

Small and Medium Scale Enterprises and Internet Marketing in Ghana

Emmanuel Erastus Yamoah, PhD (Can.)
Senior Lecturer, School of Business, Valley View University, Accra, Ghana
Email: yamoahemml@yahoo.com

Abstract

This study was conducted to assess the use of Internet marketing by small and medium scale enterprises. A qualitative approach was adopted which relied on interviews with management personnel of six selected small and medium scale enterprises in Ghana. Findings of the study revealed that the number of consumers patronizing marketed products and services on the Internet are on the increase. However, the volume of online business remains low. The small and medium scale enterprises are willing to create the buzz about Internet marketing but their consumers are not well informed and educated. Furthermore, the limited Internet resources in the country is a major drawback in the strive for Internet business transactions.

Key words: Small and medium scale enterprises, Internet Marketing, Ghana

1. Introduction

With the outburst of Internet growth, Internet marketing has become increasingly popular. It is said that Internet marketing first began in the earlier years of 1990 with just text-based websites which offered product information (Herbig & Hale, 1997). Customer relationships can be re-engineered via the Internet, resulting in more cost efficient one to- one relationship (Cronin, 1995). However, recent research has shown that, despite technology facilitating improved business practice (Levy & Powell, 2012), a number of Small and Medium Enterprises (SMEs) have not capitalized on this new mode of carrying out business.

Embracing technology can result in competitive advantage in the marketplace (Heinen, 1996, Soliman & Janz, 2004). Technology now offers opportunities for instant international market access, as well as improved domestic market performance for SMEs (Levy & Powell, 2012). In light of these advances, technology has allowed organizations to provide customers with an array of products, services and delivery channels. An example of this channel is the small scale enterprises which are increasingly depending on the Internet in rendering services to their customers. Organizations are now developing different means of marketing their products and services through the use of the Internet. Schibrowsky, et al. (2007) recommended that, in order to be successful, the smaller e-enabled enterprise must be prepared to strike a balance between developing new opportunities and facilitating improvements to existing offerings. As well as using the Internet to reach out to new customers, it can also be used to improve relationships with existing customers too. There are newer marketing techniques being invented all the time. Businesses are inventing new techniques to find better ways to make revenue and establish their brand on the Internet.

1.1 Objective of the Study

The main objective of the study was to examine the usage of Internet marketing by SMEs in Ghana.

2. Review of Literature

2.1 Internet Marketing Defined

Internet Marketing is the application of the Internet and related digital technologies in conjunction with traditional communications to achieve marketing objectives (Chaffey et al. 2006). It is the process of marketing goods or services through the Internet both for those whose income is derived solely from the Internet and for those who have a brick and mortar location but choose to advertise on the web (Pallab, 1996). Internet marketing is also known as online marketing, web marketing, website promotion, online business or Internet business.

2.2 Small Business Defined

There is lack of consensus in defining what a small business is. Several authors have given different definitions for this category of business (Osei et al., 1993; Michaelas et al., 1999; Bolton Committee, 1971). There is variation among researchers in the use of size of a firm in defining a small business. Commonly used criteria are capital assets, number of employees and turnover level (Bolton Committee, 1971). Cautioning the danger in the use of size in defining SMES, Storey (1994) noted that, in some sectors all firms may be regarded as small, whilst in other sectors, there are possibly no firms which are small. The Bolton Committee (1971) first formulated an “economic” and “statistical” definition of a small firm. Under the “economic” definition, a firm is said to be small if it meets the following three criteria:

- It has relatively small share of their market place;
- It is managed by owners or part owners in a personalized way, and not through the medium of a formalized management structure;

- It is independent, in the sense of not forming part of a large enterprise.

Under the “statistical” definition, the Committee suggested the following criteria:

- The size of the small firm sector and its contribution to GDP, employment, exports, etc.
- The extent to which the small firm sector’s economic contribution has changed over time;
- Applying the statistical definition in a cross-country comparison of the small firm’s economic contribution.

