

## **EFFECTS OF ECONOMIC TRENDS ON ADOPTION OF DIGITAL MARKETING AMONG UNIVERSITIES IN KENYA**

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### **Abstract**

*In recent times, IT has taken a central role in mediating the relationship between business organizations and their customers. However, all these interplay can only happen within the enabling environment of the economic factors. The main objective of this study is to establish the effects of economic trends on adoption of digital marketing among universities in Kenya. Based on the few studies done in East Africa, there is strong indication that social media is heavily used by younger individuals aged mainly between 18 and 30 years, which is also a key target market for university education. However, universities in the region are continuing to heavily rely on traditional marketing communication without laying deserving emphasis on social media marketing. Many studies have been done on digital marketing and factors influencing its adoption. Also studies have been done on economic trends. However, there is a substantial gap in studies seeking to test the causation between economic trends and adoption of digital marketing. The methodology and philosophy of this study is guided by logical Positivism. This research adopted a descriptive design. Major findings indicated a strong opinion that economic trends dictate marketing messages. They also were in agreement to the position that economic liberalization has been central in opening up the space for digital marketing.*

*Keywords: Economic trends, adoption, digital marketing, e-marketing, Kenya*

## **INTRODUCTION**

Over thousands of years, buying and selling has been conducted using the available tools and technologies. Such technologies and tools have been evolving over the many years (Walker, 2014). Today, the customer is rapidly changing in terms of behavior and needs. These needs keep changing as customers increase their awareness and as their disposable income increases- which leads to changes in aspirations and lifestyle (Suxena, 2008).

In the light of the changes witnessed, IT has taken a central role in mediating the relationship between business organizations and their customers (Schneider, 2010). Meanwhile, the competitive arena and strategies thereof have largely been shaped by the degree of responsiveness of businesses to customer needs. Therefore IT remains to be an important competitive factor for businesses as they seek to satisfy the ever changing customer needs and consumer behavior.

Digital marketing does not exist in isolation. It has deep interplay with many other factors, including those that stimulate it and resultant factors. Of the factors that have been touted as key influencers of adoption of digital marketing economic trends has been fronted as a key antecedent (Weber & Henderson, 2014).

### **Problem Statement**

According to Maxwell, Crain, Jones, Davis and Vlezein (2015), universities are equitable to fountains of knowledge. They are tasked with the burden of generating, collecting, collating, formulating, storing and disseminating knowledge. The paradox is that among African universities, there seems to be a gap between the wealth of marketing knowledge held within academic ranks and the quality of marketing decisions made (Obanya, 2014).

Based on the few studies done in East Africa, on social media user demographics, there is strong indication that social media is heavily used by younger individuals aged mainly between 18 and 30 years (Gupta & Brooks, 2013), which is also a key target market for university education. However, universities in the region are continuing to heavily rely on traditional marketing communication without laying deserving emphasis on social media marketing (Obanya, 2014). This study sought to establish the antecedental effects of economic trends on adoption of digital marketing among universities in Kenya.

### **Research Objective**

The main objective of this study is to establish the effects of economic trends on adoption of digital marketing among universities in Kenya.

## **Hypothesis of the Study**

**H<sub>0</sub>1:** There is no significant relationship between economic trends and adoption of digital marketing among universities in Kenya.

## **Justification of the Study**

One of the most important goals of Commission of University Education (CUE) is to ensure quality standards among universities in Kenya. This goal cannot be attained by the single-handed effort of CUE. Other stakeholders are key players in seeking to realize this goal (Newman, 2013). Within the university education system, the market is arguably a key player in enforcing quality standards by embracing universities that offer quality service and shying away from those whose services are below par.

By assessing the relationship between economic trends and adoption of digital marketing, this study will empower universities with information upon which effective communication of value can be effected. This also enables university prospects to make informed and objective choices on the basis of a criterion that places quality on top of the list (of factors to consider before choosing a university). Based on this argument, this study uncovered information that hopes to enlighten an industrial change to a competitive landscape where quality is at the center of marketing decisions.

## **Scope of the Study**

This study only covered universities offering degree courses within Kenya, whether locally owned or foreign, and whether under public or private ownership. Although there are many more factors influencing adoption of digital marketing in Kenya, this study was only limited to testing economic trends as a factor affecting the adoption of digital marketing among universities in Kenya.

## **LITERATURE REVIEW**

This study is underpinned by the theory of disruptive innovation (Christensen, 1995). The term disruptive innovation refers to an innovation that aids the development of a new market and a new value network, and eventually disrupts an existing market and value network over time and replacing an earlier technology. Such innovations improve a product or service in ways that were never expected by the market (Christensen, 1997).

According to Assink (2006), many large corporations seek but fail to develop disruptive innovations. It is argued that the basic limitations in developing successful disruptive innovations emanate from several factors, which include the inability to unlearn obsolete mental models an

exultant dominant design or business concept, a risk-averse corporate orientation, innovation process mismanagement, lack of adequate follow-up competencies and the inability to develop necessary infrastructure.

