

**THE INFLUENCE OF SOCIAL MEDIA MARKETING ON SMEs
DEVELOPMENT IN TANZANIA:
A CASE OF KINONDONI MUNICIPAL**

**By
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**A Dissertation Submitted in Partial Fulfillment of the Requirement for the
Award of Degree of Masters of Business Administration in Corporate
Management (MBA-CM) of Mzumbe University**

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a thesis entitled; *“The Influence of Social Media Marketing on SMEs Development in Tanzania: A Case of Kinondoni Municipal”*, in a partial fulfilment of the requirements for award of the degree of Master of Business Administration in Corporate Management (MBA-CM) of Mzumbe University

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ABBREVIATIONS AND ACRONYMS

GDP	-	Gross Domestic Product
SACCOS	-	Saving and Credit Co-operative Society
SME's	-	Small and Medium Enterprises
URT	-	United Republic of Tanzania

ABSTRACT

Social media marketing has highly been adopted by many small or huge firms in different parts of the world. The key objective of research was to evaluate the impact of social media on small and medium enterprises (SMEs) development in Tanzania particularly in Kinondoni District. This research had three objectives which were assessing the impact of social media on profitability among SMEs in Kinondoni Municipal, examining the influence of social media on market growth among SMEs in Kinondoni Municipal and the impact of social on enhancing customer relationship among SMEs in Kinondoni Municipal. There researcher adopted descriptive study type. The study used convenient sampling techniques in finding 100 respondents as the sample size. Only questionnaires were used as tools for data collection.

The principle findings shows that due to the adoption of social media there have been increase of sales, increase of customer demands hence social media has highly promoted business. Moreover, SMEs have experienced quick accessibility of the market, easy feedback from customers, also SMEs have been easily influencing customers through social media. Lastly, social media marketing has been influencing customer relationship management through easy communication between customers and SMEs owners. Also there have been high and quick involvement of customers in the business whereas has eventually led to trust. It is there for recommended that the business owners need to undergo special social media training that will build their capacity in conducting their business with growth prospects.

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CHAPTER ONE

GENERAL INTRODUCTION

1.1 Introduction

This part presents the introduction of the study. It covers the role of social media as well as small and medium enterprises (SMEs) performance in different parts of the world. The chapter presents background of the problem, the problem of the study has clearly stated, study objectives have been identified as well as research questions. Lastly the rationale of the study and the scope has been presented.

1.2 Background Information

Social media emerged in late 1990's whereby some of blogging activities started and the main aim of the blogging was to enhance social connection among people. However, in early 2000s social media gained popularity as a result of advancement of platforms like LinkedIn and Myspace. This was followed by social networking sites through which photo and video sharing was made possible. These include Facebook, YouTube, WhatsApp, Instagram, Google Talk as well as Skype to mention a few (Mangold & Faulds, 2015).

Chan, (2015) argued that the pace of using social media by SMEs has been increasing day by day in different parts of the world. In the United States of America (USA) 34% of SMEs were using social media as their marketing platform by the year 2000. However, currently 86% SMEs are utilizing social media as their digital platforms for marketing their services or products.

In China, the use of social media by SMEs has been escalating since its inception. In the year 2000, 43% of the SMEs were using social media as their marketing tool but in the year 2017 the number of SMEs utilizing social media had even doubled if not tripled (Safko & Brake, 2015).

Social media usage has not increased only in western countries but even in African countries such South Africa, Ghana, Kenya and even Tanzania. For instance, in South Africa currently social media have been used by 94% of the general population in the country. For the case of Ghana, the use of social media by SMEs has been increasing day by day, statistics shows that almost every 3% of the new SMEs in the country has a social media accounts (Praag & Van, 2015).

The escalation of social media utilization has also been noted in Kenya as well, for the year 2010, 44% of the SMEs were advertising their services and products through social media. However, in the year 2018 the use of social media marketing has increased to 90% (Huang & Brown, 2018).

Tanzania has been one of the countries that has adopted the use of social media by 45%, there are number bloggers, popular social media pages which are used by SMEs to advertise their products or services. It is estimated that almost every new business in the country depends on social media to advertise themselves. Also, Tanzanians are the most active people in social media in East Africa. (Hogarth-Scott, Watson, & Wilson, 2017).

Cheung and Lee (2016), stated that, “the decision to use online social networking technologies represents a social phenomenon that largely depends on the interactions” and concludes observing that the driving forces behind online social networks are connections and community, and the usage largely depend on subjective norm and social identity.

The witness of the appearance of social media are entrepreneurs, consumers as well as marketers. By the year 2012 January, statistics shows that there were around 800 million users of Facebook members, with more than 250 million of them signing in consistently. Furthermore, the normal Face book users have 130 companions or friends and likes 80 pages however this figure is expected to grow with time.

Furthermore, over 3.5 billion contents, for example, blog entries, web and other stories are shared in the social media (Jope, 2018)

Social media marketing is a process of using social media as platform marketing products, sometimes is through video clips or photos that will show case products or services. Social media marketing as well as any kind of marketing but the only different is the use of social media whereas customers and prospects can easily contact the service providers (Huang and Brown 2018). There are different kind of social media that be can used for marketing. For example WhatsApp, Instagram, face book , blogs as well as websites (Stokes, 2017). However, for the case of this study will focus on two social media namely; WhatsApp and Instagram.

It is through social media networks and internet that allows people to connect to each other. Therefore, it is significant for entrepreneurs and marketers to capture on how social media operates and what are the expected results of the users. A good number of firms are currently depending on social media as their communication tool. Suppose they use the social media well, their firms can be well benefited (Praag and Van 2013).

1.3 Statement of the Problem

Kassim (2015) argued that utilization of social media performed by SMEs has the essence of promoting their business. Most of SMEs almost 65% of them are effectively using social media as a platform for marketing and show case their products. (Kamau, 2017). Furthermore, in city of Dar es Salaam city some of SMEs have gone far by closing up their shops or business premises and use only social media to show case their products and services.

A number of questions have been raised on the high and quick influence of social media marketing and its impact on SMEs development, it has been reported that physical display or window show case of products has lost its importance in the society. Digital marketing particularly social media has highly taken over the show

casing activities. However, a number of researchers have come up with negative impact of social media such as there is high risk of defamation of competitors' products or services hence destroying the reputation of the competitors' products or services. Also, there are risks of hackers who can use a firm's account to provide wrong information to customers and prospects as well. (Kamau, 2017).

Despite the negative arguments presented above, surprising the growth of social media as marketing tool is increasing day by day.

Therefore, the study assessed the influence of social media marketing on SMEs development, thus helping SMEs in crafting strategies in areas like reduction of operational cost, reduce product or service prices, increase public awareness and support, open up a new way of doing business, increase profitability and optimize innovative concepts such as sharing, collaboration and co-creation.

Therefore, it is upon this study to assess the impact of social media marketing on SME development in Tanzania. A case of Kinondoni municipal.

1.4 Research Objectives

The research objectives are divided into two; general objective and specific objectives

1.4.1 General Research Objective

To assess the influence social media marketing on SMEs development in Kinondoni Tanzania.

1.4.2 Specific Research Objectives

To be able to attain the general objective above, the study is supposed to have the specific objectives; the attaining of the specific objectives were considered as the achievement of the general objective above. The following are the specific objectives for this study:-

- (i) To assess the influence of social media on profitability among SMEs in Kinondoni Municipal.
- (ii) To examine the influence of social media on market growth among SMEs in Kinondoni Municipal.
- (iii) To find out the influence of social media on enhancing customer relationship among SMEs in Kinondoni Municipal.

1.5 Research questions

1.5.1 Main Research Question

How does social media marketing influence SMEs development in Tanzania? A case of Kinondoni municipal.

1.5.2 Specific Research Questions

The study is well prepared to be able to get the answers of the following research questions:-

- (i) How social media marketing influence profitability among SMEs in Kinondoni Municipal?
- (ii) How social media marketing influence market growth among SMEs in Kinondoni Municipal?
- (iii) How social media marketing influence customer relationship among SMEs in Kinondoni Municipal?

1.6 Significance of the Study

1.6.1 To Other Researchers

The study will be used as empirical evidence to as other researchers who will have interest to conduct their study in similar study. The findings of this study will be used by other researchers who will engage in similar study.

1.6.2 To SMEs

Upon completion of the study, the author will attain her MBA degree, additionally the study recommendation shall impart SMEs with knowledge on how to effectively utilize social media for their sales growth and customer relationship.

1.6.3 To policy Makers

The study findings will help policy makers to identify the real benefits of social media in the society particularly to SMEs. Also the study findings will show what policies can be adopted so as to guide the use of social media for effective use by the SMEs.

1.7 Organization of the Study

Five chapters are contained in this study, the first chapter shows the general evolution of the background of the study by showing how SMEs and social media have been started, also the problem the study was clearly elaborated in the statement of the problem. Also, specific objectives and research questions have been illustrated in the chapter. Furthermore; rationale of why the study will be carried out was presented as well as limitations and delimitations of the study was echoed.

The chapter shows the evolution of social media in different parts of the world such as USA, China as well as in different parts of Africa as well. Also the chapter shows that the literature gaps as well as the practical gap. Generally, the study shows the general introduction of the study, thus showing what amplified the study to be carried out.

The chapter presents different kind of concepts so as to know different meaning of different ideas. Also the chapter shows what has been done by others as well what has been left out. The methodologies part shows what has been adopted, and why such adoption has been done and how.

Thus clearly showing how the study will be conducted. The fourth chapter presents the findings of the study followed by the discussion of the findings. The fifth

chapter presents the summary of the study, conclusion, recommendations, policy implications and limitations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter shows a review of different concepts and ideas that are related to the study objectives. The chapter presents general conceptual arguments from different authors so as to give a clear understanding of the study. This will help to determine the direction of the study.

2.2 Theoretical Literature Review

2.2.1 Definition of Key Terms

The key terms that are defined in this study are Social media and SMEs. The terms will be defined so as to have a specific awareness of this study.

2.2.1.1 The Concept of Social Media

According to Reijonen (2015), social media is defined as platform that enables people to easily interact by creating, sharing and exchanging different kind of information through networks. There are different kind of social media networks such as Facebook, Twitter, Instagram, Snapchat, YouTube and Vimeo. Social media can be traced back as the roots of internets as it begun with World Wide Web (WWW) which was initial stage that had built the platform for information sharing and exchange (Stokes 2017).

However, catering service providers have been utilizing social media as their marketing platforms. For the case of this study, the researcher will analyze how does WhatsApp and Instagram impact the development of SMEs.

2.2.1.2 The Concept of SMEs

The idea of SMEs is dynamic and relative. It has been noted that the meaning of SMEs does change over the period of time and the development of a country.

There is no one clear definition of SMEs in which is universally recognized. Every country has its own definition with the regards of the roles SMEs performs in the

economy. Different definitions from different countries originate from industrial organizations but at different levels of development (Sule, 2016).

Before the year 1992, different organizations in Tanzania have been using definitions of SMEs. The institutions which offered definitions of SMEs were National Council of Industry (NCI), the ministry of finance, BOT, national Associations of SMEs center for industrial research and development and National economic reconstruction fund (Aruwa, 2017).

SMEs are defined as businesses with fixed assets above 1 million TZS but not above 10 million TZS but land and working capital are not included. Whereas the medium size SMEs are those ones which have fixed assets with capital of more than 10 million TZS but not more than 40 million TZS (Evans and McKee 2015).

SMEs are attributed by lack of enough capital and easy management structures, due to the nature of ownership being mostly by one person (Sule, 2016). SMEs always tend to be mostly based on owner - managers, but not on management based. Therefore, decisions are mostly made depending on one person. (Adebusuyi, 2015).

SMEs have been highly attributed as one of the factors that drive the economic development of a nation. In most developing countries like Tanzania, there is high interest in encouraging the development of SMEs due to a number of reasons which include efficient use of resources, employment creation, mobilization of domestic savings for investments, encouragement, expansion and development of indigenous entrepreneurship and technology as well as income distribution, among others (Anderson, 2012).

Consequently, programs of assistance in the areas of finance, extension and advisory services, training and provision of infrastructure were designed by the government for the development of SMEs to enhance the attainment of these objectives. However, the full potential of the SMEs in the developmental process have not been realized, owing to various constraints (Chua, Deans, and Parker, 2016).

(a.) SMEs Development

SMEs development consists of the actual output or results due to the invested inputs. As per Richard *et al* (2009), SMEs development consists of three specific issues which are product market, increase of demands and increase of sales. Specialist in many fields are concerned with SMEs development including strategic organizational development. Not so long, SMEs have tried to manage performance through the use of balanced scorecard in which the performance of the SMEs is tracked and measured in the following ways; returns on investment, customer care services, corporate social responsibilities, employees stewardship and organizational performance.

(b.) Categorization of SMEs Development in Tanzania

Each country in the world describes SMEs in its own different ways, In Tanzania SMEs are defined with regard to the Tanzania’s SMEs policy which hold that SMEs are the business which mostly engage up to 4 employees who are mostly family members with the business capital of up to 5 million TZS. (URT, 2003). Small enterprises are mostly formalized undertaking engaging between 5 to 49 employees with capital investments from 5million TZS to 200million TZS.

Table 2.1: Category of SMEs Development

Category	Employees	Capital Investment
Micro Enterprises	1—4	Up to 5million
Small Enterprises	5—49	Above 5mill to 200million
Medium Enterprises	50—99	Above 200million to 800million
Large Enterprises	More than 100	Above 800million

Source: URT, (2003) Small and Medium Enterprises (SMEs) Policy.

2.2.2 Theory Related to the study

This section presents the theory of Opportunity-Based which shows the link between the phenomena whereas the researcher will use the study as basis of arguments throughout the study.

2.2.2.1 Opportunity-Based Theory

Drucker (2017) holds that SMEs or entrepreneurs always excel or develop by looking and utilizing opportunities that have set out through social change, technological and cultural changes. For instance an entrepreneur may identify there is a need for a restaurant in his or her social setting, if the entrepreneur takes the opportunity for creating profit then there is application of opportunity based theory.

Theory further holds that in the process of development innovation of technology is always experienced. Advancement of technology always has the aim of simplifying work and increase efficiency. Currently the world is experiencing technological development in the telecommunication. There have been increase of communication platforms such as social media. The telecommunication advancement has highly facilitated communication.

However, the theory is silent about how far such technological change in telecom industry has facilitated development of SMEs in different parts of the world(Delmar, Davidson, and Gestner,2013).It has been witnessed that social media utilization has highly increased as most of firms have been using social media for marketing their brands.

Therefore, arguments in this study will be drawn from this theory by looking how far catering service providers have utilized social media in marketing their products or services, also the study will assess how WhatsApp and Instagram have influenced SMEs performance.