Different sectors were assigned different definitions by the Bolton Committee. For example in manufacturing, construction and mining were defined in terms of number of employees – two hundred (200) or less qualified to be a small firm, in the retail, services, wholesale, and so on were defined in terms of monetary turnover – fifty thousand to twenty thousand (50,000-200,000) British Pounds to be classified as small. Firms in the road transport industry are classified as small if they have 5 or fewer vehicles. Abor and Quartey (2010) noted that, there have been criticisms of the Bolton definitions. These criticisms are mainly based on the apparent inconsistencies between defining characteristics based on number of employees and those based on managerial approach.

2.3 The Ghanaian Context of SME

Kayanula and Quartey (2000) observed that, there have been various definitions given for small-scale enterprises in Ghana but the most commonly used criterion is the number of employees. In using this definition, confusion usually arises regarding the arbitrariness and cut off points adopted by the various official sources. Studying issues in SME development in Ghana and South Africa, Abor and Quartey (2010) observed that, Ghana lacks a National Act that provides a framework for defining SMES, unlike South Africa where the National Act 102 of 1996 provides a framework that ensures a consistent definition by various official sources. Consequently, the Ghana Statistical Service (GSS) considers firms with fewer than ten (10) employees as small-scale enterprises and their counterparts with more than ten (10) employees as medium and large-sized enterprises. Ironically, the GSS in its national accounts considered companies with up to nine (9) employees as SMES (Kayanula & Quartey, 2000).

The NBSSI, an apex body in charge of SME development in Ghana, uses both the value of “fixed assets and number of employees” criteria. It defines a small-scale enterprise as a firm with not more than nine (9) workers, and has plant and machinery (excluding land, buildings and vehicles) not exceeding ten (10) million Ghanaian Cedis. The Board further classified firms as:

- (i) Micro Enterprises– those employing between one and five (1-5) employees with fixed assets not exceeding ten (10,000) USD, excluding vehicles, land and buildings;
- (ii) Small Enterprises – those employing between six and twenty-nine (6 – 29) or have fixed assets not exceeding 100,000 USD, excluding vehicles, land and buildings;
- (iii) Medium Enterprises – those employing between thirty and ninety-nine (30 - 99) employees with fixed assets (not including vehicles, land and buildings) up to USD 1 million.

The Ghana Enterprise Development Commission also used a definition based on the upper limit of 10 million Cedis for plant and machinery. Kayanula and Quartey (2000) cautioned that, the process of valuing fixed assets poses a problem. Again, the continuous depreciation of the local currency as against the major trading currencies often makes such definitions out-of-date.

Studying the impact of the extended family on microenterprise growth in Ghana, Quaye (1998), conceptualized microenterprise as a very small business activity, either full-time or part-time, typically undertaken at the owner-operator level within the informal sector, which employs not more than five workers and has an accumulated capital base not exceeding US\$500. He defined small firms as a business activity above the micro level undertaken within the informal sector that employs more than five workers and has a starting capital base exceeding US\$ 500. Osei et al. (1993) defined small-scale enterprises using a cut-off point of 30 employees. Osei et al. (1993) further classified small-scale enterprises into three categories. These are: (i) micro – employing less than 6 people; (ii) very small – employing 6-9 people; (iii) small – between 10 and 29 people. A more recent definition was given by the Regional Project on Enterprise Development Ghana manufacturing survey. The definition for the various categories are: (i) micro- enterprise, less than 5 employees; (ii) small enterprise, 5-29 employees; (iii) medium enterprise, 30-99 employees; (iv) large enterprise, 100 and more employees (Teal, 2002).

