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FACTORS AFFECTING THE ADOPTION OF E-MARKETING AMONG SMALL AND MEDIUM ENTERPRISES (SMEs): EVIDENCE FROM SOME SELECTED SMEs IN THE NEKEMTE CITY

A THESIS PAPER SUBMITTED TO DEPARTMENT OF MARKETING MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE DEGREE OF MASTERS OF ART IN MARKETING MANAGEMENT (MA).

By

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This is to certify that this thesis entitled as "FACTORS AFFECTING THE ADOPTION OF E-MARKETING AMONG SMALL AND MEDIUM ENTERPRISES (SMEs): EVIDENCE FROM SOME SELECTED SMEs IN THE NEKEMTE CITY", submitted in partial fulfillment of the requirements for the degree of Master of Arts in Marketing Management to the School of Commerce of Addis Ababa University, done by Ayantu Temesgen is an authentic work carried out by her under our guidance. The theme embedded in this thesis has not been submitted earlier for the award of any degree or diploma in any other university to the best of our knowledge.

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Internal Examiner

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Declaration

This section provides an introduction to my originality of my works. When others are involved, I will make every effort to clearly disclose this information, refer to relevant documents, and welcome collaborative research and discussion. Information obtained from published or unpublished articles is indicated in the text with sources indicated. I declare that this is my original research and that I have not completed graduate studies at any other institution. This study was carried out under the supervision of **HaileMariam Kebede (PHD)** Department of Marketing Management, Addis Ababa University.

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Statement of Certification

This is to certify that Ayantu Temesgen Chali has carried out this thesis work on the topic entitled with "Factors Affecting the Adoption of E-Marketing among Small and Medium Enterprises: The Case of Selected SMES in the Nekemte City" under my supervision. This work is enough for submission for the partial fulfillment for the award of masters of Art Degree in Marketing Management (MA).

Advisor: Haile Mariam Kebede (PHD): Signature_____ Date_____

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Abbreviation

IDT-Innovation Diffusion Theory

IT-Information Technology

ICT-Information and Communication Technology

SMEs-Small and Medium Enterprises

TOEM-Technology-Organization Environment Model

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Abstract

The main objective of this study was to investigate the Factors Affecting the Adoption of E-Marketing among Small and Medium Enterprises: The Case of some Selected SMES in the Nekemte City. The factors affecting the Adoption of E-Marketing among SMES examined in this study were competitive pressure, IT infrastructure; cost of adoption, government support and owners/mangers IT knowledge. Quantitative research approach was used for this study to determine the factors affecting Adoption of E-Marketing. Descriptive and explanatory research design was employed for the study. Both purposive and cluster sampling techniques was used to enables the researcher to use respondents' discretion in selecting samples from the total target population. Using a total of 33 questionnaires; the primary data was collected from 184 respondents'. The data was collected by using 5 point Likert Scale type close-ended questionnaire and then the collected data were analyzed using SPSS Version 25. The findings of the research indicate that the majority of the respondents' works in Case of Selected SMES in the Nekemte City particularly service, construction and trade SMES are averagely satisfied by their competitive pressure, cost of adoption and government support but, there is less satisfaction level in terms of the IT infrastructure and owners/mangers knowledge know-how on IT level given for teams. Further, there is a high work load within the work environment. To avoid this problem, researchers recommend that organizations ought to advance the IT infrastructure needed to achieve the outlined goals through outsourcing and internal training to improve the skills of owners and managers to be competitive industry. Therefore, improve their organizational performance through adopting e-marketing of the business in order to boost members' dedication that will enable commitment, while efficiently deliver outstanding results. From the result of the analysis it was concluded that there was strong positive and significant correlation between competitive pressure, IT infrastructure, cost of adoption, government support, owners/mangers knowledge and overall e-marketing adoption of SMES since the Independent variables included in this study explained by 81.9% of the variability of the adoption of the e-marketing of SMES. Based on the findings, the researcher recommended that, SMES Nekemte city(service, trade and construction sector) be supposed to strive to involve and improve its competitive pressure, IT infrastructure, cost of adoption, government support and owners/mangers knowledge of IT as well for its workforces to create long term agreement with key customers to set reliability, responsiveness, and other standard work for the organization, to be informed on the changing needs in order to improve their understanding with their trading partners and to work on improving adoption of the e-marketing in SMES.

Key Words: E-marketing, SMES, Nekemte city, Oromia, Ethiopia

CHAPTER ONE
INTRODUCTION

This section presents the background of the study, problem statement, research objectives, and research questions, significance and scope of the study and definition of terms.

1.1. Background of the study

Disruptive developments in information and communications technology (ICT) have impacted the way businesses operate. Today's global economy is moving from dependence on products to dependence on value creation, labor and economic prosperity (Dehkordi et al., 2012). Electronic commerce, popularly known as electronic marketing, is growing due to its impact on business (Babalola and Babalola, 2015).

For the same reason, transmitting business ideas or research results to a computer network environment like Internet is called e-business. In addition to describing the physical characteristics of the product and facilitating online sales and purchases, it also includes all aspects of advertising, promotion, and public relations. Building and maintaining long-term relationships with customers is the goal of Internet marketing (Lipich and Mokhnyuk, 2020).

According to Kaul et al. (2015), Internet marketing involves identifying unmet needs, creating products and services that meet those needs, and then pricing, supporting, and profitably distributing those products and services. For this reason, e-marketing has become important in an era of globalization, intense competition, and open borders (Gilmore et al., 2007). E-commerce also includes electronic marketing. E-commerce refers to all forms of electronic transactions between buyers and sellers, and e-marketing refers to sales and communication (Chaffey, 2009).

E-marketing has become important for companies to maintain competitive advantage (Eid and El-Gohary, 2013). This allows them to make a profit by buying and selling goods, information, and services online and in other online locations (Kaur et al., 2015). Additionally, modern digital TV platforms that promote products and services through websites and promote messages using various technologies can be seen as a new way of thinking and business that also includes marketing resource planning, customer relationship management and supply chain management (Jaas, 2022).

According to Krizanova et al (2019), the main impacts on e-marketing growth, B2B advertising and customers marketing are: measurements such as website conversion rate for

online advertising, increase the potential to reach as many people as possible, be able to conduct post-click research and to provide interaction with the client by using this special characters. Through technological advancements more and more businesses around the world are collecting customer data to help them make informed decisions. For example, to provide advertising or marketing, online companies use cookies to track the purchasing activities of online users and visitors (Idemudia and Jones, 2015).

As the global economy and technology continue to grow, sustainable businesses will thrive in the future. The electronics market is growing rapidly and influencing business and consumer behavior. This makes businesses rely on email marketing to meet the needs of their target market and as their first report. E-marketing is the business form of the future due to the benefits of current technological changes that make smartphones and other devices easier to use (Rahman, 2021).

In today's business world, it is difficult to find an organization that does not use Internet technology, electronics, or online marketing. The advertising industry benefits from the fact that most retailers selling similar products conduct their business online while working from home (Bilgihan et al., 2016). Internet marketing professionals around the world are always looking for new ways to improve their search engine results by regularly publishing new content and monitoring popular content featured on their sites. You can also promote your products and services online (Hassan, 2020).

The use and application of technology in business environments around the world is driven by the need to reduce costs, improve customer efficiency, and increase trust in the products or services produced. However, increased sales through online technologies will maximize profits (Eldahamsheh et al., 2021). Intermediate goals also include reducing the costs required to retain existing customers to provide high-quality service, increasing the efficiency of offline and online marketing campaigns, and increasing interest in products promoted through electronic means (Supavich et al., 2019).

A study of small and medium-sized enterprises in African countries, including Nigeria and Kenya, found that it is important for small and medium-sized enterprises to use technologies such as digital and e-marketing to improve efficiency and enter strong, competitive markets(Otica et al., 2022). Therefore, Ethiopian SMEs will not be unique in our country as e-marketing is at the doorstep of every organization. SME business in Ethiopia may not be a unique phenomenon due to the rapid growth of the energy sector in developed and developing countries.

While, previous studies (e.g. Tesfahun, 2019, Kwadwo, 2015, Abir, 2017, Mihretu and Shimelis, 2023, Udoka and Dixon, 2022, Abdulrazaq, 2022) have investigated economic e-marketing adoption among competitive organizations was destructed by the IT infrastructure, adoption cost, intelligence in technological incompatibility, Higher education level, talent, insight, business major, IT skills and character, lack of the finance, lack of the regulatory framework, firm size and etc. Therefore, it is important to identify the factors that influence the adoption of electronic marketing by small and medium-sized enterprises in Nekemte, Oromia Region, Ethiopia.

Digital marketing, internet marketing and e-marketing may seem like interchangeable terms, but there are differences between them. Until recently, few people distinguished between online transactions and e-marketing. Internet marketing involves using the Internet to achieve business goals. This may include company website maintenance, search engine optimization techniques, email marketing, marketing campaigns, online partnerships, or interactive advertising (Emb, 2014).

E-marketing is often considered the equivalent of online transactions. However, it also includes many commercial enterprises. E-marketing involves conducting business not only over the Internet, but also through email and wireless communications. Email marketing is one of the most popular and effective direct marketing methods. Recent developments in the electronics industry include managing electronic or electronic CRM systems, managing sensitive customer data and digital communications (Mihretu and Shimelis, 2023).

Additionally, digital marketing is a broad term that encompasses all marketing activities using channels such as search engines, social media platforms, email, websites, as well as online advertising platforms. E-marketing also stands out in that it tailors content directly to customer preferences based on past interactions and purchasing behavior (Tesfahun, 2019 and Emb, 2014).

E-marketing is therefore one of the best ways to reach potential customers and was chosen for this study because it allows businesses to identify specific target audiences, making it ideal for shoppers on the initiative. E-marketing also stands out in that it directly adapts to customer preferences based on past interactions and purchasing behavior. E-marketing is generally chosen because it leverages the power of the Internet and digital media to facilitate the marketing of products or services and is part of the economy. Digital printing involves using electronic means to communicate directly with your customers through Language or e-mail or text. E-marketing is the transfer of business ideas and activities

through a computerized network environment like the Internet (Udoka and Dixon, 2022).

SMES is one of the product/service oriented private/public organization helps for giving trade, service, construction and others entrepreneurs' in the world wide countries. SMES Nekemte city e-marketing adoption was affected by several factors that made the sectors less fruitful for a long. Therefore, the researcher attempts to analyze theoretical and empirical studies and make recommendations based on primary data.

1.2. Statement of the problem

The Internet is increasingly becoming a useful business tool for businesses around the world, especially small and medium-sized enterprises (Kwadwo, 2015). Additionally, much research has been conducted on energy use in developed and developing countries. Small and medium-sized businesses have a great opportunity to expand their global presence. Its use in the SME sector helps businesses communicate more effectively and achieve business goals, thereby improving operational efficiency. To maintain autonomy within the company, SME managers and owners may use specific e-marketing strategies (Gilmore, Gallagher, and Henry, 2007).

Previous studies (e.g. Tesfahun, 2019, Kwadwo, 2015, Abir, 2017, Mihretu and Shimelis, 2023, Udoka and Dixon, 2022, Abdulrazaq, 2022) were conducted in several developing countries, with Kenya, Ghana, Nigeria, Palestine and Ethiopia mainly representing them. They have been slower to embrace online business than their larger competitors.

The research conducted by Tesfahun (2019) studied on factors influencing e-marketing adoption in Ethiopian supermarkets in the context of individual stores in Addis Ababa. This study investigates how intense competition, adoption cost and IT infrastructure affect the level of e-marketing in Ethiopian supermarkets (particularly Addis Ababa). He found out that, adoption cost had a negative significant relationship with e-marketing adoption. Additionally, the study concluded that information technology knowledge, competitive pressure and government support had a positive significant impact on e-marketing adoption in the organizations studied. Furthermore, this study used an explanatory research design, simple random sampling method, descriptive and inferential statistical analysis, and a cross-sectional research design. However, this study found out that adoption cost had a positive significant relationship with e-marketing adoption by using a descriptive and explanatory research design with a quantitative research approach, and econometric analysis via primary sources and both purposive and cluster sampling technique to explore the factors influencing the adoption of e-marketing by small and medium-sized enterprises in Nekemte

city.

Mihretu and Shimelis (2023) empirically investigated factors affecting e-marketing in developing countries. Researchers found that the main factors hindering e-marketing in developing countries are lack of financial and technical talent, inadequate IT infrastructure and government support, limited use of the Internet by customers and suppliers, high costs of technology, and lack of control. This study lacks to explore the effect of the competitive pressure and owner's know-how of IT rather than customers and suppliers IT knowledge on e-marketing adoption. These studies were also delimited to the factors affecting e-marketing in developing country. Instead, this study uses factors affecting e-marketing adoption particularly competitive pressure, owners IT knowledge, adoption cost, IT infrastructure and government support on e-marketing adoption by using descriptive and explanatory methods, quantitative research approach and purposive sampling techniques to explore the problem from the perspective of small and medium-sized enterprises in the Nekemte city.

Kwadwo (2015) conducted a study on factors influencing e-marketing adoption by small and medium-sized enterprises in Kumasi, Kenya. The study found that the adoption of e-marketing by Kumasi SMEs is influenced by lack of knowledge of the target market and lack of access to high-level technology. This study used a quantitative research approach by using primary data and descriptive data analysis. This study also lacks to examine factors affecting e-marketing adoption like, government support, competitive pressure and adoption cost. While this study used both descriptive and explanatory research design, quantitative research approach, multiple linear regression model analysis, and purposive sampling techniques by using primary data to investigate factors affecting adoption of e-marketing like, the competitive pressure, owners IT knowledge, adoption cost, IT infrastructure and government support of small and medium-sized enterprises in the Nekemte city .

Additionally, Abir (2017), Udoka and Dixon (2022) found out that e-marketing adoption rates among small and medium-sized enterprises in Palestine, Kisumu, and Nigeria varied depending on the characteristics of owners and managers, lack of experience, financial constraints, lack of qualified personnel, and business conditions, Management support, certification, IT infrastructure, IT skills and knowledge, owners level education, resources, visible connections, large corporations and IT experts.

More precisely, most of the studies mentioned above have examined various factors that influence how small and medium-sized enterprises (SMEs) use e-marketing across the world, including Addis Ababa. Accordingly, the researcher analyzed the factors affecting

the adoption of e-marketing by small and medium-sized enterprises in Nekemte, Oromia Region, Ethiopia, and the researcher crashes the identified methodological, geographical, scope, and subject gaps. The main reasons behind this study are that as per researcher's greatest information and understanding so far, no similar study was accompanied on identical topic on SMEs in Western Ethiopia mainly Nekemte city. The area was known by high possibilities of business community resentments towards e-marketing. Furthermore, the area is recognized by great economic resources and limited infrastructural development which are the input for e-marketing.

Generally, the previous studies were lacks to demonstrate factors such as (competitive pressure, owners IT knowledge, adoption cost, IT infrastructure and government support) of the e-marketing adoption of the SMES (trade, construction and service sectors) particularly in Nekemte city, Oromia region, Ethiopia. Therefore, to fill the above gap, researchers were inspired to study the factors affecting adoption of the e-marketing among SMEs in Nekemte city, Oromia region, Ethiopia. Therefore, researchers tried to fill the theoretical, geographical and empirical gaps in this study and consider them as research gaps. Finally, the researcher attempts to analyze some theoretical and empirical studies and make recommendations based on primary data.