2.2.3 The Impact of Social Media on Profitability among SMEs

Recently, social media has highly become so popular in different parts of the world. It has been found that both small and large firms have been highly utilizing social media. Social media has emerged as among the most powerfully media, business can use to show case their products or services. Also, studies have shown than social media has been leading to high profit among firms or business (Chan, 2014).

2.2.3.1 Decrease of Cost

First, social media has been ensuring business has higher popularity. Also, the cost of using social media is very low compared to other types of media, therefore yielding number of surplus to the firm. It has been noted that firms in different parts of America have been using social media and have experienced high profit. Social media has turned the online business to be among the most profitable business in the world (Huang and Brown, 2018).

2.2.3.2 Increase in Sales

According to Huang and Brown (2018) has posited that due to Social media marketing have a number of impacts in the business growth. One of the major areas where social media has been proved to positively impact is increase of sales. Social media marketing has led to increase sales of firms hence firms have been easily show casing their brands, as the result a number prospects or customers have been having awareness of the existence of the brands and their traits or features. It has been noted in the USA, firms which have pioneered in social media marketing have proved their sales to have doubled.

2.2.4 The Influence of Social Media on Market Growth among SMEs

Web 2.0 social media is a potentially powerful medium for finding key consumer influencers, engaging them, and generating brand advocates. However, in order to build viral campaigns and foster online word of mouth marketing (WOM), trust must be established and subsequently reinforced in order to overcome any reluctance the consumer might have. (Miller and Lammas, 2010).

2.2.4.1 Social Media Marketing on Geographical Coverage of SMEs

Contemporary researches have revealed that in spite of previous visualizations about the “death of distance”, physical vicinity is still a main issue in social tie development and preservation in computer-generated social networks. The distance necessity isn’t stronger for the online social network ties than what was established previously for telephone communication networks (Chua *et al.* 2016).

Goldenberg and Levy (2016) claimed that the comfort of communication, due to fresh technologies, increases the at present prevailing ties more leading to even tougher distance necessity for online contacts than experienced in the offline world. It has been discussed that due to inception of social media it has helped a good number of SMES to reach a wider range of geographical coverage, thus SMES may be based in Kenya but still can deal with the market structure found in Tanzania, thus the social media has facilitated their business through e-ordering and e-sales.

2.2.4.2 Social Media Marketing on Increase of Demand

Social media has led to the growth of markets of small and huge business, most people are depending on social media to find out their needs as the results has led to the growth of markets of business. It is through social media that one can sell his/ products from China to Tanzania and vice versa. It is through social media that has created trust among the business owners and customers (Chan, 2014).

2.2.5 The Impact of Social Media on Enhancing Customer Relationship among SMEs

Customer relationship management (CRM) is an approach to manage a company's interaction with current and potential customers. It uses data analysis about customers' history with a company to improve business relationships with customers, specifically focusing on customer retention and ultimately driving sales growth (Chan, 2015).

2.2.5.1 Social Media Marketing on Easy Communication

However, social media has simplified the task of customer relationship management, hence it has given both business owners as well as customers to effectively and easily interact among each other and communicate. It is through social media only that word of mouth (WOM) can be effectively utilized. We all know that the power of WOM is very huge (Chan, 2015).

The mix of web-based life and client relationship management (social CRM) empowers your image to genuinely tune in to your clients like never before previously. It upgrades your conventional CRM by tuning in for and with online networking discussions, following new leads from a Tweet or Face book post and moving them into your business pipe (Chan, 2015).

2.2.5.2 Social Media Marketing in Creating Trust

After the emergence of new technologies, customers have been looking at social media instead of Google or other search engines in order to get information about the companies (Newman, 2013). Social Media is an advantage to build trust between the customers and the company in a way that has never been seen with the traditional media (Deelmann and Loos, 2012).

2.3 Empirical Literature Review

Hatibu, (2017) assessed the impact of social media on small and medium enterprises development in Tanzania particularly in Kinondoni District. The study three objectives which were identifying the impact of social media on the market accessibility of SMEs in Kinondoni district, the impact of social media on the pricing of products from SMEs in Kinondoni district and the challenges encountered by the small and medium enterprises in the adoption of Social media in Kinondoni district. This study was cross sectional study type. Questionnaires were utilised in the collection of primary data. In data analysis the researcher used qualitative and quantitative approaches It is concluded that most of SMEs in Kinondoni Municipal deal with cosmetics and clothing.

Most of SMEs have registered their business to social media pages, the most used social media are Instagram, WhatsApp and Facebook. Most of SMEs visits their social media pages more than five hours. SMEs which have social media pages have one to four employees with less than five million TZS as invested capital. Due the use of social media, SMEs have been closer to their customers by easily reaching to them, also SMEs have been able to cover larger geographical locations. Moreover, due to social media SMEs can easily get feedback on what customer like or dislike.

Furthermore, social media usage has led high prices of the products and price transparency. However, there are a number of challenges facing SMEs upon the use of social media such as human resource challenges, reputational challenges and network brake down challenges. The study was conducted on the impact of social media on SMEs development specifically on market accessibility, product pricing and challenges in adopting social media. Hence the study did not look on the impact of social media marketing on SMEs development. This study relates to the study hence it also looked on the impact of social media as well.

Storey, (2014) explored the link between ICT and SMEs in different parts of Tanzania. The analysis was based literature review so as to see direct and indirect impact of ICT on SMEs success. The study used descriptive research design and employed convenience sampling and purposive sampling to collect primary data from 21 business people, government officials and microfinance officials using interviews and questionnaires.

Results of this scientific work confirm that ICT has impact on the improvement of external and internal communication and that for best performances it is important to align ICT investments with internal capabilities and organizational processes. Technology itself is not as important as the induced social and economic achievements. The study generally looked on ICT and SMEs performance but did not look on particularly on Social media marketing on SMEs.

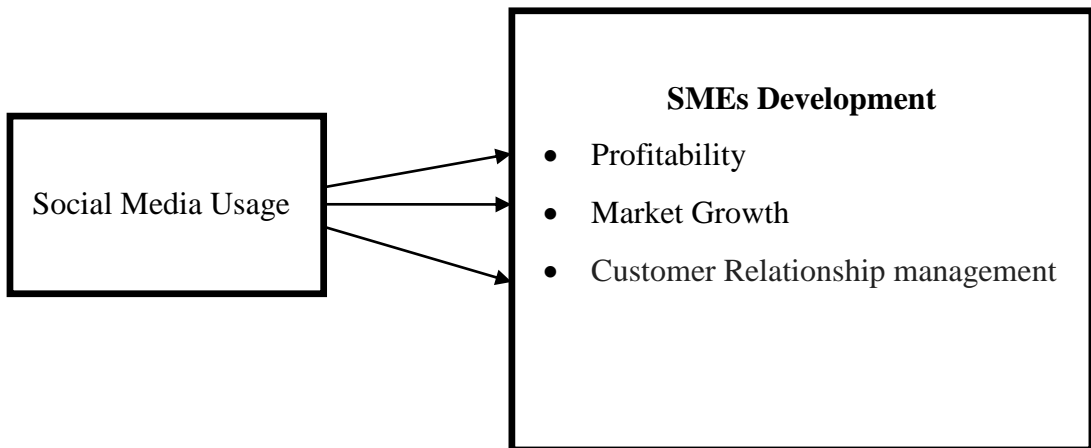
Stokes and Lomax (2012) did a research on the effects of social media marketing towards marketing performance in Canada. The key areas assessed were the platforms used as well as the challenges of using them. The researcher recruited 22 respondents through simple random techniques. Questionnaires and interviews were used in collecting primary data. It showed that the major digital platforms used were direct mailing, social media as well as websites. The digital marketing has impact on getting closer to customers, big geographical coverage, easy feedback and price transparency. The study looked on the overall digital marketing but did not look on social media as one aspect of digital marketing.

2.4 Conceptual Framework

Conceptual framework is the general map of the study. Dependent and independent variables of the study are presented in the study. The first dependent variable to this study was SMEs profitability, whereas the researcher made analysis by looking how social media has led to profitability by looking on the increase of sales and decrease of cost due to advertising. The second dependent variable to this study was market growth, thus how has the social media led to the market growth of SMEs. The analysis was done by looking on increase on geographical coverage as well as increase in demand. The last dependent variable to this study was customer relationship management whereas the analysis was done by looking if there has been easy communication between customers and business owners, trust as well as easy customer's data base. However, the independent variable was Social media usage.

Independent variable

Dependent Variables



Source: Researcher's Creation (2020)

Figure 2.1: Conceptual Framework

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents all the methodologies that was applied to conduct the study whereas the justification of choosing each methodology was given. This chapter is referred as technical chapter. It presents how the study was conducted by showing the research methods which was adopted and utilized and reasons for adopting such methods.

3.2 Research Design

A research design is the general blueprint of how the study will be conducted, it identifies how data will be collected analyzed and presented (Kothari, 2012). This study will be a descriptive survey. The descriptive survey is a research design which describes the existing phenomena of a particular issue. The research design was used to describe about the social media and SMEs development in Kinondoni Municipal, whereas the researcher asked respondents in the study to say their views about the study. It gave a clear description of what is real happening on the ground in relation to the study objectives. This study design was used so as to see the impact of social media market on SMEs development. Also the design gives an opportunity to the researcher to draw large amount of data.

3.2.1 Area of the Study

This study was conducted at Kinondoni Municipal in Dar as Salaam City. The researcher has selected one of the municipals in Tanzania which has high number of SMEs(SIDO report, 2017). Furthermore the SIDO report (2017) shows that despite the fact that Kinondoni municipal has high number of SMEs, over half of the SMEs are using social media to promote their products and services, therefore it has triggered the researcher to centre the study in the area.

Hatibu (2018) argued that one of the SMEs which has been highly growing in Kinondoni municipal . It was also revealed that it's almost in every 10 SMEs 4 are utilising social media marketing. It is upon this argument the researcher intends to centre the study in Kinondoni Municipal.

3.3 Population

The target population of this study will include all SMEs in the study area. The SIDO report (2017) shows that, there are 760,563 small and medium enterprises based in Kinondoni area. The study cannot take the whole population as unit of analysis; hence this research drew only the required sample size from the targeted population.

3.4 Sampling Design

The researcher employed convenient sampling techniques to obtain the sample size.

3.4.1 Convenient Sampling Technique

The researcher used convenient sampling technique by obtaining SMEs who will be available during the study. Basing on this technique the researcher selected respondents from SMEs of Kinondoni Municipal who are using WhatsApp and Instagram. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher. The subjects are selected just because they are easiest to recruit for the study.

3.4.2 Sample Size

Estimation of Results of the study depended on the sample size taken. The sample size of the study was 100 respondents from the study population. The researcher will select a presentable sample of the populations so as to draw conclusion with high precision and accuracy.

A formula by Yamane (1967) was utilized to obtain the sample size of the study, A 10% was used as the level of precision in obtaining the sample size. The formula is displayed below:

Sample size of this study was reached by using a formula determined by Yamane (1967) as illustrated below

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

Where; n= Sample size

N= population size

e= Level of precision

e=10% since the level of confidence is 90%

Therefore, the sample size was calculated as follows;

$$n = 100 \text{ sample size}$$

3.5 Research Process

The research processes refer to the activities that you have to undergo when conducting systematic research. It consists of series of actions or steps necessary to effectively carry out research and the desired sequencing of these steps. Among these step is research analysis in which therein quantitative and qualitative research.

3.5.1 Pretesting

The value of pretesting can lead to detecting errors in cross-cultural language relevance and word ambiguity, as well as discovering possible flaws in survey measurement variables. Pretesting can also provide advance warning about how or why a main research project can fail by indicating where research protocols are not followed or not feasible Pretesting is the stage in survey research when survey questions and questionnaires are tested on members of target population/study population, to evaluate the reliability and validity of the survey instruments prior to their final distribution (Kothari, 1990). For the case of this study, pretesting was done to test the validity and reliability of the tools.

The questionnaires and interview checklist was given to few respondents so as to see if they can provide the needed information of the study.

3.5.2 Pilot Study

Basically, pilot testing means finding out if the survey, key informant interview guide or observation form will work in the “real world” by trying it out first on a few people normally 10 percent of the respondents. The researcher will take 10 respondents from the sample size so as to test the validity and reliability of tools to be used. Also, the pilot study will test to see what are the outcome of the tools.

3.6 Data Collection Approaches

3.6.1 Questionnaires

Primary data was collected through questionnaires. Questionnaires in this study were provided to SMEs in the study area so as to obtain information on the study variables, this instrument was both open and closed ended. The researcher administered the questionnaires to respondents by hand and it is the same ways that was collected.

The questionnaires was administered to 90 respondents who are owners of SMEs . The questionnaires are attached in the appendix with an introductory letter explaining the purpose of the study. Also the respondents will be voluntarily included in the study.

3.6.2 Interview Guide and Schedule

Interview is a face to face or one to one situation in which the interviewer gathers information about the behaviour, problems and future plans (Kothari, 2004) An interview schedule is basically a list containing a set of structured questions that have been prepared, to serve as a guide for interviewers, researchers and investigators in collecting information or data about a specific topic or issue

An interview guide is simply a list of the high-level topics that you plan on covering in the interview with the high level questions that you want to answer under each topic.

... Often we find that some questions are answered during the course of our conversation with the interviewee without even asking (Kothari,2006).

The other method that was used in this study was interviews, the researcher used interview to solicit information from 10 SMEs owners.

3.7 Data Analysis and Procedures

After data collection, the researcher categorized the obtained data for further analysis. The researcher cleaned the data so as to remove all errors. Before coding into numeral to make them amenable for analysis, and then were entered into the computer using Statistical Package for Social Science (SPSS) software.

