	48	1	5	4.04	.798

Source: Primary Research Data, (2016)

### 4.2.3.1 Social Medias connect individuals via social networks and creates wide customer coverage

The findings indicated that respondents with a mean value of 4.04 agreed that Social Medias connect individuals via social networks and create wide customer coverage. This is supported by Kozinets et al. (2010) who stated that the important underpinning of social media is the idea that individuals are connected via social networks and tends to communicate with other individuals in their network and create wide customer coverage. However a standard deviation of value 0.743 of respondents was in a disagreement with the statement. This can possibly mean that creation of wide customer coverage is possible through Social Medias since individuals are easily connected on the same platform.

### 4.2.3.2 Social Medias help sales teams understand potential customers better which leads to more accurate proposals

The findings determined that respondents with a mean value of 4.02 agreed that Social Medias help sales teams understand potential customers better which leads to more accurate proposals. This is supported by Ostrow (2011) who affirmed that, social CRM tools like Inside View help sales a team understand potential customers better and allows them to know before they go, which leads to more accurate proposals. However a standard deviation value of 0.729of respondents were in a disagreement with the statement which can mean that accurate proposals are possible through understanding potential customers better by sales teams which is done by the help of Social Medias.

### 4.2.3.3 Social Medias bring collaboration within fellow employees which improves sales processes

The findings estimated that respondents with a mean value of 4.02 agreed that Social Medias bring collaboration within fellow employees which improves sales processes. This is in line with Kaplan and Haenlein (2010) who noted that by collaborating with fellow employees who may be more knowledgeable about social media, the sales force will be able to absorb that knowledge and use it in their individual sales processes. However a standard deviation of value 0.699 of respondents was in a disagreement with the statement. This can imply that collaboration within fellow employees is made easy by use of Social Medias which improves sales processes in the organization

### 4.2.3.4 Social media is useful in collecting and internally sharing valuable customer information

The field data collected indicated that respondents with a mean value of 4.06 agreed that Social media is useful in collecting and internally sharing valuable customer information. This is line with Bijmolt et al. (2010) who stressed that Social media can be useful in

collecting and internally sharing this valuable customer information and being able to collect customer-generated information, social media also facilitates a collaborative, two-way communication between customer and company. However a standard deviation of value 0.697 of respondents were in a disagreement with the statement which can means that collecting and sharing valuable customer information is easy by use of Social media.

### 4.2.3.5 Advice from marketing experts helps to reduce uncertainty associated to market environments

Findings further revealed that respondents with a mean value of 4.04 agreed that advice from marketing experts helps to reduce uncertainty associated to market environments. This is in line with Cadogan et al., (2012) who explained that market intelligence is a key factor for reducing uncertainty associated to foreign market environments, overcoming the psychological barriers to export and facilitating strategic marketing management of the exporting company. However a standard deviation of value 0.798 of respondents was in a disagreement with the statement. This can imply that that uncertainty associated to market environments are reduced through advice from marketing experts.

Table 6: Correlation between Social media marketing and Competitive advantage

Details	•	Social media marketing	Competitive advantage
Social media	Pearson Correlation	1	.543**
marketing	Sig. (2-tailed)		.005
	N	48	48
Competitive	Pearson Correlation	.543**	1
advantage	Sig. (2-tailed)	.005	
	N	48	48

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

Source: Primary data (2016)

The study sought to determine the effect of Social media marketing and Competitive advantage. The Pearson correlation product moment technique from the table 4 above, revealed that there is a moderate weak positive and a significant relationship between Social media marketing and Competitive advantage with a correlation value (r = 0.543\*\*p <0.005). This meant that Social media marketing leads to an improvement in sales performance. This meant that market Social media marketing improves Competitive advantage by 0.543 which is in line with Aquino (2012), social media applications are moving up the value chain from being simply novelties to viable communication mechanisms. Several services have emerged, providing a variety of solutions along the continuum from social media monitoring to social media engagement. An important underpinning of social media is the idea that individuals are connected via social networks and tend to communicate with other individuals in their network and create wide customer coverage (Kozinets et al. 2010). The co-creation of content and lack of centralized control is what makes social media unique from other technological resources available to the sales force