1.3. Research Question

- What is the level of adoption of electronic marketing among SMEs in Nekemte city?
- What is the influence of IT infrastructure the degree of adoption of electronic marketing among SMEs in Nekemte city?
- What is the influence of competitive pressure on the level of adoption of electronic marketing among SMEs in Nekemte city?
- What is the effect of cost of adoption on the extent of adoption of electronic marketing among SMEs in Nekemte city?
- What is the influence of government support on the degree of implementation of electronic marketing among SMEs in Nekemte city?
- What is the impact of owners/mangers knowledge on the degree of adoption of electronic marketing among SMEs in Nekemte city?

1.4. Research Objectives

1.4.1. General objective

The general objective of this study is to explore factors influencing the adoption of electronic marketing among SMEs in Nekemte city, Oromia region, Ethiopia.

1.4.2. Specific objective

- To describe the current practices of Adoption of E-marketing among Small and Medium Enterprises (SMES) in Nekemte city looks like;
- To identify the influence of IT infrastructure the degree of adoption of electronic marketing among SMEs in Nekemte city.
- To identify the impact of owners/mangers knowledge on the degree of adoption of electronic marketing among SMEs in Nekemte city.
- To investigate the influence of competitive pressure on the level of adoption of electronic marketing among SMEs in Nekemte city.
- To explore the effect of cost of adoption on the extent of adoption of electronic marketing among SMEs in Nekemte city.
- To examine the influence of government support on the degree of implementation of electronic marketing among SMEs in Nekemte city.

1.5. Significance of the Study

The value of this study lies in exploring the factors that influence the adoption of electronic marketing by small and medium-sized enterprises in Nekemte city, Oromia region, Ethiopia. It also helps researcher as for promotion in terms of adding level of education. Additionally, the findings of this study help small business owners and managers understand the challenges associated with implementing online presence in their businesses. The study also focused on domestic small and medium-sized businesses that have the knowledge and skills necessary to improve business operations and expand their businesses to engage with customers through online transactions. Additionally, this study will contribute to existing knowledge on SMEs and e-marketing adoption. The results of this study will encourage small business leaders to embrace e-business technologies and help small business employers and policy makers address e-business issues in diverse organizations across the country. Overall, this study will help future researchers study as a reference.

1.6. Scope of the Study

Conceptually this study was delimited to explore factors that influencing the adoption of electronic marketing among SMEs in Nekemte city of Oromia regional state of Ethiopia. The owners and managers of SMEs make up the population of the study. The scope includes SMEs that use ICT to enable information exchange and buying and selling in a way that benefits the company. Methodologically it is delimited to the descriptive and explanatory

research design together quantitative research approach, multiple linear regression analyses, primary source of data and both purposive sampling and cluster sampling method. This study is also geographically delimited to the SMEs (service, construction and trade) in Nekemte city, Oromia, Ethiopia.

1.7. Definition of Terms

E-marketing: refers to using the power of the internet and digital media to promote the marketing of products or services (Kwadwo, 2015). E-marketing is the transfer of marketing strategies and advertising content to computerized network environments such as the Internet (Mihretu and Shimelis, 2023).

Small and Medium Enterprises: refers to businesses with a total capital of between 20,000 and 500,000 birr. This does not include organizations that provide advanced technology or technical advice (Hagos and Yared, 2012).

Medium Enterprises: refers to enterprises with a total capital of between 500,000 Birr and 1 million Birr. This group includes companies that provide high-tech services but does not include other technology companies (Hagos and Yared, 2012).

1.8. Organization of the Study

This study consists of five chapters. The first chapter includes background, problem statement, research objectives, research questions, scope, significances and definitions and organizational research. Chapter 2 provides a literature review that places this study in the context of theory and empirical review of the study. Chapter 3 describes the research methods used in this study, including research design, survey, data collection methods, data sources, models, and standard data analysis techniques followed by Chapter 4, results and discussion. Finally chapter 5 includes summary of the major finding, recommendation and conclusions.

CHAPTER TWO

REVIEW OF RELATED LITIRATURE

This chapter reviews theoretical, empirical review conceptual framework and definition related to e-marketing adoption determinants.

2.1 Theoretical review of the study

2.1.1 Definition of e-marketing

Turban et al (2008) define e-marketing simply as the buying, selling, transferring or exchanging of goods, services and information to promote economic development through the use of the Internet, email and the World Wide Web. E-marketing helps companies increase customer productivity, improve products, and generate higher profits for their companies by reducing the cost, time, distance, and space required to do business. It also allows businesses to sell, advertise, and buy equipment, bypass middlemen, track inventory, organize information, and share information. 2015). E-marketing is the transfer of marketing strategies and advertising content to computerized network environments such as the Internet (Mihretu and Shimelis, 2023). The transmission of certain business transactions and ideas over computer networks (such as the Internet) is called electronic business. It brings all aspects of advertising, promotions and public relations into one place. It also facilitates online sales and purchases by identifying the physical characteristics of products (Lipich and Mokhnyuk, 2020).

The use of the Internet for business purposes has led to the rapid development of e-commerce (Rajab et al., 2015). The fundamentals of business and economic activity have not changed in the electronic age. In reality, technology helps companies run their businesses, but it doesn't create itself. The reason large corporations invest in the electronics industry is because they have more resources and can gain profits from a higher market share. However, many small and medium-sized businesses find their electricity situation complex and are still uncertain about how to use electricity (Stockdale and Standing 2004). The electronic environment has not changed the conditions of business and economic activity. In summary, technology supports the economics of an economy but is not its reason for existence (Kambil and vanHeck, 2002). Larger organizations with more resources have invested in e-commerce to reap significant economic benefits. However, electronic media can have an impact on many small and medium-sized businesses (Stockdale and 2004).

2.1.2 An Overview of SMEs in Ethiopia

We all know that small businesses are critical to economic growth. Its ability to grow businesses, create jobs and increase domestic production is a measure of its strength. As a developing country, Ethiopia can benefit from this project (Hagos and Yared, 2012).

Small and Medium Enterprises: refers to businesses with a total capital of between 20,000 and 500,000 Birr. This does not include organizations providing advanced technology or consulting services. Additionally, small and medium-sized enterprises are businesses with a capital of between 500,000 and 1 million birr. This category includes companies that provide high-performance network services but excludes other high-tech organizations. Considering the favorable nature of the business environment and the changing needs of SMEs, it is more important than ever for SMEs to successfully adopt ICT to expand and compete in the market. ICT integration enables small and medium-sized enterprises to compete successfully and effectively both domestically and internationally. In general, small and medium-sized businesses are receiving great benefits from the Internet and ICT, and many studies are appearing along with the development of ICT (Fatima, 2012). ICT applications can help both large and small businesses achieve their goals (Shemi, 2012).

ICT is not a new phenomenon for Ethiopian businesses, but until a few years ago, the use of ICT was not widely accepted by businesses and organizations. When ICT was first introduced in the country, most businesses relied on fax machines and other equipment. Organizations are limited to printed copies, which require considerable time to collect and distribute. Due to the global impact of ICT, some small and medium-sized businesses are beginning to realize the importance of using ICT and integrating it into company operations. However, SMEs in Ethiopia and other African countries remain reluctant to integrate ICT into their daily operations. Therefore, this study focuses on small and medium-sized enterprises that use computers or ICT in their daily activities in Nekemte, Ethiopia.

2.1.3 Technology-Organization-Environment model

Tornatzky and Fleischer (1990) developed the TOEM analysis method. We consider three types of integration related to innovation in firms. Technology systems include existing and new systems that encompass a variety of factors affecting a company and represent internal and external technologies that impact the organization (Chau and Tam, 1997). The owner's IT skills, level of ICT adoption, company size, structure, management support, human capital and resources are few examples. Attracting external capital, government support, markets, and competition in the markets in which a company is located are all components of the

external environment. This is supported by Porter's (1985/1998) argument that business structure and ownership influence corporate decisions, but this structure differs from the traditional DOI where thinking emerges from thoughts about the environment.

The model therefore provides the necessary theoretical foundations: technological readiness (IT infrastructure and Internet use), organizational readiness (company size, scope, cost of adoption and management knowledge), environmental readiness (communication with partners, interest and competition pressure, government support and customers willingness) to analyze the use of e-marketing by small and medium-sized enterprises (Tesfahun, 2019). Therefore, this study focused on the impact of IT infrastructure, skills of the internet usag;scope cost of implementation, management knowledge, competitive pressure and government support on the adoption of electric marketing adoption in the study organization.

2.1.4 Theory of innovation Diffusion

According to Rogers (2003), innovation diffusion is the process by which an innovation spreads among social network members through specific relationships over time. Innovation is also when peopled or society discovers something new. It can be an idea, service, product or application. The perceived benefits of an innovation influence whether it will be adopted and ultimately used. Since IDT is used in various fields such as business, marketing, management, and technology, the concept of innovation is related to new products, ideas, services, processes, and innovation (Chang, 2010). Therefore, this study is used to explore factors that influence the adoption of e-marketing in the study orgnizations.

2.1.5 Technology Acceptance Model (TAM)

TAM is considered the most powerful and effective model for demonstrating interest in new technologies (Davis et al., 1989; Limperopoulos and Chaniotakis, 2005). This provides a strong foundation for learning how to maintain and use modern technology (El-Gohary, 2012). TAM is based on TRA, which aims to explain human behavior (Alrusan and Jones, 2016). Perceived usefulness (PU) and perceived ease of use (PEOU) are two factors that are considered major determinants of consumers' willingness to use new technologies (Davis, 1989). According to Davis (1989), “perceived usefulness” refers to the extent to which an individual believes that using a particular technology will improve his or her performance, while “perceived ease of use” refers to the degree to which an individual believes that it is good to use it. It means. Certain skills will improve his performance. Using certain systems will increase your productivity and improve your business.

The impact of (PU) and (PEOU) on the adoption of technological developments has been the subject of much research. Liang et al. (2011), Al-Jamal and Abu-Shanab (2015), Alalwan et al. (2016), Varaprasad et al. (2015) (2015) and other studies have found significant impact. TAM has been tested in a variety of technical fields and has proven effective in predicting and describing the response of these diverse systems. However, some studies have been conducted to evaluate TAM in the electronics industry (El-Gohary, 2012). Vijayasarathy (2004) attempted to extend TAM by adding social aspects, privacy, security, trust, and self-efficacy. However, an evaluation of the extended model demonstrated that compatibility, ease of use, ease of use, and security are important for online shopping while maintaining anonymity (Iqbal and El-Gohary, 2014; El-Gohary, 2012). Therefore, this study was used to explore factors affecting the adoption of electronic marketing in the research field.

2.1.6 Advantages of E-Marketing to SMEs

The adoption of e-marketing by SMEs has always attracted the attention of governments and researchers due to its positive impact on a country's SMEs and the economy as a whole (OECD, 2004). Senn (2004) lists several advantages for businesses and individuals using e-marketing, including the global reach of this technology, which eliminates the problem of connecting users anywhere in the world through telecommunications. One advantage is speed. This is because quick communication between e-business participants is possible. Productivity due to the speed of Internet business is another benefit of using this technology. The speed and uptime of technology allows online marketers to spend their time on other pressing tasks. This will help you achieve more and get the results you want. It also promotes information sharing by making it easy for Internet users to share digital information in audiovisual formats. Reducing costs (i.e., the Internet can provide cheaper options than traditional business strategies) is another requirement of e-commerce. Because technology eliminates intermediaries, communication between businesses and consumers is essentially free. Using technology in business can also help companies create and maintain a competitive advantage over other businesses.

Studies have shown that only large corporations in developing countries are adopting e-marketing and experiencing its benefits (Martinsons, 2008). According to Cartivi and McGregor, (2007), it is easier for large companies in developing countries to integrate e-marketing into their operations due to their greater resources, while small and medium-sized enterprises in developing countries find it difficult to do so due to lack of capital, Resources, technologies and business environments that do not support e-commerce. Email marketing

can benefit SMEs in a variety of ways, but it's important to remember that success is not guaranteed. Most of the above benefits have been achieved with little investment in new technologies. However, it is important to note that the above results have nothing to do with e-marketing (Deng, 2014).

2.2 Determinants of Implementation of E-marketing

Business electronics can be either a help or a hindrance. These elements are analyzed as a three-dimensional structure. According to Tornatzky and Fleischer (1990), organizations adopt and use ICT innovations due to three main factors: Technological factors (IT infrastructure, IT skills of employees), organization (company size, company capabilities, owners or managers IT knowledge and adoption cost) and Environmental factors(existing and potential competitors, its partners and its existing potential customers).

2.2.1 Governmental Support and E-Marketing

The reasons and benefits for government agencies to use the Internet are diverse. The commitment and support of authorities to promote the diffusion of IT/IS innovations in their environment is referred to as public authority (Kuan and Chau, 2001). In many studies, government support can be seen as a power of government. Government policies affect all types of businesses (Young et al.). (2011). these rules may limit investment participation or impose barriers to entry, as well as encourage companies to adopt new processes or information technologies. But governments around the world want small businesses to take advantage of new technologies. Governments around the world also recognize the importance of information technology for national development (Chong et al., 2009). Therefore, many researchers agree that it is very important for governments to leverage technological developments for business.

The creation of new products and services and the advancement of digital technologies require new laws and regulations. According to Ramdani et al. (2009), these policies include entrepreneurship policy, investment tax incentives, university research policy, direct R&D funding, and R&D tax incentives. This is because the lack of uniform laws, policies and government practices leads to the misuse of new technologies and hinders their adoption and use (Ramdani et al., 2009). Many studies support the idea that government policies can help businesses innovate. Thatcher et al (2006) point out that government policies and incentives play an important role in influencing companies' technology adoption decisions. Government infrastructure and regulatory laws and regulations can create an environment that encourages businesses to adopt technology. Thatcher et al (2006) argue that government support and

policies can influence whether innovations are adopted or not.

Many researchers agree that government incentives and legal processes will promote the adoption and use of innovations. A study by Lui (2005) shows that government activities such as e-government, business development, and information support are the main drivers of the increased use of the Internet and information technology. Recently, Hamid and Counsell (2012) stated that in addition to training, governments can support IT from a business perspective by providing advice, financial assistance, support, fair training, and other incentives. Discussing the role of government in influencing IT adoption, Yang et al. (2012) suggest that government subsidies will impact IT productivity by encouraging companies to adopt new technologies more quickly to improve efficiency. This means that today governments can encourage businesses to use information technology by creating special policies or providing appropriate subsidies. Use of information and communication technologies. Lee and Kim examined the opportunities and barriers to e-commerce in Korea in 2004 and found that government reforms played an important role in reducing key challenges and creating an environment that supported the use of ICT, especially in small and medium-sized enterprises. It all comes down to cost. Lee and Kim (2004) found that it was difficult for retailers to solve pricing problems due to the poor business environment of small and medium-sized businesses. The study also found that companies hope to receive private support to reduce the cost of government services they sell, such as tax breaks, education services, and support for developing ICT service platforms.

Lee and Kim (2004) believe that the government's main role is to promote IT use without increasing IT costs and to create an environment that supports IT through support. This will help businesses reap the benefits of IT and provide more incentives for all businesses. Therefore, it is clear that government cooperation is important to encourage technology, facilitate its use, and remove barriers to businesses' adoption of new technologies (Tan et al., 2009). It is generally accepted that government support is closely related to the use of new technologies, as seen in the many studies that have examined the role of government in this context in recent years.

