

UGANDA CHRISTIAN UNIVERSITY

SCHOOL OF BUSINESS

**THE EFFECTIVENESS OF SOCIAL MEDIA MARKETING TECHNIQUES IN
IMPROVING CUSTOMER ATTRACTION AMONGST SELECTED SME'S IN
KAMPALA**

BY

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**A RESEARCH REPORT SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
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DECLARATION

I, **ASHABA BARASHA DUNCAN**, hereby declare that this is my original work and has not been presented to any Institution of higher learning for any academic award.

Signature

Date: 29/May/2026

A handwritten signature in dark ink, appearing to read 'Ashaba Barasha Duncan', is written over a horizontal line.

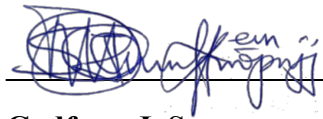
ASHABA BARASHA DUNCAN

APPROVAL

This is to certify that **Ashaba Barasha Duncan**, successfully completed his professional field practice under my supervision at **Uganda Christian University**, for a period of 3 years and he was successfully supervised and assessed.

This report is therefore submitted to the university with my approval.

University Supervisor



Godfrey. J. Sempungu

Date 29th May 2026

DEDICATION

This work is dedicated to my family, whose unwavering support, encouragement, and understanding have been my greatest source of strength throughout this journey. To my parents, who instilled in me the values of hard work and perseverance. To my siblings, friends and loved ones, who stood by me in moments of challenge and triumph alike.

And to every small business owner striving to grow in the digital age may this study be a contribution to your journey of innovation and success.

ACKNOWLEDGEMENT

First and foremost, I give all glory, honor, and thanks to my Lord and Savior Jesus Christ, whose grace, wisdom, and strength have carried me through every stage of this journey. Without His guidance, this work would not have been possible.

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TABLE OF CONTENTS

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF ABBREVIATIONS AND ACRONYMS	x
ABSTRACT.....	xi
CHAPTER ONE: INTRODUCTION.....	1
1.0 Introduction.	1
1.1 Background:.....	1
1.2 Problem statement	1
1.3 Purpose of the Study.....	3
1.4 The study was guided by the following Objectives:.....	3
1.5 The study was guided by the following Research questions	4
1.6 Scope of the study.....	4
1.7 Justification.....	4
1.8 Significance	5
1.9 Conceptual Framework.....	5
CHAPTER TWO: LITERATURE REVIEW	9
2.0 Introduction	9
2.1 Theoretical Frameworks:	9
2.2 Empirical Literature Review	12
2.3 Gaps in Literature.	16
CHAPTER 3: METHODOLOGY	18
3.0 Introduction	18
3.1 Research Design	18
3.2 Area of Study	18
3.3 Sources of Information.....	19

3.4 Population and Sampling Techniques	19
3.5 Data Collection Tools.....	21
3.5.1 Surveys/Questionnaires	21
3.5.4 Data Analysis.....	21
3.6 Validity and Reliability	22
3.7 Ethical Considerations.....	22
3.8 Timeline.....	22
CHAPTER 4: DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS	24
4.0 Introduction.....	24
4.1 Sociodemographic information and SME characteristics.....	24
4.1.1 Age distribution of the respondents	24
4.1.2 Gender distribution of the respondents	24
4.1.3 Level of education of the respondents.....	25
4.1.4 SMEs Industry of Operation	26
4.1.5 Duration of SME Operation	26
4.1.6 Number of Employees in SMEs.....	27
4.2 Presentation of the Analysis, Research Findings, and Interpretation	28
4.2.1 The Relationship between Social Media Marketing and Customer Attraction.....	28
4.2.2 Establish the social media marketing techniques utilized by SME's.....	28
4.2.2.1 Social media marketing techniques used by SMEs	29
4.2.2.2 Marketing Technique based on Industry and Duration of Operation	30
4.2.3 Role of regulatory bodies in influencing social media marketing activities and techniques amongst Uganda SME's.....	38
4.2.3.1 SMEs awareness of social media marketing regulation policies.....	38
4.2.3.2 Role of government regulations on Social media marketing	39
4.2.3.3 Understanding of government regulation role among SMEs industry	40
4.2.3.4 Understanding of government regulation role among SMEs duration of operation ..	41

4.2.4 Factors that affect the effectiveness of social media marketing techniques in attracting new customers to SMEs in Uganda.....	42
4.2.4.1 Factors for Effective social media marketing among SMEs	42
4.2.4.2 Challenges affecting effective social media marketing	43
4.2.4.3 Strategies for Effective Social Media Marketing	44
4.2.5 Recommendations for SMEs in Uganda on how to effectively use social media marketing.....	45
4.2.5.1 Recommendation for government	45
4.2.5.2 Recommendations for SMEs	48
CHAPTER FIVE: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS.	53
5.1 Introduction.....	53
5.2 Discussion of Findings.....	53
5.2.1 The Relationship between Social Media Marketing and Customer Attraction.....	53
5.2.2 Establish the social media marketing techniques utilized by SME's.....	54
5.2.2.1 Social media marketing techniques used by SMEs	54
5.2.2.2 Content Creation among SMEs Industry and the duration of operation	55
5.2.2.3 Paid advertisement among SMEs Industry and the duration of operation	56
5.2.2.4 Influencer partnerships among SMEs industry and the duration of operation	56
5.2.2.5 Customer engagement among SMEs industry and the duration of operation	57
5.2.2.6 Promotions and giveaways among SMEs industry and the duration of operation....	58
5.2.2.7 Other techniques among SMEs Industry and the duration of operation.....	Error!
Bookmark not defined.	
5.2.3 Role of regulatory bodies in influencing social media marketing activities and techniques amongst Uganda SME's.....	59
5.2.3.1 SMEs awareness of social media marketing regulation policies.....	59
5.2.3.2 SME Understanding of government Regulation Role on Social Media marketing ..	60
5.2.3.3 Understanding of government regulations role among SMEs industry and the duration of operation	61
5.2.4 Factors that affect the effectiveness of social media marketing techniques in attracting new customers to SMEs in Uganda.....	62

5.2.4.1 Factors for Effective Social Media Marketing among SMEs.....	62
5.2.4.2 Challenges affecting the effectiveness of social media marketing among SMEs	63
5.2.4.3 Strategies for Social Media Marketing among SMEs	63
5.2.5 Recommendations for SMEs in Uganda on how to effectively use social media marketing.....	64
5.2.5.1 Recommendations to the government regulations be made for social media marketing	64
5.2.5.2 Recommendation on government regulations among SME industry and the duration of operation.....	65
5.2.5.3 Recommendations for SMEs to improve social media marketing	66
5.2.5.4 Recommendations to SMEs among the industry.....	67
5.2.5.5 Recommendations for SMEs among the duration of operation Error! Bookmark not defined.	
5.3 Conclusions.....	68
CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS	69
6.0 Introduction.....	69
6.1 Recommendations.....	69
6.2 Limitations	70
6.3 Areas for further research	71
6.4 Conclusion	71
REFERENCES	72
Appendixes	85
Appendix 1: Questionnaire	85
Appendix 2.....	Error! Bookmark not defined.

LIST OF TABLES

Table 1: Age distribution of the respondents	24
Table 2: Gender distribution of the respondents	24
Table 3: Level of education of the respondents	25
Table 4: SMEs Industry of Operation	26
Table 5: Duration of SME Operation.....	26
Table 6: Number of Employees in SMEs	27
Table 7: Correlation between Social Media Marketing (SMM) and Customer Attraction (CA).....	28
Table 8: Social media marketing techniques used by SMEs	29
Table 9: Content Creation among SMEs Industry	30
Table 10: Content Creation among SME duration of operation	31
Table 11: Paid advertisement among SMEs Industry	31
Table 12: Paid advertisement among SMEs duration of operation.....	32
Table 13: Influencer partnerships among SMEs industry	33
Table 14: Influencer partnerships among SMEs duration of operation	33
Table 15: Customer engagement among SMEs industry	34
Table 16: Customer among SMEs duration of operation.....	35
Table 17: Promotions and give aways among SMEs industry.....	36
Table 18: Promotion and giveaways among SMEs duration of operation.....	36
Table 19: Other techniques among SMEs Industry	37
Table 20: Other techniques among SMEs duration of operation	37
Table 21: SMEs awareness of social media marketing regulation policies	38
Table 22: SME Understanding of government Regulation Role on Social Media marketing	39
Table 23: Understanding of government regulation role among SMEs industry	40
Table 24: Understanding of government regulation role among SMEs duration of operation	41
Table 25: Factors for Effective social media marketing among SMEs.....	42
Table 26: Challenges affecting the effectiveness of social media marketing among SMEs.....	43
Table 27: Strategies for Social Media Marketing among SMEs.....	44
Table 28: Recommendations to government regulations be made to social media marketing	45
Table 29: Recommendation to government regulations among SME industry	46
Table 30: Recommendation to government regulations among SME duration of operation.....	47
Table 31: Recommendations for SMEs to improve social media marketing.....	48
Table 32: Recommendations to SMEs among the industry	49
Table 33: Recommendations for SMEs among duration of operation.....	50

LIST OF ABBREVIATIONS AND ACRONYMS

SME – Small and Medium Enterprises

ABSTRACT

In Uganda's increasingly digital marketplace, the ability of SMEs to leverage social media effectively has become a critical determinant of customer attraction and retention. This quantitative cross-sectional study examined the effectiveness of social media marketing techniques in improving customer attraction among selected SMEs in Kampala. Using convenience sampling, data were collected from 87 SMEs through structured questionnaires. The study aimed to: determine the relationship between social media marketing and customer attraction; identify the techniques SMEs employ; assess the role of regulatory bodies; explore factors affecting effectiveness; and provide practical recommendations. Findings revealed that training, sensitization, and education were the most frequently recommended strategies for enhancing social media marketing, particularly in the retail and services sectors. Other suggestions, such as tax relief, financial incentives, and increased government collaboration, were less common, indicating these are secondary to skills development. The results highlight the need for targeted capacity-building programs and supportive institutional frameworks to enable SMEs to maximize the potential of social media for driving business growth and attracting new customers.

CHAPTER ONE: INTRODUCTION.

1.0 Introduction.

Social media is an important part of the marketing mix for many businesses, particularly for SMEs in developing countries like Uganda. Social media platforms, such as Facebook, Twitter, and Instagram, offer a low-cost and effective way for SMEs to reach potential customers and promote their products or services (NITA, 2019). However, the effectiveness of social media marketing in attracting new customers to SMEs remains an open question, particularly in the context of Uganda, where there is scant empirical evidence on the impact of social media influencing techniques on new customer attraction.

1.1 Background:

The use of the internet and social media is expected to increase significantly in the coming years, making social media a crucial asset for any future-oriented organization (Bala, 2018). Historically, the rise of handheld devices such as tablets, smartwatches, and smartphones has accelerated social media adoption, presenting both opportunities and challenges to companies worldwide (Uhls, 2017). Alongside this technological evolution, there has been a growing trend of children, adolescents, and teenagers increasingly engaging with digital and social media platforms, which amplifies their influence on consumer behavior and societal norms (Bala, 2018).

Theoretically, the effectiveness of social media marketing hinges on the ability to implement a robust digital strategy that integrates clear objectives, knowledge of customer demographics, and platform-specific content creation (West, 2024). Social media's immediacy enables businesses to respond quickly to customer inquiries and trends, enhancing satisfaction and trust (Asiimwe, 2024). Additionally, the expansive reach of these platforms allows companies to engage broad and diverse market segments beyond geographical constraints. Social media advertising further contributes to outcomes by allowing highly precise audience targeting and measurable campaign performance, thus optimizing return on investment (Falls, 2014; Intelligence, 2014).

Conceptually, social media marketing encompasses several key techniques: creating valuable and engaging content; leveraging user-generated posts and promotional offers; employing paid social advertising tools like Facebook Ads and Instagram Promotions; and continuously analysing performance data to refine strategies. These elements work synergistically to attract new

customers, retain existing ones, and build strong brand loyalty. Content quality remains central to fostering consumer engagement and community-building (Falls, 2014).

Contextually, Uganda's digital landscape presents a fertile environment for social media marketing among SMEs. As of January 2024, Uganda had approximately 2.60 million active social media users, representing 5.3% of the population—a figure that grew by over 40% from the previous year (Kemp, Digital 2024: Uganda, 2024). Social media subscriptions reached 20.7 million by December 2023, driven by affordable mobile data, widespread smartphone adoption, and a youthful demographic. Platforms such as WhatsApp (7.4 million users), TikTok (5.5 million), and YouTube (4.7 million) dominate the market, reflecting a shift toward multimedia and instant communication (Reports, 2021). This expanding digital connectivity offers Ugandan SMEs unprecedented opportunities to implement effective social media marketing strategies to improve brand loyalty, attract new customers, and retain existing ones, thus driving sustainable business growth.

1.2 Problem statement

Several organizations have online presence through social media (Icha, 2015), (Adissa, Heidi, & Walita, 2013). This is partly due to the need to increase visibility, reach a wider audience, and improve competitiveness (Kiggundu & Juliet, 2019). Uganda has 13.92 million internet users with 2.80 million social media users and internet penetration rate of 29.1 percent. This is equivalent to 5.9 percent of the total population (Kemp, 2022). Available data suggests that 13.30 million internet users in Uganda at the start of 2024, with an internet penetration rate standing at 27.0 percent (Kemp, Digital 2024: Uganda, 2024). Uganda was home to 2.60 million social media users in January 2024, equating to 5.3 percent of the total population as Kemp reports. Furthermore, findings from (Orgeret, 2022) and reiterated by (Filliam, 2018) showed that between 2023 and the start of 2024, there was a more than 40.5% (or 750,000 users) increment in the number of social media users while in terms of age demographic, users aged 18 and above equaled more slightly more than 10% of the total population aged 18 and above. In terms of Gender distribution of Social Media Users in Uganda for the period up to 2024, 37.8% are female while the majority 62.2% were male. YouTube (30.35%) and Twitter (30.83%) are the most utilized social media sites, while others such as Facebook (8.56%), Pinterest (21.24%), Instagram (5.61%), LinkedIn (2.31%) and Pinterest are also popular with TikTok strongly gaining traction over the last 24 months.

Uganda is also among the pioneers of mobile payments in Africa (Yego, 2023), and many e-commerce transactions are in fact m-commerce transactions (imarc, 2023). The population is accustomed to making transactions through Unstructured Supplementary Service Data (USSD) or other mobile solutions (imarc, 2023). In June 2017, there were nearly 23 million mobile money accounts in the country (Kemp, 2022). The total value of mobile money transactions is estimated at Ugandan Shilling 63 trillion. SME's have therefore set up social media handles so as to enable them keep in touch with these customers and get a share of these figures (Muhumuza P.2023) Despite the growing interest in social media marketing, there is a pressing need to establish the extent of social media marketing usage among small and medium enterprises (SMEs) in Kampala. Understanding how these businesses employ social media marketing as a strategic tool is crucial for enhancing their effectiveness in attracting customers. This empirical investigation will provide insights into the current practices and challenges faced by SMEs in leveraging social media for marketing, ultimately contributing to improved business outcomes in the region.

This study aimed at investigating the effectiveness of social media influencing techniques, such as influencer marketing and user-generated content, in attracting customers to Ugandan SMEs. This study seeks to contribute to the existing literature on SMM and provide insights for SMEs in Uganda on how to effectively use social media to attract customers and improve their business performance.

1.3 Purpose of the Study

The purpose of this study was to investigate how Ugandan SME's utilize social media marketing to promote their brands, retain the existing market share and win over new customers.

1.4 The study was guided by the following Objectives:

1. To determine the relationship between social media marketing and customer attraction.
2. To establish the social media marketing techniques utilized by SME's
3. To find out the role of regulatory bodies in influencing social media marketing activities and techniques amongst Uganda SME's

1.5 The study was guided by the following Research questions

1. How does the engagement level of customers with social media content influence their likelihood of becoming repeat customers?
2. What is the average customer satisfaction rating with social media marketing efforts by SMEs in Uganda, and how does it vary across different industries?
3. What measures do regulatory bodies take to ensure compliance with social media marketing regulations and standards among SMEs in Uganda?
4. What are the key factors that influence the effectiveness of social media influencing techniques in attracting new customers to SMEs in Uganda (e.g., content type, influencer selection, budget allocation)?
5. What specific social media marketing strategies and tactics can SMEs in Uganda use to effectively attract new customers and improve their business performance?

