E-MARKETING AND SURVIVAL OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) IN UGANDA, A STUDY OF NORTHERN UGANDA

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ABSTRACT

This study examined the relationship between e-marketing and Survival of Micro Small and Medium Enterprises (MSMEs) in Uganda, with particular emphasis to Northern Uganda. The study objectives were; to examine the relationship between e-marketing and MSMEs survival, to analyze the effect of different e-marketing services on MSMEs survival, investigate the effect of e-marketing performance on MSMEs survival and to determine the moderating effect of marketing innovations on the relationship between e-marketing and MSMEs survival. The study was based on the frequent media reports and the researcher's experience over low survival rate of MSMEs. Several reports indicated that MSMEs in Northern Uganda do not live to see their first birthday and for almost every 35% of the MSMEs that close, about 37% start new businesses again. The study used a cross sectional descriptive design where both qualitative and quantitative methods were employed. A total of 175 respondents were sampled from a population of 322 including Micro, small and Medium Enterprises owners, Managers and District officials. Using a combination of self-administered questionnaires and interview guides for District officials, results shows that there is perfect relationship between e-marketing and MSMEs survival. The findings also indicate that different e-marketing services affect MSMEs survival significantly. Further, the study indicated that e-marketing performance affects MSMEs survival greatly. The study concludes that marketing innovations acts as an important moderator in the relationship between e-marketing and MSMEs survival. The study recommended that MSMEs owners and Managers should increase the use of e-marketing services in their enterprises to enable them survive and be competitive. This can be done through business website development, frequent internet use, social network, computer use, and Search engine optimization. The researcher also recommended that MSMEs owners / Managers should not overuse word of mouth in their businesses as it does not promote business survival. Word of mouth should only be used in few situations, when it is absolutely imperative, such situations can be where customers are illiterate of e-

marketing services. MSMEs owners and Managers were also advised to properly train in e-marketing services and be committed in using what they have learnt so as to encourage their customers in using e-marketing.

Contribution/ Originality

This study is one of the very few studies which have investigated e-marketing and MSMEs survival in Uganda. The paper contributes the first logical analysis for empirical findings, thus leading to MSMEs specific policy implications rather than the general policy recommendations found in the existing literature for MSMEs survival.

1. INTRODUCTION

Small and Medium Sized Enterprises (SMEs) definitions vary from country to country and ideally defined specifically according to sector. African Development Bank (2004) defines Small and Medium Sized Enterprises (SMEs) as having less than 50 employees. According to ADB (2004) micro small and medium sized enterprises (MSMEs) are those which employ less than 10 workers, those with 11-50 workers are small scale enterprises, and from 51- 100 are considered as medium scale enterprises. In general, the Micro, Small and Medium Sized Enterprises (SMEs) are undoubtedly diverse and difficult to categorize. The cutoff point in terms of size for this survey shall be based on the recommendations from ILO and Uganda Investment Authority (2008) as categorized in Table 1 below. The Ugandan economy is supported mainly by Micro, Small and Medium Enterprises (MSMEs) contributing about 90% of the private sector production (UIA, 2008). In Uganda, Micro, Small and Medium Enterprises are the prime source of new jobs and play a crucial role in income generation, especially for the poor. However Micro, Small and Medium Enterprises by the sheer limitation of their size and resources are highly dependent on business development services such as e-marketing to provide marketing innovative services and support Micro, Small and Medium Enterprises survival, their growth in areas such as training, advice, information, business planning, marketing, technology, communications and other services.

Table-1.1. Categorization of SMEs enterprises according to ILO and UIA (2008)

Enterprise category (types of SMEs)	Employees	Turnover (UGX)	Balance sheet total (UGX)
Pre-entrepreneurial activities / Informal	No employees	-	-
Micro Enterprise / Informal micro or small business	Employ less than 10 people	12 million	12 million UGX
Small Enterprise / Formal micro or small business	Employ 50 people	360 million	360 million UGX
Medium Enterprise / Formal small business	More than 50 people	More than 360 million	More than 360 million UGX

Source: International Labour Organization (ILO) and UIA (2008)