2.2.2 Owners or managers IT knowledge and E-Marketing

According to Hamid and Counsell (2012), realizing the benefits of new applications requires the knowledge of IT owner-managers. Some IT knowledge possessed by owner-managers can add value to the organization when selecting software based on information required

from vendors. Lack of ability to select and utilize software was also cited as a cause of failure. IT benefits. This is because owner-managers lack basic knowledge and experience in the IT field. Owners' innovative ideas and positive attitudes toward new technologies have a positive impact on IT use (Damanpour, 1991).

According to Rogers (1983), attitude formation toward an innovation occurs even before the decision to adopt the innovation. Good leadership behaviors will help you at every stage of your ecommerce implementation. In the initial stage, managers help raise awareness among organizational members, in the decision-making stage they are responsible for allocating the necessary resources, and in the implementation stage, they can create an environment that is integrated with the organizational environment. Mehrtens et al., (2001) found a direct relationship between owners' positive attitudes toward electronic device use and the success of the adoption process. Any adoption involves uncertainty. However, an owner or manager with a good attitude will continue to invest more to fight these risks and earn interest.

Various studies have shown a positive relationship between owners and managers' information technology knowledge and the adoption of new technologies. A study by Delaunay (1988) shows that computerization is more successful in companies where managers or owners are familiar with computers and participate in computerization. Tong and Yap (1995) found that the more IT knowledge the owner-manager had, the more likely the small business was to adopt IT. They also revealed that understanding IT and new technologies increases the likelihood of utilizing IT. They also highlight that one of the barriers to IT adoption in retail is the lack of in-depth knowledge and understanding of IT by business owners or managers. Recently, Tong and Yap (1995) suggested that information technology knowledge possessed by owner-managers is associated with IT use and has a positive effect on the use of new technologies.

2.2.3 Information Technology (IT) Infrastructure and E-Marketing

Lack of IT infrastructure is a major barrier to technology adoption and people are still stuck with old ways of doing business. This means that no matter where people live, they are unable to take advantage of technological innovations and advancements that diversify and simplify the way they do business, including using the Internet to shop around the world. Business communication is necessary to connect territories within cities and between countries. I don't know, A., &; Ricker, P. (2003). E-commerce depends on good logistics in the country. The goal of further development is to improve the safety and security of

payments to prevent fraud and other crimes (Boerhanoeddin, 2000). The participants in this business are consumer to consumer, person to consumer, business to consumer, business to customer or consumer to business selling, person to business selling and business to business and Business sales (Task Habbi et al., 2015).

A study by Adediran YA (2005) found that individuals can be benefied from adoption to technology while resource shortages are affecting businesses in many sectors. For example, a study of the book industry found that most consumers, such as bookstores, libraries, and even schools (primary and secondary), do not have access to the Internet and absence of the infrastructure. The study found that some areas have poor roads, no electricity in schools, no businesses, no computers or Internet connections, no computer labs to search or check email, and no mobile signals for reliable cell phone reception. It turns out there isn't one telephone network signal. While it may be true that high poverty rates prevent most people from taking advantage of e-commerce across industries, research shows that building infrastructure is a major barrier to e-commerce development and adoption. Infrastructure such as transportation, fiber optic networks, electricity, infrastructure such as credit and debit cards, computing equipment such as computers, and physical competition are the major factors affecting electricity production in developing countries (Adisa, 2012). These problems are caused by lack of ICT cables, weak network signals, lack of ISP network boosters and poor power supply in most places.

2.2.4 Adoption Cost and E-Marketing

Finance is probably the most important issue influencing the decision of most developing country businesses to adopt e-marketing. Finance refers to the resources a business can invest in identifying and implementing new technologies and hiring and training key personnel to manage its ICT assets, including consulting, maintenance and maintenance costs of ICT infrastructure and websites. (Mutula Van Brakel, 2007). Tong (1999) investigated the determinants of information technology adoption in SMEs through a survey of 166 SMEs and found that the level of adoption determines the importance of adoption. Low Jeon et al (2006) found that in addition to the decision to adopt, adoption costs also affect information acceptance. In this study, e-marketing implementation costs consist of two main elements: the level of costs that companies spend to implement e-marketing and e-commerce management costs.

Pailidou et al (2008) also highlighted the barriers to e-commerce in developing countries. The main reason for this is the high cost of managing information and training employees in new

technologies. This is closely related to the relationship that often exists between employees and senior management. Another drawback is that most managers do not recognize the benefits of business innovation. Another concern among senior executives is that new technologies will not meet future business goals. This means additional costs are incurred and management does not receive any benefit. The low skill level of people working in the industry and the lack of automated business processes make the transition to higher levels of technology difficult and costly for companies.

2.2.5 Competitive Pressure and E-Marketing

Many authors report that intense competition between suppliers and consumers can have a significant impact on the adoption of electronic products. It has long been known that competition motivates innovation in organizations (Thong, 1999). In highly competitive companies, the use of IT innovation is essential to maintain and improve profitability (Yoon, 2009). In this environment, failure to adopt others' IT innovations results in loss of competitive advantage. Porter and Millar (1985) suggest that the use of information technology allows organizations to gain competitive advantage in terms of cost or differentiation. In other words, by leveraging IT, organizations can reduce costs and differentiate themselves from competitors. Competition is also an important factor that enables companies to use new technologies to prevent competitiveness decline, referred to as high competition in many studies (Zailani et al., 2009). Ghobakhlu et al (2011) define high competition as the extent to which a company perceives threats from competitors in its industry or other industries.

Many researchers using school theory (Alataviet et al., 2012; Yun, 2009) believe that when companies face pressure from the external environment, they may adopt innovations adopted by other companies around them. That is, a company is more likely to adopt a technology if it knows that more competitors have already adopted the technology (Yoon, 2009). As your competitors adopt this technology, your firm will be willing to do the same to support your legal organization. Organizational legitimacy refers to how the organization is perceived in the external environment (Yoon, 2009). Companies that choose not to take risks may face difficulties by falling behind their competitors (Ghobakhloo et al., 2011).

If the energy sector is to adopt this as a best practice, the stronger the operating environment, the better. Sometimes these pressures lead companies to seek better practices in the future (Yoon, 2009). Therefore, it is commonly believed that high competition has a positive impact on the adoption of new technologies and is one of the reasons why organizations switch to e-

marketing.

2.3 Empirical Review of the study

Kwadwo (2015) investigated factors influencing the adoption of e-marketing among selected small and medium-sized enterprises in Kumasi City, Ashanti Region. Therefore, researchers found that failure to recognize that technology is not achieving business goals can lead to stakeholder dissatisfaction. Acoording to the study made by Tasfahun (2019) the most important factors affecting the use of e-marketing in Addis Ababa supermarkets are implementation costs and competition, but implementation costs and IT infrastructure are also found to have an impact. The study also found that government support and IT experience of owners and managers did not have a significant impact on the adoption of electronic equipment in the companies studied. Further research shows that intense competition is considered the most important factor for the development of the electronics industry, so managers and major shareholders must believe that they must utilize e-business to manage the electronics industry and obtain good profits.

Conversely, in this environment, failure to follow e-marketing innovations adopted by others may result in a competitive disadvantage. The researchers also suggest that in the future, large-scale, long-term data studies could be conducted, focusing on all stores across the country and covering entire cities, collecting data from customers, e-marketing customers and other stakeholders. Mihretu and Shimelis(2023) emperically discovered the impact of e-marketing in developing countries. The results show that lack of financial resources and human skills, lack of IT infrastructure and government support, limited Internet use by consumers and suppliers, cost, lack of advanced technology and regulations, etc. are important factors affecting the development of e-marketing.. Researchers also recommend further research into factors influencing e-marketing in Africa.

Abir (2017) investigated factors influencing e-marketing in Palestinian small and medium-sized enterprises (SMEs). The results show that relative advantage (technology content), consumer pressure (environment), and business (environment) have a positive impact on business power in the study area. Researchers have confirmed that the adoption and use of e-marketing has a positive and positive impact on business. In addition, the researchers recommended that related organizations strengthen their efforts. These tasks include supporting staff, organizing meetings and training, raising awareness of the importance of using e-commerce, providing financial, human and resources, creating legal support for e-

commerce, financing SMRs and creating true e-marketing, business environment and Cooperation between energy suppliers, government agencies and authorities.

Udoka and Dixon (2022) used an integrative approach to identify factors influencing the adoption of e-marketing by small and medium-sized enterprises in Nigeria. The study found that IT infrastructure, IT knowledge, IT skills, IT knowledge, higher education, talent, social knowledge, company size, IT experience skills, relationships and financial resources all influence the level of IT adoption. This study shows that the main points of this study should be considered when making e-marketing decisions. Finally, it suggested that future research should focus on using primary data to identify factors that influence e-commerce adoption in small and medium-sized enterprises.

Mzee et al (2015) investigated factors influencing e-marketing adoption by small and medium-sized enterprises (SMEs) in Kisumu City. The study then concluded that IT adoption, owner or manager characteristics, and low levels of management training influence the level of e-marketing in an environment.

Hatem (2011) empirically assesses the factors influencing the adoption and use of e-marketing from the perspective of small organizations in Egypt. Researchers found that internal and external factors have a positive impact on the adoption of e-marketing by Egyptian tourism organizations. This study also confirms that published IT theories (e.g. business technology adoption and innovation development) in the Egyptian tourism sector are useful in explaining technology use in business. The results demonstrate the importance of the leadership environment in e-marketing and the limitations of research on e-marketing implementation in city code development.

Muhammad et al., (2020) results indicate that similar strengths, complexity, IT skills, top management support, IT manager knowledge, and external stressors have a significant impact on e-marketing purchasing adoption. However, attitudes, values, company size, leader innovativeness, and government support are not related to energy consumption.

A study by Zainal Rashid and Muhammad Faizal (2011) investigated factors influencing the adoption of electronic products in small and medium-sized convenience stores in Malaysia. The results showed that seven factors (business performance, customer impact, product quality, relationships, new product adoption, trust pressure, and government regulation) were associated with different variables (continued use vs. non-use). Therefore, the results of this

study can provide important information to improve e-marketing sustainability of Malaysian SMEs in the agricultural sector. Organizations seeking to ensure the sustainability of corporate e-commerce can use the research results to identify e-marketing opportunities and implement strategies and control options.

Adjiambo (2021) assessed the factors influencing the adoption of digital marketing by Kampala SMEs based in the Kawempe sector. Results show the relationship of chi-square values between social, demographic and economic factors. Taken together, these results indicate that social, social, demographic and economic factors influence the adoption of digital marketing by Kampala SMEs.

Shrestha (2019) believes that e-marketing is the best strategy that combines technology and modernity to meet customer needs through digital communication. There are many causes influencing e-marketing adoption today. These include online design, ease of use, performance, security, cost, savings, reviews from previous customers, and product quality. It may also be affected by non-delivery, financing, reliability of online service providers and build quality issues. Additionally, the study found that e-marketing adoption in Nepalese tourism organizations is influenced by owner knowledge, organizational capabilities, leadership, implementation, large-scale adoption, compatibility, high competition, government, business trends, national infrastructure and many other factors. This is part of the customer's email marketing organization.

A study by Nuru, (2021) in hotels in Bahir Dar city found that government support, IT infrastructure, skilled labor, financial capital, and skilled labor were important factors influencing print e-marketing. The adoption of e-marketing by Ethiopian supermarkets is often hindered by implementation costs, IT infrastructure, and fierce competition. However, government support and IT skills of store owners or managers have little influence on the use of e-marketing in Ethiopian supermarkets (Ababa, 2019).

The adoption of electronic marketing is influenced by the skills of the owner/manager, lack of technical knowledge, level of business competition, nature of the business and type of product/service. Research shows that low Internet usage by sellers and buyers, low knowledge of small business owners about their business, finances, usage and demand, security, appropriate organizational size, and lack of qualified personnel to develop and support e-marketing are barriers to development (Gyamfi, 2016).

A study of small and medium-sized enterprises in Tanzania found that government support, technical support, and security issues were the main factors influencing the adoption of electronic marketing (Michael, 2014). There are also several hurdles that small business owners must overcome to make e-commerce accessible and useful for their business. According to Kazungu et al (2015), these include lack of awareness of the potential of e-commerce, high costs of new technologies, including training of employees by external experts, unavailability of Internet services, and lack of legal authority to monitor the business.

Personal characteristics include customers, employees, management, and others who do business with the company. These people have a significant influence on a company's decision to use e-business. Adoption depends on education and understanding. Almost all employees with the skills and influence to use new technologies hold key roles or are part of senior teams working on important projects. Most small and medium-sized enterprises are primarily managed by business owners (Demirbas, Hussein, & Matlay, 2011). Other specific factors such as owner/manager and education, ICT level and e-marketing knowledge are also related to e-marketing adoption.

In developing countries such as Ghana, finance is the most important factor influencing the decision of most small and medium-sized enterprises to enter the energy business. Financial concerns are the resources a business can use to acquire and implement new technologies, pay for consulting services, and hire and train key personnel to manage growing ICT systems, including the Internet, infrastructure and services (Mutula and Van Brakel, 2007).

Various studies have shown that organizational size influences the decision to use e-marketing (Bharati and Chaudhuri, 2006). Unlike small and medium-sized businesses, large corporations cannot afford the high costs of purchasing and installing these systems, but they know they have all the necessary resources. Additionally, this study demonstrates the extent and type of ICT use by small and medium-sized businesses in the Boston area of the United States. “They found that the type of technology used was highly dependent on the size of the organization. They also noted that most companies make greater use of technologies such as the Internet and business software compared to technologies such as customer relationship management (CRM).

Other study finding also explains the advantages and benefits of e-marketing. Of course, the main reasons why most small business owners in developing countries are unaware of the existence of existing technologies such as e-marketing and how they can benefit their business are lack of education and awareness of high financial demands. For this reason, some small business owners are reluctant to use this technology. They often complain that it is difficult to adopt new technologies when the benefits must first be assessed (McCole and Ramsey, 2009).

The level of Internet access in developing countries will have a significant impact on the extent or delay of electronic device adoption. Even in urban areas, slow internet access prevents most small and medium-sized businesses from using ICT systems. Additionally, small and medium-sized businesses are reluctant to use e-commerce due to the slow speed of modern Internet (Mutula and Van Brakel, 2007). ICT development is considered one of the key factors in the adoption of e-commerce by SMEs. For example, some companies remain skeptical about the use of electronic devices due to information management problems with existing and new ICT systems (Forman, 2005).

Managers or owners of small and medium-sized enterprises (SMEs) with sufficient ICT knowledge can successfully implement e-commerce and enjoy its benefits. This is their job. In most developing countries, services such as online payments are not available, making e-commerce incomplete (Mercer, 2005). Most developing countries do not have reliable sources of electricity, and some are struggling to maintain power supplies even at current low levels. This fact affects the adoption of electronic equipment since there is no electricity to power ICT equipment.