Disruptive innovations and ideas are not easily identifiable, except to visionaries usually referred to as innovators. This is because they should be characterized not by what they offer but by what they could offer. They are not the reason but a catalyst for change. Considering the marketing trends in Kenya today, social media has greatly disrupted the flow and content marketing activities (Assink, 2006).

In a study by Jarman and Chopra (2007), the aim was to test the causality between World Bank-sanctioned strategy of investing in knowledge economy infrastructure and competitiveness in the highest value activities such as research, design and innovation. The study was focused on developing countries.

The paper sought to test Malaysia's efforts to boost its national income and adjust its position from a "middle-income" country to one with a standard of living equivalent to a developed country by 2020. Specifically, it analyzed Malaysia's strategy of building a multimedia super corridor, a multibillion-dollar state-led plan to attract knowledge-intensive operations to Malaysia.

Among key findings, it was evident that the government intended to make Malaysia a hub of cutting-edge research, services and software solutions. Yet, the development of infrastructure to support such an economy, had various effects, including Malaysia's entry into the global market as an attractive location for non-core activities of larger multinational organizations, but those that could have been re-located to developed countries. Their analysis of the composition of the firms suggested the emergence of a business services industry which while certainly using multiple media for communication with customers, does not add the same value as research, development and design does by building a knowledge base. Universities are key in driving knowledge in any economy. Kenyan universities are also tasked with leading the path in developing a knowledge base. This study sought to establish as to whether Kenyan universities are demonstrating leadership in terms application of knowledge in digital marketing as they ought to.

## Research Gap

Many studies have been done on digital marketing and on most of the factors influencing adoption of digital marketing: Also studies have been done on economic trends. However, there is a substantial gap in studies seeking to test the causation between economic trends and adoption of digital marketing.

## METHODOLOGY

The methodology and philosophy of this study is guided by logical Positivism, also called logical empiricism which holds that all significant statements are either founded upon analytical facts or which are conclusively demonstrable or at the least confirmable by observation and experiment (Friedman, 1999). This research adopted a combination of correlational, descriptive, qualitative and quantitative research designs. In a correlational design the researcher simply measures the variables without manipulating them in any way and then goes on to analyze the data to see whether the independent and dependent variables are related (Salkind, 2010).

The data was collected using structured questionnaire. Data was checked for univariate normality using estimation of Skewness and Kurtosis indices (see table 1). Data set was found to be normally distributed as all indices were within recommended + 3 and – 3 range. Subsequently, data was analyzed using descriptive statistics and correlation analysis. The statistical tools used in a correlational research design are those that measure both the strength and direction of the relationship (Mitchell & Jolley, 2013).

## ANALYSIS & FINDINGS

Respondents were asked to specify the level at which they agreed or disagreed with statements that gauge the level at which they believe concur that adoption of digital marketing may be affected by economic conditions and changes thereof among universities in Kenya. Table 1 presents a summary of the findings generated from the responses.

Table 1. Economic Trends

| Economic Trends | Mean       | SE ( $\pm\mu$ ) | Skewness | Kurtosis |
|-----------------|------------|-----------------|----------|----------|
| ET1             | 3.8        | 0.1             | -0.9     | 2.0      |
| ET2             | 4.2        | 0.1             | 0.4      | 0.8      |
| ET3             | 4.2        | 0.1             | 0.7      | 0.3      |
| ET4             | 4.0        | 0.1             | -0.8     | 1.2      |
| ET5             | 4.4        | 0.1             | -1.1     | 1.5      |
| ET6             | 4.1        | 0.1             | -0.9     | 0.4      |
| ET7             | 4.4        | 0.1             | -0.7     | -0.6     |
| ET8             | 4.2        | 0.1             | -0.2     | -0.4     |
| <b>Overall</b>  | <b>4.2</b> | <b>0.1</b>      | -        | -        |

Source: Survey Data (2015)

Respondents agreed to the opinion that economic trends dictate marketing messages (ET1). They also were in agreement to the position that economic liberalization has been central in opening up the space for digital marketing (ET2). Although respondents also agreed that economic cycles affect the rate of adoption of digital marketing (ET4), the level of agreement went down slightly. With a mean of means of 4.2, respondents agreed to the opinion that economic trends do affect adoption of digital marketing among universities in Kenya. Responses had a standard error of 0.1 meaning that there was strong concurrence between responses given.

## CONCLUSION

Economic trends have been presumed to be a key driver of information technology uptake world over (DCI, 2015). The study established that adoption of digital marketing is significantly affected by economic conditions and changes thereof among universities in Kenya.

There emerges need for further studies to establish factors besides economic liberalization, knowledge economy, globalization and economic cycles, that affect adoption of digital marketing among universities in Kenya.

## ACRONYMS USED

Chief Finance Officer (FCO), Chief Marketing Officer (CMO), Commission of University Education (CUE), Instant Messaging (IM), International Telecommunication Union (ITU), Letter of Interim Authority (LIA), Pay per Click (PPC), Search Engine Optimization (SEO), Search Engine Result Pages (SERPs), Small and Medium Enterprise (SME).

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