1.6 Scope of the study

This study was conducted using secondary data sources. The study focused on SME's operating in Uganda and consider the period between 2005 to date (18 years). The key data collection areas were on the utilization of social media marketing by Ugandan SMEs.

1.7 Justification

The most interesting result of the technology explosion and easy access to it by consumers is the disruption of the market and the marketing practice. The customer today is an empowered customer, and in control of the interactive online media, content and communication process. The power of the traditional marketing tools and communication is diminishing and the customer has little trust to the corporate message and brand. Technology is changing the context and practice of marketing: marketers are increasingly forced to operate in a complex and changing world where they do not have any more the full control of the media and the message. Customer behavior is also changing: the customer is losing trust and becomes much more critical, smart, well informed and proactive than ever before. New knowledge, new skills and new approaches are required by today and future marketers not only for understanding the changing and technology enabled marketing environment but also for comprehending and communicating with the new customer.

The Marketing becomes increasingly digital and continuous technological developments present marketers with new challenges and opportunities: That is why author felt a need to focus on this in this study.

1.8 Significance

This study is significant as it provides actionable guidance for decision makers across various firms on how to effectively implement social media marketing strategies to recruit new customers and retain existing ones. By examining the diverse ways social media can be leveraged, the research equips organizations with evidence-based insights to enhance their digital strategy, including improvements in search engine optimization (SEO), social media operations, and overall digital marketing effectiveness.

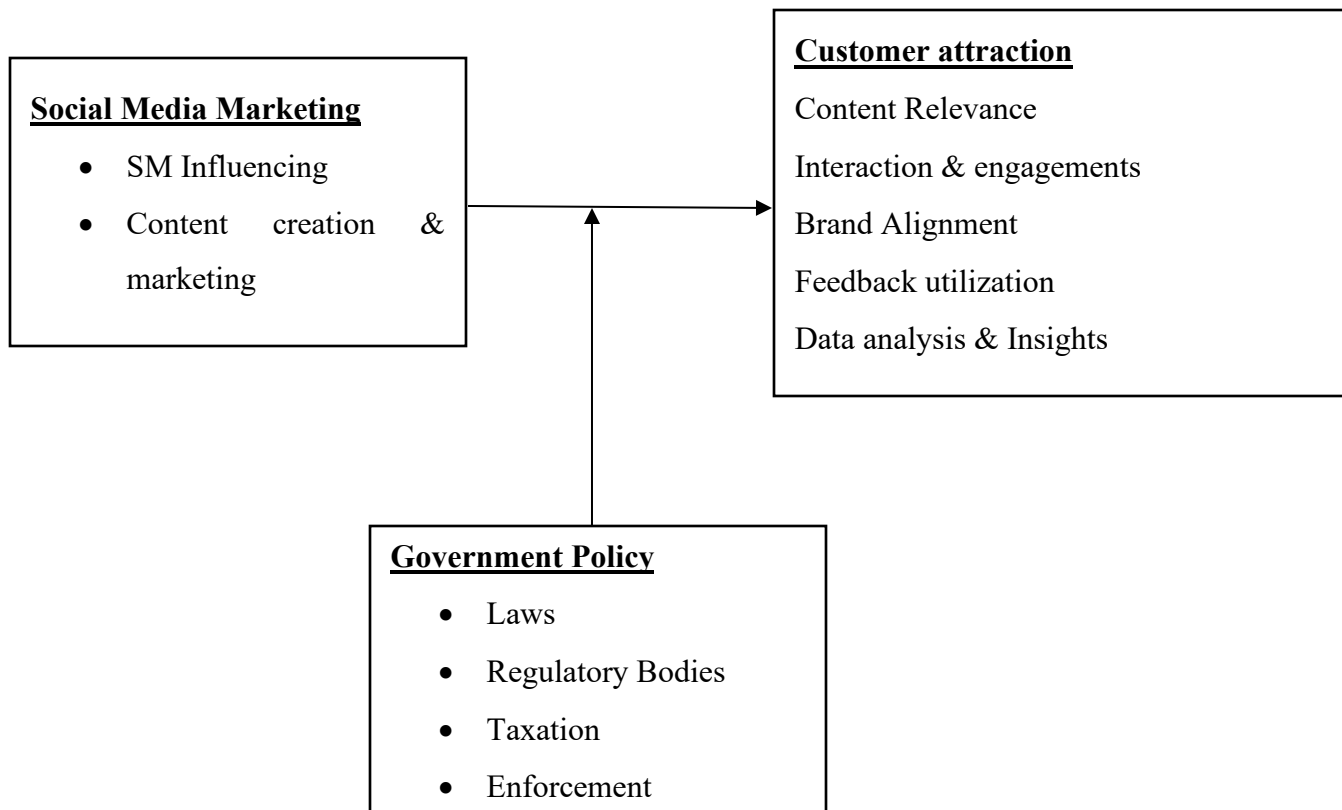
The findings will help firms optimize their online presence by identifying the most effective content types, engagement tactics, and advertising approaches that resonate with target audiences, thereby increasing brand visibility and customer engagement. Through a better understanding of consumer behavior and preferences on social media platforms, organizations can refine their SEO practices, ensuring that their content is discoverable and ranks higher in search engine results. Additionally, the research highlights the importance of integrating social media analytics and real-time feedback into digital operations, enabling firms to make data-driven decisions that improve campaign performance and resource allocation.

By adopting the best practices identified in this study, businesses can create compelling, shareable content, foster brand loyalty, and build lasting relationships with their customers. Ultimately, this research supports the development of robust, adaptive digital strategies that drive sustainable growth and competitive advantage in an increasingly digital marketplace.

1.9 Conceptual Framework

Conceptual Framework

In line with the theories discussed in the next chapter and the various studies by other researchers concerning ecommerce adoption, the conceptual framework consists of institutional or firm factors and Individual user factors as the key issues that will help in understanding the determinants of ecommerce adoption amongst SMEs in Uganda.



Source: Parsons, A. L., & Lepkowska-White, E. (2018). Social Media Marketing Management: A Conceptual Framework. *Journal of Internet Commerce*, 17(2), 81–95.

Social Exchange Theory (SET):

The Social Exchange Theory (SET) posits that individuals engage in social interactions based on the principle of maximizing benefits and minimizing costs. In the context of customer attraction, social media marketing, and social media regulators, the SET can be applied as follows:

Customer Attraction Variables:

Content Relevance: According to SET, customers are attracted to content that provides them with valuable information or entertainment, creating a positive exchange where they perceive benefits from engaging with the content.

Interaction & Engagements: SET suggests that positive interactions and engagements on social media platforms lead to a sense of reciprocity, where customers feel valued and are more likely to be attracted to brands that engage with them.

Brand Alignment: SET emphasizes the importance of aligning brand values with customer expectations to establish trust and loyalty, creating a mutually beneficial relationship between customers and brands.

Feedback Utilization: In line with SET, utilizing customer feedback effectively demonstrates responsiveness and care towards customers, fostering a positive exchange that enhances customer attraction.

Data Analysis & Insights: SET highlights the value of data analysis in understanding customer needs and preferences, enabling businesses to tailor their strategies for better customer attraction.

Social Media Marketing Variables:

SM Influencing: SET can be applied to social media influencing by emphasizing the exchange of value between influencers and their audience, where influencers provide engaging content in exchange for followers' attention and loyalty.

Content Creation & Marketing: SET supports the idea that creating valuable and engaging content on social media platforms leads to a positive exchange with customers, increasing brand visibility and customer engagement.

Social Media Regulators Variables:

Policies: SET can be relevant in understanding how regulatory policies influence social media interactions, as regulations shape the exchange dynamics between businesses, customers, and regulatory bodies.

Regulatory Bodies: SET can explain how regulatory bodies act as mediators in the social media landscape, balancing the interests of businesses, customers, and societal norms through regulatory interventions.

Taxation: In the context of taxation, SET can be applied to analyze how tax policies impact the exchange relationships between businesses and customers, influencing business practices and customer perceptions.

By applying the Social Exchange Theory to the provided conceptual framework, a deeper understanding of the dynamics of customer attraction, social media marketing, and social media regulation can be achieved, highlighting the importance of value exchange in these interactions.

In conclusion, Chapter One has established the growing significance of social media marketing for SMEs in Uganda, emphasizing the rapid expansion of digital connectivity, the proliferation of mobile devices, and the evolving behaviors of consumers across age groups. The chapter has provided a comprehensive background on the digital landscape, highlighted the need for effective online strategies, and discussed the opportunities and challenges SMEs face in leveraging social media to attract and retain customers. It has also presented the study's objectives, research questions, and conceptual framework, underscoring the importance of understanding both firm-level and individual factors in digital marketing adoption.

By articulating the problem statement, purpose, and significance of the study, this chapter has laid a solid foundation for investigating how Ugandan SMEs can optimize social media marketing techniques to improve brand loyalty, customer acquisition, and business performance. The next chapters will build on this groundwork by reviewing relevant literature, detailing the research methodology, and presenting empirical findings to inform actionable recommendations for SMEs and policymakers.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

In the contemporary business landscape, social media has emerged as pivotal platforms for marketing endeavors. Social media have become a powerful tool for businesses, especially Small and Medium Enterprises (SMEs), to engage with their target audience and attract customers. In the context of Kampala, Uganda, the effectiveness of social media influencing techniques in enhancing customer attraction among SMEs is a topic of growing interest. With its expansive reach and interactive nature, businesses are capitalizing on social media channels to engage with their audience, promote their products or services, and cultivate brand loyalty. However, amidst the proliferation of social media marketing techniques, understanding and measuring customer satisfaction have become paramount. This literature review explores the various methodologies and approaches used to measure customer satisfaction derived from social media marketing techniques.

2.1 Theoretical Frameworks:

Several theoretical frameworks underpin the study of customer attraction in the context of social media marketing.

2.1.1 Uses and Gratifications Theory

Uses and Gratifications Theory (UGT), developed in the early 1940s and refined through works like Katz, Blumler, and Gurevitch (1974), posits that audiences actively select media to fulfill specific needs such as information, entertainment, personal identity, social interaction, and escapism. Its core propositions include that users are goal-oriented, evaluate media based on expected gratifications, and derive satisfaction when needs are met, influencing continued engagement.

Critiques highlight methodological flaws like reliance on self-reported data and researcher bias in defining gratifications, limited predictive power for media choice, and overemphasis on an "active audience" assumption that may not hold across demographics or cultures.

This theory suits the dissertation by explaining why Kampala SMEs' customers engage with social media marketing techniques—seeking entertainment, information on products, or social validation—which directly links techniques to attraction under objectives 1 and 2. A key gap is its underemphasis on external regulatory influences on gratification fulfillment, such as Uganda's data privacy rules affecting content sharing. This research addresses the gap of underemphasis on external regulatory influences by directly examining the role of Ugandan regulatory bodies (objective 3) in shaping how customers fulfill gratifications through social media marketing. Through empirical analysis of Kampala SMEs, it will describe how regulations like data privacy or computer misuse act alter content strategies, affecting customer engagement for needs like information or social validation (objectives 1 and 2). This fills the void in Uganda-specific studies by integrating regulatory data with self-reported customer motivations, providing context-specific insights absent in general User Gratification Theory applications.

2.1.2 Resource-Based View (RBV) Theory

The Resource-Based View (RBV), advanced by Barney (1991), asserts that sustained competitive advantage stems from firm-specific resources that are valuable, rare, inimitable, and non-substitutable. driving superior performance through internal capabilities rather than external market positioning.

Propositions emphasize resource diversity among firms, strategic bundling for advantage, and barriers to imitation enabling long-term gains, applicable to SMEs leveraging social media as a low-cost, dynamic resource. Critiques include lack of managerial guidance, infinite regress in resource origins, narrow focus ignoring resource types' differences, and failure to fully address dynamic capabilities or entrepreneurial resource creation in volatile contexts like digital marketing.

RBV justifies inclusion by framing social media as a strategic resource for Kampala SMEs to attract customers via unique content strategies, aligning with objectives 2 and effectiveness assessment, especially under resource constraints. Gaps include limited integration of regulatory pressures, like compliance costs depleting SME resources, and insufficient emphasis on customer-side resource exchanges.

The study bridges the gap in regulatory pressures and customer-side exchanges by assessing how compliance costs (e.g., tax on devices, data and shutdown platforms) impact SMEs' social media resources linking them to customer attraction metrics (objectives 1 and 2). By reviewing responses from owners of selected Kampala SMEs on resource allocation amid regulations (objective 3) and measuring relational outcomes like engagement, it extends RBV to dynamic, regulated SME contexts in developing economies. This addresses the theory's limited focus on entrepreneurial adaptations in resource-scarce settings like Uganda.

2.1.3 Social Exchange Theory (SET)

Social Exchange Theory (SET), originated by Homans (1958) and expanded by Blau (1964), proposes that social interactions resemble economic exchanges where individuals weigh costs against benefits (rewards like information, status, or reciprocity in likes, views, comments and reposts), sustaining relationships when net value is positive. The key propositions are: subjective cost-benefit analysis guiding choices, reciprocity fostering ongoing exchanges, and relational maintenance through perceived equity, evident in repeated customer-SME interactions (comments, responses to queries, direct messages).

Critiques note oversimplification of non-rational emotions, cultural variability in exchange norms, and neglect of power imbalances or intrinsic motivations beyond utility calculations.

SET fits the research by modeling how reciprocal social media interactions (e.g., likes, shares, promotions) build customer attraction for Kampala SMEs, supporting objectives 1 and 2 on techniques' relational impact. Identified gaps include minimal focus on regulatory interventions disrupting exchanges, such as advertising restrictions in Uganda, and underdeveloped links to technology-specific platforms. This dissertation tackles the gap in regulatory disruptions and technology-specific links by investigating how Ugandan laws on social media advertising interrupt reciprocal exchanges through access to content and some platforms eg Facebook influencing customer attraction (objectives 1 and 2)., testing perceptions in Kampala's context.

2.2 Empirical Literature Review

2.2.1 To determine the relationship between social media marketing and customer attraction.

Several studies have empirically demonstrated this relationship: Social media marketing has been shown to have a significant, positive impact on customer attraction for small and medium enterprises (SMEs). (Umunna, 2021) in his study of SMEs in Kampala found that social media marketing activities like providing personalized customer experiences, efficient content marketing, and creating brand advocates were effective in attracting new customers. The most popular strategies were content creation and measuring campaign success. Research on luxury fashion brands by (Jamil, 2022) showed that social media marketing activities like entertainment, customization, trendiness, interaction and word-of-mouth had a direct positive effect on purchase intentions and customer attraction this was further emphasized by (Fetais, 2023). Satisfaction and social identification mediated this relationship. Using big data analytics, (Jamil, 2022) found that luxury brands' social media marketing significantly improved customer engagement and attraction. Engaging content, measuring ROI, and defining target customers were key strategies.

Social media marketing allows companies to create a two-way communication channel with consumers, empowering them and enabling high levels of effectiveness in attracting new customers (Beata, 2022). Consistent, friendly and relatable content was important. The empirical evidence clearly demonstrates that social media marketing is an effective tool for SMEs to attract new customers. Key strategies include creating engaging content, measuring campaign success, defining target audiences, and fostering interaction and word-of-mouth. Social identification and satisfaction mediate the positive impact on customer attraction.