Governments can help develop and implement e-business initiatives through a variety of SME interventions. These measures could be based on establishing and supporting institutions, legislation to support small and medium-sized enterprises (SMEs), and improving internet systems and policies to support domestic small and medium-sized enterprises. Research shows that governments in developing countries can support high levels of e-commerce and e-commerce adoption by creating an environment where businesses can use ICT systems effectively. Unfortunately, this is not the case in almost all countries, as most developing country governments fight poverty, hunger, etc. through problem solving (Martinsons, 2008).

Yang et al. (2012) suggest that government subsidies will impact IT productivity by encouraging companies to adopt new technologies more quickly to improve efficiency. This means that today governments can encourage businesses to use information technology by creating special policies or providing appropriate subsidies.

According to Lee and Kim (2004), the primary duty of the government is to facilitate the use of IT without adding to its cost and to foster an environment that encourages its use by methodical support. This would enable retail firms to reap the benefits of IT and provide greater incentive in all sectors. Therefore, it is evident that government involvement is crucial in fostering technical breakthroughs, making their adoption easier, and removing obstacles to innovation adoption in businesses (Tan et al. 2009). It is commonly acknowledged that government backing has a favorable association with the adoption of innovation technology, as several studies have examined the function of government in this regard in recent years.

Hence, Based from the above literature evidence, the anticipated hypothesis is;

Hypothesis 1: *IT Infrastructure has significant positive effect on e-marketing.*

Hypothesis 2: *Owners/managers knowledge of IT has significant positive effect on e-marketing.*

Hypothesis 3: *Cost of adoption has significant positive effect on e-marketing.*

Hypothesis 4: *competitive pressure has significant positive effect on e-marketing and*

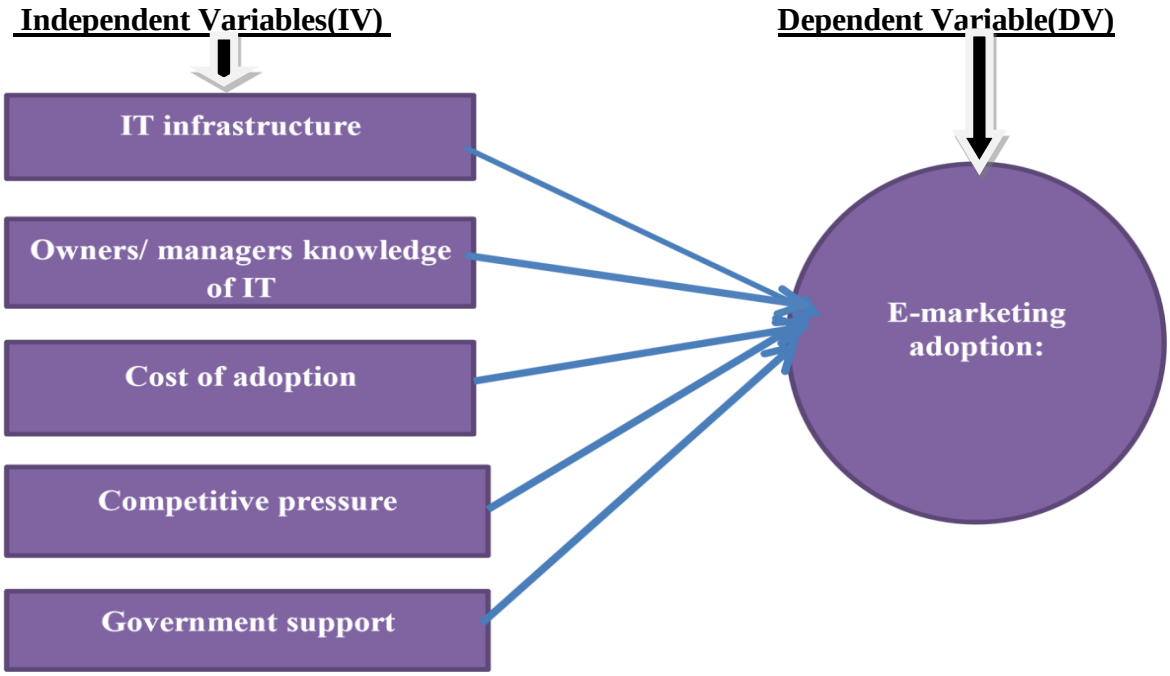
Hypothesis 5: *Government support has significant positive effect on e-marketing*

2.4 Conceptual framework of the study

The conceptual framework is based on changing the standard of expectations (TOE), taking into account both theoretical and empirical evidence. Various factors were identified based on the data from each case, but only cases deemed to have had an impact on e-marketing were included in the framework. Figure 2.1 below provides an example of a conceptual framework that illustrates the independent adoption of the electronic marketing implementation. The researcher decided to use research questions and hypothesis in line with empirical and different theoretical reviews to guide the study. This approach was chosen to thoroughly analyze the current topic, collect relevant information and explore the implications of specific changes in the context of the adoption of e-marketing by small and medium-sized enterprises in Nekemte, Oromia, Ethiopia.

Consistently using research questions in line with hypothesis formulated, this study aims to describe the current state of the phenomenon, explain it, and identify relationships between the analyzed predictors.

Therefore, it would be good to pay attention to the research questions consistent with assumption framed of this study.



Source: Developed by Tornatzky and Fleischer (TOE model, 1990).

Figure 2. 1: Conceptual Framework

2.5 Conclusion and gaps

The internet has gradually developed into a very useful marketing tool for companies worldwide, especially SMEs. The usage of e-marketing in both developed and developing nations has been the subject of several surveys. Accordingly, the aforesaid theoretical and empirical studies had provided several factors (such as competitive pressure, adoption cost, IT infrastructure; technological incompatibility; lack of knowledge; stakeholders un-readiness; technology disorientation, perception; scope of market, acceptance; lack of financial capacity, skilled man power, government support, low degree of usage of internet, lack of regulatory framework; IT awareness , IT Skills, IT knowledge, owner's education level, availability of resources, perceived compatibility, firm size, IT experts and attitude) affecting adoption of e-marketing among SMEs in different countries across the globe. Nevertheless, to the best of the researcher's awareness and experience, no research on the same subject has been done in Nekemte City, Oromia region, Ethiopia. Consequently, the researcher narrow gaps through analyze the influence of IT infrastructure, competitive pressure, cost of adoption and government support on the adoption of E-Marketing among SMEs in Nekemte city. In the same way, it is vital to pinpoint the factors that influence e-marketing adoption in SMEs at Nekemte city, Oromia, Ethiopia.

CHAPTER THREE
RESEARCH METHODOLOGY

This chapter includes the study area, research design, and research approach, sampling techniques, methods of data collection, data analysis and ethical considerations.

3.1. Description of study area

One of the larger cities in Ethiopia's Oromia state is the Nekemte City established in 1872. The city is situated 331 kilometers from Addis Ababa in East Wollega Zone. Astronomically, it is located at latitude of 9°04' North and longitude of 36°30' East. Nekemte also has seven kebele, a municipality, and a city government, making it one of the reform towns in the area. A 2009 structural plan was created for the city. Nekemte city has 156,004 residents in total (Ministry of Urban Development and Construction, 2023).

3.2. Research Design

The study employed a descriptive research design as it can be used to learn phenomenon's present condition and describing what is true given the circumstances in a particular environment learn about the current state of a phenomenon and describe what is true in light of the circumstances in a given setting (Mugenda & Mugenda, 2003). The paper was engaged this design since the researcher wants to carefully examine the issue at hand, identify it, make it clear, and gather relevant data that could be helpful in evaluating inventory control management. Furthermore, to investigate the factors that influence e-marketing adoption in SMEs at Nekemte city, Oromia, Ethiopia, the study implement an explanatory research design. Explanatory research, which aids in determining the cause and effect relationships among predictors under examination, was also used in this study. According to Zinkmund (2003), a descriptive research design is a research method created to explore what is happening in terms of a specific variable and describes a population in terms of significant variables.

3.3. Research Approach

In the study, quantitative research approaches/methods were utilized. Data was gathered via self-administered questionnaires. Thus, in the proposed study, a quantitative research approach was used. The quantitative approach is based on ordinal Likert scale data measurement of respondents' views and opinions quantified into scale of values for the issues that was assessed for illustration.

3.4. Population and Sample

3.4.1 Target Population

The term "population" refers to the group that the researcher is interested in studying more

about and from which a sample can be taken. This is frequently explained in terms of position, circumstance, and educational level. Therefore, the target population of this study is delimited to SMSEs owners/ a manager engages in construction, services and trade types of business in the study area. According to information from MSSEs Agency there are 2738 active SMEs operating in Nekemte city. Currently, there about 10,685 MSSEs owners/ managers in the study area where males and females are is accounted for 6402 and 4283 in turn. Similarly, the target population of this study has taken from 10,685 SMEs owners which involve 6,402 groups of males and 4,283 females in Nekemte city. Accordingly the researcher has selected service (266), trade (136) and construction (189) purposively.

This study was based on the small enterprises businesses owners who are with a total capital of between 20,000 and 500,000 birr and Medium Enterprises owners who are with a total capital of between 500,000 Birr and 1 million Birr and large enterprises owners who are with a total capital of between greater than 1 million Birr. The large enterprise includes enterprises that provide high-tech services but does not include other technology companies

3.4.2 Sample Size and Sampling Technique

A sample size is a limited portion of a statistical population, whose characteristics are examined to learn more about the population as a whole. So, since the study is groups based, sample was taken from target population of the study. The study used both purposive sampling and cluster sampling method to choose a representative of the entire selected population because it can be very useful for condition where the researcher need to reach a targeted sample quickly and want collect data only from the most important sources. More evidently, the researcher has taken a number of factors in to consideration in determining the sample size. The factors include cost of data collection and analysis, time, the type of data and number of target population. On the basis of these constraints, the researcher deliberately selects three sectors (service, trade and construction) from small enterprises, selected a sample of 50 service sector owners/managers, 34 construction sector owners/managers and 27 trade sector. From medium enterprises, selected a sample of 55 service sector owners/managers, 40 construction sectors, and 27 trade sectors. With the total of the 233 SMEs owners/managers including males and women in the study area. Regarding this, Fowler (1984) attested that for a population, the level of precision increases steadily up to sample sizes of 150 to 200. Also, if the desire is to increase the sample size beyond this limit, there is much more gain that is modest. Consequently, to reduce bias, the researcher carefully and fairly distributes the questionnaires among male and female counterpart.

Sample size of the researcher is calculated based on below formula (Kothari, 2004)

$$n = \frac{Z2.\ P\ .q\ .N\ .}{e^2\ (N-1) + z^2\ .p.q}$$

Where, p =proportion of success e=standard error

q =proportion of fail

N=total population

n =sample size,

z= confidence level

$$n = \frac{Z^2.\ P.q.\ N}{e^2\ (N-1) + z^2.p.\ q} = \frac{(1.96)^2\ x0.5x0.5x591}{(0.05)^2(591-1) + (1.96)^2x0.5\ x\ 0.5} = \mathbf{233}$$

Therefore, The researcher used (Kothari, 2004) formula to determine the sample size for the study based on a 95% desired confidence level, a 5% desired level of precision, proportion of success (50%), proportion of fail (50%) and confidence level (1.96).

Table 3. 1: Sample Size Determination (Proportional allocation formula)

Identified Departments	**Population**	**Sample**
Service	266	266/591x233= 105
Construction	189	189/591x233= 74
Trade	136	136/591x233 = 54
Total	**591**	**233**

Source: Own computation based on (Kothari, 2004) formula

3.5 Type and Sources of Data

The researchers analyzed the study by using primary source of data collected through a survey on factors affecting adoption of the e-marketing among SMES in Nekemte city. Though, researcher's use primary data to achieve the above mentioned objectives and answer the research questions. Primary data was collected from selected owners' and managers' respondents of the SMES in Nekemte city particularly from service, trade and construction.

3.6 Data Collection Procedures

3.6.1 Questionnaires

The questionnaire is a tool for gathering data and is effective when the researcher has to collect a lot of factual, straightforward data that can be measured and turned into statistical evidence (Creswell, 2003). In order to collect the data, a self-administered questionnaire with closed ended questions similar to those found on Likert scales is used. Self-administered questionnaires have various benefits, including time savings, cost savings, and a reduced need for interview questionnaire administration expertise (Sekaran, 2010).

Every measurement's units was evaluated by means of a 5-point Likert scale, where 5 equals "strongly agree," 4 "agree," 3 "neutral," 2 "disagree," and 1 "strongly disagree." In general, questionnaires are use in this research because they allow the researcher to compare participants even personally because they all answer the same questions. Subtly, it was improved data

quality and makes the data processing process simpler. To determine whether there is a problematic response set, the Likert scale is employing to observe certain answer patterns. The owners/ managers of SMEs in Nekemte city fill the questionnaires.

The instruments consisted of three sections with organized questions. Section one discussed the demographic background of the respondents. The second and third sections of the questionnaire were deals with predictors and dependent variables respectively.

3.6.2 Validity and Reliability

According to Hair et al. (2010)'s advice, the study employed Cronbach's alpha coefficient of larger than 0.60 to measure dependability as well as reliability. The study employed a pilot test to verify the validity of the instrument. Before distributing the questionnaire to the participants, a pilot test was done to check its accuracy and readability. In addition, it was applied to lessen the ambiguity and vagueness of the instruments. It makes sense for the researcher to invite specific parties for their feedback before distributing the questionnaires to all respondents (Welman et al., 2011). The content validity of the research instruments was suitable as they are adopted from past study (such as Tesfahun (2019). These facts indicate that all of the items is use for each component in the questionnaire is valid.

3.7 Methods of data analysis

According to Mugenda and Mugenda (2003), the primary goal of content analysis is to examine already-existing data in order to identify the elements that contribute to a given phenomenon's explanation. To this aim, the answers to the questions was analyzed and classified into many precise and pertinent groups. For the purposes of data analysis, the study was engaged appropriate data analysis techniques, including descriptive and inferential analysis, which was done by SPSS-25.

3.7.1 Descriptive Analysis

Descriptive analysis use to measure the characteristics of the variables. It presents the data in a logical and meaningful way by percentage, frequency, graph and table. So, descriptive analysis has provided initial notions on the participants on variables. The frequency and percentage are compute on demographic information and personal opinion on the dependents and independents variables in the form of tables and graphs. Afterwards, the mean and standard deviation are calculated with SPSS-25.

3.7.2 Inferential Analysis, Variables and Model specification

Since it reveals how employees in the study area feel about the factors influence e-marketing adoption in SMEs at Nekemte city, this study was utilized a multiple regression model.

More crucially, the researcher was employed a multiple regression technique to forecast how predictors would affect the dependent variable, e-marketing adoption in SME. The researcher used Pearson correlation analysis to examine the level of correlation between the predictor variables and dependent variable. The researchers use principal component analysis using factor analysis for the goal of data reduction.

3.7.2.1. Variable specification

- **Specification of dependent variables**

Adoption E-marketing: This measured in the form of internet usage, Email service, Mobile phone, computer, usage and social media platforms.

- **Specification of independent variables**

Factors affecting the adoption of E-marketing: this is the function of IT infrastructure, competitive pressure, Owners/ managers knowledge of IT, cost of adoption and government support.