SSPS was utilized so as to facilitate the analyze the quantitative data. The researcher begun by preparing the code book for data entry. The researcher therefore use percentage to analyze the coded data. The analysis was based on frequencies and percentages in presenting demographic analysis.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

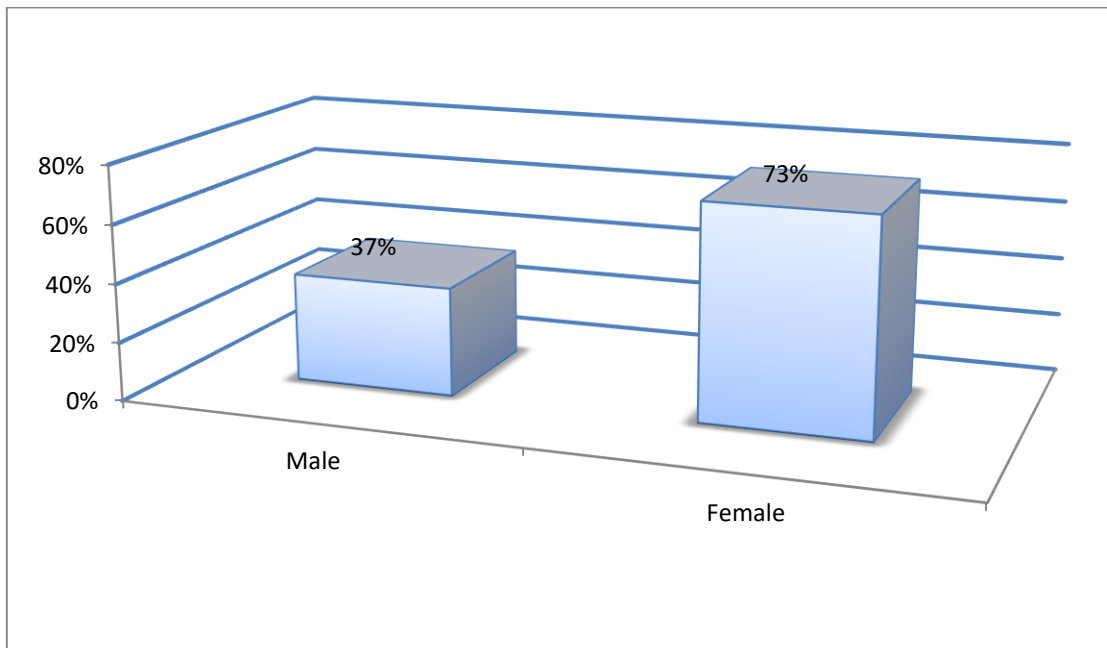
This chapter shows the obtained data from the study. The findings are presented into two sections; the first section presents the demographic analysis of the respondents. The second section presents the general findings with regard to the study objectives. The findings are the discussed by comparing and contrasting with the previous findings so as to identify what the study has materialized. Moreover; cross tabulation will be done so as to identify the findings with regard to demographic analysis.

4.2 Demographic Characteristics of the Respondents of the Study

Demographic analysis of the respondents was done by looking on the gender of the respondents, age, level of education, nature of catering services, experience in the business, number of followers on Instagram, numbers of WhatsApp, the number of times logging on WhatsApp and Instagram and the level of capital at the beginning of business and currently. The results are presented in the subsections below.

4.2.1 Gender of the Respondents

Gender of the respondents was analyzed so as to see how many women and men engage in catering services while using social media. The results are illustrated in the figure 4.1 below.



Source: Field Data (2020)

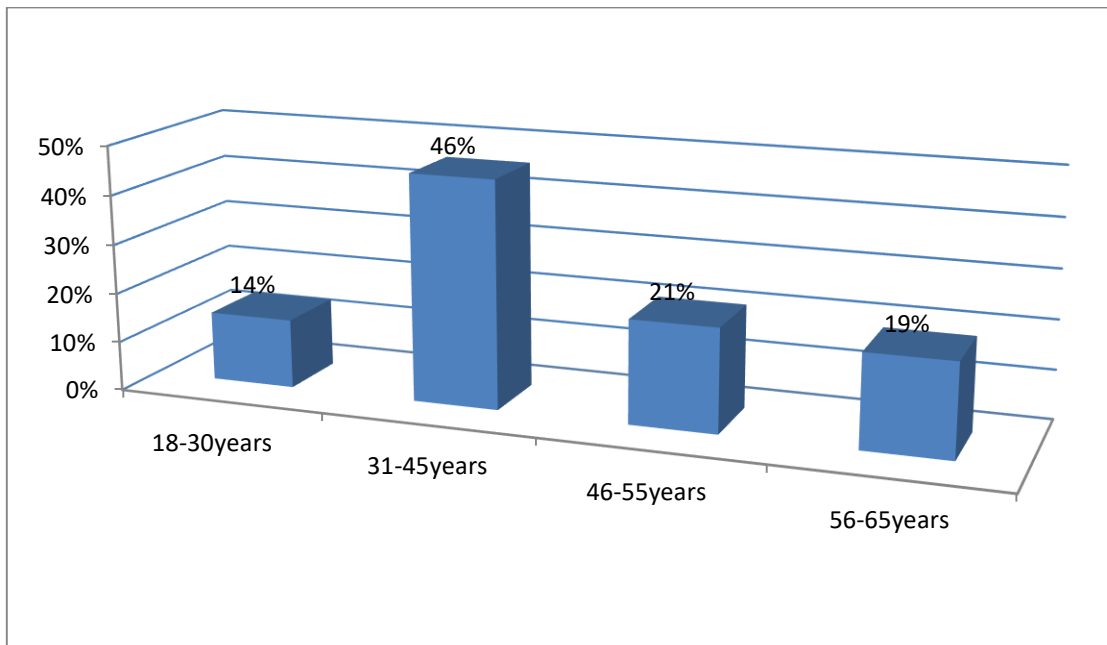
Figure 4.1: Gender of the Respondents

The findings presented in the figure 4.1 shows that 37% of the respondents were male while 73% of the respondents were female. The findings creates an impression that there are more female who engage in catering services in Kinondoni area.

The findings concur to the arguments presented by Mangold and Faulds (2015) currently more SMEs owners are women, this is because most women are widows so they have to work to provide for their family. Also, entrepreneurial spirit has highly grown among women now days.

4.2.2 Age of the Respondents

Age of the respondents was analyzed so as to determine the age of SMEs owners who engage in catering while using social media. The results are presented in figure 4.2 below.



Source: Field Data (2020)

Figure 4.2: Age of the Respondents

It has been found that 14% of the respondents were aged between 18 to 30 years of age. Also, 46% of the respondents were aged between 31 to 45 years of age. Moreover, 21% of the respondents were aged from 46 to 55 years and 19% of the respondents are aged between 56 to 65 years of age. The findings clearly shows majority of the SME's owner are aged between 31 to 45 years.

Currently, youth are being involved in SMEs business this due to the fact that self-employment is a major option to income generation due to lack of formal employment (Hogarth-Scott, Watson and Wilson 2017).

4.2.3 Education level of the Respondents

Moreover, education level of the respondents was analyzed so as to link the level of education to the respondents towards engagement of in SMEs particularly in catering services. The results are presented in the table 4.1.

Table 4.1: Education level of the Respondents

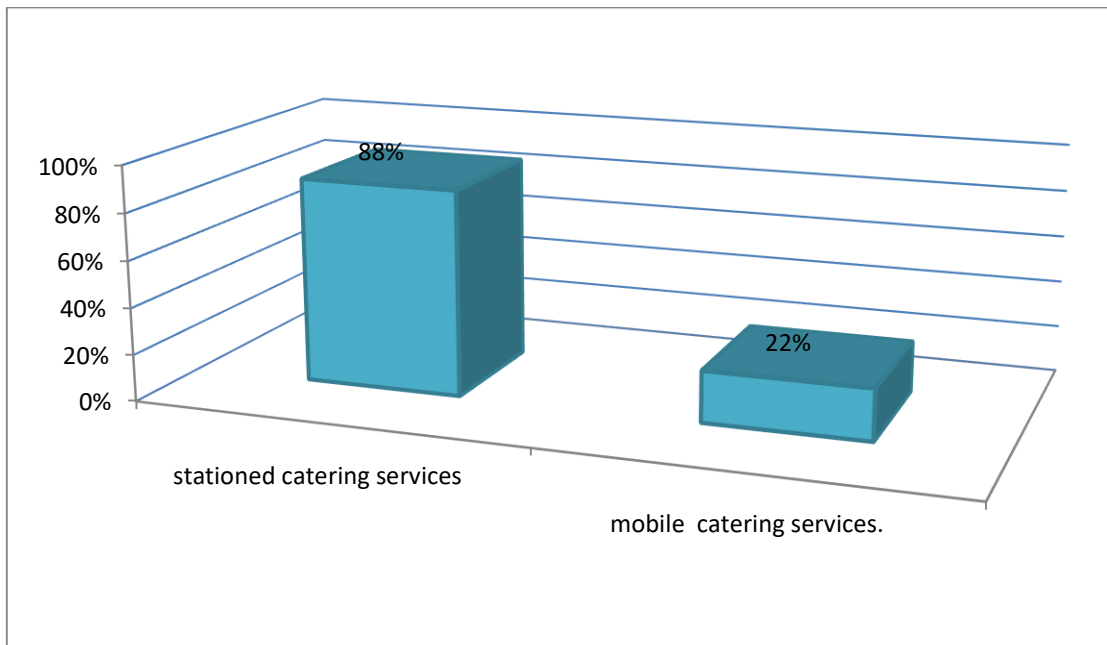
Responses	Frequency	Percentage
Primary Education	24	24
Secondary Education	45	45
Diploma	17	17
BA degree	10	10
Masters	4	4
PhD	0	0
Total	100	100

Source: Field Data (2020)

The findings presented in the table above shows that 24% of the respondents had primary level of education, while 45% of the respondents had secondary level of education, 17% of the respondents had diplomas, while 10% of the respondents had BA degrees. Also 4% of the respondents had masters level of education and none of the respondents had PHD. Therefore; it can be deduced that more of the SMEs owners are not highly educated. The findings reflects to the argument presented by Hatibu, (2018) the more educated people the less involvement in SMEs. Most of SMEs owners are less educated ones.

4.2.4 Type of Catering Services

The researcher was eager to know on what kind of catering services are mostly owned in Kinondoni Municipal. The analysis was done by looking on stationed catering services and mobile catering services. The results are presented in the figure 4.3.



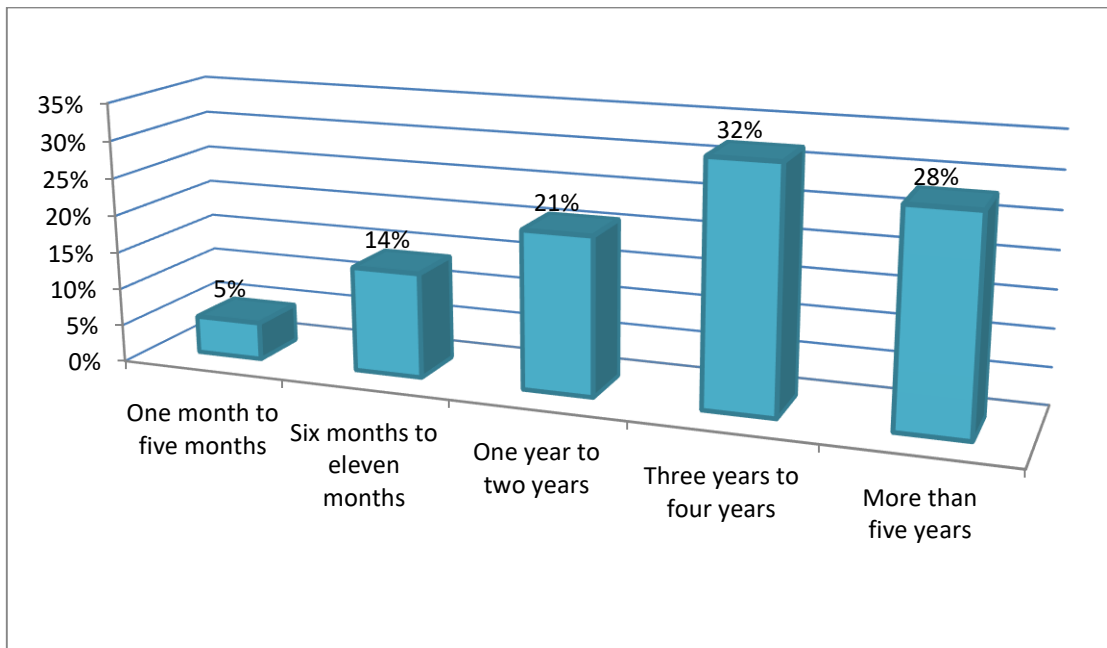
Source: Field Data (2020)

Figure 4.3: Type of Catering Services

The findings shows that 22% of the respondents have been engaging in stationed catering services, the results shows that stationed catering services are the ones that are fixed in one area thus they offer food service in one position. Also, the results shows that 22% of the respondents are mobile catering services. These are the ones that provide food services in parties, seminars as well as trainings or any other social gathering. Majority of the catering services are stationed one area in the study municipal

4.2.5 Experience in Catering Services

Experienced was one of the characteristics factors that was analyzed during the study. The researcher was interested to know the level of experience in the catering services in the study area. The results are illustrated in the figure 4.4...



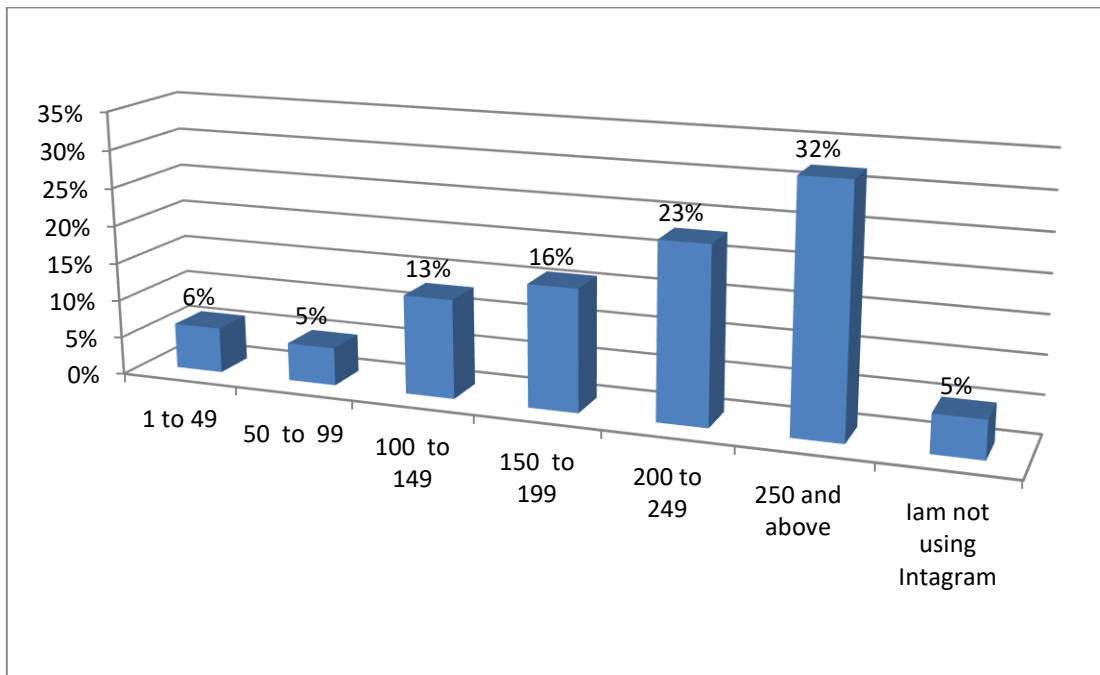
Source: Field Data (2020)

Figure 4.4: Experience in Catering Services

The results shows that (5%) of the respondents had an experience in one to five months while 14% of the respondents had an experience in six to eleven months (21%) of the respondents had an experience of one to two years whereas 32% of the respondents had an experience in the business for three to four years and 28% of the respondents had an experience in the business for more than five years. The results gives an impression that majority of the respondents have a good experience in catering business. Experience is among the best factors that determine success of the business. Therefore; better experience is among the good factors leads to better performance of SMEs (Hill, 2015).

