

UNIVERSITY OF KWAZULU-NATAL

**Digital marketing resources, capabilities, and market performance of agro-processors
in Harare, Zimbabwe**

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Doctor of Philosophy**

**School of Management, IT and Governance
College of Law and Management Studies**

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2020

DECLARATION

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ABSTRACT

Small to medium-sized agro-processors in Harare, Zimbabwe, cannot reach high-value markets despite competitive products and digital marketing opportunities. Agro-processors continue to miss opportunities for increased market access, customer linkages, connectivity, relationship building, and enhanced marketing activities. In Zimbabwe, digital marketing research in agro-processors remains scant, with most studies focusing on business constraints, financial issues, informality and government policy. The issue in context is whether digital marketing resources and capabilities enhance the market performance of agro-processors. Therefore, this study sought to interrogate the influence of digital marketing resources and capabilities on the market performance of agro-processors in Harare, Zimbabwe. The market performance consisted of intermediate market performance (product awareness, availability, brand association, customer attitudes & customer satisfaction) and final market performance (sales growth, market share & profitability). The study was necessary because marketing knowledge is contextual therefore cannot be easily transferred, and digital marketing resources and capabilities influence market performance differently in different contexts. The study adopted a concurrent embedded mixed research design. This involved collecting quantitative and qualitative data from 298 company representatives using a questionnaire. The study also adopted a mixed sampling approach. Results were analysed using SPSS and STATA. The study found that agro-processors in Harare have the minimum required assets and capabilities to develop and execute profitable digital marketing activities. However, not all digital marketing assets, capabilities and activities contribute to market performance. Some digital marketing assets, capabilities, and activities positively influence both intermediate and final market performance outcomes, while others only influenced either intermediate final market outcomes or none. Only relational assets, digital strategy, and pricing activities influenced both intermediate and final market performance. The results indicate that agro-processors can significantly improve their market performance with the proper configuration of resources, capabilities and activities. Agro-processors can enhance digital marketing activities through increased use of interactive digital marketing platforms. However, the selected digital marketing assets and capabilities need further testing on a large sample to produce widely generalisable results. This study contributes to digital marketing resources, capabilities and market performance knowledge from a developing country and digital marketing context.

Key words: digital marketing, resources, capabilities, market performance, agro-processors, small to medium enterprises, Harare, Zimbabwe.

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CHAPTER 1 INTRODUCTION TO THE STUDY

1.1 INTRODUCTION

“In the digital age, old marketing strategies are no longer as effective. Even the digital marketing strategies of five years ago are less effective in the constantly changing digital world” (Pereira, 2018). Furthermore, strategies that work in one market may not work in another as markets and customers evolve differently. As a result, there is need to constantly re-evaluate marketing theories, concepts and skill sets to meet the needs of today’s hyper-connected markets.

The significance of digital marketing in Africa is growing (Mkwizu, 2020) particularly in small to medium enterprises (SMEs). SMEs continuously discover and take up vast opportunities that digital marketing offers (Dumitriu, et al., 2019). However, challenges arise with the applicability of knowledge, skills and expertise developed in developed markets as the marketing field tends to be more and more contextual (Galbreath, et al., 2020; Dwivedi, et al., 2019). There also tends to be remarkable gaps in the way SMEs in developing markets execute marketing activities compared to those in developed markets mainly in relation to digital marketing. SMEs in Zimbabwe are not immune to the challenges of implementing digital marketing. As such, this chapter unpacks the main problem with Zimbabwean SMEs with regards to digital marketing resources, capabilities and market performance. The chapter outlines the background, objectives, research questions, hypothesis, scope, justification, significance, assumptions, and limitations of this study. It is important to give a clear picture of this research in the introductory stage since a properly defined research problem gives direction, and enables easy expression of the study’s significance. The following sections unpacks why it is time to deeply understand digital marketing resources, capabilities, and market performance of SMEs from the Zimbabwean market context.

1.2 BACKGROUND TO THE STUDY

Ever since the growth and hyper-connectivity offered by digital technologies, small to medium enterprises (SMEs) in Zimbabwe have been trying to catch up with the rest of the world particularly Western markets in the usage of digital marketing. Digital marketing platforms such as Facebook, websites and mobile applications have become the de facto tools for most

digital marketers (Dumitriu, et al., 2019) and Zimbabwean marketers are not spared. However, several challenges still exist in the effective utilisation of this ‘modern’ way of marketing. Majority of the SMEs fail to fully capitalise on the opportunities offered by digital marketing (de Vries, et al., 2018). A quick glance at these SMEs digital marketing activities leaves a lot to be desired especially when compared to developed markets. The realisation of actual benefits through market performance (both intermediate and final market performance outcomes) is therefore questionable. Although the linkage between intermediate market outcomes and final market outcomes is known (Clark, 2007), this relationship is not known from a digital marketing resources and capabilities perspective. The contribution of digital marketing resources and capabilities to unlocking value of digital marketing and subsequently market performance for SMEs in Zimbabwe remains incomprehensible. According to Chaffey and Ellis-Chadwick (2016:11), digital marketing involves “achieving marketing objectives through applying digital technologies and media”.

In Zimbabwe, lack of marketing skills, market information, market-linkages, market access, poor demand management, funding, poor managerial capabilities, limited technical knowledge and skills, and increased competition appear to be major problems (Njanike, 2019; Tinarwo, 2016; Bomani, 2016; FinScope, 2012; Mhazo, et al., 2012; Zindiye, et al., 2012) for SMEs in the agro-processing sector. Most SMEs fail to perform because they lack intelligence and information on market trends and opportunities (Zindiye, et al., 2012). These SMEs agro-processors lack market visibility (Gilmore, et al., 2007) as most of them lack functional websites, social media presence, poor visibility on trending marketing platforms such as mobile applications hence low product awareness (de Vries, et al., 2018; Ekerete & Ekanem, 2015). As a result, they suffer from poor market performance, as sales remain subdued with low profit margins & brand awareness. Majority of SMEs do not fully realise benefits of digital marketing (Gilmore, et al., 2007; Njau & Karugu, 2014) due to lack of capacity to fully execute digital marketing activities. As a result, only a few products from small to medium sized agro-processors in Zimbabwe find their way to high value markets. Agro-processors abilities to use digital marketing tools for market sensing, customer linking, relationship building, pricing and direct marketing activities online remains unknown yet digital marketing offers so many opportunities to create customer value (Chaffey & Smith, 2017; Heini & Heikki, 2015; Gilmore, et al., 2007). In addition, these SME agro-processors encounter challenges in processing technology, standards, quality and regulatory enforcement (Bomani, 2016; Mhazo, et al., 2012). For instance, great opportunities exist in fresh fruits and vegetables but the

majority of producers find it difficult to access these markets (Mhazo, et al., 2012). Market performance in terms intermediate outcomes (product awareness, brand associations, availability through different channels, and overall customer satisfaction) and final-outcomes (sales growth, market share and profitability) end up negatively affected. Eventually, their marketing capabilities get weaker leading to stunted growth and closure.

A study by FinScope (2012) in Zimbabwe supported these findings and unearthed that the majority of SMEs are in agriculture related businesses thus calling for an understanding of operational challenges and opportunities to these businesses. Dahl and Sorenson (2007) and Mario (2018) cited by Matsongoni and Mutambara (2018) further claim that poor location and networking negatively influence SMEs growth. They argue for proximity to the markets for easy environmental scanning and networking. However, do we really need proximity to network in a digital world? Bomani (2016) in a study ‘to evaluate the success of Zimbabwean government policies and strategies on solving SMEs challenges’ concluded that the government had not been successful in solving problems of SMEs in Harare. Overall market performance of SMEs in Harare, Zimbabwe remains poor despite several opportunities from gaps left by large firms.

An understanding of SMEs and their market exploits must be implored (Sok, et al., 2016), as the digital marketing concept remains immature as a result of lack of theory and research in the developing markets context. The digital era has unsettled traditional marketing changing all facets of marketing creating dynamic and complex markets requiring new marketing skills (Foltean, 2019; Pereira, 2018; Stone & Woodcock, 2014; Wymbs, 2011) although the complexity and level of new skills required in the Zimbabwean context is not known? Marketers’ mind-set has to change to fit the new environment (Chaffey & Smith, 2017; Stone & Woodcock, 2014; Tiago & Verissimo, 2014) and build new models that allow customer attraction, engagement, retention, learning, and relationships (Day, 2011; Parsons, et al., 1998). The unique features and capabilities of digital marketing to transform marketing call for changes in organisational structures (Parsons, et al., 1998) and require new set of resources and capabilities (Gotteland, et al., 2020; Foltean, 2019; Wymbs 2011; Morgan, et al., 2009). However, no research had developed and tested digital marketing resources and capabilities for agro-processors in Harare. As a result, there is need to establish the extent to which marketers must develop and deploy new resources. In addition, we do not know how digital marketing resources and capabilities can influence market performance of agro-processors. Most studies focussed on general SMEs issues such as historical SME developments (Dlamini

& Schutte, 2020), marketing innovation (Mabenge, et al., 2020), SME challenges (Njanike, 2019), informal economy (Matsongoni & Mutambara, 2018), manufacturing sector repositioning (Mapakame, 2017; Dube, 2011), government policies (Bomani, 2016; Chigwenya & Mudzengerere, 2013; Zindiye, et al., 2012), status of SMEs agro-processors (Mhazo, et al., 2012), and finance (FinScope, 2012).

For the reasons given above, a study on digital marketing resources, capabilities, and market performance of agro-processors in Harare, Zimbabwe was worthwhile. SMEs agro-processors are important because they drive economic growth, job creation and poverty alleviation (Dlamini & Schutte, 2020; Bomani, 2016; Reeg, 2015; OECD, 2004) although an understanding of how they operate is limited (Sok, et al., 2016). Agro-processors are important for a country like Zimbabwe that is ranked as one of the five poorest countries in the world “by the International Monetary Fund (IMF) (2013) on GDP per capita in purchasing power parity” (Rivera-Santos, et al., 2015). “This poverty is far worse in rural areas than urban areas” (UN Zimbabwe, 2016; Zimstat, 2012) yet poverty can be reduced through rapid growth of small firms (OECD, 2004) such as agro-processors. According to the United Nations Development Programme (UNDP, 2016), the increasing attention to poverty reduction has resulted in the number one goal of the Sustainable Development Goals (SDGs) in Zimbabwe being to end poverty (SDGs, 2016) thus making the contribution of agro-processors to the economy and society indisputable (Chikweche & Fletcher, 2014).

It is important to note that micro and small enterprises (MSEs) make-up a large portion of private-sector enterprises and contribute immensely to employment in developing countries (Reeg, 2015). In Zimbabwe, 46% of the adult population is micro, small to medium enterprises (MSME) owners with 43% of these business owners working in agriculture (FinScope, 2012). In view of this, SMEs agro-processors dominate the manufacturing sector in the Zimbabwean context and as a result deserve more research attention.

Equally, the land reform programme led to the emergence of indigenous farmers who established themselves as new key suppliers to emerging agro-based manufacturers. As a result, SME agro-processors flourished in large cities such as Harare. Statutory instrument 64 (S.I 64) of 2016 controlled importation of selected products thus driving manufacturing activities high. Import controls led to a fall in imports as local supplies covered the gap. This led to a rise in capacity utilisation of local firms. In the process, role of SMEs became dominant as they found huge opportunities in the gaps left by large firms (Mapakame, 2017). Large firms

continue to downsize, retrench and close due to harsh economic conditions leading to some large processors relegating sourcing and production to SMEs (Mhazo, et al., 2012).

Further, growth in information communication technologies continues to influence business environment as there is remarkable growth in digital business services driven by a rise in Internet access. Internet usage rose to 6.9million active users as of December 2017, an increase of 3.7% to the 2016 figure. According to POTRAZ (2017), active mobile subscriptions continue to grow with a 9.4% increase to reach 14,09 million users in a country with a population of 16million people and 102.7% mobile penetration providing huge mobile marketing opportunities. For four consecutive years, voice traffic had been declining whilst mobile data usage increased creating more opportunities for digital businesses. Overall, prevailing economic environment favours SMEs because these firms can easily access raw materials from small-scale producers, easily link with emerging farmers, and have ready access to informal networks, cheap raw materials, and niche marketing capabilities (Mhazo, et al., 2012). This nexus between small-scale farmers and SME agro-processors generally promotes development through informal linkages, cultural connections and long term established relational networks.

However, we do not know the value and contribution of these resources to digital marketing activities of agro-processors. Knowledge of the influence of informal linkages, cultural connections and relationships to digital marketing activities and performance is important because extant research shows that digital marketing has potential to alleviate some marketing challenges faced by SMEs. As it is, agro-processors' contribution remains small (Bomani, 2016; Reeg, 2015) yet the prevailing economic environment favours them. This calls for research to understand what resource and capability needs influence these agro-processors market performance and overall contribution to economic performance.

Knowledge of digital marketing resources, capabilities and market performance in developing markets is important as it contributes to knowledge development in the broad marketing domain. Such knowledge is useful to both academics and practitioners as academics can build on that knowledge and further develop it whilst practitioners find an easily accessible reference point.

Therefore, the study interrogated the question: Can possession of certain digital marketing resources and capabilities improve market performance of agro-processors in Harare, Zimbabwe? The research sought to identify digital marketing resources possessed by agro-

processors in Harare, including capabilities such as skills and knowledge to make effective use of their digital marketing resources for improved market performance. The research established the relationship between digital marketing resources, capabilities and market performance in a developing market context. This was important because extant research (Cacciolatti & Lee, 2016; Davick & Sharma, 2016; Sok, et al., 2016; Day, 2011) show that marketing resources and capabilities complement each other for enhanced market performance.

1.3 STATEMENT OF THE PROBLEM/RESEARCH PROBLEM

The lack of generally applicable knowledge in digital marketing is regrettable. This knowledge gap will continue to exist if research focus does not significantly shift from developed markets to developing markets. A shift in research focus is necessary as marketing is contextual as such theories and knowledge cannot easily be transferred from one market to another (Galbreath, et al., 2020; Dwivedi, et al., 2019; Sheth, 2020; 2011). Also, it is incomprehensible to note that despite wide acknowledgement of the immense contribution by SME agro-processors to the economy, job creation, and poverty alleviation, these firms remain small and contribute very little to economic development. Although several initiatives to uplift SME agro-processors exist, success of such efforts is questionable (Bomani, 2016). The lack of research in digital marketing resources, capabilities and market performance of agro-processors in such a hyper-connected environment is worrisome. Instead, researchers had focussed on finance (Gangata & Matavire, 2013); SME challenges (Njanike, 2019; Gombarume & Mavhundutse, 2014); role of SMEs to the economy (Goriwondo, 2011); government policies (Bomani, 2016; Zindiye, et al., 2012) and general issues affecting SMEs (FinScope, 2012) among other areas. However, this dearth of research in digital marketing in Zimbabwe is against new knowledge that is proving digital marketing to be a potential solution to SMEs challenges (Chaffey & Smith, 2017; Kotler, et al., 2017; Shalton, 2016; Heini & Heikki, 2015; Gilmore, et al., 2007).

Therefore the study's key research problem is to interrogate if possession of certain digital marketing resources, and capabilities influence market performance of agro-processors in Harare, Zimbabwe.

1.4 MAIN RESEARCH QUESTION

Can possession of certain digital marketing resources, and capabilities influence market performance of agro-processors in Harare, Zimbabwe?

1.5 RESEARCH OBJECTIVES

The study sought to meet the following objectives:

1.5.1 Primary objective

To explore the influence of digital marketing resources, and capabilities on market performance of agro-processors in Harare, Zimbabwe.

1.5.2 Secondary objectives

- 1) To identify digital marketing resources, capabilities, and activities of agro-processors in Harare, Zimbabwe.
- 2) To determine the relationship between digital marketing assets, capabilities and digital marketing activities undertaken by agro-processors.
- 3) To determine impact of digital marketing resources, capabilities and activities on intermediate market performance outcomes.
- 4) To determine impact of digital marketing resources, capabilities and activities on final market performance outcomes.
- 5) To establish optimal resource configurations that strengthen agro-processors' market performance in Zimbabwe.

1.6 SECONDARY RESEARCH QUESTIONS

- 1) What resources, capabilities and digital marketing activities are prevalent in agro-processors in Harare, Zimbabwe?
- 2) What relationship exists between digital marketing resources, capabilities and digital marketing activities in agro-processors in Harare, Zimbabwe?
- 3) Do digital marketing assets, capabilities and activities influence intermediate market performance?
- 4) Do digital marketing assets, capabilities and activities influence final market performance outcomes?
- 5) How best should marketers configure resources to strengthen agro-processors market performance in Zimbabwe?

1.7 HYPOTHESES

Digital marketing assets related hypotheses: H1

Hypothesis 1a: Structural capital at the base of digital marketing positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 1b: Human capital positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 1c: Intellectual assets positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 1d: Digital market orientation positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 1e: Reputational assets positively and significantly influence i) intermediate market performance outcomes, and ii) final market outcomes.

Hypothesis 1f: Relational assets positively and significantly influence i) intermediate market performance outcomes, and ii) final market outcomes.

Digital marketing capabilities related hypotheses: H2

Hypothesis 2a: Digital strategy development and execution capabilities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 2b: Digital market innovation capabilities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 2c: Leadership capabilities positively and significantly and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 2d: E-market sensing capabilities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Digital marketing activities related hypotheses: H3

Hypothesis 3a: Digital pricing activities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 3b: Digital distribution activities positively influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 3c: Digital product activities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 3d: Digital promotion activities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 3e: Digital service activities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Institutional barriers related hypotheses: H4

Hypothesis 4: Institutional barriers significantly influence agro-processors' final market performance outcomes.

1.8 SIGNIFICANCE AND VALUE OF THE STUDY

The study on digital marketing resources, capabilities and market performance of agro-processors is significant and valuable to academia, marketing practitioners, the university, the researcher, Zimbabwe and Africa at large. The following sections unpacks how the study benefits these diverse stakeholders.

1.8.1 Significance and value to academia

The study benefited academia through testing developed marketing concepts and theories in a digital marketing context. The application of theories to practice, and the success of it, brings new insights and knowledge that further contribute to theory development (Kumar, 2017). The study addressed knowledge gaps on digital marketing resources, capabilities and market performance of agro-processors in Harare Zimbabwe (a developing country context). The study brought knowledge on optimal resource and capability configuration in the digital marketing environment (a digital marketing context). The study also brought new knowledge on the role of institutions in digital marketing environments. The new knowledge contributed to the resource based view (RBV), marketing capabilities, institutional theories, McCarthy's 4Ps model, market performance and measurement discussions. Of importance is the contribution that the RBV is still relevant in digital marketing environments as resources formulate the basis or foundation for digital marketing capabilities, and activities.

1.8.2 Significance and value to industry and marketing practitioners

Today's businesses are under pressure due to the quickly changing environment, dynamic customer tastes, increased competition, costs, and regulations as such requiring constant

learning and adaptation. The study on digital marketing resources, capabilities and market performance is significant to industry in various ways.

Evidence based strategies.

The scarcity of literature on digital marketing resources, capabilities and subsequent impact on marketing performance from a developing country perspective had led to poor evidence on the nature of problems, and required strategies on firms in developing markets such as Zimbabwe. According to Kumar, (2017) “theory must drive practice and practice drive theory” as such theories form the basis to explain industry practice since they are the base for strategy development and implementation. “The significant evidence-based knowledge created through academic research in marketing and related fields has provided organisations with valuable insights for managing their businesses” (Kumar, 2017:1). This study brought new evidence and knowledge that marketers can apply to strategy development in Zimbabwe. This evidence is important as research shows that SME agro-processors remain small despite wide market opportunities brought by the closure of large firms (Mapakame, 2017; Bomani, 2016; Chigwenya & Mudzengerere, 2013; Zindiye, et al., 2012).

Industry players benefit from a deep understanding of the nature, capacity and capability of SME agro-processors in Zimbabwe. The study brought knowledge on SME agro-processors’ strengths, weaknesses, and activities in the digital marketing space. This kind of knowledge benefits marketers in the development of appropriate and more informed solutions. A deep understanding of the impact and interplay between resources, capabilities and performance contribute to an understanding of intervention measures industry practitioners can apply to agro-processors. Through this study policy makers can formulate evidence based policies and interventions (FinScope, 2012). Evidence based strategies drive industry growth, push appropriate interventions, and reduce resource wastage in trial and error.

Guide investments.

SMEs must hold both resources and capabilities (Sok, et al., 2016) since these two have a complementary effect (Ngo & Aron, 2012; Sok, et al., 2016). Firms continue to have a need to grasp new trends in marketing yet researchers offer little as there are no theoretical studies to help understand the new digital environment (Kumar, 2017:3). Academia has the potential to recommend specific actions that industry can follow (Kumar, 2017). In view of this, industry practitioners and marketers benefit from insights into specific resources, and capabilities, and their configuration for improved market performance in agro-processors. This knowledge

guides investments in digital marketing resources, and capabilities. For example, marketers would be in a better position to identify critical skills and competences to develop for digital marketing initiatives.

1.8.3 Significance and value to SME agro-processors

“With so many people online, it is essential for businesses to be online as well” (Herhold, 2018), because “if you don’t share content online, you don’t exist” (Siddle, 2015). Although being online and sharing content is important, not all firms can profitably do so. Lack of digital marketing resources and capabilities is one of the reasons firms fail to maximise value creation online. As such, SME agro-processors can benefit immensely from an interrogation of digital marketing resources, capabilities and market performance as shown in the following sections.

Market linkages

A research by FinScope (2012) in Zimbabwe identified the need to provide network support by connecting small enterprises with larger well-established businesses, support in marketing, technical & contextual training and opportunities. Mhazo, et al. (2012) also found agro-processors in Zimbabwe failing to connect with high value markets. This study contributes towards enabling market linkages by providing new knowledge and insights of digital marketing from a resource perspective. Digital marketing help reduce costs, extend brands online, add value and get closer to customers (Chaffey & Smith, 2017). An understanding of the influence of different digital marketing resources, and capabilities together with their configuration equips agro-processors for market linkage opportunities. *The growth of e-business could reduce the gap that separates Africa from the developed world, and possibly increase the level and quantity of trade between the two regions* (Internetworldstats, 2016).

Reduce operational costs and inefficiencies

Researchers have found several factors that negatively affect the performance of small firms (Nuseir & Aljumah, 2020; Tinarwo, 2016; RBZ, 2015; Reeg 2015, Ampadu-Ameyaw & Omari, 2015; Chikweche & Fletcher 2014, Finscope 2013, Sheth, 2011). These factors include “lack of branded, aesthetic products that connect middle class consumers to their peers”, lack of formal training, lack of investment in knowledge and resources, poor marketing skills, and lack of adequate infrastructure and funding to enhance business operations, and proper structures to drive business towards viability. A study on digital marketing resources and capabilities is relevant because it contributes to an understanding of the use of digital marketing resources, and capabilities as an alternative to reduce costs, and enhance operations.

Boost agro-processors growth.

The majority of Zimbabweans rely on agriculture, live in rural areas and are in poverty (Zimstat, 2012) yet agro-processors have the potential to end this poverty (OECD, 2004; Reeg, 2015). The contribution of small firms, particularly agro-processors, to economies of developing countries remains small as only a few manage to overcome growth constraints (Reeg, 2015). Since SME agro-processors provide markets for rural farmers' products thus providing a source of income, agro-processors' growth is expected to have a similar effect on the farmers value chain. New knowledge from this study contributes to agro-processors' learning and skill development processes thus a pedestal for growth. The growth of agro-processors is crucial to Zimbabwe since it is an agro-based economy.

Improve market sensing and relationship building.

This study tested the influence of several capabilities such as market sensing and linking capabilities. As such outcomes of the study contribute to new knowledge in these areas that agro-processors can use to improve the way they gather market intelligence. Improved customer interactions, connections, and intelligence gathering bring insights to the agro-processors that can be used for new product development, competitive positioning, and more informed decision making among other benefits.

1.8.4 Significance and value to the university (UKZN)**Research output**

This study contributes to the university's research outputs, that is, knowledge development. Published papers from this study are relevant as they contribute to discussions on the topical issue of digital marketing in developing markets. The outcomes can also be helpful in providing tangible solutions to industry problems.

PhD holders

Successful completion of this study leads to an award of a PhD in marketing which contributes to an increase in number of PhD graduates of the university. This is important as it improves the university impact, rankings and reach.

Community service

The publication of papers, and the PhD thesis from this work contribute to community service for the university. Making knowledge publicly available impacts the community in a number

of ways, including giving insights, inspiration, and a new way of thinking. All this is critical to both social and economic development of communities.

1.8.5 Relevance to the researcher

The researcher acquires knowledge on digital marketing resources, capabilities and market performance. This contributes to the researcher's development, and transfer of knowledge in the digital marketing field. A study, such as this, equips the researcher to be an expert in digital marketing resource issues. As such the researcher has the capacity to further develop new knowledge in this domain and assist SMEs to adopt, improve and effectively apply digital marketing initiatives. This can go a long way in improving and shaping the way marketing is conducted in Zimbabwe and other developing markets.

1.9 KEY ASSUMPTIONS

- 1) All agro-processors had knowledge of, and use some form of digital marketing to reach their customers.
- 2) The provided list or database of agro-processors contained all players in that sector and where it does not, agro-processors' links given to the researcher did not omit others.
- 3) Identified agro-processors were willing and ready to participate in the project and provided truthful answers.
- 4) All identified key informants responded to the questions on their own.

1.10 DELIMITATIONS

The study was conducted on small to medium sized agro-processors based in Harare only. The researcher focused only on selected digital marketing resources, capabilities and market performance outcomes.

1.11 LIMITATIONS

The study did not include firms that were not into agro-processing and excluded firms outside Harare. This limited generalisability of the study findings. The researcher also failed to obtain a complete sampling frame for all targeted sectors, and ended up relying on quota sampling combined with convenience sampling to identify sampling units. This approach negatively affects the representativeness of the sample. In addition, the Zimbabwean economy was

consistently going down during the research period. This eroded the researcher's financial capacity to conduct fieldwork consequently affecting follow-ups and response rates.

1.12 SCOPE OF STUDY

The study interrogated digital marketing resources, capabilities and market performance of small to medium sized agro-processors in Harare, Zimbabwe. The study sought to probe if possession of certain digital marketing resources, and capabilities can improve the market performance of SME agro-processors in Harare. Therefore key to the study was an understanding of agro-processors digital marketing resources, and capabilities, their digital marketing activities and impact of these to market performance. Theoretically, the study was within the resource-capability based theories domain. In addition, market performance and institutional barriers literature, was explored. The study took three (3) years and was conducted by the researcher in Harare, Zimbabwe.

1.13 STRUCTURE OF THE THESIS

The thesis is structured as follows;

Chapter One (1): Introduction to the study

This chapter introduces the study. It lays out the background, problem definition, objectives, research questions, hypothesis, justification, significance, assumptions, delimitations, limitations and scope of the research.

Chapter Two (2): Digital marketing resources, and market performance

Chapter Two introduces the concepts of digital marketing resources, capabilities and market performance. It also lays the framework and scope by defining key concepts of the study. The chapter further evaluates the importance of digital marketing resources and capabilities.

Chapter Three (3): Theoretical and conceptual framework

The chapter sets the theoretical framework for the study. The study is based on resource-based theories, with extensions to capability theories, the industry structure, marketing mix, and game theory. The chapter provides history and development of the theories, relevant to the study as well as their weaknesses. The chapter then connects the identified theoretical framework with the current study. A conceptual framework is developed informed by the theoretical framework and objectives.

Chapter Four (4): Manufacturing industry in Zimbabwe. An agro-processing sector perspective.

This chapter unpacks the manufacturing industry in Zimbabwe focussing on developments, growth trends, and challenges. The researcher then zooms in on agro-processing in Zimbabwe. This contributes to a deep understanding of the sector, its strengths and challenges. The chapter motivates why it was necessary to research on agro-processors digital marketing resources, capabilities and market performance.

Chapter Five (5): Research methodology

The research methodology chapter gives a framework on how the researcher conducted the study. It defines the selected research design, sampling and data collection and analysis techniques among other things. This chapter was critical to the researcher as it determined success of the study. Mixed method design was selected, together with a mixed method sampling approach. A survey that used a questionnaire was used to collect data. Data was analysed using SPSS and STATA.

Chapter Six (6): Results presentation and data analysis

This chapter presents the results. The researcher used different types of graphs, SPSS and STATA outputs to present results. Results from different tests were presented and analysed.

Chapter Seven (7): Discussion of results

The researcher discusses the findings guided by the research objectives, questions, and hypothesis. Interpretation of the results was conducted, results linked and compared to existing literature.

Chapter Eight (8) Conclusions, Summary and Recommendations

The last chapter involved linking the findings to objectives. Major conclusions were drawn from the findings. The researcher gave a summary of the whole project and recommendations from the findings.

1.14 CHAPTER SUMMARY

Chapter one (1) introduced the study, laid the background, problem statement, objectives, research questions, assumptions, scope and structure of the thesis. This project sought to interrogate if possession of certain digital marketing resources, and capabilities can influence agro-processors' market performance. Agro-processors have a huge potential to contribute to

the Zimbabwean economy through industrial growth, job creation and poverty alleviation. However, agro-processors' current performance is weak as they fail to reach high value markets, and tap into the wide opportunities that emerged because of the closure of large firms. The study was limited to Harare, Zimbabwe, and was conducted over a period of three (3) years. The following chapter provides literature that helps unpack digital marketing and performance issues.

CHAPTER 2 DIGITAL MARKETING RESOURCES AND MARKET PERFORMANCE

“Traditional marketing is becoming less and less effective by the minute; as a forward-thinking marketer, you know there has to be a better way” (Content Marketing Institute, 2019).

2.1 INTRODUCTION

Chapter One introduced the subject matter, clearly highlighting the background, research problem, objectives, justification, and limitations of the study. The current chapter, provides literature on marketing resources and performance in the digital marketing context. Digital marketing has become a topical issue in today’s business. The challenge is for marketers to identify profitable ways to exploit the ever-growing force of the digital world. This chapter unpacks the marketing and digital marketing concepts, marketing resources, and market performance issues.

2.2 MARKETING DEFINED

According to Kotler & Armstrong, (2018:26), marketing is “the process by which companies engage customers, build strong customer relationships, and create customer value in order to capture value from customers in return”. This definition provides four key aspects to marketing: 1) customer engagement 2) development of sound customer relationships 3) customer value creation and 4) returns from customers. All other business functions do not matter until there is sufficient product demand, and financial success of any organisation depends on its marketing ability (Kotler & Keller, 2016). According to Kotler & Armstrong (2018), sales, profits, and customer-equity is the value attained from customers. These authors propounded a five stage marketing process for firms to obtain value from customers. Firms that do well serve distinct customer segments, centre activities on the customers, devote to marketing, and foster lasting relationships (Kotler, et al., 2020; Kotler & Armstrong, 2018).

2.2.1 The Marketing Process

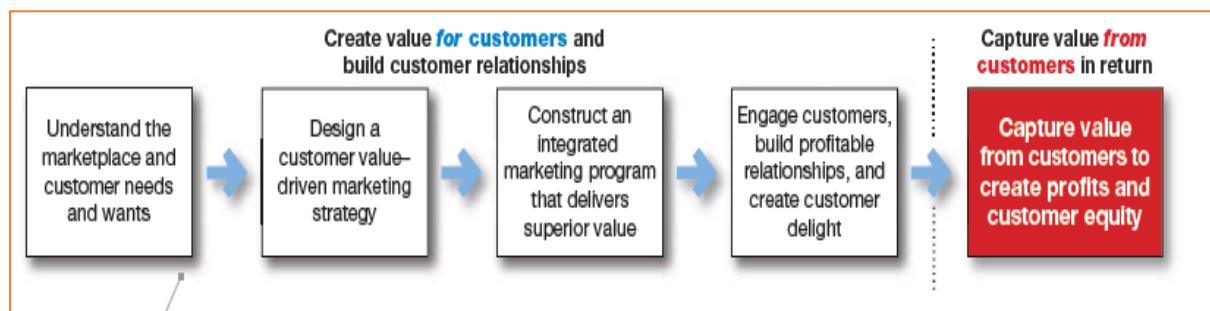


Figure 2-1 The Marketing Process

Source: Kotler & Armstrong, (2018:30)

Step 1: Understanding marketplace and customer needs

The ultimate objective of marketing is to create value for customers; as such, it is important to understand first customer needs and wants (Kotler & Armstrong, 2018; Kotler, et al., 2017; Kotler & Keller, 2016). Needs are basic to human life and are not created by marketers whilst wants are the forms humans satisfy needs (Kotler, et al., 2020). Marketing entails profitably meeting customer needs (Kotler & Keller, 2016). Wants supported by purchasing power become demands (Kotler & Armstrong, 2018). Marketers must always understand and analyse customer needs, wants, and demands so that they create appropriate customer value. Value creation is the core of marketing (Kotler, et al., 2021). Market offerings in the form of products, services, and experiences satisfy customer needs, wants, and demands. Marketers who meet or exceed customer expectations create satisfied customers who in return give repeat business and attract other customers (Charlesworth, 2018). Marketing occurs when there is an exchange of value between parties. According to Kotler & Armstrong, (2018:33) core marketing activities include “consumer research, product development, communication, pricing, and service”. It is important for marketers to move from customer relationship management to customer-managed relationships where customers influence marketers and other customers’ activities. Exchange processes occur in a competitive environment; therefore, marketers must understand consumer needs, wants, and demands to produce relevant market offerings.

Step 2: Creating customer-value driven strategy

Marketers must clearly understand value delivery and create strong relationships in targeted markets (Kotler, et al., 2020). It is important to define the target market and value offering in the target market. The firm needs to differentiate and clearly position itself. The marketing strategy guides the marketing programs and actions (Chaffey, 2015).

Step 3: Develop a marketing program

Marketing programs comprise the marketing mix, the set of marketing instruments used to execute marketing strategy. Product, price, place, and promotion broadly constitute the marketing mix (Basil, et al., 2019; Kotler & Armstrong, 2018). Firms must organise marketing mix elements into programs that deliver value to customer at a profit (Kotler, et al., 2020).

Step 4: Customer relationships management and capturing value.

Customer relationship management is the process of developing and sustaining customer relationships through outstanding customer value and satisfaction (Kotler & Armstrong, 2018:38). The key to developing sustainable relationships is outstanding customer value and delight (Chaffey & Ellis-Chadwick, 2016). Customer satisfaction is attained when performance tallies with expectations. According to Kotler and Armstrong (2018), customer satisfaction results in customer loyalty that contributes to improved performance. Pleased customers give repeat business, refer other customers to the business and become partners and advocates for the marketer. The digital media has revolutionised customer interactions and relationship building processes (Nuseir & Aljumah, 2020; Mkwizu, 2020). A number of digital tools such as websites, mobile apps, online communities, and social media have emerged (Kotler & Armstrong, 2018:40; Chaffey, 2015). Old marketing comprise taking products to consumers but the new marketing consistently engages consumers, and co-creates with them (Kotler, et al., 2017). Today's consumers are knowledgeable, empowered, informed, connected, and have unlimited access to digital platforms to make their voice known (Dumitriu, et al., 2019). Marketers must note that there is a shift from customer relationship management to customer-managed relationships. The digital technology is empowering consumers to engage in consumer generated marketing. According to Kotler and Armstrong, (2018:42), consumers - invited and uninvited develop and exchange brands among themselves, as such taking a growing role in determining brand experience. Consumer brand engagement is difficult to ignore with the growth in digital technologies that continue to empower consumers.

Step 5: Capture customer value

At this stage, marketers enjoy the outcomes of customer engagement and relationships built through outstanding value offerings. Sales, market share, and profits are the returns obtained from satisfied customers (Kotler, et al., 2020). Sustained customer satisfaction creates loyalty, retention, increased market share, and customer equity that improve the firms' performance. The marketing process therefore involves understanding customer needs, creation of value-

driven strategy, marketing program development, building customer relationships and capturing value from customers. However, connectivity continues to change many aspects of marketing (Kotler, et al., 2017). The marketing landscape today is different from that of yesterday (Dumitriu, et al., 2019).

2.3 TODAY'S MARKETING LANDSCAPE

The marketplace is radically changing every day with more challenges and opportunities emerging because of technology, and globalisation (Kotler & Armstrong, 2018; Kotler & Keller, 2016). The changing digital environment requires new thinking of marketing strategies (Tiago & Verissimo, 2014; Shalton, 2016). Kotler and Armstrong, (2018) argued that new competitive advantages are now in the ability to change with the marketplace changes as the changing environment is affecting both consumers and marketers. The digital environment has changed consumer shopping and interactions in the process demanding new marketing thinking centred on strong customer engagements, relationships and promotion centred on lasting customer value (Foltean, 2019; Kotler & Armstrong, 2018). Therefore, marketing must fit customer changes in the digital environment (Kotler, *et al.*, 2017). The digital age is one of the major driving forces to changes noticed today in the marketplace (Kotler & Armstrong, 2018). Growth in digital technology has profoundly transformed people's lives, communication, information sharing, service access, and shopping (Alrwashdeh, et al., 2019; Dey, et al., 2020; Kotler & Armstrong, 2018). "Everything and everyone is digitally connected to everything and everyone else" (Kotler & Armstrong, 2018:47). Marketers are increasingly reaching out to customers through websites, blogs, mobile apps, Facebook pages, and online communities. Almost every brand is connected to social media platforms such as Facebook, twitter, YouTube, and Instagram (Chen & Lin, 2019; Kotler & Armstrong, 2018). Smartphone usage is ever growing making mobile marketing one of the quickest growing digital marketing platforms. Smartphones are always on, portable and very personal as such present great opportunities to constantly engage and interact with customers. According to Kotler and Armstrong (2018) globalisation, economic environment, growth of sustainable, and not for profit marketing also contributes to the changing marketing landscape. Expressing the dynamism in the marketing environment today, Trainor, et al., (2011) related the current business environment challenges to "reconfiguring an airplane while it is still in flight". Emerging competitors come with new resources configurations and sometimes new 'rules' on how to play the game (Fahy, 2001). This calls for continuous development of new resources

and capabilities to remain relevant in the dynamic environment. As such, these authors expanded the marketing process as shown in figure 2.2:

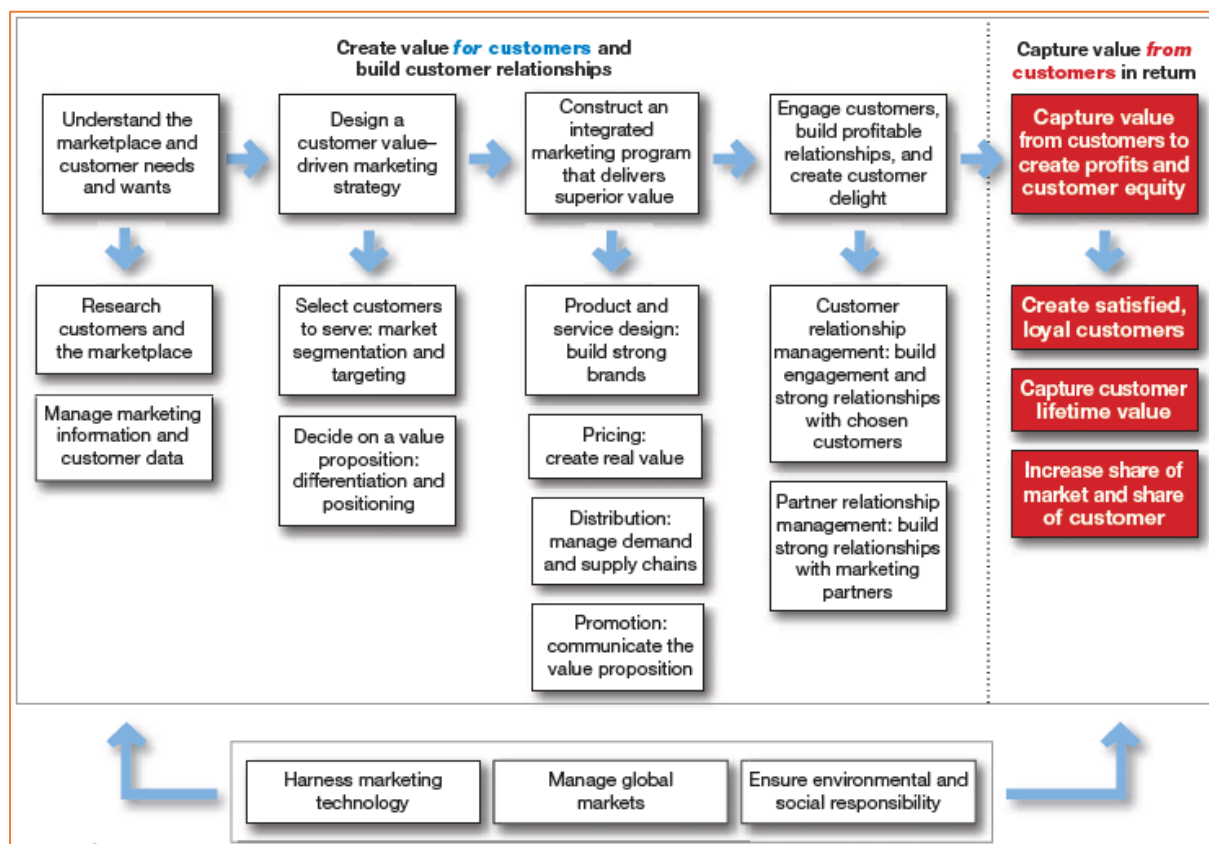


Figure 2-2 The Expanded Marketing Process

Source: Kotler & Armstrong, (2018:54)

In the expanded model, firms use the first four stages of the process to create value for customers. Research plays a key role in understanding customer needs and wants in the marketplace. Organisations also manage customer data and information. In the second stage of the process, firms select markets to serve and decide value propositions. This helps in developing value driven marketing strategies. In the third stage, marketers use marketing mix elements to develop integrated marketing plans. In the fourth stage, organisations add two key activities, customer relationship management, and partner relationship management. These two help engage and build profitable customer relationships and customer delight. In the fifth stage, firms reap rewards of their efforts in the form of ‘satisfied, loyal customers, customer lifetime value, and increased market share’. Anchoring this expanded process is the ability to utilise technology for marketing in the digital age, manage global markets, and implement socially

and environmentally acceptable practices. The call by Kotler and Armstrong, (2018) to ‘harness technology’ for marketing in the digital age bring us to the current study.

This study focussed on harnessing marketing technology to create profitable customer value in a dynamic digital technology dominated marketing environment. As such, it is important to understand the concept of digital marketing as the digital environment is calling for new customer engagements and marketing strategies (Kotler & Armstrong, 2018). Digital marketing heavily relies on digital media, which allows inbound marketing (Chaffey & Smith, 2017; Chaffey, 2015). Inbound marketing is a process where consumers take a leading role to decide markets to engage, products, prices and almost everything instead of the marketer initiating conversations (Chaffey, 2015). Digital marketing has its own unique features and marketers must understand these features to create appropriate marketing strategies (Heini & Heikki, 2015). Digital marketing uses tools that are easily measurable, interactive and allow relationship development than traditional marketing that is usually mass market focussed (Wymbs, 2011). Digital marketing has created a big shift in marketing as it puts the customer in control and widens markets through new electronic channels (Nuseir & Aljumah, 2020; Dodson, 2016; Wymbs, 2011).

2.4 DIGITAL MARKETING

Various definitions for digital marketing exist. Extant research (Chaffey, 2009; Ryan & Jones, 2009; Chaffey & Smith, 2013; Chaffey, 2015; Kingsnorth, 2016; Shalton, 2016) shows wide gaps in comprehension of the digital marketing concept. Some researchers refer to digital marketing as e-marketing or internet marketing. There is no agreed definition mainly because of the ‘e’-dilemma on the definition of the ‘e’ on e-marketing (Shalton, 2016) especially to researchers who find e-marketing and internet marketing interchangeable.

Chaffey (2009), define digital marketing as the *“application of digital technologies, that is, web, e-mail, databases, mobile/wireless, and digital TV, to support interactive and non-interactive marketing activities aimed at achieving profitable acquisition and retention of customers within a multichannel buying process and customer lifecycle.* However, Ryan and Jones (2009: 12) argued that, “digital marketing is not about technology, it is about people”. According to Ryan and Jones (2009), it is about marketers linking with customers to create relationships and sales. Digital marketing has more to do with understanding customers, their use of technology and usage of technology to engage profitably. Although Ryan and Jones

(2009) emphasised understanding people and creating relationships, whilst Chaffey (2009) emphasised technology application, both definitions bring us to the same outcome – profitable customer engagement. Ryan and Jones (2009) argument that technology alone is not enough, but we need to understand people and how they use the technology is useful in understanding the role and application of technology in digital marketing. In support of this view, Trainor, et al., (2011) also argued that prominence must not only be on technology, instead on how technology is blended with other resources to generate value.

Chaffey and Smith (2013:15), bunched *“e-marketing, internet marketing or digital marketing as concerned with getting closer to customers and understanding them better, adding value to products, widening distribution channels and boosting sales through running e-marketing campaigns using digital media channels such as search marketing, online advertising and affiliate marketing”*. These authors considered internet marketing, e-marketing, and digital marketing to be the same. They further argue that digital marketing “is a way of thinking and putting customers at the heart of online activities”. Chaffey and Smith, (2013:15) simply defined e-marketing as “marketing online whether via web sites, online ads, opt-in email, interactive kiosks, interactive TV or mobiles”.

Chaffey (2015:328), continued to refer to internet marketing when describing digital marketing although later redefining digital marketing to “achieving marketing objectives through the use of electronic communications technology”.

Gilmore et al. (2007), also used e-marketing and internet marketing interchangeably. According to Gilmore, et al., (2007:236), “e-marketing includes using the internet and its related technologies and features such as the world wide web, web presences, e-mails, real-time communication, and delayed and mixed time communication to help achieve marketing objectives in conjunction with other marketing communication tools”. Shalton (2016), who like previous researchers, interchangeably used internet marketing and e-marketing, also added digital marketing to the same definition. However, Shalton (2016), noted two main arguments to the definition issue, one limiting the definition to internet marketing whilst the other included an expanded definition of anything considered electronic such as landlines. According to Shalton (2016) e-marketing is simply marketing that is accomplished or facilitated via electronic technologies.

However, Kingsnorth (2016) noted that most people confuse digital marketing with online, and internet marketing. Digital marketing is extensive compared to online channels and it is critical for digital marketing to be part of every marketing activity (Kingsnorth, 2016). The traditional telephone is part of digital marketing (Wymbs, 2011). It is therefore deficient to claim internet marketing is the same as e-marketing or digital marketing as digital marketing extend beyond the internet to include other electronic channels (Charlseworth, 2021).

Therefore, this study considers digital marketing to be marketing processes and activities executed using digital channels or means. This definition encompasses the internet, and other electronic means such as the telephone and local area networks (LAN). The study does not equate internet marketing with digital marketing; instead it consider digital marketing broader than internet marketing. The marketing processes involve those identified by Kotler and Armstrong (2018), and Kotler et al. (2020), understanding customer needs, creating value based strategy, customer relationship management, and customer value capture. Digital marketing suits the needs of marketing as it is able to ascertain, anticipate, and fulfil customer requests profitably (Chaffey & Smith, 2013).

2.4.1 Genesis and development of digital marketing

Digital marketing has developed and overtaken business processes faster than anticipated. A Google search of the term ‘digital marketing’ shows its continued growth and popularity around the world. Figure 2-3, shows Google trends’ digital marketing search worldwide.

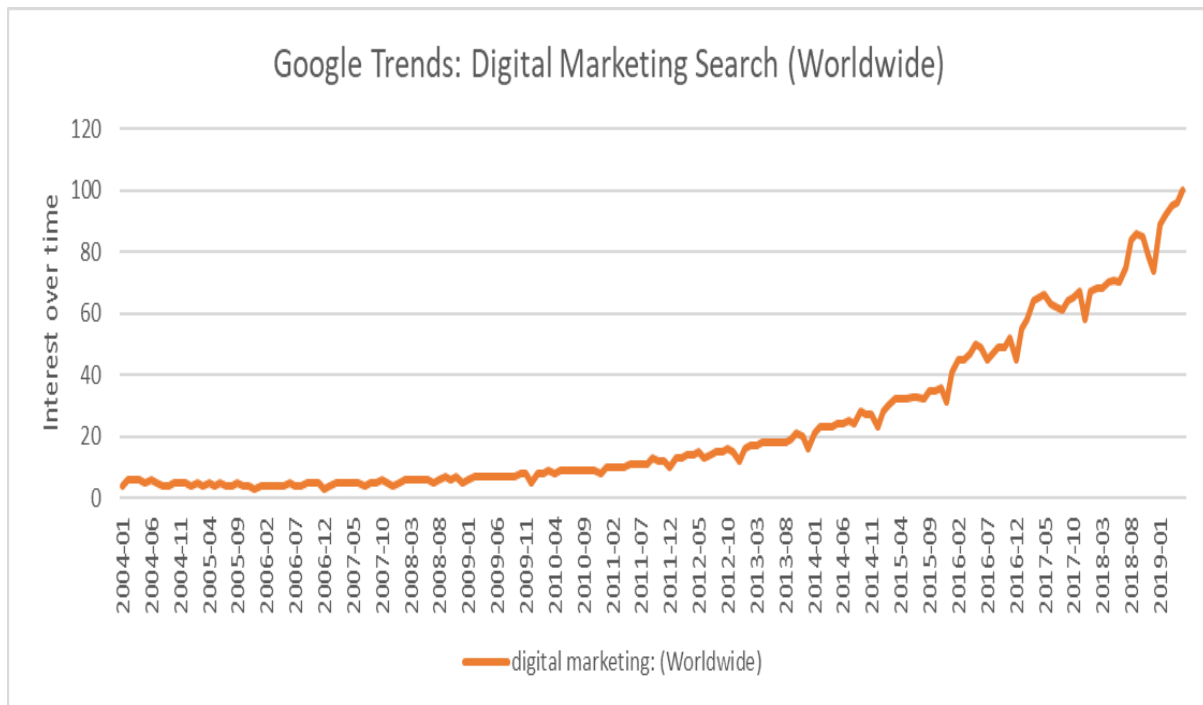


Figure 2-3 Google Trends: Digital Marketing Search (Worldwide)

Source: Google Trends

Figure 2-3 shows that digital marketing is growing as evidenced by the growth in search through Google. According to Statcounter (2019) Google is the dominant global search platform holding 92.6% market share. The increased interest over time of digital marketing implies the relevance that it continues to gain around the world. Statistics from hootsuite.com, wearesocial.com and datareportal.com also support these growth trends in digital marketing. According to Wearesocial.com, as of January 2019, of the 7.6 billion people in the world, 5.3 billion (70%) people use mobile devices whilst 4.3 billion (57%) are active internet users. These trends support the growth in digital platforms that are vital for digital marketing. Figure 2-4 below from Wearesocial.com show annual digital growth.

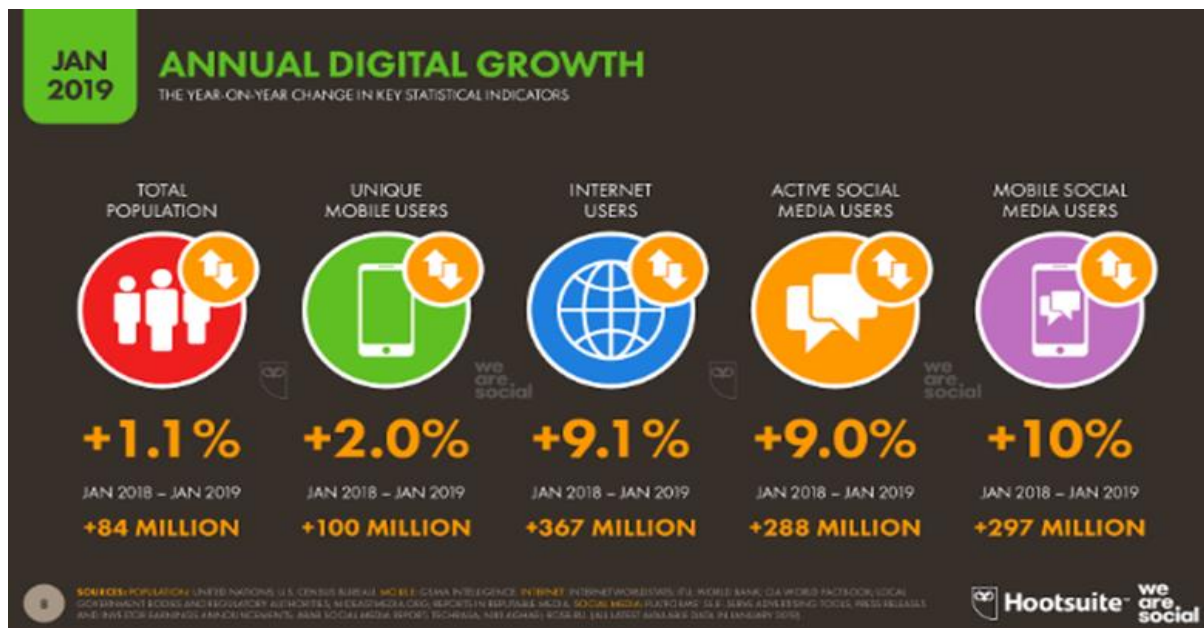


Figure 2-4 Annual digital growth

Source: Wearesocial.com

Global digital growth continues to rise with around 1million people going online every day (Wearesocial, 2019). According to Kemp (2019), the world population is growing slower (1.1%) than mobile users (2%), internet (9.1%), active social media users (9%), and mobile social media users 10%. The growth of mobile as a platform for internet is shown in figure 2-5 mobile's share of total internet time.

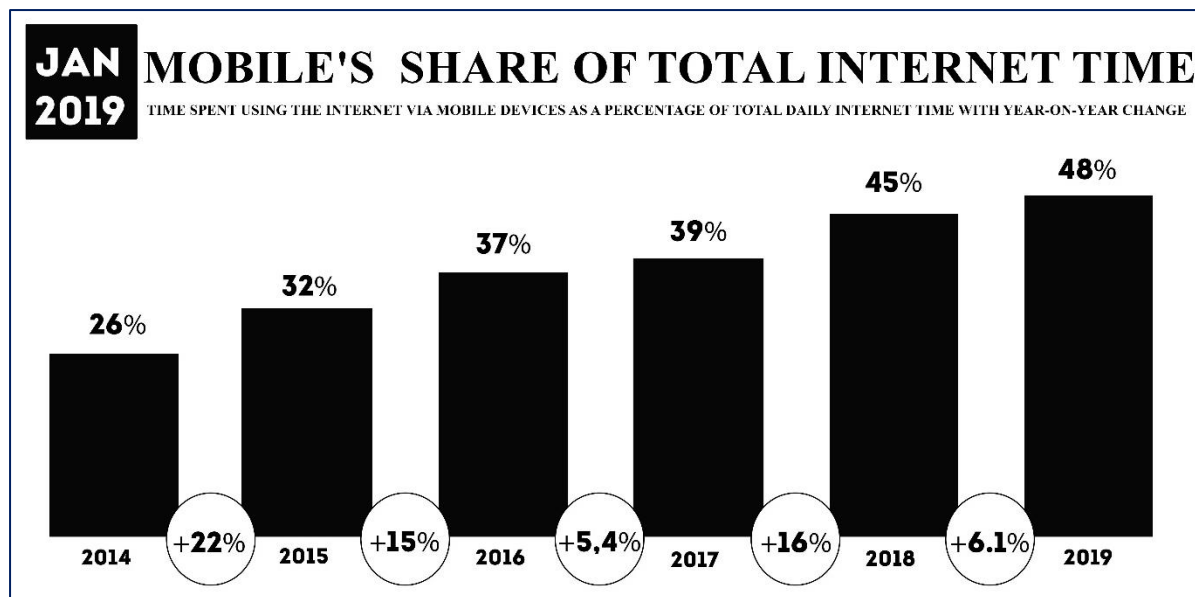


Figure 2-5 Mobile's share of total internet time

Source: Wearesocial.com

The growth in mobile internet access presents more opportunities for the development of digital marketing activities. Internet users spent about 48% of daily internet time accessing the internet through mobile devices, and this trend has been growing since 2014. Figure 2-6 summarises developments in the digital marketing space.

Personal Computing 80s	Internet 90s	Big Data Social Media 2000	Smartphones Mobile marketing Late 2000s	Digital Marketing boom
1980 IBM 1 st PC 1986 1 st database marketing software 1989 100mb capacity of computers	1990 CRM 1990 DM 1994 Yahoo 1995 16m internet users. 30mins average time online (American) 1998 Google 1999 eCRM, cloud computing	2000: dotcom bubble; digital behaviour changed; 'marketers scramble to capture digital body language' Social media infancy 2008 China overtakes US in no. of internet users Problem: Data rich but information poor	Automation fail to catch up with social media 2010 software proliferation to manage social, mobile, search & analytics	Marketers DM aggressive DM budgets grow Optimisation Consumers tech dependent CX growing Marketers flooded of choice of technologies IOT

Figure 2-6 Genesis and development of digital marketing

Source: Own construct from various online sources.

The history of digital marketing can be traced back to the 1980s with the introduction of personal computing. IBM introduced the first personal computer (PC) in 1980, with capacity limited to 100mb. The introduction and growth of the internet in the 90s (WSI, 2015) saw the birth of digital marketing (Kingsnorth, 2016). According to Kingsnorth, (2016) search engine optimisation began in 1993 with the introduction of the first banner advertisement followed by a WebCrawler in 1994.

However, internet users were very few (16 million in 1995) and could spend an average of only 30 minutes online. This limited access also negatively affected digital marketing growth. However, the dot.com bubble of the early 2000s saw a rise in big data, social media and subsequently digital marketing activities. In the late 2000s, social media grew in prominence further driving digital marketing activities. Marketers became aggressive in digital marketing, began to grow their digital marketing budgets, customer experience grew in importance, internet of things became prominent and consumers became more and more technology dependent. As shown in previous figures, digital marketing continues to grow in prominence, digital is growing, and mobile connectivity leads the pack. Today, the growth and impact of digital is indisputable.

2.4.2 Digital marketing media

According to Chaffey and Ellis-Chadwick (2016), marketers must consider three (3) main types of media channels in today's digital environment. The three media channels are paid, owned, and earned media.

2.4.2.1 Paid media

Paid media is bought media where marketers pay to access visitors, reach consumers or conversations via affiliate marketing, search and display (Chaffey & Ellis-Chadwick, 2016). Paid search and affiliate advertising are good examples of paid media. Simply put paid media is advertising and direct mail (Charlesworth, 2018).

2.4.2.2 Owned media

Owned media is media owned by the marketer or organisation. Such media includes websites, blogs, facebook pages and youtube channels. Brochures and own stores are examples of offline owned channels. The marketer has control over content (Charlesworth, 2018).

2.4.2.3 Earned media

This is publicity obtained from public relations (PR). Examples in the digital environment include electronic word of mouth through social media platforms. Earned media generally includes all conversations happening online or offline (Chaffey & Ellis-Chadwick, 2016). However, the three media channels overlap thus require an incorporated approach to campaigns, resources and infrastructure.

2.4.2.4 Importance of digital media

Digital media gives novel means of communication and information exchange (Chaffey & Smith, 2017; Chaffey & Ellis-Chadwick, 2016). The 6Is of the e-marketing mix by McDonald and Wilson (1999) are still relevant in explaining benefits of digital media in marketing (Chaffey & Ellis-Chadwick, 2016). The following table summarises these benefits.

Table 2-1 The 6Is of the e-marketing mix

Digital Media Impact (6Is)	Explanation
Interactivity	Digital media enables deep communication between an organisation and customers. Customers can initiate conversations, seek information, and marketers can easily respond, and provide more information. Digital media promotes pull models where customers initiate conversations through various search platforms thereby necessitating company visibility.
Intelligence	Digital media provides a low cost option to gather market insights and knowledge.
Individualism	Marketers through, digital media are able to personalise communications. Personalisation is enhanced by the insights gathered from customer visits and interactions on various platforms such as websites.
Integration	The Internet provides more opportunities to integrate marketing communications. Marketers have the opportunity to integrate both inbound and outbound marketing communications. For example, in inbound communications, marketers can give consumers call back opportunities, live chat options, and direct response options.
Industry restructuring	Digital media allows disintermediation and reintermediation. Disintermediation involves the removal of intermediaries such as distributors whilst reintermediation involves introducing new forms of intermediaries such as price comparison sites.
Independence of location	Digital media gives opportunities to reach global markets where companies may not have physical local representatives.

Source: McDonald and Wilson (1999) cited by Chaffey and Ellis-Chadwick, (2016)

2.4.3 Types or forms of digital marketing

Digital marketing is often confused with search engine marketing (SEM), search engine optimisation (SEO), social media marketing (SMM), e-mail marketing, mobile marketing (MM), content marketing, and affiliate marketing. However, all these forms of marketing are subjects of digital marketing. Therefore, to give a clear picture of the digital marketing domain, the following sections unpack these different types of digital marketing.

2.4.3.1 Search engine marketing (SEM)

According to Chaffey and Smith, (2013), SEM is probably the most significant digital marketing route to customer acquisition. “Search engines have been seen as the portal – front door – to the internet, and anyone looking for a product starts on a search engine” (Charlesworth, 2018:63). Accordingly, marketers always target being first or among the top search results as the first few positions are crucial in driving traffic (Chaffey & Smith, 2017; Chaffey & Ellis-Chadwick, 2016; Chaffey & Smith, 2013). According to Chaffey and Smith, (2013) there are basically two main SEM techniques for driving traffic through search engines which are;-

- 1) Search engine optimisation (SEO)
- 2) Paid search marketing or pay per click (PPC)

However, it is important to note that some authors refer to paid search marketing or PPC as SEM to differentiate it from SEO (Chaffey & Smith, 2013). In this study, SEO and PPC are subsets of SEM because SEM describes the role that search engines play beyond digital marketing to the whole field of marketing (Charlesworth, 2018). Although Charlesworth, (2018) agree that SEO is a discipline of SEM, and acknowledges that some researchers treat SEM as a sub discipline of digital marketing, Charlesworth (2018) disagrees with treating SEM as a separate sub discipline of digital marketing. Instead, he preferred to subdivide SEM into SEO and search engine advertising. However, Charlesworth (2018)’s argument fails to dispute clearly, why SEM should not be a separate discipline under digital marketing. In addition, an acknowledgement that SEO is under SEM, then later on dropping SEM for search engine advertising lacks consistency. For that reason, this study considers SEM a sub-discipline of digital marketing that contains SEO and PPC. The study considers search engine advertising to be part of paid search marketing.

2.4.3.1.1 Search engine optimisation (SEO)

Chaffey & Smith, (2013:352) define search engine optimisation (SEO) as “achieving the highest position or ranking practical in the natural or organic listings on the search engine

results pages (SERP) after a specific combination of keywords (or key phrase) has been typed in”. However, Charlesworth (2018) view search engine optimisation as misnomer as what is being optimised is not the search engine but the website or web pages. Instead, Charlesworth (2018) preferred to describe the activity as optimising the website for search engines. However the concept remains the same besides this nomenclature debate.

Rankings on SERP depend on algorithms used by the search engine and there is no charge for SEO unless a marketer engages a SEO agency. Search engines such as Google always display results from SEO on the left whilst those for paid search appear on the top right commonly labelled as ‘sponsored’. Chaffey and Smith, (2013) further claimed that marketers who appreciate search engine ranking processes are most likely to perform better than those who do not. In a related finding, Aswani, et al. (2018) established that search engine optimisation services offered by small firms are not as effective as those of established firms are. As a result, training of content creators and editors to develop content that fit search engines improves search engine results positioning. Research on click through rates (CTR) show that the first page on search results and chiefly the top three positions of results are key in driving traffic (Chaffey, 2018). Figure 2.7 shows organic clicks through rates by position.

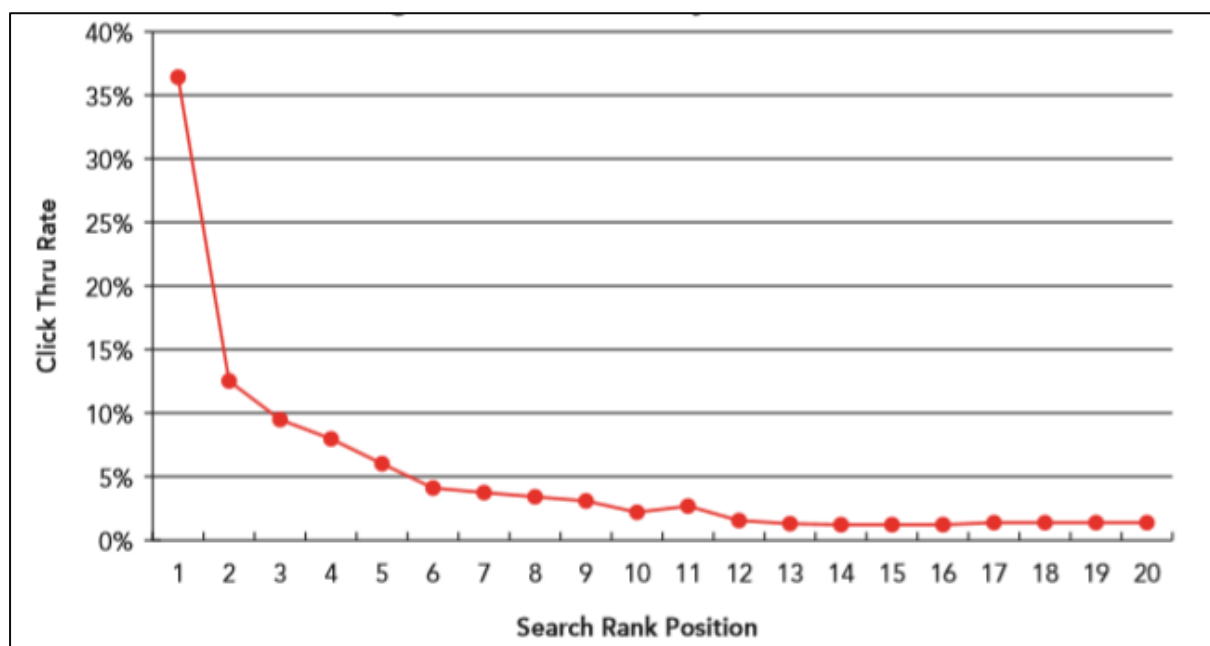


Figure 2-7 Organic click through rates by position

Source: Optify cited by Chaffey & Smith (2013).

More than 36% of clicks happen on natural search result one, with 40% divided over the remainder of the first page (Soames, 2011). The faraway a result is from the top position, the less its click through rate.

2.4.3.1.2 Paid or pay per click (PPC) search marketing

In paid search marketing or PPC, “a relevant text ad with a link to a company page is displayed when the user of a search engine types in a specific phrase” (Chaffey & Smith, 2013:368). Chaffey & Smith (2013) further claim that about a quarter to a third of all clicks goes to paid search. Paid search provides the advantage that advertisers pay only for a clicked advert – cost per click (CPC). Other models exist such as cost per mille or cost per thousand (CPM) where an advertiser pays for any 1000 views or clicks; cost per click (CPC) where advertisers pay for any clicks made and cost per acquisition in which payment is made for any transaction completed. The second benefit for paid search marketing is that it is highly targeted as search engines only display advertisements when users type specific ‘keyphrases’ (Charlsworth, 2021; Chaffey & Ellis-Chadwick, 2016; Chaffey & Smith, 2013). In addition, PPC has benefits of high accountability, predictability, straightforward as compared to SEO, being quick, and provision of branding effect together with remarketing opportunities (Charlsworth, 2021; Chaffey & Smith, 2017; Chaffey, 2015).

However, PPC can be very competitive and costly depending with chosen ‘keyphrases’. This means companies with small budgets may be limited in their use of paid search marketing. Specialist knowledge is also required to monitor and manage paid search marketing. As a result, it could be time consuming. Paid search does not guarantee clicks; search users may simply ignore them (Chaffey & Smith, 2013). Fake clicks are also possible that results in huge costs to advertises, according to Chaffey & Smith, (2013) about one out of five clicks in competitive markets could be fake. Search engines may also be losing out to social media searches, reintermediation and specific brand preferences by some customers resulting in direct brand or company search (Charlesworth, 2018).