E-marketing has a large impact on several retail oriented industries including music, film, pharmaceuticals, banking, flea markets as well as in the advertising industry itself. Across the world, E-marketing is now overtaking other traditional mediums like radio and Television marketing in terms of market share. Internet has expanded at an astonishing rate worldwide; most of the world has embraced this new age technology with lot of gusto. Popularity of social networking on internet can be judged by the fact that 'Twitter' and 'Face book' are making news and receiving coverage from print as well as visual media. By 2005 companies like Procter & Gamble in USA were spending as much as 23 per cent of their marketing budgets on Internet adverts. According to Morgan Stanley Reports Third Quarter (2013) consumers showed a 27 per cent greater ability to recall a brand after seeing an Internet advert than earlier - compared with a 26 per cent increase with magazines, 23 per cent with newspapers, and 17 per cent with television. In India internet is growing. It's definitely not the largest medium for advertising but without doubt it can give better ROI (return on investment) as compared to any other conventional medium. Similar development took place in many countries around the World. Studies indicate that MSMEs sector is particularly characterized by slow uptake of e-marketing thus hindering business survival, development and efficiency. Kurnia (2006) for instance, observed that low investment in e-marketing innovations has led to a lag in business transformation and, hence, a positive growth. As such, developing countries, and including Uganda, have not been able to reap the full benefits derivable from investment in e-marketing. Although studies have been conducted relating to the impact of e- marketing on MSMEs survival around the world, most of these studies were concentrated in relatively well-developed economies such as China (Grandon and Pearson, 2004b). Thomas and Simmons (2010) New Zealand (AL-Qirim, 2007); There are no documented studies that have specifically focused on the effect of e-marketing on MSMEs in a transition economy like Uganda. Therefore, the study was based on e-marketing and survival of micro, small and medium sized enterprises (MSMEs) in Uganda, a case study of Northern Uganda. Specifically, the study was set out to achieve the following objectives:1) To examine the relationship between e-marketing and Micro, Small and Medium Sized Enterprises survival. 2) To analyze the effect of different e-marketing services on Micro, Small and Medium Sized Enterprises survival. 3) To investigate the effect of e-marketing performance on Micro, Small and Medium Sized Enterprises survival.

2. LITERATURE REVIEW

Overall, there was little evidence of long-term sustainable effect of e-marketing on MSMEs survival across sectors with results of a few credible studies suggesting that e-marketing had effect on MSMEs survival in a developing country context as a whole, have limited effectiveness.

2.1. Theoretical Review

The stage models of Scott and Bruce (1987) was the first theory on SMEs. This was supplemented by the theory of categorization of Storey (1994) which combined three components

of the stage model. The two theories (Storey, 1994) (infer Storey (1994) infer that MSMEs moves from stage 1 (inception), 2 (survival), 3 (Growth), 4 (Expansion) and 5 (maturity). At each of the stages it is assumed that the role which top management plays, the management style and the organizational structure also change. Churchill and Lewis (1983) supported the phenomena of MSMEs survival as a life -cycle stage through which they passes.

In order to survive in today's challenging environment, it is imperative that MSMEs be competitive and resilient. Towards this end, MSMEs needed to continuously strengthen their capacity and capability to produce high quality products and services at competitive prices (Bank Negara Malaysia, 2005). Previous studies conducted among Malaysian Bumiputera MSMEs indicated that they were weak in product promotion, and distribution innovation which therefore reflecting the poor performance of the MSMEs (Norudin, 2004). According to Carson (1993) MSMEs must generate sales to survive, but need to market their products to generate sales. Carter and Tzokas (1999) stressed that MSMEs survival stems from engaging in some form of marketing activity, which focused on attaining and retaining competitive advantage by engaging in marketing practice, that addresses market share, market development, product promotion, product pricing, product differentiation and distribution. Doole *et al.* (2006) observed that the marketing function in MSMEs were hindered by constraints such as poor cash flow, lack of marketing expertise, business size and strategic customer-related problems. Ses Canada Research Inc (1999) reported that for most MSMEs not yet using the Internet for marketing in order to ensure their survival. He identified different e-marketing services and survival of micro small and medium enterprises

2.2. Internet Marketing

Internet Marketing is any means people use to market MSMEs online. As such, the significant role of internet as the main tool in e-marketing is becoming more relevant as it also act as a distribution channel on top of involving with the task of the traditional intermediaries (Vrana, 2006). The chief advantage is that Internet Marketing is typically cheaper and a more effective method of targeting potential customers. Advertising online as opposed to offline is also easier to track to see its effectiveness.

