

# The Role of Internet Marketing Strategies in Lead Generation to Small Enterprises in Nairobi Central Business District, Kenya

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**Abstract:** This study focused on the role of internet marketing in lead generation to small enterprises in Nairobi Central Business District. The study objectives were to establish the extent to which small businesses are using different marketing strategies to generate leads and to identify the key challenges small businesses face while implementing internet marketing strategies for lead generation. The research was a descriptive survey with a sample size of 52 small enterprises. Primary data was collected using questionnaires from small enterprises along Moi Avenue, Nairobi Central Business District. The results of the study reveal the extent of internet marketing and its usage for generating sales leads for small enterprises. The study established that whilst businesses understand the value it brings for new customers, they do not put in place internet marketing strategies for sophisticated use other than using it for interacting with customers. Accordingly, the lack of finances to invest in internet marketing integration as well as lack of skilled IT personnel topped the challenges highlighted in the study.

**Keywords:** Internet marketing, lead generation, marketing strategy, small enterprises.

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## I. INTRODUCTION

The Internet has laid the foundations of more information channels than people have created until the 20<sup>th</sup> century (Phillips, 2003). Internet marketing strategy is the process by which a business adopts a web-based approach to marketing and engaging its customers through a proprietary website. Internet marketing strategies include tactical web-based applications for increasing its competitive advantage, improving customer and employee communications and increasing marketing efficiencies. Internet marketing incorporates website, search engine marketing, social media marketing, content marketing, email marketing, mobile marketing and banner advertising (Eida, 2013). For most businesses in the 21<sup>st</sup> century, Internet marketing strategies are an indispensable part of the business plan. Marketers need to unlock the potential of the Internet to enable businesses to expand customer reach. A considerable number of businesses are gaining from the benefits of internet marketing strategies to generate leads through traffic to their physical business premises and to their e-commerce websites (Williams, 2011). Internet marketing like all other types of any marketing campaigns requires clear goals and objectives.

## II. LEAD GENERATION

A lead as a qualified prospect that is starting to exhibit buying behavior (Miller J., 2014). Lead generation is the marketing process of stimulating and capturing interest in a product or service for developing sales pipeline. It is the initiation of consumer interest or inquiry into products or services of a business. For most businesses, the principal means of growth involves constant acquisition of new customers along with nurturing of existing customers (KippBodnar,

2011). Marketers place this as a priority in the business as they notice that customers collect information on goods and services from the internet. This means that business owners must develop internet marketing strategies to fill the sales funnel with potential clients, which allows them to pre-qualify leads and eliminate 'jokers'. Successful lead generation like any other marketing activity requires time to refine to understand which channels work best in acquiring quality leads.

### **III. SMALL ENTERPRISES IN NAIROBI CITY COUNTY**

This study focuses on small businesses in Nairobi's central business district along Moi Avenue comprising 1,174 small registered businesses. These small enterprises provide a vital source of income and employment to the majority of Kenya's poor and unemployed. Unfortunately, many of them fail to grow into dynamic enterprises. A number of small businesses lack access to digital technologies as well as resources and skills needed to effectively participate in these technologies, resulting in failure to benefit from them. One of the reasons cited is expensive marketing tools and strategies (Carland, 1982).

The main issue for small business in the city is how to innovate to enable reach a wider market. A significant number of businesses lack the time they need to innovate in their businesses. Technology can offer potential ways to address this challenge. By connecting untapped markets through internet, the web offers the opportunity to have access to larger pools of customers. Dalberg (2013) states that small businesses benefit primarily from the communications, awareness and marketing, information management and direct sales opportunities allowed by the Internet. Priorities for impact the Internet brings top-line growth and bottom-line improvement to small businesses outside space technology.

### **IV. RESEARCH PROBLEM**

Every business organization is using internet marketing in one way or the other. Marketing managers who fail to use the internet in formulating their companies marketing strategy will be at a disadvantage of missing customers (Yannopoulos, 2011). Despite widespread internet marketing potential, some of the biggest problems facing businesses are inability to analyze market opportunities, advertising and marketing problems. According to Rana (2009) internet marketing provides businesses a huge opportunity to expand their reach, but most of these businesses still lag behind in implementing internet marketing. There is considerable number of business creating websites but with limited knowledge on how to use it for marketing. Esfidani (2007) argues that SMEs have limited web marketing adoption strategies' and has limited motivation to keep using social media networks. Small businesses that are interested to cover a broad customer reach should employ a solid internet marketing strategy.