2.4.3.2 Social media marketing

Success in social media marketing does not come from the tools or platforms but a company’s social media strategy (de Vries, et al., 2018; Chaffey & Smith, 2013). Social media “is the umbrella term for web-based software and services that allow users to come together online and exchange, discuss, communicate and participate in any form of social interaction” (Ryan & Jones, 2009: 152). Social media promotes consumer involvement, communication and sharing through digital media (Nuseir & Aljumah, 2020; de Vries, et al., 2018; Wang & Kim,

2017). Therefore social media marketing is the use of social media to achieve marketing objectives (Chaffey & Smith, 2013).

Social media enables deep engagements and capture market insights. Accordingly, social media enables organisations to stay informed, influence the market, build a profile or brand, viral market, and capture new ideas (Ryan & Jones, 2009). Social media marketing activities influence social identification and perceived value, and purchase intention (Chen & Lin, 2019). Consumers trust social media content more than advertisements (Seo & Park, 2018), thus explaining the increase in social media marketing activities. For example, Gucci updates its Facebook page three times a day and constantly tweets (Kim & Ko, 2012:1481). Although social media marketing is not optional for marketers because consumers will be talking about themselves, the company's product offerings, including its brand, and other topics pertinent to the organisation (Ryan & Jones, 2009). However, questions are emerging on the value of social media as a marketing tool (Charlesworth, 2018), more so in SMEs that have no dedicated budgets, time and proficiency (de Vries, et al., 2018).

2.4.3.2.1 Main social media platforms

Social sites and search engines are the most popular sites online (Chaffey & Smith, 2017). Although researchers have made several classifications of social sites, and most classifications do not fit into one category, there are some generally accepted classifications (Ryan & Jones, 2009). The Smart Insights (2012) 'social media radar' formulates the basis for social media platforms discussed in this study because it classifies the social platforms and gives an indication of their general importance to marketers. However, it must be noted that marketing is contextual so social platforms that are critical in one market may not be in another.



Figure 2-8 Social media marketing radar

Source: Smart Insights (2012) cited by (Chaffey & Smith, 2013).

2.4.3.2.1.1 Social networks

Social networking sites such as Facebook, LinkedIn, and Twitter generally come to mind when users mention social media. These social network sites allow users to easily find, and connect in new interesting ways at the same time giving opportunities to reconnect and strengthen new relationships (Alrwashdeh, et al., 2019; Ryan & Jones, 2009). A study by Kim and Ko (2012), found Facebook and Twitter to be the mainly used platforms for social media marketing activities for luxury brands in the United States of America. However, de Vries et al. (2018) found Facebook to dominate food product sales.

Benefit to marketers

Marketers can easily advertise their products, as social networks give flexible and less costly advertising opportunities (de Vries, et al., 2018). Social networks increase online brand visibility, and provides opportunities to recruit and grow brand advocates (Ryan & Jones, 2009; Hanna, et al., 2011; Seo & Park, 2018).

2.4.3.2.1.2 Social bookmarking

Social bookmarking sites permit users to ‘store’ their bookmarks to their much-loved web resources and manage the bookmarks using tags (Ryan & Jones, 2009). Tags enable users to easily identify and access their saved content. Social bookmarking stores the saved content in the cloud unlike being on a single machine’s hard drive, thus social bookmarking promotes sharing.

Benefit to marketers

Social bookmarking promotes the sharing of content thus increasing visibility for a company’s products. Marketers can increase traffic to their websites by creating shareable links and content.

2.4.3.2.1.3 Social media submission sites

Instead of saving personal bookmarks, “users submit articles, videos, podcasts and other pieces of content they think the broader community would appreciate media submission sites” (Ryan & Jones, 2009). Users vote on submitted content, and more votes help drive content to the firm’s website. In addition, marketers can tap into consumer conversations on the posts that provide market insights.

Benefits to marketers

Social media submissions help marketers identify the most preferred content, assess why it is preferred and improve their own. Marketers are also able to identify ‘hot’ topics and capture conversations around those topics for the organisation’s benefit. Finally, marketers can use social media sites to boost their brand, position themselves and influence the market. This is possible through posting interesting, relevant, and valuable content that generates interest in users.

2.4.3.2.1.4 Media sharing sites

Media sharing sites allow users to “upload, share, comment, and discuss” on uploaded media files (Ryan & Jones, 2009). Such sites include YouTube, Slide share, and Flickr.

Benefit to marketers

Media sharing platforms enable marketers to capture easily market insights by analysing usage trends, comments, reviews and re-sharing. These platforms also help marketers to distribute content to various users thus increasing visibility.

2.4.3.2.1.5 Social blogging

Blogs have empowered bloggers (users) to easily generate and share content. Blogs are easy to set up as such have become a vital tool for communication. Although millions of blogs exist, only a few manage to attract the target audience and thus have an impact. Companies can benefit immensely from blogs, however marketers must be able to engage leading bloggers in their industry, ensure that their blogs are leading in search engines, and promote maximum e-word of mouth.

Benefits to marketers

Blogs offer wide opportunities to increase market exposure and engage consumers across the globe (Charlesworth, 2018; Ryan & Jones, 2009). Although traditional press releases are good, blogs can result in wide reach, traffic, and more online links. However, Ryan and Jones (2009) recommend marketers not to use blogs for product promotions, instead marketers must engage in social personal touch that give customers more value, information, guidance, answers and largely improve customer experiences with the company.

2.4.3.3 E-mail marketing

According to Ryan and Jones (2009), email marketing is “a fusion of marketing savvy and the imaginative copy”. Basically it is an email containing a sales offer and a ‘request to act’ sent to a customer (Chaffey & Leszczynski, 2017). However, emails can still be used even without something specific to market but to promote a brand, credibility, and maintain relationships (Chaffey & Smith, 2013). For example an agro-processor can inform its customers about new food handling regulations, healthy benefits of a particular ingredient or a mere weekly newsletter. Chaffey & Leszczynski (2017), in their report on ‘email marketing and market automation, email excellence 2017 established a number of findings on the state of email marketing around the world. Amongst these findings was the revelation that digital marketers around the world regarded email as the most effective (above social media marketing and SEO) juxtaposed to other digital marketing channels. As a result there was a growth in email marketing investments. However, the same study identified limited sophistication in email marketing. Although the role of email as a social communication medium is declining, its

importance in business communication continues to grow (Charlesworth, 2018; Chaffey & Leszczynski, 2017; Ryan & Jones, 2009). E-mail marketing is one of the most influential digital marketing tools that support customer acquisition and customer relationship management (Charlesworth, 2018; Chaffey & Leszczynski, 2017; Ryan & Jones, 2009). Email marketing is one of the fundamental digital marketing tools that has a proven return on investment (ROI) (Charlesworth, 2018; Ryan, 2014; Lewis, 2018). Identified top benefits of email marketing are lead generation, improved sales, conversion rates, reduced marketing costs and finding quality leads. Email remains one of the principal reasons for people to go online as such email is the most preferred way of brand communication, and largest influencer across generations (Charlesworth, 2018). Chaffey and Leszczynski, (2017) emphasised the need for digital marketers to always audit and improve their digital marketing capabilities. According to Ryan and Jones, (2009), email marketing can be successful if marketers provide interesting and valuable messages to expectant customers who recognise and value the brand.

2.4.3.4 Affiliate marketing

“Affiliate marketing is where you promote your products through a third-party website in exchange for paying a commission or fee to the website when an action is taken” (Kingsnorth, 2016:10). It is a performance-based guise of marketing where a commission is received for every completed transaction or any agreed objective that is attained (Charlesworth, 2018). There are basically two types of affiliates, the amateur and the professional. According to Charlesworth, (2008) the amateur takes affiliate marketing as a part time activity, and for that reason only little income is made from the business. However, the professional (network affiliate) takes affiliate marketing as a business model which brings more sales, charges high commissions and targets volumes.

2.4.3.5 Mobile marketing

“There are more Android activations every day than there are babies being born!” (Dodson, 2016).

According to the Mobile Marketing Association, mobile marketing refers to a “set of practices that enables organisations to communicate with and engage with their audiences in an interactive and relevant manner through and with any mobile device or network.” Simply put mobile marketing involves marketing using mobile devices. Mobile devices continue to grow and outshine the desktop world (Dodson, 2016) as such marketers must comprehend mobile marketing opportunities. Mobile devices continue to grow in influence with users generating, storing and sharing a lot of content every day (Ryan, 2014). A smart phone is currently the best

tool to reach a wide market of digital marketers (Dodson, 2016). There is no platform that is as personal, pervasive and close as a mobile phone (Mobile Marketing Association, 2019). GSMA, (2019) reports that about 67% (5.1 billion) of the world population subscribed to mobile services with 47% (3.6 billion) accessing mobile internet. As a result, mobile marketing remains central to digital marketing (Ryan, 2014). Various forms of mobile marketing exist such as short message service (SMS) marketing, video marketing, location-based marketing, and mobile application based marketing. Digital platforms such as applications (apps) remove time and location barriers when communicating with customers (Chen & Lin, 2019).

Benefits to digital marketers

Mobile marketing provides personal amplified connectivity with users on their personal devices (Dodson, 2016). As such, mobile marketing provides immediacy in access. According to Dodson (2016), “37% of 18-24 year olds will see their messages within an hour whilst 55% of those aged 25-40 years will see their messages in three hours.” Dodson (2016) further revealed that people generally check their phones every 6.5 minutes, and the mobile phone is the most widely accessed technological gadget. Therefore, this amplified access provides incredible opportunities for marketers to access the market. In addition, mobile marketing enables speedy distribution especially with the use of mobile apps. For example, Angry Birds (an app) took 35 days to reach 50 million users, whilst sites such as Facebook took 3,5 years and TV took 13 years to reach the same audience (Citigroup cited by Dodson, 2016).

A seamless customer experience has emerged to be one of the key success factors in digital marketing. Mobile marketing, through advancements in mobile wallets, payment systems, and seamless touch platforms, users can easily browse, select and transact.

However, mobile devices - the driving force behind mobile marketing, have empowered consumers to the level digital marketers find difficult to cope. Everything can go viral in a matter of seconds; as such digital marketers need capabilities to respond immediately to any customer queries (Dodson, 2016). In addition, mobile marketing is still new territory that digital marketers must be ready to experiment and learn along the way.

Digital marketers can as well use mobile marketing to build awareness, encourage conversations, gather market insights, target marketing, and engage customers (Ryan, 2014).

2.4.3.6 Content marketing

According to the Content Marketing Institute, content marketing is “a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience — and, ultimately, to drive profitable customer action”. This entails providing useful and relevant content to customers instead of product offers. Content marketing is valuable to an organisation’s bottom line, and is beneficial to customers; as such, both small and large businesses employ it (Content Marketing Institute, 2019). For content to be valuable, it has to be entertaining and educational (Fisbein, 2014; Diamond & Clifford, 2016). Content includes text, webinars, videos, and podcasts as such require skilled digital marketing personnel.

The Content Marketing Institute argues that content marketing must be part of every marketing process, as “marketing is impossible without great content”. This means an appropriate content marketing strategy must accompany all the other digital marketing tools or channels. In addition, every organisation’s goals or mission must reflect content marketing (Diamond & Clifford, 2016). A study by Wang et al (2019) found that the more a client engages with digital events or content on websites the more chances for sale or winning the customer. As such, digital content marketing improves customer relationships, engagement efforts and business outcomes (Wang, et al., 2019).

Benefits to the digital marketer

Content marketing helps to improve sales, brand awareness, generate leads, create loyalty, customer retention and reduce costs (Charlesworth, 2018; Content Marketing Institute, 2019; Fisbein, 2014). Digital marketers can attract customers through content, then engage the attracted customers by building relationships and finally acquire them as they become customers (Fisbein, 2014). People create exposure by sharing content that attracts traffic. Fishbein, (2014) provided further insights in which content marketing attracts, engages and acquire customers. Content marketing establishes authority while content production helps create authority that converts followers to customers (Charlesworth, 2018). At the same time, digital marketers build relationships through rapport and trust created between consumers of content and the publisher. “Content makes a company and its products relevant, accessible, and believable” (Lieb, 2012). Content marketing gives access to a wider audience as people tend to search for information, and share content more than products. In addition, content marketing improves SEO through onsite and offsite links. Active content marketing leads to regular site

updates that give a plus on search engines such as Google. Meanwhile, shared content provide further links to the site, which Google ranks high in SEO. As such, the prominence to quality digital content by SEO algorithms and social media growth has resulted in amplified relevance of content marketing (Charlesworth, 2018). Content marketing is ‘targeted’, thus has high impact. Finally, but importantly content marketing gives ready access to emails that are a valid asset for email marketing. Digital marketers can freely collect emails through subscriptions to content.

2.4.4 Why digital marketing?

It cannot go without mention that all the previously identified benefits of various digital marketing channels or types explicate the overall importance of digital marketing. Digital marketing is taking over traditional media as a means to reach consumers (Ryan & Jones, 2009; Fisbein, 2014). Although still new in some emerging markets (Shalton, 2016), digital marketing is beginning to mature (Ryan & Jones, 2009). The strategic value of digital marketing is growing because of changing consumer needs, wants, and demands. Consumers today have more control because of new technologies such as the web, social media and mobile devices that are enabling great connectivity, unlimited access and more power to communicate with speed (Dumitriu, et al., 2019). As a result, marketers got no better option than to change customer engagement approaches (Ryan & Jones, 2009; Wymbbs, 2011) and dive into the digital marketing era. The following sections underscore the importance of this new marketing tool.

2.4.4.1 Firms reach wide markets at low cost

Digital marketing allows firms to increase sales, value-add, reduce costs, extend brands and develop customer relationships (Heini & Heikki, 2015; Chaffey & Smith, 2013; Gilmore, et al., 2007). This is possible because of the increased connectivity of digital media, which is the driving force of digital marketing. Digital channels allow firms to overcome constraints of geography, and be able to reach wide markets (Chaffey & Smith, 2017; Gilmore, et al., 2007; Ryan & Jones, 2009). The internet broadens the marketing scope and enables a restrict focus at the same time. In addition, digital marketing allows firms to reach targeted segments precisely (Ryan & Jones, 2009), improve cost efficiency (Kotler & Keller, 2016) and huge savings through online price comparisons, auctions, and increased market access.

2.4.4.2 Improves firm-customer interactions

Digital marketing leads to customers being at the centre of business activity, leading engagements, interactions, product developments and other forms of engagement (Chaffey & Smith, 2017; 2013). Digital channels improve customer engagement and retention when supported by an appropriate strategy (Chaffey & Ellis-Chadwick, 2016; Ryan & Jones, 2009). Marketers have more options to engage and interact with customers as digital marketing activities offer two-way marketing communications (Chen & Lin, 2019). However, Chaffey (2015) noted that there is a danger that marketers can easily lose control. Digital media, which is the backbone of digital marketing, improves communications (Kotler & Keller, 2016; Heini & Heikki, 2015; Gilmore, et al., 2007) between an organisation and its customers. This communication is crucial in laying order, delivery, product availability, and other service information. In addition, the marketing environment changes, requiring more interactions and deep customer interactions (Stone & Woodcock, 2014).

2.4.4.3 Customer understanding

The increased connectivity offered by digital channels provides an opportunity for marketers to easily capture customer conversations and deduce meaning (Kotler & Armstrong, 2018; Ryan & Jones, 2009). Digital marketers must constantly assess platforms used by customers to access digital marketing services (Chaffey & Smith, 2013; Chaffey & Ellis-Chadwick, 2016). Regular customer contact allows digital marketers to understand their customers effectively. Understanding customers is crucial because the extensive and empowering character of digital technology is changing consumer behaviour daily (Ryan, 2014; Ryan & Jones, 2009). Firms that enjoy long term profitability are those that are able to anticipate and quickly respond to customer needs (Kotler, et al., 2020; Day, 1994). The growth in mobile technologies such as smartphones continues to empower consumers by making them more knowledgeable, have access to wide information and can thus easily complain (Dodson, 2016; Stone & Woodcock, 2014). This is a crucial thinking point for a market such as Zimbabwe where internet access is mainly through mobile devices.

2.4.4.4 Digital channels are a rich source of information for consumers

Consumers search for information, products, prices and other purchase decision related information before making a purchase decision. They make decisions based on quality of information obtained from online channels. Therefore, digital marketing is crucial since it provides information that aids consumer decision making (Ryan & Jones, 2009:22). Logistics

are easily traced in real time giving more information to customers (das Nair & Landani, 2020; Stone & Woodcock, 2014).

2.4.4.5 Improved brand visibility

Digital marketing provides online visibility as well as aids sales, communication, and customer service (Charlesworth, 2018; Heini & Heikki, 2015). Online brand visibility is imperative to creating online competitive advantage. The speed and low cost opportunities offered online help firms to quickly tap into the dynamic digital consumer behaviour (Heini & Heikki, 2015). This visibility is important for Small to Medium Enterprises (SMEs) competitive capability regardless of their location. Gilmore, et al., (2007) argues that digital marketing removes competitive disadvantages of SMEs in marginalised areas through low marketing costs, improved brand visibility and marketing communications. In another study, Seo & Park, (2018) found that social media marketing, a key component of the digital marketing matrix has significant positive effects on brand awareness and brand image.

2.4.4.6 Improved customer relationships

The process of dialogue now dominates marketing as opposed to one-sided conversations (Kotler & Keller, 2016). The high interaction capability of digital marketing allows customised relationships with consumers (Ryan & Jones, 2009). Relationships help SMEs to strengthen their long established personal links and nurture new ones. Close relationships assist SMEs with market and competitor information (Kotler & Keller, 2016). Digital channels allow easy access and conveyance of information (Tiago & Verissimo, 2014).

2.4.4.7 Broaden business scope

According to Ryan and Jones (2009) digital marketing broadens business scope. This is possible because according to Chaffey and Smith (2013) digital marketing is broader than e-commerce as digital marketing goes beyond transactions to identifying customer needs, understanding, and building customer relations.

2.4.4.8 Easy market research

Increased connectivity, interactions, and relationships offer less expensive market research opportunities. According to Gilmore et al. (2007) digital channels facilitate market research, thus affording organisations product offerings that satisfy customer demands. Digital channels give firms access to big data that when analysed presents a massive competitive weapon (Orlandi, 2016). In addition, digital channels empower consumers to control and participate in product development since they can easily define what they want (Dey, et al., 2020; Hamill, et

al., 2010). The research process in online environments is short, quick and fast thereby attaining cost savings and more engagements to the organisation.

2.4.4.9 Access to reach global markets with limited resources

Digital marketing channels present firms with an opportunity to reach global markets with limited resources (Sheth, 2020; Gilmore, et al., 2007). Unlike traditional marketplace firms, little financial resources are required to access foreign markets. Web presence and other communication technologies reduce international market entry barriers especially to small firms that traditionally experience capacity limitations. Global markets are essential in offsetting contracting home markets and increased local competition (Gilmore, et al., 2007). Digital marketing improves visibility in export markets (Teleghani, et al., 2013). It has an impact on customer, distribution and research related activities (Kotler & Keller, 2016). International customers can easily search for information and products, place orders, and make payment. This contributes to elimination of internationalisation barriers for SMEs (Hamill, et al., 2010). The speed in internationalisation brought by digital marketing also contributes to more opportunities to connect with global markets.

2.4.4.10 Reduce risks and costs for SMEs

According to Hamill, et al. (2010), digital marketing reduces risks and costs for SMEs. Risks are eliminated through easy access to market intelligence, collaboration, and wide information sharing opportunities. The high levels of collaboration, and co-creation enable SMEs to easily tap into international opportunities, thus significantly cutting the internationalisation process.

2.5 DIGITAL MARKETING USAGE AND CHALLENGES IN SMEs.

Extant research (Heini & Heikki, 2015; Gilmore, et al., 2007; Cruz-Cunha & Varajão, 2011) shows wide disparities in usage and realised benefits of digital marketing in SMEs. Chaffey and Smith, (2013) found that good digital marketing is scarce as evidenced by lack of interactive platforms, slow or non-response, dead links and poor deliveries as such, there is need for new models and ways of doing business that fit into the digital marketing context. Gilmore, et al., (2007) on studies of e-marketing usage by SMEs in Northern Ireland (carried between 2000 and 2004), found that SMEs usage of e-marketing was high but benefits questionable with little sales observed. Gilmore, et al., (2007) further claimed that digital marketing is still young and its performance influence is limited in most SMEs. Digital marketing capacity and potential is not fully utilised. In another study, Royle & Laing (2014)

found that SMEs implement digital marketing haphazardly and have limited depth of digital marketing issues. Gilmore et al. (2007) identified several reasons to lack of full realisation to digital marketing benefits chief among them being limited time, people, and skills. Lack of skills resulted in lack of professional websites and sound performance measurement systems resulting in huge gaps between potential and reality. Skill shortages also negatively affected SMEs website updates (Ratten, 2018; Ekerete & Ekanem, 2015). The majority of SMEs utilise digital marketing poorly compared to big organisations (Heini & Heikki, 2015). Although Heini and Heikki (2015) established that websites, SEO and social media were the frequently used digital channels, existing research shows that most SMEs do not have websites. Nordahl (2017) cited by Charlesworth (2018) found that “60% of small business globally” do not have websites. In another study in the UK, about two (2) million small businesses were found to be operating without websites yet websites could improve their revenues (Enterprise Management 360, 2017). The World Bank Enterprise Surveys (2016) found only 38.7% website usage in Zimbabwe manufacturing firms whilst it was 29.3% in Sub Saharan Africa. These low figures of digital marketing usage are worrisome considering the perceived digital marketing benefits. Gilmore, et al., (2007) therefore urged mmarginalised SMEs to go beyond simple websites to gain from digital marketing. Chaffey and Smith, (2013) summarised causes of digital marketing failure as shown in figure 2.9.

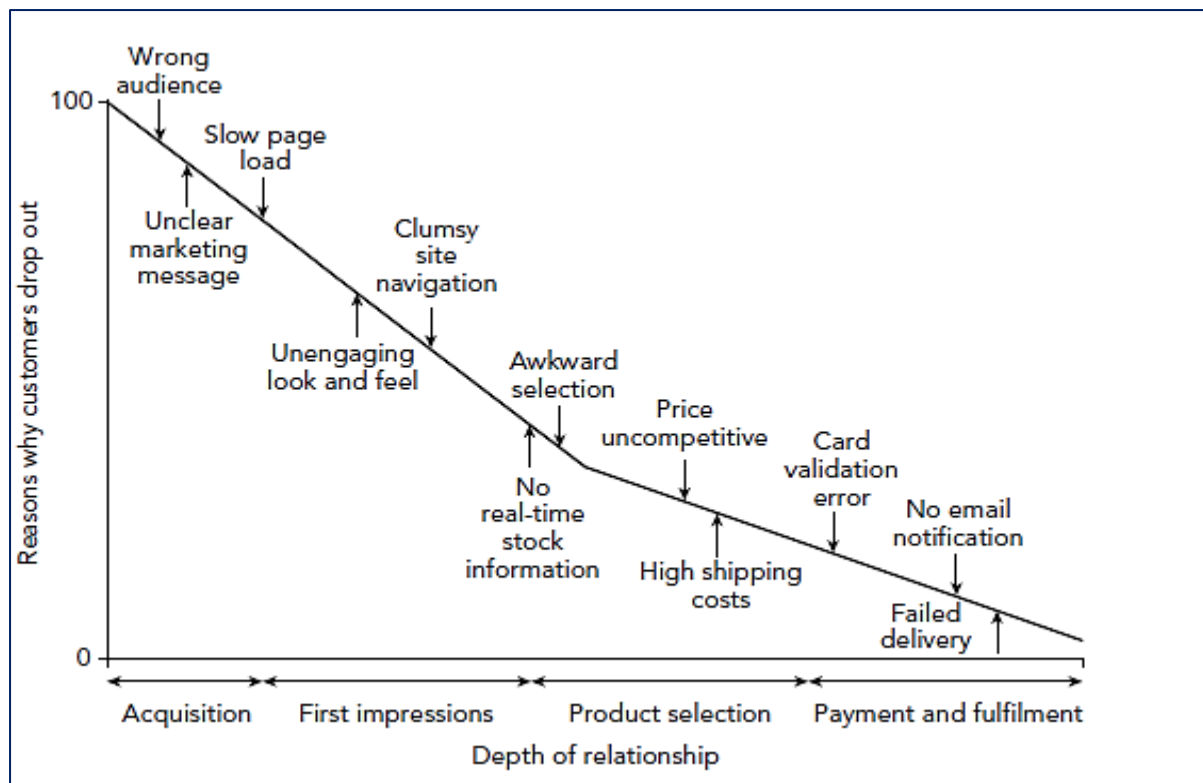


Figure 2-9 Causes of digital marketing failure

Source: Chaffey & Smith, (2013).

Respectable digital marketing is fairly rare. According to Chaffey and Smith (2013), digital marketing failures occur at various levels such as acquisition, product selection and payment & fulfilment. Some of the causes of digital marketing failures are unclear marketing messages, unengaging appearances, failed delivery, slow web pages and lack of real time information, lack of interactivity, poor website design, slow response, and limited payment options. Although the list is infinite, it guides on explanation of digital marketing shortcomings. Unclear objectives, strategy deficiency or crummy implementation cause poor digital marketing (Chaffey & Smith, 2013). Ryan & Jones (2009: 46) also identified technology, skills, budget & resources, business priorities and regulations as main challenges affecting digital market performance in SMEs. Although consumers are adjusting to the digital environment, most firms find it difficult to cope with the rapid change (Ryan & Jones, 2009; Orlandi, 2016). The changes in technology and business environment call for new skills set (Ryan & Jones, 2009; Charlesworth, 2018). Established business culture has to change and everything has to happen in real time. Consumers now expect interactive websites, accessible on any device and customisable to meet personal needs (Ryan & Jones, 2009). The following sections detail some of the main challenges in implementing digital marketing especially in SMEs.

2.5.1 Technology

According to Ryan and Jones, (2009) digital marketing requires technology but it is not heavily reliant on it. It is possible to execute digital marketing without investments in technology. For example, when an organisation uses paid search, search engine optimisation or email marketing. In this case, an organisation does not need any huge financial investments in the technology. However, technology poses a challenge due to its lack of history on performance. History has bias towards failed technologies, so organisations become hesitant to adopt new technologies especially with no back up plan. It is often difficult to obtain management support for new technology adoption mainly due to associated risks. Gilmore, et al. (2007) and Royle and Laing, (2014) also found that SMEs stakeholders such as customers and suppliers were not up to date with technologies with customers lacking access and websites and marketing strategies poorly designed.

There is also lack of consensus on digital marketing technology with researchers such as Ryan and Jones, (2009) arguing that technology is necessary but an organisation does not necessarily need to own it. Disagreements also emanate from what kind of technology constitute digital marketing (Shalton, 2016). In addition, there are no studies on best configuration of digital marketing tools and techniques for improved market performance (Dumitriu, et al., 2019).

2.5.2 Skills

Several researchers (Royle & Laing, 2014; Chaffey & Smith, 2013; Cruz-Cunha & Varajão, 2011; Heini & Heikki, 2015; Gilmore, et al., 2007) found that there are wide digital marketing skills gap. Digital marketing skills refers to “knowledge and awareness of digital marketing and its applications” (Royle & Laing, 2014). The speed at which technology and consumer behaviour evolves requires new skills yet existing employees generally lack experience in the situation. There is no data or history to refer to when assessing new opportunities. There is need to train or recruit people with new skills to be successful. An internal or external resource person can do training. Training existing employees is cheaper than making them redundant to recruit new skills. Although recruitment can be slow and expensive, it always brings the required skills. Target people, who do not only build links, but also develop content the market will seek to connect to, instead of pushing messages, develop content customers find valuable and seek to engage (Ryan & Jones, 2009). Gilmore, et al. (2007), and Heini and Heikki (2015), suggested that SMEs lack digital marketing skills, as owners tend to be generalists thereby relying on external service providers who later frustrate. Human capital challenges result in

poor execution of digital marketing strategies and tactics. According to Gilmore, et al. (2007) most SMEs fail to update their websites regularly, measure performance and implement appropriate security systems. These shortcomings negatively affected implementation of digital marketing. Heini and Heikki, (2015) also found that SMEs do not regularly use digital channels to instigate dialogue. Major obstacle was resources including knowledge and human capital.

In their study, Gilmore, et al. (2007) established that most SMEs were not fully realising the benefits of digital marketing. The majority were not able to measure performance and as a result could not tell how much has been realised from digital channels. Furthermore the SMEs did not easily recognise internal communication benefits, because by their nature, SMEs have limited employees so communication was easily done in the traditional way. Gilmore et al. (2007) further suggested that wide markets opportunities from digital marketing have the potential to expose SMEs inabilities to serve such expanded markets. Gilmore et al. (2007) identified a challenge of organisational effectiveness, few prospects turned to actual customers and actual sales disappointing.

The emergence of big data requires new skills to make marketing sense from the data and these skills are still missing (Foltean, 2019; de Ruyter, et al., 2018; Royle & Laing, 2014). Skills are required to develop and utilise technology that fish information from huge data sets instead of relying on marketing research. According to Royle and Laing, (2014) some of the utmost valuable digital marketing skills are “website construction; maximising the potential of social media such as Facebook and Twitter; Search Engine Optimisation (SEO); mobile applications; customer conversion and knowledge of digital analytics for evaluating the effectiveness of digital approaches”. Royle and Laing, (2014) further argued that without appropriate digital marketing skills, firms lose competitive advantage, fail to neither connect with customers nor convert prospects into buyers. Also, analytics become poor leading to weak decisions.

Lack of expertise in developing and managing digital marketing programs also presents complexity challenges (de Vries, et al., 2018). To attain benefits of digital media discussed earlier, digital marketers must be able to configure the campaigns which may call for either in-house or outsourcing of skills (Chaffey & Ellis-Chadwick, 2016). In support of this, Chaffey and Leszczynski (2017) found data quality and knowledge as some of the leading challenges to market automation facing digital marketers around the world.

2.5.3 Lack of finances

Gilmore et al.(2007) also found that SMEs lack finances as such they end up focussing where real tangible benefits can be realised. This is compounded by the inability of SMEs to effectively measure digital marketing performance. Gilmore et al. (2007) also found that it was costly for SMES to create and maintain websites as such lack of finances negatively affects digital marketing implementation. For example, Chaffey and Leszczynski (2017) found low budgets as one of the top challenges negatively affecting digital marketers' marketing automation efforts.

2.5.4 Responding to market changes

The digital environment is constantly changing (Kotler, et al., 2020). For example, Google constantly updates its platforms to offer enhanced capabilities. Competitors are increasingly advancing and improving their capabilities while customers are becoming more difficult to understand, their influence continues to grow especially through social platforms, and more data continues to be generated in the process (Kotler, et al., 2021). Digital marketers therefore find it difficult to respond to the technological changes and the market at large (Chaffey & Ellis-Chadwick, 2016). Related to this challenge is the issue of attracting attention in digital marketing platforms. Not every online user views online paid adverts and click rates of adverts on social networking sites can be very low (Chaffey & Ellis-Chadwick, 2016).

2.6 TOWARDS DIGITAL MARKETING SUCCESS

Findings of researchers such as Heini and Heikki (2015); Gilmore et al. (2007); Chaffey and Smith (2013); Royle and Laing (2014) suggests that poor websites, poor measurement systems, lack of online payment facilities, lack of notifications, and inability to fully realise digital marketing benefits could be connected to resource issues such as technology, skills, human capital, finance and knowledge among others. The following section therefore unpacks the concept of resources, marketing resources and marketing performance.

2.6.1 Resources

Different researchers define resources differently although there is a growing consensus on the contribution of resources to marketing and organisational performance. Some resources are problematic to neither define nor measure (Lynch, 2009) as a result several definitions and classifications exist.

According to Lynch (2015), resources are assets (tangible and intangible) semi permanently attached to a firm. They are “inputs into production processes – which is the basic unit of analysis whilst a capability is the capacity for a team of resources to perform some task or activity” (Grant, 1991:118). Lynch (2015; 2009) classified resources into three, tangible, intangible and capabilities. Tangibles are those resources that are physical whilst intangible are nonphysical resources. Some authors refer to capabilities as distinctive competences and core competences (Grant, 1991; Lynch, 2015). Capabilities according to Lynch (2009:123) are the “skills, routines, management and leadership of the organisation” and Grant (1991) considered capabilities to be complicated organisation of individuals as well as other resources. It is a routine. “Capabilities are complex bundles of skills and collective learning, exercised through organisational processes that ensure superior coordination of functional activities”, (Day, 1994:38). Resources are rarely beneficial on their own unless they are organised to create competitive advantages for the firm (Milfelner, et al., 2008). This study adopts these views of capabilities and generally considers them as capacity to organise and bring other resources together. However Lynch (2015; 2009), acknowledged that capabilities are intangible resources by definition, although separated because of their special role. This study considers capabilities to be a special type of intangible resources as such are considered separately. Resources do not contribute equally to competitive advantage, advantage generating resources offer superior customer performance (Barney & Hesterly, 2015; Hooley, et al., 2005; Barney, 1991).

Resources lead to capabilities whilst capabilities give a firm competitive advantages (Grant, 1991:119). Grant (1991:122) noted that “there is no predetermined functional relationship between resources and capabilities”. Available resources determine what a firm can do although the main component of the relationship is the ability to organise and bring together different teams (Hitt, et al., 2017; Grant, 1991). Resources change with time, what is a resource today can be a weakness tomorrow or in a different industry environment (Barney, 1991; Barney & Hesterly, 2015) especially in this dynamic digital marketing environment.

Resources are key to an organisation’s strategic direction and profit generation (Barney & Hesterly, 2015; Grant, 1991). Firm resources and capabilities are better than external environment considerations in outlining strategic direction in a turbulent environment. Focus on internal resources enables an organisation to adapt quickly to external market forces. Barney, (2013); Day, (2014) and Grant (1991) further suggested that resources are at the centre of corporate profitability as they are a source of competitive advantage, which is one of the main drivers of profitability. Grant (1991) and Hitt, et al., (2017) argued that the central

arguments of competitive strategy literature that focus on strategic positioning taking consideration of costs, differentiation, focus or broad market scope, all come back to resources. According to Grant (1991), cost advantages rely on exclusive process technology, low cost resources, and scale efficiency, which are all resources. The same applies to differentiation, which relies on resources such as brand reputation, patents, and exclusive networks. Resources give competitive advantage that then translates to profitability of the firm. Grant, (1991) argued further that even market power together with monopoly rents are all rooted in resources. According to Grant (1991), and Porter, (2008) barriers to entry, which is a condition for market power, rely on patents, networks, experience, and brand reputation. Even industry standards, are collectively owned resources which act as barriers to entry. Therefore, resources are at the centre of it all.

However classification of resources remains difficult. For example, Grant (1991) suggested six main categories: financial, physical, human, technological, reputation and organisational resources, Barney (1991), three types whilst Wernerfelt (1984) suggested two broad types as shown in table 2.2.

Table 2-2 Types of resources

Author	Identified resources
(Grant, 1991) Six main categories: financial, physical, human, technological, reputation and organisational)	Patents, brands, employee skills, retaliatory capability, market share, firm size, financial resources, processing technology, plant size, access to low cost raw materials, brands, product technology, marketing, distribution and service capabilities
(Barney, 1991)	Three main categories: physical, human, and organisational capital resources. Physical: technology, plant & equipment, location and raw material access. Human: training, experience, judgement, intelligence, relationships & insights. Organisational: formal reporting structures, formal & informal planning, controlling, & coordinating systems and informal relations.
(Wernerfelt, 1984)	Tangible & Intangible: Brands, knowledge of technology, skills, contracts, machinery, efficient procedures and capital.

Source: Own construct

2.6.2 Marketing resources

No classification of marketing resources or resources in general is widely accepted (Milfelner, et al., 2008; Lynch, 2015, 2009). Marketing resources are resources that create value in the marketplace (Hooley, et al., 2005). “Marketing resources are any attribute, tangible or intangible, physical or human, intellectual or relational, that can be deployed by the firm to achieve a competitive advantage in its markets” (Hooley, et al., 2005:19). Examples of such resources are brand reputation, customer relationships and market orientation (Kotler, et al., 2020). Marketing resources are “the assets available to marketers and others within the organisation that—when transformed by the firm’s marketing capabilities—can create valuable outputs” (Morgan, 2012:3). Marketing resources are crucial in the development of competitive advantage and organisational performance (Milfelner, et al., 2008). Organisational performance relates to growth in sales and profitability as well as strategic objectives (Hutler et al., 2004 in Milfelner, *et al.*, 2008). A unique characteristic of market driven organisations is their ability to execute market sensing and connect with customers (Day, 1994; 2011).

In trying to classify marketing resources, Hooley et al. (2005) proposed two types of resources, market-based and marketing support resources. Market-based are resources that are deployed to directly create a competitive advantage in the market whilst market-support contribute indirectly to competitive advantage by supporting marketing activities. According to Hooley, et al. (2005) the first category of market based assets are outside-in or customer linking capabilities developed by Day (1994). Customer linking capabilities comprise capacity to recognise customer desires and wants together with capacity to develop relevant customer relationships. These resources are difficult to copy and take time to develop, relying on tacit knowledge and relational skills (Barney & Hesterly, 2015). Consequently as argued by Day (1994) and Hooley, et al. (2005) these are the most precious resources of an organisation. The second category under market-based assets is reputation and credibility of the organisation. Hooley et al. (2005) termed these reputational assets. Ability to profitably innovate in the market is the third category under market based assets and finally the human resources of the organisation. According to Hooley et al. (2005) superior human capital help an organisation develop and implement strategies and these skills take time to develop, are difficult to copy and rely on tacit knowledge.

Marketing support resources consists of two types; marketing culture of the organisation and managers’ ability to lead, motivate, manage and coordinate activities (Hooley, et al., 2005). Market orientation is a key resource in an organisation (Kotler, et al., 2021) and truly market

oriented organisations exhibit that in all their activities as marketing orientation becomes a deeply rooted culture in the organisation (Hooley, et al., 2005). Managers' capabilities are inside-out capabilities of an organisation and can be classified according to traditional functional lines (Day, 1994).

Hooley et al.(2005:20) suggested that market support resources influence quality and level of market based resources through two main avenues; 1) development of exclusive customer performance and 2) development of exclusive market performance. According to Hooley et al. (2005) customer performance is composed of customer loyalty and satisfied customers whilst market performance is composed of sales volume and market share. The Internet is recognised as a key marketing resource (Njau & Karugu, 2014) as the Internet now has more influence to customer-firm interactions (Stone & Woodcock, 2014). In addition the Internet is recognised as a major digital marketing tool and is progressively being integrated and applied into marketing activities (Tsiotsou & Vlachopoulou, 2011).

2.6.3 Market performance

Extant literature provides evidence of the impact of marketing resources to market performance. Literature shows that resources affect various performance variables of organisations such as financial, customer and market performance. For example Grant (1991); Barney (1991); Milfelner, et al., (2008); Cacciolatti & Lee (2016); and Sok, et al., (2016) concluded that resources affect profitability of an organisation. Although this study focuses on market performance as a primary outcome, there are no universally acceptable measures or scales of what constitutes market performance. For example (Frosen, et al., 2016) consider market performance measures of customers, competitors, and financials whilst (Milfelner, et al., 2008) considered market share, sales and loyalty. Whilst Frosen et al. (2016) included financials in market performance, Milfelner et al. (2008) considered profit levels, margin and return on investment (ROI) as part of financial performance. This study therefore combines these two perspectives in measuring market performance. Marketing resources influence market performance through customer satisfaction and loyalty, which in turn indirectly contribute to financial performance (Hooley, et al., 2005). Marketing resources also contribute to competitive advantage as well as firm performance (Hooley, et al., 2005; Morgan, 2012).

Although resources influence various performance measures, there is lack of wide empirical evidence in the role of marketing resources to market performance except market orientation (Hooley, et al., 2005; Cacciolatti & Lee, 2016) more so digital marketing resources. Market

orientation is the widely empirically tested marketing resource often used to make conclusions on marketing resources.

Milfelner et al. (2008) found that market orientation is an antecedent of innovation as companies with high market orientation managed to develop new products and services and that reputational resources influence market performance through directly and positively influencing market share and sales. However, Milfelner et al. (2008) found no direct relationship between customer-related capabilities and market share and sales although there was a positive relationship between customer capabilities and customer loyalty.

In another study, Hooley et al. (2005) found market orientation to affect every process of an organisation such as managers' capability, human resources, marketing and operations. Market orientation also positively influences customer linking capabilities and development of human resources although market orientation had a negative relationship with reputational assets. Hooley et al. (2005) suggested that this could be because of established firms with good reputational assets becoming myopia and arrogant leading to loss of market position or the use of only two items, brand reputation, and credibility to measure reputational assets. However, Milfelner et al. (2008) found reputation to positively influence loyalty, market share, and sales. Market orientation indirectly relates to market and financial performance (Milfelner, et al., 2008). Customer linking and reputational assets also influence market performance. Brand and reputation are key resources to influencing sales and market share. Well-known brands assist in selling products compared to customer satisfaction (Hooley, et al., 2005).

The measurement of digital marketing is still under development (Kotler, et al., 2020). Royle & Laing, (2014) suggested that performance measurement systems of digital marketing must improve for effective assessment of digital marketing efforts. Royle & Laing, (2014) further argued that no best practice exist although measurement tools such as web page hits and Facebook likes exist. This challenge leads to subjective measurement tools and sometimes failure by practitioners to measure their performance in the digital marketplace. Their research found that some marketers were reluctant to invest in technologies that they cannot easily measure.

Innovation resources indirectly influence loyalty and sales whilst customer-related capabilities extensively influence customer loyalty although influence on market share and sales could not be established. Selected marketing resources directly influence loyalty and sales, which in turn influence financial performance (Milfelner, et al., 2008).

According to Trainor et al. (2011) digital marketing capability improves customer retention and satisfaction directly contributing to firm performance. Digital marketing technologies help connect customers to the organisation processes and resources (Kotler, et al., 2017; Trainor, et al., 2011). Increased connectivity promotes information sharing between the organisation and its customers. The increased connectivity also promotes new product development as customers easily give input and contributions (Kyriakopoulos, et al., 2015). This promotes innovation capabilities of the organisation. Employees are in a better position as well to meet customer needs. This boosts the value creation processes. Customer focus improves as important outside-in information is integrated to customer records for better value creation and delivery. Trainor et al. (2011), found a competitive environment to have a meaningful influence on digital marketing capability (e-marketing). However, market turbulence was found not to influence organisational performance. Although competitive environment significantly influenced technology orientation, there was no significant link between competitive environments to market orientations.

2.7 SME AGRO-PROCESSORS' DIGITAL MARKETING

Digital marketing is growing and continues to change the way business is done in every sector. The agro-processing industry is no exemption to this digitalisation disruption. Although agro-processors face challenges posed by digital marketing to other SMEs, the potential benefits outweigh the challenges if agro-processors properly execute digital marketing activities.

Digital marketing has the potential to offer comprehensive benefits to agro-processors such as improved communications (Nuseir & Aljumah, 2020; de Vries, et al., 2018; Ratten, 2018), improved logistics systems (das Nair & Landani, 2020), market access (de Vries, et al., 2018; Ozolina & Sloka, 2018; Gazal, et al., 2016) and improved awareness (Ekerete & Ekanem, 2015) information sharing and consumption (Guha, et al., 2018) and competitors' response using minimal resources (Nuseir & Aljumah, 2020). Online presence is crucial for the success of many businesses, but for some SMEs, it is challenging to implement (Dumitriu, et al., 2019). Technological innovations and digital platforms can address challenges and barriers faced by agro-processors (das Nair & Landani, 2020). However, in Sub-Saharan Africa (SSA), agro-processors continue to lack institutions that provide vital infrastructure and protect property rights (Abebe & Gebremariam, 2021). For example, a study in Ikono, Nigeria, established that agro-processors were not fully utilising ICTs (Ekerete & Ekanem, 2015). The study further

confirmed the non-availability of ICT infrastructure and power outages as some of the reasons for the low utilisation of ICTs in agro-processors marketing activities. Instead, Ekerete & Ekanem (2015) found agro-processors to rely more on radio and less internet-based communications. Contrary to (Ekerete & Ekanem, 2015), a study by (Nuseir & Aljumah, 2020) on SMEs in the United Arab Emirates found environmental factors not influencing business performance. However, marketing is contextual, and what works in one market may not work in another (Sheth, 2011).

Agro-processors' other challenges are lack of skills, time, high costs, limited awareness of digital marketing tools and access to technology (Ekerete & Ekanem, 2015) and limited financial resources (de Vries, et al., 2018). In their study, de Vries et al. (2018) found that agro-processors (in the food industry) were afraid to fully embrace social media because of fear that it could harm their organisation. de Vries, et al. (2018) further established that many agro-processors lack the resources, knowledge, and time to carry out an effective social media engagement strategy despite the inherent attraction associated with social media. However, regardless of the scarcity of resources, 96% of SMEs in New Zealand use the internet, and 69% have websites. The study further revealed that the agro-processors failed to engage customers because they were using one-way communication. In addition, the agro-processors had no devoted marketing budgets and no strategy; thus did things haphazardly. In the food industry, visual posts that comprised the human side or back end side of things were more engaging than product or sales-oriented posts (de Vries, et al., 2018).

The influence of digital marketing on market performance continues to attract researchers' interest. However, no single study has applied all digital marketing platforms or tools, more so resources and capabilities. For example, the focus had been on social media marketing (das Nair & Landani, 2020; de Vries, et al., 2018), use of information communication technology (Ekerete & Ekanem, 2015), digital marketing tools and techniques (Dumitriu, et al., 2019), digital communications (Ratten, 2018), digital promotions (Ozolina & Sloka, 2018), technology and innovation (das Nair & Landani, 2020) and digital marketing capabilities (Chinakidzwa & Phiri, 2020). Further, these studies considered only a particular subset of agro-processing, for example, food processors (de Vries, et al., 2018; Ekerete & Ekanem, 2015), rural farmers (Ratten, 2018), forest products (Gazal, et al., 2016) and mussels (Ozolina & Sloka, 2018). As a result, this study focussed on digital marketing resources, capabilities in a broad set of agro-processors.

Extant research also shows that globalisation, mainly through social media, has contributed to a change in consumer behaviour towards interest in traditional food consumption (Ozolina & Sloka, 2018). Furthermore, the increased interest has led to a rise in demand for knowledge of how agro-processors produce specific products, where and how (Ratten, 2018), thereby calling for improved digital communication (Ozolina & Sloka, 2018; Ratten, 2018).

Research focusing on digital marketing by agro-processors in Zimbabwe is scant (Chinakidzwa & Phiri, 2020), with most studies focusing on SME challenges (Tinarwo, 2016), the historical development of SMEs (Dlamini & Schutte, 2020), marketing innovation (Mabenge, et al., 2020), and factors influencing SMEs growth (Njanike, 2019). Therefore a focus on digital marketing resources, capabilities and market performance in agro-processors were necessary.

2.8 CHAPTER SUMMARY

The chapter concentrated on unpacking marketing, and digital marketing, its usage, benefits and challenges, marketing resources and market performance. The chapter underscored that marketing is crucial to the survival and growth of every organisation whether profit making or non-profit making. The chapter also pointed the importance of digital marketing mainly its ability to connect customers to marketers in different markets at low costs. In the same chapter, it was noted that digital marketing influences marketing performance. However, digital marketing exposes firms to several challenges such as technology issues, skills to develop and manage digital marketing, inabilities to engage customers profitably and keep pace with market challenges. The next chapter is on the Theoretical and Conceptual framework.

CHAPTER 3 THEORETICAL AND CONCEPTUAL FRAMEWORK

3.1 INTRODUCTION

The previous chapter unpacked digital marketing resources and performance issues. These issues were crucial in understanding the scope of this study. The current chapter delves into the theoretical and conceptual framework of this study. The chapter is divided into two broad sections, the theoretical framework, and the conceptual framework. In the theoretical framework, main theories underpinning this study are unpacked whilst the conceptual framework consists of study variables, concepts, and their relationships. The two sections connect in that the theoretical framework informs and guides the conceptual framework. Theories are important in that they guide thinking thus help structure research work. Theories thoroughly scrutinised include the resource based view, industry structure, capabilities approach, marketing mix, and market performance measurement frameworks.

3.2 THEORETICAL FOUNDATIONS

While the resource and capability perspectives have been widely applied in management and traditional marketing contexts, there is less research in the digital marketing domain (Chinakidzwa & Phiri, 2020; Gregory, et al., 2019). More so researchers in management have done little outside the management domain to test the influence of established theories and concepts such as the industry structure, and game theory on market performance in the digital domain. In addition, there is limited research on the complementary nature of these perspectives. Advancements in information and communication technologies (ICTs) have brought new challenges and opportunities that require a relook into the existing theories and frameworks. At the same time, the marketing mix theorem has been influencing strategic marketing literature, but less literature exists on its application from a digital marketing activity perspective. Therefore, in this study, the game theory, industry structure, resource based view, capability approach, and marketing mix elements provides the lens from which to explore the influence of digital marketing resources, capabilities and market performance in the agro-processing sector in Harare, Zimbabwe.

3.2.1 Game theory

The game theory became popular following the work of John von Neumann and Oscar Morgenstern in 1944 (Anderson, 2010). Originating from mathematics, the theory had grown to be influential in diverse fields such as management, economics, politics, and law. According to game theory, players' behaviour in a strategic setting is determined by the behaviour of other players, and players or actors can decide to cooperate or compete (Watson, 2013). As such every action is met by a response although the response is not planned to be equal and inverse (Brundenburger & Nalebuff, 1995). Accordingly, the game theory requires a participant to look forward and move backwards to act. This means one has to anticipate all possible moves by competitors including own moves, then take action that counter these moves thus giving an edge to oneself. Therefore, the heart of success in a business setup had become reliant on the ability to employ the right game that gives an edge over competitors. The game theory can be cooperative or non-cooperative. In the non-cooperative theory individual actors make actions or decisions independently. In the cooperative game theory parties negotiate and agree jointly (Watson, 2013).

According to Brundenburger & Nalebuff (1995) changing the game puts the game changer ahead thus weakening competition. Changing the game consists of five main options namely 'changing the players, added value, rules, tactics, and scope' commonly abbreviated as 'PARTS'. These components promote strategies to think 'outside the box'. Players are the actors in the enterprise, and according to the value map, these are the customers, suppliers, substitutors and complementors. The players are not static and a strategist can change them anytime including the strategist's own organisation. Added value is what respective actors take to the game. A strategist either increases the value added to be more relevant or lower the value. Rules arise from items such as contracts, law, and customs. However, there are no collectively agreed rules in business. Tactics are established to detect how actors play and perceive the game. Tactics can reduce misconceptions, establish or sustain ambiguity and scope refers to confines of the game that players can either extend or narrow.

3.2.1.1 Relevance of game theory

Although more work still needs to be done on the game theory in relation to full development and testing of concepts (Watson, 2013) it still lays a foundation for explaining strategic decisions and market performance. It helps understand how strategy influences economic outcomes (Watson, 2013). It explains and helps understand the development and deployment of strategic initiatives and their performance implications. The game theory is useful in

“addressing competitive strategies and buyer-seller interactions” (Lilien & Chatterjee, 1986) thus aid decision making. The game theory enables the study of behaviour in diverse situations and better understanding of economic and social interactions (Watson, 2013:5). As such the game theory can be useful in the digital marketing environment as it provides a useful tool to analyse potential games to play, and how to play them in a dynamic environment (Anderson, 2010:7). Since firms need to understand competitors behaviour if they want to maximise profits (Watson, 2013:1), the game theory pushes firms or players to always seek and identify relevant information (market sensing capability). This can extend to the development and adoption of contemporary information seeking and market sensing approaches. Consequently if firms focus on others and consider the value that a player can offer, then that has potential to improve value creation processes. In changing the game (Brundenburger & Nalebuff, 1995), players can always seek new resources, capabilities and ways of doing things thus pushing firms to develop internal resources and capabilities. Therefore, the game theory has the capacity to go beyond external focus on competitor moves to internal focus as one seeks to change the game. However, the game theory does not explicitly imply this extension therefore requires empirical evidence to test capacity to develop internal resources and capabilities by firms that apply the game theory. Although imitation is destructive in resource-based theories, according to Brundenburger & Nalebuff, (1995), it is sometimes good and can lead to beneficial results of win-win situations in the game theory applications.

3.2.1.2 Limitations

The game theory has mainly been criticised for providing tools that are often difficult to apply in real life complicated cases (Watson, 2013; Camerer, 1991). Putting everything in simple easily understandable models can be a huge task (Watson, 2013) thus poses challenges in defining, understanding and modelling every action that influences behaviour and outcomes. The game theory has restricted although great predictive power in its capability to influence marketing choices (Anderson, 2010). Contributing to this limitation is also the unpredictable nature of consumers in today’s dynamic digital environment. Firms with huge costs or other advantages will not be bothered by competitor actions (Teece, et al., 1997) and moves are more affected by demand conditions than competitor actions. In addition, although there is literature on its application in marketing (Anderson, 2010; Lilien & Chatterjee, 1986) there is lack of research that explicitly shows its influence to market performance. The game theory is based on rationality which seeks to maximise one’s self interests yet interests towards cooperative approaches is growing. However although criticised for being centred on rationality and

perfect information requirements, the theory is useful as it directs marketers to specific information that must be gathered, and proposing fair solutions (Camerer, 1991). Camerer (1991) further argued that some situations that need the game theory require little rationality. However the ability to acquire perfect information about competitors has also been questioned. According to Moorthy (1985), in reality firms know more about themselves (for example understand own capabilities) than competitors. In view of this, more research is needed to test the applicability of the game theory in diverse marketing situations.

3.2.2 Porter Five Forces Model (Industry structure)

Porter (1979) building from the Industrial Organisation (IO), developed the five forces model. This was from the realisation that the IO perceived an industry as an identical unit. The IO considered industries to be the same in all economic aspects except size. According to the IO, all players in an industry share market power. The players derive this market power from barriers to entry that protect every player in the industry, and industry characteristics that lead to mutual dependence. Accordingly mutual dependence stops inter-firm rivalry and its benefits ensue proportionally to all members. The industry in which a company operates has greater influence on performance than choices that the company makes (Hitt, et al., 2017). Further, the IO does not recognise internal resources, instead it posits that success emanates from external environment only. The IO model indicates that firms earn ‘above average profits’ through cost leadership or differentiation strategies. According to Hitt, et al., (2017:14) the IO is based on four assumptions:

- External environment puts pressure and constraints that influence strategies.
- Majority of firms in an industry possess similar resources therefore implement similar strategies.
- Resources are highly mobile so any differences are short lived.
- Strategists are rational and pursue actions that are in the firm’s best interest.

However, Porter (1979) saw the IO arguments being at odds with reality and literature. According to Porter (1979), firms in an industry are not the same, and they follow different strategies and earn differently.

As a result, the five forces model was ‘born’ in 1979. According to Porter, (2008), a firm can develop strategies that enrich long-term profitability by understanding an industry’s five competitive forces. A comprehension of the level of industry rivalry, threat of new entrance,

power of substitute products, bargaining power of suppliers, and bargaining power of customers guides firms in developing competitive strategies. By analysing these factors, firms can quickly identify trends and exploit them, work around threats, and even reshape the industry for enhanced long-term profitability. Knowledge of the five factors contributes to a company's ability to position itself within the industry. These five forces are the underlying factors that shape every industry structure and profitability.

Accordingly, strategic response to competition is required in order to sustain long-term profitability. According to Porter (2008:25), “awareness of the five forces can help a company understand the structure of its industry and stake out a position that is more profitable and less vulnerable to attack”. If the elements are powerful, virtually no company makes lucrative earnings on investment and if the same elements are benign, the industry becomes profitable. It is important to note that although other factors can affect profitability of an industry in the short term, industry structure affects both the medium and long term. To succeed, managers must identify the most powerful force or forces in that industry and base strategy on that factor. Interestingly, unlike generally believed, Porter's five forces consider firm resources, but only after completion of industry analysis (Dobbs, 2014). According to Porter, (2008:14) changing industry structure requires resources. Figure 3.1 shows Porter's five forces model.

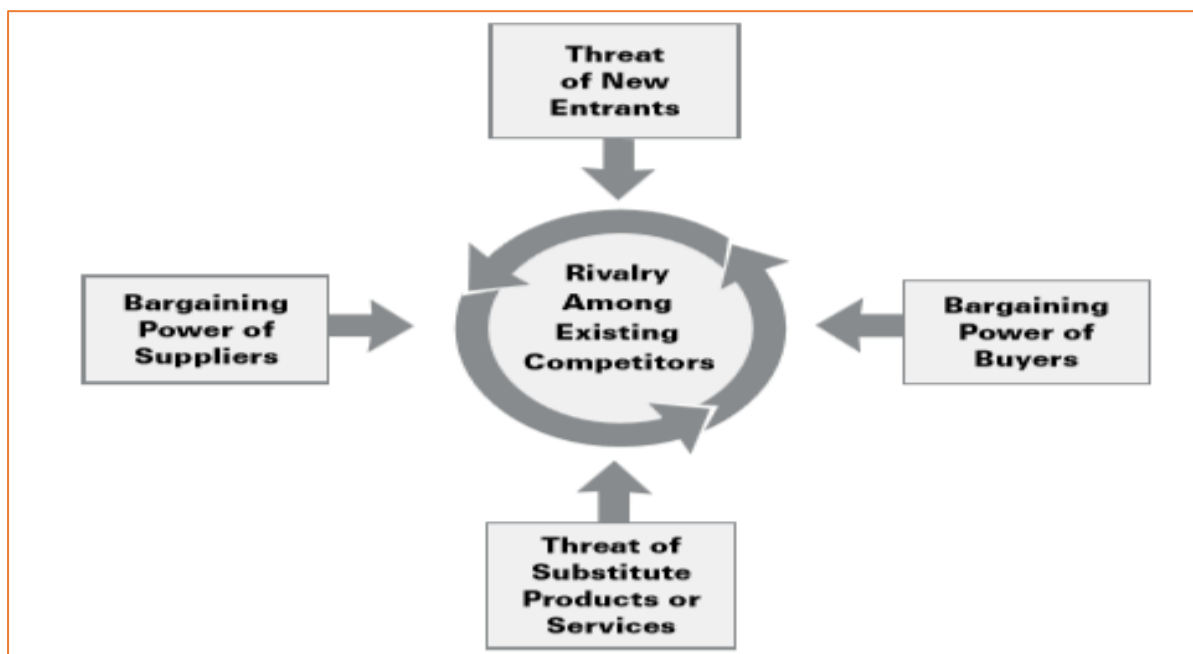


Figure 3-1 Porter's five forces model

Source: Porter (2008)

3.2.2.1 Threat of entry

According to Porter (2008), threat of new entry sets a ceiling on profitability of an industry. These fresh participants bring new competence and an aspiration to advance market share. New entrance from other markets can easily capitalise on existing capabilities to launch in the new market. However, threat to entry depends on existing barriers in that industry. These barriers can come from the economies of scale on the supply side, 'network effects' or demand side economies of scale, customer switching costs, capital obligations, position advantages, imbalanced access to distribution channels, and government policy. For example, players in an industry could enjoy huge savings through lower costs per unit because of mass production, thus a new player would need to have similar capacity to enjoy the same benefits or else suffer costs disadvantages. In addition, Porter argues that anticipated reaction by industry competitors has influence on new entrance decision to enter a new market. Accordingly, new comers are prone to have doubts if;

- Competitors have forcefully responded to previous entrance.
- Current players hold huge resources to battle back. These resources could be extra cash, strong distribution channels and customer networks.
- Current players have potential to slush prices.
- There is slow growth in the industry to the extent that new players grab market share from existing players.

Potential entrance must always assess barriers relative to capabilities. At the same time, strategists must assess possibilities of potentially new entrance to bypass the barriers.

3.2.2.2 Power of suppliers

Powerful suppliers have the potential to reduce industry profitability thereby making the industry undesirable. For instance, powerful suppliers can unilaterally increase prices, reduce quality or activate unfavourable supply terms. Generally suppliers are powerful if;

- They are concentrated as compared to customers (the industry)
- There are high switching costs.
- Products on offer are differentiated.
- There are no readily available substitutes.
- There is potential for suppliers to integrate forward.
- Suppliers depend less on the industry - they could be serving other industries.

3.2.2.3 Power of customers

As with suppliers, powerful customers reduce an industry's profitability. Powerful customers can push prices down; make costly demands in quality, and or service. According to Porter, customers can be influential if; they have power compared to other participants, and when they use price cuts as a sign of power. An industry's customers are powerful if;

- They buy in bulk or are more concentrated.
- The industry sells standardised products
- Buyer switching costs are low
- Buyers have potential to integrate backwards and take the supplier's business.
- Industry products do not significantly influence buyers' final product quality.
- Industry does not influence overall costs in the customer's value chain.

3.2.2.4 Threat of substitutes

According to Porter (2008) a "substitute performs the same or similar function as an industry product but by different means". As a result, substitutes are often ignored because some of them are so unrelated to the known products. An example would be a dress as a mother's gift versus kitchen utensils. Substitutes limit an industry's profitability by placing a cap on prices thus strong marketing or performance is required to shoulder off substitutes. Besides profitability, substitutes reduce overall industry value thus constrict industry size. From a strategy point of view, substitutes that need more attention are those; that have the potential to have their price-performance increase, and products from industries that are highly profitable although facing competition.

3.2.2.5 Rivalry amongst existing competitors.

The rivalry amongst current competitors weakens an industry's profit potential and the extent rivalry weakens profitability depends on;

- The foundation on which firms compete.
- The vigour on which they compete.

This rivalry can be in the form of price discounts, rate of new product introductions, and scale of advertising. According to Porter (2008), price competition is the most damaging way of competing whilst service competition can improve profit margins. Managers must perceive competition beyond the direct industry rivals to extended forces that emerge because of the interaction of the five forces.

Industry competition can move towards price if;

- There are no switching costs or differentiation on the product.
- “Fixed costs are high and marginal costs are low”.
- Capacity need to be extended in sizeable volumes.
- The product has a short lifespan.

No matter whether price is the main source of competition, industry rivalry is great if;

- Competitors are of almost the same size and influence or they are highly concentrated.
- Growth in the industry is sluggish.
- Leaving the industry is difficult
- Competitors are substantially dedicated towards the business and have different tactics, roots and “personalities”

Porter (2008) further noted that high industry growth does not necessarily lead to industry attractiveness as growth tends to restraint rivalry. In the words of Porter (2008), “an expanding pie offers opportunities for all competitors”. Instead, the influence of growth rests on how growth affects the industry structure.

3.2.2.6 Relevance of Porter’s five forces model

Although industry structure is externally oriented, an understanding of the forces that shape competition provides a foundation for internal analysis (Porter, 2008). A company is able to assess its own strengths and weaknesses against external forces. At the same time, the practise of positioning the company against competitive forces and controlling the balance of forces requires internal resources and capabilities. Development of internal resources enables a firm to tap into external opportunities for it to succeed (Hitt, et al., 2017). There is a complementary element between resources and competitive forces (Porter, 2008; Dobbs, 2014).

For example, Porter (2008) argued that a deep understanding of competitive forces and their foundations was necessary to tap into opportunities brought by industry changes. Furthermore, Porter (2008) gave an example of the music industry where the Internet failed to unleash new music distributors as expected because of the market linkages, and relationships enjoyed by large record labels. This example indicates that resources are still crucial in taking advantage of industry changes.

According to Porter (2008), “industry structure reveals insights for positioning” and the function of strategy is to erect defences versus competitive forces. Porter (2008) also emphasised strategic implications of the five forces to individual firms in an industry.

Connecting five forces to opportunities and threats helps strategists develop effective responses that contribute to profitability and performance. Hitt, et al., (2017) further argued that the effect of Porter's five forces on strategy and actions is more direct than that of IO. The Porter's five forces model is therefore relevant to this study as there is a link between industry structure and resource development. In addition, undertaking an industry structure analysis, and strategic responses requires resources. For example market sensing and relational capabilities can guide competitor intelligence gathering which translates to understanding of industry rivalry. Development of barriers to entry such as industry standards may call for exceptional leadership and innovation capabilities. In view of this, the industry structure analysis is relevant for this study.

3.2.2.7 Limitations

Dobbs (2014) criticised Porter's five forces model for lack of depth which then leads to inadequate analysis and wrong decisions. Porter (2008) also admits to this shortcoming. Furthermore, the five forces model had been criticised for lack of quantitative analysis (Dobbs, 2014; Porter, 2008) with much reliance given to qualitative measures. Strategists also slammed the model for lack of strategic insight. Most of the times, strategists applied the model to understand industry structure instead of acquiring strategic insight on how firms can compete effectively (Dobbs, 2014).

Although Porter (2008) acknowledged the need for resources, there is lack of depth on the specific resources required for enhanced market performance. Porter does not provide any assessment of the resources and capabilities required by strategists in shaping industry structure.

Porter's model has also been criticised for being static and ignoring time (Thyrlby 1998 cited by Andriotis, 2004). In the same paper, Andriotis (2004) citing Slater & Olson (2002) also highlighted the weakness in Porter's model in failing to give a complete picture of the market drivers that influence industry and performance.

While Andriotis, (2004) criticised Porter for not recognising IT as a factor, Porter in his 2008 review considered IT, although not as a separate factor but an influencing force that must be assessed when analysing industry structure. Porter's five forces model lacks attention to digitalisation that is one of the key drivers of industry change.

In addition, Lee, et al., (2012) noted that the five forces model is difficult to operationalise. Major problems arise from understanding the interrelationships, together with inability to rank

forces according to their influence. Individual forces cannot be quantified except for the general 3-tier classification of unfavourable, neutral and favourable. However, capturing general degree of each force leaves questions on how the overall industry attractiveness is captured. Forces have different effects (Porter, 2008) and therefore need individual objective recognition. The same applies to sub-forces which are generalised, they need to be measured individually (Lee, et al., 2012).

3.2.3 McCarthy Marketing Mix Model

“Marketing is still an art, and the marketing manager, as head chef, must creatively marshal all his marketing activities to advance the short and long term interests of his firm” (Borden, 1984).

A marketing mix “involves everything that the firm can do to engage consumers and deliver customer value” (Kotler & Armstrong, 2018). Neil Borden introduced the marketing mix concept in 1964, borrowing from Culliton’s (1948) definition of a marketing executive. Borden (1984) originally proposed twelve elements of the marketing mix. According to Borden (1984), a market is able to anticipate and see things in the future, anticipate consumer and competitor responses and in the end create marketing programs that enhances the firm’s competitiveness. McCarthy in 1964 reduced Borden’s 12 elements into 4Ps model consisting of Product, Price, Place and Promotion. The 4Ps is a classification of marketing activities (Kotler & Keller, 2016). The marketing mix provides marketing elements that if properly managed can lead to profitability. Several researchers developed various models of the marketing mix concept. For example, Gronoos (1997) relationship marketing, Gordon (2012) social marketing mix, Ohmae (1982) three Cs, Robins (1991) and Lautenborn (1990) 4Cs, Constanidides (2002) 4S web marketing mix, Bennett, (1997) 5Vs, Kotler & Keller, (2016) revised 4ps model. However, only McCarthy 4Ps model had been widely tested and accepted therefore influential in marketing (Waterschoot & Bulte, 1992). The dynamic digital marketing environment that renders McCarthy’s 4Ps difficult to apply changes has partly necessitated some of these changes and reviews. The following sections give an overview of how the Internet can influence the 4Ps as outlined by Chaffey (2015).