2.2.2 The relationship between social media marketing and customer attraction

The relationship between social media marketing and customer attraction is a topic of significant interest in the marketing field. Several research studies have delved into this area, shedding light on how social media marketing activities influence customer intentions and loyalty by examining impact on loyalty, relationship quality and consumer's perceptions. Social media marketing involves utilizing online communication platforms for marketing actions by firms (Paquette, 2013). SMMA's play a crucial role in pushing the boundaries set by traditional marketing, allowing companies to promote products and services at a lower cost and receive real-time feedback from

customers (Julian, Tobias, & Matthew, 2022). (Haudi Haudi, 2022) has shown that social media marketing activities have a positive and significant effect on brand equity, which in turn influences customer loyalty. Factors such as interaction, entertainment, customization, trendiness, and word of mouth play key roles in shaping customer loyalty towards e-commerce providers (Rashi Banerji, 2024). The relationship between perceived SMMA and customer loyalty is mediated by customer relationship quality, which includes components like commitment, trust, and satisfaction. (Rashi Banerji, 2024) highlights the importance of CRQ in mediating the impact of SMMA on customer loyalty in the e-commerce context. Understanding consumer perception of social media marketing activities is also crucial. Studies have focused on measuring consumer perception, scale development, and validation to gauge the impact of SMMA on customer loyalty and brand awareness (Jamil, et al., 2022)

The literature review emphasizes the significant role of social media marketing activities in influencing customer intentions, loyalty, and brand equity. Understanding the dynamics of SMMA, customer relationship quality, and consumer perception is essential for marketers aiming to attract and retain customers effectively.

2.2.3 How to measure of customer's satisfaction from social media marketing techniques

(Hanaysha, 2017) revealed that social media marketing has a significant effect on customer satisfaction. The findings revealed that regular posting on social media, response time and language have an impact on customer satisfaction (Danho, 2020). These findings may suggest that social media management is a key factor in customer satisfaction. For instance, prompt response to customer's inquiries has a positive effect on customer satisfaction, whereas longer response time to customer's inquiries have an undesirable impact on customer satisfaction.

The positive impact of response time on customer satisfaction has become the cornerstone of businesses striving for excellence. 96% of customers believe excellent customer service, including swift response times, builds trust. By prioritizing rapid response time and measuring them against lead response time benchmarks, businesses meet customer expectations and exceed them, creating a positive impact of response time on customer satisfaction (Customer, 2024). The inherent value of fast reply times lies in their ability to foster a sense of reliability, transparency, and attentiveness, laying the foundation for enduring customer relationships built on trust

2.2.4 Role of regulatory bodies in influencing social media marketing activities and techniques amongst Uganda SME's

Data privacy and security

A study by (Lake, 2020) found that regulatory measures around data protection significantly influence SMEs' approach to social media marketing. The enforcement of data protection regulations ensures that SMEs handle customer data responsibly, which is crucial for maintaining customer trust and engagement. The introduction of the Uganda Data Protection and Privacy Act, 2019, has been pivotal in shaping how SMEs collect and use data. According to a report by (NITA, 2019), compliance with this act has encouraged SMEs to adopt more secure data handling practices in their social media marketing efforts.

Content regulation and advertising standards

Research by (Kasimu, 2012) indicates that guidelines and standards set by the Uganda Communications Commission (UCC) have helped curb misleading advertising and promote ethical marketing practices. These regulations have enhanced the credibility of social media marketing among consumers. The (UCC, 2020) highlights several cases where regulatory interventions corrected misleading advertising practices, thereby improving the overall trustworthiness of social media marketing content from SMEs.

Educational programs and support

Mbabazi (2020) found that regulatory bodies' educational programs on digital literacy significantly enhance SMEs' ability to use social media effectively. SMEs that participated in workshops and training provided by bodies like the UCC were more proficient in leveraging social media tools. According to the World Bank Report on Digital Skills in Uganda (2019), and further backed by (Mukhula, 2021) initiatives aimed at improving digital literacy among SMEs led to a marked increase in the adoption and effective use of social media for marketing.

Monitoring and enforcement

The effectiveness of regulatory oversight is demonstrated in a study by (Ssekakubo., 2014) which showed that SMEs under regular monitoring and compliance checks are more likely to adhere to best practices in social media marketing. This results in higher levels of consumer trust and

engagement. The UCC's enforcement actions, as detailed in their 2020 compliance report, indicate that consistent regulatory oversight helps maintain high standards in social media marketing, deterring deceptive practices and ensuring a fair market environment.

Promoting ethical marketing practices

(Nuseir, 2022) found that regulatory bodies promoting transparency and ethical practices in social media marketing led to better consumer perceptions of SME brands. Ethical guidelines enforced by regulators help build long-term customer relationships. The implementation of advertising standards by regulatory bodies, as discussed in the UCC (2018) policy paper, has resulted in a decrease in consumer complaints about misleading advertisements, indicating a positive impact on the credibility of SME marketing efforts.

Empirical evidence supports the significant role of regulatory bodies in shaping the effectiveness and ethical standards of social media marketing among SMEs in Uganda. By enforcing data protection laws, establishing content regulations, providing educational programs, monitoring compliance, and promoting ethical practices, these regulatory bodies help create a reliable and trustworthy digital marketing environment (Lab, 2025). This not only enhances the marketing capabilities of SMEs but also protects consumers and fosters fair competition in the digital marketplace.

2.2.5 Factors that affect the effectiveness of social media influencing techniques in attracting new customers to SMEs in Uganda

2.2.5.1 Impact of social media marketing on SMEs

(Tuten & Solomon, 2018) emphasizes the significant impact of social media marketing on SMEs, highlighting how it can enhance brand visibility, customer engagement, and ultimately lead generation. The interactive nature of social media platforms allows SMEs to build relationships with customers, leading to increased brand loyalty and customer retention.

2.2.5.2 Influence of influencer marketing

Influencer marketing has emerged as a popular strategy for SMEs to leverage social media effectively. Bughin et al. (2019) (Bughin, 2010), explains that influencer marketing can be particularly beneficial for SMEs by providing access to a wider audience and enhancing credibility

through association with influencers. Collaborating with influencers who resonate with the target market can significantly boost customer attraction.

2.2.5.3 Customer engagement and relationship building

Effective use of social media influencing techniques can foster customer engagement and relationship building for SMEs in Kampala. By creating compelling content, actively responding to customer queries, and utilizing features like live videos and stories, SMEs can humanize their brand and establish a strong connection with their audience (Torralbo, 2022).

2.3 Gaps in literature.

Identifying literature gaps in the topic "The Effectiveness of Social Media Marketing Techniques in Improving Customer Attraction Amongst Selected SMEs in Kampala" involves reviewing existing research and pinpointing areas that have been underexplored or need further investigation. Below are some of the identified potential literature gaps in this area:

2.3.1 Context-specific studies

Geographical and Cultural Context Focus: While there is a substantial body of research on social media marketing in general, studies specifically focused on SMEs in Kampala, Uganda, or even East Africa and the impact of cultural factors in this specific geographical area on the effectiveness of social media marketing techniques are limited. Most existing research tends to concentrate on developed countries or broader regional analyses. This research will utilize data from SME owners located in the study area.

2.3.2 Sector-specific insights

Industry-Specific Techniques: There is a lack of detailed studies comparing the effectiveness of social media marketing across different sectors within SMEs in Kampala, such as retail, hospitality, services, and manufacturing. Specific challenges faced by different sectors in implementing social media marketing strategies are not well documented. This research will therefore attempt to bridge this gap by questioning selected SME owners in Kampala from different sectors such as retail, IT, Education, Entertainment and Leisure, Hospitality, government etc. so as to capture responses and views from a broad range of industries operating in Kampala.

2.3.3 Impact of influencers, content creators and type

Local influencers and content types: The role and impact of local influencers and content creators on SME marketing effectiveness in Kampala needs more detailed exploration. Comparative effectiveness of different types of content (e.g., user generated content, trends and hashtags, infographics, stories) in engaging customers from the perspective of SMEs in Kampala is under-researched. By posing questions on the choice and reason for specific social media channels employed by SMEs in Kampala, this research will probe and determine the most used platforms, and the perceived effectiveness in attracting new customers by the business owners.

2.3.4 Regulatory and policy environment

Regulatory impact and policy support: The impact of local policies and research on how government policy support can enhance the effectiveness of social media marketing for SMEs in Kampala on social media marketing practices has not been thoroughly studied.

By examining perceptions on government policy, individual knowledge of laws and the cost of implementation for SMEs of the said statutes, this research addresses these literature gaps by providing a more meaningful understanding of regulatory players roles in the effectiveness of social media marketing techniques among SMEs in Kampala, offering valuable insights for both academics and practitioners in the field.

2.5 Conclusion

In conclusion, the literature reviewed underscores the importance of social media influencing techniques for improving customer attraction among selected SMEs in Kampala. By leveraging influencer marketing, fostering customer engagement, and addressing challenges proactively, SMEs can harness the power of social media to enhance their market presence and attract a loyal customer base (Liang, 2011). This literature review provides a foundational understanding of the effectiveness of social media influencing techniques for SMEs in Kampala, setting the stage for further research and practical applications in this dynamic field.

CHAPTER 3: METHODOLOGY

3.0 Introduction

This chapter presents how the study was conducted. It comprises of the area of study, research design, study population, sample size, sampling techniques, data collection methods, data collection tools, quality control, validity and reliability, measurement of the variables, strategy for data processing and analysis, ethical issues, and finally limitations to the study

3.1 Research Design

The study used a quantitative approach. This provided a comprehensive understanding of the effectiveness of social media marketing techniques among SMEs in Kampala. Using this method research design was justified for this study because This method was chosen due to practical constraints in accessing a comprehensive sampling frame of all SMEs in the city. While efforts were made to reach diverse sectors, the sample is best described as a non-probability, convenience sample. This approach ensured that the research captured both broad trends and detailed contextual insights, leading to more robust, valid, and actionable findings that are fit to inform both business practices and policy development.

3.2 Area of Study

The target population was SMEs in Kampala that actively use social media for marketing purposes. This included businesses in various sectors such as retail, hospitality, services, and manufacturing. Conducting the study in Kampala was justified by the city's growing SME sector which is a bustling economic hub with a significant number of small and medium-sized enterprises which play a crucial role in the city's economic development by providing employment, driving innovation, and contributing to GDP as found by (Bayiga, 2023). There has also been increasing internet and social media penetration with more people accessing platforms like Facebook, Instagram, Twitter, and LinkedIn, there is a growing opportunity for SMEs to leverage these platforms for marketing purposes. Kampala also has unique market dynamics characterized by a diverse consumer base with varying preferences and behaviors. This is also facilitated further by the strategic cultural relevance of Kampala given it is a cultural hub for not only Uganda, but east Africa as a whole. Limited existing research, alignment with economic development goals,

technological adoption trends, support for entrepreneurial growth, practical implications for businesses, and potential to inform policy and support programs are some of the other reasons for selecting Kampala as the area of study.

3.3 Sources of Information

For research on the effectiveness of social media marketing techniques in improving customer attraction amongst selected SMEs in Kampala, the sources of information included a mix of academic literature, industry reports, and primary data collection. Key considerations are made for: Academic Journals and Articles with special focus on Marketing Journals E.g. Journal of Marketing, Journal of Interactive Marketing, and Journal of Small Business Management. This research also utilizes Books and E-Books, Digital Marketing Textbooks, Industry Reports and White Papers from market Research Firms E.g. Reports from firms like Statista, Nielsen, and eMarketer which provide data and insights on social media usage and marketing effectiveness. Government reports from the ministry of trade industry and cooperatives and NGO Publications. Furthermore, this research has utilized Online Databases and Libraries such as JSTOR, Google Scholar, and ProQuest for peer-reviewed articles and theses on social media marketing and SMEs. Finally, Social Media Analytics Platforms and analysis tools such as twitter analytics and hootsuite are being utilized. Other primary data collection methods namely: surveys and questionnaires, case studies, conferences and workshops plus online communities and forums have also been utilized.

3.4 Population and Sampling Techniques

The study population comprised small and medium enterprises (SMEs) in Kampala that actively use social media for marketing, with an estimated population size of 155,450 enterprises. Kampala is widely recognized as Uganda's primary SME hub, with a high concentration of business activity across diverse sectors. The focus on SMEs using social media reflects the growing role of digital platforms in business promotion, customer engagement, and market expansion. However, due to the absence of a comprehensive and up-to-date sampling frame specifically identifying SMEs that utilize social media, the population is defined broadly based on available estimates of SMEs operating within the city.

The study used a non-probability convenience sampling technique, where participants were selected based on their accessibility and willingness to take part in the study. This approach was considered appropriate given the absence of a comprehensive sampling frame and the practical constraints of reaching SME owners and managers in Kampala.

Sample Size:

In this study, a sample size of 400 participants was drawn from a target population of 155,450 small and medium enterprises (SMEs) in Kampala (UBOS, 2025). To determine a representative sample size, Yamane's (1967) formula was used. This formula is widely applied in survey research because it provides a simple and reliable method for calculating sample size when the population is known and finite. The calculation of the sample size using Yamane's formula is as follows:

$$n = \frac{N}{1 + N \cdot e^2}$$

Where: n= sample size, N= population size, e= margin of error (the desired level of precision)

Given

Population size (N) = 155,450, The margin of error (e) = 0.05
 $n = \frac{155,450}{1 + 155,450 \cdot (0.05)^2}$

$$n = \frac{155,450}{1 + 155,450 \cdot (0.05)^2}$$

$$\begin{aligned} n &= \frac{155,450}{1 + 388.625} \\ n &= \frac{155,450}{389.625} \\ n &\approx 399.05 \end{aligned}$$

Therefore, the sample size was approximated to **400 respondents**.

3.5 Data Collection Tools

The primary data was collected using the following methods:

3.5.1 Surveys/Questionnaires

Objective: To gather qualitative and quantitative data on the effectiveness of various social media marketing techniques.

Instrument: Structured questionnaires with both closed-ended and open-ended questions.

Distribution: Online surveys were distributed via email and social media platforms to owners/managers of the selected SMEs.

Content: Questions covered topics such as:

Types of social media platforms used

Specific marketing techniques employed (e.g., content marketing, influencer partnerships, paid advertisements)

Metrics for measuring effectiveness (e.g., engagement rates, customer acquisition rates)

Perceived effectiveness of these techniques

Challenges faced in social media marketing

3.5.4 Data Analysis

Quantitative Data: Descriptive statistics (mean, median, mode, frequency distributions) and factor analysis (regression analysis, correlation, chi-square) were used to analyze survey data.

3.5.4.1 Qualitative Data

Factor analysis was conducted on interview data to identify common themes, patterns, and insights.

3.5.4.1 Quantitative Data

Thematic analysis (for qualitative data such as interviews) or cross-tabulation/chi-square tests (for quantitative survey data)

3.6 Validity and Reliability

Validity: Pre-tested the survey questionnaire and interview guide with a small group of SMEs to ensure clarity and relevance.

Reliability: Used consistent data collection procedures and triangulating data from surveys, interviews, and focus groups to ensure reliability.

3.7 Ethical Considerations

1. Obtained informed consent from all participants.
2. Ensured anonymity and confidentiality of the respondents.
3. Provided the right to withdraw from the study at any time.
4. Ensured data was used solely for the purposes of the research.

3.8 Timeline

Week 1-2: Designing survey and interview instruments, obtaining ethical approvals.

Week 3-4: Sampling and contacting SMEs.

Week 5-7: Data collection (surveys, interviews, focus groups).

Week 8-9: Data analysis.

Week 10: Reporting and dissemination of findings.

3.9 Conclusion

In conclusion, the research methodology employed to investigate the effectiveness of social media marketing techniques in improving customer attraction amongst selected SME's in Kampala was comprehensively outlined. The chapter detailed the research design, sampling techniques, data collection methods, and analytical procedures used to ensure the reliability and validity of the study findings. A quantitative approach was adopted, utilizing structured questionnaires to gather

data from a representative sample of SMEs, which facilitated the use of statistical tools such as SPSS for rigorous data analysis.

The selection of appropriate variables and measurement instruments aligned closely with the research objectives, enabling the examination of relationships between social media marketing practices and customer attraction effectively. Ethical considerations and data management protocols were also addressed to uphold the integrity of the research process. Overall, the methodology chapter provides a solid foundation for the subsequent analysis and discussion chapters by ensuring that the data collected is both relevant and robust, thereby enhancing the credibility and generalizability of the study's conclusions.