2.3. Email Marketing

Companies can add value to customers by sending e-mails to them about the new products if they wish, or when there is the time for discounting the cost of delivery, or offer better price if they buy online, etc. Email marketing provides the equal competitive environment for all companies, no matter how big or small they are, because what customers interest more than companies' size are the good products with the attractive prices SCRI (1999) and Hanson (2000). MSMEs can also send a scanned bank payment slip to their suppliers by email without directing traveling to suppliers to make payment which improve MSMEs survival overall.

2.4. Social Media (Face Book, Twitters, LinkedIn, You Tube)

Customers and MSMEs managers are networking online with a range of different tools such as LinkedIn, Face book, you tube and Twitter. Through these they are finding out what products to buy, services to use, and so on, based on trusted recommendations from their friends and family. SCRI (1999) estimated that 78% of the time if customers read a recommendation from friends online, they trust that recommendation, but what is more interesting is that if customers read that recommendation from someone they don't know they still trust it 60% of the time.

2.5. Search Engine Optimization Marketing

Search engine is a web site or a database, along with the tools to generate that database and search it contents for "keywords" that describe what you're looking for Awad and Dellarocas (2007). Search engine optimization (SEO) is a popular and familiar term on the Internet. It is also considered to be "the practice of making a website attractive to a search engine by presenting its code and content in such a way that the search engine will assume it will address a specific inquiry from a (human) searcher" (Charlesworth, 2009). Search engine marketing (SEM) is an important channel of e-marketing. It includes three main techniques such as Search engine optimization (SEO), Paid per Click (PPC) and Trusted feeds which includes Paid-for-inclusion. These elements of search engine marketing can help MSMEs to increase their visibility on the search engine as well as spread their names to many people.

2.6. Website Marketing

The website is the appearance and the face of MSMEs on the Internet. An attractive website can draw customers to it, but to keep those online audiences, it needs some elements considered to be important and also what the online audiences expect such as functionality, information, ease of use, redundant navigation, and simple graphics. According to Edim (2000) even though MSMEs might have a difficulty to develop a sophisticated web due to lack of expertise and fund, but they still need e-marketing to prosper and for on-going survival. In electronic markets, the principal participants - transaction handlers, buyers, brokers, and sellers are at different locations and even not knowing each other (Abu Bakar and Rohaizat, 2004).

2.7. Mobile Marketing

Mobile devices have become increasingly popular over the last few years and with a mobile being with customers and MSMEs managers 24 hours a day, 7 days a week, it's not something to ignore. There are lots of new and innovative ways of using the mobile to promote MSMEs products and services. For example: Mobile Applications like the mushrooming iPhone Applications that can run on the mobile and can be used to promote MSMEs service. For example an MSME that run a hotel in Uganda may use iPhone to attract more tourists in the business. The tourists can be able to access hotel website on the iPhone and access the hotel easily and what kind of activities are running there.

2.8. Online Public Relations (Online PR)

Public relation is one marketing communication channel with the purpose to create, promote, maintain the goodwill, favorable image, and reputation for organization, brand, etc. toward different stake-holders. The stakeholder is sometimes called public or target audience. They are investors, suppliers, customers, employees, and so on. The goal of public relations is usually gained by the influence of the different media. Online public relations is "all forms of online publishing activity which involve building links to a website or delivering information about a company or its brands excludes search, affiliates, advertising, etc." (Chaffey [referred 1.12.2009]). The purpose of online PR in general is similar to traditional public relations. Its main objectives are to enhance the awareness as well as "maximizing favorable mentions of MSMEs, brands, products or websites on third party web sites which are likely to be visited by MSMEs target audience. A secondary goal is achieving links through to a destination web site" (Chaffey [referred 1.12.2009]).

3. RESEARCH METHODOLOGY

The study adapted a descriptive case study design where both qualitative and quantitative approaches were used. A descriptive approach was preferred because of its strength in identifying, capturing key issues and allowing more detailed and richer decryption of the aspects of the study. Cross-sectional survey was opted for because it involved collecting data from a large number of respondents across the parent population over shorter period of time. Because the researcher simply reported the findings without manipulating the variables, the study was thus non- experimental (McMillan, 2000; Creswell, 2003; Amin, 2005).

3.1. Study Population

The population of the study was 322 MSMEs in Gulu Municipality that had existed for a period not less than 5 years and were fully registered with the municipal authorities. Meanwhile, the MSMEs owners, managers and municipal officials were the respondents.

3.2. Sample Size

The sample size was determined according to the table developed by Krejcie and Morgan (1970); Amin (2005) to be 175 respondents. Various Sampling Techniques were employed to select the respondents in different categories as shown in the table below.