3.2.3.1 Product

“This is what you have to offer – your unique value proposition to your customers” (Ryan & Jones, 2009:31). According to Chaffey (2015), there are various ways of modifying the product

when operating online. Electronic related product decisions can shape both core and extended products. The core product refers to the main features that meet customer needs whilst extended features are those that go beyond the main features. It is therefore possible to offer new digital products or to replace the physical products with digital information about the product. Web opportunities also enable mass customisation – using technology to offer customised products to a wide market. Digital channels also make bundling easy. The internet can offer an extended product through “endorsements, awards, testimonies, customer lists, warranties, customer comments, money back offers, customer service, and product usage information” (Chaffey & Smith 2008 cited by Chaffey, 2015:366). The internet can be useful in new product development by providing easy access to information, reviews, and testing. However, Ryan and Jones (2009) warned marketers not to make online value propositions that they will fail to deliver as that can lead to a backlash from the vociferous, knowledgeable and connected digital consumers.

Constantinides (2002) and Chaffey and Smith (2017) consider the website as the prime product of an organisation that enhances execution of the 4Ps. Accordingly the website provides list price for products, and the website is the “promotional medium and content” for the organisation. The website has a critical role of attracting and engaging customers therefore has a major input to customer experience. Constantinides (2002:60) further claims that the website is “the counter, helpdesk, and sales outlet where actual commercial and non-commercial transactions take place” therefore meets the place element in the 4Ps. The website also allows real time delivery for some products thereby meeting distribution needs as such the 4Ps should not be considered in isolation. The website is an important tool for building customer experiences that determine digital consumer behaviour. Accordingly, marketers build the 4Ps into and are part of the website.

In support of this view, Lautenborn (1990) cited by (Chaffey, 2015:364) explained the critical role of the website in communication (promotion). According to Lautenborn (1990), the website can satisfy all the needs of the 4Cs (communication, cost, convenience, customer needs & wants). For example, through the website a marketer explains how customer needs & wants can be met by the product. Online price reflections help customers to compare prices, whilst online ordering provides convenience and fast order fulfillment. The website is the heart of all digital marketing activities (Ryan & Jones, 2009; WSI, 2015). Finally, the website and other digital communication tools provide valuable communication to the customer.

3.2.3.2 Price

Price is “the element of the marketing mix that involves defining product prices and pricing model” (Chaffey, 2015:371). Pricing is vital in the digital environment (Ryan & Jones, 2009) and the internet provides wide pricing model variation opportunities. Online pricing increases price transparency, and at the same time offers opportunities for price differentiation. The internet also provides opportunities for dynamic pricing. Dynamic pricing refers to the real time update of prices in correspondence to the market situation (Chaffey, 2015). The internet also provides alternate pricing structures such as order cancellation terms, and payment per use.

3.2.3.3 Place

Place has to do with product distribution to customers. It refers to the company activities that render the product available to consumers (Kotler & Armstrong, 2018). According to Ryan & Jones (2009), the internet is the place. The internet has a global reach which expands online product reach. The internet offers wide opportunities to distribute the product in a flexible place and provides new channels. However, the Internet can potentially generate channel conflicts. For example, conflicts can be on traditional distribution agents versus new digital channels, sales representatives versus online channels, traditional customer versus online discounts for digital customer. The “ability to lock in customer commitment depends on channel availability and ability to deliver superior experience” (Kotler, et al., 2017:86). Customers always seek a ‘seamless’ experience from both online and offline channels and each channel must be allowed to close a sale. Kingsnorth (2016) highlighted three key issues in relation to both physical and digital place. According to Kingsnorth (2016), customers must easily find your online shop, this implies application of digital marketing tools such as SEO, and paid search. Second, customers must easily navigate to discover products and access information that they need. Finally, products must be in stock (available) and the site or digital marketing platform must be able to correctly display the products.

3.2.3.4 Promotion

This is the marketing mix element that involves communicating with customers to apprise them about the product and organisation (Kotler & Armstrong, 2018; Chaffey, 2015). The internet provides a valuable communication platform between an organisation and its consumers. Various communication elements of the promotional mix can be implemented online using various promotional tools. The website, search engine optimisation (SEO), pay per click advertising (PPC), affiliate marketing, online public relations (OPR), social networking, and

customer relationship management are vital online tools for promotion (Ryan & Jones, 2009). For example, advertising can be implemented using pay per click, interactive ads, and banner ads, public relations through blogs, e-newsletters, and social networks, exhibitions through virtual exhibitions, sales promotions through chat and affiliate marketing.

3.2.3.5 Relevance of McCarthy's 4Ps model

The widely tested and accepted marketing concept (4Ps marketing mix) (Constantinides, 2002) helps to understand activities that a firm can engage in to create value (Kotler & Armstrong, 2018; Chaffey, 2015:363). The marketing mix gives a good foundation to understand and implement complex and interconnected marketing activities (Chaffey, 2015:363; Waterschoot & Bulte, 1992) thus is significant in problem solving and decision making in marketing (Borden, 1984). The marketing mix framework is useful in developing integrated marketing campaigns (Kotler & Armstrong, 2018) and helps develop programs that meet market needs (Constantinides, 2006; Borden, 1984). The 4Ps are still useful for implementing marketing strategy (Chaffey, 2015:363) in the digital age (Ryan & Jones, 2009). For example, Kingsnorth, (2016) pointed out key questions from a digital perspective to be made on products as “whether your product can/will sell online”, what channels are available for your product?, “are there opportunities to make it flexible to be more appropriate for online or mobile audiences”? These questions help to develop appropriate digital marketing programs that fit the organisation's product goals and objectives.

The McCarthy 4Ps model is also aligned to Kotler and Keller (2016) revised 4Ps model (people, processes, programs and performance) that classify McCarthy 4Ps under programs. According to Kotler and Keller (2016), programs reflect an organisation's consumer-focussed activities and integrating these activities provides synergistic advantages to the overall goals of the firm. Therefore McCarthy 4Ps (marketing mix) is relevant today.

In addition, small firms are significantly different from large firms as small firms employ different strategies and marketing mixes (Borden, 1984) therefore it is crucial to understand the marketing mix concept. Resources have a huge impact to marketing mix activities employed by a firm (Borden, 1984; Barney, 1991; Hitt, et al., 2017). While small firms tend to adopt push strategies of personal selling, large firms go for pull strategies because of the huge resources to involve consumers in product development and testing (Borden, 1984). However, Borden (1964) and Culliton (1948) original ideas suggested that it is good to mix different ingredients, customise some, and sometimes try new ones. It is therefore relevant for this study

to assess digital marketing activities or programs in small firms influenced by the 4Ps model. As demonstrated by Chaffey (2015), the 4Ps model can be very relevant in designing and implementing digital marketing activities. Actually, the digital world brings more Ps to the same place (WSI, 2015). For example, social media enhances product experience (product) through conversations; create awareness of the product (promotion), make the product available (place), and provides prices (pricing).

3.2.3.6 Limitations

There is no agreement on the exact contents or combination in the marketing mix (Waterschoot & Bulte, 1992) as such wide-ranging classifications exist. For example, whilst some researchers extended the 4Ps to 7Ps, other researchers argue that the 4Ps are enough to explain the 7Ps (Chaffey, 2015). Further, researchers criticise the 4Ps marketing mix for taking an internal orientation (Constantinides, 2006; Bennett, 1997), lacking personalisation, and for being product oriented (Constantinides, 2006; Lauterborn, 1990). Mounting on criticism, Gordon (2012) slammed the 4Ps model for being too simplistic, old, short-term sales & transaction centred, and lacking strategic orientation. According to Constantinides (2006), the inability to provide external opportunities and threats leads to the lack of strategic perspective therefore cannot support relation-based decisions. Gordon (2012) further criticised the model for concentrating on short-term marketing effects, static and narrow focus as such not easily applicable to services marketing. However, Kotler & Armstrong (2018) do not agree that the 4Ps model ignore services, instead they suggest that services are included in the products and application of the model. Other researchers such as Ohmae have completely thrown away the 4Ps as a strategic marketing tool, instead opting for the 3C framework of customers, competitors and corporation.

The new digital environment requires abilities to meet both niche and mass-customised needs in a dynamic interactive environment. Customer needs keep changing; demands are always high and customers keep demanding more control. All this calls for personalised products, interactions, pricing and services that meet the needs of the new consumer (Dodson, 2016; Chaffey & Ellis-Chadwick, 2016). As such, it is a poor choice to apply 4Ps in market-space environments (Constantinides, 2002) as the 4Ps fail to provide a satisfactory platform for marketing management in the digital world. It fails to deal with marketing experiences of today (Constantinides, 2002) that are website driven. Waterschoot & Bulte (1992) criticised the marketing mix for “its lack of mutual exclusiveness and exhaustiveness”. Their view is that the

model provides a weak classification of the marketing mix for a sound measurement of marketing mix elements and their effects. The 4Ps model fails to give an explicit explanation for the foundation of the 4Ps classification. The 4Ps model lacks integration as different units manage the 4Ps creating silos yet not separated from each other in the digital marketing environment (Constantinides, 2002). Lastly, the 4Ps model is silent on the resources and capabilities required to execute the various marketing mix activities or programs.

3.2.4 Resource-based view (RBV)

3.2.4.1 A brief history

As explained before, several perspectives came up to explain firm performance, game theory (John von Neumann and Oscar Morgenstern, 1944), marketing mix (McCarthy, 1964; Borden, 1964), and industry structure (Porter, 1980; 1985) and resource differences (Penrose, 1959; Barney 1986a and Wenerferlt, 1984). The resource perspective became popularised in the second half of the 80s.

The RBV has its roots in economics and strategic management. It originated from the work of economists, Chamberlin and Robinson in the 1930s. These economists were seeking to explain performance differentials in firms, and they argued that unique assets and capabilities lead to competitive positions and ‘super normal profits’. In 1959, Penrose further developed the work of Chamberlin and Robinson to give more clarity to the role of resources in a firm.

Penrose introduced the resource perspective whilst seeking to explain performance differences in firms. According to Fahy (2001:44), Penrose separated resources from services arguing that it is not resources that are inputs into organisational processes but the services provided by the resources. The service is dependent on how the resources are organised implying that the same resources can give different services if combined differently. According to Penrose (2001), these differences are the source of uniqueness or competitive advantage experienced by firms.

The RBV came as an answer to the question what is the source of competitive advantage in firms. Key to major researches was to understand source of sustained competitive advantage (Barney, 1991). Traditional management literature concur that superior performance is a function of a firm being able to gain and maintain competitive advantage (Fahy, 2001; Lynch, 2015). However, agreement was lacking on what is the source of the competitive advantage.

The RBV did not get popular during these days as the work of Porter in the 80s brought a new dimension of industry structure that became widely accepted until researchers such as Wernerfelt (1984) challenged Porter's industry structure perspective. In the 1980s, researchers focused on the link between strategy and the external environment, which consists of the industry structure and competitiveness of Porter (Grant, 1991; Hitt, et al., 2017). Analysis of internal environment was limited to strategy implementation and organisational processes through which strategies develop (Grant, 1991). Traditionally, firms relied on internal strengths to exploit external opportunities whilst thwarting threats and avoiding weaknesses. Porter (1980) through the five forces model emphasised the structure of an attractive industry suggesting that opportunities will be more whilst threats are minimised. This kind of research relegated the role of firm characteristics on performance (Barney, 1991; Barney & Hesterly, 2015). Although the industry structure dominated during the 80s, its assumptions were against the tenets of the RBV. The RBV assumes that firms in a group or industry can control different resources and that resources are not always perfectly mobile, as such, differences persist.

Related to the industry structure is the strategic conflict approach which is based on the game theory. This approach was popularised by Shapiro in 1989. The strategic conflict had been used to explain differences of performance among firms. Firms primarily have to influence actions and behaviours of competitors and the market in general (Teece, et al., 1997). Firms can take actions such as new investments, massive advertising and huge recruitment drives. However these moves must not be easily reversible so that they influence the market and as a result the firm increases profits. Nevertheless this approach had been criticised for its relevance. The strategic moves approach has the danger of diverting attention from building long lasting sources of competitive advantage. Competition is a "process involving development, accumulation, combination, and protection of unique skills and capabilities" (Teece, et al., 1997:513). This approach therefore falls short of explaining sources of competitive advantage outside competitor actions and behaviours.

3.2.4.1.1 Birth of the resource based view

Wernerfelt (1984) coined the term resource-based view and it became popular in the 1990s (Grant, 1991) when several researchers began applying the resource perspective to research settings. The RBV advocates that particular set of crucial resources linked with managerial choices produce sustainable performance (Moorman & Day, 2016). The resource perspective

provide the foundation for strategy development in diversified firms on issues such as resources to develop, markets to enter, in what order, which resources must be the foundation for diversification and type of firms to take over (Cacciolatti & Lee, 2016; Lin & Wu, 2014; Davick & Sharma, 2016; Wernerfelt, 1984; Amit & Schoemaker, 1993).

Whilst traditional resource analysis in economics is limited to land, labour and capital (Wernerfelt, 1984), researchers have broadened the perspective to include a wide spectrum of resources. However, the idea of considering firm resources connects back to Penrose's 1959 work (Wernerfelt, 1984). For a long time, the RBV did not get attention due to the difficulties in modelling the resources (Wernerfelt, 1984). This study consider the resource perspective as an alternative explanation to firm performance differences in the digital marketing environment. The following sections unpack the theoretical foundations of the RBV.

3.2.4.2 Theoretical perspectives of the RBV

The underlying views of the RBV are currently justifiably established (Fahy, 2001) and several researches continue to test it in various settings. The core of RBV is to maximise value from resources over time (Barney & Hesterly, 2015; Amit & Schoemaker, 1993; Barney, 1991; Day, 1994). The RBV assumes that every manager aims to attain a sustainable competitive advantage (SCA) for the firm. A SCA gives the firm opportunities to secure 'economic rents' or 'above average returns' (Lynch, 2015; Fahy, 2001) as such, attainment of SCA is favourable to firms. However, the major question for marketers is how to attain SCA? The RBV provide an answer to this question in that it claims source of competitive advantages to be ownership of certain key resources – "resources that offer value, appropriability, and barriers to duplication" (Fahy, 2001; Barney & Hesterly, 2015). Resources and capabilities are the foundation of strategy because they give direction and they are a core source of profit to firms (Grant, 1991; Bitencourt, et al., 2019). Ability to organise successfully these resources translates to SCA. A firm must be able to identify, create, improve, and exploit key resources to attain outstanding performance. Firms can increase profitability by making good use of resources mainly through using few resources to enhance an activity or putting existing resources into more profitable uses (Barney & Hesterly, 2015; Lynch, 2015). Contribution of firm's resources is governed by two things; 'sustainability of the competitive advantage' given by the resources and firm's 'ability to appropriate rents' earned (Grant, 1991). Therefore, chief components of the RBV are; SCA and outstanding performance, key resources, and calculated management options (Fahy, 2001).

3.2.4.2.1 SCA and performance

Competitive advantage is at the centre of strategic management literature (Hitt, et al., 2017) and is the core of strategy (Lynch, 2015). Competitive advantages are accredited to valuable resources that enable firms to perform better than rivals (Barney & Hesterly, 2015; David & Montgomery, 1995). A competitive advantage is a condition where a firm implements a value generation strategy that no other firm is implementing (Barney, 1991). Strategy involves any efforts to attain and maintain competitive advantage relative to others (Lynch, 2015; Aharoni, (1993a) cited by Fahy, 2001). The notion of attaining competitive positions through strategy is rooted in the military (Fahy, 2001). Competitive advantages are difficult to define as they are relative and what could be an advantage in one market may not be in another. A firm may also have several advantages over others, however, it is abilities to have advantages on things that customers consider valuable (Fahy, 2001). The advantage must be in a trait that is central to customer purchase decision (Coyne, 1986 cited by Fahy, 2001) and that value needs to be more than that of competitors (Barney & Hesterly, 2015; Kay, 1993). Sustainability of a competitive advantage considers the likelihood and degree of competitor imitation (Fahy, 2001; Davick & Sharma, 2016; Moorman & Day, 2016). A competitive advantage is sustainable when no other firm, competitor, or potential is implementing a similar strategy and competitors cannot easily imitate and replicate the strategy (Barney & Hesterly, 2015; Barney, 1991) it is when competitors or potential competitors are missing capacity or aspiration to copy the profitable resources and capabilities (Hitt, et al., 2017; Amit & Schoemaker, 1993). The potential competitors must not implement the strategy.

However, the challenge is on the duration of sustainable competitive advantage, how long must marketers sustain a competitive advantage? Other researchers measured sustainability in the context of an extended calendar time (Porter, 1985) whilst others such as (Barney, 1991) considered extent of competitive duplication instead of extent of calendar time. Barney (1991) argued that sustained competitive advantage exists if the competitive advantage remains after duplication efforts ended. According to Barney (1991) and Barney & Hesterly (2015) competitive advantages may last for a long time but it is not the time it lasts that determines sustainability of competitive advantage but the inability of competitors or potential competitors to duplicate the strategy. The presence of a sustained competitive advantage is not a sign that the SCA will stay forever instead; it simply signifies that duplication efforts cannot wear the advantage away (Barney, 1991). This study adopts this view of sustained competitive advantage from Barney (1991) that a sustained competitive advantage is one that competitors

cannot duplicate. However, does this mean that if a key resource cannot be duplicated it remains valuable to the organisation? The simple answer is ‘no’. Environmental changes may erode some of what used to constitute competitive advantages taking away the strategic value of a resource. Barney (1991) called these changes “Schumpeterian shocks”. What constitutes a resource in one industry setting may not be in a new setting and vice versa (Barney, 1991; David & Montgomery, 1995). In that view, what constitutes a key resource in the traditional marketplace may not be in a digital marketplace. The key though is that sustained competitive advantage does not fade because of competitor duplication.

3.2.4.2.2 Attributes of key resources

Resources and capabilities are the foundations of strategy because they give direction and they are a core source of profit to firms (Barney & Hesterly, 2015; Lynch, 2015; Hitt, et al., 2017; Grant, 1991). However, resources are not of equal importance as such do not offer similar contributions (Barney, 1991; Fahy, 2001). Marketers must always give attention to advantage generating resources. The contribution of firm’s resources is governed by two things; ‘sustainability of the competitive advantage’ given by the resources and firm’s ‘ability to appropriate rents’ earned (Grant, 1991). Competitive advantages and returns depreciate over time as competitors imitate. Characteristics of a resource determine the time that it will take before imitation. Several factors such as durability, value, rareness and inimitability determine sustainability of competitive advantage. Researchers such as Barney (1986a, 1991), Grant (1991), David & Montgomery, (1995), Amit & Schoemaker, (1993) and Fahy (2001) developed several traits to test the quality of resources. Table 3.1 presents a summary of qualities that resources must meet to contribute towards super profits.

Table 3-1 Major resource attributes

Researcher(s)	Major Resource Attributes
Barney (1986b)	Valuable, rare and inimitable
Barney (1991)	Valuable, rare, inimitable and non-substitutable
Grant (1991a)	Durability, transparency, transferability, and replicability.
Amit and Schoemaker (1993)	Complementarity, scarcity, low tradability, inimitability, limited substitutability, appropriability, durability, and overlap with strategic industry factors.
(Peteraf, 1993)	Heterogeneity, imperfect mobility, ex posts limits to completion, ex ante limits to competition
(David & Montgomery, 1995)	Inimitability, durability, appropriability, substitutability and competitive superiority
Fahy, (2001)	Value, appropriability and barriers to duplication

Source: Own construct

3.2.4.2.2.1 Value

Customer value is a necessity to competitive advantage therefore a resource must be valuable to contribute to competitive advantage through customer value (Fahy, 2001). According to Barney (1991), resources allow the firm to create strategies that advance its productivity through satisfaction of customer needs. Resources must facilitate value creation for them to be valuable. Valuable resources have the capacity to make the most of opportunities and/ or minimise threats in the external environment (Barney & Hesterly, 2015; Barney, 1991). Only valuable resources can create competitive and sustained competitive advantages (Barney, 1991). Valuable resources are those that enable a firm to “conceive of or implement strategies that improve its efficiency and effectiveness” (Barney, 1991:106). This argument connects with environmental models of competitiveness in that environmental models consider factors that exploit opportunities and minimise threats as important to an organisation that must be identified. The RBV then build on those factors that capitalise on opportunities and reduce threats to identify further other attributes that the factors must have in order to generate sustained competitive advantages. According to Barney (1991), these other factors are “rareness, inimitability, and non-substitutability”.

3.2.4.2.2.2 Rareness

A valuable resource ceases to be a source of competitive or sustained competitive advantage if it is controlled or owned by a sizeable number of firms, that is competitors or potential competitors (Barney, 1991; Barney & Hesterly, 2015). If a sizeable number of firms possess similar resources then they will be able to ‘conceive and implement’ similar strategies thereby losing competitive advantage. According to Barney (1991), marketers attain competitive advantage only if a firm implements a strategy that no other competitor or potential competitor is implementing. However, is it not possible to implement the same resource differently depending with your capabilities? How about resources that are valuable but not rare? According to Barney (1991) and Barney and Hesterly (2015), valuable and common resources although they do not give sustained competitive advantage, they are still important to the organisation for survival purposes. In my view these would be the key success factors (KSF) that every member of an industry require to do well or survive but do not give a competitive edge. However, Amit and Schoemaker, (1993) argue that possession of more KSF than competitors gives a firm competitive advantage. In addition, it is possible that a valuable resource is not rare but is controlled by only a few competitors in a market, in this case, that resource can give competitive advantage provided the number of firms holding that resource is smaller than those required to create perfect competition (Barney, 1991; Barney & Hesterly, 2015). This answers the question of how much rarity must the valuable resource be.

3.2.4.2.2.3 Imperfectly imitable

Inimitability is central to value creation because it limits competition (Barney, 1991; David & Montgomery, 1995). Competitive advantages and returns depreciate over time as competitors imitate (Grant, 1991) therefore valuable and rare resources “can only be sources of sustained competitive advantage if firms that do not have these resources do not obtain them” (Barney, 1991:107). Usually firms that hold valuable and rare resources are innovators and enjoy first mover advantages as such attract a lot of competition. However resources have to satisfy any or all of the following conditions to be imperfectly imitable; a) ‘unique historical conditions’ determine capacity of a firm to acquire resources b) ‘causal ambiguity’ between firm’s resources and competitive advantages c) ‘socially complex’ resource generating advantages (Barney, 1991) and economic deterrence (David & Montgomery, 1995).

a) Unique historical conditions

Unlike environmental competitive models that argue that firms’ performances are not influenced by their history, the RBV assumes that firms are historical and social entities as such

history influences ability to acquire and exploit resources. According to Barney & Hesterly, (2015) traditional strategists, economists and path-dependent economic models all support the influence of history to competitiveness and firm performance. Therefore firms can acquire rare and valuable resources through history path that they followed and those resources enable implementation of strategies that bring competitive advantage. For example a firm can obtain imperfectly imitable resources through its strategic location, experienced employees or culture build over time that competitors do not have access to. This is a characteristic David & Montgomery, (1995) referred to as physical uniqueness.

b) Causal ambiguity

Causal ambiguity arises when the relationship between a firm's resources and sustained competitive advantages cannot be comprehended or clearly defined (Barney, 1991; David & Montgomery, 1995). In this case, competitors find it difficult to imitate because the advantage generating resources cannot be identified easily. Even if competitors manage to identify resources of the firm, they still fail to link the resources and firm performance as such competitors cannot 'conceive of or implement' similar advantage generating strategies. Both the firm possessing the resource and the one seeking to copy must not understand the causal relationship of the resources for sustained competitive advantage to exist. If a firm holding the resource understands the causal ambiguity, there is a chance that potential imitators can find ways to acquire the same knowledge hence reduce their knowledge disadvantage. For example imitators can employ a knowledgeable employee so that the knowledge is transferred. By so doing, imperfect imitability ceases to exist as the resource becomes subject to duplication (Barney, 1991). However imitability can still fail because of transferability difficulties (Grant, 1991). According to Grant (1991), resources cannot move easily across markets, even if they do, failures can occur because of firm-specific resources, imperfect information, immobility of capabilities and geographical limitations to mobility. Understanding of resource and competitive advantage linkages is problematic because firms possess complex resources that are often interdependent making it difficult to establish a clear cause-effect relationship.

c) Social complexity

Social complexity becomes a source of imperfect imitability when the firm's resources are socially complex that the firm cannot methodically administer and control (Barney, 1991). Organisational culture, reputation and customers are examples of resources that could be socially complex to manage. Although it is possible to explain how these resources contribute to value addition, that is, there is limited or no causal ambiguity it is not possible for

competitors to systematically develop their own due to the socially complex nature of these resources (Barney, 1991). However ‘complex physical technologies’ can be imitated as such are not part of resources that are imperfectly imitable due to social complexity (Barney, 1991). However socially complex resources are required to exploit the physical complex technologies.

d) Economic deterrence

A firm can scare competitors by making huge investments. The huge investment will cause the firm to continuously protect and fight competitors out (David & Montgomery, 1995).

3.2.4.2.2.4 Substitutability

According to Barney (1991) there must not be other considered advantageous resources that are not scarce or imitable. Resources are considered equally important when competitors can implement the same strategy exploiting the equally important resources separately. This means that competitors or potential competitors are able to implement similar strategies using different resources thereby dissipating competitive advantages. Substitutability can occur in two ways (Barney, 1991). A firm may not reproduce a competitor resources exactly in the same way but may reproduce a comparable one or the resources could be very distinct but perfect substitutes.

3.2.4.2.2.5 Appropriability

A firm’s returns are not solely dependent on sustaining its competitive advantage but its ability to appropriate its value (Grant, 1991). Appropriability is the ability to convert value added into profit (Kay, 1993 cited by Fahy, 2001) however the key challenge is on who converts it as many stakeholders such as customers, suppliers and shareholders demand it (Fahy, 2001). Appropriability has to do with the sharing of income where definition of property rights is not clear as ownership beyond financial and physical assets is vague (Grant, 1991). For example, a firm can hold secrets to trade, copyrights, patents, trademarks, and brand names. If firms can easily trace individual skills to an activity or contribution, and that individual is able to offer similar services to a competitor, then appropriation turns in his or her favour. However, if the firm cannot easily link individual skills to a particular contribution and the individual cannot offer similar service somewhere then appropriation works in favour of the firm. Therefore, valuable resources are those in which the firm has clear ownership and control. Major challenge though is the appropriation of value generated from human resources (Fahy, 2001). It is not safe to depend on certain key employee skills as the same employees can demand share of value added from their contributions (Grant, 1991a). However ‘team effects’ (Wernerfelt, 1984) or complementarity (Amit & Schoemaker, 1993) enable organisations to benefit more

from combined skill sets than the sum of paid individual sums. It is this added value from combined skill sets that the organisation must safe-guard and always be able to convert into profit. For example “a patent holder, appropriates part of the profits of his licence holders” (Wernerfelt, 1984). To this end valuable resources become those that an organisation has clear ownership, control and can combine uniquely to give synegetic benefits.

3.2.4.2.2.6 Durability

According to Barney and Hesterly, (2015) the period which a firm can use resources depends upon the rate at which the resource loses value or becomes outdated over time assuming that there is no competition. However, in reality it is possible to find a market without competition. Technology advancements are shortening life span of most resources especially capital and technological ones (Grant, 1991; Setia, et al., 2013). Resources such as reputation though are slow to depreciate although this may be challenged in this era of technology. Capabilities can be retained for long periods than resources as firms can replace resources to keep its capabilities (Grant, 1991; Bitencourt, et al., 2019). So resources always formulate the base for capability development. Management of the capabilities then becomes important so that their life is prolonged. Scarce and durable resources contribute to firm performance as few firms will pursue strategies based on these similar resources (Amit & Schoemaker, 1993).

3.2.4.2.2.7 Transparency

Ability to maintain competitive advantage depends on speed at which competitors are able to copy its way of doing things. There are two challenges that competitors need to surpass before they can successfully imitate a rival's way of doing things. First one is the ‘information problem’: a competitor has to understand the rival's competitive advantage together with how it is being attained. The second is the ‘strategy duplication problem’: how the competitor would accumulate required resources to imitate the strategy. According to Grant (1991) the transparency is in understanding the competitor's capability and the determination of resources required to imitate the capability. If complicated and coordinated capabilities are used, it becomes more difficult to copy.

3.2.4.2.2.8 Transferability

Understanding competitor's capability and resources behind it is not enough. One has to acquire the resources on similar terms so that imitation can begin (Grant, 1991). This is the difficult part as resources cannot easily move between markets. However if the resources can be obtained on similar conditions then the competitive advantage becomes ephemeral.

According to Grant (1991) transferability difficulties usually arise from geographical immobility, imperfect information, firm-specific resources, and capability immobility.

Geographic immobility relates to firms moving large equipment across huge distances, which results in competitive disadvantage to the moving firm as compared to the one that already has the equipment.

Imperfect information comes in the evaluation of the contribution of certain resources. Some resources such as human resources can be difficult to individually value their contribution. An established competitor has the opportunity to build information over use of its resources which the new competitor may not easily acquire.

Firm specific resources come in as value of certain resources may fall due to transfer. This is so because of the lack of certain environments and teamwork that the resource could be exposed to. A highly productive employee may not necessarily be that productive if transferred to another organisation, the same applies to brand reputation.

Immobility of capabilities. Capabilities are the immobile resources because they require team resources and certain routines for them to be utilised effectively. Transfer of whole teams may as well not produce desired results because of the presence of tacit knowledge and certain routines that remain with the organisation (Grant, 1991).

3.2.4.2.2.9 Replicability

The difficulties of transferring resources and capabilities restrain firms from acquiring resources that brings them success. The remaining alternative to acquire resources and capabilities is internal development. However not all resources and capabilities can be developed internally as some are complex and highly coordinated. Even if imitated, firms that already control the stock of resources and capabilities required remain highly competitive (Grant, 1991).

3.2.4.2.2.10 Competitive superiority

According to David & Montgomery (1995), competitive superiority seeks to answer the question, whose resource is superior? Answering this question enable managers to compare their resources to those of competitors. Possession of superior competitive resources earns the firm sustained competitive advantages.

3.2.4.2.2.11 Tradability

The more a firm resource increases its strategic value the more difficult it is to sell, buy, imitate, or replace them. For example close relationships within the organisation cannot be easily sold or imitated as they may date back to the long history of the organisation (Amit & Schoemaker, 1993)

In addition, Amit & Schoemaker (1993) posit that key resources must have complementarity. “Under complementarity, the combined value of the firm's resources & capabilities may be higher than the cost of developing or deploying each asset individually” (Amit & Schoemaker, 1993).

3.2.4.2.2.12 Barriers to duplication

Competitors must not easily replicate another firm's resources or deploy its resources in the same way. Heterogeneity of resources is essential for imperfect competition and the RBV pays attention to endurance of the heterogeneity (Fahy, 2001; Lynch, 2015). According to Barney & Hesterly, (2015) resources need to be rare so that it generates SCA. Competitors can easily duplicate resources that are not rare, therefore fail to generate SCA (Fahy, 2001; Barney & Hesterly, 2015). However, the key to RBV is apprehending requirements for the protection of value adding activities from duplication and several explanations exist (Fahy, 2001). Nonetheless, Fahy, (2001) summarised barriers to duplication to be available if “the resource is inimitable or imperfectly imitable, immobile or imperfectly mobile and non-substitutable or imperfectly substitutable”. Substitutes lower benefits accrued to owners of a resource (Wernerfelt, 1984). However, this study expands barriers to duplication to include transparency, tradability, replicability, transferability, and rareness. Transparency issues affect duplication abilities of competitors. If a competitor cannot easily understand the source of a competitive advantage, how it is being achieved, using what resources, it becomes difficult to duplicate. The same applies to tradability, if the value of the resources is so high that it cannot be sold, bought, nor easily acquired then duplicability becomes difficult. “Strategic assets are difficult to trade and imitate, are scarce, appropriable, and specialised resource and capabilities that bestow the firm's competitive advantage” (Amit & Schoemaker, 1993:36). In addition, replicability makes it difficult for competitors to transfer resources and capabilities. Inabilities to acquire resources at the same terms contributes to imitability challenges. As a result, these factors make duplication difficult thus helping firms maintain their competitive advantages.

For the purpose of this study, key attributes that a resource must have are; valuable, appropriability, barriers to duplication which consists of immobility, rareness, non-

substitutability, transparency, and inimitability. The resource must be valuable to the organisation and the organisation must be able to control and appropriate value from its resources. In addition, the resource should not be duplicated by competitors. For this to happen, the resource must be immobile. If it does become immobile, certain attributes must be lost, or it must not be combined in the same way as in its original use to give the same value, so the owner of the original resource maintains the advantage. The owner must always enjoy complementarity of the resources that competitors may not create. The resources also ought to be rare or heterogeneous so that competitors do not duplicate or imitate. Transparency is key in making it difficult for competitors to understand the source of competitive advantages in a firm. It must not be easy to identify how resources are being combined and how value is generated within a firm. In the end, these attributes build to inimitability.

3.2.4.3 Resource Classification

The business environment always exposes firms to a variety of resources and not all resources are productive (Grant, 1991). The RBV faces challenges of identifying key resources from that big pool and their deployment for competitive advantage (Fahy, 2001). Although resource attributes previously provided help theoretically to explain or differentiate a key resource from a non-key resource, the challenge is on practically identifying the attributes. Firms that are able to identify key resources and uniquely deploy them tend to attain competitive advantages according to the RBV tenets.

However, extant literature provides diverse confusing classifications of these resources. For example, different authors use the term core competencies, distinctive competences, and sometimes capabilities interchangeably. Resources are always difficult to classify because of the challenges in classifying or identifying of some resources and this is made worse by the use of information systems (Grant, 1991). Lack of consensus on the definition of what constitute a resource itself contributes to this confusion. This section therefore seeks to demystify what a resource is and is not.

According to Grant (1991), Barney & Hesterly, (2015), resources are inputs into production that include items such as capital equipment, brands, skills and patents. Resources constitute any strength or weakness of a firm (Wernerfelt, 1984). Resources of a firm include “all assets, capabilities, organisational processes, firm attributes, information, and knowledge controlled by a firm that enable it to conceive of and implement strategies that improve its efficiency and effectiveness” (Daft 1983 cited by Barney, 1991:101). However, this section does not seek to

define resources but classify them therefore definitions are only meant to assist in that endeavour.

Traditional resource classification focused on physical characteristics, whilst others adopted an organisational process view (Fahy, 2001). Resources are anything that is tangible or intangible and semipermanently connected to the firm (Wernerfelt, 1984; Lynch, 2015). Examples of resources are brand names, technology, trade contacts and skills. Other classifications considered what the organisation '*has*' and what the organisation can '*do*', leading to resources and capabilities respectively. Grant (1991) divided resources into tangible (physical) and intangibles (non-physical) ones. There is a big difference between resources and capabilities (Lynch, 2015; Sok, et al., 2016; Barney & Hesterly, 2015; Hunt & Madhavaram, 2019). In another study Barney (1991) classified resources into three, physical capital resources, human capital resources and organisational capital resources. According to Barney (1991) human capital includes "training, experience, judgement, intelligence, relationships and insights of individual managers and workers in the firm" whilst organisational capital resources "are firm's formal reporting structure, formal and informal planning, controlling, and coordinating systems, and informal relations among groups within a firm and between a firm and those in its environment". Although all these authors classify resources differently, three main classes emerge, tangibles, intangibles and capabilities. These are the classes that this thesis considers as the main classifications for resources.

3.2.4.3.1 Tangible resources

Tangible assets are physical assets of the firm such as its plant & equipment, physical technology used in a firm, buildings, geographic location and access to raw materials and cars (Wernerfelt, 1984; Barney, 1991; Lynch, 2015). Traditional accounting approaches can easily measure value of these assets and the assets are prone to duplication as competitors can imitate and substitute most of these assets (Fahy, 2001). In view of the RBV tenets, these assets on their own contribute less to competitive advantage.

3.2.4.3.2 Intangible assets

Firms possess a variety of intangible assets such as brands, trademarks, networks and reputation (Fahy, 2001; Davick & Sharma, 2016). Accountants are reluctant to include intangible assets on balance sheets because of the difficulties in valuation of intangible resources (Grant, 1991). However, an alternative is to calculate differences between stock market value and balance sheet value of tangible assets (Grant, 1991; Fahy, 2001). The difference between stock market value and balance sheet value is usually attributed to intangible resources. Intangible resources

can be put to use in different ways such as in-house or rented out (Fahy, 2001). Generally intangible assets are difficult to duplicate and have legal protection through means such as patents (Fahy, 2001).

3.2.4.3.3 Capabilities

“Capabilities are a broad category incorporating individual skills and learning within the firm as well as interactions such as teamwork, organisational culture, and trust between management and workers” (Fahy, 2001:60). It is a “firm capacity to deploy resources, usually in combination using organisational processes to effect a desired end” (Amit & Schoemaker, 1993) built over time through convoluted interaction of organisational resources. A capability is the “capacity of a team of resources to perform some task or activity” (Grant, 1991: 119). Capabilities are what the firm can ‘do’ as a result of resources working together and “involve complex set of coordination between people and other resources” (Grant, 1991). The coordination is attained through repetition. A “capability is thus a routine, or a number of interacting routines” (Grant, 1991). They are a form of ‘midway products’ produced by a firm to assist in efficiency of its resources. Capabilities are also frequently built in functional areas such as brand management. A capability is thus considered to be the ability of organising and putting other resources into use, the glue bringing other resources together (Bitencourt, et al., 2019; Day, 1994). It is thus a ‘special type’ of an intangible resource.

Capabilities are difficult to value (Fahy, 2001) and have limited capacity in the short run due to learning and change complications, although they do have unlimited capacity in the long run (Gregory, et al., 2019; Cacciolatti & Lee, 2016; Wernerfelt, 1989). The difficulties in valuation make capabilities invisible on balance sheets unlike other assets. In addition, capabilities are deeply entrenched in organisational processes therefore are difficult to identify, replicate and difficult to value (Day, 1994; Fahy, 2001; Gregory, et al., 2019). For example employee skills can be extremely hidden leading to inimitability and imperfect substitutability. Interaction based capabilities are more difficult to substitute because of causal-ambiguity and it is for these reasons that the RBV prefers capabilities as the main source of SCA (Fahy, 2001). Routines just like skills contain tacit knowledge which makes them difficult for the organisation to express unless they are frequently put into use, otherwise they cannot be retained if not frequently used (Grant, 1991:122). As a result, the ability to coordinate teams to work together becomes key. Interaction between capabilities increases a firm’s attractiveness and scares rivals as well as making the interaction difficult to understand, inimitable, and valuable (Hooley, et al., 2005).

However according to Fahy (2001), Collins (1994) warned against treating capabilities as more difficult to duplicate as firms can adjust to environmental shocks developing new capabilities that substitute existing ones.

3.2.4.4 Relationship between resources and capabilities

This thesis takes the view that capabilities are a ‘special type’ of resources which should not be treated equally with intangible resources. Although agreeable to Grant’s (1991) view that resources and capabilities are not the same, this thesis takes the difference to be in terms of the roles of the two. In this study the term ‘resources’ refers to tangibles, and intangibles whilst capabilities are a special type of resource. The distinction between resources and capabilities is thus on what the organisation ‘has’ (physical and non physical resources) versus what the organisation can ‘do’ (capabilities). Capabilities are shown in business activities such as service delivery, and are deeply embedded in an organisation thus difficult to identify (Day 1994). In view of this distinction, the thesis adopts Grant (1991; Day, 1994) contribution that resources are the source of capabilities which then lead to competitive advantage. Nature, quality and quantity of available resources determine what a firm can do which defines its capabilities (Grant, 1991). In another study, Davick & Sharma, (2016) found resources and capabilities to have a complementary effect.

Capabilities cannot be given a monetary value as with tangible resources (Day, 1994). Capabilities are closely connected to organisational processes because capabilities enable organisational activities to occur (Day, 1994; Day, 2011) Capabilities underscore the importance of management in “appropriately adapting, integrating, and reconfiguring internal and external organisational skills, resources, and functional competences to meet needs of the dynamic environment” (Teece, et al., 1997). Capabilities positively contribute to a firm’s performance (Day, 1994). Just like resources, endurance of capabilities is determined by their scarcity, immobility, and inimitability.

3.2.4.5 The RBV in Marketing

Several researchers have applied the RBV in marketing researches. The RBV helps in understanding the value or contribution of resources to market performance as well as the identification and development of these resources. It is important to note that not all resources are relevant. Most studies applying the RBV are confined to Western markets (Milfelner, et al., 2008).

Table 3-2 RBV research in marketing

Researcher	Resources Investigated	Summary Findings
(Moorman & Day, 2016)	Marketing capabilities: Market sensing and knowledge management capabilities, Relational capabilities, Management of brand assets and leveraging brand equity, Strategic marketing planning and implementation, Functional capabilities related to the marketing mix	Marketing resources influence performance.
(Frosen, et al., 2016)	Market orientation	Market orientation determines business performance. Market performance measurement vary across firms, small firms may benefit from focused measurements.
(Morgan, 2012)	Marketing resources (knowledge, financial, physical, human, legal) Marketing Capabilities (Dynamic – market learning, resource reconfiguration, capability enhancement; Architectural – strategic market planning, marketing strategy implementation; cross functional – brand management, CRM, NPD; Specialised – product management, pricing management, channel management, marketing communications, selling, market research.	Conceptual model
(Morgan, et al., 2009)	Market sensing, brand management, customer relationship management capabilities.	Marketing capabilities are connected with firm growth rates.

Researcher	Resources Investigated	Summary Findings
(Morgan, et al., 2009b) US based firms	Market orientation, marketing capabilities (pricing, product development, distribution management, marketing communications, selling, marketing planning, marketing implementation).	Market orientation and marketing capabilities are complementary assets that contribute to superior firm performance. MO has direct effect on return on assets (ROA) Marketing capabilities directly influence both ROA and firm performance.
(Milfelner, et al., 2008) (Slovenia)	Market orientation, innovation resources, reputational, customer related capabilities and distribution based assets	Market orientation indirectly related to market and financial performance Reputational assets positively influence loyalty, market share and sales volume Innovation resources indirectly influence market share and sales volume Customer related capabilities influence customer loyalty Distribution assets weakly related to loyalty, market share and sales volume
(Hooley, et al., 2005)	Market based resources, marketing support resources	High market orientation significantly and positively influenced managerial capability. Market orientation positively related to customer linking and human resource capabilities Market orientation had a significant negative relationship with reputational assets. Managerial capability positively influence market based assets

Researcher	Resources Investigated	Summary Findings
		Reputational assets had significant negative relationship with customer performance Customer linking and reputational assets are predictors of market performance Innovation capability does not increase sales and market share
(Kirca, et al., 2005)	Market orientation	Market orientation influences market performance particularly customer, financial, and employee, innovation outcomes
(Noble, et al., 2002)	Market orientation	Competitor orientation directly related to performance. Customer orientation variable did not relate to performance Inter-functional coordination was supported
(Milfelner, et al., 2008)	can marketing resources contribute to company performance	Market orientation contribute to market performance.

Source: Author Own Construct

3.2.4.6 Relevance of the resource based view

The resource-based view provides a strong foundation to explain sources of sustainable competitive advantage and market performance based on possession of valuable, inimitable, rare and organisable resources. The RBV fits into the current study as it guides in the exploration of required digital marketing resources and capabilities for improved market performance in agro-processors.

While the game theory, IO, and Industry structure help, explain performance differences in firms, these perspectives are externally oriented, and lack an explanation of resources required tackling the external opportunities and threats. For example as previously indicated, resources are required to be able to anticipate and counter competitor moves (game theory). Further, even though the marketing mix perspective takes an internal perspective, resources are still required to execute fully the various marketing activities. In view of these overarching contributions of the resource perspective, the RBV becomes the principal guiding theory for this study.

However, this study considers these various theoretical perspectives to be complementary as also argued by Hitt et al., (2017). For example for a firm to position itself strategically in an industry (Porter, 1980), it requires strategic assets or resources (Barney & Hesterly, 2015).

Key resources will give a firm competitive advantage that necessitates strategic positions in an attractive industry leading to overall profitability. Without resources, the firm will not be able to partake nor discover opportunities in the attractive industry. Barney (1991) clearly articulated this relationship demonstrating how resources can provide or deliver exactly what Porter's five forces model advocates. According to Barney (1991), heterogeneity influences first mover advantages in firms (Barney, 1991) as firms that are more knowledgeable about opportunities are able to grab the opportunity before those without the information. The information on the opportunity becomes the key resource that competitors will be missing.

Heterogeneity also creates barriers to entry in a given industry (Barney, 1991). This is so because for firms to find it difficult to enter a given market, those within the market must be having a resource or implementing strategies that the potential entrant finds it difficult to imitate. Strategy implementation requires resources and failure to implement similar strategy could suggest lack of required important resources. Immobility of the resources also entails that entry or exit barriers remain. If competitors easily acquire and bring resources into new markets then the advantages dissipate. Perfectly mobile resources would result in firms seeking to enter a protected market acquiring the same resource thus taking away the advantage. To

that end, barriers to entry become sources of sustained competitive advantage when firms in that industry have heterogeneous and immobile resources. Holders of resources can enjoy 'resource position' barriers if other holders who acquire the resource late find it relatively costly (Wernerfelt, 1984). As such, researchers on firm competitiveness realised shortcomings of assuming homogeneity and mobility in firm resources that are the main assumptions of the industry structure (Barney, 1991).

In the industry structure, creating competitive positions at either industry or sector level create rents (Teece, et al., 1997). Firms have to limit strategic action of rivals to their advantage. As a result, emphasis on firm specific assets is limited as differences are mainly on scale (Teece, et al., 1997).

3.2.4.7 Limitations of the resource based view

Although the RBV provide a strong foundation to understanding performance differences in firms, it has been widely criticised for its static view of resources and capabilities (Hunt & Madhavaram, 2019; Morgan, 2012; Day, 2011; Teece, et al., 1997). In addition, although researchers have studied resources that fall within the marketing resources domain, no research has provided unquestionable marketing resources (Morgan, 2012; Sok, et al., 2016) more so digital marketing resources. The RBV fails to give an explanation on the development of the resources. It does not explain how resources and capabilities change with environmental dynamics (Day, 2011; Hunt & Madhavaram, 2019) as a result failing to provide explanations to performance differences in dynamic market environments. The RBV is generally exploitative as it takes an inside-out perspective (Day, 2011; Day, 2014). This entails strategy to grab market opportunities is derived from internal resources that constrain the firm as initiatives. Instead, an explorative perspective (Day, 2011) is desirable. Major challenge in the technology driven business of our era is the identification, development, and deployment of inimitable resources. The RBV does not completely develop the thinking that competitive advantage needs deployment of both internal and external capabilities as well as generating new ones (Teece, et al., 1997; Hunt & Madhavaram, 2019). The dynamic capabilities approach/theory therefore seeks to close this gap as shown in the following sections.

3.2.5 The Capabilities Approach

The capability approach is an extension of the resource based view (RBV) perspective. While researchers seem to converge on the influence of marketing capabilities to market performance

(Morgan, et al., 2009; Bitencourt, et al., 2019; Davick & Sharma, 2016; Day, 2014), different perspectives exist with little empirical evidence on the contribution of different marketing capabilities. Several forms of capabilities exist ranging from static, dynamic and adaptive capabilities. The RBV perspective already consider the static capabilities (Hunt & Madhavaram, 2019) therefore this section focus on dynamic and adaptive capabilities.

3.2.5.1 Dynamic Capabilities (DC)

Day (1994) explained how to attain and maintain a market orientation through distinctive inimitable capabilities. According to Day (1994), distinctive capabilities are superior capabilities that sustain a valuable and an inimitable market position of an organisation. However, Day (1994) did not emphasise on the dynamic nature of market environments which Teece et al (1997) and Teece, (2018; 2016; 2014) addressed through the dynamic capabilities approach. The capabilities approach “locates sources of a defensible competitive advantage in the distinctive, hard-to-duplicate resources the firm has developed” (Day, 2011: 185). Consequently, the dynamic capabilities approach explains sources of competitive advantage in dynamic technological environments (Morgan, 2012; Teece, 2009; Teece, et al., 1997). A dynamic capability is “the capacity of an organisation to purposefully create, extend, or modify the resource base” (Helfat 2007:5). It involves a continuous process of analysing the environment to keep ahead of competition and this process requires skills deeply entrenched within the organisation (Day, 2011; Teece, 2009;2018).

The dynamic capabilities approach is a version of the RBV (Day, 2011: 187) as such takes an efficiency-based approach to explaining differences in firm performances. Dynamic capabilities complement the RBV as it seeks to develop new skills in dynamic environments.

The dynamic capabilities approach advocates that holding strategic or valuable assets is not enough; firms need the capacity to be agile, adopt elastic product innovations, together with capability to organise and redeploy competences (Morgan, 2012; Teece, et al., 1997). Dynamic capabilities implies that firms are able to rekindle competences to meet needs of the changing market environment. This is important in fast paced technological environments where disruptive innovations, agility and timing are more important to curb the effects of such volatile markets.

In a dynamic market environment, firms engross themselves in market-based learning and apply the acquired market knowledge to reconfiguration of its resources and augment its capabilities (Morgan, 2012). Wealth generation in fast changing environments requires firms to

utilise in-house technology, organisational and managerial processes within the firm (Teece, et al., 1997).

Therefore, firm resources and capabilities must be constantly renewed, improved and enriched to deliver sustainable competitive advantage (Morgan, 2012; Gregory, et al., 2019). The approach goes further by pinpointing components of firm-specific capabilities that result in competitive advantage as well as how competences and resources can be developed, organised, utilised, and safeguarded. The dynamic capabilities emphasise utilising internal and external competences in fast-paced environments. This approach is relevant in a “Schumpeterian world of innovation-based competition, price/performance rivalry, increasing returns, and creative destruction of existing competences” (Teece, et al., 1997).

According to Teece (2009) dynamic capabilities enable/involve:

- a) Environmental scanning for opportunities and threats.
- b) Exploiting environmental opportunities and/or minimising threats by either use or development of new resources.
- c) Choosing appropriate models to deliver customer value and capture profit in return.

However, the dynamic capabilities approach has its weaknesses. Dynamic capabilities just like market orientation are crucial in dynamic environments, but they still fall short of meeting needs of extremely dynamic or volatile markets (Day, 2011; Hunt & Madhavaram, 2019). According to Day (2011), dynamic capabilities take an inside-out perspective that leads to an exploitative mind-set. Market orientation also dominated by exploitative mind-set although it starts with the customer (Day, 2011). Everything starts with deliberate action of scanning the environment for possible opportunities and threats. “What gets lost is sensitivity to weak signals of impending changes and a willingness to experiment” (Day, 2011:187). The weakness in that is that the firm starts environmental analysis with something in mind unlike a purely outside-in approach that starts with the market on a purely open mind. In light of these weaknesses in extremely volatile environments, adaptive capabilities (Day, 2011) are required.

3.2.5.2 Adaptive capabilities

Adaptive capabilities extend and strengthen the dynamic capabilities approach to facilitate agility (Day, 2011; Hunt & Madhavaram, 2019). It is necessitated by the volatile market dominated by technology. Advancements in data generation, information sharing and communication technologies in general call for new skills and knowledge (Wymbs, 2011; Day, 2011; Kotler, et al., 2017)). Adaptive capabilities, take an outside-in perspective and are required in fast changing environments so that organisations keep up with the pace of change.

In an outside-in approach, skills development and acquisition is determined by what customers want. The outside-in approach promotes firm ability to predict changes thus drive agility in volatile markets.

Consequently, Day, (2011) put forward the following questions that need to be asked:

How and why are customers changing?

What new needs do they have?

What can we do to solve their problems and help them make more money?

What new competitors are lurking around the corner and how can we derail their efforts?

3.2.5.3 Evolution of capabilities

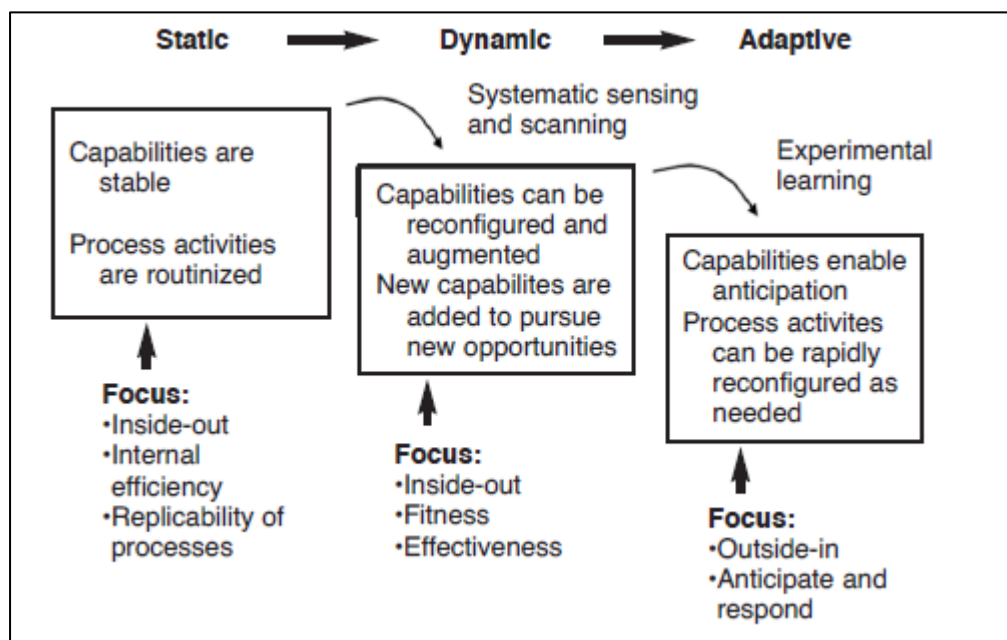


Figure 3-2 Evolution of capabilities

Source: Day (2011:188)

The magnitude of market environments volatility is beyond the scope of this study, as such dynamism or volatility will be considered from a general perspective. As such, the capabilities approach is considered valuable to this study as it helps define the embedded skills, processes, and knowledge that organisations need for superior performance. Both dynamic and adaptive capability perspective inform the current study.

3.2.5.4 Adaptive vs dynamic capabilities

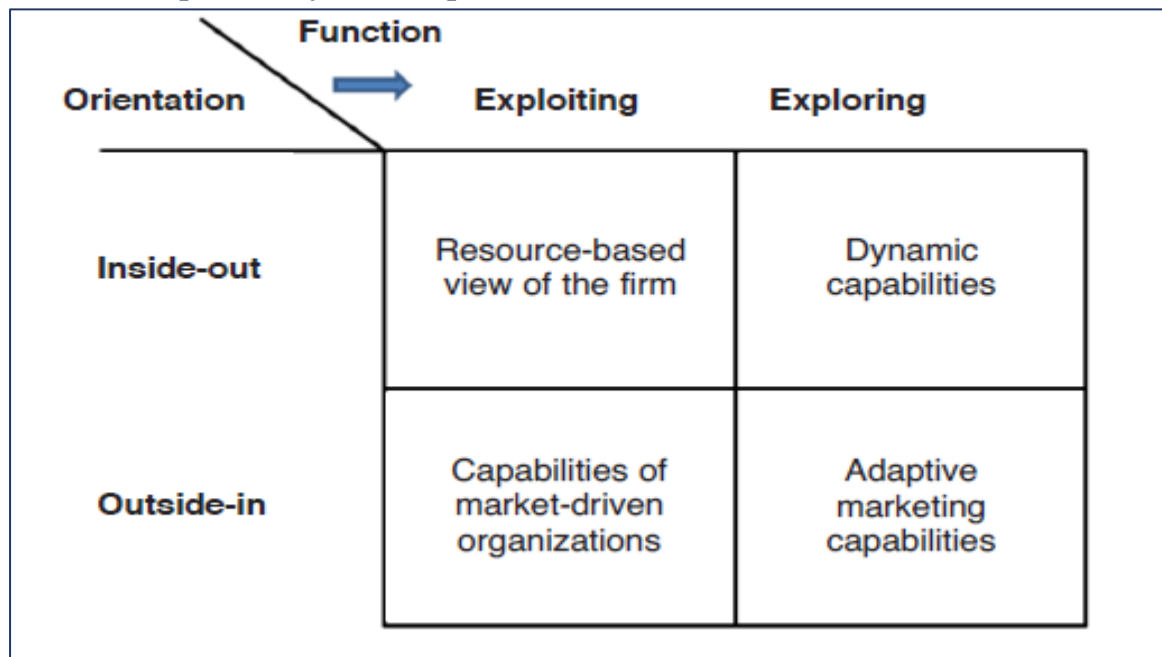


Figure 3-3 Adaptive vs Dynamic capabilities

Source: Day (2011:187)

Adaptive capabilities are more explorative and take an outside-in approach compared to dynamic capabilities that are more inside-out although explorative. Exploitative approaches seek to use internal strength and resources to tackle outside opportunities and threats whilst in exploration, the firm seeks to experiment, take risks, and discover opportunities. The firm can use an inside-out orientation where its resources determine its exploration or an outside-in approach where the outside opportunities and threat determine resources to build or acquire. The firm goes to the market with a more open mind than in inside out approaches where a certain criteria is defined before reaching out.

Day (2011) categorised adaptive marketing capabilities into three; vigilant market learning, adaptive experimentation and open marketing. According to Day (2011), these capabilities are more fruitful in an organisation with strong market orientation and adaptive business models supported by vigilant leadership. Vigilant leadership cultivates a supportive environment for collecting, sharing, and working on information from different sources (Day, 2011).

3.2.5.4.1 Vigilant learning

According to Day (2011:188), organisations have to “learn to make sense out of an increasingly volatile and unpredictable market”. This then calls for organisations that are proactive and vigilant learners. Emerging technologies support collection of profound customer insights and

dissemination for enhanced evidence based decisions. Vigilance refers to a profound position of alertness typified by inquisitiveness, awareness and a willingness to act on incomplete information (Day, 2011). Day (2011) identified vigilant organisations as those that:

- Have a robust market orientation.
- Know questions to ask to identify new knowledge.
- Comprehend insights and conquer organisational filters.
- Overcome bias to obtain actual insights.
- Triangulate inquiry methods and learn deeply on unclear situations.

Accordingly, vigilant market learning entails an open mind when learning about customers be present, past or prospective. As such, it involves an open mind especially to hidden needs, ability to perceive and work on weak signals as well as a strong willingness to stay connected to customers. Market learning only becomes a reality when outputs are interpreted and disseminated. Dissemination can be easily executed using social networks accessible within and outside the organisation.

3.2.5.4.2 Adaptive market experimentation

Organisations must constantly learn by testing and sharing results on small experiments that generate new knowledge (Day, 2011). To achieve this, organisations need an experimental culture, organise and share fruitful results, and constantly tap in experiences of other successful partners. Always have the curiosity to challenge existing believes, encourage learning from failures, and make experimentation the custom.

3.2.5.4.3 Open marketing

Today's digital marketing environment predominantly relies on ubiquitous networks. Firms are constantly moving to supply chain networks, networks of innovation partners and relational capabilities giving access to partner resources outside the firm (Day, 2011). New marketing capabilities that are inimitable, long to develop and valuable are required to manage effectively networks in the digital environment. In addition, a mastery of skills to share, coordinate and control insights from different partners is required otherwise; the network approach fails to bear fruitful results. However, if managed properly networks immensely contribute to organisational success.

Conclusively the adaptive capabilities approach posits that marketers must deploy more hard to copy tacit knowledge, wisely invest in technology and open business models, and acquire new market insights before rivals do. However, it is important to note that although the

capabilities approach emphasises on capabilities, Porter's strategic positioning is still applicable. Choice and development of inimitable, valuable, and durable capabilities is shaped by industry structure, market needs and positioning (Day, 1994).

3.2.5.5 Classifying capabilities

Capabilities are not easy to classify as some are deeply embedded in organisational processes (Day, 1994). However, some can easily be seen as they are reflected in organisational activities. As such, researchers such as Grant (1991) argued that firms must be defined by what they are able to do compared to needs that they intend to meet. However Day (1994) argued that it is the ability to utilise inside-out capabilities to exploit outside-in capabilities that is important. Day (1994) came out with three classes of capabilities, outside-in, spanning and inside-out capabilities.

Table 3-3 Capability classes

Outside-in capabilities	Spanning capabilities	Inside-out capabilities
Market Sensing	Customer Order Fulfilment	Financial Management
Customer Linking	Purchasing	Cost Control
Channel Bonding	New Product/Service Development	Technology Development
Technology Monitoring	Strategy Development	Integrated Logistics
	Pricing	Manufacturing/Transformation Processes
	Customer Service Delivery	Human Resources Management
		Environment Health and Safety

Source: Day (1994)

Outside-in capabilities link the organisation with opportunities outside the firm whilst inside out capabilities are mainly a function of market requirements, competition, and opportunities outside the firm. Spanning capabilities bring together outside-in and inside-out capabilities. The focus of market-oriented organisations is to drive all activities towards the outside-in continuum.

3.2.5.6 Relevance of the capabilities approach

The capabilities approach goes beyond the resource perspective by taking into consideration both the internal and external perspective of an organisation. Outside-in capabilities enable an organisation to have an external focus thus better position itself to anticipate and respond to dynamic market environments (Day, 2011; Wymbs, 2011). Further, capabilities also recognise that resources alone are not enough, but there is a need for ‘special skills’ to turn the resources into value. As such, capabilities enable full utilisation of resources. However, resources and capabilities are complementary (Davick & Sharma, 2016) as resources form the foundation for capability development (Morgan, 2012; Teece, 2014; Teece, et al., 1997). The capabilities approach extends the RBV (Day, 2011) and is suitable for dynamic digital environments.

3.2.5.7 Limitations of the capabilities approach

Just like the RBV, there is no widely accepted classification of capabilities. Some researchers narrowly define capabilities as intangible resources. The connection between resources and capabilities is weakly defined although there is acknowledgement of their complementary nature.

Table 3-4 Summary Table: Theoretical Framework

Theory / Component	Game Theory	Industry Structure	Marketing Mix	Resource-Based View	Capabilities Approach
Main proponents	John von Neumann and Oscar Morgenstern	Michael Porter	Niel Borden, Jarome McCarthy	Penrose, Barney & Wenerfelt	Day, Morgan
Main Drivers of performance	<ul style="list-style-type: none"> Playing the right game. Anticipating future moves, and playing games that give an edge over competitors 	<ul style="list-style-type: none"> Understanding industry structure and strategically positioning within an industry. Manipulate industry factors to the firm's advantage 	<ul style="list-style-type: none"> Ability to mix various marketing activities to drive firm performance towards set objectives. How various marketing elements are combined determine success. 	<ul style="list-style-type: none"> Possession of certain resources give a competitive advantage over competitors. Resources have to be valuable, rare, inimitable, & organisable. 	<ul style="list-style-type: none"> Special skills and abilities to make use of available resources. Resources alone are not enough but capability to exploit them.
Focus	Competitor moves	Industry five forces	Marketing mix elements, 4Ps.	Organisational resources.	Capabilities: Dynamic & Adaptive capabilities
Orientation	External orientation	External orientation	Internal orientation	Internal orientation	Internal & external
Major Strength in relation to current study.	<ul style="list-style-type: none"> Ability to seek and gather market intelligence in dynamic environments. A focus into the future, and possible 	<ul style="list-style-type: none"> Recognition of role of resources & capabilities in positioning, and response to industry environment. In addition, a requirement for resources and capabilities to understand industry structure- 	<ul style="list-style-type: none"> Explains influence of various marketing activities on performance. The mixing of marketing elements also require resources & capabilities. 	<ul style="list-style-type: none"> Explains power of resources in influencing market performance. 	<ul style="list-style-type: none"> Explains the power of capabilities in directing an organisation's use of resources and eventual market performance.

Theory / Component	Game Theory	Industry Structure	Marketing Mix	Resource-Based View	Capabilities Approach
	moves to make – proactive strategies.	complementary effect of the five forces and resources.			
Major limitation in relation to this study.	<ul style="list-style-type: none"> Major focus on competitor actions ignores internal resource and capability development. Not widely tested in digital environments therefore limited knowledge on applicability in digital marketing. 	<ul style="list-style-type: none"> Neglects resource analysis to later stages of strategy formulation. No tangible emphasis on resource and capability deployment. Not widely tested in digital environments therefore limited knowledge on applicability in digital marketing. 	<ul style="list-style-type: none"> No explanation of resources & capabilities required for an appropriate mix of the elements in a digital environment. No universally accepted marketing mix elements for the digital marketing environment. 	<ul style="list-style-type: none"> No agreement on definition and classification of resources. No wide testing of existing classifications in the digital marketing environment. 	<ul style="list-style-type: none"> No widely accepted definition and classification of capabilities. Relationships with other marketing resources poorly defined. Capabilities required for digital marketing environments not known or widely defined.

Source: Own construct.

3.3 MARKETING PERFORMANCE MEASUREMENT (MPM)

This study considers market or marketing performance as a measure of an organisation's abilities to attain revenue, market share and growth goals through its activities and right use of resources in a cost-effective way (Homburg 2007). Market performance measurement goals can relate to diverse spheres of market performance such as customers, competitors, and financials (Frosen, et al., 2016). Although, "not everything that can be counted counts, and not everything that counts can be counted." —William Bruce Cameron in Frosen, et al. (2016), no single approach can succinctly capture market performance therefore researchers always need to carefully adopt a basket of measures (Sergie, et al., 2007).

Developments in technology, competitive dynamics, customer needs and market turbulence continue to pose challenges to market performance measurement (Beukes & van Wyk, 2016) a result of some uncontrollable external variables (Clark, 2007). Furthermore, it is impossible to be accountable without measurement (Sergie, et al., 2007) yet "you cannot measure what you cannot define" (Clark, 2007:37). Understanding what needs to be measured and the value of market performance measurement especially in a dynamic digital environment is important. However confusion emanates from the different perspectives to performance measurement, definitions, constructs, time frames, reference points, and use of antecedents as final outcomes (Santos & Brito, 2012; Clark, 2007). For example Clark (2007) clearly elaborated the difficulties emanating from defining marketing, where some definitions considered marketing as a process whilst others perceived it as an organisational function. This alone meant several challenges in relation to measuring a 'process' in addition to other challenges like capturing the value that marketing creates. Different approaches to measurement also exist such as, the traditional productivity approach, input-output models, return on marketing investments, and chain effects approaches to measure market performance, (Clark, 2007) as explained in the following sections:

3.3.1 Traditional approach – marketing productivity

The marketing productivity was the dominant market measurement approach in the 70s, and concentrated on appraising output per input (Clark, 2007). During this time, market performance across different marketing programs (activities) informed resource allocations. Inputs could be either marketing expenditures or advertising activities.

3.3.2 Marketing return on investment (ROMI/ROI)

The marketing return on investment is a development to the marketing productivity literature which builds on the input to output framework (Clark, 2007). However, according to Clark (2007:40) the ROI could not be measured consistently, it got treated as a short-term measure which posed challenges in cases where long-term investments were involved and finally, ROI promoted underspending (Ambler, 2003).

Return on marketing measure outcomes as a result of marketing input, and this tends to be annualised. However, some investments span over long periods of time which makes it difficult to accurately track their contribution to performance. Also, some investments or marketing activities do contribute indirectly to performance as such their influence cannot be measured with certainty.