4.2.6 Number of Followers do You have on Instagram

Since the study was based on SMEs performance and social media, therefore the researcher was concerned to find out the number of followers that SMEs owners have on their Instagram accounts. The results of the analysis are portrayed in the figure 4.5.



Source: Field Data (2020)

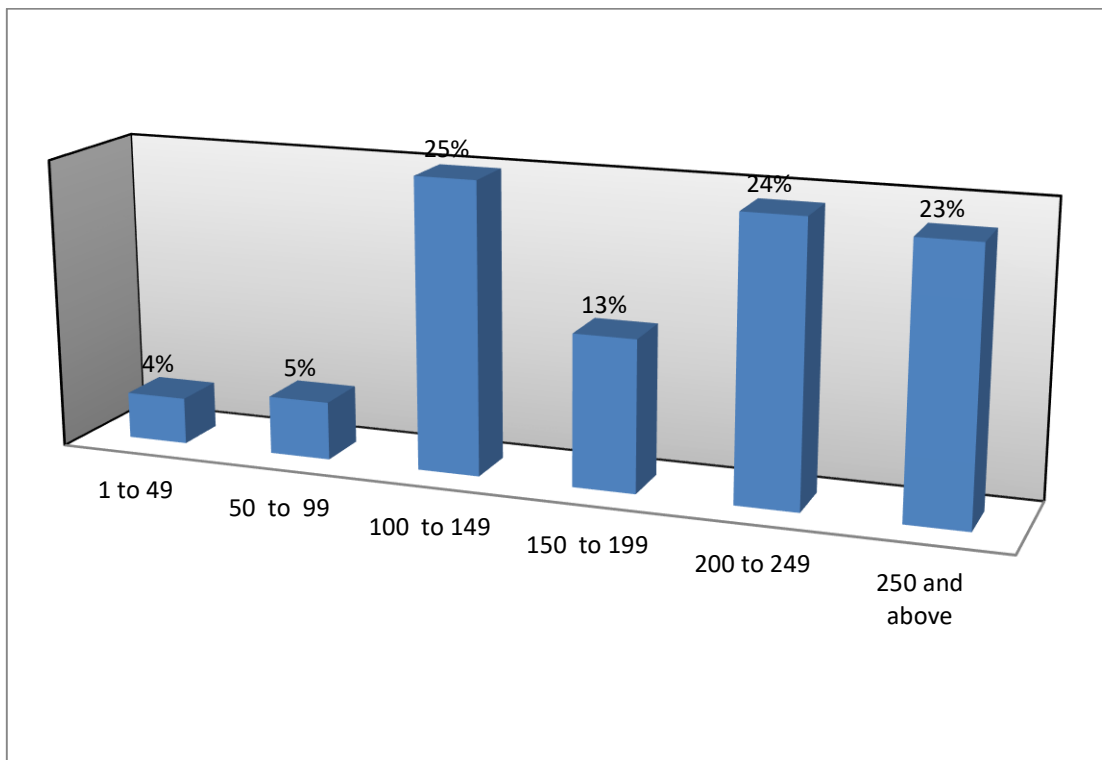
Figure 4.5: Number of followers have on Instagram

As presented in figure 4.5 above, results indicate that 6% of respondents have 1 to 49 followers, 5% of respondents have 50 to 99 followers, 13% of respondents have 100 to 149 followers, 16% have 150 to 199 followers, 23% have 200 to 249 followers, 32% have above 250 followers and 5% of respondents are not using Instagram at all. This indicates that, majority of respondents have followers above 250.

The majority of the respondents who have high number of followers on Instagram where as 67% of them were female and 33% of them were male. Instagram is referred as one of the most popular social media in different parts of the world, as the result most of people are easily connected through Instagram. So SMEs have chosen Instagram as better way to connect themselves with their customers hence they can easily reach them in their popularity.

4.2.7 Number of Contact List on WhatsApp

Also, analysis of respondent's involvement in social media considered the number of contact list that respondents have on their WhatsApp accounts. Responses were also ranked from "1 to 49", "50 to 99", "100 to 149", "150 to 199", "200 to 249", "250 and above", "I am not using WhatsApp". Results are presented in figure 4.6 below.



Source: Field Data (2020)

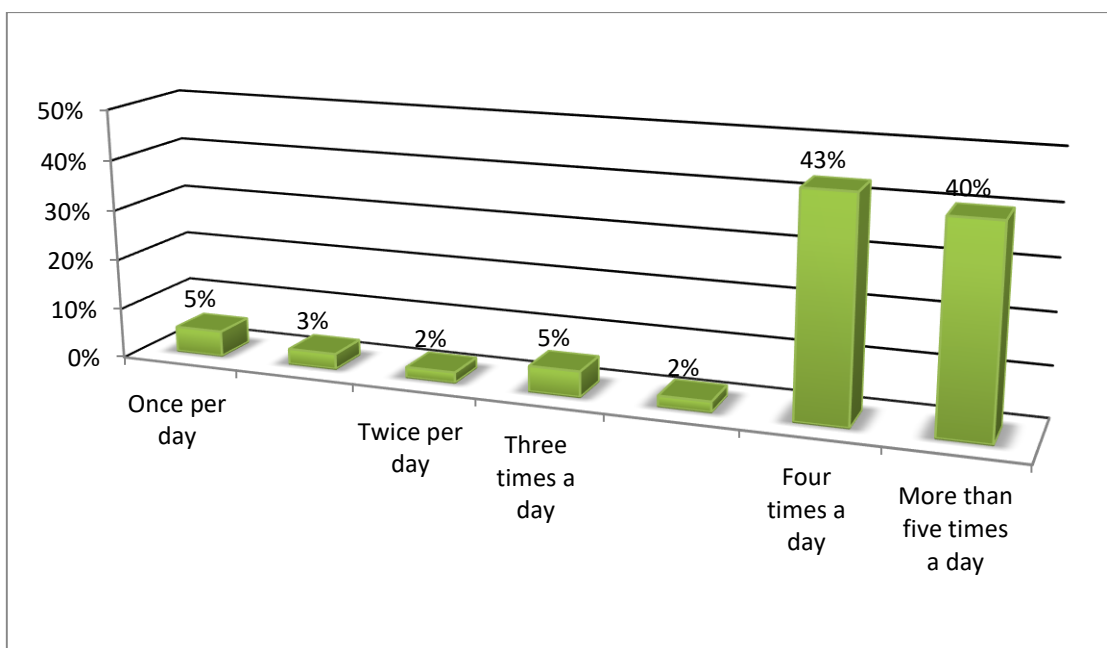
Figure 4.6: Number of Contact List on WhatsApp

From figure 4.6 above, the findings show that, 4% of respondents have 1 to 49 followers, 5% of respondents have followers from 50 to 99, 25% of respondents have 100 to 149 followers, 13% of respondents have 150 to 199 followers, 24% of respondents have 200 to 249 followers, 23% of respondents have followers from 250 and above and 6% of respondents are not using WhatsApp at all. This indicates that majority of respondents have followers from 100 to 149. They mostly sign in for more than five times in the social media.

It has been identified that WhatsApp is directly connected to one's smart phone, therefore if one posts anything everyone in the contact list could see what has been posted (Chanaron, 2015)..

4.2.8 The Duration of Signing in Instagram

Also, respondents were asked to indicate the number of times they sign on Instagram per day. Results are presented in figure 4.7 below.



Source: Field Data (2020)

Figure 4.7: The Duration of Signing in Instagram

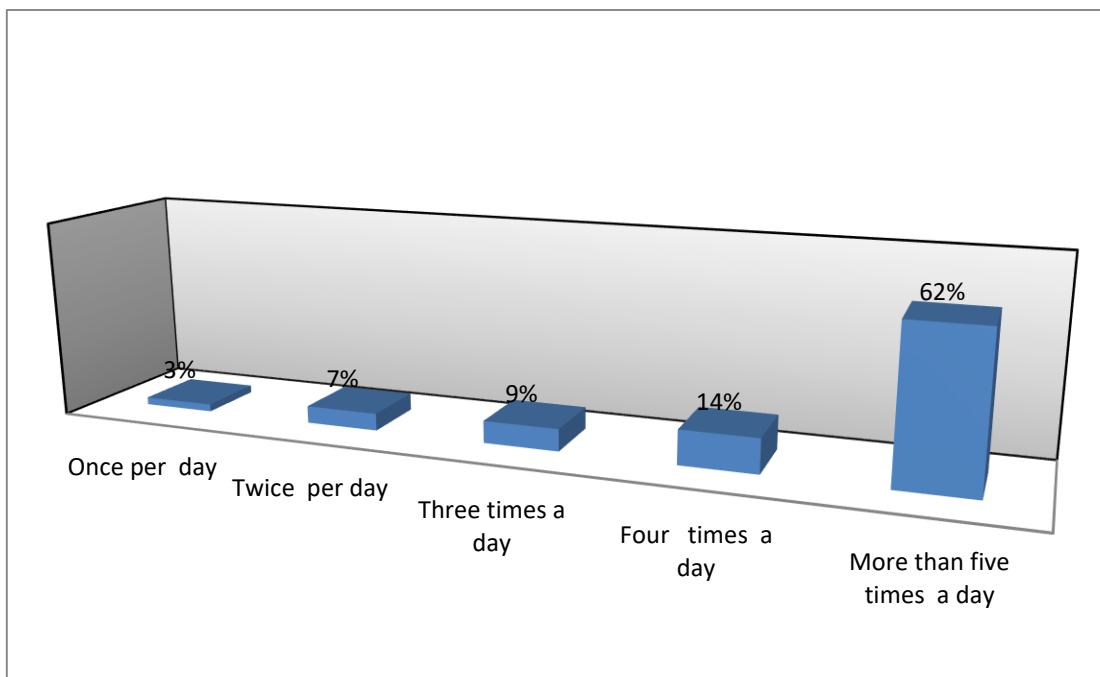
Findings from figure 4.7 above show that, 5% of respondents sign in on Instagram once per day, 3% sign in twice per day, 5% sign in three times a day, 5% sign in four times a day, 43% sign in more than five times a day, 40% are not using Instagram at all. This indicates that, majority who make 62% of respondents sign in on Instagram more than five times a day. 62% of the respondents who are majority signing to Instagram more than five times a day, 39% of them were female users, this gives an impression that most active users of Instagram users are women.

It has been found that at most of the times SMEs owners do post on their pages on different kind of services that they offer as illustrated below;

Using Instagram is so important on marketing of SMEs, so one has to be an active user of Instagram by signing in in most of the time. Research found that Instagram users were 58 times more likely to like, comment, or share a brand's post than Facebook users and 120 times more likely than Twitter users (Jitihada. 2013).

4.2.9 The times of signing in on WhatsApp per Day

Analysis concerning the number of times that respondents sign in on WhatsApp per day was done. Results are presented in figure 4.8 below.



Source: Field Data (2020)

Figure 4.8: The Times of Signing in on Whatsapp Per Day

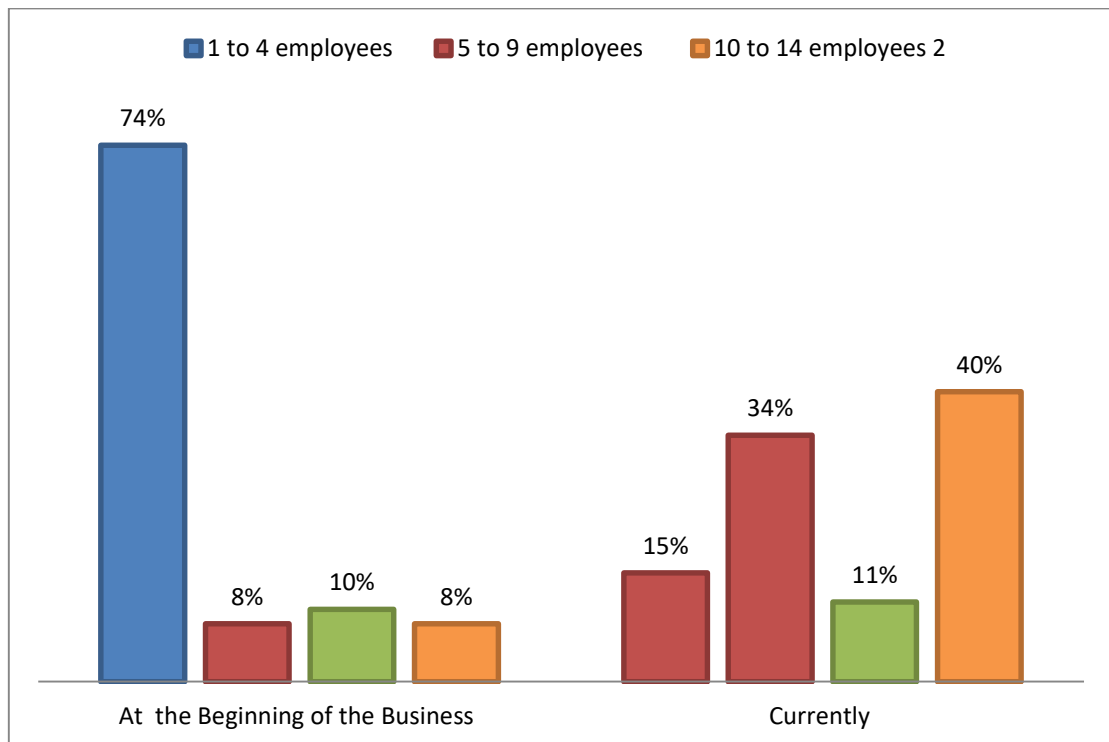
Results from figure 4.8 above show that, 3% of respondents sign in on WhatsApp once per day, 7% of respondents sign in on WhatsApp twice per day, 9% of respondents sign in three times a day, 14% of respondents sign in four times a day,

62% of respondents sign in more than five times a day. This indicates that, majority of respondents log in on WhatsApp more than five times a day.