Table-3.2.1. Categories of Msmes Respondents in Gulu Municipality

Categories	Instruments / Tools	Population	Sample Size	Sampling Techniques
MSMEs Owners / Questionnaire/Observation		290	165	Simple random sampling
Municipal officials Interview		32	10	Purposive/ judgmental
Total	-	322	175	-

3.3. Data Collection Instruments

A 5- item Likert Scale questionnaire was designed and distributed to respondents two weeks in advance and this gave the respondents enough time to fill-in independently. The researcher also used interview-guides to facilitated face-to-face interview between the interviewer and the interviewee and ensured the usefulness, accuracy and comparability of data.

In order to ensure validity of the instruments, the content validity index (CVI) was thus computed using logical validity measures based on the representativeness of the measure by computing the CVI; and this was found to be 0.8, Davis *et al.* (1992) recommends a CVI of .78 or higher for three or more experts could be considered evidence of good content validity

Table-3.3.1. Reliability analysis on questionnaire pre-test

Variables	Alpha	Number of item
E-marketing	.069	10
Different e-marketing services	.465	10
E-Marketing performance	.190	11
MSMEs Survival	. 822	20
All the 4 Variables above	.825	51

Table-3.3.2. Reliability analysis on questionnaire after data collection

Variables	Alpha	Number of item
E-marketing	.896	10
Different e-marketing services	.813	10
E-Marketing performance	.844	11
MSMEs Survival	.815	20
All the 4 Variables above	.933	51

3.4. Data Analysis (Measurement) and Presentation / Findings and Conclusion

The categorical variables were measured using the Nominal scale, with numbers being assigned to each category only to identify similar objects within a category from elements in another category that are different. The non-categorical data was thoroughly read and interpreted to fit in its respective variables.

Qualitative data analysis utilized words to make narrative statements on how categories or themes of data were related. Data themes, categories and patterns were established; qualitative data was evaluated and analyzed to determine the adequacy, credibility, usefulness and consistency of the information. To measure the enterprise factors and demographic characteristics of respondents, the researcher used the ordinal measurement scale composed of discrete variables and categories ranked in "majority" variables. The dependent variable (MSMEs survival) and the independent variable (E-marketing) were measured using a five-point Likert scale ranging from strongly disagree (1), disagree (2), not sure (3), agree (4) and strongly agree (5). The data were analyzed using descriptive satisfies of frequencies and percentages distributions, bivrate correlation, regression and t-test to show the results of the variables.

4. PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

This section presents the data analysis. It describes the descriptive analysis on the basis of different demographic characteristics, correlation between variables and answering research questions using regression analysis.

4.1. Response Rate

The overall response rate for this study was 96% as presented in the table below.

Table–4.1 .1. Response rate by percentage distributions

Category	Population sample	Sample size	Response rates	Percentage of Response rate
Respondents				
-MSMEs Owners &	290	165	160	91%
Municipal officials	32	10	8	5%
Total	322	175	168	96%

4.2. Enterprise Factors

The quantified enterprise factors included the sector to which an enterprise belonged, ICT skills level, registration status, market coverage, yearly turnover value, number of employees, and marketing innovations. These were measured in term of their "majority" implications on the study.

4.3. MSME Sectors

The respondents were asked to report on their MSMEs by sector in the questionnaires findings shows that ICT services sector was the leading sector with 33.12%. This was followed by legal, education and hotels sectors with 18.75% in each case. Retail business sector was third with 13.75% while wholesale business sector was at 9.38%. Other sectors like medical services, media services, audit firms, etc. accounted 8.12%. Meanwhile, agricultural and construction services sectors accounted for 5.62% and 5.00% respectively. It was not supersizing that ICT services sector was the leading among all the MSMEs in Gulu Municipality. This could have been due to the current Government policy of promoting ICT / IT enabled services in Northern Uganda to create jobs for the youths. Uganda communication commission (UCC) for example with its business incubation project provides direct financial support to any existing ICT services in the District. Due to this, many youths could have started many ICT businesses within the Municipality.

4.4. ICT Skills Level in Businesses

Respondents were asked to state the level of ICT skills in their businesses in terms of none, low, high and expert levels. The findings revealed that the level of ICT skills was high (45.62%) in most MSMEs sectors with a good number of percentage also having low skills (35.00%) and a few have expert skills (16.25%). Meanwhile, very few SMEs were reported to have no ICT skills

(3.12%). The high level of ICT skills could be attributed to the majority of MSMEs sectors being Information Technology / IT services as seen earlier on. However, it was possible that they possessed ICT skills for e-marketing services in their businesses.