3.3.3 Chain effects

Chain effects is an advanced measurement approach that measures all influences of marketing activities, starting from reactions such as attitudinal or behavioural to sales, profit and shareholder value (Clark, 2007). In the chain effects, market performance measures start with influence of marketing activities to intermediate outcomes such as awareness, then to final outcomes such as sales. Feedback effects from performance measurement influence both management behaviour and capabilities of the organisation (Clark, 1999; Greve, 1998; Lant, 1992; March and Sutton, 1997; Miller, 1994; Rust et al., 2004; cited by Clark, 2007). Accordingly, Clark (2007), developed figure 3.4 below to help explain market performance measurement in an organisation taking recognition of the chain effect view:

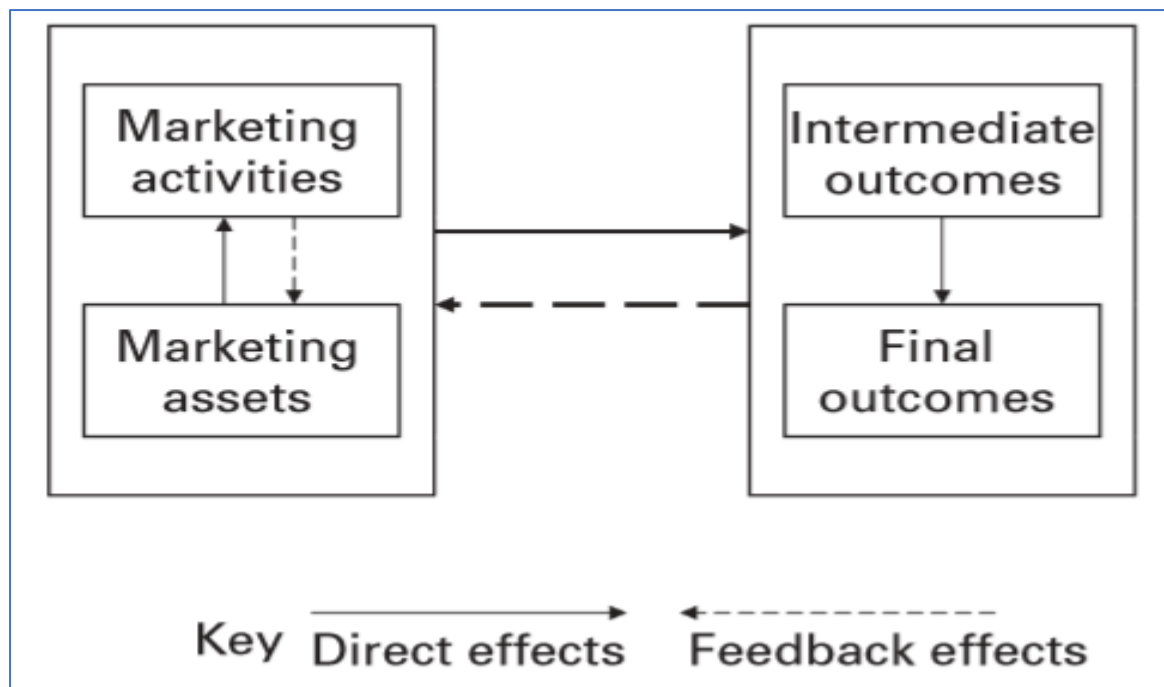


Figure 3-4 Marketing measurement framework

Source: Clark (2007:41)

According to Clark (2007), four things or components must be measured,

- Marketing activities
- Intermediate outcomes
- Final outcomes
- Marketing assets

3.3.3.1 Marketing activities

The marketing mix framework had conventionally been the guide for development of marketing activities in organisations (Clark, 2007). Clark further asserts that customer service has grown to be an additional element in the organisation of marketing activities. A measurement of the activities in relation to intermediate and final outcomes enables an organisation to assess its market performance. Measurements could be on how well activities were executed?, time taken, and consumed resources. The marketing mix framework supports evaluation of previous performance, resource distribution adjustments around activities and forecast future performance (Clark, 2007:41).

3.3.3.2 Intermediate outcomes

Instead of simply measuring inputs against outputs, researchers such as Clark (2007) and Ambler (2004) further divided outputs into intermediate and final outputs. Intermediate measures are those that are realised before the final measures, for example awareness before sale. Intermediate measures (Sergie, et al., 2007; Clark, 2007) can act as leading indicators of financial performance. Causal links between marketing actions, intermediate outcome, and financial performance always need to be established as few studies test this linkage (Clark, 2007; Sergie, et al., 2007).

“Before customers purchase a product (a) the organisation has to create, communicate and make available the product, and (b) customers have to believe that the product will provide value to them relative to competing offerings” (Clark, 2007:42). Customers have to be aware of the existence of a product before any purchase decisions. Marketers can measure awareness either aided or unaided. After awareness, marketers can measure what customers ‘know and feel’ about the product. Under these intermediate outcomes, marketers can as well measure customer associations in their memory and emotions regarding certain brands. Accordingly, knowledge and emotions turn to customer attitudes concerning the product. Availability which is the degree to which a product is available in the right locations at the right time is also another intermediate measure that marketers can implement. Marketers can target to have products readily available through channels that customers value. Although customers do not necessarily follow the hierarchy demonstrated in these explanations, the explanations remain valuable in understanding intermediate measures.

3.3.3.3 Final outcomes

The final intention of all marketing activities is for the customer to buy and sales have been the principal factor to judge market performance (Clark, 2007). However, Ambler, et al., (2004) reported less usage of sales and profitability as a marketing performance measure among UK executives. Researchers report popularity of comparing sales against competitors in the form of market share. While marketers widely adopt market share and profitability, the relationship between the two has remained complicated (Jacobson, 1988; Szymanski, Bharadwaj and Varadarajan, 1993 cited by Clark 2007). Market share can present problems of being counterproductive whilst sales can pose dangers of being attained through lower prices, a fear of “acquiring customers than making money” (Clark, 2007). However increased pressure to produce sales at a profit is bringing both dimensions to top lists of market performance measurements.

Profit and growth are the main reasons for firm existence as such cannot be ignored in any performance measurement system (Santos & Brito, 2012).

3.3.3.4 Marketing assets

There has been growing attention in the development and deployment of marketing assets (Srivastava, et al., 2001; Ambler, et al., 2004; Cacciolatti & Lee, 2016; Kyriakopoulos, et al., 2015). As identified before, several classifications of assets have been identified ranging from relational assets, market orientation, customer linking, and intellectual assets. “An asset-based perspective on marketing suggests that good marketing develops good marketing assets, which in turn can be leveraged to generate superior business performance over the long term” (Clark, 2007:46).

3.3.3.5 Understanding feedback loops

Feedback from performance to activities grow as marketers use more market performance measurement systems (Clark, 2007). Activities develop assets and outcomes, and at the same time, assets and outcomes create activities (feedback effect). To this effect, standard regression models fall short of explaining feedback loops, as standard regression models undertake that activities influence performance, not that performance influence activities. As a result, analysts must apply two stage least squares or vector autorregressive models (Clark, 2007).

3.3.4 Challenges in market performance measurement

Unlike traditional marketing efforts, measurement of digital marketing efforts remains unclearly defined (Saura, et al., 2017) as it continues to bring new challenges and skill requirements. There is no widely accepted scale for measuring marketing resources impact on market performance except for market orientation (Hooley, et al., 2005; Mone, et al., 2013; Davick & Sharma, 2016). Instead, several perspectives and challenges exist in measuring marketing activities influence on market performance. As highlighted before, the first challenge is on the definition, and classification of marketing and its activities. Then there are challenges related to the marketing performance measurement process as indicated by the different perspectives; productivity, accounting, input-output models, and chain effects.

Another major challenge is on deciding when to measure, that is, cross-sectional versus longitudinal. Cross sectional might be ideal to assess influence of a certain measure or activity over a short space of time whilst longitudinal might be necessary for long-term effects of market interventions. However, some market interventions may overlap between short-term to long-term outcomes, thereby missing out on some effects if cross sectionally measured thereby

necessitating a longitudinal perspective (Noble, et al., 2002). At the same time, longitudinal measures may also be influenced by some short term market interventions. As a result, challenges emerge as to when (periods) to correctly measure market interventions.

Whilst extant literature (Saura, et al., 2017; Frosen, et al., 2016; Morgan, 2012) advocate for the use of both quantitative (objective) and qualitative (subjective) measures, marketers widely applied subjective approaches to measure outcomes (Morgan *et al.*, 2009). These subjective measures rely on marketing actions as such delay signals for real changes in objective market outcomes (Sergie, et al., 2007) that are crucial in digital environments. In the subjective approach, respondents make own assessments relative to their objectives which also contributes to subjectivity in assessments. However, the subjective approach is useful where sensitive data such as sales volumes or profits may not be readily available.

In addition, relative measures instead of absolute measures are required so that firms compare performance to that of competitors (Sergie, et al., 2007). Sustained differentiation from rivals leads to competitive advantage (Barney, 1991). However, competitor information is not readily available therefore proxy measures such as premium pricing (Sergie, et al., 2007) could be useful.

Another source of confusion exists in measuring antecedents instead of performance outcomes (Santos and Brito, 2012). The expansion of the traditional accounting measures such as profit, sales, and cash flow to include non-financial measures (Ambler et al., 2004) such as market share, quality, customer satisfaction, loyalty and brand equity (Clark, 2007) pose new challenges with respect to antecedents-outcomes debate. For example, customer satisfaction can be an antecedent when measuring or taking a financial outcomes perspective whilst it can be an outcome when adopting the customer-stakeholder perspective which defines performance as the satisfaction of stakeholders. Therefore the researcher's perspective determines whether a measure can be an antecedent or final measure which leaves room for differences.

Market performance measurement is contextual (Belbeze, 2006). For example, Belbeze, (2006), found notable differences in the way Tourism & Hospitality and Industrial managers measured market performance. The study established differences in the system of measuring market performance where Tourism & Hospitality emphasised marketing effectiveness and gave more weight to consumer behaviour and intermediate outcomes than industrial managers do.

Belbeze (2006) also found disparities in types of benchmarks applied to measure marketing performance where industrial managers relied on the previous year as a benchmark whilst their Tourism and Hospitality counterparts preferred marketing plans.

Another challenge is on determining an appropriate market performance framework. An all-inclusive market performance measurement (MPM) is not necessary in all firms, small firms benefit from measurements focussed on certain dimensions. Small firms generally do not have several departments or units, therefore simple customer feedback is enough. Too much focus on MPM leads to information overload as well as diverts crucial resources that could be used as inputs into the business (Frosen, et al., 2016). At the same time market leaders have more to lose if they fail to pick market signal early thereby necessitating robust MPM. Therefore it is difficult to tell at what point a firm move from selective measurement to an 'all-inclusive' performance measurement framework.

3.4 CONCEPTUAL AND HYPOTHESIS DEVELOPMENT

This study builds on the previous work on game theory (John von Neumann and Oscar Morgenstern, 1944), industry structure (Porter, 1980), marketing mix (McCarthy, 1964), the resource based view (Penrose 1959; Barney 1986a and Wenerfelt, 1984), capabilities approach (Day, 1994, 2011; Morgan, 2012; Teece, 2014) and Clark (2007)'s market performance measurement framework. However, the resource based view, capability approach, and Clark (2007) market performance framework are the main pillars of this study. As such the following propositions form the basis of this study:

Proposition 1: RBV

Possession of certain marketing resources influence market performance in firms, as such performance differences are as a result of resource differences.

Proposition 2: Capabilities Approach

Resources alone are not enough, an organisation need capabilities to be able to convert or make profitable use of available resources.

Proposition 3: Relationship between RBV and Capabilities approach

Resources form the base from which capabilities are developed, in other words, capabilities are influenced by available resources.

Proposition 4a: Marketing performance measurement framework

Marketing assets directly influence marketing activities, and marketing activities directly influence intermediate outcomes, which in turn influence final outcomes.

Proposition 4b: Marketing performance measurement framework

There is a feedback effect of marketing performance on marketing activities, and marketing activities on marketing assets. In other words, market performance influence marketing activities which in turn influence marketing assets.

In view of the advanced propositions, and the realisation that it is impossible to have a single study capture all variables and relationships necessary to interrogate marketing resources and capabilities on market performance (Morgan, 2012) this study considered resources, and relationships shown in Figure 3.5.

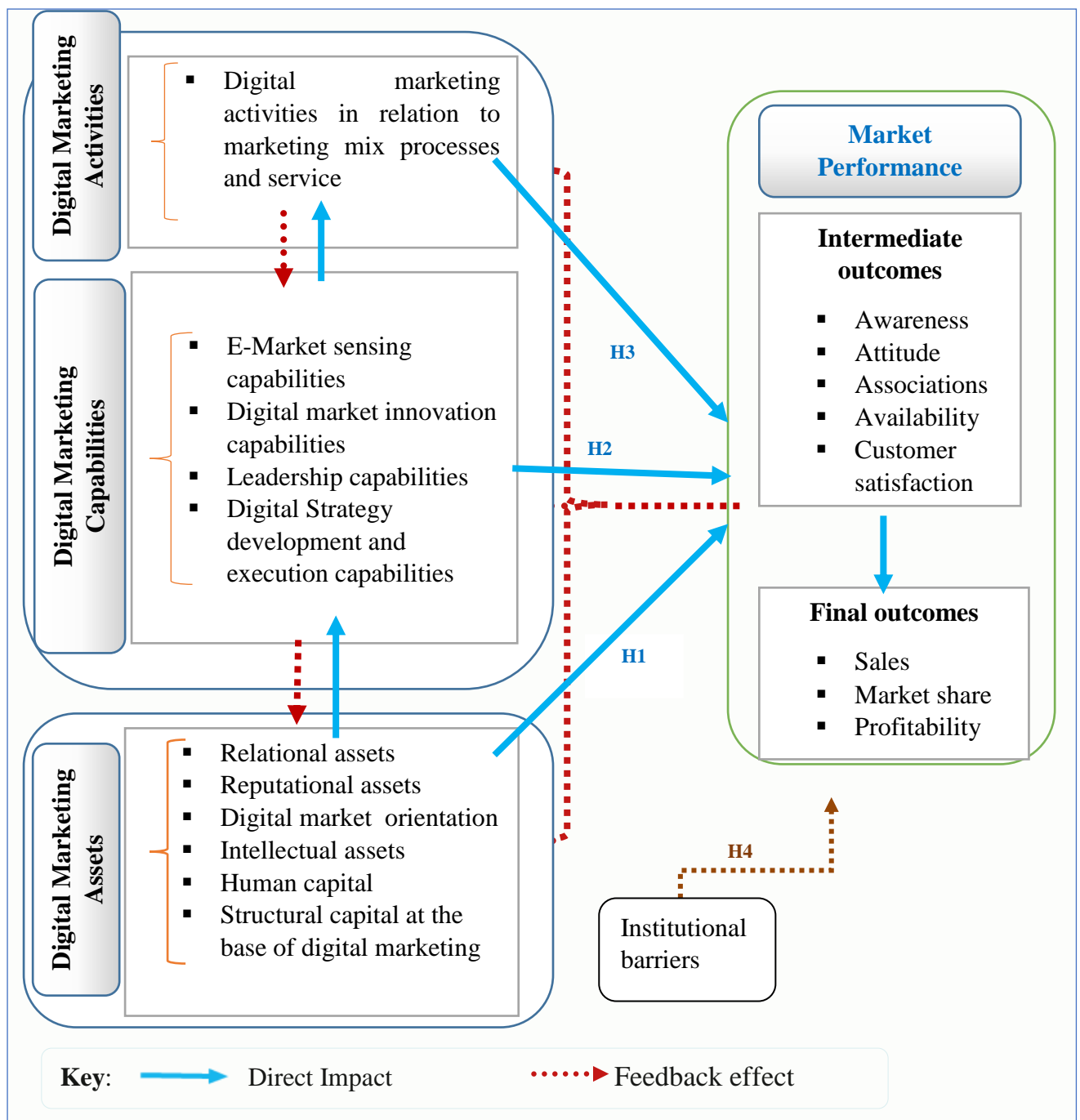


Figure 3-5 Conceptual Framework

Source: Adapted from Chinakidzwa & Phiri, (2020)

The conceptual framework proposed four main digital marketing variables that needs interrogation. These are digital marketing assets, digital marketing capabilities, digital marketing activities, and digital market performance outcomes. This study adopts the perspective that digital marketing assets defines what the firm has, whilst digital marketing capabilities speaks to what the firm can do and finally digital marketing activities being actions

the firm is taking or executing as a result of its capabilities. The following sections unpack these relationships.

3.4.1 Digital marketing assets.

3.4.1.1 Structural capital at the base of digital marketing

Edvinsson & Sullivan, (1996) defined structural capital as the infrastructure created by firms to add value to other processes, activities or resources. It mainly assist in the commercialisation of human capital. “The structural capital is the part of the firm that remains when the human resource goes home such as IT, desks, systems, customer data bases, organisational structures” (Edvinsson & Sullivan, 1996). Structural capital (Edvinsson & Sullivan, 1996) or physical resources (Morgan, 2012) are very significant to marketing whether in the provision of services or tangible products. It provides direct support to human resources through tangibles such as computers, telephones, servers, the internet, and intangibles such as expertise, processes, software, systems, and plans (Edvinsson & Sullivan, 1996). In addition, structural capital provides indirect support through physical resources such as buildings, equipment, and machinery. Structural capital also includes intangible structural capital such as firm’s culture and intellectual assets. However, this study considers these elements separately, that is, structural capital as infrastructure that provides both direct and indirect support, firm’s culture considered as digital market orientation and finally intellectual assets which is knowledge contained within the firm. This study therefore considers structural capital such as computers, information systems, servers, telephone lines and customer databases as a foundation for digital marketing activities. For instance, customer databases are required for an effective customer engagement or market intelligence process.

This study therefore hypothesises that;

Hypothesis 1a: Structural capital at the base of digital marketing positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

3.4.1.2 Human capital

“There are a lot of people working as digital marketers who do not even know the fundamentals of marketing”, (Charlesworth, 2018:29). Human capital is the managers and employees that

develop and implement strategies (Moorman & Day, 2016). It is concerned about the people, their skills, creativity, and knowledge available as inputs into the marketing capabilities of the firm (Morgan, 2012; Edvinsson & Sullivan, 1996). Lack of adequate human capital will negatively affect strategy implementation regardless of how great the idea could be (Hooley, et al., 2005). According to Charlesworth (2018), very few marketers have advanced their skills to tackle digital marketing technology. Exceptional human capital is time consuming, depends on hidden knowledge and skills, and may not be transferrable to other environmental settings. However, the status of human capital in agro-processors who have digital marketing capabilities is not known. As a result the contribution of human capital to the success of digital marketing remains mysterious.

This study therefore considers human capital as a valuable digital marketing resource that supports all other marketing resources and capabilities. For instance, human capital develops and implements digital marketing strategy; human capital also superintends all other capabilities such as building profitable customer relationships and brand equity.

This can be related to the ‘people’ element in the (Kotler & Keller, 2016) revised 4Ps framework. According to Kotler & Keller, (2016) employees are central to the success of marketing activities.

Therefore the study hypothesised that;

Hypothesis 1b: Human capital positively and significantly influences i) intermediate market performance outcomes, and ii) final market performance outcomes.

3.4.1.3 Intellectual assets

Intellectual assets refers to an accumulation of processed information (knowledge) used by the firm for value creation purposes (Chen, 2005; Edvinsson & Sullivan, 1996). It is the form of knowledge about the competitive environment such as market situation, competitors, customers, suppliers and other stakeholders (Srivastava, et al., 2001; Srivastava, et al., 1998). Exclusive knowledge such as processes, data and software where proprietorship can be proclaimed (Edvinsson & Sullivan, 1996) are considered valuable intellectual assets in this study. These intellectual assets positively influence market value and performance (Chen, 2005). Edvinsson & Sullivan, (1996) proclaimed that any knowledge that is well classified especially in the form of writing is eligible to be called an intellectual asset and can be safeguarded as it becomes a source of potentially commercialisable innovations. This conversion of intellectual assets to value is the most important ingredient for improved market

performance. However, Kyriakopoulos, et al., (2015) found knowledge to negatively affect radical innovation thus its financial rewards. In view of these contradicting views, this study interrogates effect of intellectual assets (knowledge) to digital marketing capabilities (including innovation), digital activities and subsequently market performance. As such the study consider intellectual assets as a digital marketing resource that requires digital marketing capabilities to convert into profitable market activities and outcomes.

The study therefore hypothesises that;

Hypothesis 1c: Intellectual assets positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

3.4.1.4 Digital market orientation

Market orientation is the most widely researched marketing resource. Marketers and market orientation researchers view market orientation as an extremely entrenched cultural aspect that gives firms a distinctive resource (Hooley, et al., 2005). As a firm's culture, market orientation constitutes the intangible structural capital (Edvinsson & Sullivan, 1996) that significantly contributes to firm activities. Culture directs thinking and actions throughout the firm, as such help develop values, norms and behaviours aligned to the market (Moorman & Day, 2016; Narver and Slater, 1990:21). Kohli and Jaworski (1990: 6) defined market orientation as "the organisation-wide generation of market intelligence, dissemination of its intelligence across departments, and organisation-wide responsiveness to it". Market intelligence is the identification of customer needs and wants as well as an analysis of external factors that influence customer needs and wants (Kholi & Jaworski, 1990). These could be technology, government regulations, and competitors. Market orientation is the application of exceptional customer understanding skills and gratification (Day, 1994) that places the customer first, relies on customer and competitor information, and focuses on delivering exceptional customer value. Market orientation implement the marketing concept. These views coincide with Narver & Slater's (1990) perspective that "market orientation comprises customer orientation, competitor orientation, and inter-functional coordination". Customer and competitor orientation involve actions aimed at obtaining information about customers and competitors as well as distributing it across the organisation (Narver and Slater, 1990). Customer orientation includes a detailed understanding of customer needs and wants; as well as anticipation of future needs as the market dynamics change. Competitor orientation focuses on understanding strengths and weaknesses of competitors or potential competitors. The inter-functional role

includes all other departments acting on customer and competitor information to create superior customer value. Market intelligence gathering, dissemination, and responsiveness (Kholi & Jaworski, 1990) enable attainment of Narver and Slater's (1990) perspectives. In addition, intelligence gathering through activities such as environmental scanning is part of market sensing capabilities that is in the following sections.

Market orientation cuts across all functions of the organisation and market-oriented organisations focus all activities to creating outstanding customer service and value (Hooley, et al., 2005). The digital market orientation implies that everyone in an organisation focuses on markets as opposed to being a purview of the marketing department only. A market driven culture prop market intelligence gathering and actions that lead to competitive advantage (Day 1994). An information processing approach emphasises gathering, distribution and market response which are crucial facets in a fast changing environment (Day, 2011).

However, the traditional market orientation is inappropriate in the digital environment as such there is need for an e-market orientation (Habibi, et al., 2015). According to Habibi, et al., (2015) e-market orientation consists of four stages, philosophical, initiation, implementation, and adaptation. However, Habibi, et al., (2015) constructs of e-market orientation are similar to those of the original market orientation, therefore discarded in this study. This study considers three components, customer orientation, competitor orientation, and inter-functional coordination to drive market orientation. Additionally, the current study focuses on digital market orientation, a form of market orientation more applicable to the digital environment. Therefore, digital market orientation is a deeply entrenched cultural orientation that calls organisations to focus on creating superior customer value through customer and competitor focus as well as an organisational wide coordination in the digital environment.

Market orientation shifts organisational orientation towards outside-in approaches through market sensing and customer linking capabilities (Day, 2011) thereby improving firm performance (Moorman & Day, 2016; Milfelner, et al., 2008; Hooley, et al., 2005). Market orientation influences organisational performance through superior profits (Day, 1994). Milfelner, et al., (2008) found market orientation to be a predictor of firm success in new product development and ability to introduce new products successfully. Market oriented culture influences market, financial and innovation outcomes (Moorman & Day, 2016). Market orientated firms are better placed to foresee customer needs and take proactive action thereby enhancing customer satisfaction and loyalty (Kirca, et al., 2005). Tsotsou & Vlachopoulou,

(2011) found that market orientation has a direct and indirect effect on performance. It indirectly impacts performance through e-marketing as a mediating variable. Direct impact is also supported by researchers such as Jaworski and Kohli, (1993). However, Frosen, et al., (2016) found that market orientation is a requirement for every business but does not lead to superior market performance, as such this study consider digital market orientation as an asset required for application of other digital marketing capabilities if full potential is to be realised.

The study thus hypothesises that;

Hypothesis 1d: Digital market orientation positively and significantly influences i) intermediate market performance outcomes, and ii) final market performance outcomes.

3.4.1.5 Reputational assets

Reputational assets represents key brands and market credibility that stimulate customer satisfaction, loyalty, market share and sales volume (Milfelner, et al., 2008; Hooley, et al., 2005) therefore a vital market asset. In addition, Hooley et al (2005) noted that well-known brands and companies have the potential to ensue more sales and market share without necessarily creating satisfied and loyal customers. Hooley et al (2005) further argued that, strong reputational assets might contribute to customer satisfaction and loyalty through indisputable links with distinguished and prominent brands. Reputational assets make it easy to attract best skills, customers and engage with other stakeholders such as government, suppliers, and research institutions. Previous studies mainly focussed on two major reputational assets, corporate reputation, and brand equity (Morgan, 2012). In another study, Kyriakopoulos et al., (2015), found that although reputational assets boost new products or innovations acceptance and financial performance, reputational assets hurt innovation. This is due to established reputational brands' fear to disrupt processes or bring innovations that may tarnish the established image. However, although, widely accepted that small firms inherently lack properly branded products, the effect of this deficiency in the digital marketing domain from a Zimbabwean perspective is not known. Key questions are 1) to what extend do SME agro-processors hold reputational assets that they can leverage in their marketing activities, 2) are agro-processors able to apply the reputational resources they have, and if they do, 3) what kind of impact do these resources have on market performance?

This study therefore intends to establish branding capabilities of agro-processors, market credibility thereof, and impact to market performance. The study considers existence of

branded products, ability of the products to meet customer needs, corporate image, and market credibility as a result of the products or services on offer as the reputational assets of the firm. Customers naturally react positively to strong brands than poorly branded products (Clark, 2007).

The study thus proposes the following hypothesis;

Hypothesis 1e: Reputational assets positively and significantly influence i) intermediate market performance outcomes, and ii) final market outcomes.

3.4.1.6 Relational assets

Relational assets or what Day (1994) termed customer linking capabilities are a firm's proficiency in identifying profitable relationships, developing, and nurturing these relationships for a profit (Morgan, et al., 2009; Hooley, et al., 2005). These relational resources promote open marketing (Day, 2011) through linkages to networks outside the organisation. Outside networks are a critical resource that provides access to other links, business opportunities, market intelligence, collaborative product development, and solid communication networks. Products in marketing now consist of conversations happening in networks around the organisation (Hanna, et al., 2011) as such relationships profit both suppliers and customers (Morgan, et al., 2009b). Relational assets promote both innovation and its rewards or profitability (Kyriakopoulos, et al., 2015). Suppliers get repeat business, easy product acceptance, and market knowledge whilst customers benefit from better need satisfaction. However, not all relationships are profitable, marketers must be able to select and develop profitable ones (Morgan, et al., 2009). In Zimbabwe, SME agro-processors heavily rely on informal linkages or relationships (Mhazo, et al., 2012), however, the level of these linkages, and their contribution to market performance of agro-processors is not known. It is worthy to study if these linkages can be transferred into the digital marketing domain as the context is different from traditional marketing context where informal linkages are common. As such, this study consider relational assets to be critical for survival of small firms as relationships help develop new markets, give access to raw materials, finance, new knowledge and skills therefore must be explored.

Thus the study proposes the following hypothesis;

Hypothesis 1f: Relational assets positively and significantly influence i) intermediate market performance outcomes, and ii) final market outcomes.

3.4.2 Digital marketing capabilities

3.4.2.1 Digital Strategy development and execution capabilities

This capability relates to a firm's ability to create and implement strategy for the attainment of organisational marketing objectives taking advantage of opportunities whilst minimising threats (Chaffey, 2015; Vorhies & Morgan, 2005). In this process, the firm must enhance its resources and market position. A firm always needs to define clearly its current position, where it wants to be, how to be there, specify exact details of getting there, specify tactics, and performance monitoring metrics (Kotler, et al., 2020). Digital market strategy options can include customer propositions, customer acquisition efforts, customer conversion & experience ingenuities, development & growth, channel integration, and site improvements. In addition, Chaffey (2015) emphasised the need for control to be able to modify strategies if need be. Digital analytics enhance this monitoring through real time tracking of users on platforms such as social media, mobile and desktop applications.

Researchers such as Chinakidzwa and Phiri (2020), and Vorhies and Morgan, (2005) found strategy development and implementation capabilities to influence market performance. Failure to clearly define strategy can lead to missed opportunities, wrong direction, narrow integration, inadequate collection of customer data, and resource wastages (Chaffey, 2015).

Although Day (2011) likened market strategy development to an extended budgeting contextualised in marketing that lacks imagination of possible scenarios or business options, this study views strategy development and execution capability as a unique resource that has potential to differentiate a firm from its competitors. The way strategies are developed, integrated, and executed can provide causal ambiguities, interdependence, and connectedness that competitors cannot easily imitate.

“Marketers must avoid ad hoc planning and decision making and ensure that state-of-the-art marketing ideas and concepts play an appropriate role in all they do” (Kotler & Keller, 2016:25). The value of research and strategy in the digital marketing environment cannot be overemphasised (WSI, 2015).

Therefore the study proposes the following hypothesis;

Hypothesis 2a: Digital strategy development and execution capabilities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

3.4.2.2 Digital market innovation capabilities

Innovation is the development of novel ideas, processes, models, products and their subsequent acceptance and implementation (Calantone, et al., 2002). Innovation is an output of learning (Romijn & Albaladejo, 2002) therefore learning is crucial to innovation. Innovation capabilities are the skills and knowledge required to successfully recognise, grasp, and enhance prevailing technologies, and develop new ones (Romijn & Albaladejo, 2002). Barrett, et al., 2015:45 deriving from Yoo et al. (2010: 726) defined digital innovation as the novel blending of digital and physical components to create products (services included) as a result of data gathered from different sources to deliver services that eliminate industry boundaries. Therefore this study considers digital market innovation capabilities to be the abilities to create value through the development of new digital market ideas, processes, models and products utilising digital market data and technologies. Ongoing knowledge acquisition, comprehensive customer understanding (Trainor, et al., 2013), customer needs (Barrett, et al., 2015) and human resources (Aryanto, et al., 2015) lead to market innovation. Marketing innovation considerably affects both financial and non-financial performance (Mabenge, et al., 2020). Digital market sensing therefore becomes a crucial input that provides market intelligence, and knowledge required for digital market innovation. Digital market innovation has the potential to contribute to the development of sustainable competitive advantage (Hooley, et al., 2005), contribute to firm growth (Kyriakopoulos, et al., 2015:398) and drive development in developing countries regardless of infrastructure and other resource limitations (Barrett, et al., 2015). A commitment to solving community problems leads to increased markets benefiting from the digital environment. However, academic research on how digital market innovations influence competitiveness of agro-processors in Harare, is missing (Chinakidzwa & Phiri, 2020). Many studies on innovation are concentrated in developed countries, and very little are found in developing African countries particularly Zimbabwe (Mabenge, et al., 2020).

Digital market innovation capabilities allow firms to develop new products, processes, models, anticipate changes, and better meet customer needs thereby influencing market and overall business performance. These innovation capabilities are crucial in developing markets where the innovative environment, processes and requirements are different from those established in literature and developed markets. In addition, SMEs do not engage in innovation in the same way (Kijkasiwat & Phuensane, 2020). Innovations in developing countries are different to those of developed markets due to resource differences. Barrett, et al., (2015) found that innovators are good at managing costs, and developing innovations using few resources

because of the constraints that they face. The innovators have to be flexible, and extemporise to develop solutions that meet the dynamic environment and inclusive enough to satisfy needs of the marginalised, unbanked, and mostly rural markets. In addition, innovators must find ways to handle institutional limitations in developing markets. Initiatives that include the unbanked, inaccessible, and marginalised communities and markets must be in place (Barrett, et al., 2015). These researchers further suggested that innovations in resource constrained developing markets generally involve adjustments to delivery or business model unlike the technology itself. In this view of innovation capability contributions in resource-constrained environment, it is important to establish the contribution of such capabilities in the digital marketing environment from a Zimbabwean context. This perspective contributes towards a new dimension to innovation capabilities to that of developed markets. The study considers digital market innovation capabilities to be a crucial resource as the capabilities are complex, have causal ambiguity, are hard to copy and non-transferrable thus valuable to small firms. Digital innovation is treated as capability instead of activity as done by Kyriakopoulos, et al., (2015). However the activity part is considered in new product development, where product innovations are evaluated. Slater et al., 2014 cited by Kyriakopoulos, et al., (2015:401) perceive radical innovations “as a capability that defines the ability to successfully develop and commercialise radical product innovations”.

The study therefore hypothesised that;

Hypothesis 2b: Digital market innovation capabilities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

3.4.2.3 Leadership capability

This study considers leadership capability to be the ability to lead, manage, motivate, and coordinate activities within the organisation. Possession of exceptional human capital is not enough, there is need to bring that capital together to create value in the organisation. Managerial and organisational processes in an organisation influence its competitive advantage (Teece, et al., 1997; Teece, 2016). Management of human resources and their development influence motivation and loyalty, which in turn affects strategy implementation. Unlike other studies, this study deliberately chose leadership instead of managerial capability because most SMEs do not have clear organisational structures that clearly define what management roles are. Instead, a bundle of skills is generally available and the owner usually makes all the

strategic decisions. As such, it is crucial to refer to capabilities to lead and direct all other activities.

Therefore the study proposed the following hypothesis;

Hypothesis 2c: Leadership capabilities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

3.4.2.4 E-Market sensing capabilities

Market sensing capabilities involve active gathering, interpretation, and dissemination of market information such as customer needs, relationships, competitors, and key channels (Amangala & Wali, 2020; Day, 1994). Market driven organisations are able to perceive events ahead of competitors and timely act on information to diffuse competitor actions (Kotler, et al., 2020). The digital marketing environment require that firms constantly monitor environmental changes and anticipate customer reactions so that there is proactive action (Charlseworth, 2021). Digital technologies allow organisations to easily sense and respond to market needs (Setia, et al., 2013). E-market sensing is crucial for organisational learning and this learning builds an organisation's knowledge base, which contributes to value creation and competitiveness. E-market sensing capabilities makes market orientation a reality, by bringing new knowledge that helps generate new marketing capabilities which in turn are used to gather more market insights and better respond to customer needs (Day, 2011) especially in the digital marketing space. Exceptional market sensing provides opportunities to lower costs through better deployment of resources, pricing decisions (Morgan, et al., 2009), better forecasting (Makadok, 2001), and customer service. E-market sensing enables digital marketers to pinpoint markets that they are not properly serving as such creating opportunities to better serve the markets than rivals (Gotteland, et al., 2020).

However, the linkage between market orientation and market performance remains blurred. Some studies (Amangala & Wali, 2020; Andreou, et al., 2020; Alshanty, et al., 2019; Andotra & Gupta, 2016) provide evidence of the linkage between market orientation and market performance while others found no link between market orientation and market performance (Gotteland, et al., 2020). However, Andotra and Gupta, (2016) found a weak link between market orientation and market performance. The relationship between market orientation and market performance was more pronounced in competitive environments (Andreou, et al., 2020).

However, the extent to which SME agro-processors in Zimbabwe are able to execute market sensing in a digital environment is not known. There is little understanding on the kind of market sensing activities that agro-processors execute, whether these activities are planned or happen by accident, and what impact do market sensing activities have on market performance. Therefore this study considers e-market sensing capabilities as an important, inimitable and hard to develop resource that activates and influence digital marketing activities and market performance.

Thus the study proposed the following hypothesis;

Hypothesis 2d: E-market sensing capabilities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

3.4.3 Digital marketing activities

Capabilities and organisational activities closely connect because capabilities enable execution of activities (Day, 1994). Teleghani, et al., (2013) suggested that digital marketing activities must be centred on internet applications for customer service, activities related to sales and distribution channels and applying internet in research and management related functionalities. Marketing mix capabilities can demonstrate organisational activities thus represent digital marketing activities. Marketing mix elements are at the front end of the organisation as they interact with customers (Day, 2011). Digital marketing comprises technologies that facilitate interactions such as websites, extranets, and software. These IT related resources are critical for digital marketing capabilities. For example extranets enhance interactions with customers, employees and other stakeholders, give access to knowledge bases and documentations (Trainor, et al., 2011).

Although several researchers have extended the 4Ps model, the extensions are beyond the scope of this work. This study interrogated the relationship between digital marketing resources (assets), capabilities, and digital marketing activities contextualised in the 4Ps model. If for example an organisation has high digital market innovation capabilities, what would be the influence of those capabilities to marketing mix elements? The marketing mix remain valuable despite criticism for its static (Vorhies and Morgan 2005) and functional bias (Day, 2011). It still can satisfy what Day and Moorman (2016) termed the strategic marketing perspective that broadens the domain to encompass customer value creating capabilities. The customer value creating capabilities include viewing customer as an asset, being a customer value leader, innovating new value for customers, and finally exploiting the brand as an asset (Day, 2011).

An organisation can be a customer value leader offering unique value propositions through its product, price, distribution, and promotion offerings. Unique value can be in the use of strategic distribution channels that competitors find difficult to match. This study posits that superior execution of these capabilities requires deep market insights brought by market sensing (Day, 2011), leadership capabilities, digital market innovation, strategy development and execution capabilities.

For example, product development requires understanding of customer needs and wants that market sensing brings. Digital market interactions through websites and other e-channels improve new product development through enhanced customer engagements, customer relationships, demand, and distribution management (Trainor, et al., 2011). The study intended to derive product development activities, type of products developed, and customer input into these products extending from idea screening to launch.

In addition, research by Milfelner, et al., (2008) found that distribution contributes towards customer convenience when accessing products therefore perform a critical part in customer value, satisfaction, and loyalty. Distribution based assets directly affect market share and sales volume. This can be achieved through reliable distribution channels, strong relationships, and linkages (Milfelner, et al., 2008) with distribution agents. Milfelner, et al., (2008:10) found distribution based assets to have “a significant, positive but weak direct effect on customer loyalty, the market share and sales volume”.

Therefore the study hypothesised that;

Hypothesis 3a: Digital pricing activities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 3b: Digital distribution activities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 3c: Digital product activities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 3d: Digital promotion activities positively and significantly influence i) intermediate market performance outcomes, and ii) final market performance outcomes.

Hypothesis 3e: Digital service activities positively influence and significantly i) intermediate market performance outcomes, and ii) final market performance outcomes.

3.4.4 Market performance

Existing literature (Morgan, 2012; Day, 2011; Morgan, et al., 2009b) has evidence that marketing resources influence firm performance. Marketing resources were found to positively influence customer loyalty, satisfaction and market performance (Hooley, et al., 2005). Marketing activities were also found to influence market performance (Clark, 2007). It is now a priority for marketers to link marketing capabilities and actions to performance (Morgan, et al., 2009). Whilst most studies focussed on Western markets and traditional marketing resources this study takes a developing and digital marketing perspective. In addition the current study adopts two approaches, key manager or senior person informant approach, and benchmarking where key informants assess performance against competitors. These are subjective measures and relevant to the current study as the approaches do not require data that is not readily available in small firms. Even in the public listed firms, the available data is not sufficient to interrogate reliably capability-performance relationships (Moorman & Day, 2016). In addition, researchers prefer primary data as secondary data only assist in understanding the structure of capabilities. Although primary data is expensive, difficult to collect, and informants may be biased depending on their experience, position, role or whether focussed on firm objectives or competitors, and benchmarking use industry average (Moorman & Day, 2016), it still remain a viable option in small firms where no public data exists. This study split market performance into two, intermediate outcomes and final outcomes.

3.4.4.1 Intermediate market performance outcomes

Organisations develop, communicate, and make available product information before customers can make purchase decisions. Customers have to be convinced of value offered relative to competitor offerings before they buy. Customers thus have to be aware first before taking any action. After awareness, marketers can measure consumer knowledge and feeling. This can also lead to emotions and associations in memory. This knowledge and emotions translate to attitudes concerning the product (Clark, 2007). Quality of web site design and electronic marketing aspects are important forecasters of delivery, brand image, and quality (Tsiotsou & Vlachopoulou, 2011). This study considered intermediate outcomes as product awareness, brand associations, availability through different channels, and overall customer satisfaction. These variables occur before realisation of sales, market share, and profitability, as such the researcher treated intermediate market outcomes as secondary outcomes for this study.

3.4.4.2 Final market performance outcomes

Organisational performances concerns cost based measures (profit measures) and revenue based (sales and market share) (Kirca, et al., 2005). Whilst marketers focus on increasing sales, there is always need to make sales profitably (Clark, 2007). Thus profitability is growing in recognition as a market performance measurement outcome. Most managers and investors view profit growth as essential although profit is rarely used as a measure of marketing performance (Morgan, et al., 2009). Profit growth increases a firm's stock value therefore it is crucial. The researcher treated sales growth, market share, and profitability as the final market outcomes (primary outcomes) for this study. Although it is known that intermediate market outcomes contribute to final market outcomes (Clark, 2007), the extent to which elements of the intermediate outcomes contribute to final outcomes is not known. However, this study was limited to the influence of various resources, capabilities, and activities to both intermediate and final market outcomes.

3.4.5 Institutional barriers

“Institutions are the socially and legally constructed entities that provide the framework for interactions between users and providers of a service” (Barrett, et al., 2015:148) whilst institutional barriers are restraints to the smooth flow of business activities (Aidis, 2005; Mair *et al.*, 2006). According to Aidis (2005), institutional barriers can be formal, informal, or environmental. Formal barriers comprise government systems, laws, and other business regulations whilst informal restraints include corruption, delayed clients payments, repeated and sometimes unjustified inspections. For example, the political environment has an immediate effect to firms' market performance and the general business environment (Andriotis, 2004:135). The government is key to the development of an enabling environment such as setting internet infrastructure, transport systems and taxation policies.

According to Aidis (2005), environmental barriers comprise low purchasing power, lack of investment funds and competition from illegal businesses. Researchers such as Rivera-Santos, *et al.*, (2012) and Mair *et al.* (2012) also found weak formal institutions in subsistence markets as a result much reliance is placed on informal institutions that may not promote establishment of competitive enterprises. In addition, firms in emerging countries face more government interferences, corruption, and environmental challenges than those in developed markets (Aidis 2005).

Institutional barriers hinder market entry (Mair *et al.*, 2006) and performance. According to Oliver (1997), institutional theories promote uniformity therefore; organisations strive for conformity to widely accepted standards, norms, and actions. The market environment plays a moderating role (Kirca, et al., 2005) and directly influences firm performance (Rivera-Santos, et al., 2012). Interactions may be positive or negative under certain external environmental conditions (Frosen, et al., 2016) and the success of customer orientation depends on environmental conditions (Frambach, et al., 2016). For instance, market orientation relationship with performance was found to be strong in turbulent environments (Kirca, et al., 2005). Researchers such as Barrett *et al.* (2015) found digital technologies to be instrumental to service delivery in markets that have weak infrastructure. This study considers institutional barriers to be moderating variables in the relationship between digital marketing activities and market performance. The study therefore hypothesised that;

Hypothesis 4. Institutional barriers influence final market performance outcomes.

3.4.6 Theoretical contribution of the model

The conceptual model departs from Clark (2007) by adding digital marketing capabilities, and institutional barriers. The model helps understand the role of digital marketing resources, capabilities, and activities to market performance of agro-processors. The model contributes to the resource – capability and market performance discussion by introducing a digital perspective. In addition, the model helps in testing the identified resources from a developing market context. This is important because marketing knowledge is contextual (Sheth, 2019, 2011). Therefore the adaptation of Clark's (2007) market performance measurement framework contributes to new knowledge by testing the model from both a digital marketing and developing country perspective. The inclusion of institutional barriers also contributes to our understanding of the effect of these barriers in both the digital marketing environment and developing markets.

Therefore, theoretically the model contributes to the resource based view (RBV), the capability approach, the marketing mix, and institutional theory. The study provides new evidence on the relevance of the RBV in a digital marketing context. The study further provides new evidence on the configuration of digital marketing resources, capabilities and activities for improved market performance. The study further contributes to the discussion on the applicability of McCarthy's 4Ps model in digital marketing environments. Extant research on the relevance of

the 4Ps model in digital marketing environments is not conclusive. Whilst some researchers have either extended or reviewed the model (Constantinides, 2006; Constantinides, 2002), some contend that the model is still relevant in the digital environments as it is (Chaffey & Smith, 2017). The model also contribute by considering digital marketing resources, capabilities, activities and market performance in a single study. Extant research such as (das Nair & Landani, 2020; Dumitriu, et al., 2019; de Vries, et al., 2018; Ekerete & Ekanem, 2015) has not applied multiple variables in a single study.

3.5 CHAPTER SUMMARY

This chapter laid the theoretical and conceptual framework guiding the study. Theoretical foundations of this study are the game theory, industry structure, marketing mix, and resource based view and capability approach. These theories are connected in that they help understand drivers of firm or market performance under different conditions. Although crucial, resources and capabilities are not given prominence in the game theory, industry structure, and marketing mix. Therefore this study adopted the RBV and the capability approach as the main guiding theories for the study. These theories helped build into the conceptual framework of interrogating resources and capabilities from a digital marketing perspective. The next chapter, explores the manufacturing industry in Zimbabwe focussing on the agro-processing sector.

CHAPTER 4 MANUFACTURING INDUSTRY IN ZIMBABWE: AN AGRO-PROCESSING SECTOR PERSPECTIVE.

4.1 INTRODUCTION

The previous chapter provided a discussion of theoretical foundations and conceptual framework for this study. This chapter focuses on the manufacturing industry and agro-processing sector in Zimbabwe. It provides an overview of Zimbabwe, the business environment, status of manufacturing industry, agro-processing sector, its role and major challenges. The manufacturing industry remains strategic to the economic growth of Zimbabwe with the agro-processing sector playing a key role in the manufacturing industry.

4.2 ZIMBABWE: AN OVERVIEW

Zimbabwe is a country in Southern Africa bordered by Zambia, Mozambique, South Africa and Botswana. For over a decade, the country has gone through turbulent times mainly politically and economically. The long-time leadership of former president, Robert Mugabe saw the country lose its status as the breadbasket of Africa, massive company closures, capital flight, brain drain and world record inflation. Although the coming in of new president, Emerson Mnangagwa promised overhaul to the economic, political and social systems, real changes are yet to be seen. The disputed July 30, 2018 election adds more pressure to the current government to prove itself. However, the country remains rooted in its highly educated population, infrastructure although old still comparatively better to most African countries, rich in resources –minerals, and agricultural land. The country has huge potential to compete internationally if the government puts the right political and economic fundamentals. To help understand the manufacturing industry, the following section gives a detailed overview of the economic environment in Zimbabwe. This is not to ignore the importance of other environmental issues, but a focus on the economic environment is to avoid masking important issues of this chapter.

4.3 THE BUSINESS ENVIRONMENT IN ZIMBABWE

4.3.1 Challenges

Although there is growing recognition that the private sector has the potential to uplift significantly the Zimbabwean economy, service, policy and business environment limitations discourage investments (Odero, 2018). The Zimbabwean economy has been unstable for over a decade leading to high unemployment rates, poverty and informality. The country continues to face challenges of weak investor confidence, political instability, weak local demand and high informality (AfDB, 2018). The feeble economic performance also mirrors poor investment performance with gross domestic investments averaging 18% of GDP in the period 1980-89, 19% in 1990-99 (AfDB, 2011), -3.5% in 2000-2009, and -6.4% in 2010-2017. Weak and strong performance episodes characterise economic performance as shown in figure 4.1 below.

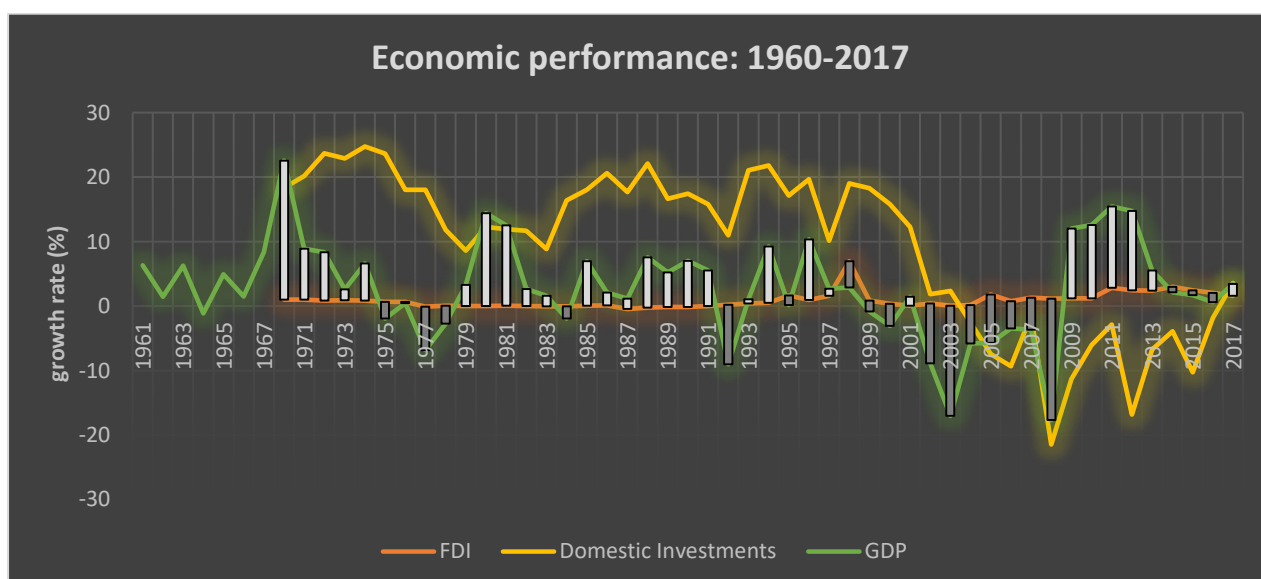


Figure 4-1 Zimbabwe economic growth (1960-2017)

Source: Author construct using data from World Bank.

The economy performed well in the 1960s up to 1990 moving from an average growth of 4.8% in 1960-1980 to a record 5.9% in the period 1980-1990. The 5.9% growth was above the average in Sub Saharan Africa, and of note is the population growth that stood at 3% (AfDB, 2011). Economic performance began to decline in the 90s reaching an average of 3.7% due to policies aimed at consumptive behaviour more than production orientation (AfDB, 2018). The period 1998-2008 now commonly referred to as the ‘wasted decade’ witnessed the highest

contraction ever, averaging -6.1%. Most firms closed during this period, inflation was uncontrollable, and almost everything came to a standstill before dollarising in 2009.

The country continues to face serious liquidity challenges, which analysts attribute to structural deficiencies and economic distortions. Capital and social expenditure is very limited as fiscal policy is predominantly consumption oriented (AfDB, 2018). Budget deficit continues to grow as there are limited foreign currency inflows. Fiscal deficit increased from 8.5% in 2016 to 11.1% in 2017 (World Bank, 2018). The shortage of foreign currency and the overvaluation of the local 'bond', a surrogate currency that is rated 1:1 to the US dollar, is resulting in low competitiveness (AfDB, 2018). Operational inefficiencies, corruption and perennial losses of state enterprises and parastatals (SEP) continue to burden the fiscus yet these SEPs have potential to contribute more to the current 14% of GDP, economic development and recovery (Odero, 2018). Cash shortages are negatively affecting economic growth although growth in plastic money as an alternative has continued to gain ground. For instance, mobile money subscriptions grew to 4.7 million users as at December 2017, an increase of 42.5% from the previous year with the bulk of the transactions being for airtime, bill and merchant payments.

However, in a bid to generate revenue, the government in October 2018 enacted a new tax law of 2% on all electronic transactions. The market responded negatively with more panic, prices went up, shortages emerged and 'black' market rates of the US dollar rose sharply as a result, creating more instability in the market.

Arrears with the World Bank led to suspension of lending adding to the economic woes. However, the World Bank still provides "technical assistance and analytical work through Trust Funds" (World Bank, 2018).

Financial institutions such as banks reduced lending rates from an average 14.2% in 2015 to 8.9% in 2017. Although these rates are high when compared to developed markets, in the Zimbabwean context access to credit has improved significantly (Odero, 2018).

4.3.2 Prospects

Despite all these challenges, "Zimbabwe's fundamentals for economic growth and poverty reduction remain strong, and will continue to yield results, provided there is consensus around inclusive and competitive investment policies" (World Bank, 2018). The private sector had been "robust and competitive", and can be a source of economic resurgence and economic

advancement (Odero, 2018). The adoption of multicurrency in 2009 brought stability, confidence and significantly reduced inflation as a result, Zimbabwe has reclaimed some of its outcomes of the early 90s and social services have recovered (World Bank, 2018).

Zimbabwe is heavily dependent on mining and agriculture and these two sectors continue to drive economic recovery. Gold, platinum, coal, diamonds, chrome and nickel mining activities among other minerals, continue to contribute significantly to foreign currency inflows as international prices improve (World Bank, 2018; AfDB, 2018). Agriculture is largely driving economic recovery providing a source of livelihoods to the majority of Zimbabweans, contributing immensely towards exports and support to industry (AfDB, 2011). Although the land reform programme, poor infrastructure, financing issues, price controls, land underutilisation and tenure issues led to a drastic fall in agriculture (AfDB, 2011), the sector is on the rise again. The success of the command agriculture programme saw the country producing excess maize for the first time in over a decade. The government expects performance to improve continuously with the expansion of the programme to include a wide range of crops and livestock. In addition, completion of Kariba South extension contributes to power supplies stability (AfDB, 2018) which has seen the country stay in darkness for long hours.

The highly educated populace that has one of the highest literacy rates (92%) in Africa, youthful, and enterprising has potential to contribute to economic recovery of the country (Odero, 2018). The education, skills, and enterprising capabilities of the Zimbabwean people assisted and continue to assist the country avoid violent conflicts induced by economic hardships (Odero, 2018). Zimbabwe also continues to invest 11% of GDP in education which is very high when compared to other African countries (Odero, 2018). Access to education, health and gender equity continue to improve despite the harsh economic conditions.

The growth in information communication technologies (ICTs) also continue to influence positively the business environment. There is a remarkable growth in digital business services driven by a rise in Internet access. According to POTRAZ, (2017) active mobile subscriptions continue to grow with an increase of 9.4% to reach 14,09 million in a country with a population of 16million giving a mobile penetration of 102.7% suggesting that some users have more than one sim card.

Internet usage also rose to 6.9 million active users as of December 2017, which is an increase of 3.7% to the 2016 figure giving an internet penetration of 50.8%. For four consecutive years,

voice traffic had been declining whilst mobile data usage increased suggesting more opportunities for digital businesses. In addition, both domestic and international postal and courier volumes are declining also suggesting an increase in digital channels substitution (POTRAZ, 2017).

Although the political economy is complicated and no one can pinpoint with simplicity the source of its fragility nor solutions to the challenges (Odero, 2018), this study views the manufacturing industry as a potential to revive the economy. This is in view of the fact that Zimbabwe is an agro-based economy (AfDB, 2018) and the close links between agriculture and manufacturing. Therefore the following section zooms in on the manufacturing sector focussing on the agro-processing sector.

4.4 STATUS OF MANUFACTURING INDUSTRY IN ZIMBABWE

Manufacturing is a value addition process where processors convert raw materials into finished or semi-finished products for sale at a premium (Investopedia, 2018). The sector has potential to boost the economy through contribution to GDP, employment creation, poverty reduction and connecting producers and manufacturers to consumers (Dlamini & Schutte, 2020; Njanike, 2019; Dube, 2011). Focus of developing countries that have a heavy reliance on resources has shifted from raw material exports to value addition.

In Zimbabwe, the manufacturing sector grew rapidly at an average of 11% prior to the attainment of independence in 1980 and had strong links to the agriculture sector with more than 60% of value addition activities being agriculture related (ZIA, 2018). Manufacturing was the dominant sector until the late 90s before growth declined rapidly due to policy instability, poor foreign currency inflows, capital deficiencies, unreliable utility supplies, poor infrastructure, stiff competition, low capacity utilisation, and old equipment (Mapakame, 2017; Gadzikwa, 2013). The instability led to hyperinflation, shortages of basic commodities, power outages, price controls and huge capital flight among other ills (AfDB, 2011). These challenges resulted in most firms winding up. Bulawayo which used to be the industrial hub of the country was the most hit. Some firms moved operations from Bulawayo to Harare thus major manufacturing activities now happen in Harare (Dube, 2011). However, Harare had always dominated in concentration of manufacturing firms. Harare could have remained relatively competitive to Bulawayo due to the large population and availability of support industries in

the capital. The collapse in the local manufacturing industries led to increased demand for imports as they are priced favourably compared to local products.

As a result, promotion of value addition activities in sectors that link the agricultural sector to manufacturing remains a key priority to the government (Mapakame, 2017). In view of the need to protect local manufacturing, the government enacted statutory instrument 64 (S.I 64) of 2016 that controlled importation of selected products and this intervention drove the manufacturing sector high again. Import controls also led to a fall in raw material importation from 84% to 64% with local supplies covering the gap (The Source, 2017). Such an intervention led to the rise in capacity utilisation of local firms. This created new opportunities to local producers for job creation, increased capacity utilization, and a ready market. As a result, local firms increased their contribution towards employment creation, poverty reduction and overall economic growth. Sectors that witnessed growth included the yeast industry, biscuit manufacturing, cooking oil, and furniture. In the process, the role of small and medium enterprises became dominant as they found huge opportunities in gaps left by large firms (Mapakame, 2017). Below is figure 4.2 showing capacity utilisation in the period 2008-2017.

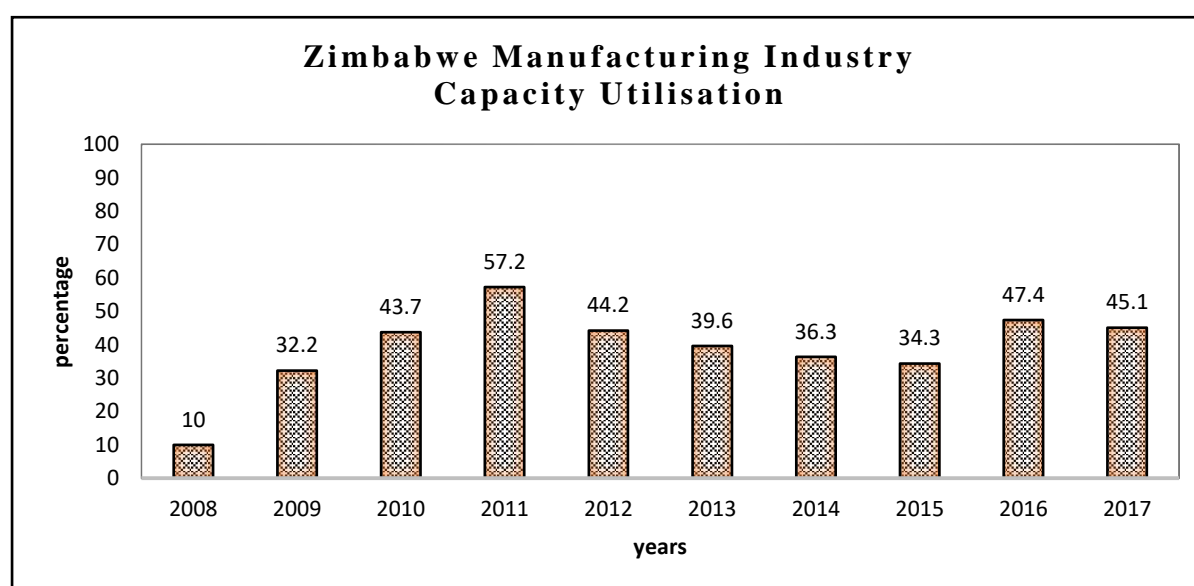


Figure 4-2 Capacity utilisation in the manufacturing industry (2008-2017)

Source: Author construct using data from CZI.

Capacity utilisation fell below 10% between 1999 and 2008 (AfDB, 2011) and this is the decade of negative growth highlighted before. The sector grew between 2009-2011 as well as 2016 with local products gaining competitiveness. Analysts link the capacity utilisation

increase of 47.7% in 2016 to the SI 64 intervention although there was a sharp decline in 2017 to 45.1% (Odero, 2018). The government expects the one stop shop for investors and clarity on the indigenisation policy to attract more investments into the country. However, the manufacturing sector remains unstable especially at the backdrop of persistent foreign currency shortages and high production costs.

Small to medium enterprises dominate the manufacturing sector in Zimbabwe controlling 65% (Zindiye, et al., 2012) of the market and employing around 2.9 million people (Finmark, 2013). Contribution of these firms remains small witnessed by the wide gap between current capacity utilisation versus full potential. The Zimbabwean government continues to realise the significant importance of manufacturing SMEs (Zindiye, et al., 2012) as this sector contributes to employment creation, poverty reduction and overall economic performance. These contributions are possible because extant literature shows that SMEs are generally flexible, agile, require less capital, are innovative, and have deep understanding of local market conditions. The closure of large manufacturing firms saw the emergence of small firms filling up the gap created by the closures. The majority of people who used to work in the large firms either went on to start their own enterprises or engaged in informal or backyard businesses. This contributed to the dominance of small firms in Harare. For example, the closure of furniture making giants resulted in most of the former employees moving to areas such as Glenview home industries to set up a furniture-manufacturing hub. Although activities in these centres remain small and largely informal, the power of concentration had seen it being a well-recognised place to buy affordable furniture. The manufacturing sector became a source of livelihoods for urbanites and the general Zimbabwean populace. The following section focuses on agro-based manufacturing since agriculture is one of the main economic drivers in Zimbabwe and dominates manufacturing (Finmark, 2013; Dube, 2011).

Structural adjustment programmes such as ESAP, and the decade long economic meltdown of 1998-2008 led to most employees losing their jobs in Zimbabwe (Matsongoni & Mutambara, 2018; Chigwenya & Mudzengerere, 2013). The Zimbabwe situation can also be explained by the recession push theory that in times of recession, large scale enterprises were more affected than small and medium enterprises with many employees who would have suffered from the painful strategies of retrenchment, downsizing, rightsizing and realignment being forced to start their informal SMEs (Rasmussen, 1992; Kaliyati, 1994; Matsongoni & Mutambara, 2018). An alternative explanation could be the labour supply theory that SMEs' development and growth in Zimbabwe is attributed as a response to the high levels of unemployment and it

acts as a solution for the employees who cannot be absorbed in the formal economy (Pedersen, 1998 cited by Matsongoni & Mutambara, 2018). Pedersen (1998) points out that urban informal economy will significantly rise in times of recessions or financial meltdown when the size and growth of the formal sector slows down and fail to absorb all the economically active population in (Matsongoni & Mutambara, 2018).

4.5 AGRO-PROCESSING IN ZIMBABWE

According to the Food and Agriculture Organisation (FAO, 1999), “agro-processing is a subset of manufacturing that processes raw materials and intermediate products derived from the agricultural sector”. It includes transformation of products coming from agriculture, forestry and fisheries (FAO, 1999). The agro-processing value chain includes all processors after harvesting until product reaches the final consumer (Mhazo, et al., 2012) as such there are different levels of agro-processors.

4.5.1 Classification of agro-processors

Mhazo, et al., (2012) classified agro-processors into two broad categories, which are primary and secondary. Primary processing mainly occur at the farm and involves making the produce ready for storage, marketing or further processing (Mhazo, et al., 2012). Activities such as drying, shelling, packaging and grading occur at this stage. The other form, secondary agro-processing, involves more value addition to the original product, with entire change to the product giving it more market value (Mhazo, et al., 2012). Activities in this category include milling wheat into flour, pressing oilseeds into oil and fruit into juice. However, these classifications have weaknesses, as the definitions do not clearly classify some downstream processing activities such as bread making.

FAO (1999) provides another classification that groups agro-processors into two groups again, upstream and downstream processors. Upstream processors engage in the initial processing such as flour milling whilst downstream processors further manufacture products from the initial stage. Downstream processing includes activities such as converting flour into bread. The FAO perspective to classifications seem to neglect some of the initial processing immediately after harvesting such as shelling which Mhazo et al. (2012) clearly spelt out. In view of this lack of clarity, this study considers upstream processors to be those involved in the initial processing such as milling, oil pressing but excludes farm activities such as drying and shelling of grains. However, when it comes to products such as fresh fruits and vegetables

that go through special handling, packaging and processing, the study consider them as fitting into upstream agro-processing. According to FAO (1999), "fresh" fruits and vegetables are themselves processed goods undergoing sophisticated operations in collection, quality control, packaging, storage, refrigeration and transport". Therefore, downstream processing is limited to further processing of products from upstream activities such as bread making, biscuit manufacturing and furniture making.

However, classification into either primary/secondary or upstream/downstream is not enough. There is need to adopt an approach that clearly show the broad categories of processes included in agro-processing. As such, this study adopts the UN International Standard Industrial Classification of All Economic Activities (ISIC) classifications in addition to the upstream and downstream categorization. The ISIC classification comprises i. Manufacture of food, beverages and tobacco; ii. Textile, wearing apparel and leather; iii. Manufacture of wood and wood products, including Furniture; iv. Manufacture of paper and paper products, printing and publishing; v. Manufacture of rubber products.

Table 4-1 UN International Standard Industrial Classification of All Economic Activities (ISIC) Classifications

Major classification	Brief description
Manufacture of food products	Processing of agriculture, forestry and fishery products into food for both humans and animals. Activities deal with products such as meat, fish, fruit and vegetables, fats and oils, milk products, grain mill products, animal feeds and other food products.
Manufacture of beverages	Includes manufacture of beverages, such as alcoholic and non-alcoholic beverages, and mineral water.
Manufacture of tobacco products	Processing of tobacco into forms ready for consumption such as cigarettes.
Manufacture of textiles	Includes preparation and spinning of textile fibre as well as textile weaving, finishing of textiles and wearing apparel, manufacture of made-up textile articles, except apparel (e.g. household linen, blankets, rugs, cordage).
Manufacture of wearing apparel	Includes all tailoring (ready-to-wear or made-to-measure), in all materials (e.g. leather, fabric, knitted and crocheted fabrics etc.), of all items of clothing (e.g. outerwear, underwear for men, women or children; work, city or casual clothing) and accessories.

Major classification	Brief description
Manufacture of leather and related products	Includes dressing and dyeing of fur and the transformation of hides into leather by tanning or curing and fabricating the leather into products for final consumption. It also includes the manufacture of similar products from other materials (imitation leathers or leather substitutes), such as rubber footwear, textile luggage.
Manufacture of wood and of products of wood and cork, including furniture; manufacture of articles of straw and plaiting materials	Includes the manufacture of wood products and production processes such as sawing, planning, shaping, laminating, and assembling of wood products starting from logs cut into bolts. Transformed wood shapes may also be subsequently planed or smoothed, and assembled into finished products, such as wood containers
Manufacture of paper and paper products	Includes the manufacture of pulp, paper and converted paper products. There are essentially three activities: The manufacture of pulp involves separating the cellulose fibres from other impurities in wood or used paper. The manufacture of paper involves matting these fibres into a sheet. Converted paper products made from paper and other materials by various cutting and shaping techniques, including coating and laminating activities. The paper articles may be printed (e.g. wallpaper, gift-wrap), as long as the printing of information is not the main purpose.
Printing and reproduction of recorded media	Includes printing of products, such as newspapers, books, periodicals, business forms, greeting cards, and other materials, and associated support activities, such as book binding, plate-making services, and data imaging.
Manufacture of rubber products	Manufacture of rubber products

Source: UN ISIC

These agro-processors serve a diversity of customers, ranging from individuals, retailers, manufacturers and non-governmental organisations. The diversity in these customers means different profiling for the agro-processors. For example, business customers such as those buying for further processing typically buy in bulk, negotiate, and follow formal processes, while individuals tend to buy short buying processes.

4.5.2 Agro-processors role and importance to the economy

4.5.2.1 Contributes to industrial growth

Agro-processing continues to grow in importance to the Zimbabwean economy as it dominates the industrial sector (Mhazo, et al., 2012; The Herald, 2011). According to Mhazo, et al., (2012) this lead is in food processing, tobacco and textile. However, textile processing is no longer a leading force due to the huge imports from lowly priced Eastern manufacturers. The furniture making business instead has grown to become one of the most expanded and established sectors (ZIA, 2018).

4.5.2.2 Market access to agricultural produce

The inability of small-scale farmers to supply and meet the needs of large agro-processors gave an opportunity to small and medium sized enterprises to tap into this supply from small-scale farmers. At the same time, these agro-processors provide market access to agricultural produce from local farmers thus a source of income, food security, livelihood and hope to the small-scale farmers.