The SME market constitutes the vast majority of businesses in the Ghana and over the years, they have evolved to become key suppliers and service providers to large corporations, inclusive of multinational and transnational corporations (Yamoah, et al., 2014). Principally, they have contributed to:

- Expanding output
- Providing value-added activities in the manufacturing sector
- Creating employment opportunities especially in the services sector
- Contributing to broadening Ghana’s export base

The use of advanced Internet to improve business processes falls into the category of e-business. With the Internet, SMEs are able to use more advanced communications such as e-mails, file sharing, creating websites,

and e-commerce which are deemed to be sufficient for SMEs involved in the service sector. The SMEs involved in the manufacturing sector however may adopt more complex information technology (IT) tools such as the enterprise resource planning (ERP) software or inventory management software. Kafelnikov (2007) however, notes that not all SMEs need to use Internet to the same degree of complexity. SMEs may adopt these tools progressively or jump immediately to advanced Internet capabilities. In the current study, Internet-based ICT adoption generally refers to the use of Internet which consists of computers, software and network in conducting business (Tan *et al.*, 2009). Specifically, adoption means the decision to use Internet-based ICT to communicate and/or conduct business with stakeholders (Rogers, 1983).

3. Methodology

This research was exploratory in nature. Qualitative data collection technique involving face to face in-depth interviews were employed. The population consisted of management personnel of small and medium scale enterprises located in the capital city of Accra. The respondents were selected using convenience and judgemental sampling techniques. Non - probability sampling technique was used by the researcher to enable the respondents to be selected based on their relative ease of access to the Internet and how often their business utilizes it. This technique was appropriate for the study because it would provide the researcher with sufficient answers to questions being asked.

4. Data Presentation and Analysis

4.1 How SMEs Defined Internet Marketing

According to the General Manager of Bamofah Co. Ltd., Internet marketing is selling and promoting goods and services over the Internet.

To the managing partner of Jelladon Enterprise...*Internet marketing is using the Internet to define to people about goods and services as well as encourage them to patronize the products you are offering on the Internet.*

The managing director of Ameyawdebrah.com also said *"Internet marketing simply means using the internet to advertise and sell your products and services."*

To the C.E.O of Treasure Ornament and Craft, *Internet marketing is all about doing business using Internet.*

The Assistant director of Mcbee Boutique defined it as *"taking the extra mile to advertise or make your products and services available on the web or online."*

The Recruitment officer of Preparation for life (PLF) said *Internet marketing is a great tool for growing enterprises because almost everyone uses the Internet in this modern world.*

4.2 How long SMEs have been operating online

Bamofah Co. Ltd has been doing business online for the past three years while Jelladon Enterprise has operated online close to two years. According to Ameyawdebrah.com their operation online is close to three and half years. For Treasure Ornament and Crafts, they have been doing Internet business for exactly two years. While Mcbee boutique has operated online for two years now. Preparation for Life has had an online presence for five years.

4.3 Extent of Internet Marketing Utilization

According to the managing director of Ameyawdebrah.com they often use the Internet marketing component a lot because that is the avenue through which they make revenue. They use website, email marketing, blog marketing, article marketing and search engine marketing. He added... *"Our website is the main source of attraction to our customers; we use our website for all our marketing because that is what pulls the traffic to our business. With regards to emails, our clients send us feedbacks and other information through that medium. We sometimes also do direct marketing through the email system and thus mostly when we get referrals. We also have a blog where we get closer to our readers when we advertise events and other related activities. Since we provide services like article writing, event coverage and etc, we also make use of social media like facebook and whatsapp to attract new customers. We as well make use of search engine jumpstart to enable new customers see us easily."*

Bamofah Co ltd's general manager also revealed that Internet usage constitute about 80 percent of their business activities. *"We do have a general website which comprises of multi TV, satellite TV, DSTV world of which we the smaller business gain from them because all the information concerning the business can be seen on the general website. Email marketing will take about 80 percent because my business communicates a lot through emails to our customers. We do that through yahoo, Gmail, whatsapp, facebook, Skype. We do blog marketing like 50 percent. Our computer technicians are tasked with that job. They write stuffs for people to read and express their views on issues. We also surf the net to know what is going on around the world especially in Africa to be the best in the market which might fall under the search engine marketing."*

According to Preparation for Life's recruitment officer, their company utilizes all the Internet marketing components with the exception of the online press release. *"These are all effective ways of communicating and reaching our target customers....."*

With Mcbee Boutique they make use of email marketing and blog marketing. The assistant director said, we send our customers emails anytime we get new goods. We have our own blog of which we reach a wide range of our customers. We use it basically for advertising our product and getting closer to our customers.

