ASIA-AFRICA JOURNAL OF RECENT SCIENTIFIC RESEARCH (AAJRSR) VOL. 2, 2022
A PUBLICATION OF IAPAAR IN COLLABORATION WITH MEDI-CAPS UNIVERSITY, INDIA
ISSN: 2814-0397 Available online at https://journals.iapaar.com/index.php/AAJRSR

IMPACT OF MOBILE PHONE USE AND MEASURES OF SUCCESS OF SMALL AND MEDIUM ENTERPRISES (SMEs) PERFORMANCE IN KIAMBU SUB-COUNTY

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Abstract
This research sought to assess mobile phone use and measures of success of SMEs performance. The research sought to achieve the objectives stated in the introduction section. A case study of SMEs offering financial services within the Kiambu sub-county was used for the purpose of the research. One hundred and twenty respondents from Seven SMEs were selected as sample elements through a purposive sampling technique. Data collection was done mainly through questionnaires and was analysed through Excel statistical applications which included measures of central tendency. The research found that the use of mobile phone by SMEs has an impact on their effective management, effective marketing and good customer relationship management. It is therefore recommended that mobile phone use should be encouraged for effective management, effective marketing and good customer relationship management in SMEs.
Keywords: *mobile, phone, SMEs, management, marketing, customer relationship, performance*

Introduction

The global business environment is tremendously changing exhibiting immense dynamisms, which are driven by the increasingly changing innovations in the area of Information and Communication Technologies (ICT). The innovations have continued to permanently alter the rules of the game and expectations of the new digitized highly inter-linked economies operating in a rather global village. As Cassidy (2012) rightly points out, the notions of trans- boundary trade as practised traditionally have undergone dramatic changes to appreciate and embrace, though at times reluctantly, the rising number of trade-related activities and financial transactions, which occur purely and significantly through the Internet and technologically enhanced tools for information and communication. In the modern information and communication age, mobile phone use is one of the most rapidly growing areas raising a lot of concern from different quotas. Mobile phone applications are one of the significant components of the ever-changing Information and Communication Technologies, which have played a key role in transforming the manner in which business is done in the current globalised and fiercely competitive business environment. Their impact in the lens of client coverage and the general outlook of businesses cannot be underestimated. Further, the mode, nature and quality of service delivery and the entire process as a key part of the success story of businesses is immensely affected by the level of adoption of the information and communication technologies as enhanced through mobile phone use.

The role of ICTs and specifically the applications supported by mobile phone in advancing the development of national economic activities through enhanced efficiency and productivity and increased market access, is both irreversible and undisputed. It is within this vein of understanding that adequate and significant strategic intent has to be keenly focused to enable the access to the new opportunities offered by the transformations in the Information and Communication Technologies, not only by the larger enterprises within the national economies but also by the SMEs (SMEs). This indeed is important in enabling the enterprises to compete effectively and favourably with the developed and larger corporations within the national economies (Tomecko and Dondo, 2012).

It is undeniable that the SMEs play a significant role in the Kenyan economy. Eight years ago, an economic survey indicated that the SMEs had contributed at least 50% of the new job opportunities established in the year 2015. In spite of this evident significance of the SMEs, statistics in the past have also indicated that in every five SMEs, three fail within the beginning few months of their operation. Several reasons have in the previous studies been attributable to such failure as exemplified in Longenecker, *et al.*, (2016), with the most prominent reason being poor management of the enterprisers. Generally, poor management of the SMEs affect their operational effectiveness and efficiencies, which creates a setback to achieving their deserved success. In addition, Bokea, Dondo and Mutiso (2019) identified infrastructure as a major constraint in the path towards the development of the SMEs. Specifically, infrastructure in this context includes but not limited to the provision of telecommunication equipment, which is a conspicuous part of the information and communication technologies.

Performance of SMEs is dependent on factors categorised into three major categories including effective management, good customer relationship and marketing. Effective management determines the manner in which resources within the enterprises are put into use, through effective strategies. The management is tasked with the responsibility of formulating strategies that would spur their businesses to higher levels by beating the forces of competition in their respective areas of operation. Under this onus, they therefore play a significant role in the successful performance of their respective businesses. Good customer relationship helps in acquisition, retention and extension of customer accounts with the business. Customer acquisition refers to the process of bringing into the business new customers while customer retention refers to the activities of maintaining the acquired business by soliciting repeat business from the customers and customer extension refers to the activities that lead to an increase in the volume of business held by an individual customer. Good customer relationship is the product of good customer service that a customer would cherish. In some quotas good customer service is considered as the lifeblood of any business irrespective of its size. This is mainly concerned with bringing customers back for another transaction with the business to become repeat customers. Finally, marketingis an important factor in enhancing the success of a business especially where the business operates in a highly competitive environment. Marketing is defined as the process of determining the wants and needs of customers and going forth to deliver products that meet the identified needs and wants.

Encouraging the growth and development and performance of the local SMEs is a welcomeidea for the varied stakeholders in the sector including the government. As Mead (2018) notes, this is premised on the fact that the SMEs can be significantly helpful in the fight against poverty, which is a key phenomenon for most developing economies to which Kenya is part. This is particularly so through increasing the level of household income and creation of new job opportunities. However, as businesses worldwide continue to embrace and enhance their reliance on the capabilities facilitated by information and communication technologies to receive, process and disseminate information, SMEs are yet to reap these benefits evenly (Jamal, 2015). Specifically, there has been continuous evolution of mobile phone uses which if well considered would have a significant positive impact on the performance of the SMEs. Consequently, the businesses would be opened up to new and better opportunities in the market in their quest to beat the rising competition in the business platform. It is within this understanding that this paper sought to assess mobile phone use and measures of success of SMEs performance. Specifically, the paper sought to assess the impact of mobile phone use on SMEs effective management, the impact of mobile phone use on SMEs effective marketing and the impact of mobile phone use on SMEs good customer relationship management.