4.5.2.3 Creates employment

In addition, it provides employment especially rural employment thus reducing poverty levels to poverty-stricken countries like Zimbabwe (The Herald, 2011). Agro-processing has the potential to uplift living standards of women with 53% engaged in entrepreneurial activities compared to the 47% of men (Finscope, 2012). The link between processors and farmers provides an avenue for income to the farmers who are generally rural settlers (ITAC, 2016). The provision of a source of livelihood to rural communities through agro-processing is not unique to Zimbabwe but the whole Sub-Saharan Africa (Mhazo, et al., 2012).

4.5.2.4 Rural development

Agro processing has capacity to decentralise and decongest urban areas by moving economic activities to rural areas (Ampadu-Ameyaw & Omari, 2015; Wilkison & Rocha, 2008). Agro-exports are increasingly becoming important to developing countries such as Zimbabwe. Food and beverage products contribute to gross domestic product (GDP) the most in developing countries although experiencing low growth in Europe and the US to negative growth in Japan (Wilkison & Rocha, 2008). In Zimbabwe, food and beverages continue to dominate employment and the rise in urbanisation is pushing for a huge shift in diet, and consumption patterns (Mhazo, et al., 2012; Wilkison & Rocha, 2008). Food and beverage is generally located close to the market (Wilkison & Rocha, 2008) that available in urban areas. There are a lot of

opportunities in stock feed manufacturing, bread making, fruit and vegetable processing, and grain milling (Mhazo, et al., 2012).

4.5.2.5 Development of food systems

Globally, processed products account for 80% of food and beverage sales with high-income countries consuming about 60% (Wilkison & Rocha, 2008). At the same time, there is a rise in uptake of packaged goods in developing countries (Wilkison & Rocha, 2008). In developing countries, about 60% employed in the food and beverage processing is in the informal sector (ITAC, 2016). The informal sector is crucial to food systems in developing countries (Wilkison & Rocha, 2008) although there is need to capacitate this sector to improve quality of employment and products.

4.5.2.6 Source of industry growth in volatile markets

The prevailing economic environment in Zimbabwe favours small to medium sized firms than large ones because small firms can easily access raw materials from small-scale producers (Mhazo, et al., 2012). National production and low imports due to foreign currency challenges continue to stifle capacity of large firms hence downsizing, retrenchments and closures. Some large processors have relegated sourcing of raw materials and production to capable SMEs whilst they concentrate on marketing and logistics of the products (Mhazo, et al., 2012).

4.5.3 Major Challenges

Agro-processing has potential to significantly contribute to both local and export markets although the economic environment and access to markets negatively affect performance (Mhazo, et al., 2012). In Zimbabwe, agro-processors the lack of marketing skills and market information appears to be a major problem bedevilling both farmers and agro-processors (Mhazo, et al., 2012). Most SMEs fail to perform well because they lack intelligence and information on market trends and opportunities (Tinarwo, 2016; Zindiye, et al., 2012). Although agro-processing is important to the economy, capacity underutilisation, limited research, foreign currency challenges, and low agricultural output hamper development in this sector. Agro-processors have failed to operate successfully because they do not have sufficient information and intelligence on market opportunities and market trends.

For instance, there are great opportunities in fresh fruits and vegetables but the majority of producers of these products find it difficult to access markets for the produce (Mhazo, et al., 2012). There is poor connectivity between fruit and vegetable farmers, agro-processors and

markets. Evidence to this poor nexus is the scarcity of market information on the farmers' side, poor market integration, limited information on market trends, price movements and heavy reliance on spontaneous clients and roadside markets. On the processors side, visible challenges are in the form of processing technology, standards, quality and regulatory enforcement (Mhazo, et al., 2012) market access, market linkages and demand management. However, in some products the nexus between small-scale farmers and small to medium sized agro-processors continues to grow. Informal linkages, cultural connections and long term established relational networks promote the farmer-processor connection. As such, agro-processing contributes to manufacturing and value-added output thereby freeing countries from 'commodity dependence'.

4.6 CHAPTER SUMMARY

This chapter provided an overview of the research setting focussing on Zimbabwe's economic background, developments in the manufacturing sector, and zoomed in on the agro-processing sector. The chapter further provided significance of the agro-processing sector to the economy and people of Zimbabwe. The chapter also provided a discussion of economic challenges and prospects emerging from the Zimbabwean economic environment. The next chapter focus on methodology used in this study.

CHAPTER 5 RESEARCH METHODOLOGY

5.1 INTRODUCTION

The previous chapter focused on manufacturing industry in Zimbabwe zooming in on the agro-processing sector. This chapter provides the research methodology used to address the study research objectives and questions. The chapter provides the research philosophy, design, study site, sampling approaches, research strategy, data collection and analysis approaches. Selection and implementation of appropriate methodologies underpin the success of any study. Research can fail without appropriate research strategy and tools. It is always important to properly plan for every research before any attempt to do anything since a clearly laid methodology provides the framework and guide to conduct good research.

5.2 PHILOSOPHICAL VIEW

Creswell (2014), encouraged researchers to clearly point research philosophy influencing the researcher's approach. Consideration of philosophical issues is important to any research as philosophy guides researcher's decisions on epistemology, ontology, and axiology attached to different aspects of the research (Saunders, et al., 2007). Research philosophy refers "to a system of beliefs and assumptions about the development of knowledge" (Saunders, et al., 2016:124) that a researcher follows.

In this study, the researcher adopted a **pragmatic worldview**. This view takes attention to the problem and possible approaches to understand the problem. The pragmatic view offered advantages of freedom to choose research methods, mix approaches that are positivistic and interpretivism. The pragmatic view used the mixed methods approach to develop new knowledge to solve problems (Creswell, 2014) since pragmatism is the main philosophy of mixed methods research (Johnson, et al., 2007). It was important to use mixed approaches so that the researcher can establish detailed insights into digital marketing resources, capabilities and market performance. The researcher managed to apply different approaches requiring both quantitative and qualitative data as a result that contributed to quality of the results. Figure 5.1 shows research philosophy, design, approaches to theory development, methodological choices, research strategy, time horizons and data collection & analysis.

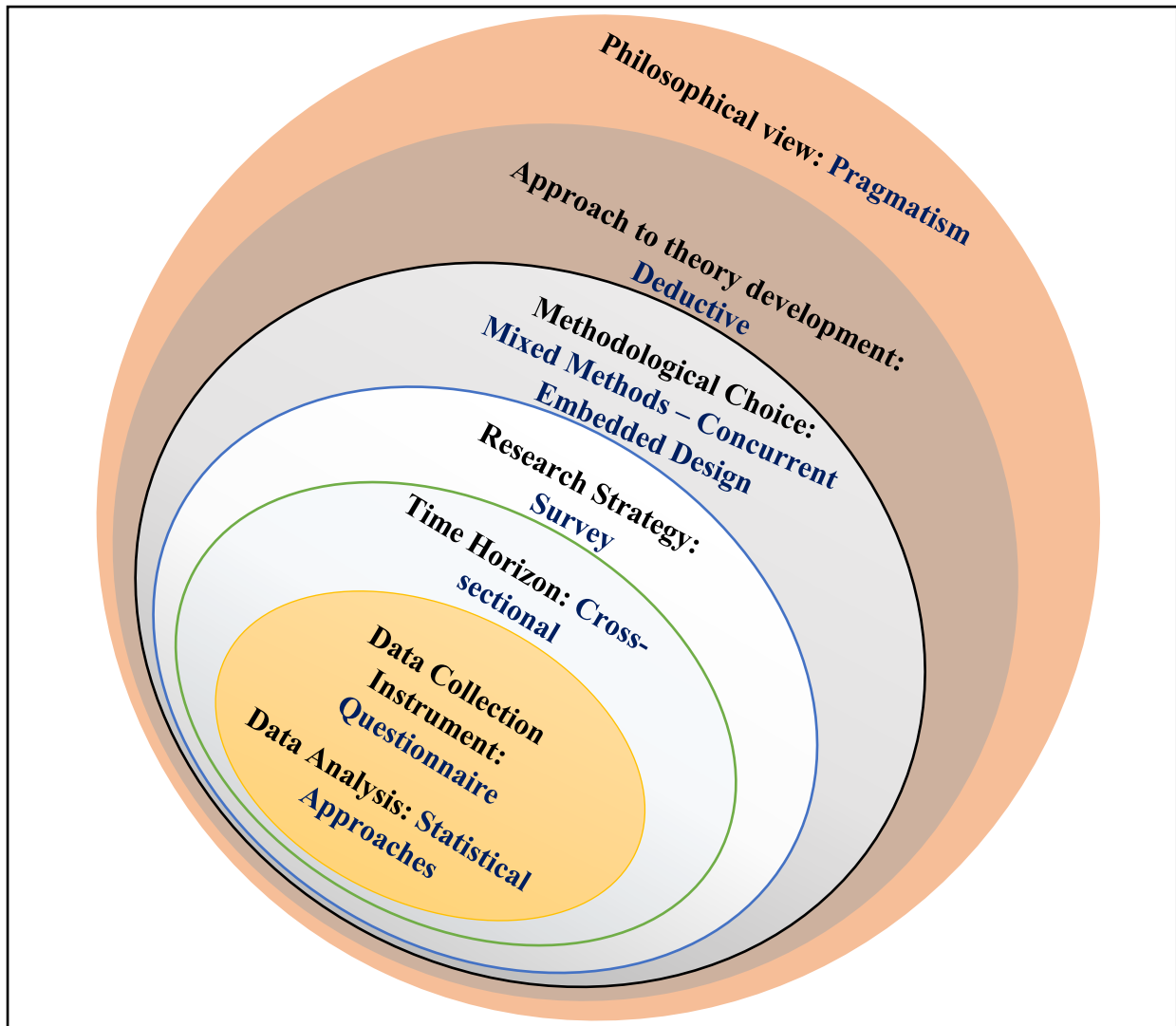


Figure 5-1 Research 'onion'

Source: Adapted from Saunders, et al., (2016:124)

Figure 5-1 summarises major approaches adopted in this study. A pragmatic view was adopted together with a deductive approach to theory development. A concurrent embedded design which is a form of a mixed method research was used. Data was collected in a cross-sectional survey using a questionnaire. The following sections unpack these approaches and explain reasons for their adoption.

5.3 RESEARCH DESIGN: MIXED METHOD - CONCURRENT EMBEDDED DESIGN

“Research design is a plan, structure and strategy of investigation so conceived as to obtain answers to research questions or problems” (Kumar, 2011). It is about the overall plan of the

research unlike tactics which specify data collection and analysis approaches (Saunders, et al., 2007). This plan helped answer questions truly, objectively, precisely and cost-effectively.

A concurrent embedded strategy is a mixed method approach. This study adopts a concurrent embedded approach, which collects both quantitative and qualitative data at the same time. However, according to Creswell (2009:214), one method has to be the primary guide of the research whilst the other is ‘nested’ within the other. Therefore, the primary or guiding research in this study is **quantitative data** whilst qualitative data supported the quantitative data.

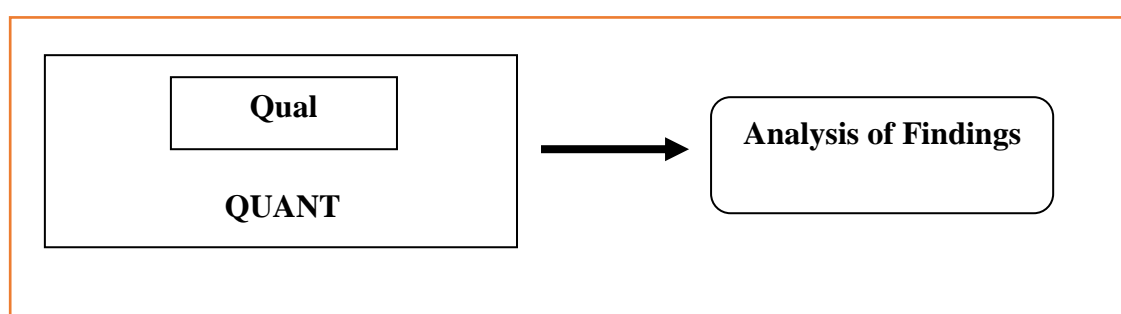


Figure 5-2 Concurrent embedded design

The concurrent embedded research design provided benefits of capturing strengths of both quantitative and qualitative data. The questionnaire captured both quantitative and qualitative data and this provided deep insights (Creswell, 2014) into resource, capability and market performance of agro-processors in Harare, Zimbabwe. No method is perfect so the collection of both quantitative and qualitative data neutralised weaknesses of each approach (Creswell, 2014). Mixing provided triangulation of sources - quantitative and qualitative data as well as approaches – open ended and closed questions. Triangulation was important for credibility (; (Hesse-Biber, 2010) through convergence of data from different sources (Noble & Heale, 2019) thereby strengthening the study conclusions. In addition triangulation provided complementarity (Creswell, 2014; Hesse-Biber, 2010) which enabled the researcher to gain a complete indulgence of digital marketing resources, capabilities and performance in SME agro-processors. The qualitative data enabled clarification of quantitative data that closed questions collected. Several researchers established that complementarity is valuable (Hesse-Biber, 2010). Hesse-Biber, (2010) found the mixed method design also to provide room for development of the research problem, initiate new studies and expand the existing one. Detailed findings through mixed methods create room for further studies around digital marketing resources, capabilities and performance. Quantitative data allowed statistical analyses and tests of reliability and validity whilst the qualitative dimension provides a confirmation and cross-

check to the quantitative data. Previous research by (Saruchera, 2014) in Harare and Bulawayo, Zimbabwe adopted the mixed research design and benefited from triangulation, enhanced validity and complementarity.

In addition, this was a cross-sectional study also known as status studies which are valuable in acquiring an overall overview at the time of the study (Kumar, 2011). The study was cross-sectional in both population and time frame of the research. Although cheap and time saving, the biggest challenge with cross-sectional studies is their inability to measure change (Kumar, 2011). As a result this study relied on respondents' judgement of how certain resources had influenced their market performance. This included resources and activities deployed even before the study.

However, Symonds & Gorad (2008) criticise the separation of research paradigms into quantitative, qualitative and the introduction of a third paradigm; mixed methods. The authors argue that no research can purely be labelled objective or subjective. A Likert scale used in a quantitative study could involve subjective judgements on choosing responds therefore falls the test of objectivity. Symonds & Gorad (2008) further argue that selection of research tools and approaches itself involves subjectivity therefore no research can purely be objective or subjective. In addition these researchers questioned the superiority given to quantitative data in mixed research design. They argued that researchers can still attain triangulation by combining qualitative techniques only such as observations and interviews. The researchers further argued that sample size does not determine generalisability of results as argued by quantitative researchers that large sample sizes allow for generalisations. In addition, Symonds & Gorad (2008) provided evidence of studies that used large sample sizes even though they were qualitative proving that qualitative research does not necessarily need small sample sizes. In view of these arguments from Symonds & Gorad (2008), this study went on to consider mixed method design as conceptualised by Creswell (2014). However, the researcher noted some subjectivity in responding to the Likert scales as propounded by Symonds & Gorad, (2008).

5.4 STUDY SITE



Figure 5-3 Study Site

Source: Author collation from online images.

The study took place in Harare, Zimbabwe. Harare was an ideal location as it is the industrial hub of Zimbabwe after the closure of companies in Bulawayo which used to be known for its industrial prowess. Harare, being the capital city, found itself attracting the remaining industries and companies due to its high connectivity, easy market access and large market size.

5.5 TARGET POPULATION: AGRO-PROCESSORS IN HARARE.

Target population refers to the whole pool of elements the researcher wants to study (Lohr, 2010; Sarstedt & Mooi, 2019). In this study, the target population composed of small to medium sized agro-processors in Harare. The exact number of agro-processors is not known. However, according to a FinScope, (2012) micro, small to medium enterprises (MSMEs) survey, Zimbabwe had 3.4 million businesses. Of these, 4% were small business (6 – 40 employees) and 1% were medium sized business (41-75 employees). This means that 5%, (170 000) of the 3.4 million business are SMEs. However, only 15% are registered. This leaves the total number of SMEs at 25 500. The FinScope (2012) report further states that 13% of the business owners are in Harare. This implies that Harare has approximately 3 315 SMEs. This is an approximate figure because the Finscope (2012) report only provided overall statistics which makes it difficult to calculate the exact population of SMEs in Harare. In addition, the

percentage of agro-processors constituting the SMEs was not given. Therefore, the actual population of agro-processors in Harare remain unknown.

The study chose agro-processors in Harare had better chances for using digital marketing because of improved internet infrastructure, high financial inclusion facilitating e-payments and an enlightened market ready to adopt new technologies. In addition, a focus on agro-processors minimises heterogeneity of the sample. Since there is no universally agreed definition of a small firm, this study used the following definition; a firm that is formally registered, has between 5-100 employees (Zindiye, et al., 2012) and an annual turnover of less than one million United States Dollars.

5.6 SAMPLING

Sampling involves selecting a part or subgroup of the population to collect data so that the researcher can estimate results about the whole population (Saunders, et al., 2016; 2007; Thompson, 2012). A sample is “a subset of the population” (Sekeran & Bougie, 2016:237). A sample has to be representative in that it should be possible to estimate characteristics of the population from the sample with some known degree of precision (Lohr, 2010:3). A good sample must be free from selection bias (Lohr, 2010). This is when some possible units are left out of the sampled population or units sampled at different rates than intended. Convenience sampling is one of the causes of selection bias (Lohr, 2010). Control over sampling process offers advantages interms of inference to the large population (Thompson, 2012).

Sampling has the advantage of representativeness as the researcher has an opportunity to select an appropriate sample thus eliminating some errors emanating from uncontrolled means (Sekeran & Bougie, 2016; Thompson, 2012). Sampling provided the advantage of reducing the amount of data collected from a sample instead of the whole population (Saunders, et al., 2016; 2007). In addition, sampling was ideal in this study because it was practically impossible to collect data from all agro-processors due to resource limitations especially time and financial resources. As a result, sampling reduced budget constraints by cutting costs. Planning of data collection and handling was also manageable as the researcher took only a sample of the agro-processors in Harare. Researchers such as Henry (1990) cited by (Saunders, et al., 2007) also found sampling to increase data accuracy since a researcher has the opportunity to spend more time designing and testing the instrument unlike when a census is used. In this study, the

researcher had the opportunity to collect detailed information and make follow ups to improve the response rate. This could not have been possible with an entire population.

5.7 SAMPLE SIZE

According to Israel (2003), required accuracy, level of confidence and attributes variability determine sample size. These attributes were key to sample determination in this study. Accuracy and confidence levels needed to be as high as possible so that results could be generalised. However, there was no defined sampling frame for this study therefore; the Cochran formula of determining sample size was adopted.

Cochran formula:

$$\begin{aligned} n_0 &= \frac{z^2 pq}{e^2} \\ &= \frac{(1.96)^2 (.5) (.5)}{0.05^2} \\ &= 385 \end{aligned}$$

Where:

n_0 – sample size

z^2 – $(1 - \alpha)$. The standard normal deviation was set at 1.96, which corresponds to 95% confidence level.

e – desired precision level (Precision level or margin of error was set at 0.05)

p – estimated proportion (Target population estimated to have desired characteristics to be measured. The researcher set this at 0.5)

q – $1 - p$ (population without the desired characteristics)

According to Israel (2003), a researcher must add 10% (not reachable respondents) and 30% (non-response) to the 385 above.

Therefore $0.1(385) + 0.3(385) = 154$. Final sample size is therefore $154 + 385 = 538$

The addition of a 10% not reachable respondents and 30% non-response contributes to reducing the problem of non-response which had to be kept as low as possible (Thompson, 2012). Reducing non-response rates was important in this study because maintaining satisfactory responses helped to stay within the required margin of error. This is supported by Saunders, et

al., (2007:212) who claims that sufficient responses must be maintained to stay within the required margin of error. According to Saunders, et al., (2016) high response rates also contribute to a 'perfect representative sample' which is one that truly reflects the population.

A sample size of 538 was ideal as research has proved that large sample sizes provide a robust and close to normal distribution. Previous studies have shown that sample sizes of 30 and above provided sample distribution of the mean close to normal distribution (Saunders, et al., 2007:210-11).

5.8 SAMPLING DESIGN: MIXED SAMPLING DESIGN

A sampling design is "the procedure by which the sample of units is selected from the population" (Thompson, 2012: 2). It is a step-by-step process of selecting units. This study adopted a mixed sampling design. According to Kumar (2011), a mixed sampling design combines both probability and non-probability sampling methods. Mixing sampling designs enabled the researcher to capitalise on strengths of both strategies. Probability sampling enabled an unbiased and representative sample to be drawn whilst non-probability sampling strengthened the research by giving access to respondents whose sample frame was not well defined and known. It was difficult to acquire a sampling frame that had all subjects of interest in the agro-processors population (Thompson, 2012) as such non-probability sampling was ideal to complement the probability approaches.

A sampling frame "is a complete list of all the cases in the population from which a sample will be drawn" (Saunders, et al., 2007:208). The sampling frame is crucial as it affects generalisation of results as such it has to be current, accurate and unbiased. Defining a sampling frame constitutes defining the population, as such generalisations must be on the population or sampling frame where the sample was selected from (Saunders, et al., 2007:209).

Therefore the lack of a complete sampling frame made mixing ideal for the study because some of the target population had clear membership lists that could be utilised whilst others did not have. As such probabilistic approaches were applied where sampling frames existed whilst non probability sampling applies where there was no defined sampling frame. In addition, probability sampling allowed answering of questions that required statistical estimation of population characteristics. Previous research by Mbengo, (2016) in Masvingo, Zimbabwe also used the mixed sampling design and gave several benefits including cost cutting, and

complementarity. Saunders, et al., (2007) warned against generalising beyond the sampling frame as such generalisations in this study only apply to Harare agro-processors who formed part of the study.

Figure 5.4 shows structure of the sample design. Two sampling approaches 1) stratified random and 2) quota sampling were used.

The adopted mixed sampling approach is shown in figure 5.4 below:

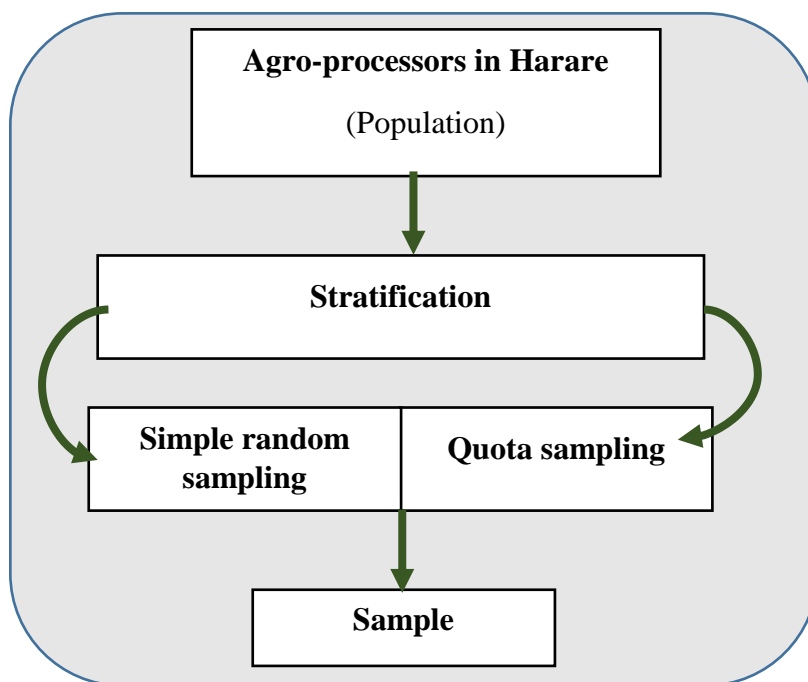


Figure 5-4 Mixed sampling design

Source: Own construct

The following steps describe in detail the key steps taken in the mixed sampling design in Figure 5.4.

5.8.1 Stratified random sampling

Stratified sampling is when a researcher divides the population into two or more strata that has similar characteristics. A random sample is then drawn from each strata (Saunders, et al., 2007; Sekeran & Bougie, 2016). In this study, the UN ISIC guided the stratification process as shown in table 5.1.

Table 5-1 Stratification of Agro-processors

Major Agro-processors Classification	Sample Size	Sampling Approach Used	Justification
Manufacture of food & beverage products	215	Mixed: 1) Simple random sampling for Millers & Stock feed manufacturers (60 selected). 2) Quota Sampling for all other manufacturers (155 selected).	Sampling frame partly available – available for millers and stock feed manufacturers only.
Manufacture of wood, wood related products and furniture.	138	Quota sampling	Sampling frame not available
Manufacture of wearing apparel & textiles	125	Quota sampling	Sampling frame not available
Manufacture of paper, paper products & printing	30	Quota sampling	Sampling frame not available
Manufacture of tobacco products	15	Simple random sampling	Sampling frame available
Manufacture of leather and related products	15	Census	Small sampling frame (below 30)
TOTAL SAMPLE SIZE	538		

Source: Adapted from UN ISIC classifications

The researcher used disproportionate stratified sampling. This approach was appropriate, as sizes of other strata was not known although research showed that the manufacture of food products, textile, tobacco (Mhazo et al 2012), and furniture (ZIA, 2018) were dominant in Harare, Zimbabwe. However, the researcher allocated large sample units to the manufacture of food & beverages, wood & furniture, and clothing & textiles because of their dominance in Harare. In addition, large firms dominate the tobacco sector, therefore, few sampling units were allocated.

Stratification was ideal as it has been mainly used to reduce variances between groups (Bruhn & McKenzie, 2009). According to Bruhn & McKenzie, (2009) results obtained without stratification would not be the same as those obtained where stratification has been used as a randomisation technique. However, there is no agreement on variables for stratification. Bruhn & McKenzie, (2009) suggested variables related to outcome of interest and variables were subgroup analysis is required.

This research adopted variables or classifications internationally accepted - the UN ISIC and where subgroup analysis was possible. This was important in bringing a balance between different types of agro-processors and to give a full picture of digital marketing resources,

capabilities and market performance. Stratification contributed to making the sample more representative of the population.

After stratification, the study numbered all elements in the strata where simple random samples were to be drawn. The numbering was meant to facilitate random picking of numbers representing elements in the sample.

Henry (1990) cited by (Saunders, et al., 2007) encouraged a census in populations less than 50 instead of probability sampling approaches as influences of few extreme cases have huge effect on statistical analysis. However Stutely (2003) cited by (Saunders, et al., 2007) recommended a minimum sample size of 30 in order to carry meaningful statistical analysis. Accordingly, researchers must use a census for populations below 30 if statistical analysis is required. As such, this study applied census to strata that had a sampling frame of less than 30 agro-processors whilst simple random sampling was applied to those above 30. However, this was only applied to strata that had a sampling frame, where it did not exist, quota sampling was applied.

5.8.2 Simple random sampling

Simple random sampling was applied in some strata where a sampling frame existed. These strata were part of the food & beverage, and tobacco sectors as shown in table 5.1. The random selection of units removed selection bias leading to unbiased estimate of the population mean or total as well as an unbiased estimate of variability, which influences survey result reliability (Thompson, 2012:3). Simple random sampling involves selecting samples at random from the sampling frame (Saunders, et al., 2016). Random tables or a computer can be used to select the random samples, however since the sampling frames in this study were small, the researcher picked random samples from a hat.

The study did the following:

- i. Numbered all cases in the sampling frame, starting from 0.
- ii. Developed small cards with corresponding numbers to the sample, and placed the cards in a hat.
- iii. Selected the sample at random (with replacement) by picking cards from the hat.
- iv. Repeated the process until required sample was reached.

Random selection eliminated bias and sample with replacement ensured that all elements had the same chance of being picked. If an element or case was picked twice, the researcher merely set it aside to pick another one.

The researcher then located the firm through Google maps, calling in cases where phone numbers were provided, or asked friends and colleagues where no information could be obtained. The researcher made visits to the identified firms and asked to see the head of marketing in cases where a marketing department existed or the owner or manager of the firm. The researcher then explained purpose of the research and sought consent from the potential participant. Depending on the respondents' schedule, questionnaires were either left to be completed later or completed in the presence of the researcher. Completing questionnaires in the researcher's presence gave the researcher an opportunity to clarify areas that were not clear to the respondents and ensured that all questions were answered.

5.8.3 Quota sampling

Quota sampling is a non-probability sampling technique. Non-probability sampling techniques are ideal where a sampling frame cannot be established (Saunders, et al., 2016). Unlike other non-probability sampling techniques, quota sampling “tries to represent the total population” (Saunders, et al., 2007:226) as it assigns quotas and involves stratification (Sekaran & Bougie, 2016). According to Barret (1991) cited by Saunders et al. (2007) quota sampling is a form of stratified sample where cases or elements are not selected at random. It is a proportionate stratified sample where a predetermined sample is picked from diverse groups on a convenience basis (Sekaran & Bougie, 2016:248).

Following guidelines by Saunders et al. (2007:227), the researcher took the following steps:

- i. Divided the population into strata (the same strata used for stratified random sampling) based on the UN ISIC.
- ii. Decided quota for each strata basing on personal judgement and evidence from literature.
- iii. Distributed questionnaires to participants identified by the researcher. Selection of participants was non-random entailing the researcher used own judgement and convenience to distribute the questionnaire to members in a strata. In some cases a snowball approach was used to identify respondents in a certain strata.
- iv. Combining data from different strata to obtain full picture of agro-processors.

As identified by Saunders et al. (2007) quota sampling offered several advantages over probabilistic approaches. It was cheap, and fast. No sampling frame was required, and this was an advantage to the researcher as some samples did not have a sampling frame. However, quota

sampling has the disadvantage of selection bias. It is possible to choose available respondents and those ready or willing to answer.

As per Thompson (2012) advice, that nonresponse rates should always be kept low, the researcher made follow ups of at least three times to all participants who received the questionnaire and did not fill it instantly or did not manage to return it. Follow ups were made through physical visits, phone calls and emails. These follow ups improved questionnaires retention rates as an average of one in every three follow ups returned the questionnaire.

5.9 RESEARCH STRATEGY

No research strategy is broadly superior nor inferior but what is important is the ability to answer the researcher's research questions and objectives (Saunders, et al., 2007). The study's research questions and objectives, limited time and financial resources for other options such as experiments informed choice of survey as a research strategy in this study.

5.9.1 Survey

The survey method is prevalent as a deductive approach and is frequently applied to business related research (Saunders, et al., 2007). The researcher chose surveys because of their economical nature, which allowed the researcher to collect large amounts of data using few resources. The survey was conducted using a ten-page questionnaire administered to a sample of agro-processors in Harare, Zimbabwe. In most cases, the researcher physically distributed the questionnaire. However some respondents requested a soft copy therefore, an email was used to send the questionnaire. The email approach proved useful as a cost cutting measure particularly for printing and travel. Emails were also useful in making follow-ups or resending questionnaires to respondents who would have lost their printed copies.

The survey approach enabled collection of both quantitative data through closed ended questions and qualitative data through open ended questions. This approach had the advantage of giving the researcher control especially on information collected as questions were limited and some closed. This prevented the data from being 'wide-ranging' (Saunders, et al., 2007). Researchers such as Saruchera (2014) and Mbengo (2016) used similar approaches of surveys and found the approach useful in the Zimbabwean context.

In addition, the survey made it possible to make inferences to the general agro-processors population in Harare. Cross-sectional surveys were conducted as data was collected once over

a period of seven months. The survey approach enabled primary data collection that was vital in understanding agro-processors digital marketing resource, capability and performance in the Zimbabwean context.

5.10 DATA COLLECTION INSTRUMENTS

The researcher adopted a guide by Millward (2001) cited by Saruchera (2014) that any method or tool must be relevant to objectives, produce appropriate data that can be used to test the hypotheses, or address research questions, practical, feasible with given resources and ethically sound and practical in a given context. Therefore, a questionnaire was the main data collection instrument for this study. The questionnaire was distributed as a hard copy; however, the researcher made soft copies available for respondents who wanted it emailed. Soft copies saved time for travelling to replace lost questionnaires.

5.10.1 Questionnaire

A questionnaire is “one of the most widely used data collection” tools in surveys (Saunders, et al., 2016). Although several definitions of a questionnaire exist, this study considers a questionnaire to be a data collection technique where respondents answer to the same set of questions in a set order (de Vaus, 2014 cited by Saunders, et al., 2016:437). The provision for respondents to answer to the same set of questions gave the researcher an opportunity to collect data for quantitative analysis from a large sample. As such, self-administered questionnaires were distributed to 538 respondents. However, some respondents preferred that the researcher read out the questions and possible answers on the Likert scale whilst they answer. This gave an opportunity to seek clarity and quickly obtain a fully completed questionnaire although it also presented opportunities for bias as respondents gave answers they perceived to be desirable to the researcher. The questionnaires were distributed to two senior members at managerial level at each selected company. This ensured that subjectivity of each member was neutralised since researchers such as Kyriakopoulos et al. (2015), found the use of a single informant approach to be limited.

As employed by Saruchera (2014), the questionnaire contained both open and closed-ended questions. However, the bulk of the questions were close-ended as the study prioritised quantitative over qualitative data. The close-ended questions led to quantitative data that the researcher easily analysed using statistical tools whilst the open-ended questions provided qualitative data. In addition, the questionnaire had both closed and open-ended questions to

satisfy the needs of concurrent embedded research design. The qualitative data triangulated the quantitative data thereby helping verify data obtained through quantitative means.

The researcher explained the purpose of the research to respondents, and guaranteed them of their privacy & confidentiality. The researcher gave the respondents consent letters, explained its contents and requested them to sign before answering the questionnaire.

In addition, the researcher adopted a questionnaire because of the following attributes shown in the table below:

Table 5-2 Main attributes of questionnaires

Attribute	Questionnaire delivery and collection approach
Population characteristics	Senior executives responsible for marketing in the selected organisations. The respondents were reachable through visits, emails and phone calls.
Confidence that the right person has responded	Although low, researcher checked if intended person responded during collection. In addition, responding in researcher's presence and through emails improved confidence that the intended person responded.
Likelihood of contamination or distortion of respondent's answer	Responses had the potential of contamination through respondents' consultations with colleagues. However, responses obtained in the presence of the researcher neutralised this contamination.
Sample size	Large (538) although the researcher distributed the questionnaires on his own. The researcher managed to do this because the respondents were in Harare, some in specific industrial areas that the researcher easily accessed.
Likely response rate	Although reasonable response rate was 30-50%, the researcher obtained 60.2%
Length of questionnaire	The questionnaire had 10-pages although recommended was 6-8pages. The long length was necessitated by closed-ended questions that formed the bulk of the questionnaire.
Suitable types of questions	Simple closed-questions with only five (5) open ended ones.
Time taken to complete collection	An average of five months.
Financial resource implications	Huge financial resources were required for photocopying, travel and follow-ups.
Role of researcher	Delivery and collection of questionnaires, encouraging respondents to respond on time.
Data input	Manual

Source: Attributes adopted from Baruch and Holtom, (2008); De Vaus (2008); Dillman, et al., (2014) and Oppenheim, (2000) cited by (Saunders, et al., 2016: 441).

5.10.1.1 Questionnaire usage in research.

The use of questionnaires is not new. Researchers such as Cacciolatti and Lee (2016), Ngo and Aron (2012), and Mbengo (2016), applied self-administered questionnaires. The use of senior executives who have expertise and more knowledge on marketing as respondents was also successfully implemented before in similar studies by researchers such as Ngo and Aron, (2012) and Cacciolatti and Lee, (2016). Ngo and Aron, (2012) obtained 163 usable questionnaires giving a 16.3% response rate whilst Cacciolatti and Lee, (2016) obtained 160 questionnaires – manufacturing SMEs, giving a 20% response rate. In these studies, the researchers used subjective judgements because there were no public records available for objective measures (Cacciolatti & Lee, 2016). As a result, they recommended multiple informants (Ngo & Aron, 2012). Therefore, the approaches adopted in this study are feasible, as previous studies have successfully applied similar strategies.

5.10.2 Questionnaire development

The questionnaire development process was crucial for this study. According to Saunders et al. (2016:439) design affects response rate, reliability and validity of data that a researcher collects. In addition, the researcher took caution in the whole questionnaire design process as researchers such as Bell, (2005) and Oppenheim, (2000) cited by Saunders et al. (2007:355) warned that questionnaire development was more difficult than what most researchers think. The researcher took caution to ensure that questions were answering research objectives, questions, and allowing testing of intended relationships as identified in the conceptual model. The questionnaire development process was important as there was no opportunity to get back to respondents to collect another set of data in the event of errors in the first collection.

Therefore, the questionnaire was developed using scales from existing literature such as Vorhies and Morgan, (2005); Kirca, et al. (2005); Srivastava *et al.* (1998), Narver and Slater (1990); Kholi and Jaworski (1990); and Morgan et al.(2009). However, existing measurement scales do not fit into digital marketing research therefore were adapted to meet needs of the current study.

Questionnaires must be worded in a way that does not sway opinions of the respondents (Thompson, 2012) as such the researcher avoided leading questions. The researcher also adopted the funnel approach as advocated by Saunders et al. (2007) and Sarstedt and Mooi, (2019). The first section contained general questions that narrowed down to study specific questions. This approach helped develop respondents' interest and not to scare them with seemingly complicated or subject specific questions in the first section.

Starting pages

The researcher provided a separate page explaining the objective of the study, confidentiality issues and how the researcher would use the results. In this page, the researcher also clarified to the respondent that participation was voluntary and the respondent was free to discontinue at any given time.

Layout and format

The researcher adopted a layout that conserved space as much as possible whilst maintaining readability. All questions were on a single-sided stapled paper. Space conservation was crucial in order to reduce page numbers which have a negative effect on response rates (Saunders, et al., 2016).

The questionnaires consisted nine sections 1) demographic section 2) digital marketing assets 3) digital marketing capabilities 4) relationship between digital marketing assets and capabilities 5) digital marketing activities in relation to marketing mix 6) relationship between digital marketing capabilities and digital marketing activities 7) digital marketing outcomes 8) institutional barriers, and 9) open ended questions. All closed-ended questions used a Likert scale ranging from 1-5 (strongly disagree to strongly agree/ not at all to always) and 1-7 (completely disagree to completely agree/very poor to outstanding). In categorical responses, the researcher designed response categories that were exclusive to avoid overlapping answers (Sarstedt & Mooi, 2019). In addition, the researcher labelled all categories that assisted respondents to easily understand and differentiate responses as such increasing reliability. According to Weng, (2004) cited by Sarstedt and Mooi, (2019:73), labelling all categories improve reliability.

Section 01: Bio data

This section consisted background data about the respondent, years in business, number of employees, gender, and age. This section was critical in identifying if the firm fitted into the study through its number of employees. The researcher was also able to identify the sector of the respondent, which was critical in ensuring the respondents are within the required strata. Data collected in this section was linked to data from other sections to identify if any correlations existed.

Section 02: Digital marketing assets

This section collected data that addressed the base of the conceptual model, digital marketing assets possessed by agro-processors. Data in this section helped the researcher to understand

digital marketing assets possessed by agro-processors in Harare, and link the assets to capabilities and market performance. Questions asked were centred on the following assets; - structural capital at the base of digital marketing, human capital, intellectual assets, reputational assets and relational assets. The researcher developed constructs to measure these assets from existing literature. Hooley et al. (2005); Narver and Slater (1990); Milfelner, et al.,(2008) and Trainor et al. (2013) for digital market orientation, and relational assets, Hooley, et al., (2005) for reputational assets, Aryanto et al. (2015) for human capital and Edvinsson & Sullivan, (1996) and Morgan (2012) for structural capital. The constructs were adapted to meet needs of the current study.

Section 03: Digital marketing capabilities

In this section, the researcher collected data on digital marketing capabilities. The researcher adapted existing constructs from studies such as Barrett et al. (2015) and Aryanto et al. (2015), for digital market innovation capabilities, Calantone et al. (2002) and Hooley et al. (2005), Setia et al. (2013) for e-market sensing capabilities, leadership capabilities, and Vorhies & Morgan (2005) and Chaffey (2015) for digital strategy development & execution capabilities.

Section 04: Relationship between digital marketing assets and capabilities

The researcher collected data to test the relationship between digital marketing assets and capabilities. The questions linked every digital marketing asset to each digital marketing capability. This data was important for the researcher to be able to connect and conclude on the relationship between the two variables of digital marketing assets and digital marketing capabilities.

Section 05: Digital marketing activities in relation to marketing mix processes and service

In this section, the researcher collected data on digital marketing activities employed by agro-processors in Harare, Zimbabwe. The researcher derived digital marketing activities from the 4Ps of the marketing mix. The work of Clark (2007); Day (2011) and Teleghani et al. (2013) inspired the researcher to treat marketing mix elements as activities in this study. The researcher collected data on activities on pricing, promotion, distribution, product development and service that agro-processors were performing. In addition, the section collected data on digital tools that agro-processors use to execute their digital marketing activities.

Section 06: Relationship between digital marketing capabilities and digital marketing activities.

This section measured the relationship between digital marketing capabilities and digital marketing activities. The researcher linked all digital marketing capabilities to activities so that the researcher could obtain conclusive linkages.

Section 07: Digital Marketing Outcomes

The researcher adapted measurement constructs from O'Sullivan and Abel (2007); Hooley, et al. (2005); Neely (2007); Moorman and Day (2016). The researcher collected data on intermediate and final outcomes.

Section 08: Institutional barriers

In this section, the questionnaire sought to collect data on institutional barriers that interfere with agro-processors market performance. Researchers such as Barrett et al. (2015) and Rivera-Santos et al. (2012) informed development of constructs in this section. This section measured institutional barriers negatively affecting agro-processors and the extent these factors affect agro-processors performance.

Section 09: Open ended questions

This section contained five open ended questions. The questions collected the same data previously collected in sections two, three, five and seven. These open-ended questions were necessary in order to triangulate data and give respondents an opportunity to express themselves without restrictions.

5.11 PILOT TESTING

Pilot testing helped the researcher to refine, and check clarity of the questions thus contributed to validity and reliability (Saunders, et al., 2016). The researcher took the questionnaire to three experts in the field of marketing for an assessment. The marketing expert researchers' opinions contributed to content and face validity by checking the questions' representativeness. The researcher conducted piloting in two phases. The first phase was done with workmates who were researchers in marketing to check clarity, flow and general design of the questionnaire. This contributed to improving face validity which sought to assess if the questionnaire made sense. In the second phase, the researcher pilot tested the questionnaire with twenty (20) respondents conveniently selected from agro-processors that were closely

located to the researcher's workplace. Five (5) respondents did not return the questionnaire regardless of two (2) follow-up calls thereby leaving fifteen (15) valid questionnaires. According to Fink (2013) cited by Saunders et al. (2016) the minimum number for a pilot test is ten (10) therefore fifteen (15) is acceptable for this study. The researcher explained to the respondents that their responses were crucial to improving the questionnaire; as such, they must note all unclear questions, time taken to complete the questionnaire, and general comments on layout and questionnaire attractiveness. All questions that asked extent to which agro-processors use digital marketing tools were revised. In addition, the researcher reviewed question five on the open-ended questions. Other general amendments that the researcher implemented were on the demographic section, and typing errors in section three. As attained by Saruchera (2014), the pilot study contributed to the identification of errors, inconsistencies, and assessment of questions appropriateness together with methodologies the researcher chose. Pilot testing also helped the researcher to assess if respondents correctly decoded the questions as well as giving the researcher the opportunity to decode the answer to assess if it meet information needs of the research thereby improving response rates, reliability and validity (Saunders, et al., 2016).

In addition to the pilot survey, the researcher took the questionnaire to two (2) independent statisticians for an assessment of the questions, and an evaluation whether it would be possible to conduct intended tests on the collected data. The two expert opinions agreed that there was need to include section four (4) relationship between digital marketing assets and capabilities, and section six (6) relationship between digital marketing capabilities and activities. The expert opinions also contributed in verifying if the questionnaire was picking data that enabled the testing of all relationships identified in the conceptual model.

5.12 SECONDARY DATA COLLECTION

The researcher collected secondary data from existing literature, databases, policy documents, textbooks and other relevant sources. Statistical data from POTRAZ, Zimstat, RBZ, WTO, and FinScope provided valuable insights and a foundation to this research. Secondary data contributed in multiple ways including helping the researcher understand nature and magnitude of the problem, make decisions on sampling strategies, data collection tools to use, and identification of respondents.

5.13 DATA QUALITY CONTROL

Validity and reliability are important elements of data quality. According to Saunders et al. (2016:439), a researcher can increase validity and reliability by:

- Careful design of individual questions;*
- Clear layout of the questionnaire form;*
- Simple explanation of purpose of questionnaire;*
- Pilot testing;*
- Carefully planned and executed delivery and return of completed questionnaires.*

All the identified recommendations from Saunders et al. (2016) were implemented in this study. To improve validity and reliability the researcher, ensured that questions were formulated in a simple way that respondents could easily understand. The questionnaire was structured in a way that sections fed into each other so that there was flow, and there was thorough pilot testing to clear all ambiguities and errors.

5.13.1 Reliability

According to Saunders et al. (2016:451) reliability refers to consistency. A questionnaire has to be reliable for it to be valid. However reliability alone is not enough as respondents can consistently answer a question in a particular way that is not intended by the researcher thus losing internal validity. Reliability is a condition for validity (Mooi, et al., 2018), as such, reliability must refer to robustness of questionnaire in producing consistent findings at different times and conditions (Saunders, et al., 2016). It is a situation where what a researcher measures is free from random error, and a random error refers to variations between what a researcher measures and what was intended (Mooi, et al., 2018).

The researcher applied the internal consistency test to measure reliability in this study. Internal consistency “involves correlating responses to questions in the questionnaire with each other” (Saunders, et al., 2016: 451). In doing so, the researcher used the Cronbach’s alpha to determine internal consistency of the questions in the questionnaire. The Cronbach’s alpha is “a statistic that measures consistency to responses to a set of questions that are combined to measure a particular concept” (Saunders, et al., 2016: 451). Cronbach’s alpha calculates “the average intercorrelations among items measuring a concept” (Sekaran & Bougie, 2016:289). A Cronbach’s alpha of 1 or close to 1 indicate a high level of internal consistency. The Cronbach’s alpha consists of an alpha coefficient ranging between 0 and 1 with values of 0.7 indicating that the questions were measuring the same thing. Although Garson (2013) consider an alpha

coefficient value of 0.6 to be adequate for exploratory studies, in this study, the researcher considered an alpha of 0.7 and above. The researcher ensured that all items were in one direction before testing for internal consistency. This was done by reversing all negatively worded items. To increase reliability, a researcher can reduce number of items from a measure although this negatively affects validity (Sekeran & Bougie, 2016). An overall Cronbach's alpha of 0.895 was obtained out of 85 items.

In addition, the researcher used the deliver and collect approach as a way to administer the questionnaire, subsequently contributing to reliability. According to Saunders et al. (2016), self-administered questionnaires that the researcher deliver and collect improve reliability of data because the researcher can easily check who answered the questionnaire.

The request by some respondents for the researcher to email the questionnaire improved reliability as it ensured that only the intended respondent had access to that email therefore could open, complete the questionnaire and send back to the researcher. Also, some respondents preferred that the researcher read out the questions whilst they responded. This gave more control which improved reliability according to authors such as Saunders et al. (2016). Although the deliver and collect approach to questionnaire distribution is prone to contamination, the researcher encouraged respondents to complete the questionnaire in the researcher's presence. This approach helped in clarifying areas that may not have been clear to the respondent. In addition, the use of emails and assessments of questionnaires at collection all contributed to contamination reduction. It was important to reduce contamination because "any contamination of respondents' answers reduced reliability" (Saunders, et al., 2016:442).

The selection of senior executives responsible for marketing contributed to eliminating uninformed responses. Uninformed responses occur when respondents do not have sufficient knowledge in the subject as such guess responses. This behaviour is common in incentivised surveys, however, this study was not offering any incentive to the respondent except a promise to access the results when the study is complete. According to Dillman et al. (2014) cited by Saunders et al. (2016) self administered questionnaires reduce the likelihood of respondents answering to please the researcher, as such increasing reliability.

5.13.2 Validity

Internal validity refers to the ability of the questionnaire to measure what it is intended to measure (Saunders, et al., 2016:450) thus a systematic error (Mooi, et al., 2018). Systematic errors result in higher or lower measurements than actual. It is also referred to as measurement

validity “as it is concerned with whether what you find with your questionnaire actually represents the reality of what you are measuring” (Saunders, et al., 2016:450). However, researchers often face challenges of assessing this reality, if it is known, then there should be no reason for the questionnaire (Saunders, et al., 2016). In view of this, the researcher used own judgement to assess if the questionnaire captured reality on the ground. To fully assess validity of the questionnaire, the researcher referred to face validity, content validity, criterion-related validity and construct validity. This was necessary because there is no single objective way of verifying what a researcher is measuring (Mooi, et al., 2018).

5.13.2.1 Face validity

According to Mooi et al. (2018:40) face validity “is an absolute minimum requirement for a variable to be valid and refers to whether a variable reflects what you want to measure”. Face validity subsists if a measure makes sense. In this study, expert opinion contributed to both face validity (expert validity) and content validity of measures. The experts were selected from the marketing research field.

5.13.2.2 Content validity

Content validity refers to the extent to which the measurement questions in the questionnaire provided adequate coverage of the information needs (Saunders, et al., 2016:450). The judgement of ‘average coverage’ was achieved through wide literature review to clearly define the research constructs, and expert opinion in the development and testing of the questionnaire.

5.13.2.3 Criterion-related validity

This refers to “ability of the measures (questions) to make accurate predictions” (Saunders, et al., 2016:450). It is also referred to as predictive validity. This means ability of the questions to accurately measure relationships such as digital marketing assets impact on digital marketing capabilities or impact of digital marketing activities to market performance. However Mooi et al. (2018) consider predictive validity to be where the measures (one to be evaluated and the outcome) are collected at different times whilst in criterion-validity all measures are collected at the same time. The researcher used correlation, a statistical analysis to test criterion-related validity. Correlation was useful because it had the power to tell if a variable predicted or was a valid measure for predicting market performance. According to Carmines and Zeller (1979:18) variables that highly correlate highly predict outcomes therefore are a good and valid measure. However, valid measures of unique concepts should not relate too highly to achieve discriminant validity (Bagozzi, et al., 1991). A variance inflation factor (VIF) was therefore adopted to test for multicollinearity in the variables.

5.13.2.4 Construct validity

Refers to the extent to which measurement questions (scale items) actually measure presence of constructs the researcher intended to measure (Saunders, et al., 2016:450). Main question to answer here is ‘how well can a researcher generalise measurement questions to the construct’? (Saunders, et al., 2016:451). Good measures “are those that measure what they are supposed to measure and do so consistently” (Mooi, et al., 2018). The researcher improved construct validity by adapting measures from previous researches therefore measurement questions can be generalised to the constructs. According to Garson (2013), construct validity is questionable if a researcher uses constructs that are at odds with literature because construct validity is indisputably connected to theory and hypothesis (Carmines & Zeller, 1979). Construct validity was also measured using correlation. According to Carmines & Zeller, (1979:23) if correlation results are positive and substantial then there is evidence to support the construct validity.

5.13.3 Multicollinearity

Collinearity describes an association between two predictor variables whilst multicollinearity is correlation of two or more variables and similarly relate with the dependant variable (Akinwande, et al., 2015). A precise linear relationship between two predictor variables indicates perfect collinearity. The researcher used a correlation matrix as a first step to determine multicollinearity. A correlation between 1 and -1 indicate perfect collinearity (Akinwande, et al., 2015; Midi, et al., 2010). Although helpful, correlation matrix is not sufficient to test for multicollinearity (Midi, et al., 2010) as such variance inflation factor (VIF) was used. VIF between 5 and 10 indicated high correlation whilst VIF above 10 was a sign of high multicollinearity (Bagozzi, et al., 1991; Akinwande, et al., 2015). All the independent variables were within acceptable ranges therefore did not pose collinearity problems. In addition, the use of STATA in logistic regression helped to automatically drop variables that had perfect collinearity.

5.14 MEASUREMENTS

Measurements are important in research and must always be well defined. It is through measurement of variables that researchers are able to find answers to research questions (Sekaran & Bougie, 2016). According to Sekaran and Bougie (2016:193) measurement is “the assignment of numbers or other symbols to characteristics (or attributes) of objects according to a pre-specified set of rules”. Objects on their own cannot be measured, instead characteristics or

attributes of the object are measured. For example in this study, agro-processors entails the object whilst agro-processors' innovation capabilities were the measurable characteristics. Self-administered questionnaires allowed owners or senior executives of agro-processors (objects) to respond to different characteristics under measurement in the questionnaire. The objective of measurement through 'assignment of numbers in a specific set of rules' enable "highest-quality, lowest error data for hypothesis testing, estimation or prediction, or description" (Cooper & Schindler, 2014:248).

This study broadly consisted of two variables, one that was easy to measure such as demographics whilst the other was more difficult to measure because of its subjective nature such as intermediate market performance outcomes. However, the researcher adopted various techniques to operationalise the subjective measurement concepts. According to Sekeran and Bougie (2016), 'operationalisation of concepts' involves reducing abstract subjective concepts to make them more measurable in a tangible way. The researcher did this by converting observable behavioural dimensions and aspects of the concept into measurable elements in an index of measurement. The researcher adopted the following steps from Sekeran and Bougie (2016):

- a) Definition of the construct
- b) Development of measurement questions
- c) Development of response scales.
- d) Assessment of validity and reliability

The assignment of numbers to characteristics was important in this research as it enabled the researcher to conduct statistical analysis in a design where quantitative data was dominant. Researchers can apply different types of scales to measure characteristics of objects (Sekeran & Bougie, 2016). In this study, the researcher applied nominal, ordinal, interval, and ratio scales. A scale is a tool that distinguishes individuals based on variables of interest.

5.14.1 Nominal scales

A researcher applies a nominal scale when data on the variable can be grouped into two or more categories that are mutually exclusive and exhaustive such as gender (Cooper & Schindler, 2014; Sekeran & Bougie, 2016). The researcher applied nominal scales to collect data on gender, and sector. The only possible arithmetic on a nominal scale is counting or frequencies therefore the researcher was restricted to using the mode as a measure of central tendency (Cooper & Schindler, 2014). However, the researcher obtained patterns in data by cross-tabulating nominal

variables with other variables. Nominal data presented the weakest form of statistical analysis although it was useful (Cooper & Schindler, 2014) as it contributed to unpack relationships between gender, and sector to different variables in the conceptual model. In addition, nominal scales are widely used in surveys to give important demographic insights.

5.14.2 Ordinal scales

Ordinal scales categorises variables and ranks them in a meaningful way as such give more information than nominal scales (Sekeran & Bougie, 2016). In this study, the researcher applied ordinal scales to measure variables such as activities that respondents considered doing better than competitors did. However, ordinal scales failed to provide the magnitude of differences among activities. The median was the appropriate measure of central tendency to this data.

5.14.3 Interval scales

In interval scales “or equal scales, numerically equal distances on the scale represent equal values in the characteristics being measured” (Sekeran & Bougie, 2016:209). Interval scales allow comparison of objects as such it is a extra powerful scale than nominal and ordinal scales. The interval scales have the arithmetic mean as a measure of central tendency whilst the range, standard deviation and variance measure dispersion (Cooper & Schindler, 2014; Sekeran & Bougie, 2016). In addition, researchers prefer product-moment correlation, t-tests, f-tests and other parametric tests as statical procedures of choice in interval scales.

5.14.4 Ratio scales

Ratio scales “implement powers of all other scales plus the provision of an absolute zero or origin” (Cooper & Schindler, 2014:253) thus overcome weaknesses of arbitrary zero in interval scales (Sekeran & Bougie, 2016). The researcher applied ratio scales to collect data on agro-processors years in existence as well as number of employees. Ratio scales are powerful as they measure differences plus proportions of those differences. Arithmetic mean, standard deviation, variance or coefficient of variance are statistical analysis that researchers can apply.

5.14.5 Likert scale

Researchers use Likert scales to “establish degree of agreement with a specific statement” (Sarstedt & Mooi, 2019:69). Likert scales provide advantages of easy administration, therefore frequently used in questionnaires (Cooper & Schindler, 2014; Sarstedt & Mooi, 2019). The likert scale is also referred to as summated scale because responses can either be analysed individually or summated to give a score for each respondent (Sekeran & Bougie, 2016).

The researcher applied both traditional Likert scales of 5 and 7 point scales. According to (Sarstedt & Mooi, 2019:71), these scales provide a ‘trade-off’ between “variation and differentiation in the responses versus burdening the respondents too much, which can trigger different types of response bias”. In addition, Sekeran and Bougie (2016:278) credit 7-point scales with “better approximation of a normal response curve and extraction of more variability among respondents”. As a result, the researcher opted for Sarstedt & Mooi’s (2019) advice for 5 and 7 point scales as high scales as 10 point scales tend to confuse respondents and offer scales with petty differences leading respondents to choose middle range responses.

The researcher implemented free choice scales as opposed to forced choice scales so that “respondents are not forced to give a positive or negative answer” (Sarstedt & Mooi, 2019:72). In addition, the researcher included a neutral category so that response bias is minimised.

The researcher opted for the Likert scale because it was easy and quick to develop. In addition, Likert scales are more reliable and provide larger amounts of data than other scales (Sekeran & Bougie, 2016). Interval scale data was collected using the Likert scale. The use of Likert scales is not new. Evidence from previous research such as Rambe (2018), Mbengo (2016) and Saruchera (2014) show that Likert scales are effective in survey strategies.

The researcher reversed all numerical values in questions where statements were negatively worded. This ensured a consistent result. A score of 1 was always strongly unfavourable as such depicted by strongly disagree whilst 5 was strongly favourable and depicted by strongly agree. However the summation had problems of concealing different patterns under one score.

5.15 DATA ANALYSIS

5.15.1 Data preparation

“Entering, cleaning, and analysing bits of data haphazardly is not a (good) strategy, since it increases the likelihood of making mistakes and makes it hard to replicate results” (Sarstedt & Mooi, 2019:93). As such the researcher developed a workflow which was a plan for “entering, cleaning, describing, and transforming data” (Sarstedt & Mooi, 2019) as the first step to data analysis. The workflow made it easy for the researcher to execute data analysis, avoid duplication, or loss of data, and report findings.

Under this process, the researcher first secured all the hard copy questionnaires into one place, whilst soft copies were saved in two separate drives, Dropbox and OneDrive. Original data

files were kept separately until completion of analysis and presentation of results. This ensured that there was always a backup of the data. The researcher then named all variables and coded the data. Coding is a process of giving values to a variable (Sarstedt & Mooi, 2019; Cooper & Schindler, 2014:379). The coding process was easy with quantitative data that constituted the bulk of the survey. Quantitative data was easy as the researcher simply converted responses of the Likert scale such as code 1-5 on a 5-point Likert scale (with 1 being the most negative and 5 being highly positive). The researcher adopted Sekeran & Bougie's (2016:273) advice that demographic variables must be dummy coded for easy analysis. As such, the researcher coded variables such as gender, 0=male and 1=female. The researcher spent more time on qualitative data, as the researcher had to group the responses first before providing values for each group.

5.15.1.1 Data capturing

The researcher numbered all questionnaires before capturing so that the researcher could easily identify the questionnaire when need arises. The researcher manually entered all the data into SPSS version 25. This whole data capturing approach was tiring and prone to typing errors as such the researcher had to conduct a comprehensive data edit.

5.15.1.2 Data cleaning

Data editing is the initial step in analysis, and it involves detection of errors & omissions, and subsequent corrections where possible, and guarantees of high data quality standards (Cooper & Schindler, 2014:377). In this study, editing ensured that data was accurate, aligned to the questions, well captured and complete. In the process, the researcher checked for suspicious responses, data entry errors, outliers, and missing data.

Suspicious response patterns

The researcher checked for 'suspicious response patterns' (Sarstedt & Mooi, 2019:98). The researcher checked for what Sarstedt and Mooi, (2009) called straight-lining and inconsistent answers. According to Sarstedt & Mooi, (2019:98) straight-lining is when a respondent chooses the same response in almost all questions whilst inconsistent responses are when "responses are not in harmony with other responses" (Sekeran & Bougie, 2016:276). For example some respondents would choose to be neutral by picking the middle response (3) on almost every question, or simply agree with everything. Therefore, the researcher checked for such straight-lined responses and in such cases, analysed the whole questionnaire for consistency. For example, a respondent would indicate in the opening questions that they don't have a website, then later in the questionnaire they chose a website as one of their major marketing tools. In

addition, the researcher checked for straight-lining through reverse-scaled items that were part of the questionnaire. The researcher removed all questionnaires that exhibited straight-lining and this had an effect of reducing sample size. As suggested by Sarstedt and Mooi, (2019:98) that long surveys lead to straight-lining, the researcher believes the 10-page questionnaire with similar responses in some questions could have triggered straight-lining. Although Sarstedt and Mooi (2019:98) also attributed straight-lining tendencies to cultural differences, this study did not acquire evidence to that effect. Sarstedt and Mooi (2019) observations of middle response styles as a common behaviour of East Asia (Japan and China) culture, could not be concluded for Zimbabwe, Africa. The researcher also used screening questions to check for inconsistent answers.

5.15.1.3 Data entry errors

The data was prone to errors since it was entered manually. These errors were checked through descriptive statistics that the researcher performed. Through these summary statistics, the researcher managed to pick cases such as those outside the variable range. Since the questionnaires were numbered, the researcher easily identified the questionnaire and made corrections where errors existed. However, some errors could not be identified through this statistical approach. As a result, the researcher randomly checked the questionnaires against the data set. This helped pick cases where a response could be wrongly entered, such as entering a 5 instead of 6. According to Sarstedt and Mooi (2019:99), errors of less than 1% are acceptable, as such the researcher repeated the random checks until no more errors could be identified. Although some researchers such as Sarstedt and Mooi (2019:99) recommend double entry in addition to the techniques applied in this study, the researcher could not afford double entry due to costs and time limitations. Instead, the researcher applied double random checks where a colleague was asked to independently verify the data.

5.15.1.4 Outliers

An outlier “is an observation that is substantially different from other observations” (Sekeran & Bougie, 2016:276). The researcher acquired ‘dispersion of nominal and ordinal variables by obtaining minimum and maximum variables and frequency tables’. In addition, the researcher checked and deleted outliers associated with data capturing errors. It was important to remove outliers because outliers affect linearity (Saunders, et al., 2016:548). According to Saunders, et al., (2016:548) linearity is an important assumption of regression analysis. Linearity speaks to the extent to which dependant variables change together with independent variables.

5.15.1.5 Treatment of missing data

Missing data refers to data that are missing or not available for any variable of concern (Cooper & Schindler, 2014:389). The problem of missing data arises due to respondents accidentally leaving other questions, rejecting to answer or not being able to answer certain questions. The researcher experienced two levels of missing data, survey non-response, and item non-response. Survey non-response is also known as unit non-response, and this type of missing data occurs when whole surveys are missing (Sarstedt & Mooi, 2019:101). According to Sarstedt & Mooi, (2019:101) survey non-response is very typical and frequently range between 75-95%, signifying a 5-25% response rate. Response rate in this study was 60.2% and could have been negatively affected by length of the questionnaire, time limitations, respondents lack of interest and/or misunderstanding.

Item non-response occurred when respondents did not answer some questions. Item non-response was high in the open ended questions. Respondents could have noticed that the questions were asking the same information with the closed ended questions therefore decided not to answer. It could also be that respondents were tired since these questions were at the end of the questionnaire. However, there was no identifiable pattern in the missing data as a result of non-response. Since the missing data was in open ended questions, the researcher considered questionnaires that had all questions answered. The problem of item non-response was also handled during data collection as the researcher physically checked all pages as respondents returned the questionnaire.

Respondents generally gave excuses of time, and non-execution of digital marketing. In some instances, there was mere unwillingness to fill in questionnaires. This gave the researcher limited options as he was targeting top executives. Item non-response is usually 2-10% (Sarstedt & Mooi, 2019). However, the pattern was random although biased towards last questions. In some cases, there was clear evidence of straight lining. Data that was missing completely at random and above 10% (Sarstedt & Mooi, 2019) of the questionnaire questions were deleted. However, even if less than 10% of the data was missing, the data was deleted if it involved key questions or sections, For example, some respondents would ignore the whole section on market performance variables.

5.15.2 Getting a feel of the data

According to Sekeran and Bougie (2016:278), obtaining a feel of the data is a crucial first step in data analysis from which detailed checks are conducted to test the goodness of the data. The researcher obtained a feel of the data through descriptive statistics that produced pictorial summaries, central tendency and dispersion of variables. Measures of mode, median, or mean, standard deviation, or variance give a good feel of data (Sekeran & Bougie, 2016). In addition, the researcher obtained relationships between variables. These measures helped the researcher assess spread (range) and variability of variables. This was important for the researcher to identify if questions were properly worded, and if any bias existed. Data variability enables the researcher to explain variances which is important because without variability in data, no variances could be explained (Sekeran & Bougie, 2016:278).

5.15.2.1 Descriptive statistics

Frequencies, measures of central tendency, dispersion, and shape provided the descriptive statistics. The descriptive statistics enabled the researcher to further clean data, summarise distributions and realise problems. Descriptive statistical measures are useful as they show “centre, spread, and shape of distributions” (Cooper & Schindler, 2014:398).

In the descriptive statistics section, the researcher presented descriptive analysis results of variables in the study. The constructs with variables presented in this section are 1) digital marketing assets, 2) digital marketing capabilities, 3) digital marketing activities, 4) market performance, and 5) institutional barriers. The researcher combined the widely used, comprehensive (Neuman, 2014), most powerful, and common descriptive statistics – the mean and standard deviation (Sekeran & Bougie, 2016). The standard deviation gave the average distance between the scores and the mean. Calculating the standard deviation helped the researcher to compare different variables or units. A score close to the mean signifies homogeneity whilst a score far from the mean tells the researcher of the existence of high differences (heterogeneity) (Neuman, 2014). The researcher used Likert scales on the measurement scales, and the scales were ranging from ‘1’ strongly disagree, ‘2’ disagree, ‘3’ neutral, ‘4’ agree, and ‘5’ strongly agree.

5.15.2.2 Frequencies

Frequencies refer to the number of times a phenomenon occurs, percentage and cumulative percentages of occurrences are then calculated (Sekeran & Bougie, 2016:279). Frequencies were important as the researcher used them to clean the data and describe the sample.

5.15.2.3 Measures of central tendency

The mean, median, and mode are the three measures of central tendency (Sekeran & Bougie, 2016:282). The mean was the dominantly used measure in this study. According to Sekeran & Bougie, (2016:282), the mean (or average) gives a general picture of data without essentially overwhelming one with individual observations in a data set. The median is the central item when the observations are arranged in either descending or ascending order, whilst the mode depicts the most frequently appearing observation.

5.15.2.4 Measures of dispersion

Measures of dispersion (variability or spread) are distinctive to nominal and interval data. Two sets of observations could have the same mean, but with different dispersion or variability. The range, variance and standard deviation are the three measures of dispersion (Sekeran & Bougie, 2016:283). These measures express how observations group or scatter in a distribution. However, the interquartile range, and quartile deviation are also measures of dispersion (Cooper & Schindler, 2014). According to Sekeran and Bougie, (2016:283) the range refers to “the extreme values in a set of observations”. It is the difference between the largest and smallest observations in a data set, whilst the variance measures score dispersion or spread around the mean (Cooper & Schindler, 2014:401). If scores or observations have high dispersions, variance will also be high. The standard deviation on the other hand summarises how distant from the average are the data values. The researcher found the standard deviation to be a useful measure of dispersion because it improved interpretability, and showed extent of variability in data sets.

5.15.2.5 Measures of shape

“Measures of shape, skewness and kurtosis describe departures from the symmetry of a distribution and its relative flatness (or peakedness), respectively” (Cooper & Schindler, 2014:402). These measures of shape use ‘deviation scores’ that express how distant an observation is from the mean. Cooper and Schindler, (2014) further describe skewness as a “measure of a distribution’s deviation from symmetry” whilst kurtosis is a “measure of a distribution’s peakedness (or flatness).”