CHAPTER 4: DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter is concerned with data presentation, of the findings obtained through the study. The findings are presented in descriptive analysis style using the use of tabular form, graphs and charts to illustrate the findings of the study.

Statistics

4.1 Sociodemographic information and SME characteristics

4.1.1 Age distribution of the respondents

Table 1: Age distribution of the respondents

Item	Frequency	Percent
18-24	20	5.0
25-34	161	40.3
35-44	114	28.5
45 and above	105	26.3
Total	400	100.0

According to Table 1, the study sample consisted of **400 respondents**. The majority of respondents were aged between 25 and 34 years ($n = 161$, 40.3%). This was followed by those aged 35 to 44 years ($n = 114$, 28.5%) and those aged 45 years and above ($n = 105$, 26.3%). The smallest proportion of respondents were aged 18 to 24 years ($n = 20$, 5.0%).

4.1.2 Gender distribution of the respondents

Table 2: Gender distribution of the respondents

Item	Frequency	Percent
Male	260	65.0

Female	140	35.0
Total	400	100.0

In Table 2, the study sample consisted of 400 respondents, of whom the majority were **male** (n = 260, 65.0%), while 140 respondents (35.0%) were female. This indicates that male participants constituted a larger proportion of the sample.

4.1.3 Level of education of the respondents

Table 3: Level of education of the respondents

Item	Frequency	Percent
High School (O& A Level options)	4	1.0
Certificate	8	2.0
Diploma	21	5.3
Bachelor's Degree	202	50.5
Master's Degree	150	37.5
Doctorate	13	3.3
Labor export	1	.3
Total	400	100.0

According to Table 3, the study sample consisted of 400 respondents. The majority of participants held a Bachelor's degree (n = 202, 50.5%), followed by those with a Master's degree (n = 150, 37.5%). A smaller proportion had attained a Diploma qualification (n = 21, 5.3%) and a Doctorate degree (n = 13, 3.3%). Only 8 respondents (2.0%) had completed High School (O & A Level), while 4 respondents (1.0%) reported Certificate-level education. Additionally, 1 respondent (0.3%) indicated "Labor export" as their educational background. Overall, the findings show that the sample was highly educated, with the majority holding at least a Bachelor's degree.

4.1.4 SMEs Industry of Operation

Table 4: SMEs Industry of Operation

Item		Frequency	Percent
Valid	Retail	90	22.5
	Services	163	40.8
	Manufacturing	51	12.8
	Technology	31	7.8
	Other	65	16.3
Total		400	100.0

In Table 4, the respondents represented a range of industries. The majority of SMEs operated in the services sector (n = 163, 40.8%), followed by retail (n = 90, 22.5%). Other categories included manufacturing (n = 51, 12.8%), technology (n = 31, 7.8%), and other industries (n = 65, 16.3%). This distribution indicates that service-based enterprises constituted the largest proportion of the sample, reflecting the dominance of the services sector among SMEs in the study population.

4.1.5 Duration of SME Operation

Table 5: Duration of SME Operation

Item		Frequency	Percent
Valid	Less than 1 year	38	9.5
	1-3 years	128	32.0
	4-6 years	93	23.3
	More than 6 years	141	35.3
	Total	400	100.0

According to Table 5, respondents reported varying lengths of time their SMEs had been in operation. The largest proportion of SMEs had been operating for more than 6 years (n = 141, 35.3%), followed by those operating for 1 to 3 years (n = 128, 32.0%) and 4 to 6 years (n = 93, 23.3%). A smaller proportion of SMEs had been in operation for less than 1 year (n = 38, 9.5%).

Overall, the findings indicate that most SMEs in the sample were relatively established, with a significant proportion having operated for over six years.

4.1.6 Number of Employees in SMEs

Table 6: Number of Employees in SMEs

Item	Frequency	Percent
Yes	390	97.5
No	10	2.5
Total	400	100.0

According to Table 6, the majority of SMEs in the sample employed less than 10 employees (n = 295, 73.8%). This was followed by SMEs with between 10 and 50 employees (n = 83, 20.8%), and those with between 50 and 100 employees (n = 10, 2.5%). A small proportion of SMEs reported having more than 100 employees (n = 12, 3.0%). Overall, the findings indicate that most of the enterprises in the study were micro and small-scale businesses in terms of workforce size.

4.1.7 Social Media Presence in SMEs

Table 7: Number of SMEs with Social Media presence

	Frequency	Percent
Less than 10 employees	295	73.8
Between 10 to 50 employees	83	20.8
Between 50 to 100 employees	10	2.5
More than 100 employees	12	3.0
Total	400	100.0

According to the table, the vast majority of respondents indicated that their SMEs use social media for marketing purposes (n = 390, 97.5%), while only a small proportion reported that they do not (n = 10, 2.5%). This shows that social media adoption among SMEs in the study is very high, with nearly all enterprises engaging in social media as part of their marketing activities.

4.2 Presentation of the Analysis, Research Findings, and Interpretation

This study used descriptive analysis on the key variables to summarize the data. This section includes frequency counts for categorical variables and basic statistics for numerical variables.

4.2.1 The Relationship between Social Media Marketing and Customer Attraction

The study assessed the effectiveness of social media marketing techniques in improving customer attraction amongst selected SMEs in Kampala. The study asked respondents to evaluate social media marketing techniques, customer attraction, and indicate their level of agreement or disagreement using Likert scale-based questions. A detailed analysis of their responses is presented in the following sections.

Table 7: Correlation between Social Media Marketing (SMM) and Customer Attraction (CA)

Correlations			
		SMM	CA
SMM	Pearson Correlation	1	.347**
	Sig. (2-tailed)		<.001
	N	400	400
CA	Pearson Correlation	.347**	1
	Sig. (2-tailed)	<.001	
	N	400	400

Table 7 presents the Pearson correlation analysis assessing the relationship between Social Media Marketing (SMM) and Customer Attraction (CA) among SMEs. The results show a moderate positive relationship between the two variables, with a Pearson correlation coefficient of $r = 0.347$ and a significance value of $p < 0.001$, based on a sample size of $N = 400$.

This finding indicates that there is a **statistically significant positive relationship** between social media marketing and customer attraction among SMEs. In practical terms, SMEs that engage more actively in social media marketing tend to experience higher levels of customer attraction. Although the relationship is not strong enough to suggest that social media marketing alone determines customer attraction, it is meaningful enough to confirm that it plays an important contributing role. This result aligns with the broader findings of the study, which show that SMEs heavily rely on content creation and customer engagement as their core strategies, even though they face challenges such as limited use of advanced tools, difficulties in measuring return on investment, and gaps in digital marketing skills. Overall, the correlation suggests that improving social media marketing efforts is associated with better customer attraction outcomes, even if other factors also play a role.

4.2.2 Establish the social media marketing techniques utilized by SME's

The objective was to identify the social media marketing techniques most commonly used by SMEs to attract customers and enhance their business performance. Understanding which strategies SMEs prioritize provides insight into their marketing focus and resource allocation.

4.2.2.1 Social media marketing techniques used by SMEs

Table 8: Social media marketing techniques used by SMEs

Marketing Techniques	Number of Responses	Percent
Content Creation	243	42.0%
Paid advertising	94	16.2%
Influencer partnerships	66	11.4%
Customer engagement	176	30.4%
Total	579	100.0%

According to Table 8, a multiple-response analysis was conducted to identify the social media marketing techniques used by SMEs. A total of 579 responses were recorded across the different techniques. The most frequently reported strategy was content creation (n = 243, 42.0%),

followed by customer engagement (n = 176, 30.4%). Paid advertising accounted for 94 responses (16.2%), while influencer partnerships were reported in 66 responses (11.4%). The results indicate that SMEs predominantly rely on content creation and customer engagement as their main social media marketing techniques.

4.2.2.2 Marketing Technique based on Industry and Duration of Operation

1. Content Creation

Table 9: Content Creation among SMEs Industry

Marketing Technique		Retail	Services	Manufacturing	Technology	Other	Total
Content Creation	Yes	64	89	34	14	42	243
	No	26	74	17	17	23	157
Total		90	163	51	31	65	400

According According to Table 9, a large proportion of SMEs across all industries reported using content creation as part of their social media marketing efforts. Out of the total 400 SMEs, 243 (60.8%) indicated that they use content creation, while 157 (39.3%) reported that they do not. At the industry level, usage was highest among services (n = 89) and retail SMEs (n = 64), followed by manufacturing (n = 34), technology (n = 14), and other industries (n = 42).

The findings suggest that content creation is widely adopted across all sectors, with particularly strong uptake in the services and retail industries. Although usage varies slightly across sectors, the overall pattern indicates that content creation is a central social media marketing technique for most SMEs. This suggests that businesses across different industries recognize the importance of producing content to enhance visibility, attract customers, and maintain an online presence, even though the level of adoption is not uniform across all sectors.

Table 10: Content Creation among SME duration of operation

Marketing Technique		Less than 1 year	1-3 years	4-6 years	More than 6 years	Total
Content Creation	Yes	32	96	52	63	243
	No	6	32	41	78	157
Total		38	128	93	141	400

In Table 10, a substantial proportion of SMEs across all business duration of operation categories reported using content creation as part of their social media marketing strategies. Out of the total 400 SMEs, 243 (60.8%) indicated that they use content creation, while 157 (39.3%) reported that they do not. At the category level, usage was highest among SMEs operating for 1–3 years (n = 96), followed by those operating for more than 6 years (n = 63), 4–6 years (n = 52), and less than 1 year (n = 32).

The findings further suggest that content creation is widely adopted across SMEs regardless of their length of operation. Although there are slight variations in usage across the different age categories, the overall pattern indicates relatively high adoption in all groups. This suggests that content creation is a core social media marketing strategy used by both newer and more established SMEs. Its widespread adoption reflects its importance in enhancing customer engagement, strengthening brand visibility, and supporting sustained online marketing efforts over time.

2. Paid advertisement

Table 11: Paid advertisement among SMEs Industry

Marketing Technique		Retail	Services	Manufacturing	Technology	Other	Total
Paid advertisement	Yes	19	42	6	6	21	94
	No	71	141	45	25	44	306

Total	90	163	51	31	65	400
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According to Table 11, out of the total 400 SMEs, 94 (23.5%) reported using paid advertising, while the majority, 306 (76.5%), indicated that they do not. Across industries, usage was relatively low compared to non-usage. The services sector had the highest number of SMEs using paid advertising (n = 42), followed by retail (n = 19), other industries (n = 21), and both manufacturing and technology (n = 6 each). In all industry categories, the number of SMEs not using paid advertising exceeded those that do.

The findings indicate a generally low adoption of paid advertising across all sectors. Although the services and retail industries show comparatively higher usage, unpaid methods still dominate. This pattern suggests that many SMEs may prefer cost-effective, organic marketing approaches, possibly due to financial constraints or limited expertise in managing paid campaigns. The particularly low usage in manufacturing and technology sectors may also reflect different marketing dynamics, such as a focus on business-to-business interactions rather than direct consumer advertising.

Table 12: Paid advertisement among SMEs duration of operation

Marketing Technique		Less than 1 year	1-3 years	4-6 years	More than 6 years	Total
Paid advertisement	Yes	6	105	23	42	94
	No	32	23	70	99	306
Total		38	128	93	141	400

According to Table 12, out of the total 400 SMEs, 94 (23.5%) reported using paid advertising on social media, while the majority, 306 (76.5%), indicated that they do not. Across business age categories, usage varied, with the highest number of SMEs using paid advertising found among those operating for 1–3 years (n = 23), followed by more than 6 years (n = 42), 4–6 years (n = 23), and less than 1 year (n = 6). However, in all categories, the number of SMEs not using paid advertising remained higher than those that do.

The findings indicate that paid advertising is generally not a widely adopted strategy among SMEs, regardless of how long they have been in operation. While there are some variations across business age groups, the overall pattern shows consistently low usage. This suggests that many SMEs may prioritize more cost-effective, organic marketing approaches over paid promotions. Factors such as limited financial resources, lack of technical expertise, or strategic preferences for direct customer engagement may explain this trend.

3. Influencer Partnerships

Table 13: Influencer partnerships among SMEs industry

Marketing Technique		Retail	Services	Manufacturing	Technology	Other	Total
Influencer Partnerships	Yes	16	31	6	3	10	66
	No	74	132	45	28	55	334
Total		90	163	51	31	65	400

According to Table 13, out of the total 400 SMEs, 66 (16.5%) reported using influencer partnerships, while the majority, 334 (83.5%), indicated that they do not. Across industries, adoption was relatively low. The services sector recorded the highest number of SMEs using influencer partnerships (n = 31), followed by retail (n = 16), other industries (n = 10), manufacturing (n = 6), **and** technology (n = 3). In all industry categories, the number of SMEs not using influencer partnerships exceeded those that do.

The findings suggest that influencer partnerships are not widely adopted among SMEs across different sectors. Although the services and retail industries show comparatively higher usage, overall adoption remains low. This may reflect the nature of these sectors as more consumer-facing, where influencer marketing can be more effective. The lower uptake in manufacturing, technology, and other sectors may be due to differences in target markets, limited marketing budgets, or a preference for alternative marketing strategies that are perceived as more practical or cost-effective.

Table 14: Influencer partnerships among SMEs duration of operation

Marketing Technique		Less than 1 year	1-3 years	4-6 years	More than 6 years	Total
Influencer Partnerships	Yes	4	25	18	19	66
	No	34	103	75	122	334
Total		38	128	93	141	400

According to Table 14, out of the total 400 SMEs, 66 (16.5%) reported using influencer partnerships, while the majority, 334 (83.5%), indicated that they do not. Across business age categories, adoption varied, with the highest number of SMEs using influencer partnerships found among those operating for 1-3 years ($n = 25$), followed by more than 6 years ($n = 19$), 4-6 years ($n = 18$), and less than 1 year ($n = 4$). In all categories, however, the number of SMEs not using influencer partnerships remained significantly higher than those that do.

The findings suggest that influencer partnerships are not widely adopted among SMEs regardless of their length of operation. Although there is some variation across business age groups, the overall pattern indicates consistently low usage. This may reflect constraints such as limited marketing budgets, lack of familiarity with influencer marketing strategies, or uncertainty about their effectiveness. While slightly higher adoption is observed among SMEs that have been in operation for longer periods, the differences are not substantial enough to suggest that years of operation strongly influence the use of influencer partnerships.

4. Customer engagement

Table 15: Customer engagement among SMEs industry

Marketing Technique		Retail	Services	Manufacturing	Technology	Other	Total
Customer Engagement	Yes	43	75	24	15	19	176
	No	47	88	27	16	46	224
Total		90	163	51	31	65	400

According to Table 15, out of the total 400 SMEs, 176 (44.0%) reported using customer engagement as a social media marketing technique, while 224 (56.0%) indicated that they do not. Across industries, the highest number of SMEs using customer engagement was in the services

sector (n = 75), followed by retail (n = 43), manufacturing (n = 24), other industries (n = 19), and technology (n = 15). In each industry category, the number of SMEs not using customer engagement was higher than those that do.

The findings suggest that while customer engagement is used across different sectors, its adoption is not dominant. The relatively higher usage in the services and retail sectors reflects the importance of direct interaction with customers in these industries. In contrast, the lower uptake in manufacturing and technology may indicate a stronger focus on business-to-business operations or less reliance on continuous customer interaction. Overall, the results show that the application of customer engagement strategies varies across industries, with service-oriented businesses more likely to adopt this approach.

Table 16: Customer among SMEs duration of operation

Marketing technique		Less than 1 year	1-3 years	4-6 years	More than 6 years	Total
Customer engagement	Yes	12	58	45	61	176
	No	26	70	48	80	224
Total		38	128	93	141	400

According to Table 16, out of the total 400 SMEs, 176 (44.0%) reported using customer engagement as a social media marketing technique, while 224 (56.0%) indicated that they do not. Across business age categories, the highest number of SMEs using customer engagement was among those operating for more than 6 years (n = 61), followed by 1-3 years (n = 58), 4-6 years (n = 45), and less than 1 year (n = 12). In all categories, the number of SMEs not using customer engagement remained higher than those that do.

