

The Effect of Mobile Marketing on Business Competitive Advantage: A Case Study of Hellofood Kenya

by

Cliff Ochari Moracha

A thesis presented to the School of Business and Economics

of

Daystar University  
Nairobi, Kenya

In partial fulfilment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION  
in Marketing and Strategic Management

June 2015

APPROVAL

THE EFFECT OF MOBILE MARKETING ON BUSINESS COMPETITIVE  
ADVANTAGE: A CASE STUDY OF HELLOFOOD KENYA

by

Cliff Ochari Moracha

In accordance with Daystar University policies, this thesis is accepted in partial  
fulfilment of the requirements of the award of the Master of Business  
Administration degree.

Date:

---

Joseph Munyao, MSc,  
1<sup>st</sup> Supervisor

---

Samuel Muriithi, PhD,  
2<sup>nd</sup> Supervisor

---

Thomas Koyier, MBA,  
HOD, Commerce Department

---

Evans Amata, MFC,  
Dean, School of Business and Economics

DAYSTAR UNIVERSITY

Copyright © 2015 by Cliff Moracha

## DECLARATION

THE EFFECT OF MOBILE MARKETING ON BUSINESS COMPETITIVE  
ADVANTAGE: A CASE STUDY OF HELLOFOOD KENYA

I declare that this thesis is my original work and has not been submitted to any other college or university for academic credit.

Signed: \_\_\_\_\_

Cliff Ochari Moracha  
(12-1266)

Date: \_\_\_\_\_

## ACKNOWLEDGEMENTS

I am very grateful to the Almighty God for giving me strength to go through this demanding but rewarding exercise. The completion of this study was realized through the will of God and contribution plus support of many people. Special thanks go to my 1<sup>st</sup> supervisor Mr Joseph Munyao, and my 2<sup>nd</sup> supervisor Dr Samuel Muriithi, who patiently and selflessly guided me throughout the entire process despite the normal academic hurdles. I thank and appreciate the management and employees of Hellofood Kenya for giving me the necessary support needed to conduct the research study with special thanks especially to those who actively participated in giving their opinions by responding to the questionnaires in spite of their busy schedules, without which the study would not have been duly finalized in due time. I'm thankful to my parents for their support and understanding throughout the research and academic journey. Above all, to God be the glory for making this thesis possible.

## TABLE OF CONTENTS

DECLARATION .....	iv
ACKNOWLEDGEMENTS .....	v
LIST OF TABLES .....	viii
LIST OF FIGURES .....	ix
LIST OF ABBREVIATIONS .....	x
ABSTRACT.....	xi
DEDICATION.....	xii
CHAPTER ONE.....	1
INTRODUCTION AND BACKGROUND TO THE STUDY.....	1
Introduction.....	1
Background to the Study .....	2
Statement of the Problem.....	9
Purpose of the Study.....	10
Objectives of the Study.....	10
Research Questions.....	11
Justification of the Study.....	11
Significance of the Study.....	12
Assumptions of the Study.....	13
Scope of the Study.....	13
Limitations and Delimitations of the Study.....	13
Definition of Terms .....	14
Summary .....	16
CHAPTER TWO .....	17
LITERATURE REVIEW .....	17
Introduction.....	17
Theoretical Framework.....	17
General Literature Review.....	24
Empirical Literature Review.....	51
Conceptual Framework.....	54
Summary .....	54
CHAPTER THREE .....	55
RESEARCH METHODOLOGY.....	55

Introduction.....	55
Research Design.....	55
Population .....	57
Census .....	58
Data Collection Procedure .....	58
Data Collection Instruments .....	59
Pretesting.....	60
Data Analysis Plan.....	60
Ethical Considerations .....	61
Summary .....	62
CHAPTER FOUR.....	63
DATA PRESENTATION, ANALYSIS, AND INTEPRETATION.....	63
Introduction.....	63
Analysis and Interpretation .....	63
Summary of Key Findings .....	84
Summary .....	86
CHAPTER FIVE.....	87
DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS .....	87
Introduction.....	87
Discussion of the Key Findings .....	87
Conclusion .....	92
Recommendations.....	93
Recommendations for Further Research.....	94
REFERENCES .....	95
APPENDICES .....	107
Appendix A: Questionnaire .....	107
Appendix B: Research Permit.....	113