5.15.3 Relationship between variables

It is important for researchers to go beyond descriptive statistics and understand relationship between different variables. Researchers apply statistical inference. According to Cooper and Schindler, (2014:430) statistical inference “is an application of inductive reasoning that allows us to reason from evidence found in the sample to conclusions we wish to make about the

population”. This involves explaining the “nature, direction, and significance of the bivariate relationships of variables used in the study” (Sekeran & Bougie, 2016:285). The researcher applied bivariate statistics to identify relationships between variables (Sarstedt & Mooi, 2019:114), and bivariate correlation to check relationship between variables (Sekeran & Bougie, 2016).

5.15.3.1 Bivariate Correlation

Correlation (r) is “a measure of how strongly two variables relate with each other” (Sarstedt & Mooi, 2019:115). Advice from Cohen (1988) cited by (Sarstedt & Mooi, 2019:116) states that an absolute correlation;-

Below 0.3 indicate a weak relationship

Between 0.3 and 0.49 indicate a moderate relationship, and;

Above 0.49 indicate a strong relationship.

However, according to Sarstedt and Mooi, (2019:116), strong relationships are not essentially healthier than weak ones as strong relationships are a sign of lack of novelty.

The researcher applied the Spearman correlation to “indicate direction, strength, and significance of bivariate relationships among all variables measured at an interval or ratio level” (Sekeran & Bougie, 2016:286). The Spearman correlation coefficient which is sometimes simply referred to as correlation, is the most common (Agresti & Finlay, 2014 cited by Sarstedt & Mooi, 2019) The Spearman correlation coefficient was suitable for all interval and ratio scaled data. Correlation was determined by calculating deviations in one variable as the other varies. A correlation coefficient indicated the direction and strength of the relationship. In this study the correlation was ranging between -1 to 1, with a significance level of $p=0.05$. This was okay because, a p -value of 0.05 is the mostly accepted level in business research (Sekeran & Bougie, 2016). As such, relationships between two variables were tested using correlation. A -1 correlation coefficient indicated a negative relationship, whilst a 1 signified a positive relationship, and a 0 for no relationship.

5.15.3.2 Regression analysis

Regression analysis predicts value of a variable from one or more other variables (Saunders, et al., 2016:548). Simple regression is when there is only one independent variable whilst multiple regression involves more independent variables (Sarstedt & Mooi, 2019). Logistic regression analysis enabled the researcher to assess the relationship between independent and dependent

variables. It was important to use logistic regression analysis because it allowed the researcher to establish the strength of relationships between different independent variables on the dependant variables. This contributed to predictions and conclusions made by the researcher. Marketers benefit in different ways from knowing the relationship between independent and dependent variables (Sarstedt & Mooi, 2019:211). In this study, knowledge of the relationship between independent and dependent variables contributes to planning and development of new resources that have an impact on market performance.

As recommended by Sarstedt and Mooi, (2019) that a sample size for regression analysis must be of acceptable size, the reseacher's sample of 298 was acceptable. The researcher was satisfied that there was no correlation in independent variables as collinearity is not required in regression analysis (Saunders, et al., 2016). Multicollinearity negatively affects regression coefficients, relationships and conclusions (Midi, et al., 2010; Akinwande, et al., 2015) as such it was important to eliminate it. Collinearity arises if independent variables are highly correlated (Mooi, et al., 2018). The independent variables in this study had VIF values below 10. A VIF of 10 or above indicates a (multi)collinearity problem (Hair et al. 2013). Dependant variables were dichotomised using the median split to allow for the binary requirement of dependent variables. Dichotomisation has the advantage of simplifying results presentation for easy understanding by a wide audience (Farrington & Loeber, 2000).

In addition, multiple logistic regression does not assume that variables are normally distributed and homoscedastic, therefore not sensitive to violations of these assumptions. Another assumption was that indepenendent variables have a linear relationship with the logit of the dependent variable. This was important to produce an accurate model (Denis, 2019; Mooi, et al., 2018). The assumption was met because the the model fit statistics and pseudo r^2 were satisfactory. Logistic regression has less assumptions as compared to other forms of regression (Denis, 2019).

5.16 ETHICS

According to Saunders et al. (2016:239) ethics “refer to the standards of behaviour that guide your conduct in relation to the rights of those who become the subject of your work, or are affected by it”. Ethical issues affect every aspect of research such as design, planning, access, data collection, analysis and reporting. Various codes of conduct, acceptable lists of principles and conduct exist to guide researchers. Although not possible to completely overcome all ethical

dilemmas, it is critical for every researcher to establish a set of guiding principles and standards. In this study the University of KwaZulu Natal (UKZN) code of ethics or guidelines guided this research. The research was ethically cleared under HSS/1968/018D of UKZN. This is necessary so that when researcher abides to UKZN acceptable code of conduct, it ensures that the university's acceptable norms are not breached (Saunders, et al., 2016). The UKZN ethics committee reviewed the researcher's application before approving it. The ethics committee ensured that there was quality connected to ethics, and participants rights, self-worth and well-being were protected. The researcher considered Saunders et al. (2016:242) advice that ethics consideration should go beyond approval but ethical issues need be taken care of throughout the research. According to these authors, a researcher behaves ethically when all research aspects and stages are considered from an ethical perspective. Saunders et al. (2016:243-244) provided a guide of ethical principles that the researcher also adhered to in this study. These include; "integrity and objectivity, respect for others, avoidance of harm, participants privacy, voluntary participation and right to withdraw, informed consent, and confidentiality".

The researcher projected and dealt with most ethical issues during the design stage by putting in place measures to avoid harm, maintain privacy, obtain access, and consent. The researcher always sought informed consent, which involved explaining clearly to the participant the purpose.

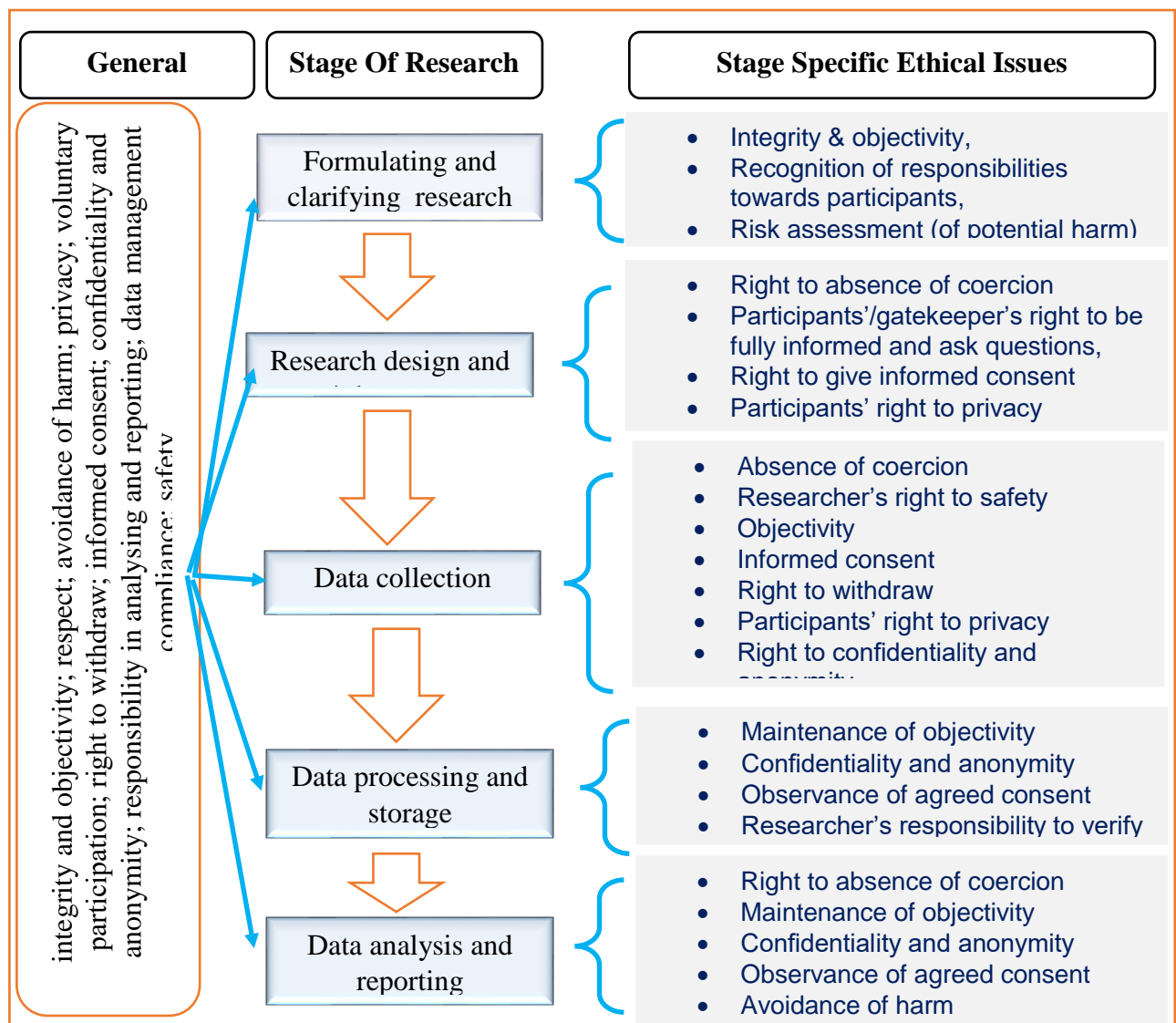


Figure 5-5 Researcher's major ethical considerations at different stages

Source: Saunders, et al., (2016:250)

During data collection the researcher understood that participants rights' to withdraw should remain open after granting consent. Although respondents had the right to refuse participation in some parts of the questionnaire, the researcher did not experience such cases. Saunders et al. (2016:255) advised researchers to maintain respondents safety, privacy, and to keep to agreed terms. Deceitful actions drive away respondents as such the researcher spent more time explaining in detail about the research so that participants made decisions based on full information.

5.17 CHAPTER SUMMARY

This chapter focussed on research methodology adopted in this study. Methodology provided guide to the researcher by defining the roadmap for research design, sampling approaches, data collection tools, measurement scales and analysis. A mixed research design called concurrent embedded research was the main research design for this study. This enabled collection of both quantitative and qualitative data at the same time although preference was placed on quantitative data. In sampling, the researcher applied a mixed sampling design where both probability and non probability approaches were used. Mixing was necessary because there was no sampling frame in some of the targeted sample necessitating non probability sampling in such cases. A questionnaire was the main data collection tool in this study. This questionnaire consisted of a bulky closed ended questions with a few open ended questions that the researcher used to validate responses obtained from closed ended questions. Measurement scales from existing literature were adapted to meet needs of the current study. Majority of the questions implemented interval scales as such enabled correlation and regression to be done. Appendix 6 provides a summary of the linkage between objectives, hypothesis and survey questions. The researcher considered ethical issues at every stage of the research. In addition, the researcher obtained an ethical clearance from the University of Kwazulu Natal so that all proceedings meet the university's standards. The next chapter focus on presentation of results and data analysis.

CHAPTER 6 PRESENTATION OF RESULTS AND DATA ANALYSIS

6.1 INTRODUCTION

The previous chapter provided the methodology used in this study. This chapter provides a presentation of the results and data analysis. The chapter presents results in three main sections descriptive, inferential and qualitative. The study objectives, and questions guide presentation in the sections. This chapter is very crucial to the study as it gives evidence to the digital marketing resources, capabilities and market performance prevailing to agro-processors in Harare, Zimbabwe. Without this section, it would be impossible to conclude on the question of whether possession of certain digital marketing resources and capabilities influence market performance in agro-processors. The study analysed the data both quantitatively and qualitatively. SPSS was used for descriptive analysis whilst STATA was used for bivariate and regression analysis. The first section of this chapter recaptures the major questions to this study, then gives descriptive analysis results, while the second part give inferential analysis outputs.

6.2 RECAPTURE OF STUDY RESEARCH QUESTIONS

- 1) What characteristics, resources, capabilities and digital marketing activities are prevalent in agro-processors in Harare, Zimbabwe?
- 2) What relationship exists between digital marketing resources, capabilities and digital marketing activities in agro-processors in Harare, Zimbabwe?
- 3) Do digital marketing assets, capabilities and activities influence intermediate market performance?
- 4) Do digital marketing assets, capabilities and activities influence final market performance outcomes?
- 5) How best should marketers configure resources to strengthen agro-processors market performance in Zimbabwe?

6.3 PRESENTATION OUTLINE

The chapter is divided into three main sections, descriptive, inferential and qualitative data analysis. The descriptive section presented data in tables and graphs. This helped to obtain a clearer picture of the data before detailed inferential analysis. Presentation in the descriptive section begins by construct reliability, and then follows sections of the questionnaire. The

inferential analysis has two sample t-tests, bivariate correlation, and logistic regression whilst the qualitative section presents data in thematic themes as per the qualitative questions.

6.4 DESCRIPTIVE DATA ANALYSIS

6.4.1 Construct reliability analysis

Table 6-1 Construct reliability

Construct	Dimension	Number of items	Cronbach's Alpha
Digital marketing assets	Structural capital at the base of digital marketing	4	0.877
	Human capital	5	0.868
	Intellectual assets	4	0.881
	Digital market orientation	7	0.908
	Reputational assets	4	0.950
	Relational assets	5	0.924
Digital marketing capabilities	Digital strategy development and execution capabilities	4	0.917
	Leadership capabilities	5	0.936
	Digital market innovation capabilities	7	0.926
	E-market sensing capabilities	4	0.914
Digital marketing activities	Product related activities	5	0.875
	Price related activities	5	0.788
	Promotion related activities	4	0.867
	Distribution related activities	4	0.864
	Service oriented activities	6	0.922
Market performance	Intermediate outcomes	5	0.930
	Final outcomes	3	0.940
Institutional barriers	Institutional barriers	4	0.837
Overall reliability		85	0.895

The study used the Cronbach's alpha index to test whether the research instrument (questionnaire) was reliable. In addition, the Cronbach's alpha test provides a guide to whether further advanced tests from the data are possible or not (Sekaran & Bougie, 2016; Saunders, et al., 2016). All constructs in this study had Cronbach's alpha index above 0.75 indicating high reliability. The average alpha index was 0.895, which means the researcher can conduct further

tests this data. According to Sekeran & Bougie (2016), a Cronbach's alpha below 0.6 is poor, whilst an alpha around 0.7 is acceptable with alpha above 0.8 being very good.

6.4.2 Survey Response

While a minimum sample size of 30 is required to conduct statistical analysis (Tennent, 2013 cited by Saunders, et al., 2016; Sekeran & Bougie, 2016), this study obtained 298 valid questionnaires. A sample size of 200-500 is required for tests such as multiple regression and analysis of covariance (Israel, 2003). Therefore, 298 valid questionnaires are ideal to conduct univariate, bivariate and multivariate tests. In addition, similar studies (Lin & Wu, 2014; Ngo & Aron, 2012; Cacciolatti & Lee, 2016) had valid questionnaires less than 165 with a maximum response rate of 20%. Response rate for this study stood at 60.2% after adjusting for the ineligible (30) and unreachable (13) respondents as per Neuman (2014) advice. A 60.2% response rate is high considering that surveys of this nature generally produce response rates between 5-25% (Sarstedt & Mooi, 2019). Similarly, Baruch & Holtom, (2008) argued that a response rate of 35-40% is reasonable for academic studies comprising company representatives. While there seems to be no hard rules on minimum response rates, bigger samples are generally healthier than small ones as bigger sample sizes help improve statistical power (Denis, 2019; Baruch & Holtom, 2008) and contribute to representative samples that truly reflects the population (Saunders, et al., 2016; Sekeran & Bougie, 2016).

6.4.2.1 Sample composition

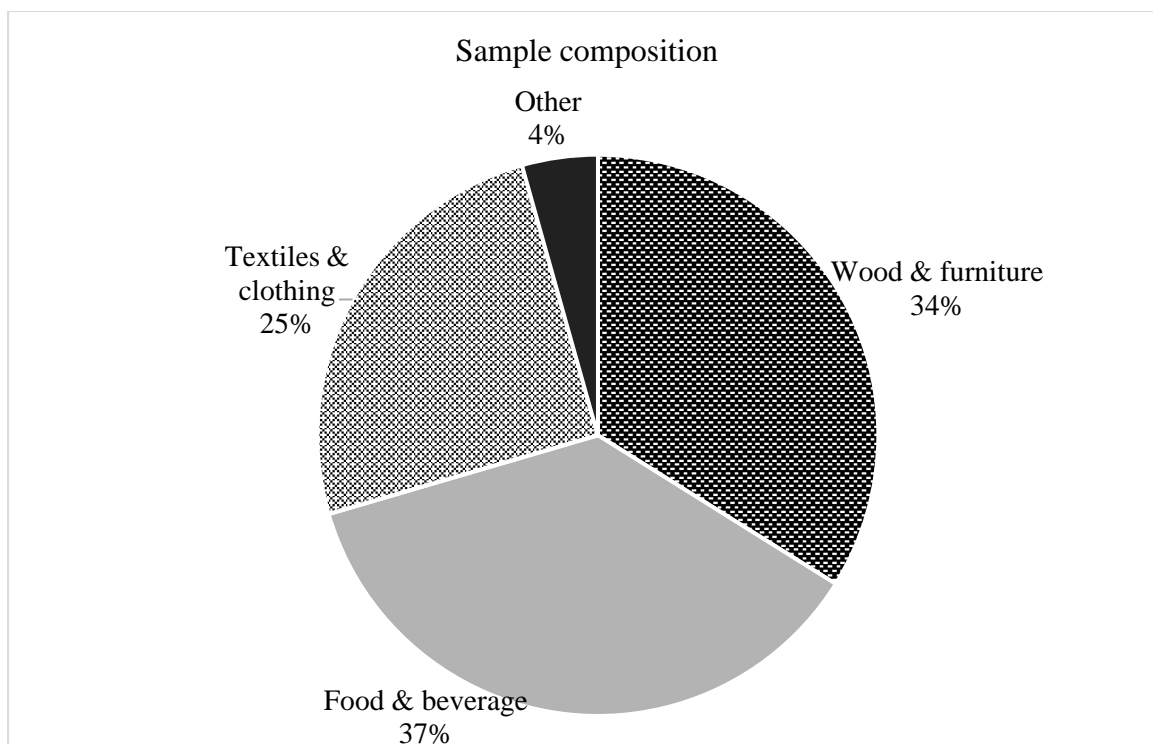


Figure 6-1 Sample composition

The food & beverage sector dominated the sample constituting 37% of the respondents followed by wood & furniture (34%), textiles & clothing (25%) and other 4%. The other category was composed of leather, paper & print. This composition means that food & beverage, wood & furniture, and textiles & clothing are the major sectors in the agro-processing sector in Harare, Zimbabwe.

6.4.3 Section 01: Demographic characteristics

Table 6-2 Demographic characteristics

Variable	Response
Gender n (%)	
Male	161 (54)
Female	137 (46)
Age n (%)	
18-30	82 (28)
31-40	172 (58)
41-50	44 (15)
Website n (%)	
Yes	84 (28)
No	214 (72)
Years in Existence n (%)	
0-1	39 (13)
2-5	93 (31)
6-10	104 (35)
11-20	43 (14)
>20	19 (6)
Number of Employees n (%)	
6-50	198 (66)
51-100	100 (34)
Sector n (%)	
wood & furniture	101 (34)
food & beverage	109 (37)
textiles & clothing	75 (25)
Other	13 (4)

The results show that 54% of the respondents were male whilst 46% were females. Age composition of the respondents stood at 58% of the respondents in the 31-40 year age group whilst only 15% were aged 41-50 years. Results indicated that 28% of the respondents use websites and 84% did not have one. The majority of respondents, 35% had 6-10 years of existence in the agro-processing business. The results also show that 66% of the agro-processors that participated in the survey had 6-50 employees whilst 34% had 51-100.

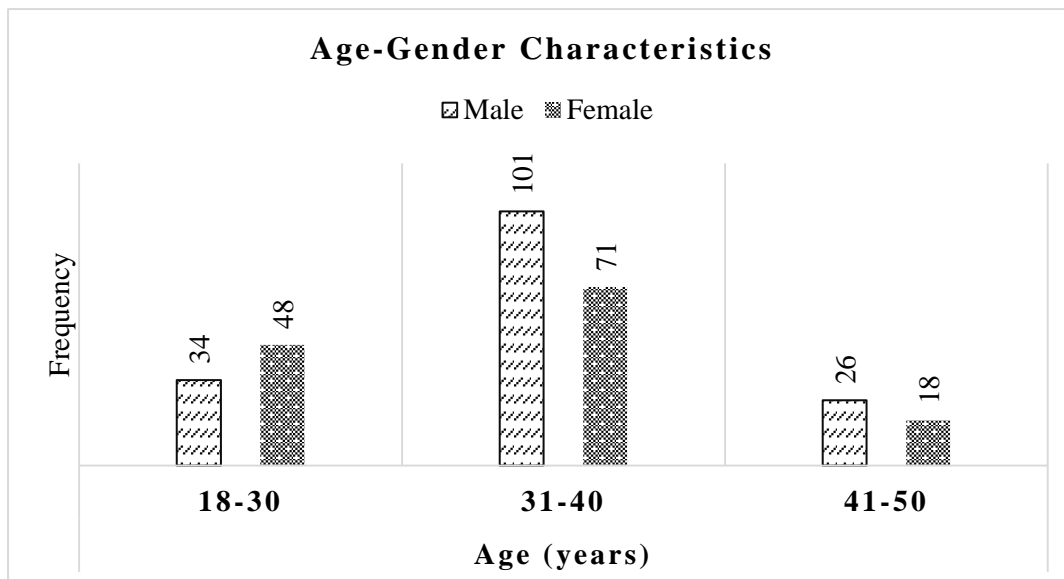


Figure 6-2 Age-Gender Characteristics

The figure shows that there were more females in the 18-30 age group whilst men dominated the 31-40 and 41-50 categories. This implies that more women who participated in this study got into marketing executive or other managerial positions earlier than men did. On average, the modal group is within the 18 to 40 age group.

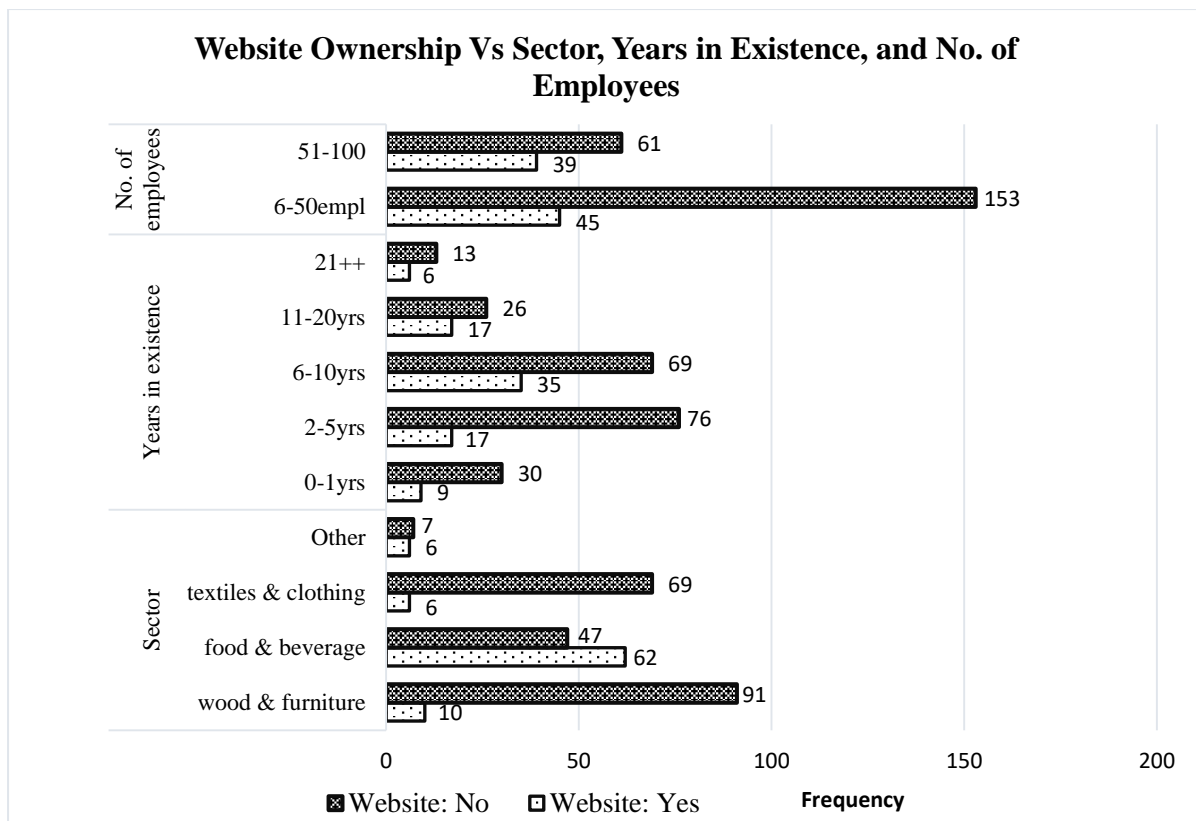


Figure 6-3 Website ownership vs. sector, years in existence and number of employees

The figure shows that the food and beverage sector agro-processors had more websites 62 out of the total 84 thus constituting 73.8% whilst respondents in the leather category had no single website. The largest sector without websites is the wood and furniture, followed by the textiles and clothing. The low uptake of websites is unexpected especially considering that a website is the face of the organisation (Chaffey & Ellis-Chadwick, 2016; Ryan, 2014). Agro-processors that had between 6 and 10 years in existence got more websites than others. Although agro-processors with 2 to 5 years in existence have an equal number of respondents (17) with websites with those with 11 to 20 years, there is a large proportional difference (17 vs 76) between agro-processors with websites to those without in the 2 to 5 years' experience category. This margin is not very different to the 0-1 year experience category, and this could potentially signal resource (skill) deficiencies in these fairly new enterprises. Also, those agro-processors with 51 to 100 employees have fewer companies without websites compared to those with less than 50 employees.

6.4.4 Section 02: Agro-processors' digital marketing assets

Table 6-3 Agro-processors' digital marketing assets

Descriptive Statistics				
Item Code	Item Description	N	Mean	Std. Deviation
DMA_SC1	We have enough physical resources to use for digital marketing	298	3.430	1.3296
DMA_SC2	We have people with the skills & knowledge required for our digital (electronic) marketing activities	298	3.3624	1.26977
DMA_SC3	We can do all digital marketing activities we want because of our physical resources	298	3.1779	1.27864
DMA_SC4	The physical resources are enough to meet our digital marketing goals.	298	3.1913	1.36589
DMA_HC1	We have enough work force to execute our marketing activities	298	3.2315	1.30142
DMA_HC2	We have people with the skills & knowledge required for our digital (electronic) marketing activities	298	3.3087	1.17722
DMA_HC3	Our people are always motivated to do their activities	298	3.4195	1.27468
DMA_HC4	We have high levels of employee job satisfaction compared to competitors.	298	3.2282	1.32381
DMA_HC5	We have high levels of employee retention compared to competitors.	298	3.3456	1.31221
DMA_IA1	We have knowledge of our digital (electronic) operating environment.	298	3.2282	1.20951
DMA_IA2	We have skills to handle digital (electronic) marketing in our organization.	298	3.2282	1.17563
DMA_IA3	Our employees are good in digital (electronic) marketing activities.	298	3.1913	1.20339
DMA_IA4	We have a confident team in digital (electronic) marketing.	298	3.3087	1.32013
DMA_RA1	We have strong brands that customers easily recognize.	298	3.7852	1.29783
DMA_RA2	Our brands make it easy for us to market our products.	298	3.9060	1.30186
DMA_RA3	All marketing efforts are made easy by our brand name.	298	3.6678	1.34103
DMA_RA4	We have credibility with customers through being well established in the market.	298	3.8020	1.29921
DMA_RL1	We have good relationships with key customers.	298	4.0805	1.17216
DMA_RL2	We have good relationships with suppliers.	298	4.0604	1.19047
DMA_RL3	Our relationships are an asset to the organization.	298	3.9195	1.23646
DMA_RL4	We electronically offer superior levels of customer service and support.	298	3.3356	1.30066
DMA_RL5	We are good at creating, maintaining and enhancing relationships with customers	298	3.9966	1.22405
Valid N (listwise)		298		

The table shows that DMA_RelA1 “We have good relationships with key customers” received an outstanding rating ($M=4.0805$ $SD=1.17216$) on a scale of 1-5. This implies that respondents agreed that they have a powerful relational asset in the form of good relationships with key customers. However, DMA_SC3 “We can do all digital marketing activities we want because of our physical resources” was lowly rated ($M=3.1779$ $SD=1.27864$). This could imply that respondents want other resources besides the physical assets. The overall item mean \pm SD was

3.5093 \pm 1.3288 (agree) out of a possible score of 5 (strongly agree). The overall scale mean \pm SD stood at 77.2051 \pm 27.90563 out of a possible 110 significantly indicating that respondents agreed that they have the foundational digital marketing assets required for execution of digital marketing capabilities and activities.

6.4.4.1 Agro-processors digital market orientation assets.

Table 6-4 Agro-processors digital market orientation

Item Code	Item Description	N	Mean	Std. Deviation
DMA_MO1	Our business objectives are driven primarily by customer satisfaction.	298	5.1007	1.96345
DMA_MO2	Top management regularly contact important customers.	298	5.0705	2.02802
DMA_MO3	Managers understand how employees contribute to value for customers.	298	4.6812	1.98370
DMA_MO4	Customers are targeted when we have an opportunity for competitive advantage	298	4.6544	1.87254
DMA_MO5	We achieve rapid response to competitor actions using digital channels.	298	4.1107	1.89038
DMA_MO6	Top management regularly discuss competitors' strengths & weaknesses.	298	4.5872	2.17286
DMA_MO7	Functions are integrated to serve markets.	298	4.6275	1.90308
	Valid N (listwise)	298		

Table 6.4 indicates that DMA_MO1 “Our business objectives are driven primarily by customer satisfaction” received the highest rating (M=5.1007 SD1.96345) on a scale of 1 to 7. This signifies that respondents were agreeable to the importance of customer satisfaction, a key component of market orientation as a primary business driver. However, DMA_MO5 “We achieve rapid response to competitor actions using digital channels” had the lowest rating (M=4.1107 SD=1.89038) implying that agro-processors were not actively using digital channels to respond to competitor actions. The overall item mean \pm SD was 4.6903 \pm 2.3023 (somewhat agree) out of a possible 7 (completely agree). The overall scale mean \pm SD stood at 32.8322 \pm 13.81403 out of a possible 49 telling the researcher that respondents possessed and valued an essential digital market asset in the form of digital market orientation.

6.4.5 Overall score on responses to digital marketing assets

Table 6-5 Overall score on responses to digital marketing assets

Indication	Mean score (SD)
Score 1 Structural capital at the base of digital marketing	65.8 (22.4)
2 Human capital	66.1 (20.6)
3 Intellectual assets	64.7 (21)
4 Digital market orientation	67 (22.7)
5 Reputational assets	75.8 (24.4)
6 Relational assets	77.6 (21.5)

Participants mentioned (responded) that they have on average 66% of the required structural capital at the base of digital marketing, and 66% of the required human capital. They also indicated that they have on average 78% of relational assets required for their digital marketing, 76% of reputational assets, and 67% of digital market orientation. The results show that agro-processors indicated to have more of relational assets followed by reputational assets.

6.4.6 Section 03: Agro-processors' digital marketing capabilities

Table 6-6 Agro-processors' digital marketing capabilities

Descriptive Statistics				
Item Code	Item Description	N	Mean	Std. Deviation
DMC_DS1	We have a digital marketing plan.	298	3.2248	1.32311
DMC_DS2	We develop plans for all our digital marketing activities.	298	3.2450	1.26746
DMC_DS3	We always implement our digital marketing plans.	298	3.1913	1.23105
DMC_DS4	We always evaluate and improve our plans.	298	3.5168	1.16979
DMC_DI1	We always reinvent our processes, systems and business models to suit online environment	298	3.1913	1.32586
DMC_DI2	We have systems that reach every customer	298	3.0101	1.36203
DMC_DI3	Our innovations are superior to competitors	298	3.3389	1.30367
DMC_DI4	We have skills and knowledge to create new products	298	3.6510	1.19159
DMC_D15	We have ability to launch successful new products online	298	3.7383	1.13941
DMC_DI6	We have effective new product development processes	298	3.4664	1.23114
DMC_D17	Our company is creative in its methods of operation	298	3.6174	1.13765
DMC_LC1	We have a strong financial management.	298	3.5000	1.25059
DMC_LC2	We always do the right thing in HRM	298	3.4362	1.19664
DMC_LC3	Our online operations management are always good.	298	3.3859	1.28002
DMC_LC4	Our managers always keep employees motivated.	298	3.3758	1.30514
DMC_LC5	Our managers always bring different units to work together online.	298	3.4430	1.28384
DMC_eMS1	We actively track key e-market conditions and activities.	298	3.0201	1.28168
DMC_eMS2	We always study e-marketing actions and activities of leading organizations in our sector.	298	3.1577	1.17147
DMC_eMS3	We study direct competitors to emulate their moves.	298	3.2047	1.26133
DMC_eMS4	We accurately anticipate (or tell in advance) responses to actions that we take.	298	3.1678	1.23312
Valid N (listwise)		298		

The table shows that DMC_D15 “We have the ability to launch successful new products and services” received a high rating ($M=3.7383$ $SD=1.13941$) on a scale of 5 (strongly agree). This signifies that agro-processors who participated in the study confirmed the presence of creativity as an element of digital marketing capability in their organisations. However, DMC_DI2 “We have systems that reach every customer” received the lowest rating ($M=3.0101$ $SD=1.36203$). The overall item mean \pm SD was 3.3441 ± 1.3129784 (neutral) out of a possible score of 5 (strongly agree). In addition, the overall scale mean \pm SD stood at 66.8825 ± 24.94659 from a possible 100 signifying agro-processors who participated in the study had digital marketing capabilities.

6.4.7 Overall score on responses to digital marketing capabilities

Table 6-7 Overall score on responses to digital marketing capabilities

Indication		Mean score (SD)
Score 1	Digital strategy development and execution strategies	65.9 (22.4)
2	Digital market innovation capabilities	68.6 (20.7)
3	Leadership capabilities	68.6 (22.5)
4	E-market sensing capabilities	62.8 (22.1)

Participants responded that they have on average 69% of both the required digital market innovation, and leadership capabilities. Respondents also indicated that they have on average 66% and 63% of digital strategy development & execution capabilities and e-market sensing capabilities respectively.

6.4.8 Section 04: Relationship between digital marketing assets and digital marketing capabilities.

Table 6-8 Relationship between digital marketing assets and digital marketing capabilities.

Descriptive Statistics				
Item Code	Item Description	N	Mean	Std. Deviation
R_PRvDS	Digital (Electronic) strategy development and implementation is positively influenced by physical resources that we have.	298	3.2483	1.24130
R_PRvDI	Our Innovation in the digital market environment is influenced by physical resources	298	3.2685	1.30335
R_PRvLC	Physical resources influence our leadership abilities (style, way of doing things)	298	3.2248	1.21153
R_PRvMO	Physical resources positively influence our ability to seek understanding of digital market needs and wants.	298	3.2987	1.27976
R_HRvDS	HR influence our Digital (Electronic) strategy development and implementation	298	3.2047	1.30076
R_HRvDI	Innovation in the digital or electronic market environment	298	3.2919	1.20549
R_HRvLC	HR influence our Leadership abilities (style, way of doing things)	298	3.5201	1.25848
R_HRveMS	Ability to understand digital market needs & wants	298	3.3926	1.18217
R_IAvDS	E-marketing knowledge & skills positively influence our Digital strategy development and implementation	298	3.2752	1.24646
R_IAvDI	E-marketing knowledge & skills influence positively our Innovation in the digital or electronic market environment	298	3.3221	1.20754
R_IAvLC	E-marketing knowledge & skills influence our Leadership abilities (style, way of doing things)	298	3.3423	1.22418
R_I AveMS	E-marketing knowledge & skills influence our Ability to seek understanding of digital (electronic) market needs and wants	298	3.3826	1.20659
R_MOvDS	MO influence our Digital (Electronic) strategy development and implementation	298	3.2584	1.19356
R_MOvDI	MO influence our Innovation in the digital or electronic market environment	298	3.2886	1.15642
R_MOvLC	MO positively Leadership abilities (style, way of doing things)	298	3.3624	1.16176
R_MOveMS	MO positively influence our Ability to seek understanding of digital (electronic) market needs and wants	298	3.3691	1.11222
R_RAvDS	Our brand positively influence our Electronic strategy development & implementation	298	3.3289	1.22512
R_RAvDI	Innovation in the digital or electronic market environment is influenced by our brand.	298	3.3289	1.20293
R_RAvLC	Our brand influence our leadership abilities (style, way of doing things)	298	3.4799	1.18404
R_R AveMS	Our brand influence our ability to seek understanding of digital (electronic) market needs and wants	298	3.3356	1.23970
R_RelvDS	Our relationships influence our digital (Electronic) strategy development and implementation	298	3.3121	1.20322
R_RelvDI	Relationships influence our innovation in the digital /electronic market environment	298	3.3926	1.21031
R_RelvLC	Relationships influence our leadership abilities (style, way of doing things)	298	3.3624	1.13241
R_RelveMS	Relationships influence our ability to seek understanding of digital (electronic) market needs and wants	298	3.4094	1.20612
Valid N (listwise)		298		

The table shows that R_HRvLC “HR influence leadership abilities (style, way of doing things)” receive the highest rating ($M=3.5201$ $SD=1.25848$) out of 5 (strongly agree). This tells us that human capital as a marketing asset has an influence to leadership capabilities in an organisation. However, the same human capital was rated the lowest, R_HRvDS “HR influence our digital (electronic) strategy development and implementation” ($M=3.2047$ $SD=1.30076$). This implies that although respondents appreciate the role of human capital, they did not see human capital influencing much of strategy development and implementation capabilities. The overall item mean \pm SD was 3.33334 ± 1.26502 (neutral) out of a possible score of 5 (strongly agree). The overall scale mean \pm SD stood at 80.0001 ± 29.09542 out of a possible 120, thus implying respondents confirmed that digital marketing assets influence digital marketing capabilities.

6.4.9 Overall score on relationship between digital marketing assets and capabilities.

Table 6-9 Overall score on relationship between digital marketing assets and capabilities

Indication		Mean score (SD)
Score 1	Structural capital at the base of digital marketing	65 (22.7)
2	Human capital	67 (23)
3	Intellectual assets	66.6 (22.9)
4	Digital market orientation	66.4 (21.4)
5	Reputational assets	67.4 (22)
6	Relational assets	67.4 (21.4)

Respondents indicated that they have on average 67% of the required relationship between human capital, reputational assets, intellectual assets, relational assets and digital marketing capabilities. Respondents also highlighted that they have on average 65% and 66% of the required relationship between structural capital at the base of digital marketing and digital market orientation respectively with digital marketing capabilities.

6.4.10 Section 05: Agro-processors’ digital marketing activities

Table 6-10 Agro-processors digital marketing activities.

Descriptive Statistics				
Item Code	Item Description	N	Mean	Std. Deviation
DMAc_P1	Our prices reflect market needs	298	3.5604	1.15384
DMAc_P2	Our prices are available online.	298	3.2886	1.35981
DMAc_P3	We have different prices for different customers online.	298	3.0671	1.33164
DMAc_P4	Our price is favourable relative to competitors.	298	3.5738	1.19887
DMAc_P5	Our mark-up on costs are higher than competitors	298	3.0772	1.21332
DMAc_D1	We strongly use online distribution channels.	298	2.9463	1.39641
DMAc_D2	Our channels give more convenience to our customers.	298	3.3893	1.23207
DMAc_D3	Customers easily find information about us online.	298	3.2517	1.30542
DMAc_D4	Electronic means widened our distribution channels.	298	3.3926	1.38421
DMAc_Pdt1	Our products always reflect customer needs.	298	3.6980	1.24832
DMAc_Pdt2	We provide detailed product information online.	298	3.3020	1.35689
DMAc_Pdt3	Our packaging always contain links to our digital channels.	298	3.2651	1.32327
DMAc_Pdt4	We always seek customer ideas in developing new products	298	3.5101	1.25592
DMAc_Pdt5	We used digital channels to develop new products with our customers.	298	3.2752	1.32756
DMAc_Pro1	We provide targeted promotions to our target customers.	298	3.6745	1.25720
DMAc_Pro2	We vigorously use digital channels to promote our products.	298	3.2483	1.27343
DMAc-Pro3	We always use trending channels to promote our products.	298	3.3188	1.19301
DMAc_Pro4	We use more channels relative to competitors.	298	3.2416	1.24533
DMAc_S1	We always provide customer support through digital channels.	298	3.0604	1.40814
DMAc_S2	Our customer support information is readily available through digital means.	298	3.1443	1.30371
DMAc_S3	We use e-channels to follow our customers.	298	3.1611	1.34373
DMAc_S4	Online channels shorten our delivery time.	298	2.9295	1.36023
DMAc_S5	Digital channels results in shorter average time to resolve orders than competitors do	298	3.0671	1.29576
DMAc_S6	Digital channels result in higher percentage of perfect orders than competitors	298	3.2047	1.26666
Valid N (listwise)		298		

The table indicate that agro-processors rated DMAc_Pdt1 “Our products always reflect customer needs” high (M=3.6980 SD=1.24832) (agree) on a scale of 5 (strongly agree). However, DMAc_S4 “Online channels shorten our delivery time” received the lowest rating (M=2.9295 SD=1.36023). The overall item mean \pm SD was 3.2770 \pm 1.34934 (neutral) out of a total score of 5 (strongly agree). The overall scale mean \pm SD stood at 78.6477 \pm 31.03475 out of a possible 120 telling the researcher that agro-processors were involved in various digital marketing activities.

6.4.11 Overall score on responses to digital marketing activities

Table 6-11 Overall responses to digital marketing activities

Indication		Mean score (SD)
Score 1	Pricing	62.8 (18.2)
2	Distribution (Place)	60.8 (19.4)
3	Product	63 (19.2)
4	Promotion	62.1 (18.6)
5	Service	60.8 (19.4)

Participants of the study responded that they have on average 63% of the required digital pricing and product related activities. Respondents also indicated that they have on average, 61% of digital distribution and service related activities. The results show that agro-processors that responded to the survey have on average 62% of the required digital promotion related activities.

6.4.12 Section 06: Relationship between digital marketing capabilities and digital marketing activities.

Table 6-12 Relationship between digital marketing capabilities and digital marketing activities

Descriptive Statistics				
Item Code	Item Description	N	Mean	Std. Deviation
R_DSvP	Our e-marketing strategy influence our pricing activities	298	3.0403	1.29427
R_DSvPdt	Our e-marketing strategy influence our Product development activities	298	3.1443	1.25636
R_DSvD	Our e-marketing strategy influence our Distribution activities	298	3.2550	1.20411
R_DSvPro	Our e-marketing strategy influence our Promotional activities	298	3.3557	1.24492
R_DSvS	Our e-marketing strategy influence after sales/customer support activities	298	3.3926	1.37934
R_DIvP	Innovation influence our pricing activities	298	3.4396	1.18266
R_DIvPdt	Innovation influence our product development activities	298	3.5034	1.06758
R_DIvD	Innovation influence our distribution activities	298	3.4128	1.09519
R_DIvPro	Innovation influence our promotional activities	298	3.5470	1.11289
R_DIvS	Innovation influence our after sales service/customer support	298	3.5067	1.04847
R_LCvP	Managerial leadership influence pricing activities in our company	298	3.4228	1.15867
R_LCvPdt	Managerial leadership influence our product development activities	298	3.5604	1.13620
R_LCvD	Managerial leadership influence our distribution activities	298	3.6208	1.10425
R_LCvPro	Managerial leadership influence our promotional activities	298	3.6275	1.00781
R_LCvS	Managerial leadership influence our after sales service/customer support	298	3.5302	1.17239
R_eMSvP	Our ability to understand the market & competitors influence our Pricing	298	3.6745	1.10314
R_eMSvPdt	Ability to understand market & competitors influence our Product development	298	3.6309	1.07840
R_eMSvD	Ability to understand the market & competitors influence our distribution	298	3.6107	1.09613
R_eMSvPro	Ability to understand the market & competitors influence our promotions	298	3.6242	1.07920
R_eMSvsS	Our ability to understand the market & competitors activities influence after sales service/Customer support activities	298	3.7013	1.09854
Valid N (listwise)		298		

The table shows that respondents rated R_eMSvsS “Our ability to understand the market & competitors’ activities influence after sales service/Customer support activities” high (M=3.7013 SD=1.09854) on a scale of 5 (strongly agree). This signifies that e-market sensing capabilities influence agro-processors’ digital marketing activities particularly customer support. However, respondents rated low R_DSvP “Our e-marketing strategy influence our pricing activities” (M=3.0403 SD=1.29427). The overall item mean \pm SD was 3.480035 ± 1.206343158 (agree) out of a possible score of 5 (strongly agree). The overall scale mean \pm stood at 69.6007 ± 22.92052 out of a possible score of 100. The results indicate that there is a perceived relationship between digital marketing capabilities and digital marketing activities.

6.4.13 Overall score on relationship between digital marketing capabilities and activities.

Table 6-13 Overall score on relationship between digital marketing capabilities and activities

Indication		Mean score (SD)
Score 1	Digital strategy development and execution strategies	64.8 (23)
2	Digital market innovation capabilities	69.6 (19.2)
3	Leadership capabilities	71 (19.9)
4	E-market sensing capabilities	73 (19.3)

Participants mentioned (responded) that they have on average 65% of the required relationship between digital strategy development & execution and digital marketing activities. Respondents also indicated that they have on average 70% of the required relationship between digital market innovation capabilities and digital market activities. The respondents mentioned that they have on average 71% and 73% of the required relationship between leadership capabilities and e-market sensing capabilities respectively with digital marketing activities.

6.4.14 Overall agro-processors' digital marketing assets

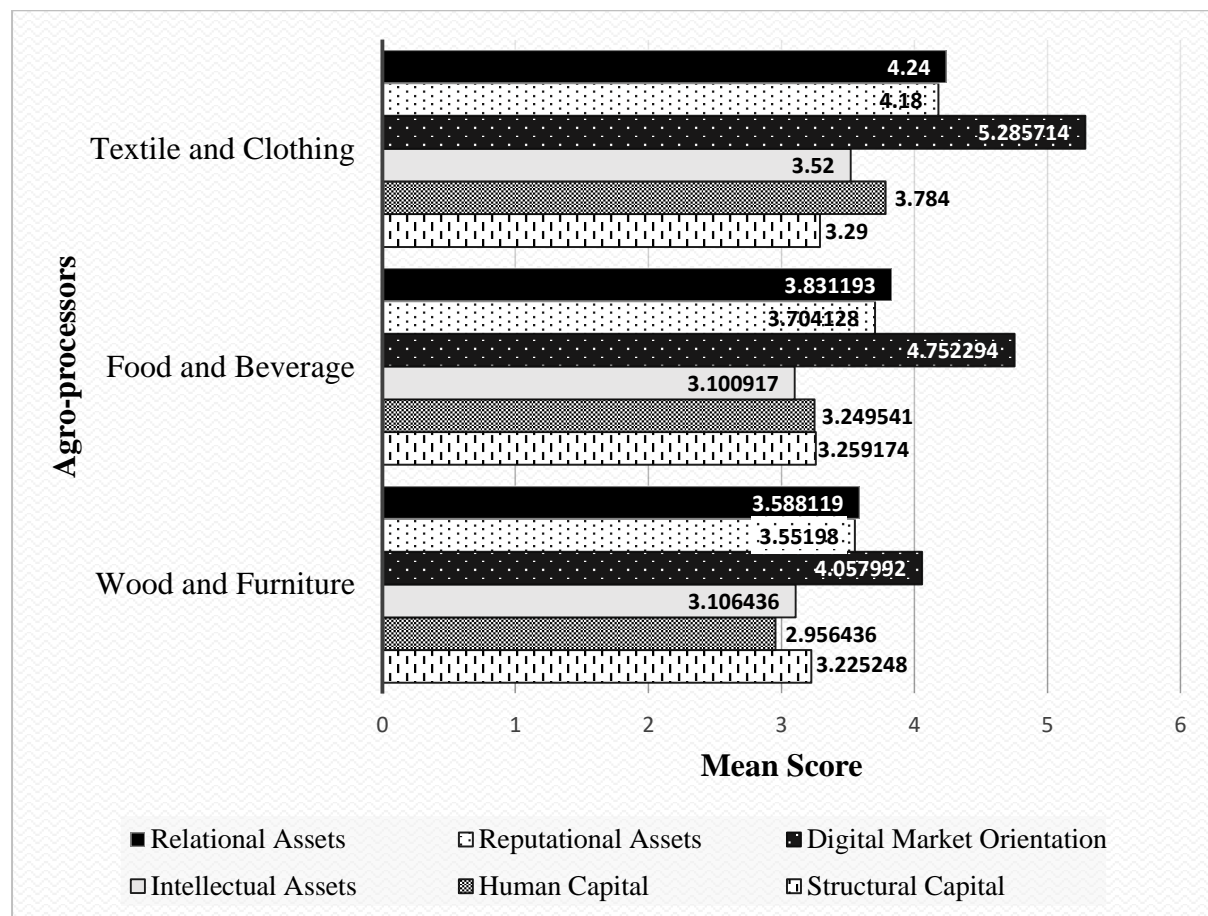


Figure 6-4 Overall agro-processors' digital marketing assets.

All the three sectors had high digital market orientation resources although the textile and clothing sectors scored the highest followed by food and beverage. The three sectors were also scored high in relational and reputational assets. The textiles and clothing sector had high relational and reputational assets compared to the other sectors. The wood and furniture sector scored the lowest in human capital whilst textile and clothing scored the highest in that regard.

6.4.15 Overall agro-processors digital marketing resources, capabilities and activities

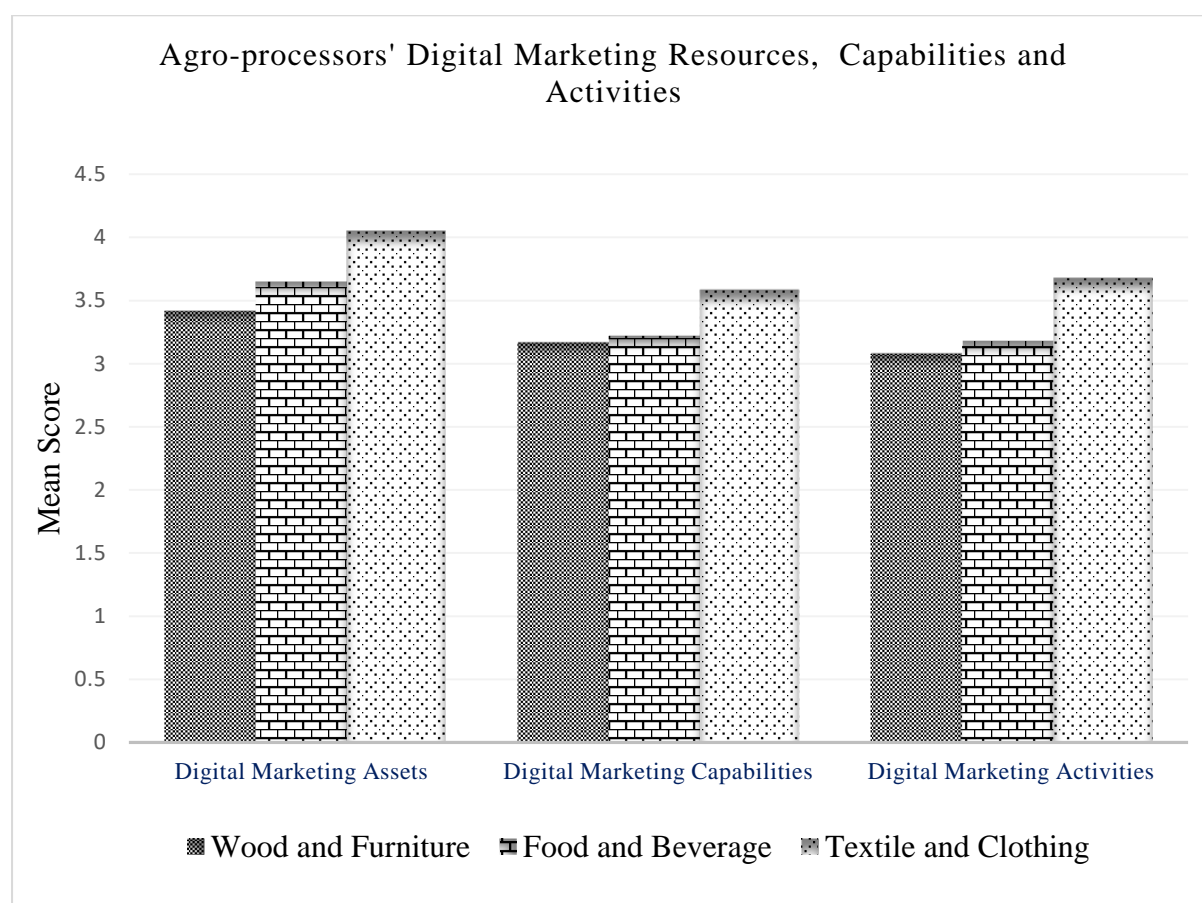


Figure 6-5 Agro-processors' digital marketing resources, capabilities and activities.

The figure shows that the textile and clothing sector possess more digital marketing assets and capabilities followed by the food and beverage, and finally the wood and furniture sector. The textile and clothing also leads in digital marketing activities followed by food and beverage and finally wood and furniture.

6.4.16 Section 07: Agro-processors' market performance

6.4.16.1 Intermediate market outcomes

Table 6-14 Agro-processors' performance on intermediate outcomes

		Descriptive Statistics		
Item Description		N	Mean	Std. Deviation
Please indicate your firm's performance over the last year relative to competitors in the primary market that you serve	Awareness (brand, products/company)	298	4.5638	1.76506
	Customer Attitudes (to company and its products)	298	4.7081	1.68135
	Availability (product/service availability)	298	4.6544	1.70501
	Customer satisfaction	298	4.5839	1.89666
	Brand Associations	298	4.6074	1.88657
Valid N (listwise)		298		

The table shows that participant agro-processors believed they performed better relative to competitors on customer attitudes (to the company and its products) as a result rating it high (M= 4.7081 SD=1.68135) on a scale of 7 (outstanding). However, performance on customer awareness was rated low (M=4.5638 SD=1.76506). The overall item mean \pm SD was 4.62352 \pm 2.2336625 (good) out of a possible 7 (outstanding). The overall scale mean \pm SD stood at 23.1176 \pm 8.93465 out of a possible 35 thus implying that agro-processors' were performing well relative to competitors.

6.4.17 Overall score on agro-processors' performance on intermediate market outcomes.

Table 6-15 Overall agro-processors performance on intermediate outcomes

Indication	Mean score (SD)
Score 1 Intermediate market outcomes	68 (20.6)

Agro-processors who participated in the survey mentioned that they attain on average 68% of the required intermediate market outcomes.

6.4.17.1 Agro-processors' performance on final market outcomes.

Table 6-16 Agro-processors performance on final outcomes.

Descriptive Statistics				
Item description		N	Mean	Std. Deviation
Performance relative to competitors	Sales volume	298	4.6040	1.89032
	Market share	298	4.4664	1.80922
	Profitability	298	4.7248	1.82153
	Valid N (listwise)	298		

The table indicates that agro-processors rated their profitability relative to competitors high (M=4.7248 SD= 1.82153) on a scale of 7 (outstanding). However, market share was rated low (M=4.4664 SD=1.80922). The overall item mean \pm SD was 4.5984 ± 2.760535 (good) out of a possible of 7 (outstanding). The overall scale mean \pm SD stood at 23.1176 ± 8.93465 out of a possible score of 35; thus indicating that agro-processors generally performed better relative to competitors.

6.4.18 Overall score on agro-processors final market outcomes.

Table 6-17 Overall agro-processors performance on final market outcomes.

Indication		Mean score (SD)
Score 1	Final market outcomes	66 (24.9)

Agro-processors who participated in the survey mentioned that they attain on average 66% of the required final market outcomes.

Figure 6.6 shows agro-processors' market performance on both intermediate and final outcomes.

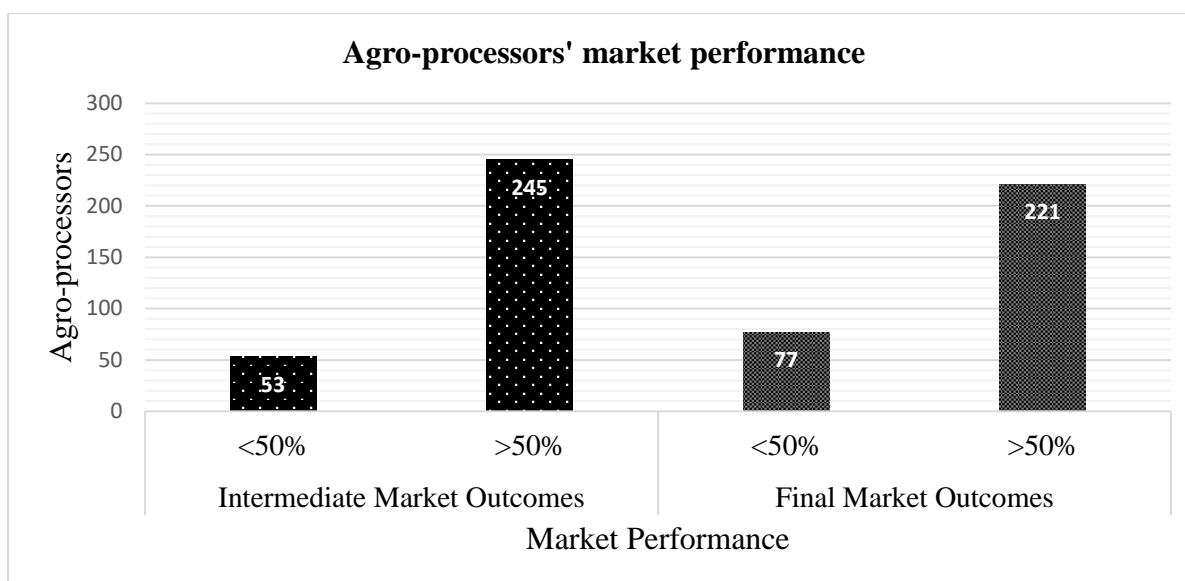


Figure 6-6 Agro-processors market performance

The figure shows that 53 (18%) of the agro-processors attain less than 50% of intermediate market outcomes whilst 245 (82%) attain more than 50% of the intermediate market outcomes. On the final market outcomes, 77 (26%) of the agro-processors attain less than 50% of final market outcomes whilst 221 (74%) attain more than 50% of final market outcomes.

6.4.19 Market performance by agro-processor's based on sector

The graph below shows the performance of agro-processors based on their sectors and three main sectors are represented.

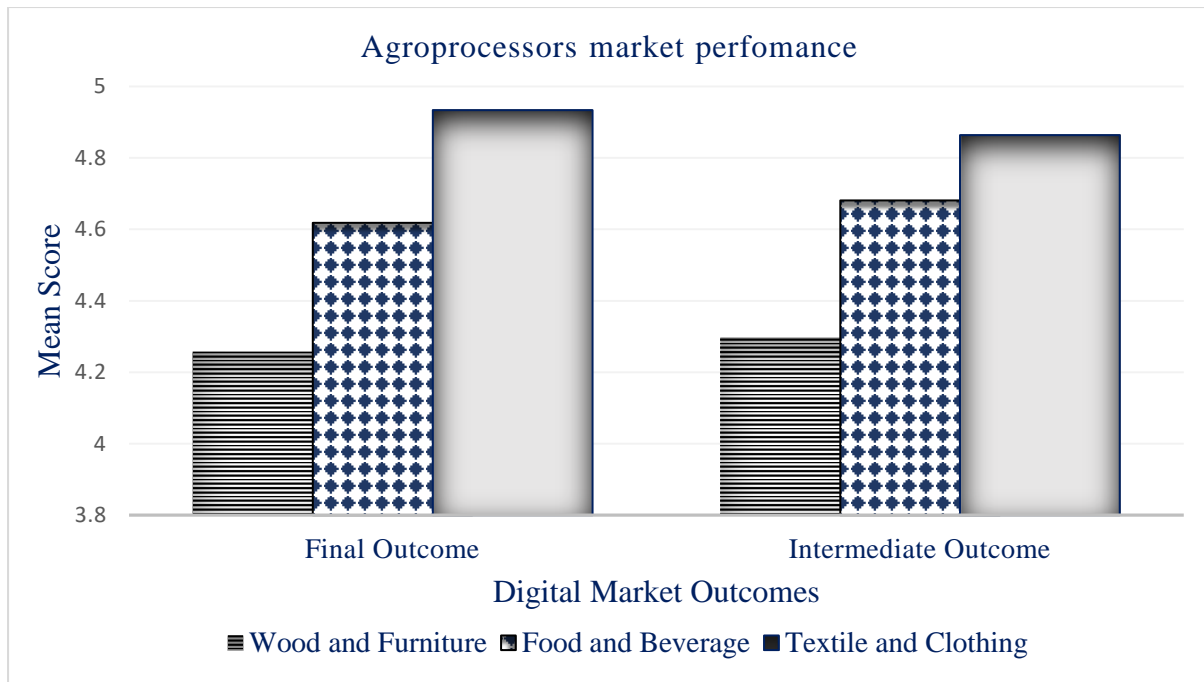


Figure 6-7 Agro-processors market performance based on sector.

The figure shows that the textile and clothing sector attains high average scores in both intermediate and final market outcomes compared to the other two sectors. The wood and furniture sector has the lowest average scores in both intermediate and final market outcomes.

6.4.20 Section 08: Institutional barriers

Table 6-18 Institutional barriers

Descriptive Statistics				
Item Code	Item Description	N	Mean	Std. Deviation
B_BE	The environment we operate positively influence our marketing outcomes.	298	3.4966	1.31617
B_Lws	The laws and regulations support our business.	298	3.3557	1.25031
B_Tax	Tax rates are favourable to our business.	298	2.9564	1.35641
B_Info	Competition from informal traders influence performance.	298	3.5839	1.27710
Valid N (listwise)		298		

The table shows that B_Info “Competition from informal traders influence performance” rated high (M=3.5839 SD=1.27710) (agree) on a scale of 5 (strongly agree). This implies that informal traders are major competitors in the business environment that agro-processors operate. However, B_Tax “Tax rates are favourable to our business” rated low (M=2.9564

SD=1.35641) possibly explaining that prevailing taxes do not favour business. The overall item mean \pm SD was 3.34815 ± 2.599995 (neutral) on a scale of 5 (strongly agree). The overall scale mean \pm SD stood at 13.3926 ± 5.19999 out of a possible 20. This indicates that institutional barriers generally influence agro-processors' performance, although the influence is weak.

6.4.21 Agro-processors' overall score on institutional barriers.

Table 6-19 Agro-processors' overall score on institutional barriers.

Indication		Mean score (SD)
Score 1	Institutional barriers	65.4 (20.2)

Participants responded that on average they encounter 65.4% of institutional barriers. The next section focus on inferential data analysis.

6.5 INFERENCEAL DATA ANALYSIS

6.5.1 Bivariate Analysis: Two sample t-test

This section presents results on the associations between demographic factors, digital marketing assets, capabilities, and activities with intermediate and final market performance outcomes. The first part presents associations with intermediate outcomes whilst the second part presents final market outcomes.

6.5.2 Associations with Intermediate Market Outcomes

6.5.2.1 Demographic factors associated with intermediate outcomes

Table 6-20 Demographic factors associations with intermediate outcomes

	Variable	Response		P-Value
		<50	>50	
Age	18-30years	12.2	87.8	0.075
	31-40years	22.1	77.9	
	41-50years	11.4	88.6	
Gender	female	24.2	75.8	0.002
	male	10.22	89.8	
Website	Yes	9.6	90.5	0.019
	No	21	79	
Sector	wood & furniture	24.8	75.3	0.133
	food & beverage	14.7	85.3	
	textiles & clothing	16	84	
	other	0	100	
Years in existence	0-1	35.9	64.1	0.001
	2-5	34.4	65.6	
	6-10	6.7	93.3	
	11-20	0	100	
	>21	0	100	
No. of employees	6-50	24.2	75.8	0.001
	51-100	5	95	

The results shows that there was an association between gender and intermediate market outcome scores >50% ($p=0.002$), 90% of the male gender had a score >50% outcome compared to 76% of the female gender.

There was also an association between ownership of a website and intermediate market outcomes scores >50% ($p=0.019$), 91% of firms with website had average scores >50% intermediate outcome compared to 79% of those without websites.

Number of employees held by an agro-processors was also associated with intermediate outcome scores >50% ($p=0.001$), 95% of agro-processors with 51-100 employees had >50% intermediate outcomes compared to 76% of those agro-processors with <50 employees.

The results also show that there was a significant association between years in existence and intermediate market outcomes >50% ($p=0.001$), 100% of agro-processors with >10 years' experience had >50% intermediate outcomes compared to 93%, 66% and 64% of those with 6-10, 2-5, and 0-1 years of existence respectively (or below 10years of existence).

There was no association between age and intermediate market performance outcomes >50% ($p=0.075$), 89% of respondents aged 41-50years had >50% intermediate outcomes compared to 88% of those 18-30years. There was also no association between sector and intermediate market performance outcomes >50% ($p=0.133$), 85% of agro-processors in food & beverage have >50% outcomes compared to 84% and 75% of those in textile & clothing, and wood & furniture respectively.

In summary, these results means that gender of the executive, ownership of a website, number of employees and experience have a relationship with an agro-processor's intermediate market performance (awareness, brand associations, customer attitudes, product availability and customer satisfaction). Male executives are associated with better market performance outcomes than female executives are. Agro-processors with a website, more employees and experience are also associated with better market performance than agro-processors without a website, with less employees and experience. However, age and type of sector had no relationship with intermediate market performance.

6.5.2.2 Digital marketing assets associations with intermediate outcomes

Table 6-21 Digital marketing assets associations with intermediate market outcomes

Variable		Response		P-Value
		<50	>50	
Structural capital at the base of digital marketing	Mean (SD)	44.1 (22.1)	70.5 (20)	0.001
Human capital	Mean (SD)	46.4 (21.8)	70.4 (17.8)	0.001
Intellectual assets	Mean (SD)	44.4 (22)	69.2 (18.1)	0.001
Digital market orientation	Mean (SD)	41.4 (25.3)	72.6 (17.9)	0.001
Reputational assets	Mean (SD)	51.5 (30)	81 (19)	0.001
Relational assets	Mean (SD)	53.9 (29.8)	82.7 (14.9)	0.001

The results show that there was a statistically significant association between all digital marketing assets and intermediate market outcomes as detailed below.

- ⊙ There was a statistically significant association between structural capital at the base of digital marketing and intermediate outcomes >50% ($p=0.001$), among those agro-processors with an average score >50% intermediate outcomes, they had 71% of the required structural capital at the base of digital marketing compared to 44% among those with <50% income.

- ⊗ The results show a statistically significant association between human capital and intermediate outcomes >50% ($p=0.001$), among those agro-processors with an average score >50% intermediate outcomes, they had 70% of the required human capital compared to 46% among those with <50% income.
- ⊗ There was a statistically significant association between intellectual assets and intermediate outcomes >50% ($p=0.001$), among those agro-processors with an average score >50% intermediate outcomes, they had 69% of the required intellectual assets compared to 44% among those with <50% income.
- ⊗ The results show a statistically significant association between digital market orientation and intermediate outcomes >50% ($p=0.001$), among those agro-processors with an average score >50% intermediate outcomes, they had 72% of the required digital market orientation compared to 41% among those with <50% income.
- ⊗ Finally there was a statistically significant association between reputational assets, relational assets and intermediate outcomes >50% ($p=0.001$), among those agro-processors with an average score >50% intermediate outcomes, they had 81% and 83% of the reputational and relational assets compared to 52% and 54% among those with <50% income.
- ⊗ In summary, these results means that digital marketing assets were associated with the intermediate market performance of agro-processors. In other words, agro-processors that possessed a certain level of structural capital at the base of digital marketing, human capital, intellectual assets, digital market orientation, reputational assets, and relational assets performed better than those without.