3.7.2.2 Model Specification

The IT infrastructure, competitive pressure, cost of adoption and government support are all use to operationalize and measure the adoption of E-marketing among SMEs in Nekemte city. Therefore, the study used the subsequent multiple regression models:

$$AEM = \beta 0 + \beta 1\, x1 + \beta 2x2 + \beta 3\, x3 + \beta 4x4 + \beta 5x5\, ei$$

Where,

AEM = Adoption of E-marketing

X1= IT infrastructure

X2=Competitive pressure

X3=Cost of adoption

X4 = Government support

X5 =Owners/ managers knowledge of IT

ei=Error term

3.8 Ethical Consideration

The study was primarily focus to gather primary quantitative data to analyze the adoption of E-marketing among SMEs in Nekemte city. The study neither involves any experiment on human subjects nor conducted without the consent of the study participants. Above all, the researcher is not asking the study participants to engage into risks as a result of participate in this study. Besides, informed verbal consent was obtained from the key respondents during data collection. The respondents are given the right to refuse or take part in the study. All the primary data collection in the organization is under the permission of the managers and without any offence in ethical rules during the whole research process.

CHAPTER FOUR
RESULT AND DISCUSSION

4. Introduction

As discussed in previous chapters, this study intended to investigate the factors affecting the Adoption of E-Marketing among Small and Medium Enterprises (SMES): A Case Study of Selected SMES in the Nekemte city". To present the results of this study data collected were analyzed using descriptive with inferential and multiple regression analysis statistical tools.

4.1 Response Rate

A total of 233 questionnaires were distributed to participants. As a result, 184 surveys were correctly completed and returned for analysis, resulting in a response rate of 184/233*100 (79%). The remaining 21% of questionnaires were not returned due to refusal to respond. The collected data were presented and analyzed using SPSS statistical software (version 25).

4.2 Reliability Test

Cronbach's alpha reliability is a test that measures construct integrity. The reliability of the survey was tested using Cronbach's scale to demonstrate the consistency of the survey (Masri, 2009). George and Mallery (2003) suggest the following rule of thumb: $\alpha > 0.9$ Excellent, $\alpha > 0.8$ very good, $\alpha > 0.7$ is good, $\alpha \leq 0.6$ is questionable and $\alpha \leq 0.5$ not acceptable.

Table 4. 1: Cronbach's Alpha reliability test

Variables	Number of items	Cronbach's Alpha reliability test
IT Infrastructure	5	0.717
Owners/Mangers IT Knowledge	6	0.852
Adoption Cost	6	0.725
Competitive Pressure	5	0.708
Governmental Support	5	0.765
E-Marketing	6	0.647
Total	**33**	**0.935**

(Source: Researcher's survey result, 2024**)**

As can be seen from the results in Table 4.1 above, the alpha value of each parameter can be explained as follows, so the average Cronbach's alpha coefficient obtained by the researcher is considered to be an excellent value since the overall reliability value is 0.93. This is over 0.70. Therefore, the reliability of the survey analyzed using Cronbach's alpha statistics was reliable.

4.3. Demographic profile of the respondents

The purpose of population profiling and research is to determine whether researchers have accounted for heterogeneity in sample responses. Therefore, basic information about the applicants is discussed below.

4.3.1. Gender frequency of the sample respondents

Table 4. 2: Gender frequency of the sample respondents

Gender of the respondents					
Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	121	65.8	65.8	65.8
	Female	63	34.2	34.2	100.0
	Total	184	100.0	100.0	

(Source: Researcher's survey, 2024**)**

Tables 4.2 above shows that 121 (65.8%) participants were male and 63 (34.9%) were female. This means that there are relatively more male participants than female participants in small and medium-sized enterprises.

4.3.2. Age group of the respondent's frequency distribution

Table 4. 3: Age group of the respondent's frequency distribution

Age of the respondents					
Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 25 years	36	19.6	19.6	19.6
	26 to 35 years	91	49.5	49.5	69.0
	36 to 45 years	50	27.2	27.2	96.2
	46 and above	7	3.8	3.8	100.0
	Total	184	100.0	100.0	

(**Source:** researcher's survey, 2024)

As can be seen in Table 4.3 above, the age distribution of the sample mainly consists of those aged 26 to 35. 91(49.5%) responded. At the same time, the largest age group was 36 to 45 years old, with about 50 people (27.2%) responding, and 36 people (19.6%) from less than 25 years old responded and 7 (3.8%) were between above 46 years old. As a result, it was found that most of the respondents were in the productive age group.

4.3.3. Educational qualifications of the sample respondents

Table 4. 4: Educational qualifications of the sample respondents

Educational Attainment of the respondents					
Document Qualification		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10/12 grade and completes Certificate	10	5.4	5.4	5.4
	Degree (BA/BSc)	122	66.3	66.3	71.7
	Masters and Others	52	28.3	28.3	100.0
	Total	184	100.0	100.0	

(**Source:** Researcher's survey result, 2024)

As can be seen in 4.4 above, as a result of analyzing the educational background of the respondents, 122 people (66.3%) had a bachelor's degree (BA/BSc), 52 people (28.3%) had a master's degree, and the remaining 10 people (5.4%) had a certificate. From this analysis, it is clear that the majority of respondents have a first level educational qualification (BA/BA) and a Master's degree. Therefore, all participants were at least certified and able to understand the impact of e-marketing on the SME issues identified in the survey.

4.3.4. Respondent's work experience frequency distribution

Table 4. 5: Respondent's work experience frequency distribution

Your Service years in the utility					
Experience(years)		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 5 years	18	9.8	9.8	9.8
	5 to 10 years	65	35.3	35.3	45.1
	11 to 15 years	65	35.3	35.3	80.4
	16 to 20 years	25	13.6	13.6	94.0
	Over 21 years	11	6.0	6.0	100.0
	Total	184	100.0	100.0	

(**Source:** Researcher's survey, 2024)

As can be seen in Table 4.5 above, there are 65 (35.3%) people with 5 to 10 years of experience, 65 people (35.5%) with 11 to 15 years of experience, and 25 people (13.6%) with 16-20 years of experience. This clearly shows that the majority of SME members/participants are aware of their SMEs and the significant impact that e-marketing adoption has on them.

4.3.5. Department of sample respondents

Table 4. 6: Department of sample respondents

Work position					
Position		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Owners	167	90.8	90.8	90.8
	Manager	17	9.2	9.2	100.0
	Total	184	100.0	100.0	

(**Source:** Researcher's survey result, 2024)

As shown in Table 4.6 below, the majority of respondents who received training to complete the questionnaire were owners 167 respondents (90.8%) followed by managers 17 (9.2%) respondents. This means that the majority of respondents were owners followed by managers.

4.4 Descriptive Statistical Analysis of the Study

This section provides descriptive statistics in the form of means and standard deviations to illustrate the extent to which participants agreed on the values. Responses to the following variables were measured on a 5-point Likert scale: 1 = strongly disagree, 2 = disagree, 3 = Neutral, 4 = agree, 5 = Strongly agree. According to Alhakimi & Alhariry, (2014) listed Likert scale responses as follows:

Max-Min/n1 means 5-1/5 = 0.80. So means with a difference of 0.8 are ranked from lowest to highest score. This means that point loss can be determined based on the following criteria:

Mean interval	Respondents Intuition/ opinion
1. 1.00-1.80	Strongly Disagree (mean lowest practiced)
2. 1.81-2.60	Disagree (mean Lowest practiced)
3. 2.61-3.40	Neutral (mean averages practiced)
4. 3.41-4.20	Agree (mean well practiced)
5. 4.21-5.0	Strongly Agree (mean very well practiced)

Therefore, descriptive statistics for independent and dependent variables are defined as above average, as shown in the following table.

4.4.1. Descriptive Analysis of the study for adoption of the e-marketing

As discussed in the previous paper, this study investigates the key factors influencing e-marketing use by small and medium-sized enterprises (SMEs) in Nekemte city. Indicators include IT infrastructure, IT knowledge of owners/managers, adoption cost, competition pressure, government support, and e-marketing. Therefore, the study would be discussed that what is the current adoption of E-Marketing among Small and Medium Enterprises (SMES) looks like In terms of selected variables under study in the following analysis.

Table 4.7: Descriptive statistics on Adoption of E-marketing

Descriptive Statistics			
Item	N	Mean	Std. Devn
My organization is trading using mobile phone	184	3.15	1.168
My enterprise use computer for the aim of trading	184	3.52	1.395
The major satisfaction in my life comes from the job of trading through digital platforms.	184	3.29	1.346
When I do a good job, I receive the recognition for it that I should receive in marketing through electronics.	184	3.76	1.346
I feel that the work I do is appreciated among Small and Medium Enterprises (SMES).	184	3.78	1.375
E-marketing helps at achieving good firm's performance and benefit.	184	3.84	1.357
Valid N (listwise)	184	3.5560	.80157
Grand Mean and stand. Dev.			

(**Source:** Researcher's survey, 2024)

In relation to the introduction of e-marketing, in Table 4.7 above, six questions were asked to respondents to find out what problems arise during the e-marketing implementation process. Therefore, respondents agreed on the statement provided I feel that the work I do is appreciated among Small and Medium Enterprises (SMES) with an average score of 3.78 points, E-marketing helps at achieving good firm's performance and benefit with a maximum score of 3.84 mean, and a standard deviation of 1.357. In addition, the statement "When I do a good job, I receive the recognition for it

that I should receive in marketing through electronics" shows a deviation of 3.76 to 1.346 standard deviations, and the statement "My enterprise use computer for the aim of trading" shows a deviation of 3.52 to 1.395 standard deviations.

On the other hand, the mean score of the major satisfaction in my life comes from the job of trading through digital platforms have 3.29 with 1.346 my organization is trading using mobile phone have 3.15 with 1.168. The majorities mean and standard deviation score of Adoption of E-marketing denoted that most of the respondents were agreed to be retained and efficient in the questionnaires prepared on Adoption of E-marketing.

These results help to understand the e-marketing situation in the case areas. Therefore, to enable small and medium-sized enterprises to grow into large corporations, Nekemte city implemented small and medium-sized enterprise e-marketing (SME) through rapid response for selected small and medium-sized enterprises. Voluntary change is necessary for products to meet customer needs. The timing and implementation of e-business allows companies to carefully prepare all their activities and respond quickly and effectively to changing business requirements.

Hence, the study's first research question which says, "How is the current Adoption of E-marketing among Small and Medium Enterprises (SMES) looks like, would be answered by the above analysis.

4.4.2. Descriptive analysis of the Factors Affecting the Adoption of E-Marketing

This study focuses on factors influencing e-marketing adoption in small and medium-sized enterprises. Variables were measured based on mean and standard deviation. As shown in the table below, small and medium-sized businesses respond to factors that influence e-marketing (IT infrastructure, IT owner/manager knowledge, adoption cost, competition, government support) and e-marketing adoption.

4.4.2.1. Analysis of the IT Infrastructure

Table 4.8: analysis of IT Infrastructure

Descriptive Statistics			
Item	N	Mean	Std. Devn
Your organization has a good telecommunication infrastructure to support an e-marketing implementation (e.g. email, internet)	184	3.15	1.416
Your organization has integrated information system applications encompassing different business areas	184	3.32	1.268
Your organization uses various security technologies to protect your data on the Internet	184	3.54	1.429
Your organization follows industrial standards to exchange information with trading partners' delivery network	184	3.42	1.278
Your organization has safe and sound network Infrastructures for e-marketing.	184	3.63	1.416
Grand mean and stand. Devn.		***3.4120***	***0.93345***

(Source: Researcher's survey, 2024**)**

As it is indicated in above table 4.8, In order to measure the perception of respondents about It Infrastructure five questions were asked to the respondents. From the questions which are asked to the respondents your organization has safe and sound network Infrastructures for e-marketing have a highest mean score 3.63 with 1.416 standard deviation. Your organization uses various security technologies to protect your data on the Internet have the second mean score of 3.54 with 1.429 standard deviation followed by the respondents consider Your organization follows industrial standards to exchange information with trading partners' delivery network have a mean score of 3.42 & 1.278 standard deviation.

The others remaining questions your organization has integrated information system applications encompassing different business areas and Your organization has a good telecommunication infrastructure to support an e-marketing implementation (e.g. email, internet) has 3.32 and 3.42 mean score respectively. Accordingly the overall mean score of It Infrastructure shows that 3.4120 with standard deviation 0.93345, which means that, most of the respondents were agreed to the practice of IT infrastructure in Adoption of E-Marketing among Small and Medium Enterprises (SMES), as the rule indicated above by (Alhakimi & Alhariry, 2014).

Consequently, the findings show that the SMEs selected by Nekemte have good security and tolerable IT infrastructure. Therefore, while planning and setting goals, SMEs must agree on the basic objective of managing the contribution of critical IT infrastructure for the benefit of users/members and improving IT infrastructure to enable e-marketing rather than exchanging goods and service through outdated methods.

4.4.2.2. Analysis of Owners/Managers IT Knowledge

Table 4.9: Statistical analysis for Owners/Managers IT Knowledge

Descriptive Statistics			
Item	N	Mean	Std. Devn
I know how to use the Microsoft Office and internet	184	3.26	1.474
I have some training in Information technology tools	184	3.82	1.437
I am knowledgeable in website Maintenance and attend workshops to improve my computer skills regularly	184	3.76	1.507
My employees know how to use the internet and computer software and IT tools	184	3.86	1.384
My employees are knowledgeable in website maintenance	184	3.84	1.461
My employees regularly attend workshops to improve their computer skills	184	3.80	1.485
Grand mean and stand. devn	***184***	***3.722***	***1.10575***

(Source: Researcher's survey, 2024**)**

From the above table 4.9, observing all the values, highest number of respondents has agreed on the My employees know how to use the internet and computer software and IT tools, My employees are knowledgeable in website maintenance, I have some training in Information technology tools, My employees regularly attend workshops to improve their computer skills and I am knowledgeable in website Maintenance and attend workshops to improve my computer skills regularly. However, few respondents were said neutral or not agreed on the statement of the I know how to use the Microsoft Office and internet by mean 3.26 and1.474 standard deviation.

Using the overall variables the Owners/Mangers IT Knowledge is implemented in the Adoption Of E-Marketing among Small and Medium Enterprises (SMES). This is indicated by overall mean of 3.722 and standard deviation of 1.10575. This showed that SMES in the Nekemte Town on Adoption Of E-Marketing has good Owners/Mangers IT Knowledge for it's the respondents. However, the SMES has to work to improve its relationship with the customer especially by interacting with employees' 'to set reliability, responsiveness, and other standards for the organization.

4.4.2.3. Analysis of Adoption Cost

Table 4.10: Statistical analysis for Adoption Cost

Descriptive Statistics			
Item	N	Mean	Std. Devn
Use of e-marketing is affordable in our business	184	3.30	1.340
Subscription to the Internet is affordable for our business	184	3.57	1.213
Buying computer software is affordable for our business	184	3.28	1.234
It's very expensive for our business to have its own website	184	3.58	1.442
Paying for computer support for our business is affordable	184	3.42	1.435
Buying computer hardware is affordable for our business	184	3.97	1.400
Grand mean and stand. Devn.	184	3.519	0.87391

(**Source:** Researcher's survey Result, 2024)

As it is presented in the Table 4.10 above, the mean value for most variables has shown a higher than the middle value whereas few items has little higher than the middle value. Detecting all the values, the highest number of respondents has averagely selected neutral on the Buying computer software is affordable for our business with mean 3.28 and 1.234 standard deviation, the respondents also moderately agreed on Use of e-marketing is affordable in our business have mean 3.30 & 1.340 . In addition, the respondents have also agreed on the item proposed Buying computer hardware is affordable for our business with the mean 3.97 & 1.400 standard deviation.