#### 4.2.4 Descriptive Statistics on Competitive advantage

**Table 7: descriptive statistics Competitive advantage** 

Details	N	Min	Max	Mean	Std. Deviation
Firms examine their strengths and opportunities to take a competitive position in a competitive market place		1	5	4.02	.729
Distinctive competitive positions can be developed and maintained through product service differentiation		1	5	3.96	.798
Decisions regarding the design of the organisation and competitive strategy are essential in improving firm performance		1	5	4.06	.697
Superior performance of firms is measured in financial terms such as higher profits	48	1	5	4.04	.743
E-marketing leads to creation of value for the customer, create new products, and improve production efficiency and cost advantage		1	5	4.06	.697

Source: Primary Research Data, (2015)

### 4.2.4.1 Firms examine their strengths and opportunities to take a competitive position in a competitive market place

The findings of the research study noted that respondents agreed that firms examine their strengths and opportunities to take a competitive position in a competitive market place with a mean value of 3.98 which is in line with Anderson, (2010) who noted that firms are currently facing aggressive competition and unlimited opportunities; this is because they are forced to find a new basis for competition and in doing this firms are forced to examine their strengths and opportunities so that they take a competitive position in a competitive market place. However a standard deviation of value 0.729 of respondents was in a disagreement with the statement which can thus imply that to be competitive in the a market place, firms have to examine their strengths and opportunities.

### 4.2.4.2 Distinctive competitive positions can be developed and maintained through product service differentiation

The findings estimated that respondents with a mean value of 4.00 agreed that distinctive competitive positions can be developed and maintained through product service differentiation. This is in line with Alsheikh and Bojei, (2012) who emphasized that there are several ways, in which distinctive competitive positions can be developed and maintained, one such way is through product service differentiation, which offers a clear image of a firm as well as its products/services in the eyes and minds of customers. However a standard deviation of value 0.825 of respondents was in a disagreement with the statement. This can imply that to develop and maintain distinctive competitive positions, a firm has to differentiate its products and services.

### 4.2.4.3Decisions regarding the design of the organisation and competitive strategy are essential in improving firm performance

Findings still indicated revealed that respondents with a mean value of 3.96 agreed that decisions regarding the design of the organisation and competitive strategy are essential in improving firm performance. This is in line with Kanniainen (2010) who argued that decisions regarding the design of the organisation as well as the firm's competitive strategy are very essential in order to gain competitive advantage and thus improve firm performance. However a standard deviation of value 0.798 of respondents was in a disagreement with the statement. This can imply that a firm has to take decisions regarding organisational design and competitive strategy since they are essential in improving performance.

### 4.2.4.4Superior performance of firms is measured in financial terms such as higher profits

The findings estimated that respondents with a mean value of 3.94 agreed that superior performance of firms is measured in financial terms such as higher profits. This is in line with Porter, (2008) who stressed that the competitive advantage secured by the key intangible assets which are identified with the use of resource based view then are reflected in the superior performance of firms which is again measured in financial terms such as higher profits. However a standard deviation of value 0.783 of respondents was in a disagreement with the statement. This can imply that higher profits are essential in measuring performance of firms in financial terms.

## 4.2.4.5E-marketing leads to creation of value for the customer, create new products, and improve production efficiency and cost advantage

Findings still indicated revealed that respondents with a mean value of 3.94 agreed E-marketing leads to creation of value for the customer create new products, and improve production efficiency and cost advantage. This is in line with Porter, (2008) who affirmed that through the use of E-marketing, they are able to differentiate their products and services and thus create more value for the customer, create new products, or improve production efficiency and cost advantage. However a standard deviation of value 0.755 of respondents was in a disagreement with the statement. This can imply that creation of value for the customer in terms of new products, production efficiency and cost advantage is possible through use of E-marketing.

### **4.4 Conclusion**

The analysis of the primary data indicates that the independent variables through dimensions; E-mail marketing, mobile marketing and social media marketing all have a moderate positive effect on competitive advantage as revealed by the findings. This implies that those minor deviations still exist. Further explanation and summary of findings is presented in chapter five.

#### **CHAPTER FIVE**

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.0 Introduction

This final chapter covers a summary of findings in chapter four based on the study objectives.