The findings suggest that customer engagement is moderately adopted across SMEs, with some variation based on length of operation. Although usage is observed across all business age groups, there is a slightly higher concentration among more established SMEs. This pattern may indicate that businesses with more operational experience are more likely to recognize and invest in customer engagement strategies as part of their social media marketing.

5. Promotions and giveaways

Table 17: Promotions and give aways among SMEs industry

Marketing Technique	Retail	Services	Manufacturing	Technology	Other	Total
Promotion and give No aways	90	163	51	31	65	400
Total	90	163	51	31	65	400

According to Table 17, all 400 SMEs (100%) reported not using promotions and giveaways as a social media marketing technique across all industries. This pattern is consistent across retail (n = 90), services (n = 163), manufacturing (n = 51), technology (n = 31), and other sectors (n = 65), with no SME indicating the use of this strategy.

The findings suggest that promotions and giveaways are not utilized at all by SMEs in the sample, regardless of industry. This indicates a complete absence of this technique within the studied population. Such a pattern may reflect limited awareness, resource constraints, or a strategic preference for other marketing approaches. It also points to a potential missed opportunity for SMEs to enhance customer engagement and attract new audiences through interactive promotional strategies.

Table 18: Promotion and giveaways among SMEs duration of operation

Marketing Technique	Less than 1 year	1-3 years	4-6 years	More than 6 years	Total
Promotion and give No aways	38	128	93	141	400
Total	38	128	93	141	400

According to Table 18, all 400 SMEs (100%) reported not using promotions and giveaways as a social media marketing technique across all business age categories. This pattern is consistent

among SMEs operating for less than 1 year (n = 38), 1–3 years (n = 128), 4–6 years (n = 93), **and** more than 6 years (n = 141), with no respondents indicating the use of this strategy.

The findings show that promotions and giveaways are not adopted at all by SMEs regardless of their length of operation. This suggests that the absence of this technique is not influenced by business age but reflects a broader pattern across the entire sample. The lack of usage may point to limited awareness, resource constraints, or a strategic preference for other forms of social media marketing. It also highlights a potential gap where SMEs are not utilizing interactive promotional strategies that could enhance customer engagement and attraction.

Other Techniques

Table 19: Other techniques among SMEs Industry

Marketing technique		Retail	Services	Manufacturing	Technology	Other	Total
Other	No	90	163	51	31	65	400
Total		90	163	51	31	65	400

According to Table 19, all 400 SMEs (100%) reported not using any “other” social media marketing techniques beyond the commonly listed options. This pattern is consistent across all industries, including retail (n = 90), services (n = 163), manufacturing (n = 51), technology (n = 31), and other sectors (n = 65), with no respondents indicating the use of alternative techniques.

The findings suggest that SMEs in the study rely exclusively on the standard, commonly used social media marketing strategies, with no evidence of experimentation with alternative or less conventional approaches. This may reflect a preference for familiar methods, limited awareness of other options, or constraints in capacity to explore new marketing strategies. Overall, the results point to a lack of diversification in social media marketing practices among SMEs.

Table 20: Other techniques among SMEs duration of operation

Marketing Technique		Less than 1 year	1-3 years	4-6 years	More than 6 years	Total
Other	No	38	128	93	141	400

Total	38	128	93	141	400
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According to Table 20, all 400 SMEs (100%) reported not using any “other” social media marketing techniques across all business age categories. This pattern is consistent among SMEs operating for less than 1 year (n = 38), 1-3 years (n = 128), 4-6 years (n = 93), and more than 6 years (n = 141), with no respondents indicating the use of alternative techniques.

The findings suggest that SMEs, regardless of their length of operation, rely entirely on the commonly identified social media marketing strategies, with no evidence of experimentation with less conventional approaches. This indicates a strong preference for established methods and may reflect limited awareness, capacity, or perceived value of alternative marketing techniques.

4.2.3 Role of regulatory bodies in influencing social media marketing activities and techniques amongst Uganda SME’s

The objective was to assess SMEs’ awareness of government regulations affecting social media marketing and to understand their perceptions of the government’s role in regulating this space. This includes identifying which regulatory areas SMEs recognize as impactful and how these perceptions vary across industries and business age.

4.2.3.1 SMEs awareness of social media marketing regulation policies

Table 21: SMEs awareness of social media marketing regulation policies

			No. of responses	Percent
Government laws	regulation	Data protection and privacy laws	103	18.1%
		Consumer protection laws	62	10.9%
		Cyber laws	116	20.4%
		Advertising content regulation	27	4.7%

Misinformation and fake news	40	7.0%
Taxation policies	222	38.9%
Total	570	100.0%

According to Table 21, a multiple-response analysis was conducted to assess respondents' awareness of government regulations affecting social media marketing, yielding a total of 570 responses. The most frequently identified regulation was taxation policies (n = 222, 38.9%), followed by cyber laws (n = 116, 20.4%) and data protection and privacy laws (n = 103, 18.1%). Consumer protection laws accounted for 62 responses (10.9%), while misinformation and fake news (n = 40, 7.0%) and advertising content regulation (n = 27, 4.7%) were the least reported.

The findings indicate that awareness of government regulations is strongest around taxation, cyber laws, and data protection, suggesting that SMEs are more attentive to regulatory areas with direct financial, legal, and operational implications. Lower recognition of advertising regulations and misinformation-related issues may point to gaps in awareness or perceived relevance. Overall, the results show that while SMEs are aware of several regulatory dimensions affecting social media marketing, this awareness is uneven across different areas.

4.2.3.2 Role of government regulations on Social media marketing

Table 22: SME Understanding of government Regulation Role on Social Media marketing

Role	Frequency	Percent
Protecting consumer rights	93	23.3
Ensuring fair competition	37	9.3
Collecting Taxes (Govt revenue)	262	65.5
Other	2	0.5
Total	400	100.0

According to Table 22, the majority of respondents identified collecting taxes (government revenue) as the primary role of government regulation in social media marketing (n = 262,

65.5%). This was followed by protecting consumer rights (n = 93, 23.3%), while ensuring fair competition was reported by a smaller proportion of respondents (n = 37, 9.3%). Only 2 respondents (0.5%) identified other roles.

These findings indicate that SMEs predominantly perceive government regulation as being focused on taxation, with comparatively less emphasis on consumer protection and market fairness. This suggests that regulatory awareness among SMEs is strongly tied to financial obligations, particularly tax compliance. As a result, SMEs may prioritize adherence to tax-related requirements in their social media marketing activities, while potentially paying less attention to other regulatory aspects such as fair competition and consumer protection.

4.2.3.3 Understanding of government regulation role among SMEs industry

Table 23: Understanding of government regulation role among SMEs industry

Primary role of government	Retail	Services	Manufacturing	Technology	Other	Total
Protecting consumer rights	29	37	12	3	12	93
Ensuring fair competition	7	15	5	5	5	37
Collecting Taxes (Govt revenue)	53	109	30	23	47	262
Other	1	2	2	2	1	8
Total	90	163	49	33	65	400

In Table 23, the perceived primary roles of government regulation in social media marketing vary across industry sectors, with collecting taxes (government revenue) emerging as the most frequently cited role (n = 262). This was followed by protecting consumer rights (n = 93) and ensuring fair competition (n = 37), while other roles were minimally reported (n = 2). Across industries, the services sector recorded the highest responses for all major roles, particularly in tax collection (n = 109) and consumer protection (n = 37), followed by retail, manufacturing,

technology, and other sectors. The dominance of tax-related responses is consistent across all industries, indicating a strong perception of regulation as financially oriented.

The findings suggest that SMEs across different sectors primarily associate government regulation with taxation, rather than consumer protection or market fairness. While consumer protection remains a notable concern, especially in service- and retail-oriented businesses that interact directly with customers, it is clearly secondary to taxation in overall perception. The relatively lower emphasis on fair competition and other roles indicates that these aspects are less visible or less prioritized in SMEs' day-to-day operations. Overall, the results show that regulatory awareness among SMEs is strongly shaped by financial compliance requirements, which likely influences how they structure and manage their social media marketing activities.

4.2.3.4 Understanding of government regulation role among SMEs duration of operation

Table 24: Understanding of government regulation role among SMEs duration of operation

Primary purpose of government	Less than 1 year	1-3 years	4-6 years	More than 6 years	Total
Protecting consumer rights	10	42	19	22	93
Ensuring fair competition	4	5	10	18	37
Collecting Taxes (Govt revenue)	23	78	64	97	262
Other	1	3	2	3	8
Total	38	128	95	140	400

According to Table 24, the perceived primary purpose of government regulation varies across SMEs based on their length of operation, with collecting taxes (government revenue) being the most frequently cited role across all categories (n = 262). This was followed by protecting consumer rights (n = 93) and ensuring fair competition (n = 37), while other roles were minimally reported (n = 8). Among SMEs operating for less than 1 year, taxation (n = 23) and consumer protection (n = 10) were the most identified roles. A similar pattern is observed among

those operating for **1–3 years**, where taxation (n = 78) dominated, followed by consumer protection (n = 42). For SMEs operating **4–6 years**, taxation (n = 64) remained the leading response, with consumer protection (n = 19) and fair competition (n = 10) also noted. Among SMEs operating for more than 6 years, taxation (n = 97) was again the most cited, followed by consumer protection (n = 22) and fair competition (n = 18).

These findings indicate that SMEs, regardless of their stage of operation, predominantly perceive government regulation as focused on taxation, with consumer protection and fair competition playing secondary roles. While some variation exists across business age categories, the overall pattern remains consistent, suggesting that financial compliance is the most prominent regulatory concern among SMEs. This highlights that SMEs' interpretation of government regulation in social media marketing is strongly influenced by tax-related obligations, with less emphasis placed on other regulatory dimensions.

4.2.4 Factors that affect the effectiveness of social media marketing techniques in attracting new customers to SMEs in Uganda

The objective was to examine the factors influencing the effectiveness of social media marketing among SMEs, identify the strategies they use to improve outcomes, and understand the main challenges they face in implementing these techniques.

4.2.4.1 Factors for Effective social media marketing among SMEs

Table 25: Factors for Effective social media marketing among SMEs

Factors	No. of responses	Percent
Quality of content	180	27.4%
Frequency of posts	192	29.33%
Engagement with followers	119	18.1%
Use of Hashtags	32	4.9%
Use of trends	46	7.0%
Target audience alignment	87	13.3%
Total	656	100.0%

According to Table 25, a multiple-response analysis identified the key factors influencing the effectiveness of social media marketing among SMEs, with a total of 656 responses recorded. The most frequently cited factor was frequency of posts (n = 192, 29.3%), followed by quality of content (n = 180, 27.4%). Other notable factors included engagement with followers (n = 119, 18.1%) and target audience alignment (n = 87, 13.3%). Less frequently mentioned were the use of trends (n = 46, 7.0%) and the use of hashtags (n = 32, 4.9%).

These findings suggest that SMEs place greater emphasis on consistency and content quality as key drivers of effective social media marketing. Engagement with followers and aligning content with the target audience are also considered important, though to a lesser extent. The relatively low emphasis on hashtags and trends may indicate that SMEs either lack awareness of their potential impact or do not prioritize them within their marketing strategies. Overall, the results highlight a focus on practical and manageable approaches to enhancing social media performance.

contexts.

4.2.4.2 Challenges affecting effective social media marketing

Table 26: Challenges affecting the effectiveness of social media marketing among SMEs

Challenges	N	Percent
Lack of Time	163	29.8%
Difficulty in creating engagement	184	33.6%
Lack of understanding target audience	45	8.2%
Difficulty measuring return on investment	72	24.8%
Lack of social media marketing knowledge	63	11.5%
Negative customer feedback or comments	20	3.7%
Others	0	0%
Total	547	100.0%

According to Table 26, According to Table 26, a multiple-response analysis was conducted to identify the key challenges SMEs face in implementing social media marketing, yielding a total of 547 responses. The most frequently reported challenge was difficulty in creating engagement (n = 184, 33.6%), followed by lack of time (n = 163, 29.8%). Other challenges included difficulty measuring return on investment (n = 72, 24.8%), lack of social media marketing knowledge (n = 63, 11.5%), and lack of understanding of the target audience (n = 45, 8.2%). Negative customer feedback or comments was the least reported challenge (n = 20, 3.7%), while no respondents selected “other” challenges.

The findings indicate that SMEs primarily struggle with practical implementation issues, particularly creating engagement and managing time effectively. Challenges related to performance evaluation and technical knowledge also remain significant, suggesting gaps in digital marketing skills and analytical capacity. Overall, the results highlight the need for improved support in content creation strategies, time management, and digital marketing analytics to enhance the effectiveness of social media marketing among SMEs.

4.2.4.3 Strategies for Effective Social Media Marketing

Table 27: Strategies for Social Media Marketing among SMEs

Strategies	No. of responses	Percent
Collaborations	157	25.0%
Social media contests	67	10.7%
Paid social media Ads	70	11.2%
Social Media Analytics	55	8.8%
Customer Engagement	151	24.1%
Creating Visual content	124	19.9%
Others	3	0.5%
Total	627	100.0%

According to 27, According to Table 27, a multiple-response analysis was conducted to identify strategies used by SMEs to enhance social media marketing effectiveness, yielding a total of 627 responses. The most frequently reported strategy was collaborations (n = 157, 25.0%), followed closely by customer engagement (n = 151, 24.1%). Other commonly used strategies included creating visual content (n = 124, 19.9%), paid social media advertising (n = 70, 11.2%), social media contests (n = 67, 10.7%), and social media analytics (n = 55, 8.8%). A very small proportion of responses fell under other strategies (n = 3, 0.5%).

The findings indicate that SMEs mainly rely on a combination of collaborative and engagement-based strategies, supported by visually driven content to enhance their social media marketing effectiveness. While paid advertising and analytics are also used, their relatively lower frequency suggests that data-driven and investment-heavy approaches are less emphasized compared to more organic and interaction-focused methods. Overall, the results show a preference for practical, relationship-based, and content-oriented strategies in improving social media marketing outcomes among SMEs.

4.2.5 Recommendations for SMEs in Uganda on how to effectively use social media marketing

This study as well focused on identifying the recommendations SMEs in Uganda would offer to enhance the effectiveness of social media marketing, with a focus on identifying practical strategies and support mechanisms that can drive better marketing outcomes across different industries and stages of business maturity.

4.2.5.1 Recommendation for government

Table 28: Recommendations to government regulations be made to social media marketing

Recommendation	Frequency	Percent
Valid Regulatory and Taxation issues	63	15.8
Social media & platform issues	44	11.0
Education, awareness and Training	56	14.0
Marketing Support and Business Environment	24	6.0
None	213	53.3

Total	400	100.0
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According to Table 28, a total of **400 responses** were recorded on SME recommendations for improving government regulations to better support social media marketing. The most frequently cited recommendation was marketing support and improvement of the business environment (n = 213, 53.3%). This was followed by regulatory and taxation issues (n = 63, 15.8%) and education, awareness, and training (n = 56, 14.0%). Other suggestions included social media and platform-related issues (n = 44, 11.0%), while 24 respondents (6.0%) indicated no specific recommendation.

The findings suggest that SMEs place the greatest emphasis on improving the overall marketing support system and business environment, highlighting the need for a more enabling ecosystem for social media marketing. Regulatory and taxation concerns also remain significant, indicating continued challenges related to compliance. In addition, the demand for education and training reflects gaps in knowledge and capacity among SMEs in effectively using social media marketing tools. Overall, the results point to the need for a balanced approach that strengthens institutional support, improves regulatory frameworks, and builds SME capacity.