The main reason behind the popularity of WhatsApp is it is a cross-platform app that uses the Internet to send text messages, images, video, user location and audio media messages from one smart phone to another instantly. So people fell very easy to use this app to send messages, images, videos etc. to friends or to any other easily (Hennig-Thurau, Malthouse, Friege, Gensler, Lobschat, Rangaswamy and Skiera. 2014)

4.2.10 Number of Employees at the Beginning and Currently

Moreover the researcher was eager to assess the number of employees the SMEs had at the beginning of the and currently. This will help to see if there have been any progress so far. The results are presented in the figure 4.9.



Source: Field Data (2020)

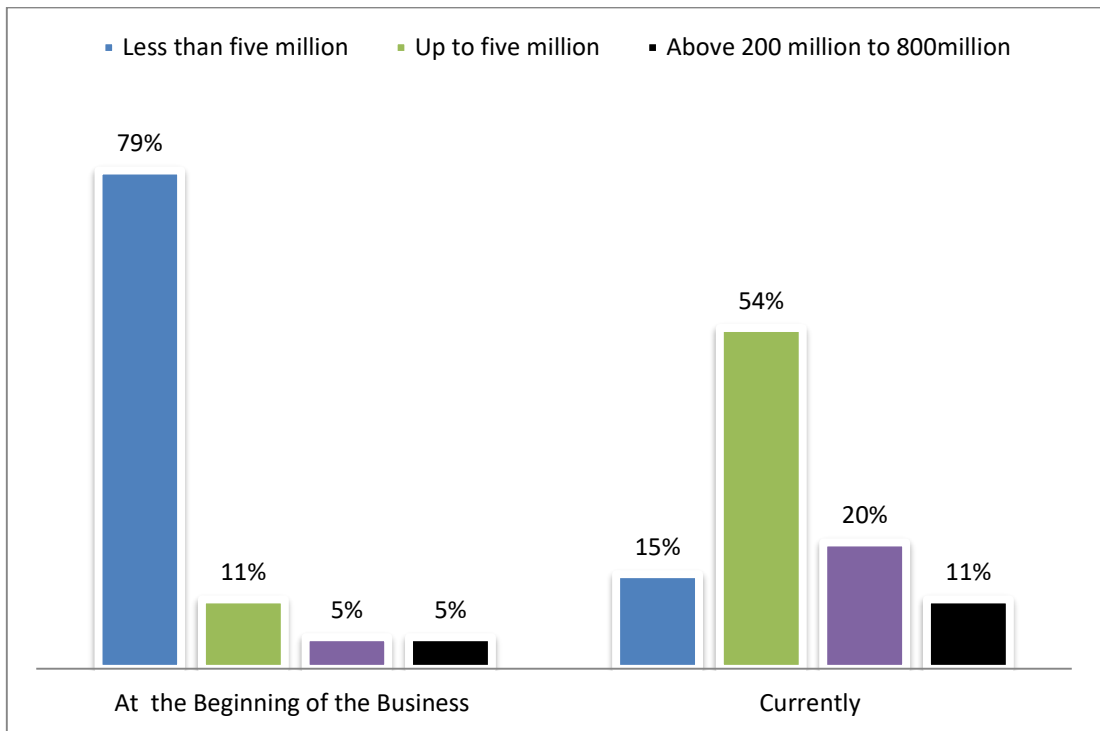
Figure 4.9: Number of Employees at the Beginning and Currently

The findings illustrated in the figure 4.9 above shows that 74% of the respondents had 1 to 4 employees when they began their business. While 8% of the respondents have argued that they had 5 to 9 employees as they started their business. The study also showed that 10% of the respondents had 10 to 14 employees as they began their business. However, currently 15% of the respondents had 1 to 4 employees, 34% had 5 to 9 employees whereas 11% of the respondents have 10 to 14 employees. The findings shows that majority of the respondents have increased the number of employees hence at the beginning most of them had 1 to 4 employees but currently most of them have 5 to 9 employees, therefore it can be deduced that there have been good progress of SMEs.

According to SIDO report (2018) due to the SMEs policy in Tanzania, most of SMEs fall under the category of 4-9 employees, however currently most of SMEs have developed enough therefore have more than 9 employees.

4.2.11 Level of SMEs Capital at the Beginning and Currently

The researcher also intended to find out the level of capital at SMEs beginning and currently. The analysis was done to see in there have been and capital growth among SMEs understudy. The results are portrayed in the figure 4.10.



Source: Field Data (2020)

Figure 4.10: Level of SMEs Capital at the Beginning and Currently

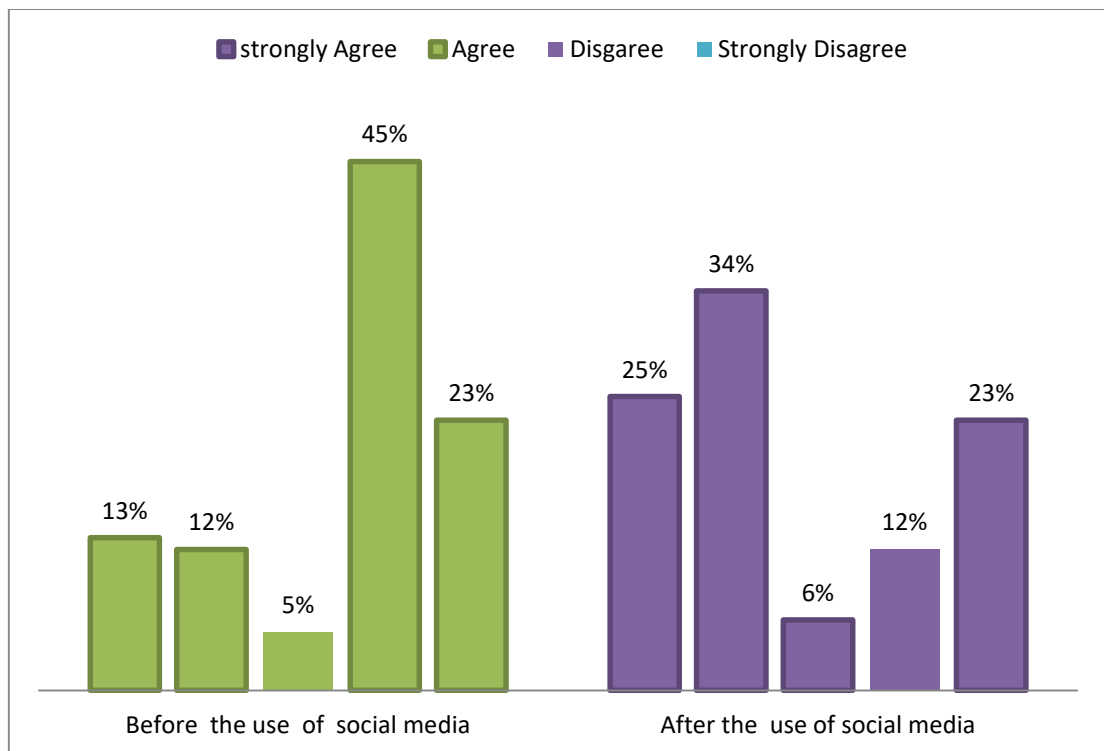
The findings shows that 79% of the respondents begun their business with the capital of less than five million while 11% of the respondent had at least five million shillings as their initial capital. While 5% of the respondents above five million shillings to 200 million while 5% of the respondents had their capital above 200 million to 800 million shillings. The findings an impression that majority of the respondents had initial capital of less than five million.

Currently, 15% of the respondents have a capital of less than five million shillings while 54% of the respondents had their capital standing at above 5 million shillings. Also, 20% of the respondents have their capital more than five million but not above 200 million whereas 11% of the respondents have their capital from 200 million to 800 million shillings. The findings gives an impression that majority of the respondents have increased their capital to above 5 million shillings.

The findings reflects to the arguments presented by Feliccian (2017) one of the major challenges facing SMEs in African capital at the beginning, however once they begin their business they have a better chance of increasing their capital.

4.3 The Impact of Social Media on Profitability among SMEs in Kinondoni Municipal

The first objective to this study was to assess the impact of social media on SMEs profitability in the study area. The analysis was done by looking before the use of social media and after the use of social media in terms of operational cost, increase in sales, increase in profit and increase in customers. The findings are presented in two sub sections thus before social media and after the use of social media.



Source: Field Data (2020)

Figure 4.11: Decrease of Operational Cost

The findings on the impact on profitability before social media shows that 13% have strongly agreed that there have been decrease of operational cost before the use of social media. While 12% of the respondents just agreed over the notion. Whereas 5% were neutral. However, 45% of the respondents have disagreed that there have no decrease of operational cost before the use of social media, while 23% of the respondents have strongly disagreed that there have been decrease on operational cost. The findings shows that majority of the respondents have denied that before the use of social media there have decrease of operational cost hence at most of the time when SMEs wanted to promote their business had to promote through TV or radio adverts which is very costly.

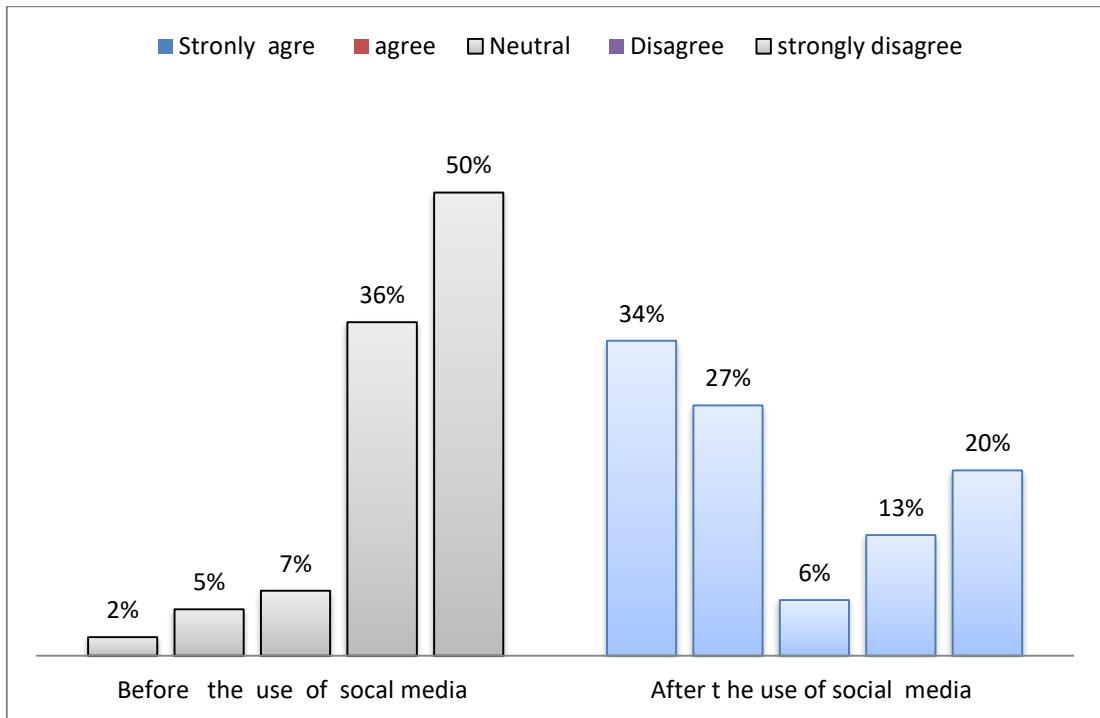
Technological advancement has simplified a number of issues on business operations including operational cost. Hence one just needs an idea, technological device and social media account to advertise their business. (Sake and Brake 2015).

The results after the use of social media have shown that 25% of the respondents have strongly agreed that there have been decrease on operational cost due to social media use while 34% of the respondents just agreed that there have been decrease of operational cost, whereas 6% of the respondents were just neutral to the statement. 12% of the respondents have disagreed on the notion and 23% of the respondents have strongly disagreed on the notion. Majority of the respondents have noted that there have decrease of operational cost due to the use of social media hence most of them said the cost of advertising and promotion has been introduced.

The findings concurs to Storey, (2015) who argued that social media has been the simplest and cheapest way of promoting business whereby SMEs can easily afford due to the smallness of their capital.

4.3.1 Increase of Sales

The other control variable which was analyzed is increase of sales . there researcher wanted to find out how the sales performance before the use of social media and after its use. The results are presented in the figure 4.12 below.



Source: Field Data (2020)

Figure 4.12: Increase of Sales

The findings presented in the figure 4,12 shows that 2% of the respondents have strongly agreed that there have been increase of sales before the use of social media while 5% of the respondents just agreed and 7% of the respondents were just neutral but 36% of the respondents have disagreed that there have increase of sales before social media while 50% of the respondents strongly disagreed over the notion. Majority of the respondents have denied that there has no increase of sales before the use of social media. Among the majority who disagreed over the notion.

Before the use of social media it was very difficult to market business especially the SMEs hence it was very costly and time consuming. Therefore SMEs were

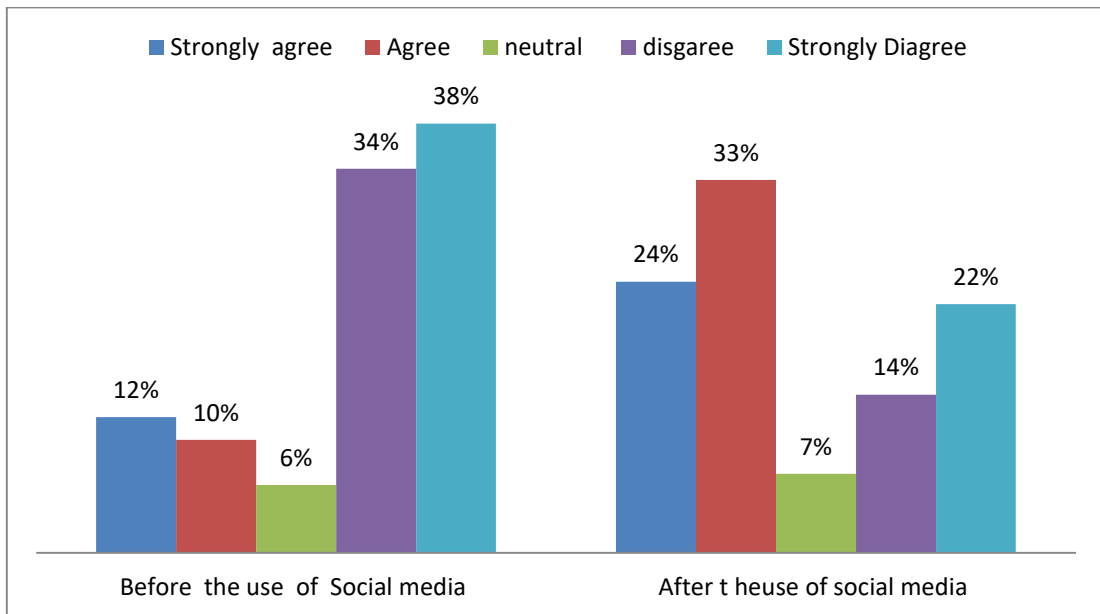
characterized of low sales and poor performance (Hogarth-Scott, Watson and Wilson 2017).

