Small Medium Enterprises and Social Media Usage: Marketing Perspective in Tanzania Based on Marketing Theories and Methods.

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Abstract: *This study focuses on the growing popularity of social media which forces or urges the Small Medium sized-enterprises in Tanzania to think about different media along with local ways of expanding their business performance in the areas of marketing. Social media can be accessed on the internet or mobile phone-based applications to share information among people. The growing number of social media users is more than the population of some of the countries. The impact of social media usage when doing marketing in Tanzania can be judged by discussing the marketing theories and marketing methods when using social media and the type of technologies used in social media.*

Keywords: *Social media, Marketing Methods, Marketing Theories, SME, Tanzania*

1. INTRODUCTION

Social media or network is playing a major tool around the world and has become the latest new investment to a new product and services promotion vehicle to so many companies around the world but mostly has been an important key step to so many small medium-sized enterprises (SME). Recently there are so many social media platforms that are discovered every day. So many people are using mobile phones which give them a simple way to explore so many emerging social networks such as Facebook, Instagram, WhatsApp, Snapchat, and WeChat just to mention a few social networking. Due to so many upcoming social networks, it has been so challenging for Small Medium-sized Enterprises in Tanzania. The marketing industry includes selling, advertising, and delivering products to customers or in some other businesses, So to be able to do a proper advertisement as a marketer you need to select a better social media because each social network has different platforms or features. The most important for advertisers is the media selection because each media is different from the other due to the different features each media has (Chaudhur and Buck, 1995). In the process of selecting the right social media, Bullas (2018) shows that among the major mistakes that small-medium enterprises managers make is to see social media as a homogeneous entity. All these social networks differ from one another due to how the audience sees and tend to use them. Every social network has different styles and they are unique from one another. So in this case the only question is how can Small Medium Enterprises (SME) be assured that the social media they chose can lead them in the rightful way of achieving their goals? So this paper is aiming at showing how marketing methods and theories can assure Small medium enterprises on the usage of social networks to meet their marketing goals which are to enter an international marketing level.

1.1. The Objectives of Study

- To study Social Media Marketing.
- To study Digital Marketing. based on marketing theories and marketing methods.

2. SOCIAL SOFTWARE APPS/SOCIAL MEDIA

These social software apps allow individuals, businesses, and other organizations to associate with one another and build relationships and socialize online. A country like Tanzania has so many users of

social media but the majority do not take social media as an opportunity to do business worldwide. When small medium-sized enterprises join these social channels, consumers or buyers can interact with them directly. That interaction can be more personal to users than traditional methods of outbound marketing and advertising. Social Media sites act as word of mouth, The Internet's ability to reach billions of people across the world has given online word of mouth a powerful voice to be heard with so many people in a short time with no cost involved.

The number of users of these social networks makes it very attractive to marketers and other business companies.

The following figure shows the most popular social networking sites according to Dream Grow as of August 2021. The first is Facebook, YouTube, and WhatsApp. Also, the figure shows the number of users in each social network site.
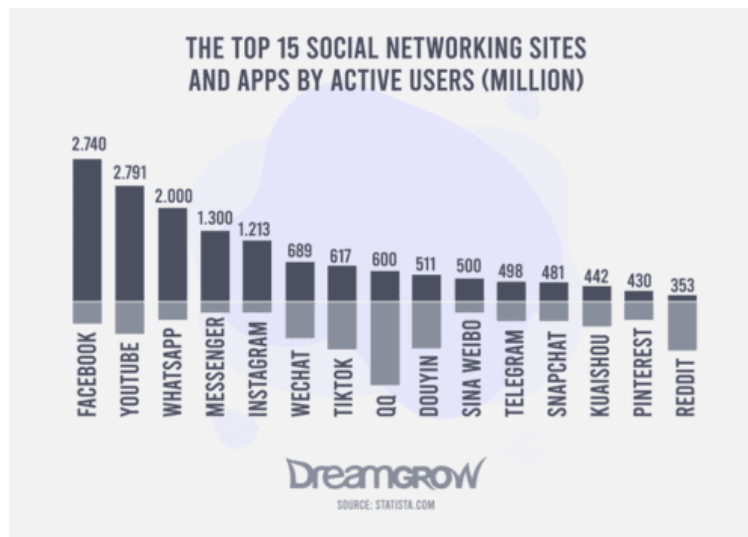