4.5. MSME Registration Status

The researchers was interested to know whether MSMEs were registered with the relevant authorities such as district local governments, Uganda Revenue authority, registrar of companies, National Social Security fund, and others like law commission. It was reported that 51% MSMEs were registered with all the relevant authorities, 49% was registered with district authorities and 44% with registrar of companies. A few MSMEs were registered with Uganda Revenue authority and NSSF. It was, therefore, clear that most of the MSMEs in Gulu Municipality are legally registered to transact businesses.

4.6. MSME Market Coverage

The researcher aimed at knowing whether MSMEs has branches in other parts of the country as well. This would also indicate their use of e- marketing and survival status. Respondents were asked to indicate their areas of market coverage their responses shows that most of the MSMEs 43.12% conduct businesses within the district, 26.25% covered the whole of Northern Uganda, 18.1.2% transact businesses in the whole country, 10.00% travelled across the world for businesses and only 2.50% had businesses in the whole of Africa. This implied that most of the MSMEs in Gulu Municipality operated within the district which could relate to their sizes and financial status.

4.7. MSME Yearly Turnover Value

This was the amounts of money that MSMEs received from the sale of their products/services annually. Respondents were asked to indicate their yearly turnover for the businesses. Results shows that the majority 40% of the Enterprises had a yearly turnover of between 12,000,000/= and 359,000,000/=. These were the Micro Small and Medium Sized Enterprises (MSMEs) that employed less than 10 employees. 38.75% of the businesses had a yearly turnover of less than 12,000,000/=and these were the survivalists or operators with no employees. Meanwhile, 16.25% of them had their yearly turnover of 360,000,000/= and above. These were formal businesses employing more than 50 workers.

4.8. Employee Number

The respondents were asked to indicate the number of employees in their enterprises and the results shows that the majority of the businesses (45.62%) employed less than 10 employees implying that these were the micro small and medium sized enterprises sector. Meanwhile, 33.75% of them employed between 11 to 50 employees implying that these were small enterprises / formal micro small businesses. 11.25% of them were the formal businesses with more than 50

employees. These findings were consistent with the table 1.1 in chapter I.

4.9. MSME Marketing Innovations

The researcher aimed at finding out which MSMEs innovations were practiced most in the businesses. Respondents were asked to indicate marketing innovations for their businesses and the findings shows that the majority of MSMEs (41.25%) employed all of the marketing innovations such as product distributions, price setting, advertisement, product differentiations, market positioning and product packaging. This finding implies that marketing innovations has significant moderating effect on the relationship between e-marketing and MSME survival in Gulu Municipality.

4.10. Demographic Characteristics of Respondents

The demographic characteristics of respondents included position, gender, age, education level, and number of year respondents has worked with the MSMEs. They were measured in terms of 'majority' and their implications were drawn thereafter.

4.11. Position of Respondents in the Enterprises

The table below shows that the majority of the MSMEs in Gulu Municipality (48.8%) were managed by other employees who did not disclose their positions in the businesses. 31.9% of them were managed by managers while 19.4% were managed by the Managing Directors. This finding implies that MSMEs businesses in Gulu Municipality could not survive for long since owners of the businesses were not fully involved in managing their businesses.

Table-4.11.1. Position of respondents in the enterprises by frequency and percentage distributions

Valid	Frequency	Percent
Manager Owner / Managing	51	31.9
Director	31	19.4
Others (Specify)	78	48.8
Total	160	100.0

4.12. Age of Respondents

Respondents were asked to indicate their age and the results were analyzed in the table below.

Table-4.12.1. Age of respondents by frequency and percentage distributions

Valid	Frequency	Frequency
18-30	103	64.4
31-34	48	30.0
44-56	8	5 .0
57-above	1	6
Total	160	100.00

The table above shows that the majority (64.4%) of the respondents were within the age bracket of 18-30 years old, followed by those in 31-34 years old age group with 30% and those in

44-56 years old age-group at 5%. Meanwhile, those who were 57-above years old were 6%. This finding implies that the respondents were matured enough and the data provided were therefore valid for the study. It also indicates that the majority people who were involved in MSMEs in Gulu Municipality were young people in the productive age groups.