According to the managing partner of Jelladon enterprise they make use of three components online. *“With email marketing we utilize it about fifty. This will be because whenever there is a new update on our goods and service, I inform my customers through emails and the other platforms. Blogs needs constant updating of which I do not have all the time to do, and also because of the media update, that is a lot of Internet medium available, we do not normally utilize the blog marketing. With the search engine marketing, I will say a 100 percent, because I constantly receive feedbacks and update about our goods and services. And also search or browse the Internet for information and updates on new arrivals.”*

The CEO of Treasure Ornaments and Craft said, the enterprise makes use of just two of the internet marketing components. *“The company uses email marketing to sends pictures to their customers on the net on weekly basis. I take orders from our customers through emails sometimes whatsapp and facebook and update or send them new designs of our works. With the search engine as well I browse to read and gather information about my field of work.”*

4.4 Benefits of Internet Marketing

The General Manager of Bamofah Co. Ltd said... *“The business has gone a long way to the extent of having clients all over the world especially in Africa e.g. Nigeria. I will also add even though we pay for some of the sites, it is much more convenient and really affordable to all businesses to market online.”*

Jelladon Enterprise’s Managing Partner made mention that *“the enterprise has gained more exposure, being able to reach our target market. One benefit will be customer feedbacks which I must admit have helped me gain more insight about the business. As to what is needed more to better satisfy the needs of my customers out there.”*

According to CEO of Treasure Ornaments and Craft... *“It has expanded my customer line that is having a lot of customers I never knew existed. It has also expanded the business and made me get more profit because most of our customer, about 90 percent we do business with them on-line.”*

The Recruitment Officer of Preparation for Life made mention that *“The benefits we have gained in our business is that it has helped us create awareness of any product we have available to sell and also it has been a great tool to learn about prices of goods we are interested in buying.”*

Mcbee Boutique’s assistant director said *“Our client base have increased since we started marketing our product over the Internet, we have been able to attract a lot of customers to our shops, almost four out of ten shoppers come to the shop because they saw our advert on the Internet. It has given us the competitive edge to compete with some well known boutique shops even though ours is comparatively small.”*

According to the managing director of Ameyawdebrah.com... *“First of all, I think if the Internet had not come then, our entire staff wouldn’t have gotten a job. The reason behind this statement is that almost all our past, existing and even future clients were sourced through the Internet. Secondly, business networking that is to say linking up with people that can help your business in diverse ways has been very easy. You also get to know a lot about the feedback of your products and what other people offer through components like the blogs and social media. A lot of people from all walks of life have being patronizing our services due to the fact that our business is on the Internet.”*

4.5 Special department or personnel in charge for Internet Marketing

Treasure Ornament and Crafts CEO said *“No, I cannot afford to hire personnel for that because we are a small enterprise. Maybe in the future we will when we expand the business.”*

The Managing Partner of Jelladon Enterprise said specifically for that *“No we don’t. I do all the Internet activities myself. Because it is a small business and personally I am into E-commerce so I have the basic knowledge about it.”*

According to the General Manager of Bamofah Co. Ltd *“their computer technicians are tasked with the activities of the Internet marketing. They have the advanced skills and knowledge in that field and it is also their job so they handle the Internet marketing activities.”*

The Assistant Director of Mcbee Boutique said for now the assistant director takes charge of the Internet marketing and all Internets related issues of the enterprise. *Since the business is a small enterprise we want to cut down cost.*

According to Ameyawdebrah.com’s managing director *“all our staffs are Internet oriented so we do not have a special department for our internet marketing activities.”*

To the recruitment officer of Preparation for Life *“we do have a marketing department which designate marketing personnel to be in charge of updating the information of the company on the websites. This information has to be current and very accurate to feed the prospects with great up to date issues about the company.”*

4.6 Motivation for choosing Internet Marketing

According to the general manager of Bamofah Co. Ltd *“the vast area coverage I will say is our motivation. Due*

to our line of business we can reach thousands of our clients within seconds over the internet and this has helped in the development of the business.”