On the other hand, some respondents were agreed Subscription to the Internet is affordable for our business, Paying for computer support for our business is affordable and it's very expensive for our business to have its own website. From this result it is possible to understand that, SMES in the Nekemte Town lacks to know the usage computer software and e-marketing affordability in the market besides regular buying computer hard ware to its member's. Overall mean for practice of Adoption Cost is 3.519 and the standard deviation is 0.87391 suggesting that there is Adoption Cost.

Based on the overall variables of the Adoption Cost, the findings have clearly showed that SMES in the Nekemte Town lacks well with respect to the Adoption Cost expenses among SMES. Consequently, SMES in the Nekemte Town has to attempt to satisfy the workers and retain the extent of its Adoption Cost with upstream and downstream of the SMES.

4.4.2.4. Analysis of Competitive Pressure

Table 4. 11: Descriptive statistics on Competitive Pressure

Descriptive Statistics			
Item	N	Mean	Std. Devn
Characterize the intensity of competition in your organization	184	3.45	1.317
We believe we will lose our customers to our competitors if we do not adopt e-marketing.	184	3.91	1.491
We feel it is a strategic necessity to use e-marketing to compete in the marketplace.	184	3.61	1.163
We believe we will lose our market share if we do not adopt e-marketing.	184	3.95	1.453
We believe it is a strategic necessity to use e-marketing to win our competitors	184	3.27	1.237
Grand mean and stand. Devn.	184	3.6380	.90877

(**Source:** Researcher's survey, 2024)

Table 4.11 above presented the E-marketing adoption variables effects in line with Competitive Pressure on E-marketing adoption among Small and Medium Enterprises (SMES) in the Nekemte city. The responses indicated that the SMES respondents has agreed on the item proposed We believe we will lose our customers to our competitors if we do not adopt e-marketing, Characterize the intensity of competition in your organization, We feel it is a strategic necessity to use e-marketing to compete in the marketplace and We believe we will lose our market share if we do not adopt e-marketing. This indicated that Small and Medium Enterprises (SMES) in the Nekemte Town had satisfactory practices in terms of Competitive Pressure of ranking the SMES than its competitors. So, SMES has to make efforts to improve Competitive Pressure for its respondents just in time.

Overall mean for competitive pressure is 3.6380 and 0.90877standard deviation. This implied that in the Small and Medium Enterprises (SMES) in the Nekemte Town there is Competitive Pressure. Ensuring the Competitive Pressure becomes a critical aspect of effective SMES.

4.4.2.5. Analysis of Governmental Support

Table 4. 12: Statistical analysis for Governmental Support

Descriptive Statistics			
Item	N	Mean	Std. Deviation
Characterize the amount of financial support provided by the government	184	3.42	1.435
Characterize the frequency of receiving financial support by the government	184	3.94	1.472
Characterize the role government play in creating suitable environment for e-marketing	184	3.57	1.213
Characterize the frequency of receiving incentives from the government for e-marketing	184	3.82	1.477
Characterize the role government play in providing training for e-marketing in your business	184	3.94	1.419
Grand mean and stand. Devn.	184	3.7380	1.01026

(**Source:** Researcher's survey, 2024)

Based on the analysis, the result of the mean value of Governmental Support scores were greater than 3.42 or all variables mean are higher than the moderate value, which inferred the respondents agreed to the Characterize the role government play in providing training for e-marketing in your business, Characterize the frequency of receiving financial support by the government followed by Characterize the frequency of receiving incentives from the government for e-marketing and Characterize the role government play in creating suitable environment for e-marketing. The value of overall mean for Governmental Support 3.7380 suggesting that there is good Governmental Support in the SMES.

4.4.2.6. Descriptive analysis of Summary of IV and DV.

Table 4.13: **Descriptive statistics Summary of Factors Affecting the Adoption of E-Marketing among SMES:**

Descriptive Statistics			
	N	Mean	Std. Deviation
IT Infrastructure	184	3.4120	.93345
Owners/Managers IT Knowledge	184	3.7228	1.10575
Adoption Cost	184	3.5199	.87391
Competitive Pressure	184	3.6380	.90877
Governmental Support	184	3.7380	1.01026
E-Marketing	184	3.5560	.80157
Valid N (listwise)	184		

(**Source:** Researcher's survey, 2024)

From the above table 4.13, the mean value of IT Infrastructure, Owners Managers IT Knowledge, Adoption Cost, Competitive Pressure and Governmental Support shows that the attitude of

respondents toward the question falls on the mean range of agreement by the approximate value of 3.4120, 3.7228, 3.5199, 3.6380, 3.7380 and 3.5560 respectively. Thus it shows that respondents were agreed on the idea requested with respect to each variable.

4.5. Inferential Analysis of the study

In this section, correlation analysis of variables, analytical tests (Multicollinearity test, normality tests, Homoscedasticity test and linearity), and multi linear regression analysis (model summary, ANOVA and coefficients) would be stated and interpreted by using SPSS version 25 software.

4.5.1. Correlation Analysis

Correlational analysis can be taken as one of the assumptions for the regression analysis as well as it can also test the relationship between the dependent and independent variables. The researcher runs a correlation analysis to find the relationship between the independent variables (i.e. Factors affecting the Adoption of E-Marketing) with the dependent variable (i.e. E-Marketing). Correlation analysis studies the combined variations of two or more variables in order to determine the extent of correlation between two or more variables (Kothari, 2004)

Correlation technique is used to analyze the degree of relationship between two variables (Mugenda & Mugenda; 2008), the correlation coefficient (r) ranges from -1 to +1. If there is a strong positive linear relationship between the variables, the value of r will be close to +1. If there is a strong negative linear relationship between the variables, the value of r will be close to -1. When the value of r is zero, it implies that there is no linear relationship between the variables. In other words, the value of r will be close to zero only when there is a weak relationship.

Table4.14: Correlation matrix between constructs between IV and DV; N=184.

Correlations							
Variables		IT Infrastructure	Owners/Managers IT Knowledge	Adoption Cost	Competitive Pressure	Governmental Support	E_Marketing
IT Infrastructure	Pearson Correlation	1	.419**	.750**	.580**	.465**	**.635****
	Sig. (2-tailed)		.000	.000	.000	.000	.000
Owners/Managers_IT_Knowledge	Pearson Correlation		1	.727**	.776**	.853**	**.797****
	Sig. (2-tailed)			.000	.000	.000	.000
Adoption Cost	Pearson Correlation			1	.783**	.755**	**.838****
	Sig. (2-tailed)				.000	.000	.000
Competitive Pressure	Pearson Correlation				1	.770**	**.832****
	Sig. (2-tailed)					.000	.000
Governmental Support	Pearson Correlation					1	**.809****
	Sig. (2-tailed)						.000
**. Correlation is significant at the 0.01 level (2-tailed).							

(**Source:** Researcher's survey result, 2024)

As the correlation matrix table 4.14 above shown, the correlation coefficient values of the factors affecting the adoption of E-Marketing among (IT Infrastructure, Owners/Managers IT Knowledge, Adoption Cost, Competitive Pressure and Governmental Support) were **0.635****, **0.797****, **0.838****, **0.832****and **0.809****respectively. Their significant level is 0.000.

As the conducted Pearson correlation test indicated that there is strong positive relationship between Adoption Cost and E-Marketing with a Pearson correlation coefficient of 0.838 with ($p<0.001$). This significance tells that there is genuine relationship between Adoption Cost and E-Marketing of the SMES. Followed by Competitive Pressure, the study depicted that there is strong positive relationship between Competitive Pressure and E-Marketing with a Pearson correlation coefficient of 0.832 at ($p<0.001$). This significance tells that there is honest relationship between Competitive Pressure and Adoption of E-Marketing of the SMES.

Simultaneously, as the correlation matrix inferred in the above table 4.14, there is a strong positive relationship between Governmental Support and Owners/Managers IT Knowledge with Adoption of E-Marketing with correlation coefficients of 0.809 and 0.797 respectively at $p<0.001$. In addition to that, table 4.14 clearly indicates that the existence of a positive moderate relation between IT Infrastructure and Adoption of E-Marketing at correlation coefficient of 0.635 ($p<0.001$).

Consequently, a Pearson correlation analysis results indicated here under is a significant correlation between all Factors Affecting the Adoption of E-Marketing among Small and Medium Enterprises (SMES), which means they have a strong effect on Adoption of E-Marketing. This inferred that if the IT Infrastructure, Owners/Managers IT Knowledge, Adoption Cost, Competitive Pressure and Governmental Support increase the E-Marketing will increase. The finding of this study is similar to the results of (Tesfahun, 2019) as discussed under the statement problem of the study.

4.5.2. Analytical tests

4.5.2.1 Multicollinearity tests for independent variables

In multiple regression model, before making a regression analysis it is important to test the multi- Co linearity test. The Multicollinearity test is a test to identify a strong correlation between two or more predictors in a regression model. This assumption can be tested by using the tolerance statistics and variance inflation factor (VIF). If the tolerance statistics is below 0.1(10%), there was Multicollinearity problem. And also, if the values of VIF of variables are more than 10, there will be Multicollinearity problem. VIF values well below 10 and the tolerance statistics well above 0.2 can safely to conclude that there is no Collinearity within the data (Field, 2009). A small tolerance value indicates that the variable under consideration is almost a perfect linear combination of the

independent variables already in the equation and that it should not be added to the regression equation.

Table 4. 15: Multicollinearity Test

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	IT Infrastructure	.392	2.548
	Owners/Managers IT Knowledge	.226	4.429
	Adoption Cost	.196	5.103
	Competitive Pressure	.281	3.564
	Governmental Support	.225	4.454
a. Dependent Variable: E_marketing			

(**Source:** own survey result, 2024)

Regarding table 4.15 above, the result of VIF was below 10 and the tolerance statistics was more than 0.1 (10%). So, there is no multicollinearity problem in the regression model used for this study among the predictors. Because, Variance Inflation Factors (VIF) and tolerance all fall within the acceptance range (VIF=1-10, and tolerance=0.1–1.0).

4.5.2.2 Normality Test

This study used Pearson correlation regression methods to identify the factors affecting the adoption of E-Marketing among Small and Medium Enterprises (SMES): A Case Study of Selected SMES in the Nekemte Town. The study used two methods of considering normality; graphically (histogram) and numerically (Skewness and Kurtosis). (Hair, et.al, 2010), Noted that normality relates to the shape of the data distribution for an individual metric variable and its relationship to the normal distribution. Assessment of the variables levels of skewness and kurtosis is one of the method was determine normality. In fact, skewness provides an indication of the symmetry of the distribution. Kurtosis turns to peakedness of distribution to normal distribution.

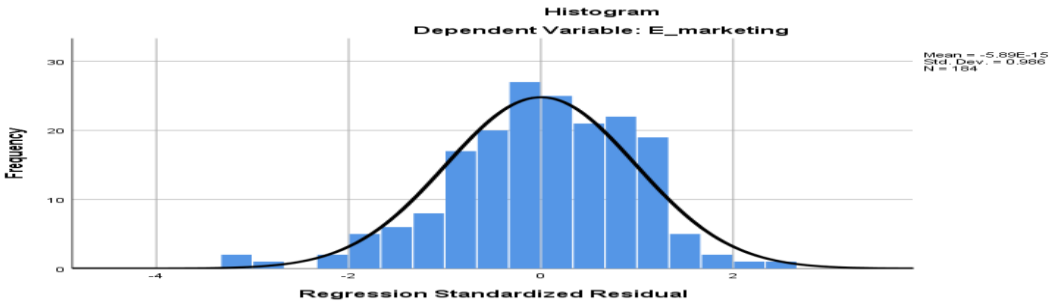
Table 4. 16: Statistically Normality Test by Kurtosis and Skewness

Descriptive Statistics					
	N	Skewness		Kurtosis	
Variables	Statistic	Statistic	Std. Error	Statistic	Std. Error
IT Infrastructure	184	-.236	.179	-.999	.356
Owners/Managers IT Knowledge	184	-.854	.179	-.284	.356
Adoption Cost	184	-1.052	.179	.684	.356
Competitive Pressure	184	-.926	.179	.144	.356
Governmental Support	184	-.989	.179	.017	.356
E_Marketing	184	-1.089	.179	1.090	.356
Valid N (listwise)	184				

(Source: Own survey result, 2024)

As stated in the work of George & Mallery, (2010) which describes that the values for Skewness and kurtosis between -2 and +2 are considered acceptable and the departure from normality is not extreme. Therefore, the data used in this study was normally distributed considering the criteria of Skewness and kurtosis values between -2 and +2.

Figure 4.1: Graphically Normality Test by histogram



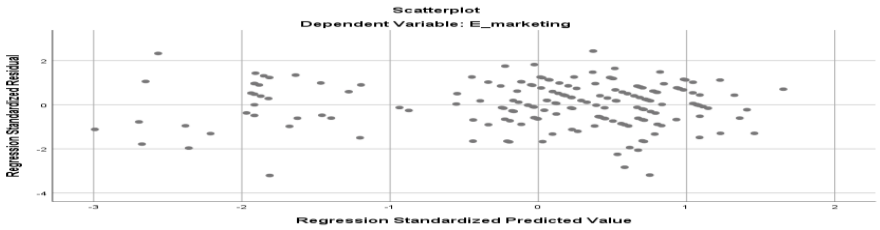
(**Source:** *Regression output of SPSS from* own survey result, 2024)

In addition to the above test for normality, (Hair, et.al, 2010) also suggest that histogram is another method to use for comparing the observed data values with a distribution approximating the normal of distribution. The researcher used histogram to identify normal distribution of residuals and the result indicates that standard residuals are a little far away from the curve, many of the residuals are fairly close more to the curve and the histogram is bell shaped. This implies that the majority of scores lie around the center of the distribution. So, the largest bars on the histogram are all around the central value. Therefore, this indicates that the residuals are normally distributed as shown in figure 4.1 of histogram below.

4.5.2.3 Homoscedasticity Test

In Homoscedasticity assumption, the variances of error terms are similar across the independent variables. At each level of the predictor variable(s), the variance of the residual terms should be constant. This just means that the residuals at each level of the predictor(s) should have the same variance (homoscedasticity); when the variances are very unequal there is said to be heteroscedasticity (Field, 2009). For a basic analysis, we first plot *ZRESID (Y-axis) against *ZPRED (X-axis) on SPSS because this plot is useful to determine whether the assumptions of random errors and homoscedasticity have been met and it may be between -2 and +2 (Field, et.al, 2009).

Figure 4.2: Homoscedasticity Test



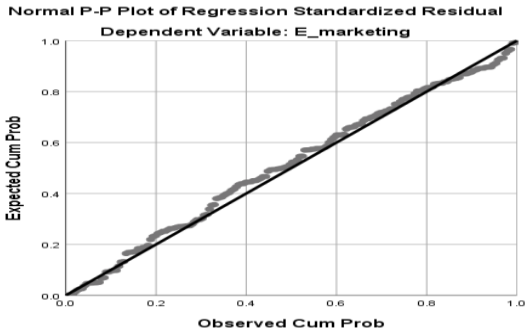
(**Source:** Own Survey, 2024**)**

In order to test the Homoscedasticity assumption the researcher used scatter plots graph. Scatter plots depicted the relationship between each of the independent and dependent variables that are identified for the purpose of this study. Therefore, the scatter plots for each of the five independent variables (IT Infrastructure, Owners/Managers IT Knowledge, Adoption Cost, Competitive Pressure and Governmental Support) and the dependent variable (Adoption of e-marketing) is depicted as follows. The graph of *ZRESID and *ZPRED should look like a random array of dots evenly dispersed around zero. Therefore, it is safe to say that this study has no heteroscedasticity problem.