The results shows that after the use of social media marketing 34% of the respondents have strongly agreed that there have been increasing of sales highly due quick promotion through social media. While 27% of the respondents have just agree over the statement, whereas 6% of the respondents were just neutral, 13% of the respondents just agreed and 20% of the respondents strongly agreed. Majority of the respondents have agreed that there have been increase of sales due the use of social media.

One of the factors that lead to increase of sales among SMEs is advertising and promotion, one of the channels that has highly facilitated promotion is social media in turn has led to increase of sales (Hatibu, 2018).

4.3.2 Increases of Profit

The third control variable under the first objective was increase of profit. The researcher made analysis on the increase of sales before and after the use of social media. The results are illustrated in the figure 4.13.



Source: Field Data (2020)

Figure 4.13: Increases of Profit

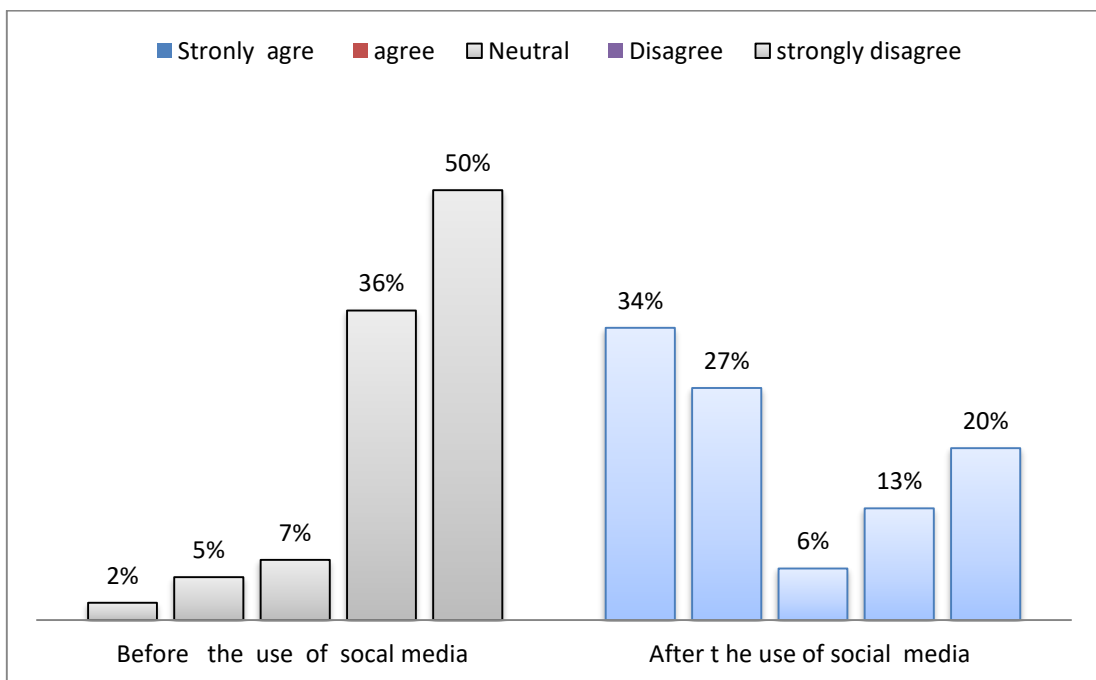
The findings presented in the figure 4.13 shows 12% of the respondents strongly agree that there have been increase of profit before the use of social media. 10% of the respondents argued just agreed that there was increase of profit before the use of social media. 6% of the respondents were just neutral over the statement. While 34% of the respondent disagreed that there were increase of profit before the use of social media and 38% strongly disagreed. Majority of the respondents have argued that there was no increase of profit before social media. It has been found that before social media marketing most of SMEs were faced with low sales and profits.

The analysis based on after the use of social media showed that 24% of the respondents strongly agreed that they have increase of sales due after the use of social media marketing. Also 33% of the respondents had a concert that profit has increased after the use of social media. However, 7% of the respondents were just neutral. 14 % the respondents have disagreed and 22% have strongly disagreed. The findings creates an impression that profit has been increasing due to social media marketing hence majority of the respondents have argued so.

Most of business are aimed at profit making. Therefore, marketers may use any kind of technique so as can make profits, one of the techniques being realized is social media marketing which has proved to be very effective (Kaplan, and Haenlein, 2014).

4.3.3 Number of Customers have been Increasing

The last control variable to the first variable was number of customers, the researcher wanted to find out if number of customers has been increasing before and after the use of social media. The results are presented in the figure 4.14.



Source: Field Data (2020)

Figure 4.14: Number of Customers have been Increasing

The findings presented in the figure 4,14 shows that 2% of the respondents have strongly agreed that there have been increase of customers before the use of social media while 5% of the respondents just agreed and 7% of the respondents were just neutral but 36% of the respondents have disagreed that there have been

increase of customers before social media while 50% of the respondents strongly disagreed over the notion. Majority of the respondents have denied that there have no increase of customers before the use of social media. Among the majority who disagreed over the notion, 52% of the respondents were female 48% were male.

The results shows that after the use of social media marketing 34% of the respondents have strongly agreed that there have been increasing of customers highly due quick promotion through social media. While 27% of the respondents have just agree over the statement, whereas 6% of the respondents were just neutral, 13% of the respondents just agreed and 20% of the respondents strongly agreed.

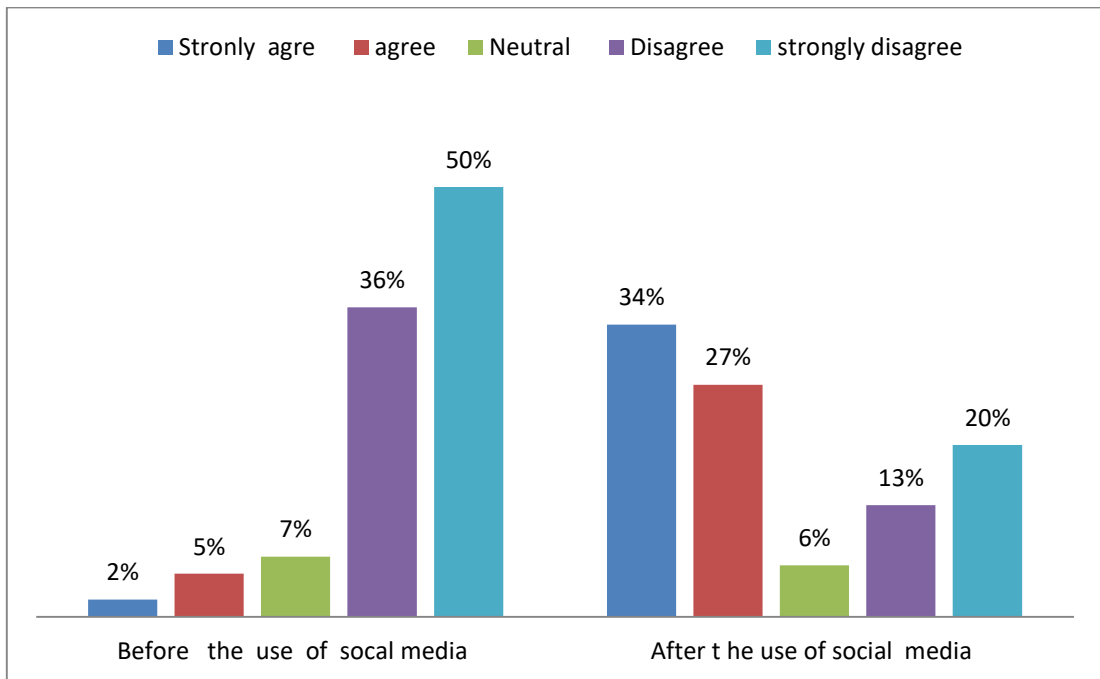
One of the factors that lead to increase of customers among SMEs is advertising and promotion, one of the channels that has highly facilitated promotion is social media in turn has led to increase of sales (Hatibu, 2018)

4.4 The Impact of Social Media on Market Growth among SMEs in Kinondoni Municipal.

The second objective to this study was to assess the impact of social media on market growth in Kinondoni district. The study looked on in terms of geographical location, increase in service demand, customers are easily involved and easy to convince customers. The analysis was done by looking before and after the use of social media. The analysis was done and presented in the subsections below.

4.4.1 In Terms of Geographical Coverage there is a Larger Market

The researcher wanted to find out the impact of social media geographical coverage basis. The analysis was done by looking before and after the inception of social media. The analysis was done and presented in the figure 4.15



Source: Field Data (2020)

Figure 4.15: In Terms of Geographical Coverage there is a Larger Market

The findings presented in figure 4.15 above shows that 2% of the respondents have strongly agreed. It has been found that 5% of the respondents have just agreed. While 7% of the respondents were just neutral however 36% of the respondent just disagreed and 50% of the respondent have strongly disagreed on the notion that before the use of social media there was high geographical coverage of their SMEs.

The results also show that majority 34% of the respondents have strongly agreed that after the use of social media there have been high geographical coverage where 34% of them are WhatsApp users, 41% were Instagram users. Also these were very active users who mostly signed to their social media pages for more than five hours.

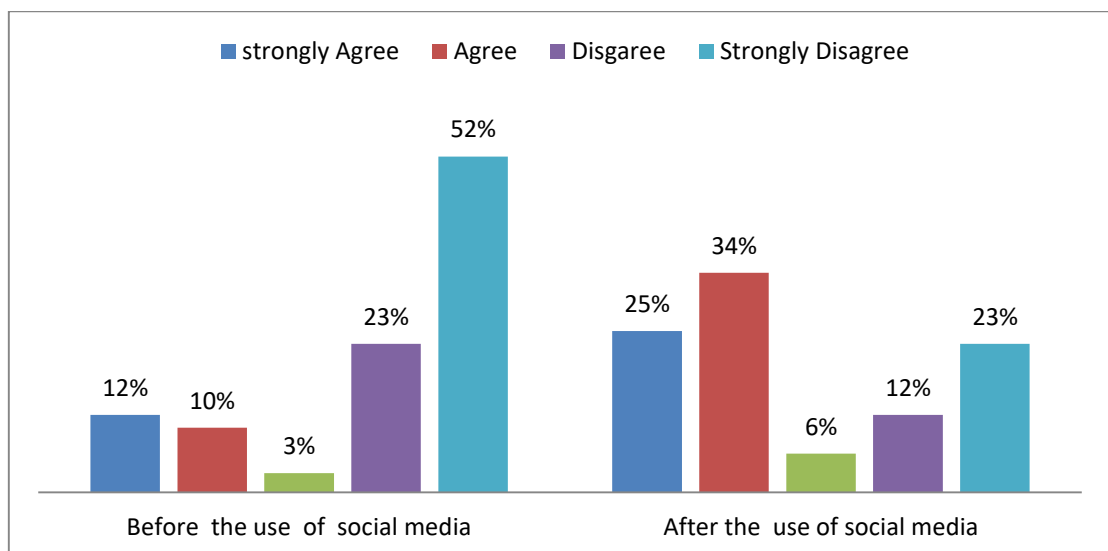
It has been found that since the inception of social media such as Facebook and Instagram, most of SMEs made use of it to advertise and reach a good number of customers at wide coverage area. It has been found that most of SMEs are Dar es Salaam but due to the use of social media they can reach to customers from Shinyanga,

Mwanza and many different areas. It has been found that at most of the time SMEs are being advertised through social media and customers can press their orders and make pre-payments and finish up the rest of the payment upon delivery.

The analysis showed that 27% of the respondents just agreed on the notion, 6% of the respondents were just neutral 13% disagreed and 20% strongly disagreed. The most respondents who are strongly agreed that social media has led to high geographical coverage Due to the inception of social media it has helped a good number of SMEs to reach a wider range of geographical coverage, thus SMEs may be based in Kenya but still can deal with the market structure found in Tanzania, thus the social Media has facilitated their business through e-ordering and e-sales (Welo, Goldenberg and Levy 2016)

4.4.2 Increase in Service Demand

The researcher wanted to find out if the use of social media have led to increase in service demand . The analysis was done by looking before and after the use of social media. The analysis was done and the results are presented in figure 4.16



Source: Field Data (2020)

Figure 4.15: Increase in Service Demand

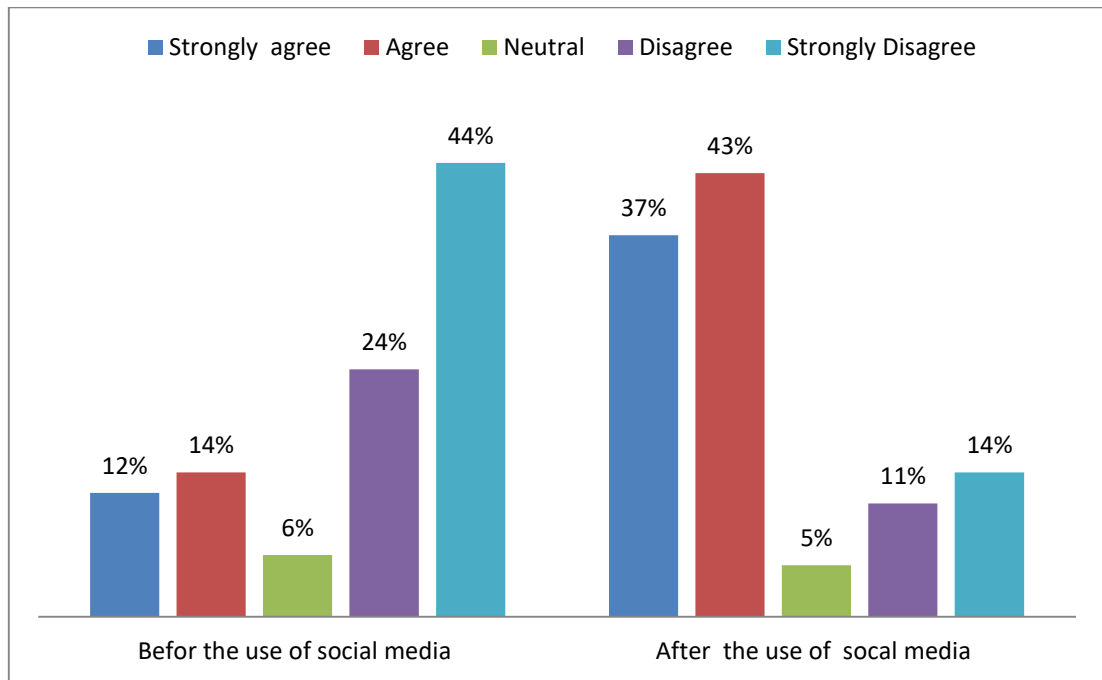
The findings presented in the figure 4.16 shows before the use of social media 12% of the respondents have strongly agreed that before the use of social media they were increase in demand , while 10% have just agreed , 3% were neutral to the notion, 23% of the respondents just disagreed and 52% of the respondents have strongly disagreed that before the use of social media has led to increase in service demand . It has been noted that before the use of social media most of business were not closer to their customers at all. The only way to meet customers was through physical contact.