6.5.2.3 Digital marketing capabilities associations with intermediate outcomes

Table 6-22 Digital marketing capabilities associations with intermediate outcomes

Variable		Response		P-Value
		<50	>50	
Digital strategy development and execution capabilities	Mean (SD)	41.8 (21.1)	71 (19)	0.001
Digital market innovation capabilities	Mean (SD)	39.8 (19.9)	74.8 (14.8)	0.001
Leadership capabilities	Mean (SD)	39.4 (20.3)	74.9 (17.5)	0.001
E-market sensing capabilities	Mean (SD)	37.1 (18.0)	68.3 (18.7)	0.001

The results show that there was a statistically significant association between all digital marketing capabilities and intermediate market outcomes as detailed below.

- ⊖ There was a statistically significant association between digital market innovation capabilities, leadership capabilities and intermediate outcomes >50% ($p<0.001$), among those agro-processors with an average score >50% intermediate outcomes, they had 75% of both the required digital market innovation capabilities and leadership capabilities compared to 40% and 39% respectively among those with <50% income.
- ⊖ The results further reveal that there was a statistically significant association between digital strategy development & execution capabilities and intermediate outcomes >50% ($p<0.001$), among those with an average score >50% intermediate outcomes, they had 71% of the required digital strategy development & execution capabilities compared to 42% among those with <50% income.
- ⊖ There was a statistically significant association between e-market sensing capabilities and intermediate market outcomes >50% ($p<0.001$), among those agro-processors with an average score >50% intermediate outcomes, they had 68% of the required e-market sensing capabilities compared to 37% among those with <50% income.
- ⊖ In conclusion, these results means that digital marketing capabilities were associated with the intermediate market performance of agro-processors. Agro-processors that possessed a certain level of digital strategy development and execution capabilities, digital market innovation capabilities, leadership capabilities, and e-market sensing capabilities performed better than those without.

6.5.2.4 Digital marketing activities associations with intermediate outcomes

Table 6-23 Digital marketing activities associations with intermediate outcomes

Variable		Response		P-Value
		<50	>50	
Pricing related activities	Mean (SD)	53.4 (24.2)	65 (16)	0.001
Distribution (Place) related activities	Mean (SD)	52.6 (26.7)	62.7 (17)	0.001
Product related activities	Mean (SD)	52.8 (24.8)	65.3 (17)	0.001
Promotion related activities	Mean (SD)	51.8 (23.3)	64.3 (16.8)	0.001
Service related activities	Mean (SD)	50.9 (22.8)	62.9 (17.9)	0.001

The results in the table show that all digital marketing activities had statistically significant association with intermediate market outcomes ($p<0.001$) as detailed below.

- ⊖ The results revealed that there was a statistically significant association between price related activities, product related activities and intermediate market outcomes >50% ($p<0.001$), among those agro-processors with an average score >50% intermediate outcomes, they had 65% of both required digital pricing and product related activities compared to 53% of those with <50% outcome.
- ⊖ There was a statistically significant association between digital distribution (place) related activities, service related activities and intermediate outcomes >50% ($p<0.001$), among those with an average score >50% intermediate outcomes, they had 63% of both digital distribution (place) and service related activities compared to 53% and 51% respectively of those with <50% outcome.
- ⊖ The results in the table show that there was a statistically significant association between digital promotion activities and intermediate outcomes >50% ($p<0.001$), among those with an average score >50% intermediate outcomes, they had 64% of the required digital promotion activities compared to 52% of those with <50% outcome.
- ⊖ In summary, the results means that agro-processors' digital marketing activities were associated with intermediate market performance outcomes. Agro-processors that were proficient in pricing related activities, distribution (place) related activities, product related activities, promotion related activities, and service related activities performed better than those without such a level of proficiency did.

6.5.2.5 Institutional barriers associations with intermediate outcomes

Table 6-24 Institutional barriers associations with intermediate outcomes

Variable		Response		P-Value
		<50	>50	
Institutional barriers	Mean (SD)	39.3 (20.3)	72.9 (16.2)	0.001

The results show that there was a statistically significant association between institutional barriers and intermediate market outcomes >50% ($p<0.001$), among those agro-processors with an average score >50% intermediate outcomes, they had encountered 73% institutional barriers compared to 39% of those with <50% outcome. These results suggests that institutional barriers were not a hindrance to agro-processors market performance.

6.5.3 Associations with final market performance outcomes

6.5.3.1 Demographic factors associated with final market performance outcomes

Table 6-25 Demographic factors associations with final market performance outcomes

Variable		Response		P-Value
		<50	>50	
Age	18-30years	22	78.1	0.001
	31-40years	32.6	67.4	
	41-50years	6.8	93.2	
Gender	female	29.8	70.2	0.089
	male	21.2	78.8	
Website	Yes	9.6	90.5	0.616
	No	26.6	73.4	
Years in existence	0-1	35.9	64.1	0.005
	2-5	34.4	65.6	
	6-10	24	76	
	11-20	7	93	
	>21	15.8	84.2	
No. of employees	6-50	36.4	63.6	0.001
	51-100	5	95	
Sector	Wood & furniture	32.7	67.3	0.004
	Food & beverage	28.4	71.6	
	Textiles & clothing	16	84	
	Other	7.7	92.3	

The table shows that there were statistically significant associations between age, years in existence, number of employees, sector and final market performance outcomes as detailed below.

- ⊕ There was a statistically significant association between age and having final market performance outcomes with average scores >50% ($p < 0.001$), 93% of those aged 41-50 years had average score >50% of final market outcome compared to 67% and 78% among those aged 31-40 and 18-30 respectively.
- ⊕ The results revealed that there was a statistically significant association between years in existence and final market outcomes >50% ($p = 0.005$), 84% of those >21 years had >50% outcomes compared to 93%, 76%, 67% and 64% among those with 11-20, 6-10, 2-5 and 0-1 years respectively.

- ⊖ The results further show that there was a statistically significant association between number of employees and having final market outcomes with average scores >50% ($p<0.001$), 95% of agro-processors with 51-100 employees had average scores >50% final market outcomes compared to 64% among those with 6-50 employees.
- ⊖ There was a statistically significant association between sector and final market outcomes with average scores >50% ($p=0.004$), 67% of agro-processors in wood & furniture sector had >50% outcomes compared to 72%, 84% and 92% among those in food & beverage, textiles & clothing and other respectively.
- ⊖ Finally, the results revealed that there were no statistically significant associations between gender, website and final market outcomes ($p>0.05$).
- ⊖ In summary, the results means that agro-processors that have an old age group (41-50 years), more years in existence or business, and more employees performed better than those without these did. Agro-processors in the textiles and clothing sector also performed better in terms of final market outcomes than those in other sectors. The results imply that the more years an agro-processor has in business, the more experience that translates to improved sales, market share and profitability (final market outcomes).

6.5.3.2 Digital marketing assets associated with final market performance outcomes

Table 6-26 Digital marketing assets associated with final market performance outcomes

Variable		Response		P-Value
		<50	>50	
Structural capital at the base of digital marketing	Mean (SD)	53.7 (25.3)	70 (19.7)	0.001
Human capital	Mean (SD)	54.7 (22.9)	70.1 (18.3)	0.001
Intellectual assets	Mean (SD)	50.9 (22.3)	69.6 (18.4)	0.001
Digital market orientation	Mean (SD)	51 (26.1)	72.6 (18.6)	0.001
Reputational assets	Mean (SD)	59.4 (30.6)	81.5 (18.8)	0.001
Relational assets	Mean (SD)	63.8 (27.7)	82.4 (16.3)	0.001

The results show that there was a statistically significant association between all digital marketing assets and final market outcomes as detailed below.

- ⊖ There was a statistically significant association between structural capital at the base of digital marketing, human capital, intellectual assets and final market outcomes >50% ($p<0.001$). Among those agro-processors with an average score >50% outcomes, they had

70% of the required structural capital at the base of digital marketing, human capital and intellectual assets compared to 54%, 55% and 51% among those with <50% outcome respectively.

- ⊖ The results further revealed that there was a statistically significant association between reputational assets, relational assets and final market outcomes >50% ($p<0.001$), among those with average scores >50% final outcomes, they had 82% of both the required reputational and relational assets compared to 59% and 64% among those with <50% outcomes.
- ⊖ Finally, the results show that there was a statistically significant association between digital market orientation and final market outcomes >50% ($p<0.001$), among those with average scores >50% outcomes, they had 73% of the required digital market orientation assets compared to 51% among those with <50% outcomes.
- ⊖ In summary, the results means that digital marketing assets were associated with the final market performance outcomes of agro-processors. In other words, agro-processors that possessed a certain level of structural capital at the base of digital marketing, human capital, intellectual assets, digital market orientation, reputational assets, and relational assets performed better than those without.

6.5.3.3 Digital marketing capabilities associated with final market performance outcomes

Table 6-27 Digital marketing capabilities associated with final market performance outcomes

Variable		Response		P-Value
		<50	>50	
Digital strategy development and execution capabilities	Mean (SD)	49.7 (24.6)	71.5 (18.5)	0.001
Digital market innovation capabilities	Mean (SD)	49.8 (22.1)	75.1 (15.7)	0.001
Leadership capabilities	Mean (SD)	50.1 (23.7)	75 (18.2)	0.001
E-market sensing capabilities	Mean (SD)	42 (19.4)	70 (18)	0.001

The results show that there was a statistically significant association between all digital marketing capabilities and final market outcomes as detailed below.

- ⊖ There was a statistically significant association between digital market innovation capabilities, leadership capabilities and final outcomes >50% ($p<0.001$), among those agro-processors with an average score >50% final outcomes, they had 75% of both the

required digital market innovation capabilities and leadership capabilities compared to 49.8% and 50.1% respectively among those with <50% outcome.

- ⊖ The results show a statistically significant association between digital strategy development & execution capabilities and final market outcomes >50% ($p<0.001$), among those agro-processors with an average score >50% final market outcomes, they had 72% of the required digital strategy development & execution capabilities compared to 50% among those with <50% outcomes.
- ⊖ The results revealed that there was a statistically significant association between e-market sensing capabilities and final market outcomes >50% ($p<0.001$), among those agro-processors with an average score >50% final market outcomes, they had 70% of the required e-market sensing capabilities compared to 42% among those with <50% outcomes.
- ⊖ In conclusion, the results means that digital marketing capabilities were associated with the final market performance outcomes of agro-processors. Agro-processors that possessed a certain level of digital strategy development and execution capabilities, digital market innovation capabilities, leadership capabilities, and e-market sensing capabilities performed better than those without.

6.5.3.4 Digital marketing activities associated with final market performance outcomes

Table 6-28 Digital marketing activities with final market performance outcomes

Variable		Response		P-Value
		<50	>50	
Pricing related activities	Mean (SD)	56.7 (21)	65.1 (16.7)	0.001
Distribution (Place) related activities	Mean (SD)	51.8 (23.4)	64.1 (16.8)	0.001
Product related activities	Mean (SD)	55.7 (22.4)	65.6 (17.4)	0.001
Promotion related activities	Mean (SD)	52.1 (20.1)	65.6 (16.9)	0.001
Service related activities	Mean (SD)	52.8 (21.6)	63.5 (17.8)	0.001

The results show that there was a statistically significant association between all digital marketing activities and final market outcomes as detailed below.

- ⊖ There results revealed a statistically significant association between digital product and promotion related activities with final market outcomes average scores >50% ($p<0.001$), among those with an average score >50% outcomes, they had 66% of digital product and

promotion related activities compared to 56% and 52% respectively among those with <50% outcome.

- ⊖ There was also a statistically significant association between digital pricing related activities and having final market outcomes with average scores >50% ($p<0.001$), among those with average scores >50% outcomes, they had 65% digital promotion related activities compared 57% among those with <50% outcomes.
- ⊖ The results show that there was a statistically significant association between digital distribution related activities, service related activities and final market outcomes >50% ($p<0.001$), among those with >50% outcomes, they had 64% of digital distribution and service related activities compared to 52% and 53% respectively among those with <50% outcomes.
- ⊖ In summary, the results means that agro-processors' digital marketing activities were associated with final market performance outcomes. Agro-processors that were proficient in pricing related activities, distribution (place) related activities, product related activities, promotion related activities, and service related activities performed better than those without such a level of proficiency did.

6.5.3.5 Institutional barriers associations with final market outcomes

Table 6-29 Institutional barriers associated with final market outcomes.

Variable		Response		P-Value
		<50	>50	
Institutional barriers	Mean (SD)	44.7 (20.5)	74.7 (15.2)	0.001

The results show that there was a statistically significant association between institutional barriers and final market outcomes >50% ($p<0.001$), among those with average scores >50% outcomes, they had encountered 75% institutional barriers compared to 48% among those with <50% outcomes. Again, the results suggesting that institutional barriers did not negatively influence market performance.

6.5.4 Bivariate correlation analysis

The researcher used Spearman rank-order correlation (Spearman's correlation) to assess strength and direction of relationships between digital marketing assets, digital marketing

capabilities, digital marketing activities, institutional barriers, intermediate outcomes, and final market outcomes.

Table 6-30 Bivariate correlation analysis.

Variables	DMA	DMC	DMAC	IB	IO	FO
DMA	1					
DMC	0.792 0.000	1				
DMAC	0.559 0.000	0.500 0.000	1			
IB	0.572 0.000	0.561 0.000	0.521 0.000	1		
IO	0.654 0.000	0.702 0.000	0.350 0.000	0.635 0.000	1	
FO	0.523 0.000	0.545 0.000	0.227 0.000	0.488 0.000	0.726 0.000	1

DMA= Digital marketing assets, **DMC**=Digital marketing capabilities, **DMAC**=Digital marketing activities, **IB**-Institutional barriers, **IO**=Intermediate outcomes, **FO**=Final outcomes

There was an association between mean digital marketing assets (DMA) score and digital marketing capabilities ($p < 0.001$), as DMA increases digital marketing capabilities also increase with the correlation 0.792. The results further reveal a statistically significant association between digital marketing assets and DMAC, IB, IO and FO ($p < 0.001$), as DMA increases, DMAC, IB, IO and FO increases with correlations 0.559, 0.572, 0.654 and 0.523 respectively. The Spearman correlation matrix further indicate that there is a statistically significant association between DMC and DMAC, IB, IO and FO ($p < 0.001$), as DMC increases, DMAC, IB, IO and FO increases with correlations 0.500, 0.561, 0.702, and 0.545 respectively. A statistically significant association also exist between DMAC and IB, IO and FO ($p < 0.001$), as DMAC increases, IB, IO and FO increases with correlation 0.521, 0.350 and 0.227 respectively. IB is also statistically associated with IO and FO ($p < 0.001$) whilst IO is statistically significantly associated with FO, an increase in IO results in an increase in FO. In addition, all the correlations are below 0.8 or 0.9 therefore, there are no multicollinearity problems (Midi, et al., 2010:255).

6.5.5 Mutlicollinearity: Variance Inflation Factor (VIF)

Multicollinearity testing among independent variables was crucial before testing hypothesised relationships. Multicollinearity tests identify existence of “correlation problems among independent variables” (Hair et al., 1998 cited by Anuwichanont & Mechinda, 2009) therefore were necessary before multiple logistic regression. All the VIF values were within the

acceptable threshold as they were close to 1 indicating little or no multicollinearity (Anuwichanont & Mechinda, 2009). Although there is no generally agreed VIF cut off, small VIF (below 5) is generally considered acceptable (Akinwande, et al., 2015; Midi, et al., 2010).

6.6 MULTIVARIATE ANALYSIS: LOGISTIC REGRESSION

The researcher used logistic regression to test hypotheses in this study. Tests were done in two phases, first on intermediate market outcomes (secondary variable) and secondly on final market outcomes (primary variable). The following sections show the results;-

6.6.1 Associations with intermediate market performance outcomes

6.6.1.1 Digital marketing assets related hypotheses.

The following are the digital marketing assets related hypotheses that the researcher tested in this section;

Hypothesis 1a (i): Structural capital at the base of digital marketing positively and significantly influences intermediate market performance outcomes.

Hypothesis 1b (i): Human capital positively and significantly influences intermediate market performance outcomes.

Hypothesis 1c (i): Intellectual assets positively and significantly influences intermediate market performance outcomes.

Hypothesis 1d (i): Digital market orientation positively and significantly influence intermediate market performance outcomes.

Hypothesis 1e (i): Reputational assets positively and significantly influence intermediate market performance outcomes.

Hypothesis 1f (i): Relational assets positively and significantly influence intermediate market performance outcomes.

Table 6-31 Digital marketing assets associated with intermediate market outcomes using logistic regression

Variable	Odds of >% intermediate outcome (95%)	P-Value
Structural capital at the base of digital marketing	1.03 (0.95 - 1.12)	0.471
Human capital	1.29 (1.05 - 1.59)	0.015
Intellectual assets	0.96 (0.85 - 1.08)	0.498
Digital market orientation	0.95 (0.85 - 1.06)	0.357
Reputational assets	1.11 (0.99 - 1.24)	0.065
Relational assets	0.82 (0.66 - 1.00)	0.053

The results show that there was a statistically significant association between intermediate outcomes and human capital after adjusting for other study variables ($p=0.015$), for a unit increase in human capital asset score, the odds of obtaining a >50% outcome increases by 29%. The results also revealed that there was a statistically significant association between intermediate outcomes and relational assets after adjusting for other study variables ($p=0.053$), for a unit increase in relational asset score, the odds of obtaining a >50% outcome reduces by 18%. There was no statistically significant association between structural capital at the base of digital marketing, intellectual assets, digital market orientation, reputational assets and intermediate outcomes ($p>0.05$).

Therefore, the results support only hypothesis 1b (i), and 1f (i). This means agro-processors' human capital positively influence intermediate market performance outcomes such as awareness, customer satisfaction, brand associations and attitudes. The results further show that agro-processors' relational assets positively influence intermediate market performance outcomes. Therefore, human capital and relational assets are important resources for agro-processors' intermediate market performance.

6.6.1.2 Digital marketing capabilities related hypotheses

Below are the digital marketing capabilities related hypotheses that the researcher tested in this section;

Hypothesis 2a (i): Digital strategy development and execution capabilities positively and significantly influence intermediate market performance outcomes.

Hypothesis 2b (i): Digital market innovation capabilities positively and significantly influence intermediate market performance outcomes.

Hypothesis 2c (i): Leadership capabilities positively influence and significantly intermediate market performance outcomes.

Hypothesis 2d (i): E-market sensing capabilities positively and significantly influence intermediate market performance outcomes.

Table 6-32 Digital marketing capabilities associated with intermediate outcomes using logistic regression

Variable	Odds of >% intermediate outcome (95%)	P-Value
Digital strategy development and execution capabilities	0.70 (0.55 – 0.89)	0.005
Digital market innovation capabilities	1.52 (1.09 -2.11)	0.013
Leadership capabilities	1.17 (1.06 -1.30)	0.002
E-market sensing capabilities	0.77 (0.64 – 0.94)	0.009

The results show that there was a statistically significant association between intermediate market outcomes and all digital marketing capabilities after adjusting for other study variables as detailed below.

- ⊖ Results in the table show that there was a statistically significant association between intermediate-outcomes and digital strategy development and execution capabilities after adjusting for other study variables ($p=0.005$), for a unit increase in digital strategy development and execution capabilities score, the odds of obtaining a >50% outcome decrease by 30%.
- ⊖ The results further revealed a statistically significant association between intermediate-outcomes and digital market innovation capabilities after adjusting for other study variables ($p=0.013$), for a unit increase in digital market innovation capabilities score, the odds of obtaining a >50% outcome increases by 52%.
- ⊖ There was a statistically significant association between intermediate - outcomes and leadership capabilities after adjusting for other study variables ($p=0.002$), for a unit increase in leadership capabilities asset score, the odds of obtaining a >50% outcome increases by 17%.
- ⊖ There was also a statistically significant association between intermediate-outcomes and e-market sensing capabilities after adjusting for other study variables ($p=0.009$), and for a unit increase in e-market sensing capabilities score, the odds of getting a >50% outcome decreases by 23%.

Therefore the results show that all the hypothesis, H2a (i), H2b (i), H2c (i), and H2d (i) were supported. This means the identified digital marketing capabilities of digital strategy development & execution, e-market sensing, digital market innovation and leadership are important for agro-processors' intermediate market performance. The capabilities contribute towards favourable intermediate market outcomes in agro-processors.

6.6.1.3 Digital marketing activities related hypothesis

Below are the digital marketing activities related hypotheses that the researcher tested in this section;-

Hypothesis 3a (i): Digital pricing activities positively and significantly influence intermediate market performance outcomes

Hypothesis 3b (i): Digital distribution activities positively and significantly influence intermediate market performance outcomes.

Hypothesis 3c (i): Digital product activities positively and significantly influence intermediate market performance outcomes.

Hypothesis 3d (i): Digital promotion activities positively and significantly influence intermediate market performance outcomes.

Hypothesis 3e (i): Digital service activities positively and significantly influence intermediate market performance outcomes.

Table 6-33 Digital marketing activities associated with intermediate market outcomes using logistic regression

Variable	Odds of >% intermediate outcome (95%)	P-Value
Pricing related activities	0.88 (0.83-1.00)	0.029
Distribution (Place) related activities	1.32 (1.09-1.48)	0.073
Product related activities	0.86 (0.73 -1.01)	0.109
Promotion related activities	0.74 (0.92-1.13)	0.015
Service related activities	1.03 (0.91-1.12)	0.634

The results show that there was a statistically significant association between digital pricing related activities, and intermediate market performance outcomes after adjusting for other study variables ($p=0.029$), and for a unit increase in pricing score, the odds of obtaining a >50% outcome decrease by 12%.

The results also show that there was a statistically significant association between digital promotion activities and intermediate market performance outcomes after adjusting for other study variables ($p=0.015$), and for a unit increase in the promotion score, the odds of obtaining a >50% outcome decreases by 26%.

Therefore the results supported hypothesis H3a (i), and H3d (i) whilst hypothesis H3b (i), H3c (i) and H3e (i) are rejected. These results mean that digital pricing and promotion activities significantly contribute towards favourable intermediate market outcomes in agro-processors.

6.6.1.4 Model fit

The data fits well with the model ($p < 0.001$), with a log likelihood below 0 indicating that the full model has a far better fit than the intercept model, and the model predicts better outcomes (pseudo $r^2 = 0.73$).

6.6.2 Associations with final market performance outcomes

6.6.2.1 Digital marketing assets related hypothesis

Below are the digital marketing activities related hypothesis that the researcher tested in this section:-

Hypothesis 1a (ii): Structural capital at the base of digital marketing positively and significantly influence final market performance outcomes.

Hypothesis 1b (ii): Human capital positively and significantly influence final market performance outcomes.

Hypothesis 1c (ii): Intellectual assets positively and significantly influence final market performance outcomes.

Hypothesis 1d (ii): Digital market orientation positively and significantly influence final market performance outcomes.

Hypothesis 1e (ii): Reputational assets positively and significantly influence final market performance outcomes.

Hypothesis 1f (ii): Relational assets positively and significantly influence final market performance outcomes.

Table 6-34 Digital marketing assets associated with final market performance outcomes using logistic regression analysis

Variable	Odds of >% final outcome (95%)	P-Value
Structural capital at the base of digital marketing	1.05 (0.96 – 1.14)	0.266
Human capital	0.97 (0.88 – 1.06)	0.503
Intellectual assets	1.08 (1.00 – 1.18)	0.063
Digital market orientation	1.04 (0.96 – 1.13)	0.303
Reputational assets	0.98 (0.92 – 1.05)	0.66
Relational assets	0.85 (0.75 – 0.97)	0.018

The results show that there was a statistically significant association between final-outcomes and relational assets after adjusting for other study variables ($p = 0.018$), for a unit increase in relational asset score, the odds of obtaining a >50% outcome decreases by 15%.

Therefore, the results supported only hypothesis H1f (ii). This means relational assets is the only digital marketing asset that contributes to favourable sales growth, profitability and market share in agro-processors. Agro-processors' relationships are working well for them as there is statistical evidence of influence on final market outcomes.

6.6.2.2 Digital marketing capabilities related hypothesis

Below are the digital marketing capabilities related hypothesis that the researcher tested in this section;

Hypothesis 2a (ii): Digital strategy development and execution capabilities positively influence final market performance outcomes.

Hypothesis 2b (ii): Digital market innovation capabilities positively influence final market performance outcomes.

Hypothesis 2c (ii): Leadership capabilities positively influence final market performance outcomes.

Hypothesis 2d (ii): E-market sensing capabilities positively influence final market performance outcomes.

Table 6-35 Digital marketing capabilities associated with final market performance outcomes using logistic regression analysis

Variable	Odds of >% final outcome (95%)	P-Value
Digital strategy development and execution capabilities	0.89 (0.80 – 0.89)	0.019
Digital market innovation capabilities	1.11 (0.99 – 1.24)	0.065
Leadership capabilities	1.09 (0.98 -1.21)	0.107
E-market sensing capabilities	0.91 (0.81 – 1.01)	0.078

There was a statistically significant association between final-outcomes and digital strategy development and execution capabilities after adjusting for other study variables ($p=0.019$), for a unit increase in digital strategy development and execution capabilities score, the odds of obtaining a >50% decreases by 11%.

Therefore, the results supported only hypothesis 2a (ii). This means, agro-processors' capabilities in digital strategy development and execution contributes to favourable final market outcomes.

6.6.2.3 Digital marketing activities related hypothesis

Below are the digital marketing activities related hypothesis that the researcher tested in this section;-

Hypothesis 3a (ii): Digital pricing activities positively influence final market performance outcomes.

Hypothesis 3b (ii): Digital distribution activities positively influence final market performance outcomes.

Hypothesis 3c (ii): Digital product activities positively influence final market performance outcomes.

Hypothesis 3d (ii): Digital promotion activities positively influence final market performance outcomes.

Hypothesis 3e (ii): Digital service activities positively influence final market performance outcomes.

Table 6-36 Digital marketing activities associated with final market performance outcomes using logistic regression analysis.

Variable	Odds of >% intermediate outcome (95%)	P-Value
Pricing related activities	0.91 (0.83-1.00)	0.039
Distribution (Place) related activities	1.27 (1.09-1.48)	0.002
Product related activities	0.86 (0.73 -1.01)	0.083
Promotion related activities	1.02 (0.92-1.13)	0.701
Service related activities	1.02 (0.91-1.12)	0.773

The results show that there was a statistically significant association between digital pricing related activities and final market performance outcomes after adjusting for other study variables ($p=0.039$), for a unit increase in pricing score, the odds of obtaining a >50% outcome decreases by 9%. There was also a statistically significant association between distribution related activities and final market performance outcomes after adjusting for other study variables ($p=0.002$), for a unit increase in distribution score, the odds of obtaining a >50% outcome increases by 27%.

Therefore hypothesis H3a (ii) and H3b (ii) were supported whilst the rest were rejected. This means agro-processors' digital pricing activities significantly contributes to final market performance outcomes. The results further mean that continued price increases result in a decrease of intermediate outcomes. The results also mean that agro-processors 'distribution related activities significantly contribute to final market performance outcomes.

6.6.2.4 Institutional barriers associated hypotheses

Below is the institutional barriers related hypothesis that the researcher tested in this section:-

Hypothesis 4: Institutional barriers influence final market performance outcomes.

Table 6-37 Institutional barriers associated with final market performance outcomes using regression analysis

Variable	Odds of >% final outcome (95%)	P-Value
Institutional barriers	1.04 (0.98 -1.12)	0.208

The results show that institutional barriers were not statistically significantly associated with final market performance outcomes after adjusting for other study variables. Therefore, hypothesis H4 (ii) is rejected.

6.6.2.5 Model fit

The data fits well with the model ($p < 0.001$), with a log likelihood below 0 indicating that the full model has a far better fit than the intercept model, and the model predicts better outcomes (pseudo $r^2 = 0.68$).

6.6.3 Summary of Hypothesis Tests

Table 6-38 Summary of Hypothesis Testing Results (Intermediate Outcomes)

Hypothesis	Results
Hypothesis 1	H1a (i)
	Rejected ($p > 0.05$)
	H1b (i)
	Supported ($p < 0.05$)
	H1c (i)
	Rejected ($p > 0.05$)
	H1c (i)
Hypothesis 2	Rejected ($p > 0.05$)
	H1d (i)
	Rejected ($p > 0.05$)
	H1e (i)
	Rejected ($p > 0.05$)
	H1f (i)
	Supported ($p < 0.05$)
Hypothesis 3	H2a (i)
	Supported ($p < 0.05$)
	H2b (i)
	Supported ($p < 0.05$)
	H2c (i)
Hypothesis 4	Supported ($p < 0.05$)
	H2d (i)
	Supported ($p < 0.05$)
	H3a (i)
	Supported ($p < 0.05$)
Hypothesis 3	H3b (i)
	Rejected ($p > 0.05$)
	H3c (i)
	Rejected ($p > 0.05$)
Hypothesis 3	H3d (i)
	Supported ($p < 0.05$)
Hypothesis 4	H4(i)
	Rejected ($p > 0.05$)

Table 6-39 Summary of Hypothesis Testing (Final Outcomes)

Hypothesis	Results
Hypothesis 1	H1a (ii)
	Rejected ($p>0.05$)
	H1b (ii)
	Rejected ($p>0.05$)
	H1c (ii)
	Rejected ($p>0.05$)
Hypothesis 2	H1d (ii)
	Rejected ($p>0.05$)
	H1e (ii)
	Rejected ($p>0.05$)
	H1f (ii)
	Supported ($p<0.05$)
Hypothesis 3	H2a (ii)
	Supported ($p<0.05$)
	H2b (ii)
	Rejected ($p>0.05$)
	H2c (ii)
	Rejected ($p>0.05$)
Hypothesis 4	H2d (ii)
	Rejected ($p>0.05$)
	H3a (ii)
	Supported ($p<0.05$)
	H3b (ii)
	Supported ($p<0.05$)
	H3c (ii)
	Rejected ($p>0.05$)
	H3d (ii)
	Rejected ($p>0.05$)
	H4(ii)
	Rejected ($p>0.05$)

6.7 QUALITATIVE DATA ANALYSIS

6.8 QUALITATIVE RELIABILITY

The researcher ensured that qualitative data collection and analysis procedures produce similar results from a number of participants by:

- Making sure research questions were clear and aligned to research design.
- Clearly defining the role of the researcher in the collection process, in this case, the researcher explained every section of the questionnaire to respondents before asking for their response. In some instances, the researcher also asked, and filled the questionnaire in the presence of respondents.
- Making data quality checks during collection, capturing and pre-analysis.
- Monitoring participants to ensure they do not conduct peer or colleague review.

Findings or responses from participants are shown in graphs, and the researcher picked responses with the highest frequencies only.

6.9 VALIDITY

The researcher made use of triangulation of data sources and collection techniques – quantitative and qualitative approaches (Noble & Heale, 2019; Saunders, et al., 2016; Creswell, 2014). Questions in the qualitative section were also asked as closed questions in the quantitative section. In addition, the researcher adopted a consultative approach with other researchers to critic the questions and improve them. This approach was implemented during construct development and the pilot testing phases. After completion of the report, the researcher gave two different researchers to assess analysis and interpretations made. One of the researchers was more inclined towards statistics and this enabled detailed critic since he had limited marketing knowledge. The ‘curious’ questioning and verification contributed to semantic validity of the findings, analysis and interpretations (Krippendorff, 2004). Triangulation assisted to explain quantitative results of this study although it was time consuming (Noble & Heale, 2019).

6.10 QUALITATIVE QUESTIONS, RESPONSES AND ANALYSIS

All the qualitative data was presented in charts and graphs. To enable this, different themes were identified from the responses, and a scoring approach was done depending with the question. Two strategies were adopted to achieve this;

- 1) A ranking approach where points were awarded to a response was adopted for all questions that required responses to be listed in order of importance. For example, if a responded lists computers, internet, smartphones, human capital and branding in that order, points would be awarded as 5, 4, 3, 2, 1 respectively. At the end of the ranking process, all points were added to give a total ranking for a response. The totals are the ones used to produce graphs shown in the qualitative results section.
- 2) In cases where ranking was not required, response frequencies were used to produce the graphs and charts shown. The researcher would add a count of one (1) into the main theme every time such a response is given. At the end, a summation was done to come up with the quantitative data that produced the graphs.

6.10.1 Question One: Digital marketing assets oriented.

What kind of resources (assets/possessions) do you have that give you an advantage in the digital (electronic) market? (List in order of importance)

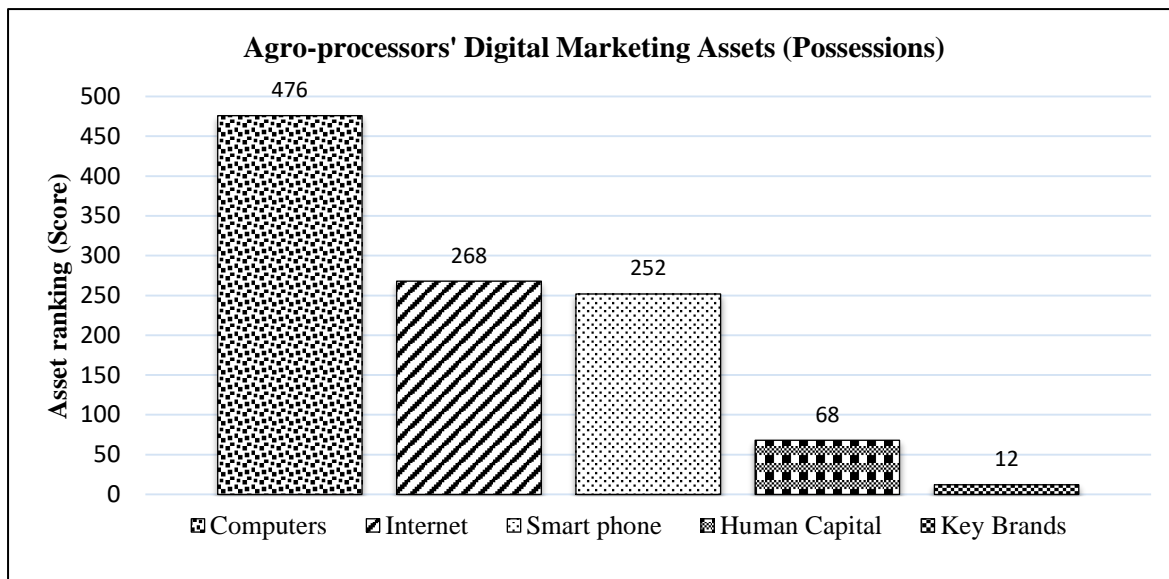


Figure 6-8 Qualitative results: Agro-processions possessions

Respondents mentioned that they have more computers, the Internet and smart phones in that order, which enable them to execute digital marketing. These three assets (computers, internet and smartphones) fall under the structural capital at the base of digital marketing. Therefore, this means respondents indicated high possession of digital marketing assets in the form of structural capital. Respondents also identified human capital as another key resource that they have, followed by key brands (reputational assets). Essentially three digital marketing assets (structural capital, human capital & reputational assets) came out of the open-ended questions.

6.10.2 Question Two: Capability oriented

What kind of things do you think you do better than your competitors do?

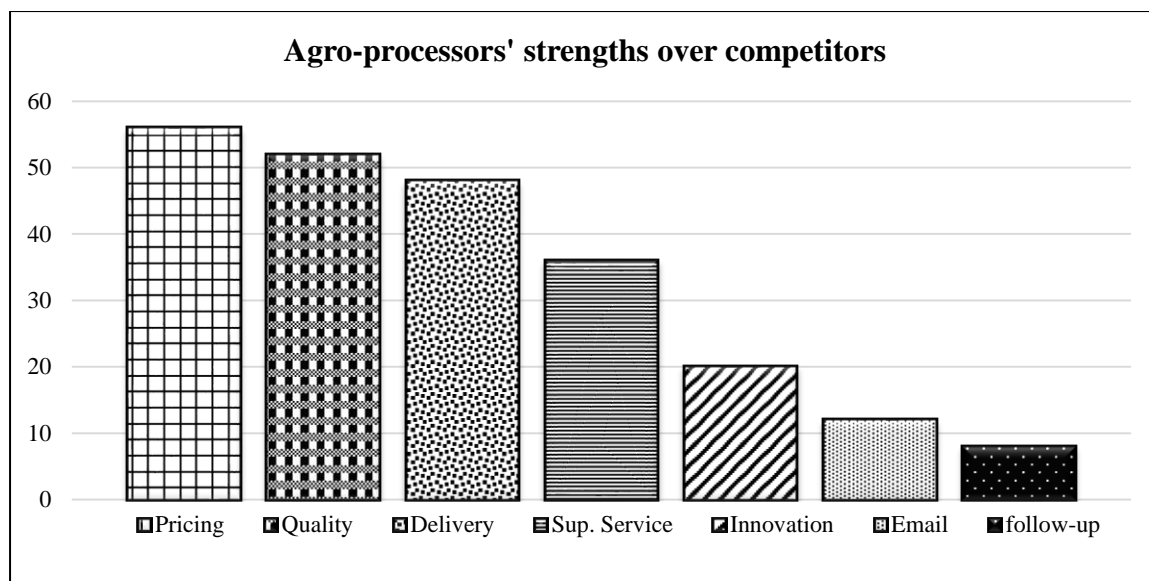


Figure 6-9 Qualitative results: Agro-processors' strengths

The results reveal that agro-processors believed that they do better in pricing, provision of quality products, superior delivery, and exceptional customer service. Agro-processors who responded to this question perceive pricing capability as their major strength over competitors who are mainly large corporates. Pricing, quality and delivery are the top three strengths of agro-processors in Harare. The delivery element also included ready availability of products, which means agro-processors are located close to their markets. Respondents also mentioned innovation as one of their key strength. The ability to make use of email marketing also emerged, and low in the ranking was the capability to make customer follow-ups.

6.10.3 Question Three: Digital Marketing Activities Oriented

What activities do you do electronically that promotes your marketing?

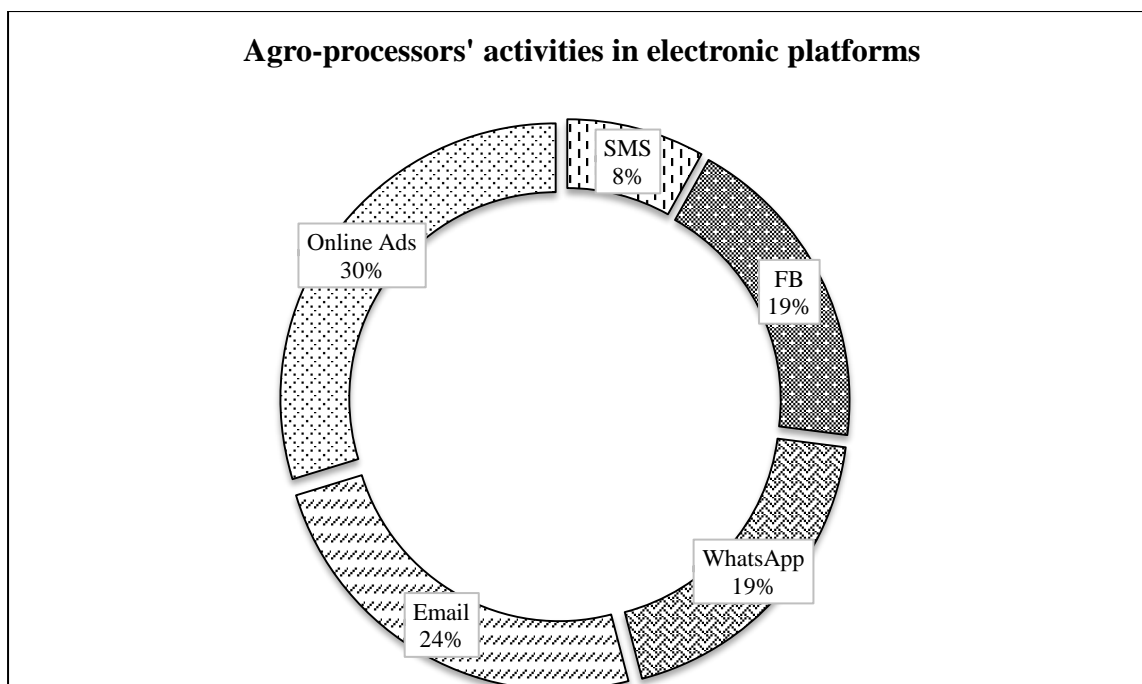


Figure 6-10 Qualitative results: Agro-processors digital activities

The results show that respondents engage more in online advertisements (30%) than any other online engagement. However, online advertising in this case is limited to banner advertisements. Queried on what they meant by online ads, respondents indicated that any posts they make on the web or various blogs to be online ads, as such separate from Facebook and WhatsApp posts. The researcher decided to capture online ads as per the respondents' perspectives so that there is a distinction with the other activities. In second position are emails (24%), followed by WhatsApp and Facebook. In this study, agro-processors indicated that they use less of SMS marketing.

6.10.4 Question Four: Digital Marketing Tools Oriented

What tools (e.g. Facebook, WhatsApp) do you mainly use for marketing and why? (List in order of importance)

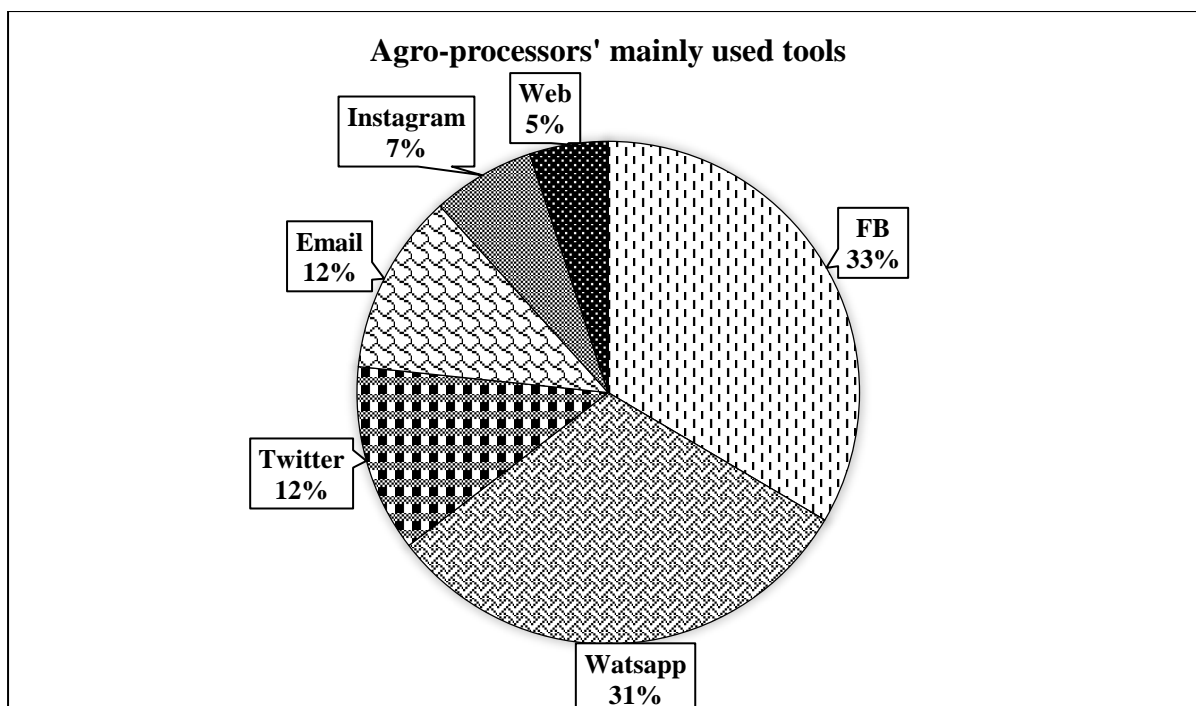


Figure 6-11 Qualitative results: Agro-processors' mainly used digital tools

Agro-processors mainly use Facebook followed by WhatsApp as marketing tools. On a small scale, they also use twitter, email, and twitter. Use of the website is minimal in agro-processors. These results imply that social media marketing is dominant in agro-processors. The overreliance on Facebook and WhatsApp is also a signal that most agro-processors customers are reachable through these platforms. According to the respondents, they dominantly use Facebook and WhatsApp because of the wide reach that these two platforms. Respondents also cited high accessibility of Facebook and WhatsApp that enable the agro-processors to communicate anytime. The same platforms are also easily accessible to potential customers because of the availability of data bundles from mobile operators specifically for these platforms. Therefore, the absence of data bundles for general internet access limits web usage by the agro-processors.

6.10.5 Question Five: Marketing Performance Oriented

What benefits do you think you obtained because of your digital (electronic) marketing activities?

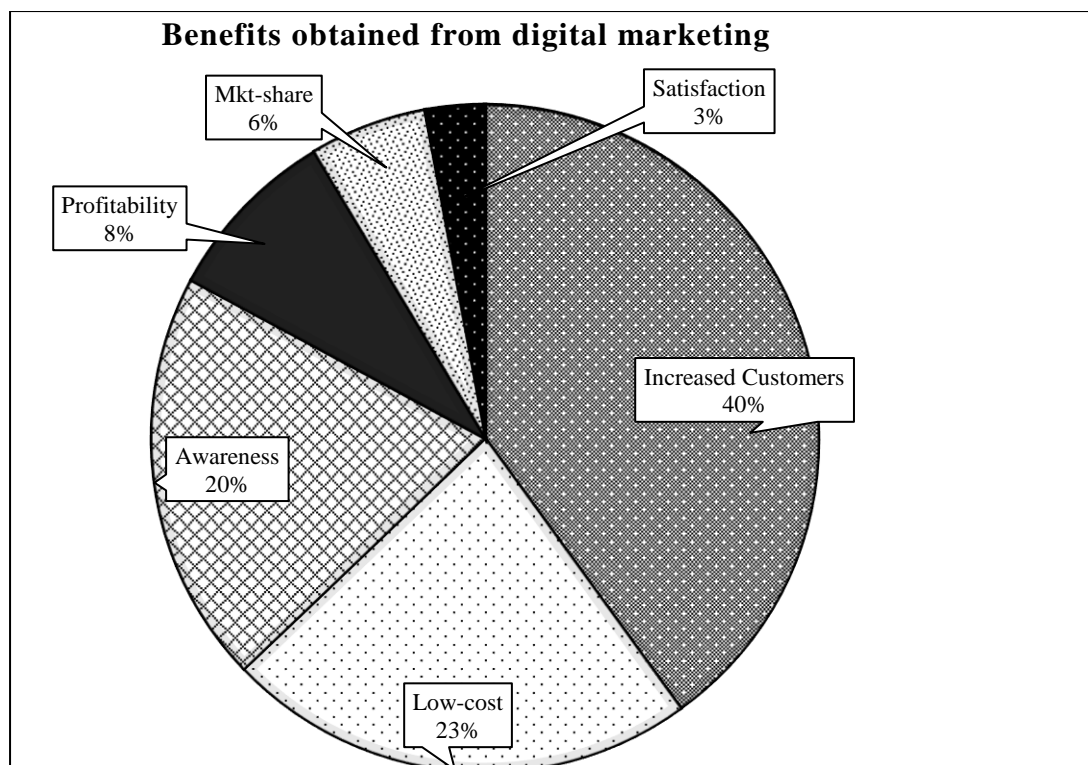


Figure 6-12 Qualitative results: Benefits obtained from digital marketing

The results reveal that agro-processors' main benefit from digital marketing is increased customers from the wide reach of digital channels. Wide reach is therefore a major outcome that agro-processors enjoy from digital marketing. In addition, the agro-processors indicated that they achieve cost saving advantages through digital marketing. Awareness was on third position in the frequently mentioned benefits. Profitability and market share received few mentions with customer satisfaction acquiring the least mentions.

6.11 CHAPTER SUMMARY

This chapter presented the research results. Results were presented in three basic forms, descriptive, inferential and qualitative data analysis. Hypothesis testing was done using multiple regression analysis. In the descriptive results section, analysis was guided by sections in the questionnaire whilst the inferential was mainly driven by establishing relationships between variables, study objectives, questions and hypothesis. The qualitative results were quantified and presented in graphs and charts. This data provide supportive evidence to the main quantitative results. The next chapter provides a discussion of the results.

CHAPTER 7 DISCUSSION OF RESULTS

7.1 INTRODUCTION

The previous chapter provided a presentation and analysis of the research results. This chapter provides a discussion of the results in relation to the set objectives and hypothesis. The chapter connects with the previous chapter by discussing the results in relation to the ‘known’ identified in the literature review. The main research question of the study was to interrogate if possession of certain digital marketing resources, and capabilities influence market performance of agro-processors in Harare, Zimbabwe. Therefore the chapter discusses the extent to which the conceptualised relationships are supported by results obtained in the study. Since the discussions are guided by the study objectives, the chapter is organised as follows; discussion of i) agro-processors’ digital marketing assets, capabilities, characteristics and activities, ii) relationships between digital marketing assets, capabilities and activities, iii) impact of digital marketing assets, capabilities and activities on intermediate outcomes, and iv) impact of digital marketing assets, capabilities, and activities on final market outcomes v) institutional barriers.

7.2 AGRO-PROCESSORS’ DIGITAL MARKETING ASSETS, CAPABILITIES, CHARACTERISTICS AND ACTIVITIES.

This objective sought to understand the digital marketing assets, capabilities and activities of small to medium sized agro-processors in Harare, Zimbabwe. While previous studies (Dlamini & Schutte, 2020; Mabenge, et al., 2020; Njanike, 2019; Matsongoni & Mutambara, 2018; Tinarwo, 2016; Bomani, 2016; Chigwenya & Mudzengerere, 2013; Dube, 2011; Mhazo, et al., 2012) have focussed on various factors affecting SMEs in Zimbabwe, and manufacturing firms in general, this study unearthed resources, capabilities and activities of agro-processors in the digital marketing context.

7.2.1 Demographic characteristics

It emerged from the study that food and beverage (37%), wood and furniture (34%), and, textiles and clothing (25%) dominate the SME agro-processors in Harare. This supports findings from Mhazo, et al., (2012) that food, tobacco and textile sectors lead in the Zimbabwean agro-processing sector. Wilkison & Rocha, (2008) who found that food and beverage agro-processors are usually located close to urban markets further provide evidence

for the dominance of the food and beverage sector. This provides a possible explanation to the dominance of food and beverages in Harare, which is the capital city and holds the largest urban dwellers in Zimbabwe. However, the tobacco sector was invisible in this study as focus was on SMEs yet the majority of tobacco firms are large.

The study established that 46% of the participants were women whilst 54% were men. Although previous research found women to be dominant and major beneficiaries of agro-processing in Zimbabwe with 53% engaged in agro-processing compared to 47% of men (Finscope, 2012), the current study only considered respondents in managerial positions or senior executives in charge of marketing. This could potentially leave out other participants. However, the 46% of women in managerial or executive positions implies that truly agro-processing offers new opportunities for women. Interestingly, women dominated in the 18-30 years age group, constituting about 59% of respondents in that group. This implies that women were getting into senior positions at a younger age than men were.

The majority of agro-processors (72%) who participated in the study do not have websites with only 28% confirming to have one. Although this figure of agro-processors without websites is high, 60% of small firms globally do not have websites (Charlesworth, 2018) and a study in the UK found about two million SMEs without websites (Enterprise Management 360, 2017). Another survey by World Bank Enterprise Surveys, (2016) that sampled manufacturing firms indicated that 38.9% of manufacturing firms in Zimbabwe use websites. However, this was for all manufacturing firms and Zimbabwe at large. The few that have websites lacked capabilities to fully manage, update and commercially use the websites (Gilmore, et al., 2007). The low uptake of websites by agro-processors in Zimbabwe could explain the limited use of websites as a marketing tool. Results of qualitative data analysis show that agro-processors ranked the least website usage (5%). Instead, agro-processors in Harare rely more on social media particularly Facebook (33%) and WhatsApp (31%). An alternative explanation could be the potential for high reach that these platforms provide. According to POTRAZ (2017), active mobile subscriptions continue to grow in Zimbabwe, reaching 14,9million users in a country with a population of 16 million giving a 102.7% penetration rate. In addition to this, telecommunication mobile operators continue to give social media data bundles specifically for Facebook, and WhatsApp. These discounted internet access rates promote social media whilst negatively affecting web access of other sites. For that reason, agro-processors find it prudent to rely more on Facebook and WhatsApp since they are affordable to the market thus have wide reach.

Interestingly, of the 28% owning websites, 58% are in the food and beverage sector. This could explain the growing importance and globalisation of the sector (Wilkison & Rocha, 2008). According to Wilkison & Rocha, (2008), the food and beverage sector is constantly becoming an important sector in developing countries that is exporting to the developed world 60% of its produce. This study revealed that the majority of agro-processors do not distribute, promote, nor share prices through websites. Coming to experience in the industry, majority of the agro-processors (35%) that participated in the survey had between six and ten years in existence, followed by those with two to five years (31%). Very few companies had over 21 years in existence. This could be that the majority of companies above 21 years of existence would have grown from SMEs to be large corporates. Most of the companies (66%) involved in this study had between 6 to 50 employees.

7.2.2 Digital marketing assets

The study tested six digital marketing assets – structural capital at the base of digital marketing, human capital, intellectual assets, digital market orientation, reputational assets, and relational assets. The descriptive analysis showed that agro-processors in Harare have different levels of the digital marketing assets.

Results indicate that digital marketing assets overall scale mean \pm SD stood at 69 ± 18.3 out of a possible 100 significantly indicating that respondents agreed that they have the foundational digital marketing assets required for their digital marketing activities. Notably was the indication that agro-processors have “good relationships with key customers” receiving highest rating ($M=4.0805$ $SD=1.17216$) on a scale of 1-5. This means that respondents agreed that they have a powerful relational asset in the form of good relationships with key customers. These results support the findings of Mhazo, et al., (2012) that agro-processors in Zimbabwe have strong ties with rural farmers who provide crucial inputs. Research provide wide evidence of these linkages (ITAC, 2016; Reeg, 2015; Rivera-Santos, et al., 2012).

The qualitative data analysis revealed that agro-processors only have three digital marketing assets that they believe offer a competitive advantage. These assets are, structural capital at the base of digital marketing, human capital, and reputational assets. These results support the quantitative data results by providing a confirmation that structural capital at the base of digital marketing, human capital, and relational assets are key assets for agro-processors in Harare. Under structural capital at the base of digital marketing, majority of respondents indicated that

they have computers, internet access and mobile devices necessary to undertake digital marketing. These findings mean that agro-processors are utilising the internet access growth being experienced in the market. POTRAZ (2017), reported a 50.8% internet penetration in Zimbabwe, and a continuous decline in voice traffic thus an opportunity for businesses to tap into the digital market.

7.2.3 Digital marketing capabilities

This study tested four main digital marketing capabilities which are digital strategy development & execution, digital innovation, e-market sensing, and leadership capabilities. Descriptive analysis of results revealed an overall scale mean \pm SD of 66.8825 ± 24.94659 from a possible 100 indicating that agro-processors who participated in the study had the required digital marketing capabilities. In addition, multivariate analysis showed significant associations between digital marketing capabilities and intermediate market outcomes. This means agro-processors in Harare have the skills and abilities to convert resources and execute digital marketing activities that help create awareness, positive brand attitudes, and associations among other intermediate market outcomes. However, only digital strategy development and execution capabilities provided statistical evidence of significant association to final market performance outcomes such as sales, profitability and market share. These findings are contrary to previous research that concluded that SMEs (agro-processors included) lack market information, intelligence, and sensing capabilities (Gilmore, et al., 2007; Mhazo, et al., 2012; Heini & Heikki, 2015).

Results of the qualitative data analysis identified pricing, quality products, and delivery as the top capabilities of agro-processors. Although the study had well defined capabilities in the quantitative section, these results help explain main strengths of agro-processors in Harare. Extant literature (Chinakidzwa & Phiri, 2020; Khan, 2017; Sok, et al., 2016; Ampadu-Ameyaw & Omari, 2015) has argued that SMEs provide convenience especially when it comes to pricing, location, and customisation. The dominance of pricing in the responses tells the story that agro-processors in Harare are able to favourably price their products, as such manage to capture price sensitive markets. This possibly explains why SME agro-processors manage to survive in markets where large corporates serve. Pricing capabilities are critical for gaining competitive advantage in Zimbabwe due to the erosion of disposable income that had caused most customers to be highly price sensitive. The enactment of Statutory Instrument 142 that

removed the multicurrency system and replaced it with the Zimbabwean dollar (ZW) as the sole trading currency resulted in loss of buying power to most Zimbabweans. This was a mainly as a result of salaries that remained pegged at 1:1 Zimbabwean dollar to the United States of America dollar (USD) yet the Zimbabwean dollar was constantly depreciating. Agro-processors therefore have a huge competitive advantage in their pricing and convenient location which is close to the market. Combined with close linkages with rural farmers, possession of digital marketing assets, agro-processors market performance can significantly be improved.

7.2.4 Digital marketing activities

In this study, the study tested for four main digital marketing activities that relate to McCarthy's marketing mix elements of product, price, place, and promotion. The researcher added a fifth activity related to service. Results showed that overall scale mean \pm SD stood at 61.9 ± 18.96 out of a possible 100 revealing that agro-processors in Harare are involved in various digital marketing activities. However, it is the quality of these activities that is limited (Gilmore, et al., 2007) as shown by absence of significant web presence through websites. In the open-ended questions, there was no mention of website usage; instead, agro-processors reported that they use Facebook and WhatsApp the most. In addition, respondents rated lowly the question "Online channels shorten our delivery time" ($M=2.9295$ $SD=1.36023$). The low recognition of digital channels is a sign that it has limited usage among agro-processors. Respondents strongly believe their abilities to do market sensing help in their after-sales service provision. This support Barrett, et al., (2015) and Day (1994) that market sensing is beneficial to an organisation as it feeds into innovation and service delivery. Agro-processors also indicated that they are strong in online advertising, email and social media marketing. Strength in these areas is important in a world with exponential global digital growth where consumers spend 48% of their time on mobile (Wearesocial, 2019). The wide usage of Facebook and WhatsApp in agro-processors is not surprising. In Zimbabwe, mobile telecommunications service providers offer various social media packages such as Facebook and WhatsApp bundles. These 'bundles' allow users to access social media platforms at discounted rates, as such promoting certain platforms over others. It is therefore prudent for agro-processors to rely on Facebook and WhatsApp because of the wide reach of these platforms. Extant research also shows that people check their mobile phones on average 6.5mins (Dodson, 2016). Compounded with the constant growth of global mobile internet (67%) (GSMA, 2019), Facebook and WhatsApp

become incredible tools for agro-processors' digital marketing activities. As such, agro-processors in Harare engage in online advertisements (30%) possibly through Facebook and WhatsApp as well. Unlike Europe where 71% of firms that engage in online sales mainly use own websites and applications, agro-processors use of websites remain marginally low.

The agro-processors also indicated that they attain on average 63% of the expected digital pricing and product related activities. This was the highest score for agro-processors digital marketing activities. Price sensitive customers, who are concerned about product availability, could prompt agro-processors to engage more in digital pricing and product related activities. The prevailing hyperinflationary environment prompts customers to engage in speculative buying as such always seek price and product availability information. However, the textiles & clothing sector engage in more digital marketing activities compared to food & beverage, and wood & furniture. The huge digital marketing resources and capabilities that the textile & clothing sector possess could explain the difference in activities engaged.

7.2.5 Relationships between digital marketing assets, capabilities and activities

In this objective, the researcher intended to understand the relationships between digital marketing assets, capabilities and activities undertaken by agro-processors. Results of descriptive analysis show that there are relationships between digital market assets, capabilities and activities. The Spearman correlation also showed significant associations between digital marketing assets, capabilities and activities. There is a strong relationship between these variables as all the correlation coefficients were above 0.5 (Sekaran & Bougie, 2016). These findings support existing literature (Day, 1994; Clark, 2007; Ngo & Aron, 2012; Sok, et al., 2016) that has shown marketing resources, capabilities and/or activities to be closely connected. The study further found digital marketing assets, capabilities, activities, institutional barriers, intermediate and final market outcomes to be significantly correlated. These relationships are important in agro-processors' digital marketing efforts in that the more digital marketing assets and capabilities that an agro-processor build, the more activities it can perform. The strongest relationship was between digital marketing assets (DMA) and digital marketing capabilities (DMC) ($r_s = 0.8$ $p < 0.001$) providing further evidence of the linkage between digital marketing assets and capabilities. Even in the digital marketing environment, digital marketing assets provide a base or foundation for digital marketing capabilities and activities.

7.3 IMPACT OF DIGITAL MARKETING ASSETS, CAPABILITIES AND ACTIVITIES ON INTERMEDIATE OUTCOMES

This objective intended to measure the impact of digital marketing assets, capabilities and digital marketing activities on intermediate market performance outcomes that were awareness, customer attitudes, brand associations, availability and satisfaction.

7.3.1 Impact of digital marketing assets on intermediate outcomes

By digital marketing assets, the study meant structural capital at the base of digital marketing, human capital, intellectual assets, digital market orientation, reputational assets and relational assets. The influence of each of these digital marketing assets was tested and the t-test results revealed that all the digital marketing assets were significantly associated with intermediate market outcomes. However, to understand fully the impact of these digital marketing assets, the researched tested six sets of hypothesis that related to digital marketing assets using logistic regression.

The results of the logistic regression supported only hypothesis H1b (i), and H1f (i). Hypothesis H1b (i) states that;

Human capital positively and significantly influences intermediate market performance outcomes.

This means human capital, which are the employees and managers in an organisation (Moorman & Day, 2016), their skills, creativity and knowledge (Morgan, 2012; Edvinsson & Sullivan, 1996) which is applied for value creation purposes. The study found that these people and skills influence intermediate market outcomes. In other words, before an organisation attains profitability, sales growth and market share, it has to create awareness, positive brand associations, and favourable attitudes towards the firm, and all these are a result of human capital that a firm possess. In the agro-processors' perspective, human capital is thus a crucial digital marketing asset that influences performance. The high literacy rates (UNESCO, 2019) could be contributing to the huge human capital that agro-processors possess. In this study, agro-processors who achieved >50% intermediate market performance outcomes, have about 70% of the required human capital compared to those with <50% intermediate outcomes who had 46% of their human capital needs. Therefore, it means those agro-processors that can develop unique human skills and proficiencies in digital marketing will outperform those without such skills.

This argument is supported by literature. Kotler & Keller (2016) posited that employees are central to success of an organisation, and lack of sufficient human capital negatively affects capabilities such as strategy implementation regardless of how great an idea could be (Hooley, et al., 2005). In other studies Aryanto, et al., (2015) and Yang, (2008) found that human resource, positively influence performance in an organisation. Aryanto, et al., (2015) in a study of software firms found strategic human resource management to influence performance through innovative capabilities.

The other supported hypothesis, H1f (i) states that;

Relational assets positively influence intermediate market performance outcomes.

The study results revealed that agro-processors' relational assets positively influence intermediate market performance outcomes ($p < 0.05$). This means that agro-processors who participated in the study have strong customer linking capabilities (Day, 1994). Similarly, Mhazo, et al., (2012) found that agro-processors in Zimbabwe rely more on informal linkages mainly upstream the supply chain. These linkages enable easy access of raw materials from rural farmers thus contributing to rural development (Wilkison & Rocha, 2008). Relational assets entail a firm being able to identify profitable relationships, developing, and nurturing these relationships for a profit (Morgan, et al., 2009; Hooley, et al., 2005) and in the process promote open marketing (Day, 2011) through linkages to networks outside the organisation. Contrary to findings of Mhazo et al (2012) and Zindiye, et al., (2012) that agro-processors in Zimbabwe lack market knowledge, skills, and information this study provide a different perspective. The creation and nurturing of profitable relationships and networks itself call for an understanding of the market. No awareness and positive brand associations can be created without attracting and engaging the right customer. However, Mhazo, et al., (2012) arguments may be valid for micro agro-processors who are not well established to tap into the existing opportunities. This study considered formalised small to medium sized agro-processors, as such this category might have mastered 'rules of the game'. The ability of these agro-processors to build and maintain relational assets could be the reason why they continue to survive in an environment that is highly unstable and unpredictable. In testing the association between digital marketing assets and intermediate outcomes, respondents who achieved $>50\%$ of intermediate market outcomes indicated that they have about 83% of the required relational assets as compared to $<50\%$ of those with 54% of required relational assets. Therefore the

implication is that agro-processors must build strong relational assets as they significantly contribute towards intermediate market outcomes.

The hypotheses that were not supported are;-

Hypothesis 1a (i): Structural capital at the base of digital marketing positively and significantly influence intermediate market performance outcomes.

Hypothesis 1c (i): Intellectual assets positively and significantly influence intermediate market performance outcomes.

Hypothesis 1d (i): Digital market orientation positively and significantly influence intermediate market performance outcomes.

Hypothesis 1e (i): Reputational assets positively and significantly influence intermediate market performance outcomes.

Although agro-processors claimed to have the identified digital marketing assets, there was no significant evidence to show their influence on intermediate market outcomes. This is not new as the capability approach argues that resources alone are not enough, and cannot be a source of competitive advantage. Instead, there is need to make good use of the resources or assets for an organisation to achieve profitable market outcomes. As such, these results support the capability based approach argument. This argument is valid if taken into perspective of the individual assets tested in the hypothesis. Structural capital or physical resources in this study meant gadgets such as computers, smart phones and customer databases. These resources or assets provide support to various functional areas or process (Morgan, 2012; Edvinsson & Sullivan, 1996) as an organisation adds value. As such, it is justifiable not to find a direct impact on intermediate market outcomes. For example, a database cannot directly influence awareness or customer attitudes until digital marketers' data mine to identify potential customers, and direct promotional messages that create awareness and positive brand associations.

The same argument applies to the other assets. Intellectual assets in the form of market knowledge and processes cannot offer agro-processors market advantage until the resource or asset is utilised.

This study did not find statistical evidence to support the influence of digital market orientation on intermediate outcomes. This is contrary to most findings (Moorman & Day, 2016; Milfelner, et al., 2008; Tsiotsou & Vlachopoulou, 2011; Kirca, et al., 2005) that found market orientation to influence positively market performance. An alternative explanation could be that agro-

processors use digital market orientation to acquire customer, and competitor information, which agro-processors then use to respond to market needs. Agro-processors' responses could be in the form of innovations (Moorman & Day, 2016), and proactive strategies that lead to customer satisfaction (Kirca, et al., 2005). According to Frosen, et al., (2016) market orientation does not lead to superior market performance but it is a requirement for every business. As such, although no direct influence was found between digital market orientation and intermediate market performance, digital market orientation remains vital in agro-processors' marketing activities.

Another finding was the lack of support to the hypothesis that reputational assets positively influence intermediate market outcomes. This comes as a surprise because literature shows that reputational assets stimulate customer satisfaction, loyalty, market share and sales (Milfelner, et al., 2008; Hooley, et al., 2005). Two possible explanations exist, it could be that although agro-processors consider themselves to possess 'key brands and market credibility' (Milfelner, et al., 2008), reality could be that the market does not value such brands because indisputable links with distinguished and prominent brands always help to connect with customers (Hooley, et al., 2005). Customers naturally respond to strong brands than poorly branded products (Clark, 2007). Although Hooley, et al., (2005) suggested that it is possible to achieve profitability and high market share without creating satisfied and loyal customers, this study did not find statistical evidence of reputational assets influence on final market outcomes of sales, profitability and market share. The second explanation could be that the market had less consideration of branding issues therefore reputational assets had no influence. This could be true considering two factors, 1) that agro-processors had pricing and distribution related advantages, 2) that the market had low disposable incomes. Because of low incomes, price and convenience (availability) become more important than the brand.