The main objective of this study was to understand the role of internet marketing strategies to small enterprises in generating leads in Nairobi Central Business District. The specific objectives include:

- i. To establish the extent to which small businesses are using different marketing strategies to generate leads.
- ii. To identify the key challenges small businesses, face while implementing internet marketing strategies for lead generation.

### **V. RESEARCH METHODOLOGY**

The study adopted a survey research and focused on Moi Avenue, which is a thriving hub of small businesses in Nairobi, and with a mix of diverse enterprises. The population consisted of one thousand seven hundred and seventy-four (1,774) small enterprises. This study used systematic method and the research made use of primary data, which was collected using structured questionnaires distributed to business owners or business managers. The questionnaire consisted of two types of survey questions; closed-ended questions and open-ended questions. A Likert scale was used for closed-ended questions. Data was analyzed through descriptive statistics and summarized using frequencies and percentages. Measures of central tendency specifically mean and standard deviation were used to address the extent to which small enterprises were using internet-marketing strategies and to determine the key challenges small enterprises faced while implementing internet-marketing strategies for lead generation.

## VI. RESULTS AND DISCUSSIONS

### Demographic characteristics of the respondents:

As shown in Table I, distribution according to respondents' role in the business showed that majority are employees comprising 52 percent while owners were 44 percent. Majority of the small businesses have been in operation for less than 2 years. Majority of the businesses are aware of the internet with 44 percent answering 'Yes' and 52 percent saying 'No'.

### Enterprise with Specific Marketing Person/s:

The study sought to know if the enterprises assigned specific person/s in marketing, and the responses and as categorized in Table I, most respondents (52%) admitted to having no assigned marketing person, while (44%) responded with a yes.

### Duration the enterprise has been using internet marketing:

The study sought to know duration the enterprise has been using internet marketing and the responses are categorized as shown in Table I. From the findings, majority of business that use internet marketing are 1-3 months old, followed by businesses that are 1-2 years old.

### Avenues for Lead Generation:

As shown in Table I, a majority of respondents said they use social media.

### Internet marketing impact on new businesses:

The findings reveal that 52% of the respondents answered with 'High' (52%) followed by 'Medium' (40%), and the results are shown in Table I.

**Table I: Summary of Descriptive Analysis Results**

<b>Respondent role in the business</b>	<b>Category</b>	<b>Results in percentage (%)</b>
	Owner	44
	Employee	52
	Other	4
<b>Duration the business has been operational</b>	Less than 2 years	54
	3 to 5 years	24
	6 to 10 years	16
	Other	6
<b>Participation in Internet Marketing</b>	Yes	90
	No	10
<b>Specific marketing person assigned</b>	Yes	44
	No	56
<b>Duration the enterprise has been using internet marketing</b>	1-3 months	26
	4-8 months	10
	9-12 months	16
	1-2 years	20
	2-3 years	6
	3-4 years	8
	4-5 years	8
	....years+	6
<b>Avenues for lead generation</b>	Social Media	58.927
	Direct Marketing	17.857
	Email Marketing	7.1429
	Web site	16.071
<b>Internet marketing impact on new businesses</b>	High	52
	Medium	40
	Low	6
	Significant	2

**Benefit of Internet Marketing in Lead Generation:**

The research sought to find the extent the small enterprises in Nairobi CBD are benefiting from lead generation from using internet marketing. The responses were on a 5 point Likert scale with 5-Strongly Disagree, 4-Disagree, 3-Somewhat agree, 2-Agree and 1-Strongly agree. Results were shown in Table II.

**Table II: Extent at which small enterprises in Nairobi benefit from lead generation using internet marketing**

	<b>Strongly agree (1)</b>	<b>Agree (2)</b>	<b>Somewhat agree (3)</b>	<b>Disagree (4)</b>	<b>Strongly disagree (5)</b>		
<b>Internet marketing and lead generation</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	Mean	Standard deviation
We are accessing new markets	21	17	8	2	0	1.67	0.844
We are getting more enquiries	14	23	6	4	0	1.81	0.859
We have an increase in number of quality customers	19	17	10	2	0	1.56	0.906
We understand our customers better and know about our products and services	16	24	6	2	0	1.73	0.77
Our customers have become more loyal	13	15	14	2	0	1.79	0.875
We have a better edge over our customers (competitive advantage)	12	17	16	3	0	2.04	0.878
We have seen an increase in revenue	18	17	9	2	0	1.67	0.848

The analysis from the study shows that the enterprises agree that they are gaining an edge over their customers with a mean of 2.04. Enterprises with a mean of 1.81 say that they are getting more enquiries on their products and services. The results also reveal that through internet marketing, their customers are more loyal (mean of 1.79). The businesses agree too that the ability to understand their customers better is a benefit from internet marketing (mean of 1.73). Enterprises with a mean of 1.67 says that internet marketing has enabled them to access new markets and a mean of 1.56 represents the enterprises who are seeing an increase in number of quality customers.