While 25% of the respondents strongly agreed that after the use of social media they have been increase of demand. . It has been noted that use social has SMEs to easily show case their products and directly talk to their customer just through social media . whereas 34% of the respondents have just agreed , 6% were neutral, however 12% disagreed to the notion and 23% of the respondents strongly agreed . The findings shows that the use of social media has facilitated increase of demand. It has been noted that most who agreed being closer to customers due social media where Instagram and WhatsApp users and mostly their capitals were less than five millions.

Currently there is high trend of social media usage to promote business especially the small and media enterprises, in Tanzanian we have witnessed a number of social media pages used for advertising different products and services , social media outlets have been used as platform for customer relationship management, to provide information about their services or products.. Social media have been used by SMEs to promote their business, however it has been noted that social media has no any direct impact of SMEs sales performance hence mostly social media platforms are being used by teenagers who are no active buyers due to their lower financial capacity (Kassimu, 2015).

4.4.3 Customers are Easily Involved

As far as marketing accessibility and growth is concerned, the researcher wanted to find out if using social media has ready to SMEs to easily reach their customers involvement. The analysis was done on before and after the use of social media. The analysis was done and results are presented in the figure 4.16 below



Source: Field data (2020)

Figure 4.16: Customers are Easily Involved

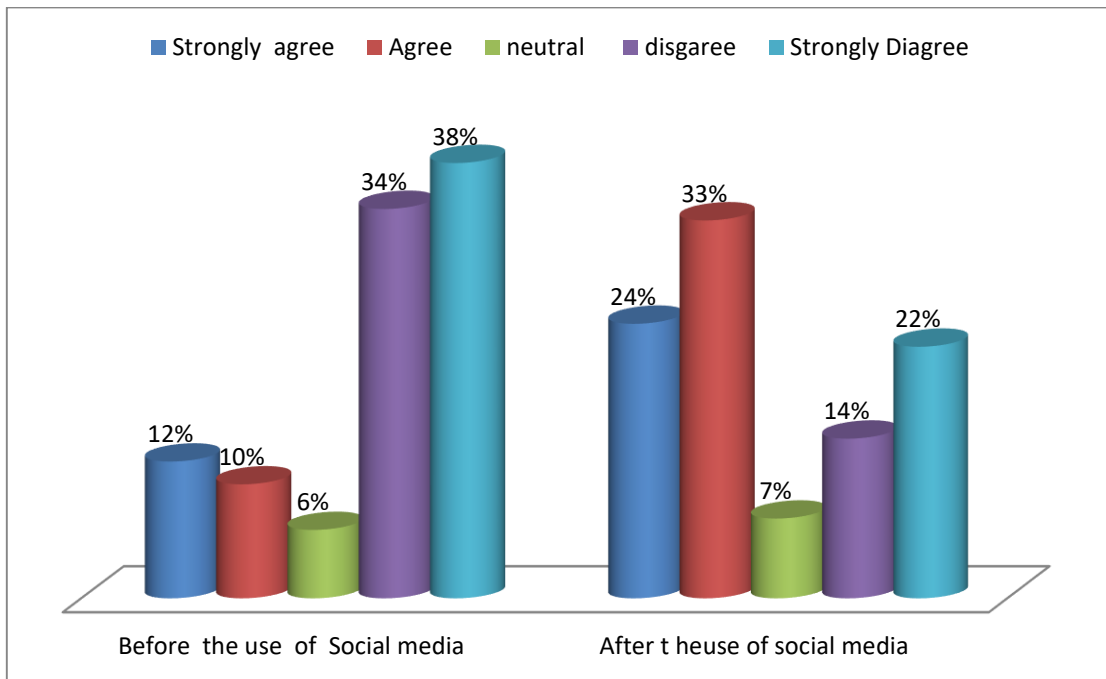
The findings presented in the figure 4.16 above shows that 12% of the respondents strongly agreed that before the use of social media customers were easily involved, 14% of the respondents just agree on the notion, 6% were neutral whereas 24% of the respondents just disagreed and 44% of the respondents strong disagreed. It has been noted before the use of social media it was not easy to involve customers hence there a must of physical contact. Currently they are active users of social media such as Instagram, hence they use to sign on more than five hours a day.

However the analysis after the use of social media was done and the results showed that 37% of the respondents strongly agreed that they easily involve customers, while 43% just agreed that they can easily reach customers through the use of social media hence they can just communicate with large number of customers at once just posting their products on social media links. It has been found that 5% of the respondents were neutral while 11% of the respondents just disagreed and 14% agreed. The result of the analysis shows that through the use of social media, customers can easily be involved by SMEs.

Social media is a hybrid element of promotion mix because in traditional sense it enables companies to talk their customers while in a non-traditional sense it enables customers to talk directly to one another. The key factor behind the performance of Management is based as team work, while the progress of employee's depending upon leadership of the management. (Shahzad and Rehman 2012).

4.4.4 Easy to Convince Customers

Furthermore, the researcher wanted to find out if the use of social media has led to the use of word of mouth which is more convenient to customers. The analyses were done by looking on before and after the use of social media and the results are presented in the figure 4.17 below.



Source: Field Data (2020)

Figure 4.17: Easy to Convince Customers

The findings presented in the figure 4.20 shows that 12% of the respondents strongly agreed that before the use of social media there was effective use word of mouth to convince customers , 10% of the respondents just agreed on the notion , 6% of the respondents were just neutral to the statement above however 34% of the respondents just disagreed and 38% of the respondents strongly agreed to the notion. The majority of the respondents have strongly disagreed that was easy convince of customers before the inception of social media hence they had no any platform to do so. It has been found that majority of the respondents who disagreed on the notion above. 21% of them were standard seven leavers.

Further analysis was done so as to show the situation after the use of social media , it has been found that 24% strongly agreed that the use of word of mouth has been very effective to convince customers due to the use of social

media. 33% just agreed, 7% were neutral, 14% and 22% of the respondents disagreed and strongly disagreed respectively.

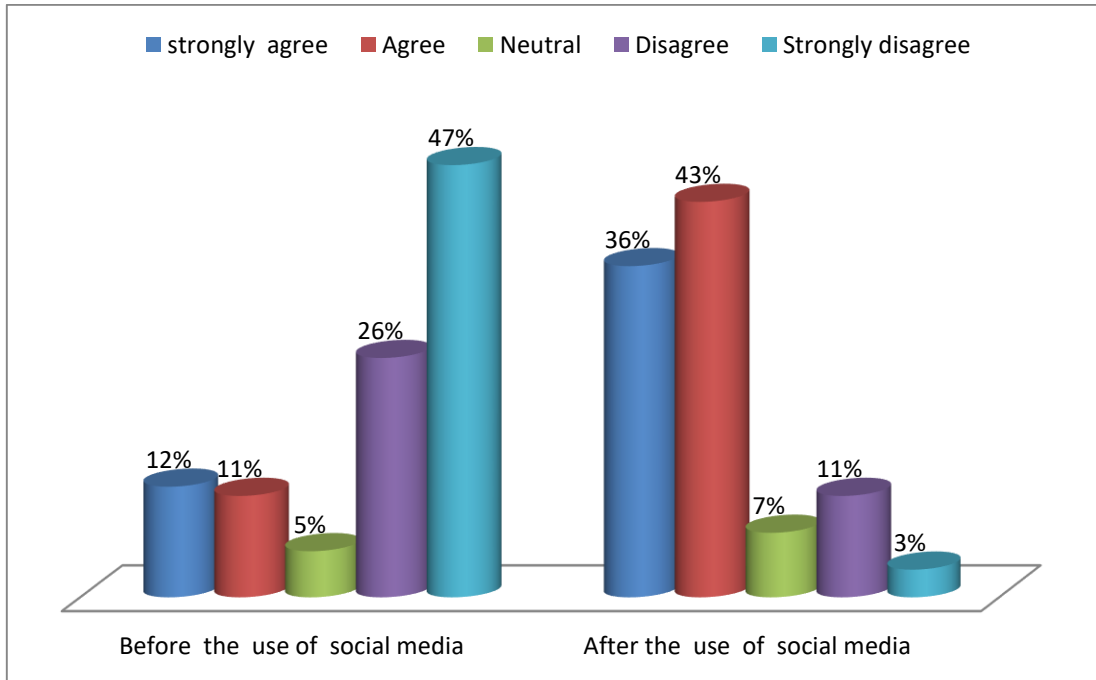
The finding reflects to the social media marketing that should be gradually implemented into the existing marketing plan of a certain company. All this process of communication is generally known as word of mouth (WOM) nowadays there is substantial evidence that online word of mouth effect peoples attitude toward the product. (Flagler 2011 and Chen (2014)

4.5 Social Media on Enhancing Customer Relationship among SMEs in Kinondoni Municipal

The last objective to this research was to assess the impact of social media on the customer relationship among SMEs in Kinondoni district. The analysis was done by looking on easy communication, trust between the parties information is easily shared between the parties. The analysis was done by looking before and after the use of social media. The outcomes are presented in the subsection below.

4.5.1 Easy Communication between the Parties

The researcher was interested to find out if there is easy communication between the parties before and after the use of social media. The analysis was done and presented in the figure 4.18.



Source: Field Data (2020)

Figure 4.18: Easy Communication between the Parties

The results presented in the figure 4.18 showed that 12% of the respondents strongly agreed that there have been easy communication between customers and SMEs owners before the use of social media in the study case area. Whereas 11% of the respondents had pointed out that they just agree, while 26% just disagreed and 47% of the respondents strongly disagreed. The findings shows that there was no easy communication before the use of social media.

However, social media has simplified the task of customer relationship management, hence it has given both business owners as well as customers to effectively and easily interact among each other and communicate. It is through social media only that word of mouth (WOM) can be effectively utilized. We all know that the power of WOM is very huge (Chan, 2015).

The findings presented in the figure 4.18 showed that 36% of the respondents strongly agreed that their communication with customers was easy due to social media.

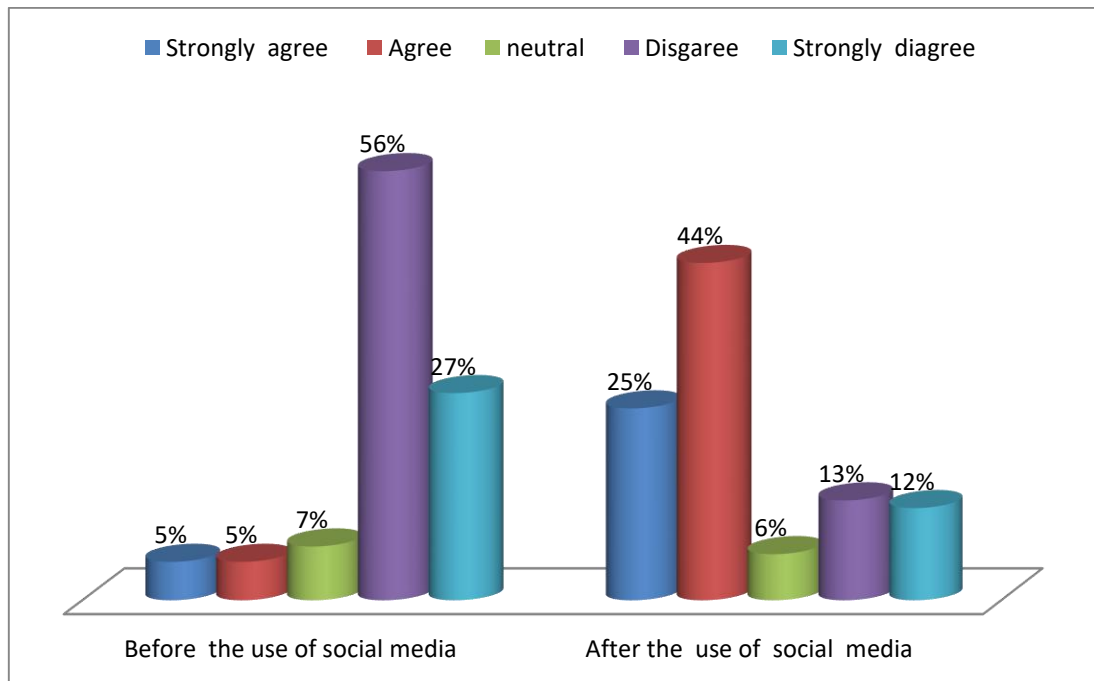
Furthermore 43% of the respondents just agreed. f (7)% of the respondents were just neutral. f(11%) of the respondents disagreed on the notion and 3% strongly agreed. The findings presented in the figure above gave an impression communication was easy due to social media hence it is through social media that SMEs can cost and wait for comments.

The mix of web based life and client relationship management (social CRM) empowers your image to genuinely tune in to your clients like never before previously. It upgrades your conventional CRM by tuning in for and with online networking discussions, following new leads from a Tweet or Face book post and moving them into your business pipe (Chan, 2015).

4.5.2 Trust between Customers and SMEs Owners

The other variable which was analyzed in the last objective was trust between customers and SMEs due to social media marketing in the business. The analysis was done by looking how trust was before and after the use social media in the study area. The results done and presented in the figure 4.19.

Figure 4.19: Trust between Customers and SMEs Owners



Source: Field data (2020)

Figure 4.18: Easy Communication between the Parties

The findings presented in the figure 4.19 showed that 5% of the respondents strongly agreed that there was trust between the parties before the use of social media, while 5% of the respondents just agreed, 56% of the respondents just disagreed and 27% of the respondents had argued that there was no trust at all before the use of social media.

On the other hand 25% of the respondents had said after the use of social media the high trust between the parties hence most of customers fell connected to the SMEs owners. Also the findings showed that 44% of the respondents just agreed on the statement while 6% were just neutral. 13% disagreed and 12% strongly disagreed. The analysis showed that after the inception and use of social media there had been so high trust. I.