To the managing partner of Jelladon Enterprise she said *“basically to make myself available to a wider market of our audience. Also because it is a cheaper form of reaching my target market and customers because most of the sites I advertise on are free. One other thing will be the increasing sales of our enterprise over the past few years.”*

The C.E.O of Treasure Ornaments and Craft also added that *“It reduces the stress of moving around to market goods. Customers from other friends also see the goods and this keeps expanding our customer line.”*

Ameyawdebrah.com’s managing director *“believes the marketing industry, Internet related products and services usage as whole is kind of growing, is a little bit easier to see the fruit of your labour and enjoy the returns so it is an interesting field to work and that’s our motivation if I should say.”*

According to the assistant director of Mcbee Boutique *“the fact that you can reach wider audience or better still attract variety of customers to sell to, is our motivation for choosing Internet marketing.”*

The recruitment officer of Preparation for life said *“Our motivation for choosing Internet marketing will be that it spreads to stakeholders faster.”*

4.7 Challenges in Internet Marketing

The managing partner of Jelladon said *“the challenges are few. First of all, I will say high cost of Internet connectivity. The monthly bundle is quite expensive. Also, stable Internet connection is not always available therefore making it difficult to access the net sometimes. Lastly, it is difficult to know exactly who the enterprise is dealing with or sometimes the responses are few so it wastes resources.”*

According to Mcbee Boutique’s assistant director *“so far no serious challenges have been encountered but, there are times when fake shoppers pop up and spam emails are received as well. But we know these are part of the Internet game so we have no worries at all. Also issues with the network problem; sometimes the server is not stable so it makes it difficult for us to access the Internet.”*

The general manager of Bamofah Co. Ltd said *“there are limited numbers of Internet users in Ghana. If we had all Ghanaians and most Africans having knowledge in Internet marketing, then we will be making billions of dollars now. But you know where we are from. That will be the only challenge we face because most of sales we make are from the Internet. So if we could get a vast number of people using the net, I think that will help us expand even bigger.”*

Treasure Ornament and Craft CEO mention that *“some people were coping my designs since the business is a craft work. And then also sometimes network problems with the internet connection, so it makes it very difficult for me to upload and download sometimes from the Internet; as well as get orders from my customers and deliver on time.”*

According to the recruitment officer of Preparation for Life *“few challenges I will say. Sometimes it is difficult to explain things to business folks when you are not seeing them. It is hard to tell who to believe or not.”*

Ameyawdebrah.com’s managing director said *“we do get scam alert and emails but our webhost is always up to task so it does not affect us that much. Since we do direct email marketing as a means of getting feedback from our clients, some clients take advantage of that and send us mail that are not of relevant, more so unnecessary and junk mails make our inbox full. I believe that is the challenge we are facing for now.”*

4.8 Negative or bad image as a result of Internet Marketing

According to the managing director of Ameyawdebrah.com *“well I will say no because before we advertise our services or products online, we make sure it is genuine and one something that offers value for money so almost all our clients are pleased with our products and services. This is because of our core values and what we seek to make available for our clients and our image has not been tainted and we hope to keep it there.”*

Mcbee Boutique’s assistant manager said *“No, not at all because we know how powerful the internet is, we try as much as possible to do what is right so that we do not get ourselves tagged negatively.”*

According to Jelladon’s managing partner she said *“no it has not. Basically because, there has not been negative or bad complains about the products we offer on the Internet over the past few years because we truly offer what you see on the Internet.”*

Treasure Ornaments and Craft CEO said *“no it has not; the only problem our business has is the internet connectivity because sometimes we do not get the orders early and that makes us not deliver the goods on time to our customers.”*