Figure1. *The most popular social networking sites*

Source: STATISTA.COM

2.1. Mobile Phones

The two days world more than four billion people around the world use the internet through their mobile phones. It is more convenient to get access in a business world and it is easy to carry. Also, people use mobile phones to get access to their social media like Facebook, Instagram, Twitter, and YouTube. As days go on the internet gain a lot of thousands of users. As an international marketer, you should use this opportunity of the popularity of social media and start marketing your products, services, and goods. Mobile phones have grown at a rapid rate. A country like Tanzania should influence the users of mobile phones to use social media as an opportunity to expand their business worldwide, the small-medium enterprises can alter the way of the purchasing process by giving consumers an easy way to obtain pricing and product information in real-time and allowing companies to constantly remind and update their followers. Many small-medium enterprises are now putting QR (Quick Response) codes which are likely the ones that are used in China but Tanzania they are known as Sim Banking, but they are connected through mobiles phones known as TIGO PESA, M-PESA, and AIRTEL MONEY. Also, customers can access the company website or online services with their smart phones. Some Retailers example a country like China use Payment methods like QR Codes to facilitate consumer interaction with brands by linking the code to brand websites, promotions, product information, or any other mobile-enabled content.

3. MARKETING METHODS

There are many different marketing strategies that Small medium-sized enterprises might want to consider in a country like Tanzania so they can reach their goals such as, creating different leaflets and some posters, creating more events, Such kinds of companies or managers must think about their loyal customers who will shop in the company, Do you think most will be older or young people or families with small kids? Do they come from a certain ethnic background? Do they live on a low-income

budget? What time do they normally like to shop? You will find it so difficult to meet everyone's needs at the same time. To identify your targeted consumers, you need to think about the **4Psof the marketing mix.**

3.1. Product

The type of goods or services you decide to sell will have an impact on who you want to put your targets to in a social network site.

- Will you focus on organically grown food, is it important for you or your customers?

- Are you going to sell vegetables? Will you sell products that have ingredients that are hard to find for your customers?

- Will you sell your products by weight? Or you will let customers decide what they want so you can sell to them.

3.2. Price

A product will only be worth according to what a customer is prepared to pay for it. You don't have to sell the cheapest products in the place that you are located, and the price doesn't have to be competitive. So many food shops are made up to give food at a very affordable price which is very different to the local shops, so many business owners like to set the value or prices of their products by comparing others by making sure that they must be lower than the local shops. Although it is also very vital to make sure you are covering all your costs. Plan your prices carefully by figuring all of your costs. Some food shops can add small cost prices to make sure their products become as affordable as possible.

3.3. Place

To get to so many consumers so fast the premises or your shop must be located at a place where is convenient to your customers. For example, if you are trying to appeal to older people means you will have to create a movement to reach where they are located because they cant make movements as much as young people, families, and young people can be located example shopping malls or supermarkets.

3.4. Promotion

You can advertise your food co-op in so many ways. You could produce leaflets and posters, create some press releases, create a business website, also you can create a launch event, or run a special offer.

It's a wonderful idea to use different promotional methods to get to so many customers, but just know that promotion might be costly and can use a lot of time. Before you start posting so many leaflets, you can put into mind which will be the most suitable ways to use your money and your valuable time. Make sure you get free publicity, and one of the very affordable ways is to use social network sites such as Facebook and Instagram.

4. MARKETING THEORIES

4.1. Important Marketing Theories and How they can be applied to Social Media

The following are the most effective marketing theories which mostly show what's happening in real life and can be used not only for marketing but also for so many business areas. Agencies such as an advertising agency usually use different ways to organize their business events which can be influenced by different marketing theories and also a person can use their experience with marketing. This paper discusses six theories that can help you understand your customers and create more marketing events that can help your customers address their needs.