After the emergence of new technologies, customers have been looking at social media instead of Google or other search engines in order to get information about the companies (Newman, 2013). Social Media is an advantage to build trust between the customers and the company in a way that has never been seen with the traditional media (Deelmann and Loos, 2012).

4.6 Summary of Findings

The key objective of research was to evaluate the impact of social media on small and medium enterprises (SMEs) development in Tanzania particularly in Kinondoni District. Research was directed by three goals which were assessing the impact of social media on profitability among SMEs in Kinondoni Municipal., examining the impact of social media on market growth among SMEs in Kinondoni Municipal and the impact of social on enhancing customer relationship among SMEs in Kinondoni Municipal

Also research presented a number concept, knowledge and information in chapter two. The research presented resource based concept. As well as the empirical analysis was done , so as to recognize what has been done and what has yet been prepared on the SMEs and social media. Theoretical framework was also offered showing the independent and dependent variables of the study. There researcher adopted descriptive study type. The study used convenient sampling techniques in finding 100 respondents as the sample size. Only questionnaires were used as tools for data collection.

4.6.1 The Impact of Social Media on Profitability among SMEs in Kinondoni Municipal

Majority of the respondents who presents 50% of total respondents have argued that before social media there was high cost of operation , hence SMEs had to advertise through TV and radio channels which was so costly. However, 34% of

the respondents have agreed that after the use of social media such unnecessary cost were left out. Hence using social media was cheaper.

The findings shows that 27% of the respondents argued that due to the use of social media there have been increase of sales . It has been found that it is through social media that has highly promoted their products or services, the increase of sales has resulted into increase of profit and number of customers as well.

4.6.2 Impact of Social Media on the Market Growth of SMEs

The results on the first objective, the results shows that majority of the respondents have strongly disagreed that before the use of social media market accessibility was not easy. The findings showed that before the inception of social media it was difficult to be closer to customers , the geographical coverage was so small, the use of word of mouth to customers was difficult. Also customers' feedback was easy to find out.

But after the use of social media market accessibility has been so easy hence they have covered larger area. Also they have highly promoted their business. It has been noted that due to social media there can easily be aware of the dislikes and likes from customers hence getting their feedback easily. Also, due to social media all of the users of the pages can be accessed from anywhere , whereas the use of word of mouth has been effectively utilized due to social media.

4.6.3 The Impact of Social on Enhancing Customer Relationship among SMEs in Kinondoni Municipal

The results shows that due to the use of social media marketing among SMEs customer relationship has been enhance. There have been easy communication between customers and SMEs , the customers have been easily involved and trust has between the parties has been raised.

CHAPTER FIVE

DISCUSSION OF THE FINDINGS

5.1 Introduction

This chapter discussed the key findings of the study as presented in chapter four. It is organized based on specific objectives of the study. The field findings were related to empirical and theoretical studies conducted by other researchers. Similarities and differences were discussed and the reasons for the differences explained.

5.2 The impact of social media marketing on profitability among SMEs in Kinondoni Municipality

The findings give an impression that, respondents disagree on the notion that the use of social media has increased their business profit.

Mungogo (2017) argued that social has very high impact to the business growth, however it cannot be deduced that social media can directly increase profit of a firm.

The findings concur with Storey (2015) that social media has been the simplest and cheapest way of promoting business that SMEs can easily afford due to small capital.

Before utilization of social networks there were challenges in marketing business products and services for SMEs in both cost and time aspects. Therefore, SMEs were facing low sales and hindering business progress (Hogarth-Scott, Watson and Wilson 2017).

One of the factors that lead to increase of sales among SMEs is advertising and promotion, main advertising channels that has highly facilitated promotion is social media in turn has led to increase of sales (Hatibu, 2018)

Since every business aims at profit making, marketers may use any kind of technique to make profits. One of the techniques being realized is social media marketing which has proved to be very effective (Kaplan, &Haenlein, 2014).

5.3 The impact of social media marketing on market growth among SMEs in Kinondoni Municipality

The findings give an impression that, respondents were indifferent to whether there was growth of social media among SMEs before and after the use of social media.

The results do not support the reviews by Yao (2012) which highlighted that, most of businesses including SMEs have utilized the platforms to reach a larger number of people or large geographical coverage.

Thus, SMEs may be based in Kenya but still can deal with the market structure found in Tanzania, thus the social Media has facilitated their business through e-ordering and e-sales (Goldenberg & Levy, 2016).The findings show that, the use of social media has facilitated increase of demand.

Social media forms a part of modern promotion mix contrary to tradition promotion approach which focuses on direct interaction between customers and companies. Further, it acts as driving factor in performance management within organizations (Shahab&Rehman, 2012).

The study sought to confirm if social media had led to the use of word of mouth which is more convenient to customers. This also includes impact of customers' comments and recommendations which they left in social accounts in persuading customers to purchase the products and services.

The findings reflect the need for the social media marketing to be gradually implemented into the existing marketing plan of a company. All this process of communication is generally known as word of mouth (WOM). Nowadays, there is substantial evidence that online word of mouth affect peoples' attitude toward the product (Chen, 2014).

5.4 The impact of social media marketing on enhancing customer relationship among SMEs in Kinondoni Municipality.

The results imply that, the mix of social media marketing and client relationship management (CRM) slightly empowers business image and genuinely tune in client's mind. Otherwise in some business, one may not notice the changes. It upgrades the conventional CRM by enhancing online discussions guided by new leads from a Tweet or Face book post and moving them into your business strategy (Chan, 2015).

The findings therefore show that, communication among parties has not been easy before the use of social media. The emergence of social medias powered by advancement in information technology have changed customer tendency of reliance to search engines, and nowadays they use social platforms in searching product information (Newman, 2013). Instead the new information platforms contributed the building of trust among business parties (Deelmann& Loos, 2012)

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter offerings the summary of the research, it presents the summary of the research in terms of the research objectives, literature review, methodologies adapted, general findings of the study. Also the chapter presents the conclusion, recommendations, policy implications as well as the limitations of the study

6.2 Conclusion

It is concluded that most of SMES in Kinondoni Municipal deal with catering services most being stationed in one area. Most of SMEs have registered their business to social media pages, the most used social media pages used are Instagram, and WhatsApp. Most of SMEs visits their social media pages more than five hours a day, SMEs which have social media pages have one to four employees which less than five million as invested capitals.

Social media has been vital parts of our lives. In each and every business be it big or small are depending on social media as well as Instagram so as to closer to their customers. In Today's contemporary world we can different banks, hotels , telecommunication firms have their social media pages.

The impact on using social media is exceptional, It has been identified that high popularity in the social media does not mean that high influence to the customers. Social media is upcoming industry that passes best practices. Currently, there are many devices which can be used on social media but the accuracy of social media utilization is yet reached.

Traditional and social media have great impact on the performance of marketing to an organization. Social media have influence customer perception as well as engages customers in larger volume compared to traditional social media. The importance are tangible plus deep. There is the community collaboration itself, which can offer straight significance to the business over income from communal trade and cost investments once used for consumer care or study, in addition social networking permits fast, virus-related delivery of proposals and content that might spread a far what could be completed in traditional networks – all with endorsement from influences people trust.

6.3 Recommendations

6.3.1 On the Problem of SMEs

The study results call for special attention in addressing the problem of SMEs and social media. In particular the business owners need to undergo special Social media Training that will build their capacity in conducting their business with growth prospects.

Based on the study conclusion, because optimistic relationship among SMES and Social media, it is significant for the administration and other important organizations to deliberate of providing workshops to entrepreneurs as one of the policies for them to outshine and have modest benefit in eliminating poverty and improve financial progression.

6.3.2 On the Government Guarantee and Develop Accessibility of Workshops

The research commends that, efforts should be prepared by the government to guarantee and develop the accessibility of these workshops to all enterprises for sustainable financial advancement of the nation. Education organizations that deliver trainings in entrepreneurship have outreach facilities where popular of the people can get entrepreneurship teaching.

6.3.3 On Government Initiation and Social Change

Furthermore, the government should initiate behavioral and social change by including entrepreneurship workshops in the schooling scheme so that learners are wide-open to entrepreneurship from fresh age right from primary schools.

6.3.4 Policy Implication

From a literature/context-related standpoint, this research has numerous suggestions. Primary, by now been specified earlier, main part of IT adoption literature incline to focus mostly on the adoption of classy technologies such as e-commerce and cloud computing, with moderately a minor percentage of trainings on social media adoption in organizations. In case of the current research, it required to spread the partial form of academic awareness in the IT adoption in SMEs, principally in respect to social media technologies. It can be, consequently, said that this research aids as a preliminary argument for researchers to carry out and carry on other social media adoption research, chiefly in the emerging nations. In addition, key portion of IT adoption studies on SMEs take commonly intensive on IS inventions adoption in the industrialized nations. This research prolonged the awareness of IT adoption in organizational locating to SMEs in the unindustrialized nations. By way such, this research would aid investigators to achieve a well understanding into the adoption of fresh technologies in a smaller amount researched context, unindustrialized nations.

There are two over-all consequences rising on or after the experiential discoveries. The greatest understandable is the expansion of a conventional that can be used SMEs to assess the technical, executive and conservational circumstances under which social media technologies are adopted. SME owner-managers might style use of the TOE-based model advanced in this research: (i) to measure the circumstances under which social media may be embraced; and (ii) to intensify consciousness of the diverse elements persuading the choice to adopt these skills. The model may also help as an opinion of orientation for extra SMEs that are attracted in seeing social media adoption in the predictable future by levitation mindfulness of which factors encourage the adoption of these technologies in the SME setting.

6.4 Limitations of the Research

This research has endeavored to improve our familiarity of the impact of social media among SMEs. The research has magnificently accomplished its ambition and aims and answered the research questions that were acknowledged. Nevertheless, it is significant to understand the results in light of the study's boundaries. In total, nine restrictions have been acknowledged in the contemporary research. For the sake of clearness and comfort of discussion, the restrictions are gathered and organized around three melodies: methodological; contextual/focus-related; and general limitations.

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APPENDIX

Appendix 1: Questionnaires

Dear respondent, thank you for taking your valuable time to answer this questionnaire. The study is about An Assessment of the Impact of Social Media Marketing on SMES Development in Tanzania. A Case of Kinondoni Municipal. This study is strictly for academic purposes and the information will be conducted with much confidentiality.

Instructions

Kindly put a tick in the boxes where the answer option provided closely reflects your views or fill in the appropriate answers in the spaces provided

Part A: Background

	Sex of respondent Male Female	
	Age of respondent (Years) 18-30years 31-45years 46-55years 56-65years	
	What is your level of education? Primary Education Secondary Education Diploma BA degree Masters PhD	
	What type of catering business are you doing? Stationed catering service Mobile catering service	
	For how long have you been in catering services?	

	<p>One month to five months</p> <p>Six months to eleven months</p> <p>One year to two years</p> <p>Three years to four years</p> <p>More than five years</p>	
	<p>How many followers do you have on Instagram?</p> <p>1 to 49</p> <p>50 to 99</p> <p>100 to 149</p> <p>150 to 199</p> <p>200 to 249</p> <p>250 and above</p>	
	<p>How many numbers do you have on WhatsApp?</p> <p>1 to 49</p> <p>50 to 99</p> <p>100 to 149</p> <p>150 to 199</p> <p>200 to 249</p> <p>250 and above</p>	
	<p>How many times are you signing in on Instagram per day?</p> <p>Once per day</p> <p>Twice per day</p> <p>Three times a day</p> <p>Four times a day</p> <p>More than five times a day</p>	
	<p>How many times are you signing in on WhatsApp per day?</p> <p>Once per day</p> <p>Twice per day</p> <p>Three times a day</p> <p>Four times a day</p> <p>More than five times a day</p> <p>I'm not using WhatsApp</p>	
	<p>How many employees do you have when you started business?</p>	

	<p>1 to 4 employees</p> <p>5 to 9 employees</p> <p>10 to 14 employees</p> <p>How many employees do you have currently at your business?</p> <p>4. to 9 employees</p> <p>9 to 13 employees</p> <p>13 to 16 employees</p>	
	<p>How much capital have you invested when you started business?</p> <p>Less than five million</p> <p>Up to five million</p> <p>Above 5 million to 200 million</p> <p>Above 200 million to 800million</p> <p>Other explain</p> <p>.....</p> <p>How much capital do you have currently at your business?</p> <p>Less than 10 million</p> <p>Up to 10 million</p> <p>Above 10 million to 200 million</p> <p>Above 200 million to 800million</p> <p>Other explain</p> <p>.....</p>	

Please, Rate the findings by putting a tick.

1. Strongly agree,
2. Agree,
3. Neutral,
4. Disagree
5. Strongly disagree

PART B: The influence of social media on profitability among SMEs in Kinondoni Municipal.

		Before the use of social media					After the use of social media				
S/N.	Statements / items	1	2	3	4	5	1	2	3	4	5
	There have been decrease of operational cost										
	There have been increase of sales										
	High profit has been realized at my business										
	Number of customers have been increasing										

Please, Rate the findings by putting a tick.

1. Strongly agree,
2. Agree,
3. Neutral,
4. Disagree
5. Strongly disagree

PART C: The Influence of Social Media on Market Growth among SMEs in Kinondoni Municipal.

S/N	Statements / items	Before the use of social media					After the use of social media					
		1	2	3	4	5	1	2	3	4	5	
	In terms of Geographical coverage there is a larger market											
	There have been increase of service demand											
	My customers are easily involved in my business											
	It has been easy to convince customers											

Please, Rate the findings by putting a tick.

1. Strongly agree,
2. Agree,
3. Neutral,
4. Disagree
5. Strongly disagree

PART D: Social Media on Enhancing Customer Relationship among SMEs in Kinondoni Municipal

S/N	Statements / items	Before the use of social media					After the use of social media					
		1	2	3	4	5	1	2	3	4	5	
	There is easy communication between customers and the SMEs owners											
	There is trust between the parties involved in business											
	Information of the products and services are easily obtained											
	Customers information can be collected easily											
	Customers feedback can be easily obtained											

Appendix 2: Interview Checklist

1. Is there decrease of operational cost?
2. Is there been increase of sales ?
3. Has high profit been realized at your business ?
4. Have number of customers been increasing ?
5. In terms of Geographical coverage is there larger market?
6. Have there been increase of service demand?
7. Are your easily involved in your business?
8. It has been easy to convince customers?
9. Is there easy communication between customers and the SMEs owners?
10. Is there trust between the parties involved in business ?
11. Is Information of the products and services easily obtained ?
12. Is Customers information collected easily?
13. Can Customers feedback be easily obtained ?