4.13. Gender of Respondents

Respondents were asked to indicate their gender in the questionnaire and the findings were analyzed in the table below.

Table-4.13.1. Gender of respondents by frequency and percentage distributions

Valid	Frequency	Percent
Male	106	66.2
Female	54	33.8
Total	160	100.0

The table above shows that the majority (66.2%) of the respondents were male and female was only 33.8%. This implied that male was more involved in MSMEs than female in Gulu Municipality.

4.14. Education Levels of Respondents

Respondents were asked to indicate their education level in the questionnaire and the findings were presented in the table below. The findings in the table below shows that the majority (41.2%) of the respondents were Degree holders, 25.6% were certificate holders, 20.6% were Diploma holders, 6.9% did not disclose their qualifications and 5.6% were Postgraduate. The implication of this finding was that the respondents understood the questions provided for the study since most of them had higher educational qualifications.

Table-4.14.1. Education levels of respondents by frequency and percentage distributions

Valid	Frequency	Percent
Certificate	41	25.6
Diploma	33	20.6
Degree	66	41.2
Postgraduate	9	5.6
Others (Specify)	11	6.9
Total	160	100.0

4.15. Number of Year Respondents has spent in the Business

Table-4.15.1. Number of year respondents has spent in the business by frequency and percentage distributions.

Valid	Frequency	Percent
Less than 2 years	65	40.6 41.2
2-5years	66	18.1
6 years and above	29	100.0
Total	160	40.6 41.2

The findings indicates that the majority(41.2%) of the respondents had spent 2-5 years in the business, 40.6% of them had spent less than 2 years and 18.1% has spent 6 years and above. This finding implies about 41.2% of MSMEs in Gulu Municipality operated for more than 2 years before they can die.

4.16. Empirical Findings

The study examined the effect of e-marketing on the survival of Micro Small and Medium sized Enterprises (MSMEs) in Gulu Municipality. Three hypotheses of the study were set and these were tested using descriptive analysis and percentages distributions, bivariate correlations, linear regression analysis (T-test), mean, Std Dev., as shown in Table 11 below.

Objective1: To Examine the Relationship between E-Marketing and MSME Survival

A correlation analysis was performed to find out the relationship between the two variables and the results were as indicated in the table below.

Table–4.16.1. Correlation analysis on the relationship between e-marketing and MSME survival

	E-marketing	MSME survival
E-marketing Pearson Correlation	1	.311[**]
Sig. (2-tailed)		.000
N	160	160
MSME survival Pearson Correlation	160	1
Sig. (2-tailed)	.000	
N	.311[**]	160

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

The results in the above table indicates that e-marketing significantly and positively correlated with MSMEs survival (r = 0.311; p < 0.01). Therefore, hypothesis H_O, which stated that no relationship existed between e-marketing and MSMEs survival, was rejected. And the hypothesis H_1, which stated that there was a statistically significant relationship between e-marketing and MSMEs survival, was accepted. This was based on Sig (.000) which was less than 1. This finding was confirmed in the interview results with Municipal officials where they were asked if e-marketing affect MSMEs in Gulu Municipality. One of the officials stated that "Yes because they create awareness for their products and services".

4.17. Regression Analysis on the effects of E-Marketing on MSME Survival

Linear regression was used to ascertain the direction of the relationship between the two variables and the findings were presented in the tables below.

The regression analysis results show that e-marketing influenced MSMEs survival in Gulu Municipality since a value given for the coefficient of determination, also known as R2 in this study amounted to .097. This implies that 9.7% of the variation in MSMEs was accounted for by e-marketing in the study. In this regard, the percentage explanation of the magnitude of relationship is low and the existence of this relationship therefore implied that as MSME owners

practice e-marketing, MSMEs survival level increases.

Table-4.17.1. Regression analysis on the effects of e-marketing on MSME survival

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.311a	.097	.091	.50659	.097	16.941	1	158	.000

a. Predictors: (Constant), E-Marketing

These results were further explained using t-test analysis the as shown in the table below.

Table-4.17.2. T-Test Analysis

Model	Unstandardized Coefficients		Standardized Coefficients			95% Confidence Interval for B	
	B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1(Constant)	3.005	.156		19.282	.000	2.697	3.313
E-marketing	.181	.044	.311	4.116	.000	.094	.267

a. Dependent Variable: MSME survival

With a t-test on e-marketing of 4.116 significant at p-value .000, the t-test explains the effects on the dependent variable, taking note that the t- statistics can help determine the relative importance of each variable in the model, putting much concern on t- values 4.116 which is well above p-value, implying that e-marketing influences MSMEs survival in Gulu Municipality. To this observation therefore on analysis of the P-value (.000) the null hypothesis that e-marketing does not affect MSMEs survival is rejected.