Table 29: Recommendation to government regulations among SME industry

Recommendation	Retail	Services	Manufacturing	Technology	Other	Total
Regulatory and Taxation issues	13	31	7	5	7	63
Social media & platform issues	12	17	5	4	6	44
Education, awareness and Training	11	24	9	2	10	56
Marketing Support and Business Environment	3	14	1	1	5	24
None	51	77	29	19	37	213
Total	90	163	51	31	65	400

According to Table 29, SME recommendations for improving government regulations to support social media marketing vary across industry sectors, with a total of 400 responses recorded. The most frequently cited recommendation was marketing support and improvement of the business

environment (n = 213), followed by regulatory and taxation issues (n = 63), education, awareness, and training (n = 56), and social media and platform-related issues (n = 44). A small proportion of respondents (n = 24) indicated no specific recommendation. Across industries, services SMEs contributed the highest number of responses in most categories, particularly in marketing support (n = 77) and regulatory/taxation issues (n = 31), followed by retail, manufacturing, technology, and other sectors.

The findings suggest that SMEs across all industries prioritize improvements in the overall marketing support system and business environment as the most important area for regulatory reform. Regulatory and taxation concerns also remain significant across sectors, indicating persistent challenges related to compliance and operational costs. In addition, education, awareness, and training are consistently highlighted across industries, reflecting a widespread need for capacity building in social media marketing. While social media platform issues are mentioned less frequently, they remain a cross-cutting concern. Overall, the results indicate that SME recommendations are shaped by both shared and sector-specific challenges, highlighting the need for tailored regulatory interventions that address both structural and capacity-related gaps in social media marketing.

Table 30: Recommendation to government regulations among SME duration of operation

Recommendation	Less than 1 year	1-3 years	4-6 years	More than 6 years	Total
Regulatory and Taxation issues	4	22	21	16	63
Social media & platform issues	7	12	3	22	44
Education, awareness and Training	3	17	15	21	56
Marketing Support and Business Environment	4	9	6	5	24
None	20	68	48	77	213
Total	38	128	93	141	400

According to Table 30, a total of 400 responses were recorded on SME recommendations for changes to government regulations to support social media marketing, segmented by length of business operation. The most frequently cited recommendation was marketing support and improvement of the business environment (n = 213), followed by regulatory and taxation issues (n = 63), education, awareness, and training (n = 56), and social media and platform-related issues (n = 44). Across business age categories, marketing support was most frequently recommended by SMEs operating for 1–3 years (n = 68), followed by those operating for 4–6 years (n = 48), more than 6 years (n = 77), and less than 1 year (n = 20). Regulatory and taxation issues were also consistently highlighted across all groups, with relatively similar levels of concern.

The findings suggest that SMEs, regardless of their length of operation, prioritize improvements in the overall marketing support system and business environment as the most important area for regulatory change. Regulatory and taxation issues remain a persistent concern across all business age groups, indicating ongoing compliance and operational cost challenges. In addition, education, awareness, and training are more emphasized by relatively younger SMEs, reflecting their need for capacity building in social media marketing. Although social media and platform issues are less frequently mentioned, they remain a consistent concern across all categories. Overall, the results indicate that while some priorities vary by business maturity, there is a shared need for stronger institutional support, improved regulatory clarity, and enhanced SME capacity in social media marketing.

4.2.5.2 Recommendations for SMEs

Table 31: Recommendations for SMEs to improve social media marketing

Recommendation	Frequency	Percent
Reduce/eliminate taxation/costs	25	6.3
Lift platform bans	73	18.3
Training, sensitization, education	273	68.3
Better, more flexible regulations	5	1.3
Data protection, privacy & consumer rights	24	6.0
Total	400	100.0

According to Table 31, a total of 400 responses were recorded on SME recommendations for other businesses to improve social media marketing effectiveness. The most frequently cited recommendation was training, sensitization, and education (n = 273, 68.3%). This was followed by lift platform bans (n = 73, 18.3%), reduce or eliminate taxation and costs (n = 25, 6.3%), and data protection, privacy, and consumer rights (n = 24, 6.0%). Only a small proportion of respondents recommended better and more flexible regulations (n = 5, 1.3%).

The findings indicate that SMEs place the strongest emphasis on capacity building through training, sensitization, and education as the most important factor for improving social media marketing effectiveness. This suggests that knowledge and skills development are seen as the key enablers of better marketing performance. Policy-related issues such as taxation, platform restrictions, and regulatory flexibility are mentioned less frequently, indicating they are perceived as secondary concerns. Overall, the results highlight that SMEs primarily view improved education and awareness as the most effective way to enhance social media marketing outcomes.

Table 32: Recommendations to SMEs among the industry

Recommendations	Retail	Services	Manufacturing	Technology	Other	Total
Reduce/eliminate taxation/costs	6	12	4	1	2	25
Lift platform bans	14	33	9	6	11	73
Training, sensitization, education	63	109	32	21	48	273
Better, more flexible regulations	3	0	1	0	1	5
Data protection, privacy & consumer rights	4	9	5	3	3	24
Total	90	163	51	31	65	400

According to Table 32, a total of 400 responses were recorded on SME recommendations for improving social media marketing effectiveness across different industry sectors. The most frequently cited recommendation was training, sensitization, and education (n = 273), which was consistently dominant across all industries, particularly in services (n = 109) **and** retail (n = 63), followed by manufacturing (n = 32), other industries (n = 48), **and** technology (n = 21). The second most reported category was reducing or eliminating taxation/costs and lifting platform

bans (n = 73), with notable responses from services (n = 33) and retail (n = 14), while other industries contributed smaller numbers. Data protection, privacy, and consumer rights accounted for 24 responses, with relatively low and scattered representation across sectors. Only a minimal number of responses were recorded for better and more flexible regulations, with very limited mention across industries.

The findings indicate that across all industry sectors, SMEs overwhelmingly prioritize **training**, sensitization, and education as the most important recommendation for improving social media marketing effectiveness. This strong emphasis is particularly evident in service- and retail-based SMEs, likely due to their direct customer interaction and higher reliance on digital engagement. In contrast, regulatory and cost-related concerns such as taxation and platform restrictions are less frequently emphasized, suggesting they are perceived as secondary compared to skills and capacity gaps. Overall, the results highlight that SMEs across industries consistently view capacity building as the key driver for improving social media marketing performance, with relatively limited focus on policy and structural reforms.

Table 33: Recommendations for SMEs among duration of operation

Recommendation	Less than 1 year	1-3 years	4-6 years	More than 6 years	Total
Reduce/eliminate taxation/costs	4	66	4	1	25
Lift platform bans	3	25	17	28	73
Training, sensitization, education	30	86	67	90	273
Better, more flexible regulations	0	2	1	2	5
Data protection, privacy & consumer rights	1	9	4	10	24
Total	38	37	93	15	400

According to Table 33, a total of 400 responses were recorded on SME recommendations for improving social media marketing effectiveness, segmented by length of business operation. The most frequently cited recommendation was training, sensitization, and education (n = 273), with consistently high responses across all business age categories, particularly among SMEs

operating for 1–3 years (n = 86) and more than 6 years (n = 90), followed by 4–6 years (n = 67) and less than 1 year (n = 30). The second most reported category was reducing or eliminating taxation/costs and lifting platform bans (n = 73), with higher responses from SMEs operating for 1–3 years (n = 25) and more than 6 years (n = 28), while other categories recorded lower counts. Data protection, privacy, and consumer rights accounted for 24 responses, with relatively small and distributed mentions across all groups. Only a few responses were recorded for better and more flexible regulations.

The findings indicate that across all business age categories, SMEs consistently prioritize training, sensitization, and education as the most important recommendation for improving social media marketing effectiveness. This suggests that regardless of operational experience, SMEs recognize knowledge and skills development as the key driver of better marketing outcomes. While regulatory and cost-related concerns such as taxation and platform restrictions are acknowledged, they remain secondary in importance. Overall, the results highlight that capacity building is viewed as the most critical intervention needed to enhance social media marketing effectiveness among SMEs, regardless of how long they have been in operation.

4.2.5.3 Summary of findings.

The findings of the study show that SMEs in Kampala are highly active in social media marketing, with 97.5% reporting that they use social media for marketing purposes. However, their practices are largely concentrated on a narrow set of techniques, mainly content creation and customer engagement, which consistently emerge as the most widely used strategies across industries, business sizes, and years of operation. A multiple-response analysis further shows that SMEs also use collaborations to some extent, but rely far less on paid advertising, influencer partnerships, social media analytics, promotions, and giveaways, with some techniques showing extremely low or no adoption. This pattern reflects a strong preference for organic, low-cost, and easily manageable marketing approaches rather than structured or investment-heavy strategies.

Across sectors, services and retail dominate in social media activity, while manufacturing and technology show relatively lower engagement in certain techniques. SMEs also emphasize key effectiveness factors such as frequency of posting, quality of content, engagement with followers,

and target audience alignment, but show limited use of more advanced tools like analytics, hashtags, and trend-based strategies. At the same time, they face notable challenges including difficulty in creating engagement, lack of time, limited ability to measure return on investment, and insufficient social media marketing knowledge, all of which constrain the effectiveness of their efforts.

The findings also reveal that SMEs are most aware of government regulatory areas such as taxation policies, cyber laws, and data protection, while less attention is given to advertising regulation and misinformation issues. Their understanding of government roles is largely centered on taxation and consumer protection, with fair competition receiving less emphasis. Despite these regulatory concerns, SMEs consistently identify training, sensitization, and education as the most important intervention for improving social media marketing effectiveness, followed by improved marketing support systems and, to a lesser extent, regulatory and taxation reforms. This emphasis is consistent across industries and business age groups, pointing to a clear and widespread skills gap as the main barrier to effective social media marketing.

Overall, the findings suggest that while SMEs are actively using social media, their effectiveness is constrained by limited strategic depth, low adoption of advanced tools, and insufficient capacity in digital marketing skills and analytics.

4.3 Conclusion

In conclusion, the study demonstrates that SMEs in Kampala are highly engaged in social media marketing, but their effectiveness is limited by reliance on basic, organic strategies and weak use of advanced marketing tools. The dominance of content creation and customer engagement, combined with low adoption of analytics, paid advertising, and promotional techniques, indicates that social media marketing is still largely undeveloped in terms of strategic sophistication. Operational challenges such as limited time, weak engagement capacity, and difficulty measuring performance further reduce the impact of their efforts. Across all findings, the most consistent issue is not access to social media but the capacity to use it effectively. The strong and repeated emphasis on training, sensitization, and education confirms that the main constraint is a skills and knowledge gap. Therefore, improving SME performance in social media marketing requires

focused investment in practical digital skills, strategic marketing capacity, and data-driven decision-making, rather than reliance on regulation or platform access alone.

CHAPTER FIVE: DISCUSSION OF FINDINGS.

5.1 Introduction

This chapter presents a detailed discussion of the research findings, drawing connections with existing literature, theories, and practical implications.

5.2 Discussion of Findings

5.2.1 The Relationship between Social Media Marketing and Customer Attraction

Based on the findings, this study found a moderate positive and statistically significant relationship between social media marketing and customer attraction among SMEs ($r = 0.347$, $p < 0.001$, $N = 400$). This indicates that increased engagement in social media marketing is associated with higher levels of customer attraction, although it is not the sole determinant of customer outcomes. In practical terms, SMEs that consistently invest in social media activities such as content creation, customer engagement, and collaborations tend to experience better customer attraction outcomes compared to those with lower levels of engagement. This finding is consistent with the broader results of the study, which show that SMEs heavily rely on organic and content-driven strategies while underutilizing advanced tools such as analytics, paid advertising, and influencer marketing. These findings are in line with studies that emphasize the positive contribution of social media marketing to customer engagement and business performance. For example, Hollebeek (2019) found that social media engagement significantly enhances customer interaction and improves business responsiveness, which ultimately strengthens customer attraction. Similarly, Gbandi and Iyamu (2022) reported a significant positive effect of social media marketing on customer acquisition and sales growth among SMEs. These studies support the current finding that social media marketing has a meaningful influence on customer attraction when applied consistently and strategically.

However, other studies present a more cautious view of its effectiveness. For instance, Narayanaswamy and Heiens (2022) argue that social media marketing alone does not automatically translate into customer acquisition unless it is supported by strong branding, product quality, and integrated marketing strategies. In a similar vein, Mtjilibe et al. (2024) highlight that many SMEs face structural and resource limitations that reduce the effectiveness of social media marketing, particularly in developing contexts where digital marketing expertise is still emerging. These perspectives help explain why the relationship in this study is significant but only moderate in strength.

Theoretically, these findings can be interpreted through the lens of the Technology Acceptance Model and Diffusion of Innovations theory, which suggest that the impact of technology-driven practices depends on the level of adoption, perceived usefulness, and user capability. In this context, SMEs may be using social media marketing, but not yet at a level of sophistication that fully maximizes its impact on customer attraction. The observed moderate correlation therefore reflects both the potential and the current limitations of SME social media practices.

Overall, the results suggest that social media marketing is an important but not standalone driver of customer attraction among SMEs. Its effectiveness is likely enhanced when combined with improved digital skills, better use of analytics, and more strategic integration into broader marketing systems.

5.2.2 Establish the social media marketing techniques utilized by SME's

The findings from this study reveal various strategies that SMEs in Uganda could adopt to enhance their social media marketing effectiveness and navigate regulatory challenges more successfully.

5.2.2.1 Social media marketing techniques used by SMEs

The findings reveal that SMEs predominantly use content creation and customer engagement as their main social media marketing strategies. These techniques suggest a focus on organic, relationship-driven methods to attract and retain customers rather than heavily investing in paid advertising or influencer partnerships, which have lower usage rates. This pattern aligns with literature indicating that SMEs often prioritize cost-effective and manageable marketing

approaches due to limited budgets and resources (Naradda Gamage et al., 2020). The emphasis on content and engagement reflects a strategic choice to build long-term customer relationships internally, rather than relying on external promotions or complex campaigns. This approach fits within the Resource-Based View theory, which highlights leveraging internal capabilities as a competitive advantage for SMEs (El Namar et al., 2022).

5.2.2.2 Content Creation among SMEs Industry and the duration of operation

The findings show that content creation is the most widely used social media marketing technique among SMEs, with 60.8% reporting its use compared to 39.3% who do not use it. This indicates a strong preference for organic, content-driven approaches that support visibility and customer engagement without requiring heavy financial investment. The pattern is consistent across industries, although it is more pronounced in the services and retail sectors, followed by manufacturing, technology, and other industries. This suggests that while content creation is broadly adopted, its intensity varies depending on the nature of the business, with customer-facing sectors relying more heavily on continuous online content to attract and retain clients. This finding is consistent with research showing that SMEs tend to prioritize digital content strategies as a practical way of maintaining customer interaction and competitiveness in resource-constrained environments (Igwe & Okwurume). Early-stage and well-established SMEs alike prioritize content creation, which echoes the conclusions of Bing et al. (2024), who found that sustained content efforts contribute to customer loyalty and brand equity over time. The Resource-Based View Kraus et al. (2019) helps explain this pattern, suggesting SMEs leverage internal capabilities like content development to maintain a competitive advantage, especially when external resources for paid campaigns are limited.

A similar pattern emerges across business duration, where SMEs of all ages report relatively high use of content creation, particularly those operating between 1–3 years, followed by more established firms. This indicates that content creation is not tied to firm maturity but has become a standard practice across the SME lifecycle, used both for market entry and sustained engagement. The findings reinforce the idea that SMEs prioritize cost-effective and internally manageable marketing strategies due to resource constraints, aligning with prior research on SME marketing behaviour (Naradda Gamage et al., 2020). The results also support the Resource-Based View, as

SMEs appear to leverage internal capabilities such as content production as a key source of competitive advantage in social media marketing (El Nemar et al., 2022).

5.2.2.3 Paid advertisement among SMEs Industry and the duration of operation

Additionally, findings reveal a generally low adoption of paid advertising among SMEs, with only 23.5% reporting use compared to 76.5% who do not. Across industries, usage remains consistently limited, although the services sector records the highest uptake, followed by retail, other industries, manufacturing, and technology. Despite these slight variations, non-usage dominates across all sectors, indicating that paid advertising is not a central element of SME social media marketing strategies. This pattern suggests a strong reliance on organic marketing approaches, likely driven by financial constraints and the need to maintain lean operational costs. It also points to possible gaps in technical capacity and expertise required to effectively design and manage paid digital campaigns. Similar observations have been made in a previous study, which highlight that SMEs often struggle to adopt paid digital strategies due to resource limitations and skill deficits (Omowole et al., 2024)

A similar trend is observed across business duration of operation, where paid advertising remains low regardless of how long SMEs have been in operation. Although SMEs operating for 1-3 years and those with more than six years show slightly higher usage compared to other groups, the overall pattern still reflects minimal adoption across all categories. This consistency suggests that firm maturity has limited influence on the decision to invest in paid social media advertising. Instead, SMEs appear to consistently prioritize organic and cost-effective marketing strategies throughout their lifecycle. This aligns with previous research indicating that SMEs, regardless of age or experience, tend to favour low-cost digital marketing approaches due to financial constraints and strategic preference for direct customer engagement (Hadiwijaya & Yustini, 2023).