4.5.2.4. Linearity Test

Linearity assumption of multiple linear regressions was tested using P-P plot test and it was found that there is linear relationship between independent and dependent variables. Researchers suggested that linearity is the most important assumption, as it directly associates to the bias of the results of the whole analysis (Keith, 2006). In social sciences, as the chance of non-linear relationships is high, it is necessary to examine analyses for linearity. Consequently, the first assumption is that multiple linear regression prerequisites the relationship between the independent and dependent variables to be linear. When the relationship is linear in nature, multiple regressions can accurately estimate the relationship between dependent and independent variables (Osborne, et.al, 2002), this means the relationship between the independent and dependent variables can be characterized by a straight line.

Figure 4. 3: Linearity Test



(**Source:** Own Survey result, 2024)

Figure 4.3 above showed that, the residuals have a sound normal distribution because the plotted residuals were around the diagonal straight line instead of making any other shape or curve. The scatterplot shown from Figure 4.3, the relationship between each of the independent variables (IT Infrastructure, Owners/Managers IT Knowledge, Adoption Cost, Competitive Pressure and Governmental Support) and the dependent variable (Adoption of e-marketing) could be modeled by a straight line proposing that the relationship between each of these two variables is linear. Therefore,

the assumption of multiple linear regressions is met. As a result, multiple regression can accurately estimate the relationship between dependent and independent variables i.e., the relationship can be characterized by a straight line.

4.5.3. Multiple Linear Regression Analysis

Multiple linear regression analysis was conducted to determine how the dimensions of the independent variable predict the dependent variable, Regression analysis is a statistical method to deal with the formulation of mathematical model showing relationship amongst variables for the purpose of prediction of the value of dependent variable on the value of the independent (Kothari, 2004)

There are some assumptions that need to be taken care before implementing a regression model. Meaningful data analysis relies on the researcher's understanding and testing of the assumptions and the consequences of violations. These assumptions are critical conditions that should be fulfilled before the researcher draw interpretations regarding the model estimates or before the researcher use a model to make prediction. Hence, before the researcher started constructing the regression model, all of the regression assumptions presented on the following sub-topic of the research paper must hold true. The assumptions of multiple linear regressions that are identified as primary concern in this study include model summary, ANOVA, and Coefficients.

4.5.3.1. Model Summary

Table 4. 17: Model Summary

Model Summary[b]							
					Change Statistics		
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	Sig. F Change
1	.905[a]	.819	.814	.34555	.819	161.341	.000
a. Predictors: (Constant), Governmental Support, IT Infrastructure, Competitive Pressure, Owners/Managers_IT_Knowledge, Adoption Cost							
b. Dependent Variable: E_marketing							

(Source: Own Survey, 2024)

Regarding to the SPSS generated in table 4.17 above, R=0.905, indicates that the sum of factors affecting the adoption of E-Marketing among Small and Medium Enterprises (SMES elements (which are IT Infrastructure, Owners/Managers IT Knowledge, Adoption Cost, Competitive Pressure and Governmental Support) have a linear relationship with Adoption Of E-Marketing, And, R^2 (also called the coefficient of multiple determinations) is indicates how much of the total variation in the dependent variable, (Adoption Of E-Marketing), can be explained by the independent variable (IT Infrastructure, Owners/Managers IT Knowledge, Adoption Cost, Competitive Pressure and Governmental Support), in this case, 81.9% (0. 819) could be explained, which is very large.

Therefore, as table 4.17 disclosed, the R^2 (coefficient of multiple determination) explicate 81.9 %(0.819). This means that 81.9% of the changes in the SMES of Adoption of E-Marketing are explained by the changes in the independent variables (IT Infrastructure, Owners/Managers IT Knowledge, Adoption Cost, Competitive Pressure and Governmental Support) in the study. The remaining 18.1% of the changes in the dependent variables is explained by other factors not involved in this study.

4.5.3.2. ANOVA Test

Table4.18: ANOVA Test

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	96.326	5	19.265	161.341	.000[b]
	Residual	21.254	178	.119		
	Total	117.580	183			
a. Dependent Variable: E_marketing						
b. Predictors: (Constant), Governmental Support, IT Infrastructure, Competitive Pressure, Owners/Managers IT Knowledge, Adoption Cost						

(*Source*: Own Survey, 2024*)*

The table 4.18 above shown the results of the F ratio is 161.341, with 0.000, significance. The sum of squares gives the model fit. It explains that the data set fits into regression model. In other word, this analysis is used to identify factors affecting the adoption of E-Marketing among Small and Medium Enterprises (SMES): A Case Study of Selected SMES in the Nekemte town which is general objective of the study. In addition, this analysis is used to identify appropriateness of the model in estimating factors affecting the adoption of E-Marketing. The researcher used multiple linear regression method to run regression analysis. F-statistic value of the model is 161.341and it is significant at 0.000 this implies that/indicating that the model used is appropriate to explain factors affecting the adoption of E-Marketing. Finding of this study is that factors affecting the adoption of E-Marketing study have significant positive effect on E-Marketing among SMES: A Case Study of Selected SMES in the Nekemte town. Since, **Regression>Residual**, these variables statistically significantly predicted at, F= 161.341, p = 0.000, R^2 = 0.819. All five variables added statistically significantly to the prediction, p < 0.05.

4.5.3.3. Regression Coefficients

Standardized regression coefficients are useful when you want to compare the effect that different predictor variables have on a response variable. Since each variable is standardized, you're able to see which variable has the greatest effect on the response variable (Zach, 2020). The effects of individual dimension of factors affecting the adoption of E-Marketing study have significant positive effect on E-Marketing among SMES: A Case Study of Selected SMES in the Nekemte town was presented in

table 4.19 below. The researcher used standardized coefficients and their sign to analyze the effect on adoption of E-Marketing. The coefficient or the beta value of the predictor represent that the impact level of independent variable on the dependent variable. In other word, the beta coefficient represents the rate of change of dependent variable while the predictor changed by a unit.

Table 4. 19: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.441	.116		3.802	.000
	IT Infrastructure	.102	.044	.119	2.334	.021
	Owners/Managers IT Knowledge	.137	.049	.189	2.819	.005
	Adoption Cost	.236	.066	.258	3.581	.000
	Competitive Pressure	.234	.053	.265	4.411	.000
	Governmental Support	.153	.053	.193	2.874	.005

(**Source:** Own Survey, 2024)

The above multiple regression coefficients referred that, the factors affecting the Adoption of E-Marketing among Small and Medium Enterprises (SMES): A Case Study of Selected SMES in the Nekemte Town. The independent variables which have a higher beta coefficient with the lower p-value ($p<0.05$) have a significant contribution or effect on the dependent variable.

The Competitive Pressure has a positive Coefficient (0.265 and sig. at 0.000) from the above coefficients table of multiple linear regression. Therefore, this revealed that, if Competitive Pressure increases by one unit, Adoption of E-Marketing will be increased by 0.265, while other things remain constant. This denotes that Competitive Pressure of SMES have significant positive effect on Adoption of E-Marketing of the SMES. The finding of this study is similar to the results (Tesfahun, 2019) that Competitive Pressure has significant positive effect on Adoption of E-Marketing.

Therefore, the second research question of the study which says, “What is the effect of Competitive Pressure on Adoption of E-Marketing among SMES” would be answered by this analysis.

Consequently, the Coefficient of Adoption Cost is positive (0.258 and sig. at 0.000) indicating that, if Adoption Cost increases by one unit, Adoption of E-Marketing among SMES will be increased by 0.258 while holding other things constant. This implies that SMES Adoption Cost that positively contributes Adoption of E-Marketing among SMES. The finding of this study is similar to the results of (Tesfahun, 2019) that Adoption Cost has significant positive effect on Adoption of E-Marketing among SMES.

Hence, the third research question of the study which says, “What is the impact of Adoption Cost on Adoption of E-Marketing among SMES” would be answered by this analysis.

Similarly, the coefficient level of Governmental Support is positive (0.193 and sig. at 0.005). This revealed that, if Governmental Support increases by one unit, Adoption of E-Marketing among SMES

will be increased by 0.193 while other constant. This means the Governmental Support of SMES have significant positive effect on Adoption of E-Marketing among SMES.

Therefore, the fourth research question of the study which says, "What is the effect of Governmental Support on Adoption of E-Marketing among SMES" would be answered by this analysis.

The correlation coefficient of this study also indicated that, there was a significant and strong positive relationship between Owners/Managers IT Knowledge and Adoption of E-Marketing among SMES with correlation coefficient of 0.189 & sig.at 0.005). This revealed that, if Owners/Managers IT Knowledge increases by one unit, Adoption of E-Marketing among SMES will be increased by 0.189 while other constant. This means the Owners/Managers IT Knowledge of SMES have significant positive effect on Adoption of E-Marketing among SMES.

Therefore, the fifth research question of the study which says, "What is the effect of Owners/Managers IT Knowledge on Adoption of E-Marketing among SMES" would be answered by this analysis.

Finally, the Coefficient of IT Infrastructure is positive at (0.119 and sig.at 0.021). Positive sign of the coefficient suggests that when IT Infrastructure increases by one unit Adoption of E-Marketing among SMES increased by 0.119 and holding other things constant. This inferred that IT Infrastructure is positively affecting Adoption of E-Marketing among SMES. The relationship between Adoption of E-Marketing among SMES and IT Infrastructure finding is supported by the finding of this study is similar to the results of (Tesfahun, 2019) Hence, the sixth research question of the study which says, "What is the effect of IT Infrastructure on Adoption of E-Marketing among SMES" would be answered by this analysis.

This study has identified relative factors influencing the adoption of electronic marketing among SMEs in Nekemte city based on t-statistics. Competitive Pressure has a high positive effect with t-value of 4.411. Next to Competitive Pressure, Adoption Cost has high positive effect with t-value of 3.581 followed by Governmental Support has a positive effect with t-value of 2.874. On the other hand, Owners/Managers IT Knowledge and IT Infrastructure has the positive effect on adoption of electronic marketing among SMEs with t-value of 2.819 and 2.334 respectively. This implies that adoption of electronic marketing among SMEs is targeted to improve its workforces to compete the competitors' in terms of the mentioned variables (Competitive Pressure, Adoption Cost, Governmental Support, Owners/Mangers IT Knowledge and IT Infrastructure on E-Marketing).

The highest value of Beta value shows the highest influenced variable or the dominant factor, due to that Competitive Pressure is the highest influenced variable in this study.

Therefore, the 2nd, 3rd, 4th, 5th and 6th research questions or objectives of the study which says, "What is the effect of Competitive Pressure, Adoption Cost, Governmental Support, Owners/Mangers IT

Knowledge and IT Infrastructure on adoption of electronic marketing among SMEs" would be answered by this analysis.

Unstandardized regression coefficients are useful when you want to describe the effect of one variable in a predictor variable on another response variable without comparing the effects of other variables (Zach, 2020). Researchers used proportions and inequalities to assess e-marketing adoption by small and medium-sized businesses. As mentioned in Chapter 3, this study used the following regression model to determine the significance of the independent variables.

Therefore, based on the above multiple regression equation and various estimates proposed in this study, the following regression equation was developed to estimate adoption of e-marketing small and medium-sized enterprises.

$$\mathbf{Y = \beta 0 + \beta 1*X1 + \beta 2*X2 + \beta 3*X3 + \beta 4*X4 + \beta 5*X5 + e}$$

$$\mathbf{AEM.} = \beta 0 + ACX1 + CPX2 + GSX3 + OMIX4 + IIX5$$

This is:

$$\mathbf{AEM = 0.441 + 0.236AC + 0.234CP + 0.153GS + 0.137OMI + 0.102II}$$

The value of $\beta 0$ is 0.441. This means that if all five variables are 0, the expected operating capacity of small and medium-sized adoption of the e-marketing is 0.441.

4.6. Hypothesis Testing

The regression tests presented in Table 4.20 below also provide a more complete and accurate test of the study hypotheses. Therefore, regression analysis is used to test hypotheses and study the influence of independent variables. Hypothesis testing evaluates whether a hypothesis is valid based on the standard coefficient β and P value.

Table 4.20: Summary of Hypothesis Testing

Hypothesis	**Analysis used**	**Findings**		**Results**
H1	Multiple Regression	β=0.265 p<0.05	Positive Significant	Accepted
H2	Multiple Regression	β=0.258; p<0.05	Positive Significant	Accepted
H3	Multiple Regression	β=0.193; p<0.05	Positive Significant	Accepted
H4	Multiple Regression	β=0.189; p<0.05	Positive Significant	Accepted
H5	Multiple Regression	β=0.119; p<0.05	Positive Significant	Accepted

(Source: Own Survey Result, 2024)

Hypothesis 1: Competitive Pressure has a positive and significant effect on Adoption of E-Marketing among SMES.

The results of multiple regression as presented in table 4.20 illustrate competitive pressure is a strong positive and statistically significant effect on adoption of E-Marketing among SMES with a

(Beta=0.265, p<0.05). There is tangible evidence that competitive pressure has positively and significantly affects adoption of E-Marketing among SMES, so it is proved that the hypothesis H1 is Accepted.

Hypothesis 2: Adoption Cost has positive significant effect on adoption of E-Marketing among SMES.

The multiple regression results shown in Table 4.20 indicate that adoption cost has a positive and significant impact on e-marketing adoption in SMEs (beta = 0.258, p <; 0.05). Therefore, hypothesis H2 is true.

Hypothesis 3: Governmental Support has positive significant effect on adoption of E-Marketing among SMES.

The horizontal line results in Table 4.20 show that government support has a positive and significant impact on the adoption of electronic marketing by small and medium enterprises with a (beta = 0.193, p <; 0.05). Therefore, hypothesis H3 is accepted

Hypothesis 4: Owners/Managers IT Knowledge have positive significant effect on adoption of E-Marketing among SMES.

The results of various variables presented in Table 4.20 show that IT knowledge of business owners/managers has a positive and significant impact on e-marketing adoption in SMEs (beta = 0.189, p <; 0.05). So, hypothesis H4 is accepted.

Hypothesis 5: IT Infrastructure has positive significant effect on adoption of E-Marketing among SMES

The multiple regression results shown in Table 4.20 indicate that IT infrastructure has a positive and significant impact on e-marketing adoption by SMEs (beta = 0.119, p <; 0.05). So, hypothesis H5 is accepted.