4.2. Maslow's Hierarchy of Needs

This theory is common to some of you in your college life in psychology class. The five stages in Maslow's Hierarchy of Needs show human needs according to five biological categories, safety, love or belonging, esteem, and self-actualization. The theory explains that humans need to satisfy the most basic needs of survival before moving on to higher-level needs.
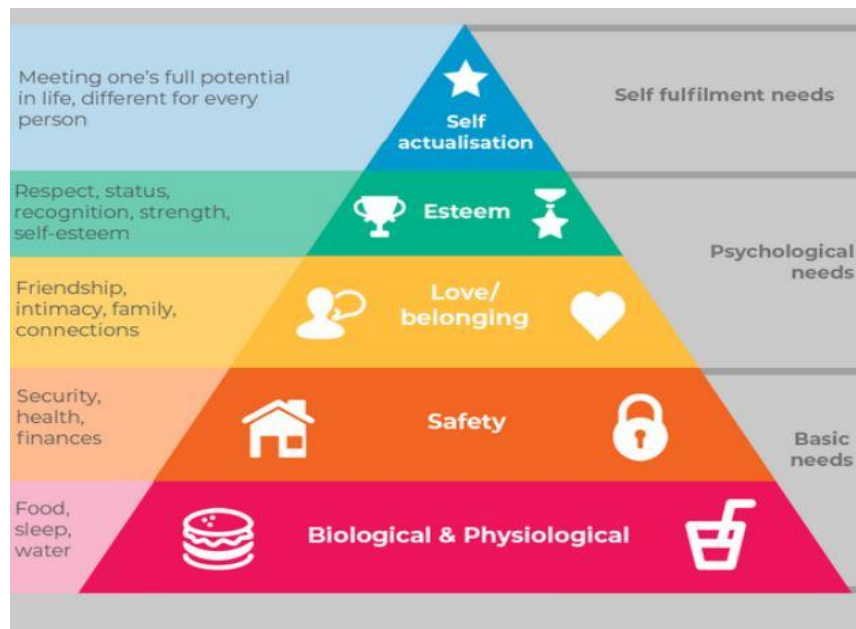
Figure2. *Maslow's Hierarchy of Needs*

Source: *professionalacademcy.com*

Social media as a marketing tool, means you have to be aware of the level of hierarchy your consumer is likely to be interested in when they're interacting with your brand. There's no meaning in doing marketing through the point of self-actualization to consumers who are about to achieve. Which of the five hierarchy needs are your consumers looking to purchase during interaction with you? It has to be one of the three. Customers can be interested to meet your products when using social networks like Facebook are likely to differ due to the platform used, and you should arrange your content perfectly. Many people use platforms like Instagram and Facebook to get in contact with friends and family to fulfill the "belonging" need.

4.3. 7Ps of Marketing Mix

This concept of the marketing mix has been around since 1960 when the original four P's which are product, place, price, and promotion were introduced to analyze and create marketing events. This as a marketing theory has been increased to seven P's, which has the addition of people, processes, and physical evidence. This expansion can give marketers the access to use the theory to formulate more marketing events for more services.

4.4. SWOT Analysis

This theory can be applied to marketing events, and we assure you to use this theory often to see how things are headed and where your most energy could be tuned. You must recognize the strengths and weaknesses of your product, service, or marketing events, also you have to recognize the opportunities and threats that might happen or that have already in the marketing industry. The first two factors are internal while the last two are external.

➢ **Strengths:** which of your products sell well compared to others.

➢ **Weaknesses:** which of your products doesn't do well in the business.

➢ **Opportunities:** what's new about the technology or market which can be away through for your brand.

➢ **Threats:** What kind of products that your competitors have and do you find that your business doesn't have or provide such products.

There is a Facebook ad for Waze company that presents an opportunity for local businesses to list themselves on the platform, bringing more new users to Waze. Many companies got closed during COVID-19, and those that have stayed open have had a difficult time making customers to be attracted. This could be recognized as both an opportunity (that more companies will be dealing with

more delivery which can help the business to generate more money) and a threat (many companies can fail to produce more products and services which can lead to losing money because the budget will go down).

4.5. Consumer Decision-Making Process

Most marketers prefer to apply this marketing theory of the Consumer Decision Making Process to recognize when a buyer wants to make purchasing decisions, the moment they are aware of your brand or product. The theory can be categorized into five sections as follows;

- **Awareness:** The customer can be aware of any problem that needs to be solved when they are in a purchasing stage.

- **Interest:** The customer starts doing some research to recognize potential products or solutions.

- **Consideration:** The customer has written down their choices and is debating whether to buy it or make a room for available other brand products. They normally choose factors like quality, price, or that certain brand.

- **Purchase:** A customer has enough knowledge to make purchasing decisions. They go to sales platforms like Facebook and Instagram for a certain product.