Objective 2: To Analyze the Effects of Different E-Marketing Services on MSME Survival

This objective was set to measure different e-marketing services used by MSMEs in Gulu Municipality and it was measured using the sub-dimensions as follows; Internet, websites, social network, mobile phones, email marketing and computers. A Correlation Analysis performed to assess the relationship between Different E-Marketing Services and the MSMEs Survival. The results obtained shown in the tables below.

Table-4.17.3. Correlation analysis on the effects of different e-marketing services on MSMEs survival

	MSME survival	Different e-marketing
MSME survival Pearson Correlation	1	.346[**]
Sig. (2-tailed)	.000	160
N	160	
Different e-marketing Pearson Correlation	.346[**]	1
Sig. (2-tailed)	.000	
N	160	160

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

From the table above, there was a significant and positive relationship between different e-marketing services and MSMEs survival in Gulu Municipality (r = 0.346; p-value< 0.01). Therefore, H$_O$: No relationship between different e- marketing services and MSMEs survival was

rejected and H_1 which stated that there was statistically positive relationship between different e-marketing services and MSMEs survival as accepted.

4.18. Regression Analysis on the Effects of Different E-Marketing Services on MSMEs Survival

The two study variables were further subjected to a linear regression analysis to determine the direction of the relationship between them and the results were as presented in the table below.

Table-4.18.1. Regression analysis on the effects of different e-marketing services on MSMEs survival

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
					Change Statistics				
1	346[a]	.120	.114	.50015	.120	21.475	1	158	.000

a. Predictors: (Constant), Different e-marketing

The model explained less of the data as shown by the R^2 .120 in the regression model meaning that only 12% of the data was explained. This implies that 12% of the variation in this model was accounted for by different e-marketing services on MSMEs survival leaving the majority percentage of the data in the model not explained, thereby subjecting the different e-marketing services to a less positive influence on MSMEs survival. This was further analyzed by a t-test analysis below to find out the effects of different e-marketing services on MSMEs survival.

Table-4.18.2. T-Statistics

Model	Unstandardized Coefficients		Standardized Coefficients			95% Confidence Interval for B	
	B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1(Constant)	2.779	.187		14.867	.000	2.409	3.148
E-marketing	.236	.051	.346	4.634	.000	.135	.336

a. Dependent Variable: MSME survival

The analysis revealed positive effects of different e-marketing services on the survival of MSEs in Gulu Municipality as indicated by the t-value of 4.634 which is more than the p-value .000. The study therefore presented positive effects on MSMEs survival, where the standardized coefficients .346 meaning that increase in the use of different e-marketing services increases MSMEs survival level.

Objective 3: To Investigate the Effects of E-Marketing Performance on MSME Survival

The survival of MSMEs was measure using its sub-dimensions such as MSMEs continued success, improved return on investment, increases access to information, improved interactions with customers, etc. A Correlation Analysis was performed to assess the relationship between E-Marketing Performance and MSME Survival. The results are summarized in the table 18 below.

From the correlation analysis (in table 18 below) it was revealed that there was a significant

and positive relationship between e-marketing performance and MSMEs survival in Gulu Municipality ($r = 0.407$; p-value <0 .001). However, this relationship was moderate.

Table-4.18.3. Correlation analysis on the effects of e-marketing performance on MSME survival

	MSME survival	E-marketing performance
MSME survival Pearson Correlation	1	.407**
Sig. (2-tailed)		.000
N	160	1
E-marketing performance Pearson Correlation	407**	
Sig. (2-tailed)	.000	
N	160	160

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

4.19. Regression Analysis on the Effects of E-Marketing Performance on MSME Survival

These two variables were further subjected to the linear regression analysis to determine the direction of relationship between them and findings were presented in a table below.

Table-4.19.1. Regression analysis on the effects of e-marketing performance on MSME survival

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.407a	.166	.160	.48691	.166	31.365	1	158	.000

a. Predictors: (Constant), E-marketing performance

In this analysis, only 16.6% of the data is explained in the model as indicated by the R-square .166 meaning that the rest of the data is not explained by e-marketing performance but this does not subject the hypothesis to being rejected. It is therefore evidenced that e-marketing performance has positive significance effects on MSMEs survival. This was further tested using t-test and standardized coefficients below.

