

ABSTRACT

The research on the role of social media on the performance of business particularly micro SMEs was motivated by the contributions SMEs area making to national economies but as well as the lack of information on how micro SMEs are utilizing the social media platforms to market their products and services and make such headlines. Specifically, this study sought to profile usage of social media platforms for marketing, contribution of social media marketing to performance of micro SMEs, and challenges faced by micro SMEs in the utilization of social media platforms for marketing purpose. The motivations were drawn from various literature particularly those focusing on the adoption and use of technology as well as those focusing on digital marketing trends. Digital marketing being a new phenomenon particularly to micro SMEs made it relevant to review the said theories. Various attributes were found to have influence on the usage of social media platforms for marketing as well as measuring their performance data were collected from 90 micro SMEs in Arusha municipal offering different products and services both within and outside the region. Sample was drawn randomly and data were collected through questionnaires and analyzed descriptively. Key findings of the study showed that social media marketing largely is used to counter ever-increasing competition, helping business build online presence as well as answering customer's questions. On the other hand, research data indicate a slight better performance of micro SMEs after commencing using social media for marketing purposes. Consistency execution of marketing activities was the biggest hurdle as marketing was done as an operational activity instead of a strategic undertaking. Conclusively, the research concluded that marketing should be used as a strategic endeavor as it's about the life of business whether traditional or contemporary approaches are used.