**Importance of internet marketing for lead generation:**

The respondents were presented with a ranking scale of 1 to 10, with 1 being not a great extent and 10 a very great extent, to help the study to know the importance of internet marketing for lead generation and the responses were categorized as shown in Table III.

**Table III: Lead Generation using Internet Marketing**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
1	4	8.3
2	0	0
3	0	0
4	2	4.1
5	5	10.2
6	6	12.2
7	6	12.2

8	10	20.4
9	9	18.4
10	7	14.3
<b>Total</b>	<b>49</b>	<b>100</b>

According to the findings, majority of the respondents gave a scale of 8 and 9. This suggests that the small enterprises agree that using the internet to market products increases the rate of success of businesses in Nairobi CBD.

**Challenges small businesses face while implementing internet marketing strategies for lead generation.**

To address the second objective, the survey sought to understand the challenges small businesses, face while implementing internet marketing strategies for lead generation. The results are presented in Table IV.

**Table IV: Challenges small businesses, face while implementing internet marketing strategies for lead generation**

	No Extent (1)	Little Extent (2)	Moderate (3)	Great Extent (4)	Very Great Extent (5)	Mean	Standard Deviation
Challenges of Internet Marketing implementation	1	2	3	4	5		
Limited budget	9	21	9	9	0	1.06	1.598
Lack of technical expertise	10	11	18	7	2	1.79	1.313
Lack of internet access	17	14	14	3	0	2.38	0.967
Lack of information on internet marketing	8	13	19	7	0	1.90	1.824
Measuring internet marketing activities	6	11	15	13	0	2.29	1.052
Identifying the right internet marketing channel	8	6	21	10	3	2.40	1.172
Skills to manage internet marketing channels	9	14	12	8	2	2.65	1.062

The biggest challenge for most enterprises is skills to manage internet marketing activities (mean of 2.65). Another challenge is identifying the right internet marketing channel with a mean of 2.40. Lack of internet access is a challenge to the businesses with a mean of 2.38. Enterprises with a mean of 2.29 say that they are unable to measure internet marketing performance. Lack of information on internet marketing with a mean of 1.9 is one of the challenges as well as lack of technical expertise (mean of 1.79). Limited budget is a challenge for the enterprises with a mean of 1.06.

**VII. CONCLUSION**

The study found that the internet is becoming the marketing tool of choice for most enterprises. Most businesses agree that leveraging on internet marketing has given them the ability to tap into new markets and that it gives the ability to understand the customers’ better, thereby increasing retention. However, the study also indicated that lack of technical expertise and lack of information on identifying the right marketing channel as one of the factors that are hindering them from reaching to higher heights. For most enterprises, social media tops as the channel of choice. However, enterprises need to know that before investing in an online presence, they need to understand the fundamental steps involved in the process, which is building a strategy.

The results show that as much as the businesses have are aware that internet presence is important, they do not place key focus on investing in knowledgeable marketing individuals who might play a key role in building internet marketing strategies. The results mean that new businesses are seeing the importance of internet marketing. One of the reasons why newer businesses are using internet marketing could be because they are looking for cost-effective ways of marketing their business. At the same time, internet marketing awareness is increasing. This peaks for businesses that are 1 to 2 years old because they are in search of acquiring more customers. This question was important as it helps the study to

determine the extent of penetration of internet marketing using the available web channels as well as to show which channel is the most preferred.

### VIII. RECOMMENDATION

To enable the success of internet marketing, creation of awareness is recommended to businesses on the use and impact of internet marketing. Businesses need to invest in technical expertise to they can be able to build strategies to ensure that their internet marketing efforts bear success. At the same time, the Government plays a role in stirring and coordinating with the private sector to ensure that they have the resources to help entrepreneurs build their knowledge and skills in technology to promote sustainable business. The policymakers should take a dynamic role in ensuring an enabling environment that includes adequate infrastructure. Further, it is essential to build solutions to curb the challenges in internet marketing application to enable a thriving environment. Removing these barriers will require a fundamental set of characteristics to be put in place to construct a thriving Internet economy. This includes meaningful engagement among the industry players that drive economic objectives.

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