- **Loyalty:** Every customer's purchasing decision ends with the purchasing stage. Also giving out a wonderful previous purchase experience is important to the customer because a customer will buy your products in the future or will recommend your product to other customers. This is where customer loyalty starts.

4.6. Porter's Five Forces

Porter's Five Forces model is one of the marketing theories that are widely taught in marketing courses. It can be related to the SWOT analysis method, it shows different forces that can affect a certain brand and its marketing. Also, it is a lit bit far from SWOT in a way that the theory focuses on external factors. Only the following are the five forces that can play a big part in the marketing industry.

- **Competition:** This part can show how a competitor is trying to get into a certain position due to the external factors related to the business, the resources, their customers' loyalty, and the competitive strategy.

- **New Entrants:** This can be very vital to your business because when you're trying to bring a new product to your customers you need to main the external barriers. You have to consider barriers for entry, some government policies, and industrial barriers or monopolies.

- **Substitution:** This means replacing a product or service with the same thing, For example, instead of buying a normal bicycle, you can decide to purchase an electric bike. This means you will have to think of the cost of changing your preferences (for example installing a charging place at home).

- **Suppliers:** For your products to existing you need suppliers. The covid-19 has been blocking supply chains all over the world, an important role of suppliers has become even more vital and apparent. Remember that without suppliers no products can be sold.

- **Buyers:** Remember people who can purchase your product are the most important to pay attention to the five forces. Buyers are the one who decides whether to buy your products and is worth the price. You have to understand your buyer's preferences if they can be able to pay and to put more attention to what they want to purchase.

4.7. Market Segmentation

This process has three steps which are segmentation, targeting, and positioning. The first one is too direct, It involves checking out who are your customers and allocating your potential customer into different segments according to their demographics, location, and how they behave. Targeting involves selecting the market segment which might go with the customer response to your marketing, Meanwhile, positioning requires some follow-up if there are some gaps in the market that your brand could replace. Many social media platforms give you more ways to segment your customers for electronic marketing purposes. Have you ever realized that you can use segmentation on social media?

5. BRAND AWARENESS AND ONLINE BUSINESS SALES IN TANZANIA

Tanzania has become a wonderful place for business owners to invest and plan out their business activities but there is a problem in creating brand awareness to customers. A major objective of product branding is to expand sales performance within the firm (Chaudhuri & Holbrook 2001). In Tanzania, many small business owners don't have education on how to create brand awareness for their customers which can help to expand sales performance for the business conducted online. Brand awareness plays an important role to consumers to help them differentiate the product and company when making purchase decisions. Brand awareness can be discussed as a signal of a high-quality product and the company's level of commitment (MacDonald & Sharp 2000). So if customers are aware of what you are selling to them it can give them much assurance of the product they want to purchase. Also, some other researchers suggested that brand awareness is an indicator of high product quality (Dawar & Parker 1994). SMEs in Tanzania need to use social networks as an opportunity to create brand awareness to the customers and this can be well conducted if the business owners can use well 4Ps of the marketing mix that have been discussed above.

6. RECOMMENDATIONS AND CONCLUSION

Due to all that has been discussed above it's very important to pay attention as a Digital marketer when using these social software Apps must be very careful what kind of marketing theory or method you want to adapt to improve your business performance. Because they will help you how to avoid the problems of these social media you will know exactly what you are supposed to do for your small medium-sized enterprise to get success in social media marketing. Know what exactly your audiences want, what to post, when to post, and where they can get the products or services you trying to announce on your social media websites. For example, in China, many small sellers are registered to use WeChat as a means to do marketing and advertise their business and they can be able to communicate with their customers.

The popularity of social media isn't going away anytime soon, making it an important part of your overall marketing strategy, This statement is very true social software apps are here and they still coming just like how the technology is changing so fast. So marketers must learn how to deal with all the problems that come with the popularity of social media websites or networks.

People should see these social software apps as an opportunity for business expansion because they can lead to great business performance if they can be used carefully and very smartly. But if they are used with no plans as a business person or a marketer you might see this as a challenge for you and you might also lose some of your customers. Instead, know how to overcome any problem that might seem to occur which might hinder your business performance. You must know what kind of customers you want to reach before posting your products or services. You must understand the SWOT ANALYSIS and THE MARKETING MIX to achieve your marketing goals.

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