They are presented in sections of the summary of findings, conclusion and recommendations derived from the field findings and lastly the suggestions for further research concerning online marketing and competitive advantage

### **5.1 Summary findings**

The findings revealed that majority of the respondents in Kaymu Uganda, were females with a percentage of 29(60%). The findings further discovered that majority of the employees attained degrees with 24(50%) and finally 27(56.2%) had worked with Kaymu Uganda for a period between 0-5 years. The study was guided by the following specific objectives; to find out the relationship between E-mail marketing and competitive advantage, to examine the relationship between mobile marketing and competitive advantage and to assess the relationship between social media marketing and competitive advantage. Research data was collected using questionnaires and analyzed using descriptive analysis.

#### 5.1.1 E-mail marketing and competitive advantage

The findings revealed that there is a moderate weak positive and a significant relationship between E-mail marketing and competitive advantage represented Pearson determinant of 0.501. Therefore through Monitoring, controlling and managing of proactive e-mail content by organizations helps to maintain the corporate identity of the company. Creating brand awareness by emails is important for companies to track the content of e-mails and digital. E-mail marketing helps to create and schedule message to customers on special offerings and it allows customers to decide whether they want to be reached via E-mail which enables mass customization hence increased customer base and competitive advantage.

#### 5.1.2 Mobile marketing and competitive advantage

Findings revealed that there is a moderate strong positive and a significant relationship between Mobile marketing and competitive advantage represented Pearson determinant of 0.618. Therefore through mobile marketing there is increased competitiveness of brand hosting since it eliminates the cost that the customer would have incurred in moving from one end of the town to the other by solving their need in split second through a few taps on the mobile phone. Mobile phone presents several marketing communication vehicles since it's not limited to Mobile search, Mobile video, Mobile display and Mobile messaging. One avenue of mobile marketing that has received significant attention is Mobile messaging through the short message service (SMS) marketing. To date, SMS has become the most popular of all mobile applications.

### 5.1.3 Social Media marketing and competitive advantage

Findings revealed that there is a moderate weak positive and a significant relationship between Social Media marketing and competitive advantage with a Pearson determinant value of 0.543. This implies that social media applications have moved up the value chain from being simply novelties to viable communication mechanisms to providing a variety of solutions along the continuum from social media monitoring to social media engagement. An important underpinning of social media is the idea that individuals are connected via social networks and tend to communicate with other individuals in their network and create wide customer coverage. The co-creation of content and lack of centralized control is what makes social media unique from other technological resources available to the sales force

#### **5.2 Study conclusion**

Generally, the research results indicated that online marketing positively affects the competitive advantage, service quality and profitability which is inversely influenced by

online platforms a firm uses hence there was a moderate weak positive significant relationship between online marketing and competitive advantage.

Objective one of the study which was to establish how E-mail marketing affects the competitive advantage and the study indicated that E-mail marketing helps to Monitor, control and manage proactive e-mail content by organizations helps to maintain the corporate identity of the company. E-mail marketing helps to create and schedule message to customers on special offerings and it allows customers to decide whether they want to be reached via E-mail which enables mass customization hence increased customer base and competitive advantage.

Basing on the findings from the second objective which was to assess mobile marketing and competitive advantage, the researcher found out that there is amoderate strong positive relationship between mobile marketing and competitive advantage. This therefore implies that mobile marketing there is increased competitiveness of brand hosting since it eliminates the cost that the customer would have incurred. Mobile phone presents several marketing communication vehicles since it's not limited to Mobile search, Mobile video, Mobile display and Mobile messaging which makes communication easy hence a competitive advantage.

Basing on the findings from the last objective which was to assess social media marketing and competitive advantage, the researcher found out that there is a moderate weak positive relationship between social media marketing and competitive advantage. Social media connects individuals via social networks and make them communicate with other individuals in their network and create wide customer coverage. Lack of centralized control makes social media unique from other technological resources available to the sales force in creation of awareness which leads to competitive advantage.