Generally, the results of multiple regression as presented in table 4.20 illustrate competitive pressure is a strong positive and statistically significant effect on adoption of E-Marketing among SMES with a (Beta=0.265, p<0.05). There is tangible evidence that competitive pressure has positively and significantly affects adoption of E-Marketing among SMES, so it is proved that the hypothesis H1 is Accepted. The multiple regression results shown in Table 4.20 indicate that adoption cost has a positive and significant impact on e-marketing adoption in SMEs (beta = 0.258, p <; 0.05). Therefore, hypothesis H2 is true. The horizontal line results in Table 4.20 show that government support has a positive and significant impact on the adoption of electronic marketing by small and medium enterprises with a (beta = 0.193, p <; 0.05). Therefore, hypothesis H3 is accepted. The results of various variables presented in Table 4.20 show that IT knowledge of business owners/managers has a positive and significant impact on e-marketing adoption in SMEs (beta = 0.189, p <; 0.05). So, hypothesis H4 is accepted. The multiple regression results shown in Table 4.20 above also indicate that IT infrastructure has a positive and significant impact on e-marketing adoption by SMEs (beta = 0.119, p <; 0.05). So, hypothesis H5 is accepted.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

The purpose of this study is to study the factors influencing the adoption of electronic marketing in small and medium-sized enterprises in the city of Nekemte city. This study has six specific objectives: Describes the current e-marketing adoption practices of small and medium-sized enterprises (SMEs). To examine the impact of competitive pressure, adoption costs, government support, IT infrastructure and owner/manager knowledge on e-marketing adoption by small and medium-sized businesses. Therefore, this section summarizes the above objectives and presents conclusions and recommendations based on the results. The chapter also provides suggestions for future research.

5.2. Summary of Major Findings

The purpose of this study is to investigate the key factors influencing the adoption of e-marketing by SMEs in the Nekemte city, including competition pressure, adoption cost, government support, owner/manager knowledge, and IT infrastructure. The purpose of this study was to reveal key details related to the study objectives. This includes a literature review of the conceptualization and development of factors influencing e-marketing adoption in small and medium-sized enterprises, as well as a review of the theoretical and empirical evidence that underlies this study. Results show that the majority of SME respondents are somewhat satisfied with their competitive pressure advantage, level of adoption cost, government support, knowledge of IT experience of owners/managers, and IT infrastructure. Additionally, small businesses should continue to grow as they have more international customers and competitors around the world.

Data for the study was obtained by distributing a survey to a sample group of SME participants (owners and managers). The response rate for all questions was 79%. The overall Cronbach's alpha was obtained ($\alpha = 0.935$). Looking at the general information of the survey participants, we can see that 34.2% of the survey participants were female and 65.8% were male. Based on participant age, 91 (49.5%) were between 26 and 35 years old. By position, there were 167 owners (90.8%). Looking at the work experience of small and medium-sized enterprises, 65 (35.3%) were found to have 5 to 10 years and 11 to 15 years of work experience, respectively. By educational background, those with a bachelor's degree were the largest at 122 (66.3%), followed by those with a master's degree at 52 (28.3%).

The first purpose of this study is to use descriptive statistics to describe the e-marketing practices currently adopted by small and medium-sized businesses and calculate the overall average score

(M=3.5560, SD=0.80157) according to the level of consistency. The purpose of the second study is to investigate the impact of competition pressure, adoption costs, government support, and knowledge of IT of the owners/managers and IT infrastructure on e-marketing adoption in small and medium-sized enterprises. Using descriptive statistics, the overall average score (score that influences the adoption of electronic marketing by small and medium-sized businesses) was calculated for each variable. The study found that government support (M = 3.7380, SD = 1.01026) represents the relative influence of e-marketing adoption in small and medium-sized businesses, followed by owner/manager IT knowledge (M = 3.7228, SD = 1.10575), competitive pressure (M = 3.6380), SD = 0.90877), Adoption cost (M = 3.5199, SD = 0.87391) and IT Infrastructure (M = 3.4120, SD = 0.93345).

Correlation analysis uses the Pearson correlation coefficient to identify and obtain information about the relationship between variables (adoption of e-marketing by small and medium-sized businesses) and independent variables (points that influence the adoption of e-marketing products). Studies have shown that there is a significant relationship between all individual variables and variables.

Additionally, looking at the correlation between studies, adoption cost shows a positive relationship (r = 0.838, p = 0.000), followed by high level of competition (r = 0.832, p = 0.000) and government support (r= 0.809, p = 0.000), knowledge of IT of owners/managers (r = 0.717, p = 0.000), and IT infrastructure (r = 0.635, p = 0.000). This means that all of the results above are significant at the 0.000 level and are associated with passing. The electronics marketing has important significant and positive relationships with variables included in the study.

In this study, through Pearson correlation analysis, I found that the relationship between each independent variable and the dependent variable according to Pallant (2003) is the extent of the correlation. Multiple regression analysis was used to determine whether the independent variable affected the dependent variable. The R-squared value of the regression model summary (R2 = 0.819) shows that 81.9% of the difference in e-marketing adoption among SMEs can be explained by factors (IT infrastructure, owners/managers IT knowledge, adoption costs, competitive pressures and government support) that influence e-marketing adoption among SMEs included in the model.

As a result of the ANOVA test, the independent variable was found to statistically significantly predict the dependent variable (F=161.341, p<0.001). In the results of the regression analysis, the independent variables and predictors were found to be statistically significant in predicting the adoption of e-marketing by small and medium-sized businesses. This is because the p-values of small and medium-sized businesses are all below the alpha level of 0.05 and respondents appear to have responded positively. Regarding the study variables the impact of competitive pressures (standardized beta

coefficient 0.265, p = 0.000), implementation costs (standardized beta coefficient 0.258, p = 0.000), and government support (standardized beta coefficient 0.193, p = 0.005, IT Knowledge of the owners/managers) of SMEs using regression analysis (standardized beta coefficient 0.189, p = 0.005) and IT infrastructure (standardized beta coefficient 0.119, p = 0.021) of e-marketing adoption. In the above regression analysis, competitive pressure made the strongest and unique contribution in explaining e-marketing adoption following adoption cost, government support, owner/manager IT knowledge, and IT infrastructure.

5.3 Conclusions

The main objective of this study was to explore the factors influencing the adoption of e-marketing among small and medium-sized enterprises in Nekemte city. Based on the findings, the researcher concluded that SMEs in the city of Nekemte used the factors (IT infrastructure, IT knowledge of owners/managers, implementation costs, competitive pressures, government support) that influence the adoption of e-marketing by SMEs to moderate/temperate. These know-hows have helped Nekemte SMEs improve e-marketing adoption among small and medium-sized enterprises. This is also supported by descriptive analysis results showing the use of e-marketing by small and medium-sized businesses was practiced.

The results of the analysis show that there is a positive relationship between the dimensions of factors affecting the adoption of e-marketing in small and medium-sized enterprises and the overall use of e-marketing. This can explain 81.9% of the variation with the independent variables included in this study on E-marketing implementation for small and medium-sized businesses.

Pearson correlation analysis results show that there is a significant relationship between the key factors affecting small and medium-sized enterprises' e-marketing adoption and the overall e-marketing adoption of small and medium-sized enterprises. Therefore, the multiple regression analysis in this study shows that all independent variables (IT infrastructure, IT owner/manager knowledge, adoption level, high competition, and government support) are effective and beneficial for e-marketing adoption. As a result of the summary multiple regression model, the above independent variables were found to have a positive effect on the adoption of electronic marketing.

5.4 Recommendations

SMEs in the Nekemte city are performing a little bit in terms of implementation of the IT infrastructure, IT knowledge of the owner/manager, implementation costs, high competition, and government support for SME e-marketing adoption even though numerous limitations. Based on these findings and conclusions, the researcher’s made the following recommendations:

Results show that the smallest differences in e-marketing adoption among SMEs are driven by owner/manager knowledge of IT and IT infrastructure respectively. To avoid this problem, researchers recommend that organizations ought to advance the IT infrastructure needed to achieve these goals through outsourcing and internal training to improve the skills of owners and managers to be competitive industry. The researchers also recommended using more effective e-marketing strategies to motivate entrepreneurs to deliver on their promises and achieve positive outcomes in e-business adoption by small and medium-sized enterprises. Therefore, researchers agree that SME managers in Nekemte city should provide grants to groups based on group performance in order to achieve better results, maintain headcount and reduce turnover.

Based on the research results, researcher's also suggested that Nekemte city small businesses ought to work hard and do important work to improve health outcomes, offer optimum wages and respect, provide government support for well-being of society improvements, and generate profits for business owners.

The researchers also suggested that the results would be better if the selected SMEs in Nekemte city used new e-business technologies to serve internationally competitive customers. For Nekemte city SMEs, the lowest level of e-marketing adoption is the state of IT infrastructure and IT knowledge of business owners/managers. The researcher recognizes that the management of small and medium-sized enterprises in the Nekemte city ought to improve know how of using new methods of implementing electronic marketing for being business requirements. Additionally, higher work motivation increases employees' job satisfaction and allows them to provide better service to customers, hence government needs to support an entrepreneurs' to start worldwide e-marketing adoption.

Participants responded to the widespread adoption of e-marketing by small and medium-sized businesses worldwide even though it is being moderately practiced in Nekemte city of the selected SMES. This means the respondents feel satisfied. For this reason, researcher's recommended the small and medium-sized enterprises belonging to the Nekemte city would be better off paying more attention to their business and achieving their goals, taking into account the interests of owners and the public. The reason it is difficult to do business in the world with absence of the motivation and interest from the species/community.

To encourage action, training SME owners/managers/members on how to conduct e-marketing through information technology knowledge and support ought to be regularly considered. However, other types of support should also be provided and utilized on a regular basis, such as internal/external online marketing training, speaking engagements, performance evaluations, and short- and long-term

pre-training of key teams' hence good service provides personal motivation to workforces. As a result of a correlation analysis of the relationship between factors affecting the introduction of electronic marketing by small and medium-sized businesses, it was found that there is a direct relationship between these factors. Therefore, Nekemte city SME it needed to take footnote and make improvements to improve the energy efficiency of its teams. To achieve good results, Nekemte city SME need to quality-focused support tailored to their products and services. Overall, SMEs in Nekemte city ought to improve all aspects of SME e-marketing adoption to satisfy their stakeholders. This will help maintain a high level of competition among small and medium-sized enterprises to attract international customers.

5.5 Suggestions for future Research

The study depicted the extent of factors influencing the adoption of electronic marketing among SMEs in Nekemte city, Oromia region, Ethiopia. However, the findings were only relied on data provided by the case SMEs respondents (owners and managers) of the SMEs those were located in Nekemte city. Thus, further studies are needed to broaden the scope of respondents by incorporating more respondents who are the customers and suppliers of the case SMEs. As the concept of factors influencing the adoption of electronic marketing is very wide and involves various dimensions, it is almost impossible to cover all these dimensions in just one study. Therefore, further study will be required to cover other dimensions of factors influencing the adoption of electronic marketing which are implemented by the case SMEs and not included in this study. Furthermore, future studies should consider barriers and challenges that impede the effective implementation of factors influencing the adoption of electronic marketing in the case SMEs.

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APPENDIX I
ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

SCHOOL OF COMMERCE

DEPARTMENT OF MARKETING MANAGEMENT

GRADUATE PROGRAM UNIT

QUESTIONNAIRES ADMINISTERED TO SMEs OWNERS/ MANAGERS IN NEKEMTE CITY

Dear respondents,

I am undertaking research on " ***Factors Affecting The Adoption Of E-Marketing among Small and Medium Enterprises (SMES): A Case Study of Selected SMES in the Nekemte city".*** Therefore, the purpose of this survey is to get your unbiased opinions. I respectfully ask for your full cooperation to answer all of the questions on this questionnaire honestly and completely because you are the only one who can accurately depict the issue. All supplied information will be held in the strictest confidence and used only for academic purposes.
Please feel free to respond to questions anonymously.

Thank you in advance for your participation.

Phone: +251 91 181 3480

Section I – Demographic Details
Instruction: Give your response by ticking (√) once besides each choice.

1. Gender: 1. Male 2. Female

2. Age : less than 25 years ▭ 26 to 35 years ▬ 36 to 45 years ▬ 46 and above
4. Level of Education: 10/12 grade and completes Certificate ▬ Degree (BA/BSc) ▬

   Masters and obove ▬

5. Your Service years in the utility: less than 5 years ▬5 to 10 years▬ 11 to 15 years ▬

16 to 20 years ▬ over 21 years ▬

6. Work position: Owners ▬ Manager ▬

Section II- Questionnaires regarding Factors affecting the adaption of E-marketing using the scale below,

Instruction II: please indicate the extent to which you agree or disagree with the statement below by encircling the number.

1= strongly disagree 2= Disagree 3= Neutral 4= Agree 5= strongly agree

	I. IT INFRASTRUCTURE	***Level agreement***				
		1	***2***	***3***	***4***	***5***
1	*Your organization has a good telecommunication infrastructure to support an e-marketing implementation (e.g. email, internet)*					
2	*Your organization has integrated information system applications encompassing different business areas*					
3	*Your organization uses various security technologies to protect your data on the Internet*					
4	*Your organization follows industrial standards to exchange information with trading partners' delivery network*					
5	*Your organization has safe and sound network Infrastructures for e-marketing.*					
II	***OWNERS/MANGERS IT KNOWLEDGE***					
1	*I know how to use the Microsoft Office and internet*					
2	*I have some training in Information technology tools*					
3	*I am knowledgeable in website Maintenance and attend workshops to improve my computer skills regularly*					
4	*My employees know how to use the internet and computer software and IT tools*					
5	*My employees are knowledgeable in website maintenance*					
6	*My employees regularly attend workshops to improve their computer skills*					
III	***ADOPTION COST***					
1	*Use of e-marketing is affordable in our business*					
2	*Subscription to the Internet is affordable for our business*					
3	*Buying computer software is affordable for our business*					
4	*It's very expensive for our business to have its own website*					
5	*Paying for computer support for our business is affordable*					
6	*Buying computer hardware is affordable for our business*					
IV	***COMPETITIVE PRESSURE***					
1	*Characterize the intensity of competition in your organization*					
2	*We believe we will lose our customers to our competitors if we do not adopt e-marketing.*					
3	*We feel it is a strategic necessity to use e-marketing to compete in the marketplace.*					

4	*We believe we will lose our market share if we do not adopt e-marketing.*					
5	*We believe it is a strategic necessity to use e-marketing to win our competitors*					
V	***GOVERNMENTAL SUPPORT***					
1	*Characterize the amount of financial support provided by the government*					
2	*Characterize the frequency of receiving financial support by the government*					
3	*Characterize the role government play in creating suitable environment for e-marketing*					
4	*Characterize the frequency of receiving incentives from the government for e-marketing*					
5	*Characterize the role government play in providing training for e-marketing in your business*					

PART III: Questionnaires regarding E-marketing Adaption.

Instruction III:Using the scale below, please indicate the extent to which you agree or disagree with the statement below by encircling the number

1= strongly disagree 2= Disagree 3= Neutral 4= Agree 5= strongly agree

4. E-marketing		***Level agreement***				
		1	***2***	***3***	***4***	***5***
1	*My organization is trading using mobile phone*					
2	*My enterprise use computer for the aim of trading*					
3	*The major satisfaction in my life comes from the job of trading through digital platforms.*					
4	*When I do a good job, I receive the recognition for it that I should receive in marketing through electronics.*					
5	*I feel that the work I do is appreciated among Small and Medium Enterprises (SMES).*					
6	*E-marketing helps at achieving good firm's performance and benefit.*					

THANK YOU FOR TAKING TIME OUT OF YOUR BUSY SCHEDULE TO ANSWER THIS QUESTIONNAIRES'!