7.3.2 Impact of digital marketing capabilities on intermediate market outcomes

In this study, digital marketing capabilities refer to digital strategy development & execution, digital innovation, leadership, and e-market sensing capabilities. The study revealed that agro-processors' digital marketing capabilities were significantly associated with intermediate market outcomes. These findings support the capability approach that capabilities contribute to market performance, and unlike digital marketing assets, capabilities offer superior performance opportunities.

The study confirmed hypothesis 2a (i) that; - *Digital strategy development & execution capabilities positively influence intermediate market performance outcomes.*

Agro-processors' digital strategy development & execution capabilities are leading to customer awareness, positive brand associations, positive attitudes, and availability of products and services. The results confirmed that agro-processors in Harare are able to design, and execute profitable digital marketing strategies for favourable market outcomes. This is a positive development considering that the Zimbabwean environment is very dynamic and unpredictable. The findings support existing literature that strategy development and implementation capabilities influence market performance (Chaffey, 2015; Vorhies & Morgan, 2005). Organisations that fail to define clearly their strategies miss opportunities, and waste resources (Hitt, et al., 2017; Chaffey, 2015; Lynch, 2009). Abdullah, et al., (2019) found that e-strategy influence customer perceptions on intention to adopt online banking, further providing evidence to the strategic nature of digital strategy implementation.

In addition, results of this study supported the hypothesis that, '*digital market innovation capabilities positively influence intermediate market performance outcomes*'. This means agro-processors in Harare are realising value in their pursuit of digital market innovation capabilities. Learning from Kirca, et al., (2005), the rewards of innovation capability in this study are justified. According to Kirca, et al., (2005) and Christensen, (1997) firms that focus more on market orientation miss on innovation. In this study, the logistic regression results did not provide significant statistical evidence to support that digital market orientation positively influences intermediate market outcomes. Therefore, agro-processors are focusing more on digital market innovation and missing on the market performance benefits of digital market orientation. These results imply that firms that focus on innovation miss market orientation. This is justifiable because innovation requires market experimentation, proactiveness and a deep dive into the future which market orientation may not provide. The results further suggest that agro-processors in Harare are agile, quick to learn, and realign with technology (Valaei, et al., 2017) contrary to suggestions that SMEs are often swamped by ICT developments.

The results are also in support of the findings of Barrett, et al., (2015) that firms in developing markets innovate regardless of resource deficiencies. Previous studies have established various challenges faced by SMEs in Zimbabwe which include financial challenges (FinScope, 2012),

policy issues (Bomani, 2016; Chigwenya & Mudzengerere, 2013), informalisation (Matsongoni & Mutambara, 2018) and market linkages (Mhazo, et al., 2012). Despite these well documented challenges, agro-processors got digital market innovation capabilities that contribute towards favourable market performance. According to Barret, et al., (2015) firms in developing markets always find ways to customise innovations to meet market needs. This is evident in the agro-processors' reliance on social media (Facebook and WhatsApp) due to high accessibility of these platforms in Zimbabwe. As such, agro-processors drive marketing campaigns using these social media platforms that big firms shun. The digital market innovations exhibited in agro-processors further suggest a high enterprenurial spirit despite financial and other resource limitations (Rakicevic, et al., 2016).

The evidence of significant positive associations between leadership capabilities and intermediate market outcomes is not surprising considering that agro-processors in Harare have strong human capital. Although human capital is not enough on its own, it provides a strong base to build effective leadership capabilities (Teece, et al., 1997). Corporate culture of SMEs is usually dominated by cultural perceptions and values of the owner or shareholders who tend to have more influence than in large corporates (Lynch, 2015). In some instances, these SMEs are owner managed, as such leadership capabilities become a key driver to success. The results affirm that agro-processors in Harare are able to bring together their human capital, coordinate, and lead activities and processes in their organisations.

The final revelation under the digital marketing capabilities section, that '*e-market sensing capabilities positively influence intermediate market performance outcomes*' is a positive outcome in the agro-processors capabilities research. Contrary to previous findings that SMEs (agro-processors included) are not able to gather market intelligence (FinScope, 2012; Mhazo, et al., 2012; Zindiye, et al., 2012) the study reveals that agro-processors are engaging in e-market sensing and benefiting from such capabilities. The power of digital technologies that agro-processors are implementing potentially explains this shift. Digital media facilitates easy market intelligence at a low cost (Charlesworth, 2018) thus reducing cost pressures for SMEs (Heini & Heikki, 2015). The strong relational assets could also be contributing to positive results from e-market sensing capabilities. Strong market relationships make it easy to gather market intelligence. Agro-processors' heavy reliance on social media could also be a contributing factor to e-market sensing capabilities effectiveness. Social media provide wide reach, enhanced e-word of mouth and is less costly. The ability to tap easily into virtual communities possibly enhances agro-processors e-market sensing capabilities. Seo & Park,

(2018) found social media to influence performance through positive brand associations, value and attitudes.

7.3.3 Impact of digital marketing activities on intermediate market outcomes

The logistic regression results revealed that only pricing and promotion related activities positively influence intermediate market outcomes. The qualitative data analysis results support the logistic regression results in that agro-processors indicated pricing as their major strength that give them a competitive edge. This support Ryan & Jones, (2009) argument that pricing activities are vital in the digital marketing environment.

Agro-processors could be good in pricing related activities because of the high relational assets that they have which enable access to raw materials at better prices and terms. The promotional advantages could be emanating from the active usage of social media platforms mainly Facebook and WhatsApp. Results of the qualitative data analysis revealed that agro-processors believed digital marketing activities significantly contribute to market performance through increased customers, reduced costs, and increased awareness respectively. These findings are justified considering that the widely used channels, Facebook and WhatsApp are widely accessible and cheap in Zimbabwe because of the availability of data bundles. Results from these platforms are also measurable easily therefore, agro-processors quickly identify the benefits.

7.4 IMPACT OF DIGITAL MARKETING ASSETS, CAPABILITIES, AND ACTIVITIES ON FINAL MARKET OUTCOMES

The study measured market performance at two levels, intermediate outcomes and final-outcomes. In this section, the researcher provides a discussion of the final market-performance measurement outcomes. The researcher measured three final market performance outcomes which were, sales growth, profitability and market share. The section is organised as follows; influence of digital marketing assets on final market performance outcomes, impact of digital marketing capabilities on final market performance outcomes, and finally, impact of digital marketing activities on final market performance outcomes.

7.4.1 Impact of digital marketing assets on final market performance outcomes.

The researcher tested a set of six digital marketing assets related hypothesis, and the results supported only one hypothesis which reads;-

Relational assets positively influence final market performance outcomes.

Relational assets had significant positive influence on final market performance outcomes after adjusting for other study variables ($p=0.018$). This means that relational assets are a ‘golden’ asset for agro-processors in Harare, as relational assets influence both intermediate and final market outcomes. Whilst other resources or assets require capabilities to make profitable use of the assets, relational assets provide direct benefits to the firm. This finding further strengthens the argument that agro-processors are closely linked, and profitably exploit the close relationships (Mhazo, et al., 2012). Relational assets are key to agro-processors as they strengthen agro-processors’ ability to link with outside networks (Day, 2011; Hanna, et al., 2011) thus promoting collaborations (Dekker, et al., 2019) and innovation (De Silva & Rossi, 2018). The strong relational assets could potentially explain the survival of agro-processors in a highly turbulent and unpredictable market that large firms wind up.

Although the positive influence of human capital on intermediate outcomes was supported, impact of human capital on final–outcomes was not supported. This means agro-processors are only able to use their human capital for creation of awareness, positive brand associations, and positive customer attitudes. When it comes to real value capturing processes of sales, profitability and market share, human capital is not directly significant. However, intermediate outcomes have significant predictive power or influence on final market performance outcomes (Clark, 2007). Results of this study found a strong association between intermediate market outcomes and final market outcomes ($p<0.001$) with an increase in intermediate outcomes resulting in an increase in final outcomes with the correlation 0.726. For that reason, human capital is indirectly valuable to the positive influence of agro-processors’ final market outcomes.

The other digital marketing assets were not supported just as they were not supported in intermediate market outcomes, further implying that digital marketing assets need capabilities to be profitably put into good use. For example in a physical marketing setting, the physical environment would immensely contribute to sales as customers get influenced by physical settings. In the digital environment, the presence of structural capital alone cannot be enough as assets such as computers, servers, and databases need some capabilities to convert into value. Although results from bivariate correlation established significant associations between digital marketing assets with final market outcomes ($p<0.001$), logistic regression did not support these findings after adjusting for other study variables.

7.4.2 Impact of digital marketing capabilities on final market performance outcomes

The researcher tested the same capabilities previously tested on intermediate market outcomes. The results show that only one hypothesis; ‘Digital strategy development & execution capabilities positively influence final market performance outcomes’ was supported. This implies that strategy development & execution is critical to agro-processors’ market performance through sales, profitability and market share. Without sales and profitability a business ceases to exist. This places strategy development & execution as a superior capability when linked to final market performance. The implication is that without strategy, even the best capabilities cannot be put into good use. Even e-marketing sensing, leadership, and innovation capabilities require a good strategy to bring profitable final market performance outcomes. The dynamism in the Zimbabwe economic environment could have prompted agro-processors in Harare to be masters of profitable strategy development and execution. However, the other capabilities remain valuable to Harare agro-processors as they influence intermediate market outcomes. Various factors could have led to the lack of significant statistical evidence of their influence to final market outcomes. For example, as much as digital market innovation capabilities were found to influence intermediate outcomes of awareness, positive brand attitudes and associations, customers' low buying power could have negatively affected influence on final sales and profitability.

7.4.3 Impact of digital marketing activities on final market performance outcomes

Results of the qualitative data analysis revealed that agro-processors realise less of increased profits, market share and customer satisfaction compared to increased customers, reduced costs and increased awareness. This finding implies that agro-processors are not able to link their profitability and market share to digital marketing activities although they acknowledged increased customers, awareness and low costs. The results bring a market-performance measurement question, whether agro-processors are able to connect activities and outcomes. However, multivariate analysis results indicate that agro-processors’ pricing and distribution activities significantly influence final market outcomes. The pricing advantages could be the reason for the continued survival of small to medium sized agro-processors even when the environment is bad.

7.4.4 Impact of institutional barriers on final market performance outcomes

Contrary to literature that institutional barriers negatively influence market performance (Mair, et al., 2012; Rivera-Santos, et al., 2012; Aidis, 2005), results of multivariate analysis showed

that institutional barriers were not statistically significantly associated with agro-processors final market performance outcomes ($p>0.05$). This suggests that institutional barriers did not influence the performance of agro-processors who participated in the study. Instead, agro-processors could be benefiting from the lack of regulation, and enforcement in the Zimbabwean business environment. These findings support Barrett, et al., (2015) that digital technologies help to reduce the effect of institutional barriers in developing markets. Even though respondents confirmed that they face on average 65% institutional barriers, digital marketing resources, capabilities and activities could be helping to reduce effect of these institutional barriers on market performance.

7.5 CHAPTER SUMMARY

The chapter provided a discussion of the results. The discussion of results was in relation to research objectives, and hypothesis. Results of multivariate and qualitative analysis were central to the discussion. The next chapter focus on summary, conclusions and recommendations.

CHAPTER 8 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.

8.1 INTRODUCTION

This chapter wraps up a study that interrogated whether possession of certain digital marketing resources, and capabilities influence market performance of agro-processors in Harare, Zimbabwe. The study indeed questioned the role played by resources and capabilities in agro-processors' market performance from both developing market and country contexts. Several revelations with regards to resource and capability configurations, market performance, and Harare agro-processors emerged. To give a comprehensive wrap of the study, the chapter is organised as follows; summary of all previous chapters, conclusions based on research objectives, recommendations emanating from the study, and contributions to body of knowledge. In addition, the chapter provides limitations of the study and directions for further research.

8.2 CHAPTER SUMMARIES

8.2.1 Chapter One – Introduction to the study

This chapter laid the background to the study, statement of the problem, research questions, and significance of the study. The researcher noted that marketing is contextual, same as innovation; as such, marketers cannot transfer theories easily. Further, related research in Zimbabwe ignored digital marketing related areas, instead focussed of financial issues, government support, and constraints in SMEs. As a result, there is a wide gap in knowledge on influences of digital marketing resources, and capabilities on market performance. In view of this, the chapter laid objectives that sort to understand agro-processors resources, and capabilities, and impact of the resources, and capabilities on performance. The chapter provided detailed justifications and significance for the study.

8.2.2 Chapter Two – Digital marketing resources and market performance

The chapter unpacked marketing, digital marketing, resources and market performance aspects. The chapter also gave an overview of the developments in the marketing field, showing how the field has evolved to where we are today. In the process, the chapter explained drivers for

digital marketing, types of digital marketing, key success factors, causes of failure, and importance of digital marketing to firms. The chapter highlighted that marketing is a dynamic field, and the digital revolution is disrupting traditional approaches of reaching customers. The chapter also introduced the influence of resources, and capabilities to market performance. The chapter help understand concepts discussed later, and sets the tone for the report.

8.2.3 Chapter Three – Theoretical and Conceptual framework

The chapter laid the theoretical background of the study. The chapter focused on five perspectives or explanations to market performance differences and sources of superior market performance in firms. These perspectives centred on the industry structure, game theory, marketing mix, resource based view, and the capabilities approach. The chapter also unpacked market-performance measurement issues, and centred on the work of Clark (2007). The researcher noted several arguments these pieces of work, and these arguments formed the basis for the conceptual framework. The framework focussed on testing the impact of four major constructs on market performance of agro-processors. These constructs were digital marketing assets, digital marketing capabilities, digital marketing activities, and institutional barriers.

8.2.4 Chapter Four – Manufacturing industry in Zimbabwe. An agro-processing sector perspective.

This chapter unpacked the status of the manufacturing industry in Zimbabwe focussing on agro-processing. The chapter highlighted the strategic importance of this sector to the economy of Zimbabwe. In this chapter, the researcher explicated the reason for deciding to focus on the agro-processing sector. The chapter helps to understand the Zimbabwean business environment, status, prospects and challenges of the agro-processing sector.

8.2.5 Chapter Five – Research Methodology

The Research Methodology chapter provided a methodological layout of the study. This included philosophical views, research design, sample design, study site, data collection and analysis techniques. The study adopted a pragmatic view, mixed method concurrent embedded research design, mixed sampling approach, and employed statistical analytical approaches. This cross-sectional study took place in Harare, Zimbabwe. The researcher conducted a survey using a questionnaire to collect data from agro-processors.

8.2.6 Chapter Six – Presentation of results and data analysis

The chapter presented results of the survey conducted in Harare, Zimbabwe. The research made interpretations to the results. The researcher-organised results in the chapter based on four basic categories, descriptive, bivariate, multivariate, and qualitative data analysis. In this chapter, the research used different tables, and graphs to present the results.

8.2.7 Chapter Seven – Discussion of results

This chapter focussed on discussion of results in relation to agro-processing, digital marketing, resources, capabilities, and market performance related literature. The chapter highlighted areas where results support or depart from existing literature. The researcher used results from both quantitative and qualitative data analysis.

8.2.8 Chapter Eight – Summary, Conclusions and Recommendations

The chapter gave a summary of all other chapters, conclusions based on objectives, and recommendations from the study. In addition, the chapter indicated theoretical contributions of the study, its limitations, and future research directions. This chapter wraps up the study.

8.3 CONCLUSIONS

To interrogate if digital marketing resources and capabilities influence market performance of agro-processors, the study asked five questions. These questions were;-

- ⊖ What characteristics, resources, capabilities and digital marketing activities are prevalent in agro-processors in Harare, Zimbabwe?
- ⊖ What relationship exists between digital marketing resources, capabilities and digital marketing activities in agro-processors in Harare, Zimbabwe?
- ⊖ Do digital marketing assets, capabilities and activities influence intermediate market performance?
- ⊖ Do digital marketing assets, capabilities and activities influence final market performance outcomes?
- ⊖ How best should marketers configure resources to strengthen agro-processors market performance in Zimbabwe?

These results obtained from both quantitative and qualitative data evidently answered the above research questions. As such, the following sections provides a presentation of the study's major five conclusions.

8.3.1 Conclusion 1: Agro-processors characteristics, digital marketing resources, capabilities and activities.

The study revealed that the food & beverage, wood & furniture and the textiles & clothing sectors dominate the agro-processing sector in Harare, Zimbabwe. The study further revealed that the majority of the agro-processors are less than 10years old, and employ between 6 and 50 employees. In these agro-processors, only 28% have websites, and its usage for digital marketing is low. The majority of agro-processors rely on social media marketing particularly Facebook, and WhatsApp for digital marketing campaigns. Therefore, a conclusion is that three sectors dominate the agro-processing sector in Harare, and these firms are considerably young (less than 10 years).

In the digital marketing resources dimension, the study revealed that agro-processors possess required structural capital at the base of digital marketing, human capital, relational capital, reputational capital, digital market orientation and intellectual assets. However only human capital, and relational assets significantly influence market performance outcomes. This implies agro-processors in Harare have access to the right people, with the skills to develop and execute digital marketing. In addition, the agro-processors have strong relationships with both suppliers who tend to be indigenous farmers, and customers who love their products for their affordability.

On the digital marketing capabilities front, the study concludes that agro-processors have capabilities in digital strategy development & execution, digital market innovation, e-market sensing, and leadership capabilities. This means agro-processors are able to plan, execute, and assess their performance of their digital marketing programs. At the same time, they are able to come up with new products, process, and commercialise their developments. In all these, they gather are able to gather market intelligence through digital channels, interpret market trends, and act on market information.

Finally, on the digital marketing activities dimension, the study concluded that agro-processors are strong in digital pricing, promotion, and distribution related activities. The study revealed that price related information is widely communicated through social media platforms. Agro-

processors also have an additional advantage of flexible pricing which helps them to attract customers. Although agro-processors' products are tangibles, and widely distributed physically, the study found that product information is distributed through social media platforms in particular Facebook, and WhatsApp. Agro-processors are also actively using the same platforms to promote their products. Therefore, the researcher concluded that social media platforms are a crucial tool for SME agro-processors in Harare.

8.3.2 Conclusion II: Digital marketing assets, capabilities and activities relationships

The bivariate correlation results revealed statistically significant associations between digital marketing assets, digital marketing capabilities, and digital marketing activities. There were also significant associations between the three with market performance. These results revealed that digital marketing assets provide a foundation for digital marketing capabilities. In other words, there is need for capabilities to use digital marketing assets profitably. The results of multivariate tests provided further evidence through lack of evidence of significant influence of digital marketing assets on market performance yet digital marketing assets significantly influenced marketing capabilities. In addition, digital marketing activities require digital marketing assets and capabilities. To make use of digital channels for activities such pricing, distribution, and promotions, marketers rely on gadgets such as computers, the internet, and people to do the work (digital marketing assets). The same marketers rely on available digital strategies, market knowledge, leadership support and innovations (digital marketing capabilities) to execute activities. Existing literature (Cacciolatti & Lee, 2016; Morgan, et al., 2009; Clark, 2007; Barney & Hesterly, 2015) also support these relationships. To conclude, digital marketing assets provide the base for digital marketing capabilities and digital marketing activities, and there is a complementary role in the three.

8.3.3 Conclusion III: Impact of digital marketing assets, capabilities and activities on intermediate market performance outcomes.

The study found that only two digital marketing assets, human capital and relational assets positively influence intermediate market outcomes. This means an agro-processor's employees, their skills, knowledge combined with good customer, and supplier relationships have a positive effect on market outcomes such as awareness, positive customer attitudes and associations. Therefore, the conclusion is that agro-processors in Harare have strong human

capital and relational assets that positively influence intermediate market performance outcomes.

In addition, the study found that all the four digital marketing capabilities (strategy development & execution, innovation, leadership, and e-market sensing) positively influence intermediate market performance outcomes. As such, the researcher concluded that digital marketing capabilities in agro-processors have a positive influence on intermediate market outcomes.

Lastly, but equally worthy, the study found that digital marketing activities positively influence intermediate market outcomes. The digital marketing activities that an agro-processor executes online such as pricing, promotion, customer service, and offering product related information influences measures such as awareness, brand associations and attitudes. Therefore, the researcher concluded that digital marketing activities influence intermediate market outcomes.

Concisely, all tested digital marketing capabilities, activities and two digital marketing assets (human capital and relational assets) significantly influence intermediate market outcomes.

8.3.4 Conclusion IV: Impact of digital marketing assets, capabilities and activities on final market performance outcomes.

The results showed that only relational assets positively influence final market performance outcomes. The researcher concluded that agro-processors' relational assets have a significant positive influence on market performance. On the digital marketing capabilities, only the digital strategy development & execution showed positive influence on final market performance outcomes. As such, the study conclude that only digital strategy development and execution give agro-processors positive market performance outcomes of profitability, market share and sales growth. Although the other capabilities are good for intermediate outcomes, they do not directly influence final performance measures. The study also revealed that agro-processors' pricing activities influence both intermediate and final market performance outcomes whilst promotion significantly influences intermediate outcomes only. Distribution related activities were also found to significantly influence final market performance outcomes.

Conclusively only relational assets, digital strategy development & execution capabilities, pricing and distribution related activities significantly influence final market performance outcomes.

8.3.5 Conclusion V: Optimal resource configuration for agro-processors in Harare.

The study revealed that digital marketing assets, capabilities and activities complement each other. Relational assets significantly influence both intermediate and final market performance outcomes in agro-processors whilst human capital influence intermediate market outcomes only. In addition, only strategy development and execution capabilities positively influence both intermediate and final market performance outcomes. However, the other capabilities of e-market sensing, leadership, and innovation influence intermediate market outcomes, which subsequently influence final market performance outcomes (Clark, 2007). Therefore, the optimal configuration of resources and capabilities is one that builds on agro-processors' human capital, relational assets, and digital marketing capabilities of strategy development & execution, leadership, innovation, and e-market sensing.

8.4 RECOMMENDATIONS

The study produced valuable knowledge and insights for academics, digital marketing practitioners, agro-processors, and policy makers. Therefore, the researcher made the following recommendations grounded on the study's findings, and conclusions.

8.4.1 Recommendation 1

Agro-processors must improve the quality of their product and service related activities. There is need to develop digital marketing platforms that attract, engage and convert potential visitors into customers. Agro-processors can achieve this by constantly updating their digital platforms, engaging in 'value communication' instead of sales driven content. In value communication, agro-processors must emphasise benefits of using their products. They must answer the questions, *why should I buy your product, what does it give me, what promise do you make?* In so doing, agro-processors can attract more visitors and followers to their sites. For example, a food processor can emphasise or share content about health benefits of eating traditional foods. To achieve this, agro-processors must be active in platforms such as websites, blogs, WhatsApp, Facebook and all other channels where conversations are happening. It is sad the study revealed that only 28% of the agro-processors who participated in the study had a website yet a website is the organisation's 'ambassador'. Although not the sole driver for digital marketing activities, a website is critical because it acts as the face of the organisation, it is the 'always present' sales person for the organisation. Therefore the low uptake of websites is bad for digital marketing and agro-processors' market performance. Agro-processors must actively

engage their customers through platforms such as websites. Interactive marketing platforms must be in place, customers must receive real time response, platforms must allow transactions, and every touch point must enhance the customer experience. The current digital marketing activities do not enhance customer experience as witnessed by the weak influence on market performance. Therefore, marketers must adopt digital marketing activities that enhance all activities related to the marketing mix elements (4Ps). This is possible because the study identified that agro-processors are strong in human capital and relational assets. As such, active deployment of these resources is required to boost digital marketing activities and market performance.

8.4.2 Recommendation II

Agro-processors must actively develop and deploy digital marketing capabilities. Although the study established that agro-processors' digital marketing capabilities positively influence intermediate market performance outcomes, and intermediate market outcomes significantly influence final market outcomes, more direct linkages are required. Creating awareness, positive brand associations and attitudes without the direct realisation of the primary goals of sales, profitability and market share is not enough. Key question for agro-processors could be to understand why capabilities positively influence intermediate market outcomes but fail to result in positive final market outcomes. It is possible that after creating awareness and positive brand associations through digital marketing platforms, customers fail to complete transactions on the platforms, or the agro-processors fail to deliver the promised benefit. Alternatively, the dominantly used communication tools (Facebook and WhatsApp) are wrong.

As such, agro-processors need to build capabilities that increase conversion rates. To achieve this, there is need to configure all the capabilities so that they provide complementary advantages, and build on the strong and significant digital strategy & execution. For example, though active e-market sensing, agro-processors can develop a deep understanding of the dynamics, and behaviour of the Zimbabwean market. This information then feeds into digital strategy development & execution. In their strategy, agro-processors need among other things to influence large retail outlets to carry their products. Agro-processors must make deliberate efforts to reach influential decision makers in these large retail outlets since the dominantly used tools (Facebook and WhatsApp) do not generally appeal to this group of customers. Agro-processors can make use of their strong relational assets to gather more market insights, and

reach to influential decision makers in large retail outlets. Suppliers, customers and other stakeholders with whom they have close relationships are a vital source of market intelligence for the agro-processors. To achieve positive results in development and deployment of digital marketing capabilities, agro-processors must be aware that capabilities take time to develop, as such patience and effort is required. Starting small and patiently building over the few capabilities is always a good idea.

8.4.3 Recommendation III

Agro-processors must focus on changing the perception that they produce poorly branded and inferior products. This is important because results of this study and extant literature confirmed that agro-processors' products are poorly branded, and of questionable quality. This is despite confirmations by agro-processors that they have (76%) of the required reputational assets, and bivariate analysis showed statistical evidence of reputational assets influence on market performance outcomes, further tests though multivariate analysis found no statistical evidence to support influence of reputational assets on market performance outcomes. As such, agro-processors can improve reputational assets in two ways, first by offering quality branded products, second, by rebranding or repositioning through digital channels. Lack of expected quality could be the reason for low final market performance outcomes after initial positive intermediate market outcomes. In addition, digital marketing channels assist marketers to connect with the market, but completion of the transaction requires products of comparable quality that fulfil customer expectations. Therefore, agro-processors can focus on correcting the quality question through both marketing communications and actual delivery of quality branded products. This can potentially contribute to positive influence of reputational assets to market performance outcomes.

8.4.4 Recommendation IV

Policy makers and educationists or academics must develop more digital marketing related training. This is important because the study revealed human capital as one of the two influential digital marketing assets on intermediate market outcomes. Therefore, digital marketing training is crucial to maintain and constantly upgrade agro-processors human capital because the digital marketing environment is very dynamic, skills and ideas that worked years ago do not work today. Marketing knowledge is not static (Dodson, 2016). As such, constant

review of marketing programs is required. Resources evolve, and no resource give a competitive advantage for life. As such, there is need to continuously upgrade human capital as a resource. Marketers must be equipped with skills to develop, implement and measure digital marketing programs. Focus of the training programs should be on website and social media marketing. The 28% website usage can be increased through more knowledge and skills on website marketing. Social media is an important element of the training since agro-processors rely more on Facebook and WhatsApp.

8.4.5 Recommendation V

Although mobile connectivity is high in Zimbabwe (102.7%) (POTRAZ, 2017), cost of access remains high when compared to income levels. This does not only negatively impact consumers, but also the agro-processors themselves as they fail to maintain internet up time. This can subsequently lead to missed business opportunities, and eventually negative market performance. Agro-processors therefore need to adopt digital marketing strategies that involve options with less or no data requirements such as SMS marketing.

8.5 IMPLICATIONS FOR POLICY

8.5.1 Implication I

The government must enact policy measures that drive connectivity and inclusivity. The government can drive connectivity for all by making internet services affordable and accessible. The government can drive this through 1) low costs to data and 2) improved infrastructure. Low data costs and improved infrastructure will help increase connectivity. Increased connectivity and affordability will potentially drive SME agro-processors and their customers to adopt digital marketing activities. This is important especially in times of pandemics such as the COVID-19 that brought restrictions to movement through lockdowns. A policy that drives connectivity for all will thus spur business growth. This is possible through unlimited market access, enhanced service provision through digital channels, increased options to engage the market among other digital marketing benefits.

8.5.2 Implication II

The government through the Ministry of Women Affairs, Community, Small and Medium Enterprises, Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development, the Small and Medium Enterprise Development Corporation (SMEDCO), and other government agencies must capacitate agro-processors and other SMEs in the digital marketing domain. Business is moving to the digital environment. The COVID-19 pandemic has forced business to re-evaluate their business models. This calls for capacity building in that space. There should also be trainings aimed at capacitating agro-processors and other SMEs to produce quality products for high value markets. As a policy initiative, the government can offer tax incentives to institutions that capacitate agro-processors.

8.6 CONTRIBUTIONS TO BODY OF KNOWLEDGE

The study contributed to the body of knowledge in several respects.

8.6.1 Contribution 1

Extant literature Day (1994, 2011, 2014), Barney (1991), Morgan (2012), Barney and Hesterly (2015); Fahy (2001), Moorman and Day (2016), Morgan et al. (2009), Wernerfelt (1984), and Narver and Slater, (1990) on marketing resource –capability discussions predominantly emerge from the traditional marketing context. The study contributes to the resource-capability discussion by extending it to the digital marketing environment.

8.6.2 Contribution II

Most of the research in marketing resources and capabilities is from developed markets yet marketing is contextual thus knowledge is not easily transferrable (Amangala & Wali, 2020; Dwivedi, et al., 2019; Andotra & Gupta, 2016; Sheth, 2020; 2011; Burgess & Steenkamp, 2006). Therefore, this study contribute by taking a developing country (Zimbabwe) perspective. The context of this study brought new knowledge that is specific to agro-processors in Zimbabwe.

8.6.3 Contribution III

The study contributes to the market - performance measurement discussion by taking a cross sectional approach that mix financial, non-financial, and subjective measures. Although

different perspectives exist (Ambler, et al., 2004; Belbeze, 2006; Gao, 2010; Frosen, et al., 2016; Neely, 2007; Sergie, et al., 2007) on how to measure market performance, no agreement exist on the best approach.

8.6.4 Contribution IV

The study contributes to the SMEs growth or promotion discussion in Zimbabwe by focussing on agro-processors' digital marketing resources and capabilities. Existing research (Matsongoni & Mutambara, 2018; Mapakame, 2017; Bomani, 2016; Chigwenya & Mudzengerere, 2013; Mhazo, et al., 2012; Zindiye, et al., 2012; FinScope, 2012; Dube, 2011) focus on general SME growth issues such as government policy, growth constraints, challenges, and opportunities, financial challenges and informality.

8.6.5 Contribution V

The study contributes in the understanding of the effect of institutional barriers to firms in developing and emerging markets. Extant literature (Rivera-Santos, et al., 2012; Mair, et al., 2012; Aidis, 2005) has evidence that developing markets have weak institutions, and rely on informal linkages. Although effect of weak institutions on market performance is debatable, this study contributed by testing relationships between institutional barriers and market performance outcomes.

8.6.6 Contribution VI

There is no agreement on the definition of marketing resources, and marketing capability (Ngo & Aron, 2012; Day, 2011; Hooley, et al., 2005). In addition, there is no consensus on how resources or capabilities contribute to performance as different resources or capabilities contribute differently (Sok, et al., 2016). Several classifications of resources, and capabilities with different impacts on performance have been proposed (Khan, 2017, Hooley 2003, Vorhies & Morgan, 2005; Clark, 2007; Morgan, 2012).

Therefore the study contributes to this resource-capability definition and performance impact discussion by testing selected resources in a digital marketing environment. This gap is wide in the digital marketing environment as there remains no universal set of marketing capabilities that have been identified to influence firm performance in the digital space. This contributes to our understanding of the relationships between resources, capabilities and digital marketing activities from an agro-processors' perspective.

8.7 LIMITATIONS AND FURTHER RESEARCH

8.7.1 Limitations

The researcher acknowledges some limitations to this study. Market performance studies are difficult to conclude in cross-sectional surveys. It is often difficult for a research to delineate cause and effect of interventions in a cross sectional study. In the context of the current study, it was impossible to link objectively identified market performance outcomes to digital marketing resources, capabilities and activities. As such, the researcher relied on subjective measures. Although, the researcher-sought responses from two senior executives, the approach still give problems as judgements always differ.

The use of a questionnaire as the sole data collection instrument brings weaknesses to the study. The questionnaire did not give the researcher a chance to probe certain responses especially in cases where the senior executives had tight schedules and requested to complete the questionnaire at their own time. The questionnaire itself was long (10-pages) for respondents to remain focussed on the questions. The researcher identified lack of concentration in the last segment where tendencies of straight lining were high.

In addition, lack of complete sampling frame was a limitation to the study. The mixed sampling approached posed challenges of identifying respondents in sectors that had no complete sampling frames. The research developed constructs for this study from non-digital marketing resources and capability studies. The lack of existing well-defined constructs that the research could test or extend to the agro-processing sector posed a limitation of generalisability.

8.7.2 Further research

Marketing researchers must test resources and capabilities identified in this study in other markets and contexts. More research is required in the digital marketing resources, and capability area since the application of established resource and capability frameworks has contextual limitations. Furthermore, there is no agreement among scholars on resource definitions, classifications and impact to market performance.

There is need for more research that employs new marketing research techniques such as experimentation. Researchers must adopt more scientific, robust and objective means of establishing the cause and effect relationship between resources and market performance. Such studies can benefit from employing longitudinal perspectives so that researchers can capture

effects over a long period. In addition, studies of this nature must capture both objective and subjective data. By so doing researchers eliminate bias of both respondents and the researcher.

Overall, there is need for more research in developing markets particularly in the African context that focus on digital marketing resources, capabilities, activities, and market performance. Knowledge development in the digital marketing space is weak and the gap continues to grow with every technological development.

8.7.3 Overall conclusion

This study interrogated the influence of digital marketing resources and capabilities on market performance of agro-processors in Harare, Zimbabwe. The study concluded that agro-processors have the required digital marketing assets and capabilities to execute digital marketing activities. However, not all of the agro-processors' assets, capabilities and activities significantly influence market performance outcomes. Only relational assets influence both intermediate and final market outcomes whilst human capital had a positive impact on intermediate outcomes only. On digital marketing capabilities, only digital strategy development & execution capabilities influence both intermediate and final outcomes, whilst e-market sensing, leadership, and digital market innovation capabilities influence only intermediate outcomes. Digital pricing related activities influenced both intermediate and final market outcomes whilst promotional activities had a positive effect on intermediate outcomes only and distribution related activities influenced final market outcomes. Digital marketing assets are therefore necessary as they provide a foundation for digital marketing capabilities and activities.

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Appendix 1 Informed Consent Letter

UNIVERSITY OF KWAZULU-NATAL School of Management, IT and Governance

Dear Respondent,

Research Project

Researcher: More Chinakidzwa Tel. number: 0784705353 Email: 217072670@stu.ukzn.ac.za

Supervisor: Prof. Maxwell Phiri Telephone number: +2733 260 5843 Email: Phirim@ukzn.ac.za

Research Office: Humanities & Social Sciences Research Ethics Administration, Govan Mbeki Building,
Westville Campus, Tel: + 27 (0)31 260 8350, Email: hssreclms@ukzn.ac.za

I, More Chinakidzwa am a PhD student in the School of Management, IT and Governance, at the University of KwaZulu-Natal. You are invited to participate in a research project entitled *Exploring digital marketing resources, capabilities, and market performance of agro-processors in Harare, Zimbabwe*.

The aim of this study is to: understand impact of digital marketing resources and capabilities on market performance of agro-processors in Harare, Zimbabwe.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records will be maintained by the researcher and the **School of Management, IT and Governance, UKZN**. All collected data will be used solely for research purposes and will be destroyed after 5 years.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (Approval number HSS/1968/018D).

The questionnaire consists of nine (9) sections and should take about 20 minutes to complete.

Thank you for your time.

Sincerely

Researcher's signature _____ Date _____

More Chinakidzwa

This page is to be retained by participant

UNIVERSITY OF KWAZULU-NATAL
School of Management, IT and Governance

Research Project

Researcher: More Chinakidzwa Tel. number: 0784705353 Email: 217072670@stu.ukzn.ac.za

Supervisor: Prof. Maxwell Phiri Telephone number: +2733 260 5843 Email: phirim@ukzn.ac.za

Research Office: **Humanities & Social Sciences Research Ethics Administration, Govan Mbeki Building,**
Westville Campus, Tel: 27 31 2604557, Email: HSSREC@ukzn.ac.za

CONSENT

I _____ (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

Signature of Participant

Date

This page is to be retained by researcher

Appendix 2 Ethical Clearance



UNIVERSITY OF
KWAZULU-NATAL™
INYUVESI
YAKWAZULU-NATALI

19 May 2021

Mr More Chinakidzwa (217072670)
School of Management, IT & Governance
Pietermaritzburg Campus

Dear Mr Chinakidzwa,

Protocol reference number: HSS/1968/018D
Project title: Exploring digital marketing resources, capabilities and market performance of agro-processors in Harare, Zimbabwe
Amended title: Digital marketing resources, capabilities, and market performance of agro-processors in Harare, Zimbabwe

Approval Notification – Amendment Application

This letter serves to notify you that your application and request for an amendment received on 02 May 2021 has now been approved as follows:

- Change in title

Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form; Title of the Project, Location of the Study must be reviewed and approved through an amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

All research conducted during the COVID-19 period must adhere to the national and UKZN guidelines.

Best wishes for the successful completion of your research protocol.

Yours faithfully



.....
Professor Dipane Hlalele (Chair)

/ms

Humanities & Social Sciences Research Ethics Committee
UKZN Research Ethics Office Westville Campus, Govan Mbeki Building
Postal Address: Private Bag X54001, Durban 4000
Tel: +27 31 260 8350 / 4557 / 3587
Website: <http://research.ukzn.ac.za/Research-Ethics/>

Founding Campuses:  Edgewood  Howard College  Medical School  Pietermaritzburg  Westville

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Activate

INSPIRING GREATNESS

Appendix 3 Letter of Permission: Ministry of Industry, Commerce and Enterprise Development

All correspondence should be addressed to

"THE SECRETARY"

Telephone: 730081/7; 791823/7 702731
Facsimile: 704116/723765/729311
E-mail: milit@indandcom.co.zw
Telegrams: "TRADEMIN", Harare
Private Bag CY 7708, Causeway,
Zimbabwe



Reference: **STAFF/G/163**

**MINISTRY OF INDUSTRY,
COMMERCE AND
ENTERPRISE DEVELOPMENT**
Mukwati Building
4th Street/Livingstone Avenue
Harare
Zimbabwe

29 August 2018

Mr. More Chinakidzwa
Harare Institute of Technology
Ganges Road, Belvedere
Harare

Dear Sir

**PERMISSION TO CARRY OUT RESEARCH STUDY ON DIGITAL
MARKETING RESOURCES, CAPABILITIES AND MARKET
PERFORMANCE OF AGRO-PROCESSORS IN HARARE**

Reference is made to your letter dated 20 July 2018 requesting to conduct research on **DIGITAL MARKETING RESOURCES, CAPABILITIES AND MARKET PERFORMANCE OF AGRO-PROCESSORS IN HARARE**.

Please be advised that the Head of Ministry for Industry, Commerce and Enterprise Development has granted you the permission to conduct your research.


Please note that you are to submit a copy of your final thesis to this Ministry for record keeping.



R. Chituu

**FOR: SECRETARY FOR INDUSTRY, COMMERCE AND ENTERPRISE
DEVELOPMENT**

Appendix 4 English Language Editing Certificate

	MIDLANDS STATE UNIVERSITY LANGUAGE INSTITUTE	
P. BAG 9055 Gweru Zimbabwe	Telephone: (263) 54 288404/288337/288987/288450 Fax: (263) 54 288233/288511 Email: info@midlandsstateuniversity.edu.zw Mobile: +263 77 218 2047 / 783382348 Website: www.msu.ac.zw/midlandsstate-institute	
LANGUAGE EDITING CONFIRMATION STATEMENT		
<p>This statement confirms that the Doctoral thesis titled, "EXPLORING DIGITAL MARKETING RESOURCES, CAPABILITIES AND MARKET PERFORMANCE OF AGRO-PROCESSORS IN HARARE, ZIMBABWE", by More Chinakidzwa was edited by a Professional English Language editor, Dr. V. Jenjekwa (D. Litt et Phil (Linguistics) (UNISA); M.ED (English) (GZU); PGDE (English and Shona) (U.Z); BA (English and Linguistics) (UZ)), for grammar, punctuation, readability, coherence and cohesion.</p> <p>The Institute certifies that the thesis document, subject to corrections recommended, meets expected international standards of academic communication in English. Kindly refer to edited thesis manuscript and editor's report for details.</p>		
<p>Thank you.</p>		
 Vincent Jenjekwa (PhD) <i>Editor/Language Research Fellow</i>	Date <u>18/11/19</u>	
 Professor Wiseman Magwa (PhD) <i>A/Director</i>	Date <u>18/11/19</u>	<div style="border: 1px solid black; padding: 5px;">MIDLANDS STATE UNIVERSITY LANGUAGE INSTITUTE 18 NOV 2019 <small>PRIVATE BAG 9055, GWERU, ZIMBABWE</small></div>

Appendix 5 Research Instrument: Questionnaire

Agro-processors Digital Marketing Resources, Capabilities and Market Performance

Survey Questionnaire

Section 01: Demographic Questions

1.1	Company Name								
1.2	Website								
1.3	Respondent Title								
1.4	Gender	Male		Female					
1.5	Age	18-30		31-40		41-50		51++	
1.6	Sector e.g. Furniture								
1.7	Years in Existence	0-1		2-5		6-10		11-20	
1.8	No. of Employees	1-5		6-50		51-100		101++	

Section 02: Digital Marketing Assets

2.1 Structural capital at the base of digital marketing. [TICK APPROPRIATE]

[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
2.1.1	We have enough physical resources (e-g computers, phones) to use for digital marketing.	1	2	3	4	5
2.1.2	Our physical resources give us an advantage over our competitors.	1	2	3	4	5
2.1.3	We can do all digital marketing activities we want because of our physical resources.	1	2	3	4	5
2.1.4	The physical resources are enough to meet our digital marketing goals.	1	2	3	4	5

2.2 Human capital. [TICK APPROPRIATE]


[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
2.2.1	We have enough work force to execute our marketing activities	1	2	3	4	5
2.2.2	We have people with the skills & knowledge required for our digital (electronic) marketing activities	1	2	3	4	5
2.2.3	Our people are always motivated to do their activities	1	2	3	4	5
2.2.4	We have high levels of employee job satisfaction compared to competitors.	1	2	3	4	5
2.2.5	We have high levels of employee retention compared to competitors.	1	2	3	4	5

2.3 Intellectual assets. [TICK APPROPRIATE]

[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
2.3.1	We have knowledge of our digital (electronic) operating environment.	1	2	3	4	5
2.3.2	We have skills to handle digital (electronic) marketing in our organization.	1	2	3	4	5
2.3.3	Our employees are good in digital (electronic) marketing activities.	1	2	3	4	5
2.3.4	We have a confident team in digital (electronic) marketing.	1	2	3	4	5

2.4 Digital market orientation

How well do the following statements describe your company?"

[7point scale (1=completely disagree (CD), AND 7=completely agree(CA))]		CD						CA
2.4.1	Our business objectives are driven by online customer satisfaction.	1	2	3	4	5	6	7
2.4.2	Top management regularly contact important customers.	1	2	3	4	5	6	7
2.4.3	Managers understand how employees contribute to value for customers.	1	2	3	4	5	6	7
2.4.4	Customers are targeted when we have an opportunity for competitive advantage.	1	2	3	4	5	6	7
2.4.5								
2.4.6	We achieve rapid response to competitor actions using digital channels.	1	2	3	4	5	6	7
2.4.7	Top management regularly discuss competitors' strengths & weaknesses.	1	2	3	4	5	6	7
2.4.8	Functions are integrated to serve markets.	1	2	3	4	5	6	7

2.5 Reputational assets

[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
2.5.1	We have strong brands that customers easily recognize.	1	2	3	4	5
2.5.2	Our brands make it easy for us to market our products.	1	2	3	4	5
2.5.3	All marketing efforts are made easy by our brand name.	1	2	3	4	5
2.5.4	We have credibility with customers through being well established in the market.	1	2	3	4	5

2.6 Relational assets

[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
2.6.1	We have good relationships with key customers.	1	2	3	4	5
2.6.2	We have good relationships with suppliers.	1	2	3	4	5
2.6.3	Our relationships are an asset to the organization.	1	2	3	4	5
2.6.4	We electronically offer superior levels of customer service and support.	1	2	3	4	5
2.6.5	We are good at creating, maintaining and enhancing relationships with customers.	1	2	3	4	5

Section 03: Digital Marketing Capabilities

3.1 Digital Strategy development and execution capabilities

[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
3.1.1	We have a digital marketing plan.	1	2	3	4	5
3.1.2	We develop plans for all our digital marketing activities.	1	2	3	4	5
3.1.3	We always implement our digital marketing plans.	1	2	3	4	5
3.1.4	We always evaluate and improve our plans.	1	2	3	4	5

3.2 Digital market innovation capabilities

[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
3.2.1	We always reinvent our processes, systems and business models to suit online environment	1	2	3	4	5
3.2.2	We have systems that reach every customer	1	2	3	4	5
3.2.3	Our innovations are superior to competitors	1	2	3	4	5
3.2.4	We have skills and knowledge to create new products	1	2	3	4	5
3.2.5	We have the ability to launch successful new products online	1	2	3	4	5
3.2.6	We have effective new product development processes	1	2	3	4	5
3.2.7	Our company is creative in its methods of operation	1	2	3	4	5

3.3 Leadership Capabilities

[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
3.3.1	We have a strong financial management.	1	2	3	4	5
3.3.2	We always do the right thing in Human Resources Management.	1	2	3	4	5
3.3.3	Our online operations management are always good.	1	2	3	4	5
3.3.4	Our managers always keep employees motivated.	1	2	3	4	5
3.3.5	Our managers always bring different units to work together online.	1	2	3	4	5

3.4 E-Market sensing capabilities

[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
3.4.1	We actively track key e-market conditions and activities.	1	2	3	4	5
3.4.2	We always study e-marketing actions and activities of leading organizations in our sector.	1	2	3	4	5
3.4.3	We study direct competitors to emulate their moves.	1	2	3	4	5
3.4.4	We accurately anticipate (tell in advance) responses to actions that we take.	1	2	3	4	5

Section 04: Relationship between digital marketing assets and capabilities

This section measures the extent to which PHYSICAL RESOURCES (e.g. computers, mobile phones, POS machines) positively influence capabilities in your organization:		SD	D	N	A	SA
4.1.1	Digital (Electronic) strategy development and implementation is positively influenced by physical resources that we have.	1	2	3	4	5
4.1.2	Our Innovation in the digital market environment is influenced by physical resources	1	2	3	4	5
4.1.3	Physical resources influence our leadership abilities (style, way of doing things)	1	2	3	4	5
4.1.4	Physical resources positively influence our ability to seek understanding of digital (electronic) market needs and wants.	1	2	3	4	5

To what extent do you agree that; HUMAN RESOURCES (people you have, their skills, motivation) in your organization positively influence the following:		SD	D	N	A	SA
4.2.1	Digital (Electronic) strategy development and implementation	1	2	3	4	5
4.2.2	Innovation in the digital or electronic market environment	1	2	3	4	5
4.2.3	Leadership abilities (style, way of doing things)	1	2	3	4	5
4.2.4	Ability to understand digital (electronic) market needs & wants	1	2	3	4	5

This section measures extent to which DIGITAL/ELECTRONIC MARKETING KNOWLEDGE, & SKILLS in your organization positively influence marketing capabilities:		SD	D	N	A	SA
4.3.1	Electronic marketing knowledge & skills positively influence our Digital (Electronic) strategy development and implementation	1	2	3	4	5
4.3.2	Electronic marketing knowledge & skills influence positively our Innovation in the digital or electronic market environment	1	2	3	4	5
4.3.3	Electronic marketing knowledge & skills influence our Leadership abilities (style, way of doing things)	1	2	3	4	5
4.3.4	Electronic marketing knowledge & skills influence our Ability to seek understanding of digital (electronic) market needs and wants	1	2	3	4	5

This section measures extent to which A FOCUS ON CUSTOMER NEEDS, COMPETITOR ACTIONS AND INFORMATION SHARING (MO) WITHIN THE ORGANISATION positively influence digital marketing capabilities:		SD	D	N	A	SA
4.4.1	MO influence our Digital (Electronic) strategy development and implementation	1	2	3	4	5
4.4.2	MO influence our Innovation in the digital or electronic market environment	1	2	3	4	5
4.4.3	MO positively Leadership abilities (style, way of doing things)	1	2	3	4	5
4.4.4	MO positively influence our Ability to seek understanding of digital (electronic) market needs and wants	1	2	3	4	5

This section measures extent to which your BRAND NAME positively influence the digital marketing capabilities:		S D	D	N	A	S A
4.5.1	Our brand positively influence our Electronic strategy development & implementation	1	2	3	4	5
4.5.2	Innovation in the digital or electronic market environment is influenced by our brand.	1	2	3	4	5
4.5.3	Our brand influence our leadership abilities (style, way of doing things)	1	2	3	4	5
4.5.4	Our brand influence our ability to seek understanding of digital (electronic) market needs and wants	1	2	3	4	5

This section measures extent to which RELATIONSHIPS with customers, suppliers and other key contacts positively influence marketing:		SD	D	N	A	SA
4.6.1	Our relationships influence our digital (Electronic) strategy development and implementation	1	2	3	4	5
4.6.2	Relationships influence our innovation in the digital /electronic market environment	1	2	3	4	5
4.6.3	Relationships influence our leadership abilities (style, way of doing things)	1	2	3	4	5
4.6.4	Relationships influence our ability to seek understanding of digital (electronic) market needs and wants	1	2	3	4	5

Section 05: Digital marketing activities in relation to marketing mix processes and service

5.1 Pricing

[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
5.1.1	Our prices reflect market needs.	1	2	3	4	5
5.1.2	Our prices are available online.	1	2	3	4	5
5.1.3	We have different prices for different customers online.	1	2	3	4	5
5.1.4	Our price is favourable relative to competitors.	1	2	3	4	5
5.1.5	Our mark-up on costs are higher than competitors	1	2	3	4	5

Please indicate the extent to which the following tools are used to convey price related information in your organization? [1=not at all (N), 2=rarely (R), 3=half the time (H), 4=usually (U), 5=always (A)]

		N	R	H	U	A
5.1.6	We use Facebook to communicate our prices	1	2	3	4	5
5.1.7	We use YouTube to communicate our prices	1	2	3	4	5
5.1.8	We use our Company Website to communicate our prices	1	2	3	4	5
5.1.9	We use Email to communicate our prices	1	2	3	4	5
5.1.10	We use WhatsApp to communicate price related information	1	2	3	4	5
5.1.11	We use SMS and phone calls to communicate prices	1	2	3	4	5
5.1.12	We use Twitter to communicate prices	1	2	3	4	5
5.1.13	We rely on face to face and printed material to communicate prices	1	2	3	4	5

5.2 Distribution

	[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]	SD	D	N	A	SA
5.2.1	We strongly use online distribution channels.	1	2	3	4	5
5.2.2	Our channels give more convenience to our customers.	1	2	3	4	5
5.2.3	Customers easily find information about us online.	1	2	3	4	5
5.2.4	Electronic means widened our distribution channels.	1	2	3	4	5

Please indicate the extent your organization use the following tools to provide product related information such as availability, where to buy and quality? [1=not at all (N), 2=rarely (R), 3=half the time (H), 4=usually (U), 5=always (A)]

		N	R	H	U	A
5.2.6	We use Facebook to convey product related information	1	2	3	4	5
5.2.7	We use YouTube to communicate product related information	1	2	3	4	5
5.2.8	We rely on our Company Website to communicate product information	1	2	3	4	5
5.2.9	We use Email to communicate product related information	1	2	3	4	5
5.2.10	We use WhatsApp to convey product information	1	2	3	4	5
5.2.11	We rely on SMS to send product related information	1	2	3	4	5
5.2.12	We use Twitter to send product relation information to our customers	1	2	3	4	5

5.3 Product

	[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]	SD	D	N	A	SA
5.3.1	Our products always reflect customer needs.	1	2	3	4	5
5.3.2	We provide detailed product information online.	1	2	3	4	5
5.3.3	Our packaging always contain links to our digital channels.	1	2	3	4	5
5.3.4	We always seek customer ideas in developing new products.	1	2	3	4	5
5.3.5	We used digital channels to develop new products with our customers.	1	2	3	4	5

Please indicate the extent to which the following tools are used to get new product ideas in your organization? **[1=not at all (N), 2=rarely (R), 3=half the time (H), 4=usually (U), 5=always (A)]**

5.3.6	We use Facebook to acquire new product ideas	N	R	H	U	A
5.3.7	We use YouTube to obtain new product ideas	1	2	3	4	5
5.3.8	We rely on our Company Website to acquire new product ideas	1	2	3	4	5
5.3.9	Our Email helps us acquire new product ideas	1	2	3	4	5
5.3.10	We use WhatsApp to get new product ideas	1	2	3	4	5
5.3.11	We access new product ideas through SMS	1	2	3	4	5
5.3.12	We use Twitter to obtain new product ideas	1	2	3	4	5

5.4 Promotion

[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
5.4.1	We provide targeted promotions to our target customers.	1	2	3	4	5
5.4.2	We vigorously use digital channels to promote our products.	1	2	3	4	5
5.4.3	We always use trending channels to promote our products.	1	2	3	4	5
5.4.4	We use more channels relative to competitors.	1	2	3	4	5

Please indicate the extent to which the following tools are used to promote products in your organization? **[1=not at all (N), 2=rarely (R), 3=half the time (H), 4=usually (U), 5=always (A)]**

		N	R	H	U	A
5.4.5	Facebook is used to promote our products	1	2	3	4	5
5.4.6	We use YouTube to promote our products	1	2	3	4	5
5.4.7	Our Company Website is used to promote products	1	2	3	4	5
5.4.8	We use Email to promote our products	1	2	3	4	5
5.4.9	We use WhatsApp to promote our products	1	2	3	4	5
5.4.10	SMS is used to promote products in our company	1	2	3	4	5
5.4.11	We use Twitter to promote products	1	2	3	4	5

5.5 Service

[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
5.5.1	We always provide customer support through digital channels.	1	2	3	4	5
5.5.2	Our customer support information is readily available through digital means.	1	2	3	4	5
5.5.3	We use e-channels to follow our customers.	1	2	3	4	5
5.5.4	Online channels shorten our delivery time.	1	2	3	4	5
5.5.5	Digital channels results in shorter average time to resolve orders than competitors do.	1	2	3	4	5
5.5.6	Digital channels result in higher percentage of perfect orders than competitors	1	2	3	4	5

Please indicate the extent to which the following tools are used to provide support or more information to customers after buying your products? [1=not at all (N), 2=rarely (R), 3=half the time (H), 4=usually (U), 5=always (A)]

		N	R	H	U	A
5.5.7	We use Facebook to give customer support					
5.5.8	We use YouTube to provide customer support information	1	2	3	4	5
5.5.9	Our Company Website is used to provide customer support information	1	2	3	4	5
5.5.10	We use Email to provide customer support information	1	2	3	4	5
5.5.11	WhatsApp is used for customer support in our company	1	2	3	4	5
5.5.12	We use SMS to give customer support	1	2	3	4	5
5.5.13	Twitter is a customer support tool in our organisation	1	2	3	4	5

Section 06: Relationship between digital marketing capabilities and digital marketing activities.

This section measures the extent to which STRATEGY DEVELOPMENT AND EXECUTION positively influence marketing activities:		SD	D	N	A	SA
6.1.1	Our e-marketing strategy influence our pricing activities	1	2	3	4	5
6.1.2	Our e-marketing strategy influence our Product development activities	1	2	3	4	5
6.1.3	Our e-marketing strategy influence our Distribution activities	1	2	3	4	5
6.1.4	Our e-marketing strategy influence our Promotional activities	1	2	3	4	5
6.1.5	Our e-marketing strategy influence after sales/customer support activities	1	2	3	4	5

This section measures the extent to which INNOVATION IN THE DIGITAL OR ELECTRONIC MARKET positively influence e-marketing activities:		SD	D	N	A	SA
6.2.1	Innovation influence our pricing activities	1	2	3	4	5
6.2.2	Innovation influence our product development activities	1	2	3	4	5
6.2.3	Innovation influence our distribution activities	1	2	3	4	5
6.2.4	Innovation influence our promotional activities	1	2	3	4	5
6.2.5	Innovation influence our after sales service/customer support	1	2	3	4	5


This section measures the extent to which MANAGERIAL LEADERSHIP positively influence e-marketing activities in your organization:		SD	D	N	A	SA
6.3.1	Managerial leadership influence pricing activities in our company	1	2	3	4	5
6.3.2	Managerial leadership influence our product development activities	1	2	3	4	5
6.3.3	Managerial leadership influence our distribution activities	1	2	3	4	5
6.3.4	Managerial leadership influence our promotional activities	1	2	3	4	5
6.3.5	Managerial leadership influence our after sales service/customer support	1	2	3	4	5

Measure of extent to which ABILITY TO UNDERSTAND MARKET NEEDS, MARKET INFORMATION & COMPETITORS ACTIVITIES positively influence marketing activities		S D	D	N	A	S A
6.4.1	Our ability to understand the market & competitors influence our Pricing	1	2	3	4	5
6.4.2	Ability to understand market & competitors influence our Product development	1	2	3	4	5
6.4.3	Ability to understand the market & competitors influence our distribution	1	2	3	4	5
6.4.4	Ability to understand the market & competitors influence our promotions	1	2	3	4	5
6.4.5	Our ability to understand the market & competitors activities influence after sales service/Customer support activities	1	2	3	4	5

Section 07: Digital Marketing Outcomes

7.1 Intermediate outcomes


Please indicate your firm's performance over the last year relative to competitors in the primary market that you serve [1 = "very poor (VP)," AND 7 = "outstanding (O)"].

[1 = "very poor (VP)," AND 7 = "outstanding (O)"]		VP						O
7.1.1	Awareness (brand, products/company)	1		3	4	5	6	7
7.1.2	Customer Attitudes (to company and its products)	1	2	3	4	5	6	7
7.1.3	Availability (product/service availability)	1	2	3	4	5	6	7
7.1.4	Customer satisfaction	1	2	3	4	5	6	7
7.1.5	Brand Associations	1	2	3	4	5	6	7

To what extent do you agree that DIGITAL OR ELECTRONIC MARKETING ACTIVITIES (eg. Online pricing, Facebook promotions, online distribution) positively influence the following in your organization:		SD	D	N	A	SA
7.2.1	Awareness (of the brand, products/company)	1	2	3	4	5
7.2.2	Customer Attitudes (to company and its products)	1	2	3	4	5
7.2.3	Availability (product/service availability)	1	2	3	4	5
7.2.4	Customer satisfaction	1	2	3	4	5
7.2.5	Brand Associations	1	2	3	4	5

7.3 Final Outcomes

Please indicate your firm's performance over the last year relative to competitors in the primary market that you serve (1 = "very poor," and 7 = "outstanding").

[1 = "very poor (VP)," AND 7 = "outstanding (O)"]		VP						O
7.3.1	Sales volume	1	2	3	4	5	6	7
7.3.2	Market share	1	2	3	4	5	6	7
7.3.4	Profitability	1	2	3	4	5	6	7

Section 08: Institutional Barriers

8.1 Institutional barriers

[5point scale: 1=strongly disagree (SD) AND 5=strongly agree (SA)]		SD	D	N	A	SA
8.1.1	The environment we operate positively influence our marketing outcomes.	1	2	3	4	5
8.1.2	The laws and regulations support our business.	1	2	3	4	5
8.1.3	Tax rates are favourable to our business.	1	2	3	4	5
8.1.4	Competition from informal traders influence performance.	1	2	3	4	5

This section measures the extent to which BUSINESS ENVIRONMENTAL FACTORS LIKE POOR INTERNET INFRASTRUCTURE, COMPETITION FROM INFORMAL TRADERS, GVT LAWS & REGULATIONS influence marketing in your organization:		SD	D	N	A	SA
8.2.1	Our business environment negatively influences our pricing activities	1	2	3	4	5
8.2.2	Our business environment negatively influences our product development activities	1	2	3	4	5
8.2.3	Our business environment negatively influences our distribution activities	1	2	3	4	5
8.2.4	Business environment negatively influences our promotional activities	1	2	3	4	5
8.2.5	Prevailing business environment negatively influences customer support	1	2	3	4	5
8.2.6	The business environment negatively influences brand, product or company awareness	1	2	3	4	5
8.2.7	Our business environment negatively influences customer attitudes towards your products	1	2	3	4	5
8.2.8	Our business environment negatively influences our product availability	1	2	3	4	5
8.2.9	Business environment negatively influences our customer satisfaction	1	2	3	4	5
8.2.10	Business environment negatively influences brand associations for our products and company	1	2	3	4	5
8.2.11	Our sales are negatively influenced by the business environment	1	2	3	4	5
8.2.12	Our market share is negatively influenced by the business environment	1	2	3	4	5
8.2.13	Our profitability is negatively influenced by the business Environment	1	2	3	4	5

This section measures the extent to which DIGITAL/ELECTRONIC MARKET PERFORMANCE positively influence other marketing activities:		SD	D	N	A	SA
8.3.1	Our e-market performance influence our pricing activities	1	2	3	4	5
8.3.2	Our e-market performance influence product development activities.	1	2	3	4	5
8.3.3	Our e-market performance influence our distribution activities	1	2	3	4	5
8.3.4	Our e-market performance influence our promotional activities	1	2	3	4	5
8.3.5	The development of more market abilities such as seeking customer needs, intelligence gathering and strategy development is influenced by our e-market performance.	1	2	3	4	5
8.3.6	Development of resources such as market knowledge, skills, acquisition of computers, brand name, and good market relations is influenced by our e-market performance.	1	2	3	4	5

Section 09: Open Ended Questions

1) What kind of resources (assets/possessions) do you have that gives you an advantage in the digital (electronic) market? **(list in order of importance)**

- i. -----
- ii. -----
- iii. -----
- iv. -----
- v. -----

2) What kind of things do you think you do better than your competitors do?

- i. -----
- ii. -----
- iii. -----
- iv. -----
- v. -----

3) What activities do you do electronically that promotes your marketing?

- i. -----
- ii. -----
- iii. -----
- iv. -----
- v. -----

4) What tools (e.g. facebook, whatsapp) do you mainly use for marketing and why? (list in order of importance)

- i. -----
- ii. -----
- iii. -----
- iv. -----
- v. -----

5) What benefits do you think you obtained because of your digital (electronic) marketing activities?

- i. -----
- ii. -----
- iii. -----
- iv. -----
- v. -----

**END OF QUESTIONNAIRE.
THANK YOU.SIYABONGA.TATENDA**

Appendix 6: Summary Linkage between Objectives, Hypothesis & Survey Questions

Construct/ Variable	Survey Questions	IV	DV	Objective addressed	Hypothesis addressed
Digital marketing assets	We have enough physical resources (e-g computers, phones) to use for digital marketing.	√		1; 2; 3; 4	1a i; ii
	Our physical resources give us an advantage over our competitors.				
	We can do all digital marketing activities we want because of our physical resources.				
	The physical resources are enough to meet our digital marketing goals.				
Human capital	We have enough work force to execute our marketing activities	√		1; 2; 3; 4	1b i; ii
	We have people with the skills & knowledge required for our digital (electronic) marketing activities				
	Our people are always motivated to do their activities				
	We have high levels of employee job satisfaction compared to competitors.				
	We have high levels of employee retention compared to competitors.				
Intellectual assets	We have knowledge of our digital (electronic) operating environment.	√		1; 2; 3; 4	1c i; ii
	We have skills to handle digital (electronic) marketing in our organization.				
	Our employees are good in digital (electronic) marketing activities.				
	We have a confident team in digital (electronic) marketing.				
Digital market orientation	Our business objectives are driven by online customer satisfaction.	√		1; 2; 3; 4	1d i; ii
	Top management regularly contact important customers.				
	Managers understand how employees contribute to value for customers.				
	Customers are targeted when we have an opportunity for competitive advantage.				
	We achieve rapid response to competitor actions using digital channels.				
	Top management regularly discuss competitors' strengths & weaknesses.				
Reputational assets	Functions are integrated to serve markets.	√		1; 2; 3; 4	1e i; ii
	We have strong brands that customers easily recognize.				
	Our brands make it easy for us to market our products.				
	All marketing efforts are made easy by our brand name.				
	We have credibility with customers through being well established in the market.				

Relational assets	We have good relationships with key customers.	√	1; 2; 3; 4	1e i; ii
	We have good relationships with suppliers.			
	Our relationships are an asset to the organization.			
	We electronically offer superior levels of customer service and support.			
	We are good at creating, maintaining and enhancing relationships with customers.			
Digital Strategy development and execution capabilities	We have a digital marketing plan.	√	1; 2; 3; 4	H2a i; ii
	We develop plans for all our digital marketing activities.			
	We always implement our digital marketing plans.			
	We always evaluate and improve our plans.			
Digital innovation capabilities	We always reinvent our processes, systems and business models to suit online environment	√	1; 2; 3; 4	H2b i; ii
	We have systems that reach every customer			
	Our innovations are superior to competitors			
	We have skills and knowledge to create new products			
	We have the ability to launch successful new products online			
	We have effective new product development processes			
	Our company is creative in its methods of operation			
Leadership capabilities	We have a strong financial management.	√	1; 2; 3; 4	H2c i; ii
	We always do the right thing in Human Resources Management.			
	Our online operations management are always good.			
	Our managers always keep employees motivated.			
	Our managers always bring different units to work together online.			
E-market sensing capabilities	We actively track key e-market conditions and activities.	√	1; 2; 3; 4	H2d i; ii
	We always study e-marketing actions and activities of leading organizations in our sector.			
	We study direct competitors to emulate their moves.			
	We accurately anticipate (tell in advance) responses to actions that we take.			
	Our prices reflect market needs.			
	Our prices are available online.		1; 2; 3; 4	H3a i; ii

Pricing related activities	We have different prices for different customers online.	√	1; 2; 3; 4	H3b i; ii
	Our price is favourable relative to competitors.			
	Our mark-up on costs are higher than competitors			
Distribution related activities	We strongly use online distribution channels.	√	1; 2; 3; 4	H3b i; ii
	Our channels give more convenience to our customers.			
	Customers easily find information about us online.			
	Electronic means widened our distribution channels.			
Product related activities	Our products always reflect customer needs.	√	1; 2; 3; 4	H3c i; ii
	We provide detailed product information online.			
	Our packaging always contain links to our digital channels.			
	We always seek customer ideas in developing new products.			
	We used digital channels to develop new products with our customers.			
Promotion related activities	We provide targeted promotions to our target customers.	√	1; 2; 3; 4	H3d i; ii
	We vigorously use digital channels to promote our products.			
	We always use trending channels to promote our products.			
	We use more channels relative to competitors.			
Service related activities	We always provide customer support through digital channels.	√	1; 2; 3; 4	H3e i; ii
	Our customer support information is readily available through digital means.			
	We use e-channels to follow our customers.			
	Online channels shorten our delivery time.			
	Digital channels results in shorter average time to resolve orders than competitors do.			
Intermediate outcomes	Digital channels result in higher percentage of perfect orders than competitors	√	1; 2; 3; 4	H1-4
	Awareness (brand, products/company)			
	Customer Attitudes (to company and its products)			
	Availability (product/service availability)			
	Customer satisfaction			
Final outcomes	Brand Associations	√	1; 2; 3; 4	H1-4
	Sales volume			
	Market share			

	Profitability	√		
Institutional barriers	The environment we operate positively influence our marketing outcomes.		4	H4
	The laws and regulations support our business.	√		
	Tax rates are favourable to our business.			
	Competition from informal traders influence performance.			

IV = Independent variable **DV** = Dependent variable