#### **5.3 Recommendation**

In the light of above findings, some pertinent recommendations can be made. These recommendations are geared towards assurance of competitive advantage, survival and growth through online marketing. This study recommends the following:

- 1. That Kaymu Uganda should give more serious attention to online marketing and endeavor to choose appropriate strategies that match for every product and service as well adopt and effectively fulfil the orders of customers in time.
- 2. Social media is an indispensable factor of online marketing as all tenets of social media (Facebook, twitter, Whatsapp, Telegram, and others) must be executed through its human capital, therefore Kaymu Uganda must endeavor to take Social media very serious for assurance of increased sales.
- 3. Kaymu Uganda should endeavor to capture more or at least maintain its market especially through mobile marketing and this can be achieved by sending customers who subscribed to them SMS texts to remind them about new products..
- 4. Kaymu Uganda should endeavor to advertise since they are not well known to people who are not learned and do not have first hand smartphones.
- 5. Kaymu Uganda should endeavor to respond to customer requests for details of where to get products since their E-mail system has inconsistence.

#### 5.4 Areas of further research

Further research is needed with enough empirical substantiation to confirm whether online marketing increases sales volume of a firm

Further research is also needed to ascertain the impact of online marketing on organizational performance.

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#### **APPENDIX I**

### **QUESTIONNAIRE**

Dear respondent,

I am Kazooba Mark Norman,a third year student of Uganda Martyrs University pursuing a Bachelor's degree in Business Administration and Management. As part of my academic requirement, I am carrying out research on a topic "Online marketing relationship with competitive advantage "with a case study being Kaymu Uganda. You have therefore been purposively identified as a resourceful person in providing the required information. The purpose of this research is purely academic and the information you give will be anonymously treated with confidentiality.

### **SECTION A:** Background Information

1. Sex:		a) Male		b) Female	
2. Level of aca	ademic qualific	ation			
a) Certificate		b) Diplom	a ! !		
c) Degree	d) N	lasters and abo	ove	e) other levels	
3. Years worke	ed in the organi	zation			
a) 0-5 years	 	o) 6-10 years		e) 10 years and abo	ove

In the section below, you are required to give your opinion on the following statements about Email marketing on a scale of 1 stands for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 stands for strongly agree.

Section B

Email marketing and competitive advantage

Statements.	1	2	3	4	5
E-mail messages help to acquire new customers and					
convince current customers to purchase					
E-mail Marketing increases returns on investment of a					
company					
E-mail Overload makes it difficult for the individual					
to distinguish between solicited and unsolicited E-					
mail, as well as have time to read through the E-mail					
Mass customization are enabled by E-mail marketing					
by informing customers about promotions easily and					
quickly					
Use of E-mail marketing helps to create and schedule					
message to customers on special offerings					

How has E-mail marketing affected your company sales volume?

Section C

Mobile marketing and competitive advantage

Statement	1	2	3	4	5
Mobile marketing increases the competitiveness of the					
brand hosting and reduces costs					
Mobile Marketing via social media channels like					
Facebook, Twitter, LinkedIn, Yahoo, and a host of					
others, help companies to create awareness easily					
Many retailers use text messages as a regular channel					
for customer service, such as promotional updates and					
for tracking orders					
Mobile marketing helps in maintaining customer					
relationships, consumer attitudes toward an ad and					
improving a company's marketing performance					
Mobile marketing helps companies to identify					
customer, discover their needs, satisfy them, and keep					
them					

What values does Mobile marketing add to your organisation?

Section D
Social media marketing and competitive advantage

Statement	1	2	3	4	5
Social medias connect individuals via social networks and					
creates a wide customer coverage					
Social medias help sales teams understand potential					
customers better which leads to more accurate proposals					
Social medias bring collaboration within fellow					
employees which improves sales processes					
Social media is useful in collecting and internally sharing					
valuable customer information					
Through Social media, customers can communicate					
directly to companies, and companies can respond to					
customers in real-time					

How does Social media marketingaffect yourcompetitive advantage?
--

### Section E Competitive advantage

Statement	1	2	3	4	5
Firms examine their strengths and opportunities to take					
a competitive position in a competitive market place					
Distinctive competitive positions can be developed and					
maintained through product service differentiation					
Decisions regarding the design of the organisation and					
competitive strategy are essential in improving firm					
performance					
Superior performance of firms is measured in financial					
terms such as higher profits					
E-marketing leads to creation of value for the					
customer, create new products, and improve					
production efficiency and cost advantage					

How does your company gain a competitive edge over your competitors?	

### Thank you for your co-operation

### APPENDIX II: SAMPLE SIZE DETERMINATION TABLE

N	S	N	S	N	. S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1,500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—Nis population size. Sis sample size.

Source: Krejcie & Morgan, 1970