The general manager of Bamofah Co. Ltd said *“no, because most feedbacks and complains we get from our clients are positive. About 2 percent of those complains corrects us or advice us to improve upon our services but this has not created a bad or negative image about our business.”*

4.9 Intentions to discontinue Internet Marketing

According to the general manager of Bamofah Co. Ltd *“why should our business discontinue the use of Internet marketing. Not at all. We intend to use it more and to encourage the use of the internet by many Ghanaians.”*

Treasure Ornaments and Crafts CEO said *“no we do 90 percent of businesses with customers online. And then*

also, it has helped expand the business so we do not intent discontinuing Internet marketing.”

The managing partner of Jelladon enterprise said *“No, we will not discontinuing its use. The Internet infrastructure is limited in this Ghana but there is potential for growth. The benefits now and future is strong motivation enough. It is also part of our strategic plans and it has a major platform to sell our goods and services.”*

Mcbee boutique assistant director said *No “from our earlier discussions you can see that we even want to invest more into it so that we reap all the good returns associated with the Internet. We are not going to stop now, unless the world comes to an end.”*

According to the recruitment officer of Preparation for Life they would not simply because Internet marketing is a great tool for marketing our business.

Ameyawdebrah.com managing partner said *“we are not contemplating discontinuing its use because our business is an online enterprise so we cannot do business or operate our activities without the Internet.”*

4.10 How challenges are overcome

The managing partner of Ameyawdebrah.com said *“we have subscribed to a scam alert on our webhost platform so most times some of these mails are removed automatically without us doing it ourselves.”*

According to the recruitment officer of Preparation for Life *“we have different solutions for different issues but generally go to the grounds to know exactly what the people want from the company.”*

The assistant director of Mcbee Boutique maintained that... *“as said earlier on so far, no serious challenge has been encountered. With the fake shoppers and emails we try as much as possible to clarify our products and emails for our clients to know so that it makes it easier for them to know our genuine emails and differentiate it from the fake once.”*

Jelladon Enterprise managing partner said she works with multiple Internet service providers *“I try to look out for cheaper bundles, promo of bundles as well as stability of connection. I avoid delving into unnecessary stuffs on the Internet. We strive to make our customers feel comfortable, and try to find closer points to reach them: as well as do all necessary things to make them feel welcome.”*

Bamofah Co. Ltd general manager said *“We have not overcome the challenges but we try as much as possible to distribute flyers and text messages to all people. And also, we do more advertisement on the free sites like Google Trader, Ghana Web and the lot because we know we can get lots of potential clients from there and individually also we try to educate the public about Internet marketing.”*

4.11 Degree of financial investment in Internet Marketing

Preparation for Life’s recruitment officer made mention that *“we have made very low financial investment. This is because most of the sites we advertise on are free.”*

According to Ameyawdebrah.com managing director... *“The investment is a medium one because we have some substantial amount in there. If you want Internet marketing to yield good benefits you need to invest into it.”*

The assistant director of Mcbee Boutique said *“to be frank with you we have not invested heavily in Internet Marketing because we were a little bit sceptical at first but as time goes on we will re-strategise and invest more in it because there are a lot of good prospects and returns are good.”*

Bamofah Co. Ltd’s general manager he said *“we spend about 10 percent of our income as most of the sites we advertise are free. This relates to the answers I gave in question five, that even though we pay for some of the sites, which will be about 10 percent all the other sites are free.”*

Jelladon Enterprise’s managing partner said percentage wise *“I will say 20 percent of the sales we made. This is because the cost of buying the bundle to get access to the Internet is high, and basically because most of the sites are free. I also minimize cost by doing the unnecessary details offline and uploading or updating them online when they are ready.”*

The CEO of Treasure Ornament and Craft said about 15 percent *“I budget to use that percentage of our sales because of the income we get. If I use more than that it will affect other utilities which will in the long ran affect the profit we make.”*