## LIST OF TABLES

<i>Table 3.1: Population</i> .....	57
<i>Table 4.1: Gender Distribution of the Respondents</i> .....	63
<i>Table 4.2: Age of the Respondents</i> .....	64
<i>Table 4.3: Management Level</i> .....	64
<i>Table 4.4: Respondents per Department</i> .....	65
<i>Table 4.5: Respondents Highest Level of Education</i> .....	66
<i>Table 4.6: Decision maker/Key influencer</i> .....	67
<i>Table 4.7: Preferred Platform of Use</i> .....	68
<i>Table 4.8: Special Mobile Applications</i> .....	68
<i>Table 4.9: Number of Orders Received</i> .....	69
<i>Table 4.10: Mobile Marketing Channels</i> .....	70
<i>Table 4.11: Mobile Marketing Objectives</i> .....	71
<i>Table 4.12: Mobile Marketing and Business Competitive Advantage</i> .....	73
<i>Table 4.13: Age and Management Level in the Organization</i> .....	81
<i>Table 4.14: Number of Orders and Gender</i> .....	82
<i>Table 4.15: Number of Orders and Preferred Mobile Platform of Use</i> .....	83



LIST OF FIGURES

*Figure 2.1 Technology Acceptance Model.....19*  
*Figure 2.2 Drivers of Adoption of Innovation..... 22*  
*Figure 2.3 Conceptual Framework.....54*

DAYSTAR UNIVERSITY

## LIST OF ABBREVIATIONS

0G:	Zero Generation
1G:	First Generation
2G:	Second Generation
3G:	Third Generation
4G:	Fourth Generation
5G:	Fifth Generation
AMA:	American Marketing Association
EDGE:	Enhanced Data rates for GSM Evolution
GPRS:	Generic Packet Radio Service
GPS:	Global Positioning System
GSM:	Global System for Mobile Communications
HSDPA:	High Speed Downlink Packet Access
HSUPA:	High Speed Uplink Packet Access
IPTV:	Television through Internet
Kbps:	Kilo bytes per second
MMA:	Mobile Marketing Association
MMS:	Multimedia Message Service
PDA:	Personal Digital Assistant
QR:	Quick Response
SMS:	Short Message Service
SPSS:	Statistical Package for the Social Sciences
TAM:	Technology Acceptance Model
TPB:	Theory of Planned Behavior
TRA:	Theory of Reasoned Action
USD:	United States Dollar
USSD:	Unstructured Supplementary Service Data
WAP:	Wireless Application Protocol
Wi-Fi:	Wireless Fidelity

## ABSTRACT

The study aimed to find out the effect of mobile marketing on business competitive advantage with a case study of Hellofood Kenya. The objectives that guided the study were to identify the types of mobile marketing channels, to find out level of awareness of mobile marketing adoption, to determine the relationship between mobile marketing and business competitive advantage and to establish the level of awareness of challenges faced by Hellofood as they use mobile marketing. The theory used is the technology acceptance model which assigned a considerable weight to two key determinants which include perceived usefulness: the degree to which a person believes that using a particular system would enhance his or her job performance and perceived ease-of-use: the degree to which a person believes that using a particular system would be free of effort. Perceived usefulness and ease-of-use from user's attitude towards technology leads to the intention to use a technology. The study applied a descriptive research design. The target population consisted of all employees in the organization and data collection was done through questionnaires. Some of the key findings were that the most commonly used mobile marketing channels were text messaging, mobile apps and mobile email; there was a high level of awareness of mobile marketing adoption; there was a low level of awareness of challenges faced by using mobile marketing and the preferred mobile platform of use in the organization was android. Some of the key recommendations were that the management do market research so that they can identify the most important mobile marketing channels at the same time spend resources in building a customer base along mobile consumers.

## DEDICATION

I dedicate this research thesis to my dear parents who encouraged and supported me while undertaking my studies at Daystar University.

DAYSTAR UNIVERSITY