Research Method

The research was conducted as an exploratory research. This is because the research aimed at discovering insights on the impact of mobile phone use on SMEs performance. The population of study for this research comprised of the SMEs within the Kiambu Sub-county. There are a total of 8 medium sized and 15 smallsized enterprises offering financial services in the Kiambu Sub-county totalling to 23 enterprises. A sample size of 120 respondents were selected from seven SMEs. Since the research, has specific objectives that need to be achieved at the end of the research as indicated in the introduction section above, the sample elements was selected purposively to ensure that the objectives have been attained. Purposive sampling allows the researcher to use cases that have the required information with regard to the objectives of his or her study. The instrument used was a Questionnaire to collect data. The questionnaire was designed to include four sections aimed at collecting different data for the purpose of the research. The first section aimed at collecting general information about the respondents. The second section aimed at collecting data on impact of mobile phone use on SMEs effective

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management as perceived by the respondents. The third section aimed at collecting data on impact of mobile phone use on SMEs effective marketing as perceived by the respondents. The fourth section aimed at collecting data on impact of mobile phone use on SMEs good customer relationship management as perceived by the respondents. The questionnaire was on a five-point scale. A total of 120 questionnaires were distributed by the researcher to different respondents in seven SMEs providing financial services within the Kiambu sub county. 101 questionnaires were successfully completed and returned representing 84.17% response rate. This was considered as sufficient for the purpose of the research. Descriptive statistics was used to analyse the data collected.

Results and Discussion

The research identified that success in the SMEs performance can be measured in relation to the three critical success factors including; effective management, effective marketing and good customer relationship management.

Impact of mobile phone use on SMEs' effective management

From the findings as indicated in table 1 below, use of mobile phone by SMEs has an impact on their effective management as indicated by the mean responses from the respondents who agreed to this effect. Furthermore, the research identified that success in the effective management of the SMEs can be assessed by evaluating reduction in costs, increased profit of the SMEs and reduction in the time taken to make decisions in the SMEs. This is in the order of preference by the respondents contacted.

Table 1: Impact of mobile phone use on SMEs' effective management

Measures of success in effective management						
	Level of agreement					
Measures of success in effective management	**1**	**2**	**3**	**4**	**5**	**Mean Response**
	Don't know	**Strongly don't agree**	**Don't agree**	**Agree**	**Strongly agree**	
Cost reduction	2	0	10	39	50	**4.34**
Increased profit	3	0	4	55	39	**4.26**
Reduced decision	3	0	8	51	39	**4.22**

making time						

Impact of mobile phone use on SMEs' effective marketing

Similarly, the respondents indicated that use of mobile phone in their respective organization has had an impact on the marketing effectiveness of the respective organizations. When asked about the measures of success in the effective marketing, the respondents indicated growth in loan portfolio, increase in membership and growth in deposits as the main indicators of this success. Based on the response rate as indicated in table 2 below, growth in deposits was identified as the main indicator of effective marketing followed by increase in membership and then growth in loan portfolio as indicated by the mean response of 3.95, 3.91 and 3.90 respectively.

Table 2: Impact of mobile phone use on SMEs' effective marketing

Measures of success in effective marketing						
	Level of agreement					
	1	**2**	**3**	**4**	**5**	
Measures of success in effective marketing	**Don't know**	**Strongly don't agree**	**Don't agree**	**Agree**	**Strongly agree**	**Mean Response**
Growth in loan portfolio	6	4	12	51	28	**3.90**
Increase in membership	4	1	24	43	29	**3.91**
Growth in deposits	4	1	20	47	29	**3.95**

Impact of mobile phone use on SMEs' good customer relationship management

Good customer relationship management as one of the critical success factors of the SMEs was identified by the respondents as being impacted by the use of mobile phones. Indicators of this impact in their order of significance include improved feedback with a mean response rate of 4.42, followed closely by customer retention with a mean response of 4.38 and finally customer extension with a mean response of 4.21. These findings are as indicated in table 3 below.

Table 3: Impact of mobile phone use on SMEs' good customer relationship management

Measures of success in good customer relationship management						
Measures of success in good customer relationship management	**Level of agreement**					**Mean Response**
	1	**2**	**3**	**4**	**5**	
	Don't know	**Strongly don't agree**	**Don't agree**	**Agree**	**Strongly agree**	
Customer retention	3	0	5	41	52	**4.38**
Customer extension	6	2	6	38	49	**4.21**
Improved feedback	4	0	5	33	59	**4.42**

Conclusion

Cost reduction, increased profit and reduced decision making time are the major indicators of effective management of the SMEs. On the other hand, growth in loan portfolio, increase in membership and growth in deposits are the major indicators of effective marketing of the SMEs services. Finally, good customer relationship management is indicated by customer retention, extension and improved feedback. It is therefore recommended that mobile phone use should be encouraged for effective management, effective marketing and good customer relationship management in SMEs.

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