5.2.2.4 Influencer partnerships among SMEs industry and the duration of operation

Influencer partnerships are not widely adopted among SMEs, with only 16.5% reporting use compared to 83.5% who do not. Across industries, adoption remains consistently low, although the services sector records the highest usage, followed by retail, other industries, manufacturing, and technology. In all sectors, non-usage dominates, showing that influencer marketing is not yet

a core element of SME social media strategies. The relatively higher uptake in services and retail reflects the consumer-facing nature of these industries, where influencer endorsements are more likely to translate into engagement and sales. This pattern is consistent with previous study by Vidani and Das (2021) which shows that influencer marketing is more effective and more commonly adopted in consumer-oriented markets compared to industrial or technical sectors. Similarly, research has highlighted that business-to-business sectors such as manufacturing and technology tend to rely less on influencer strategies due to their emphasis on functional value and direct client relationships rather than social influence-based promotion (Cowan et al., 2023). Overall, SMEs appear to prefer more traditional or direct digital marketing approaches, particularly where cost and market fit are major considerations.

A similar pattern is observed across business age categories, where influencer partnerships remain minimally used regardless of how long SMEs have been in operation. Although firms operating for 1-3 years and those beyond six years show slightly higher uptake compared to other groups, the differences are not substantial, indicating that business maturity has limited influence on adoption. This suggests that influencer marketing has not yet become a mainstream strategy within SME marketing practice, likely due to financial constraints, limited familiarity, and uncertainty about its effectiveness. These findings align with previous research showing that SMEs, regardless of their stage of development, often prioritize cost-effective and familiar marketing strategies over newer, less predictable approaches such as influencer collaborations (Rybalchenko, 2025)

5.2.2.5 Customer engagement among SMEs industry and the duration of operation

The findings show that customer engagement is moderately adopted among SMEs, with 44.0% reporting its use compared to 56.0% who do not use it. Across industries, usage is highest in the services sector, followed by retail, manufacturing, other industries, and technology. In all sectors, non-usage remains higher than usage, indicating that customer engagement is not yet a dominant social media marketing strategy among SMEs. The relatively stronger uptake in services and retail reflects the nature of these industries, which depend heavily on continuous interaction and responsiveness to customers. In contrast, lower adoption in manufacturing and technology suggests a more transactional or business-to-business orientation, where ongoing customer interaction through social media is less central to marketing activities. This aligns with prior study

indicating that customer engagement strategies are more prevalent in consumer-facing industries where direct interaction strongly influences customer retention and sales outcomes (Islam, 2025), while being less emphasized in business-to-business contexts such as manufacturing and technology (Dotzel & Shankar, 2019).

A similar pattern emerges across business age categories, where customer engagement is used by 44.0% of SMEs, with higher usage among more established firms, particularly those operating for more than six years, followed by those in the 1-3 year and 4-6 year categories, and lowest among firms under one year. Although adoption is present across all age groups, the overall pattern shows that most SMEs still do not actively prioritize customer engagement strategies. This finding is consistent with previous research which suggests that customer engagement tends to strengthen as firms gain experience, stability, and market understanding, enabling them to invest more strategically in relationship-building activities (Seturi, 2024). It also aligns with the Marketing Maturity Model, which argues that as SMEs progress through stages of growth, they gradually shift from basic transactional marketing toward more sophisticated, engagement-driven strategies that support long-term customer loyalty and competitive advantage (Kumar et al., 2019; Rahayu, 2024).

5.2.2.6 Promotions and giveaways among SMEs industry and the duration of operation

The findings show a complete absence of promotions and giveaways as a social media marketing strategy among SMEs, with 100% of respondents across all industries indicating non-usage. This pattern is consistent across retail, services, manufacturing, technology, and other sectors, suggesting that this technique is entirely absent within the sampled population. The findings point to a clear gap in the use of interactive and incentive-based marketing tools that are often used to enhance customer engagement and attract new audiences. This may reflect limited awareness of such strategies, financial constraints, or a deliberate preference for more conventional and less resource-intensive marketing approaches. Previous studies have similarly shown that SMEs often underutilize promotional campaigns due to resource limitations and concerns about cost-effectiveness, particularly in environments where marketing budgets are constrained (Grant, 2025).

A similar pattern is observed across business duration of operation, where all SMEs regardless of operational duration report no use of promotions and giveaways. This indicates that the absence of this strategy is not influenced by firm maturity but is instead consistent across all stages of business development, from startups to more established firms. The findings suggest that SMEs are not integrating promotional incentives into their social media marketing strategies, potentially missing opportunities to enhance customer interaction and market reach. This aligns with previous research indicating that marketing strategy adoption among SMEs does not always evolve toward more advanced or interactive techniques when structural constraints such as limited resources and strategic risk aversion persist (Mishrif & Khan, 2023). It further suggests a deviation from the expected marketing lifecycle progression, where firms are assumed to gradually adopt more sophisticated and promotional tactics as they grow and accumulate resources.

5.2.3 Role of regulatory bodies in influencing social media marketing activities and techniques amongst Uganda SME's

5.2.3.1 SMEs awareness of social media marketing regulation policies

The findings indicate that SMEs demonstrate uneven awareness of government regulations affecting social media marketing, with the highest recognition observed in relation to taxation policies, followed by cyber laws and data protection and privacy laws. In contrast, advertising content regulation and misinformation-related regulations received comparatively lower recognition. This suggests that SMEs are more attentive to regulatory areas that carry direct financial, legal, and operational implications for their businesses, while regulations perceived as less immediate or less enforceable receive less attention. The findings further imply that SMEs may prioritize compliance in areas where the consequences of non-compliance are more visible or potentially costly. Similar patterns have been observed in study by Anichukwueze et al. (2021), which found that SMEs tend to focus more on highly emphasized and frequently enforced regulatory requirements while paying less attention to less visible legal dimensions of digital marketing.

The relatively low awareness of advertising regulations and misinformation-related policies may indicate gaps in regulatory knowledge or limited understanding of the broader ethical and legal responsibilities associated with social media marketing. This uneven awareness suggests that SME

compliance practices may be more reactive than strategic, with firms responding primarily to regulations that directly affect taxation, cybersecurity, and operational continuity. Previous research similarly shows that smaller firms often struggle to maintain comprehensive regulatory awareness due to limited legal expertise, inadequate access to compliance information, and resource constraints that limit proactive monitoring of evolving digital regulations (Alex-Omiogbemi et al., 2024). Consequently, while SMEs demonstrate awareness of key regulatory areas, the lack of balanced understanding across all dimensions of social media governance may expose them to reputational, legal, and operational risks.

5.2.3.2 SME Understanding of government Regulation Role on Social Media marketing

The findings show that SMEs predominantly perceive government regulation in social media marketing as a mechanism for collecting taxes and generating government revenue, followed by protecting consumer rights and ensuring fair competition. This suggests that SMEs associate regulation more strongly with financial obligations and compliance requirements than with broader market governance or consumer welfare objectives. The strong emphasis on taxation indicates that regulatory awareness among SMEs is largely shaped by areas with direct financial implications and immediate operational consequences. This pattern may reflect the visibility and enforcement intensity of tax-related policies, which are often more directly experienced by businesses in their day-to-day operations. Similar findings have been reported in previous studies, which show that SMEs tend to prioritize regulatory dimensions that have clear financial and administrative implications while giving less attention to broader governance concerns (Mallett et al., 2019).

The comparatively lower recognition of consumer protection and fair competition suggests that SMEs may have a narrower understanding of the broader purposes of government regulation in digital marketing environments. This limited emphasis on market fairness and consumer rights may indicate gaps in awareness regarding how regulation contributes to ethical business conduct, customer trust, and sustainable market practices. Previous research similarly highlights that SMEs often focus on compliance areas perceived as mandatory and financially consequential, while underestimating the strategic importance of consumer-focused and market-regulating policies (Toni, 2025). Consequently, the findings suggest that SME engagement with regulation is

primarily compliance-driven rather than strategically oriented toward broader principles of responsible and fair digital marketing.

5.2.3.3 Understanding of government regulations role among SMEs industry and the duration of operation

The findings revealed that SMEs across industries predominantly perceive government regulation in social media marketing as being primarily focused on tax collection and government revenue generation, followed by consumer protection and, to a much lesser extent, fair competition. This perception is particularly pronounced within the services and retail sectors, which recorded the highest responses regarding both taxation and consumer protection. The dominance of tax-related perceptions across all industries suggests that SMEs are more attentive to regulatory areas with direct financial and operational implications. While consumer protection is also recognized, especially among businesses with direct customer interaction, it remains secondary to taxation in overall importance. Similar patterns have been observed in previous studies, which found that SMEs often interpret regulation through the lens of immediate compliance obligations and financial accountability rather than broader market governance objectives (Mallett et al., 2019). The comparatively limited emphasis placed on fair competition further suggests that many SMEs may not strongly associate social media regulation with market balance or competitive practices, particularly in sectors where survival and operational sustainability remain the dominant concerns (Ghazwani & Alzahrani, 2024).

The findings further suggest that SMEs' understanding of government regulation is largely shaped by practical business realities and sector-specific operational demands. Service- and retail-oriented firms appear more conscious of consumer protection issues due to their frequent customer interactions and higher exposure to reputational risks associated with social media activities. In contrast, manufacturing and technology firms demonstrate comparatively lower emphasis on consumer-focused regulatory roles, possibly because their operations are less dependent on direct consumer engagement. This aligns with previous research indicating that business-to-business oriented firms often perceive lower regulatory pressure in social media marketing compared to consumer-facing enterprises (Garner & Mady, 2023). Overall, the results indicate that SMEs prioritize regulatory dimensions that are perceived as most immediate and consequential to their

operations, reinforcing findings that regulatory awareness among SMEs is selective and strongly influenced by compliance visibility, financial exposure, and customer interaction dynamics (Seidel-Sterzik et al., 2018; Barber III et al., 2024).

5.2.4 Factors that affect the effectiveness of social media marketing techniques in attracting new customers to SMEs in Uganda

5.2.4.1 Factors for Effective Ssocial Mmedia Mmarketing among SMEs

SMEs in Uganda The findings show that SMEs consider frequency of posting, quality of content, engagement with followers, and alignment with the target audience as the most important factors influencing the effectiveness of social media marketing. Frequency of posts emerges as the most frequently cited factor, followed closely by content quality, indicating that consistency and relevance are central to how SMEs evaluate marketing effectiveness. Engagement with followers and audience alignment are also recognized as important, suggesting that SMEs value interaction and targeting, but slightly less than content consistency and quality. In contrast, hashtags and trends are least emphasized, pointing to their limited perceived importance in SME marketing practice. This pattern aligns with a previous study which emphasizes that effective social media marketing is primarily driven by high-quality, relevant content and strong audience alignment rather than reliance on platform-driven trends or technical features (Rizgar & Zeebaree, 2025).

The relatively low emphasis on hashtags and trends suggests that SMEs may either lack the technical knowledge to fully leverage these tools or consider them less impactful in their specific operating context. This is consistent with research indicating that SMEs in emerging markets often prioritize practical, controllable strategies such as content creation and direct engagement over more dynamic and algorithm-dependent tactics (Feng, 2025). Overall, the findings highlight that SME social media effectiveness is grounded in disciplined content production and sustained audience interaction, rather than opportunistic use of trends or platform-specific features. This reinforces the idea that SMEs favor stable, low-risk, and manageable marketing practices that align with their resource constraints and operational realities.

5.2.4.2 Challenges affecting the effectiveness of social media marketing among SMEs

The findings reveal that SMEs primarily struggle with creating audience engagement, which emerges as the most frequently reported challenge, followed by lack of time, difficulty measuring return on investment, lack of social media marketing knowledge, and limited understanding of target audiences. Negative customer feedback is the least reported challenge. Overall, this pattern suggests that SMEs are more constrained by practical execution issues than by external or reputational risks. The dominance of engagement and time-related challenges indicates that SMEs face operational pressure in consistently producing and managing content while simultaneously interacting with audiences. This aligns with existing research which shows that SMEs often struggle with maintaining meaningful digital engagement due to limited human, financial, and technical resources (Omowole et al., 2024).

The findings further suggest that analytical and strategic limitations also play a significant role in constraining SME social media marketing effectiveness, particularly in relation to measuring return on investment and understanding target audiences. These gaps point to deficiencies in digital marketing literacy and data interpretation capabilities, which are essential for informed decision-making and strategy refinement. Previous studies similarly highlight that SMEs frequently lack access to advanced analytics tools and the technical expertise required to evaluate digital marketing performance effectively (Sharabati et al., 2024). Overall, the results indicate that beyond content production challenges, SMEs face deeper structural capacity constraints that limit their ability to optimize social media marketing, reinforcing the need for targeted training in engagement strategies, digital analytics, and audience understanding.

5.2.4.3 Strategies for Social Media Marketing among SMEs

The findings indicate that SMEs primarily rely on collaborative and engagement-based strategies to enhance their social media marketing effectiveness, with collaborations and customer engagement emerging as the most frequently used approaches. This is followed by the use of visual content creation, while paid social media advertising, social media contests, and analytics are less frequently applied. The pattern suggests that SMEs favour practical, accessible, and interaction-driven strategies that allow them to maintain visibility and build relationships with customers without requiring heavy financial investment or advanced technical infrastructure. The strong

emphasis on collaboration and engagement aligns with previous research, which highlights the importance of interactive and visually appealing content in strengthening brand presence and fostering customer loyalty in digital environments (Haidar, 2024).

The relatively moderate use of paid advertising and social media analytics suggests that data-driven and investment-intensive strategies are not yet fully integrated into SME marketing practices. This may reflect limitations in digital marketing skills, resource constraints, or limited access to advanced tools required for performance tracking and optimization. Similarly, the low use of contests indicates that more complex or gamified engagement strategies are not widely adopted, possibly due to their perceived cost, effort, or uncertainty in return. Prior studies support this pattern, noting that SMEs often prioritize organic and relationship-based marketing approaches over more sophisticated, analytics-driven, or financially demanding techniques (Kaarlehto, 2020). Overall, the findings suggest that while SMEs are actively engaging in social media marketing, their strategies remain largely pragmatic and experience-driven, with clear opportunities to strengthen adoption of data analytics and more advanced engagement tools.

5.2.5 Recommendations for SMEs in Uganda on how to effectively use social media marketing

5.2.5.1 Recommendations to the government regulations be made for social media marketing

Findings indicate that SMEs primarily recommend improvements in marketing support and the broader business environment as the most important area where government intervention could enhance social media marketing effectiveness. This is followed by concerns related to regulatory and taxation issues, education, awareness, and training, while platform-related challenges are less frequently mentioned. A small proportion of SMEs reported no specific recommendations. The dominance of marketing support and business environment concerns suggests that SMEs perceive structural and ecosystem-level constraints as the main barriers to effective social media marketing. This points to a need for a more enabling environment that goes beyond regulation to actively support SME marketing capacity and competitiveness.

The prominence of regulatory and taxation concerns further reflects the ongoing burden of compliance costs and administrative complexity faced by SMEs in digital marketing

environments. In addition, the strong emphasis on education, awareness, and training highlights significant capacity gaps in digital marketing knowledge and skills, particularly in the effective use of social media tools. Previous study by Nwani et al. (2020) similarly emphasize that SMEs often struggle with regulatory navigation and require targeted capacity-building interventions to improve their digital competencies and compliance readiness. Overall, the findings suggest that SMEs are calling for a balanced policy approach that combines regulatory clarity with practical support measures, including training and ecosystem development, to strengthen their ability to effectively leverage social media marketing for business growth.