Table-4.19.2. T-Statistics

Model	Unstandardized Coefficients		Standardized Coefficients			95% Confidence Interval for B	
	B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1(Constant)	2.631	.182		14.481	.000	2.272	2.990
E-marketing	.284	.051	.407	5.600	.000	.184	.384

a. Dependent Variable: MSME survival

From this finding, it was revealed that e-marketing performance has significance effects on MSMEs survival as evidenced from the t-values of 5.600 which is well above p-value.000. The obtained standardized coefficients of .407 implied that whenever e-marketing owners use e-marketing to improve their MSMEs performance, MSME survival level increases.

4.20. Results of the Interview with Municipal Officials and Business Leaders

Using the interview-guide during the survey, the researcher asked the Municipal officials and

business leaders to find out whether the key objectives of the study affected MSMEs survival in Gulu Municipality and the findings were discussed below. On whether e-marketing had any relationship with MSMEs survival, the majority of the officials and business leaders stated that there was a relationship because e-marketing helped MSMEs to advertise their business, reduce costs, etc but they noted that very few of MSMEs owners used e-marketing as one of the official stated; "Very few do it the rest have no idea". When the interviewees were asked whether MSMEs owners in Gulu Municipality used different e-marketing services such as internet, face book, email communication, search engine, etc. The majority of them noted "Not at all because barely small business men do use online marketing". On e-marketing performance, the officials were asked if e-marketing had helped to improve their business to survive. The majority of the officials responded that "Although this system of business is very few in Gulu Municipality, e-marketing has helped those who use it to reduce costs, create awareness and improved sales for MSMEs survival". Therefore, it can be concluded that the use of e-marketing service by MSMEs in Gulu Municipality is quite limited because most of the youths involved in MSMEs are do not know much about the online marketing and its positive impacts. A small number (mostly IT firms) were seen visibly practicing e-marketing through the internet.

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The specific objectives of the study were i) To examine the relationship between e-marketing and MSMEs survival; ii) To establish the effect of different e-marketing services on MSMEs survival; and iii) To investigate the effect of e-marketing performance on MSMEs survival.

The findings revealed the existence of a positive significant relationship between e-marketing and MSMEs survival. A positive correlation coefficient figure confirmed the relationship that if e-marketing practices were improved, then the MSMEs survival in Gulu Municipality would also improve.

It was also found that different e-marketing service such as internet, email communication; mobile phone internet, face book and web site significantly affect MSME survival. A positive correlation figure confirmed the relationship while regression analysis indicated the direction of this relationship as being directly related meaning that as MSME managers integrate e-marketing in their businesses, MSME survival increases. A positive T-test figure indicated the effect of e-marketing on MSME survival.

The researcher found that there was positive and significant effect of e-marketing performance on MSMEs survival. Both correlation and the regression analyses indicated the direction of this relationship as being directly related signifying that as MSME owners integrate e-marketing into their marketing strategies, MSME survival level raise. Encouraging T-test analysis verified the effect of e-marketing on MSME survival.

The first conclusion of the study was that a weak positive but significant relationship existed between e-marketing and MSME survival. And that the uptake of e-marketing services in MSMEs was low in Gulu Municipality. Secondly, the study concludes that different e-marketing

services had effect on MSME survival. However, only a few MSMEs used e-marketing services in Gulu Municipality and mostly IT firms. A good number of the enterprises were not aware of the e-marketing benefits to their business survival. Lastly, the study concluded that e-marketing performance improved MSMEs survival for firms which considered practicing e-marketing services. E-marketing performance therefore led to continued existence of the enterprises.

Consequently, the study recommends that the MSME owners and Managers should increase the use of e-marketing services in their enterprises to enable them survive and be competitive. This can be done through developing their business website, frequent internet use, social network, computer use, and Search engine optimization in the enterprises. The study also recommends that MSMEs owners / Managers seek training in e-marketing services and be committed in using what they have learnt so as to encourage their customers in using e-marketing.Lastly, the researcher recommends that Municipal authorities should come up with programmes that strengthen e- marketing among MSMEs. This may includes improving MSMEs cash flows through awarding priority tenders to them, providing financial incentives, and creating awareness through workshops, radio talk show, etc on e-marketing services.

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