4.12 Additional Inputs

According to managing director of Ameyawdebrah.com *“I think there is the need for Ghanaians to get abreast of modern technology and the Internet as a whole. Most people think Internet is a bad thing and mostly for lazy people but that notion is a myth. We should try and explore more about it and I bet you the result will be massive.”*

The assistant director of Mcbee Boutique also said that *“well now that most people are having a broader knowledge about marketing especially on the Internet; it is one of the affordable media of which most businesses can market their product. All we need right now is a stable internet connection. The government need to expand Internet infrastructure too to enable more people have access. This will enable more business to access its benefits.”*

Jelladon Enterprise’s managing partner thinks *“Internet marketing is a great tool to reach a wide range of customers. There are now payment platforms being introduced in the country and would wish that a lot of people*

will patronize it. Marketing on the Internet is now becoming dominant, if you look back in the years and compare it to now, you can see that it is really growing and there are much more opportunities in the near future.”

Treasure Ornament and Craft CEO said “*Two years ago when the business started Internet marketing, I had no idea it will yield much profit. I plan on going more into the other Internet marketing components you made mention of and most likely I will employ you to see to that aspect.”*

The general manager of Bamofah Co. Ltd said “*Our prayer and hope is that more people will use the Internet marketing so that they see and be informed about the products we offering to them. We also wish that there will be more education about the Internet to the general public. Internet marketing is a good way of creating awareness about your products or service because it helps in time management and it is very convenient to all.”*

4.13 Analysis of Findings

The Small and Medium Enterprises (SMEs) studied have been doing Internet marketing for a minimum of two years. All the respondents indicated that they made use of some of the various Internet marketing components to fulfill their organizational goals and strategic objective which is to increase sales and make profit. The most common component utilized by all the enterprises under study was email and blog marketing. The participants indicated that, emails and blogs are the most effective medium through which awareness was created for their products and services and also serve as a source of attraction for majority of their customers.

Also, the participants SMEs had different motivation for the use of the Internet for promotion. Some of them indicated that the Internet affords them high customer coverage which involves little stress. For some enterprises the Internet being the cheapest medium for winning customers was a big motivation. Others were into the Internet marketing because of the opportunity for awareness creation and networking which also offers them competitive advantage. Most of the enterprises face challenges in doing Internet marketing. The common challenge among them was the unstable Internet connection in Ghana which makes it difficult to access the Internet whenever you want to. Another challenge faced by all the participants was difficulty in knowing who the company is dealing with or transacting business with. There are many fraudsters and “sakawa” people all over the net. The managers find it sometimes difficult to know whether the customer the business is dealing with online is genuine or not. Even with all these challenges, all the participants concluded that Internet marketing has not created any bad image about their enterprises; therefore do not intend to discontinue its use.

Finally, most of the enterprises have not invested heavily into Internet marketing. This is because the sites the participants advertise on are mostly free. Some of the managers maintained that, the cost of the Internet bundle is highly expensive. However, one of the managers remarked that “if you want Internet marketing to yield good benefits, you have to invest into it”.

5. Conclusion

This study was exploratory in nature and the main purpose was to examine the use of Internet marketing by small and medium scale enterprises in Ghana. A qualitative approach was adopted which relied on interviews with heads of small and medium scale enterprises. Findings of the study revealed that the number of consumers patronizing marketed products and services on the Internet are on the increase. However, the volume of online business remains low. The small and medium scale enterprises are willing to create the buzz about Internet marketing but their consumers are not well informed and educated. Furthermore, the limited Internet resource in the country is a major drawback in the strive for internet business transactions. Most of the managers in the small and medium scale enterprises stated that marketing on the Internet improved sales. Furthermore all respondents maintained that Internet marketing facilitated the realization of organisational goals and objective.

The Internet has very huge business potentials if stakeholders especially customers are given the right education on the benefits of online business. Small and medium scale enterprises in Ghana should realise that they cannot succeed without combining the traditional way of marketing with that of the Internet. There is the need for these small scale enterprises to pull their resources together in the establishment of common websites. This would enable them to expand their market reach and increase their sales.

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