5.2.5.2 Recommendation on government regulations among SME industry and the duration of operation

The findings indicate that across industries, SMEs consistently prioritize improvements in marketing support and the broader business environment as the most important area for government intervention to enhance social media marketing. This is followed by regulatory and taxation concerns, education and training needs, and social media platform-related issues, while a small proportion report no specific recommendations. Services and retail sectors contribute most strongly to these recommendations, particularly around marketing support and regulatory issues, reflecting the pressures faced by customer-facing industries operating in competitive and fast-moving environments. Manufacturing, technology, and other sectors also highlight similar concerns but to a lesser extent, suggesting that while priorities vary slightly by sector, there is a shared expectation for a more enabling regulatory and operational environment. These findings align with previous research showing that SMEs often experience both financial and compliance pressures from taxation and regulation, particularly in sectors with high customer interaction and visibility (Balogun & Rasool, 2024).

The findings further show that SMEs across all business age categories consistently prioritize marketing support and business environment improvements, indicating that this is a structural rather than stage-specific concern. Regulatory and taxation issues remain a persistent challenge across all groups, reinforcing the view that compliance costs and administrative demands are long-term constraints for SMEs regardless of their maturity. However, education, awareness, and training are more strongly emphasized by younger SMEs, reflecting their need for foundational

digital marketing skills and regulatory understanding in the early stages of growth. This pattern is consistent with a prior study which shows that early-stage firms require more structured capacity-building support to effectively navigate digital marketing and compliance environments, while more established firms tend to rely on accumulated experience and internal capabilities (OECD, 2020; Daouk, 2025). Overall, the results suggest that while SMEs share common regulatory and structural concerns, their capacity-related needs vary with business maturity, underscoring the importance of tailored, stage-sensitive policy and support interventions.

5.2.5.3 Recommendations for SMEs to improve social media marketing

The findings show a strong consensus among SMEs that training, sensitization, and education are the most important factors for improving social media marketing effectiveness, accounting for the majority of responses. This indicates that SMEs primarily view capacity building as the key enabler of improved performance in social media marketing, far outweighing other policy or institutional considerations. The dominance of this recommendation suggests widespread recognition of knowledge and skills gaps in digital marketing, particularly in areas such as content development, platform use, and audience engagement. In comparison, recommendations related to platform restrictions, taxation, data protection, and regulatory flexibility are mentioned far less frequently, indicating that these are perceived as secondary concerns. This aligns with previous research which emphasizes that in resource-constrained environments, SMEs often identify education and skills development as the most critical driver of digital marketing success, as it directly influences their ability to implement strategies effectively (Sharabati et al., 2024; Zhang et al., 2022).

The relatively low emphasis on taxation relief, regulatory reform, and government collaboration further suggests that SMEs prioritize internal capability development over external structural changes when considering improvements in social media marketing. While there is some acknowledgment of the role of supportive policies and reduced costs, these factors are clearly less urgent compared to training and knowledge acquisition. This pattern is consistent with studies showing that SMEs often focus on immediate, controllable interventions such as skills development, which they perceive as having a more direct impact on performance outcomes than broader institutional or policy reforms (Dzimba & van der Poll, 2024). Overall, the findings

highlight that SMEs view education and training not as supplementary support but as the foundational requirement for enhancing social media marketing effectiveness, reinforcing the central role of human capital development in digital business performance.

5.2.5.4 Recommendations to SMEs among the industry and duration of operation

The findings reveal that across all industry sectors and business age categories, SMEs consistently prioritize training, sensitization, and education as the most important recommendations for improving social media marketing effectiveness. This emphasis is particularly strong in the services and retail sectors, as well as among younger SMEs, reflecting the greater need for strong digital marketing capabilities in highly competitive and customer-oriented environments. More established SMEs also maintain a strong focus on continuous learning, indicating that digital marketing skill development remains important regardless of operational experience. These findings align with previous studies showing that SMEs, especially those operating in dynamic digital markets, depend heavily on capacity building and structured learning to strengthen marketing performance and adapt to evolving online environments (Hokmabadi et al., 2024; Wu et al., 2023).

In contrast, recommendations related to taxation relief, platform restrictions, regulatory flexibility, and government collaboration receive comparatively less emphasis across industries and business age groups. This suggests that although SMEs recognize the importance of structural and policy-related issues, they view internal capability development as more immediate and impactful for improving social media marketing outcomes. The relatively lower engagement from manufacturing and technology sectors further reflects sectoral differences in reliance on social media marketing, consistent with previous research showing that digital marketing adoption varies depending on customer interaction intensity and market structure (Mosiashvili & Pareliussen, 2020). Overall, the findings reinforce the conclusion that SMEs consider capacity building, rather than external institutional reforms, as the primary driver of effective social media marketing performance.

5.3 Conclusions

This study shows that social media marketing is widely recognized and used by SMEs as a key driver of visibility, customer engagement, and business performance. Across the different dimensions examined, SMEs mainly rely on organic, low-cost strategies such as content creation, customer engagement, and collaborations, while the use of more advanced approaches such as paid advertising, influencer marketing, analytics, and promotional campaigns remains limited. This indicates that SMEs are generally operating within constrained digital marketing capabilities, where practical and resource-efficient methods are prioritized over more sophisticated or investment-heavy strategies.

The study also highlights important structural and capacity-related challenges that shape how SMEs engage in social media marketing. These include gaps in digital skills, difficulties in generating consistent engagement, limited ability to measure performance outcomes, and uneven awareness of regulatory requirements. At the same time, SMEs consistently emphasize the need for training, sensitization, and broader capacity building as the most important interventions for improving effectiveness. Overall, the findings confirm that while social media marketing is firmly embedded in SME operations, its full potential is not yet realized due to persistent resource, knowledge, and capability constraints.

CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS

6.0 Introduction

This study examined the use of social media marketing by SMEs in Uganda and the impact of government regulations on their marketing effectiveness. This chapter presents the conclusions and recommendations. Key recommendations include: enhancing training and capacity-building programs to improve SMEs' digital marketing skills and regulatory compliance; simplifying regulatory and taxation frameworks to reduce burdens and encourage compliance; promoting clear and accessible communication from regulatory bodies to increase transparency; encouraging ethical marketing practices through awareness campaigns; and strengthening enforcement mechanisms to ensure consistent application of social media marketing regulations. These measures aim to support SMEs in leveraging social media effectively while maintaining compliance and fostering sustainable business growth.

6.1 Recommendations

Based on the findings, the study proposes the following recommendations;

Firstly, Government should simplify and make more transparent the regulatory and taxation frameworks governing social media marketing to reduce compliance burdens on SMEs. There is also a need to design and support accessible digital marketing training programmes that strengthen SMEs' skills in content creation, audience engagement, analytics, and understanding regulatory requirements. In addition, targeted incentives should be introduced to encourage SMEs to adopt more advanced digital marketing approaches, including data-driven tools and innovative online strategies, so as to improve competitiveness in digital markets.

Secondly, For SME Support Organizations and Industry Associations organizations should focus on delivering practical, hands-on training tailored to the real needs of SMEs, particularly in areas such as content development, customer engagement, social media analytics, and measuring marketing performance. They should also facilitate peer learning networks and mentorship platforms that allow SMEs to exchange experiences and practical solutions to common digital marketing challenges. At the same time, they should actively advocate for more SME-friendly

regulatory reforms that reduce unnecessary administrative burdens and create a more enabling digital business environment.

Thirdly, SMEs should prioritize building internal digital marketing capacity by actively participating in available training opportunities and continuously improving their skills in social media marketing. Greater emphasis should be placed on using data-driven tools such as social media analytics to guide decision-making, alongside more strategic use of paid advertising where feasible. SMEs should also focus on producing consistent, high-quality content and strengthening customer engagement to build brand visibility and loyalty. Where possible, they should explore strategic collaborations with other businesses and influencers to expand reach, while maintaining cost efficiency.

Finally, Development partners should support initiatives aimed at improving digital literacy and marketing capabilities among SMEs through funding, technical assistance, and structured capacity-building programmes. Investment should also be directed toward the development of affordable and context-appropriate digital marketing tools suited to resource-constrained SMEs. In addition, collaboration with government and industry stakeholders is essential to ensure coordinated efforts that strengthen SME competitiveness and promote sustainable growth in digital marketing environments.

6.2 Limitations

First, the study was based on a sample of 400 SMEs, which, while adequate for statistical analysis, still limits the extent to which the findings can be fully generalized to all SMEs in Uganda or other similar contexts. Although the sample included firms from different industries and business ages, it may not fully capture the broader diversity of SME characteristics, especially those operating in more remote regions or informal settings. This means the results should be interpreted as reflective of the study context rather than the entire SME population.

Second, the study relied on self-reported survey data, which may be subject to response bias. SMEs may have overstated their use of certain social media marketing strategies or underreported challenges such as lack of skills, financial constraints, or regulatory difficulties. In addition, differences in respondents' understanding of social media marketing concepts could have

influenced how questions were interpreted, potentially affecting consistency in responses across participants.

Third, the cross-sectional design of the study limits the ability to observe changes in social media marketing practices over time or to establish causal relationships between variables. The data represent a single point in time, meaning they do not capture how SME strategies and perceptions may evolve with experience, market changes, or policy shifts. Furthermore, the study focused solely on SMEs and did not include insights from key stakeholders such as policymakers, regulators, or digital platform providers, whose perspectives could have provided a more comprehensive understanding of the regulatory and operational environment influencing social media marketing. Future studies could address these limitations by adopting longitudinal designs and incorporating multiple stakeholder perspectives.

6.3 Areas for further research

First, future research should adopt longitudinal designs to examine how SME social media marketing practices evolve over time and how these strategies influence long-term business performance, including customer acquisition, retention, and growth. This would help establish clearer causal relationships between specific marketing techniques and SME outcomes rather than relying on cross-sectional snapshots.

Second, there is a need for studies that evaluate the effectiveness of targeted capacity-building and training interventions in improving SMEs' digital marketing competencies. Such research could use experimental or quasi-experimental approaches to determine which types of training best enhance practical skills in content creation, audience engagement, analytics use, and overall marketing effectiveness.

Third, future studies should incorporate broader stakeholder perspectives, including policymakers, regulatory authorities, social media platform providers, and customers. This would provide a more holistic understanding of how regulatory frameworks are designed, interpreted, and experienced within the SME digital marketing environment, and how these interactions shape marketing practices.

Fourth, further research could explore the role of emerging digital technologies, such as artificial intelligence, automation tools, and advanced analytics, in improving SME social media marketing efficiency and decision-making. Understanding adoption barriers, readiness levels, and enabling factors would help identify how SMEs can better integrate these tools into their marketing strategies.

Finally, comparative and sector-specific studies are recommended to examine how SMEs across different industries and regions experience social media marketing and respond to regulatory environments. Such studies would provide more context-sensitive insights, enabling the development of tailored policies and support mechanisms that address the unique challenges faced by SMEs in different operational contexts.

6.4 Conclusion

First, the study shows that capacity building is the most critical factor in strengthening social media marketing among SMEs. Across industries and business age groups, SMEs consistently highlight the need for training, sensitization, and education, pointing to clear gaps in digital marketing knowledge and practical skills. These gaps limit their ability to effectively create content, engage audiences, and evaluate marketing performance. Without sustained investment in skills development, SMEs are likely to continue underperforming in their use of social media as a strategic business tool.

Second, regulatory and taxation issues remain a persistent constraint affecting SME engagement in social media marketing. Across sectors and levels of business maturity, SMEs report challenges related to compliance requirements and associated costs, which reduce their capacity to invest meaningfully in marketing activities. This regulatory burden creates operational pressure and limits strategic flexibility, making it more difficult for SMEs to fully leverage digital platforms for growth and competitiveness.

Third, the findings reveal that SMEs largely depend on basic, organic social media marketing strategies such as content creation, customer engagement, and collaboration. More advanced approaches, including data analytics, influencer marketing, paid advertising, and other innovative techniques, are minimally adopted. This reliance on low-cost and familiar methods reflects both

resource constraints and limited technical capacity. As a result, there is significant untapped potential for SMEs to improve their marketing effectiveness by adopting more data-driven and strategically advanced digital marketing practices.

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Appendixes

Appendix 1: Questionnaire

SECTION 1: BACKGROUND INFORMATION

1. What is the name of your SME?

2. What industry does your SME operate in?

3. How long has your SME been in operation?

- a. Less than 1 year
- b. 1-3 years
- c. 4-6 years
- d. More than 6 years

4. How many employees does your SME have?

- a. Less than 10 employees
- b. Between 10 to 50 employees
- c. Between 50 to 100 employees
- d. More than 100 employees

SECTION 2: SOCIAL MEDIA USAGE

1. Does your SME have a social media presence?

- a. Yes
- b. No

2. If yes, which social media platforms does your SME use? (Select all that apply)

- a. Facebook
- b. Twitter
- c. Instagram
- d. LinkedIn
- e. YouTube

f. Other (please specify)

3. How long has your SME been using social media for marketing purposes?

- a. Less than 1 year
- b. 1-3 years
- c. 4-6 years
- d. More than 6 years

4. How often does your SME post content on social media?

- a. Daily
- b. 2-3 times per week
- c. Weekly
- d. Bi-weekly
- e. Monthly
- f. Irregularly

5. What type of content does your SME post on social media? (Select all that apply)

- a. Product/service information
- b. Company updates
- c. Industry news and trends
- d. Promotional offers and discounts
- e. User-generated content (e.g., customer reviews, photos)
- f. Educational or informative content
- g. Other (please specify)

6. Does your SME engage with customers on social media by responding to comments, messages, or mentions?

- a. Yes, always
- b. Yes, sometimes
- c. No

SECTION 3: SOCIAL MEDIA MARKETING EFFECTIVENESS

1. How effective do you believe social media marketing has been in attracting new customers to your SME?

- a. Very effective

- b. Somewhat effective
 - c. Neutral
 - d. Somewhat ineffective
 - e. Very ineffective
- 2. Has your SME seen an increase in website traffic or online sales since implementing social media marketing?**
- a. Yes, significant increase
 - b. Yes, moderate increase
 - c. No change
 - d. Decrease
- 3. Has social media marketing helped your SME build brand awareness and recognition?**
- a. Yes, significantly
 - b. Yes, moderately
 - c. No impact
 - d. Negative impact
- 4. Has social media marketing helped your SME engage with customers and build relationships?**
- a. Yes, significantly
 - b. Yes, moderately
 - c. No impact
 - d. Negative impact
- 5. Has social media marketing helped your SME generate leads or sales inquiries?**
- a. Yes, significantly
 - b. Yes, moderately
 - c. No impact
 - d. Negative impact
- 6. Has social media marketing helped your SME stay competitive in the market?**
- a. Yes, significantly
 - b. Yes, moderately
 - c. No impact

- d. Negative impact
- 7. What challenges has your SME faced in implementing effective social media marketing? (Select all that apply)**
- a. Lack of time or resources
 - b. Difficulty creating engaging content
 - c. Lack of understanding of target audience
 - d. Difficulty measuring return on investment (ROI)
 - e. Lack of social media marketing knowledge or skills
 - f. Negative customer feedback or comments
 - g. Other (please specify)
- 8. What strategies or tactics has your SME used to make social media marketing more effective? (Select all that apply)**
- a. Collaborating with influencers or brand ambassadors
 - b. Running social media contests or giveaways
 - c. Utilizing paid social media advertising
 - d. Analyzing social media analytics and insights
 - e. Engaging with customers through social media
 - f. Creating visually appealing and shareable content
 - g. Other (please specify)
- 9. Overall, how satisfied is your SME with the results of its social media marketing efforts?**
- a. Very satisfied
 - b. Somewhat satisfied
 - c. Neutral
 - d. Somewhat dissatisfied
 - e. Very dissatisfied
- 10. What recommendations would you have for other SMEs looking to improve their social media marketing effectiveness?**

Thank you!

