

# A Comparative Study of Marketing Strategies in the Digital Age for MSMEs in Zambia

Sidney Kawimbe<sup>1</sup>, Precious Sihweya<sup>2</sup>

<sup>1</sup>Director – Research ZCAS University

<sup>2</sup>Statistician, PSPB

## Abstract

Micro, Small, and Medium Enterprises (MSMEs) are critical drivers of economic growth and development in Zambia and contribute significantly to the Gross Domestic Product (GDP), and indeed, act as fundamental sources of entrepreneurship, creation of jobs, and driving poverty reduction. However, these are enterprises that are playing in the evolving digital landscape and hence will have to contend with both challenges and opportunities. What worked for locally marketing your product via conventional means just doesn't work as effectively in a globally digital economy. Social media platforms, e-commerce websites, and search engine optimization (SEO) are digital marketing tools that allow MSMEs to achieve good reach and engagement with customers in both local and international markets. Even though digital marketing has huge potential benefits, many Zambian MSMEs face hurdles in adopting it. There are many deterrent factors in the development of digital marketing in Zambia such as poor infrastructure, high cost of internet access, lack of digital experience, and budget limitations. These are all vital barriers further increasing the gap between urban and rural settings. Success stories show an increasingly important role of digital tools in shaping success stories of MSMEs that are not afraid to change, such as increased revenue, innovation, and resilience. This study investigates the efficacy of traditional and digital marketing channels of MSMEs in Zambia concerning the variables that affect marketing decisions and the role of digital tools in the performance of business. Through case studies and identifying best practices, this analysis delivers actions that MSMEs are undertaking in the digital transition. For many MSMEs, the study emphasizes the importance of strategic marketing and highlights that a hybrid approach (a combination of digital and traditional approaches) is most appropriate. Government policies, private sector efforts, and non-governmental organizations (NGOs) were highlighted as vital drivers of digital transformation. Infrastructural, financial, and educational barriers are addressed so that stakeholders in Zambian MSMEs can harness digital tools to enable sustainable growth and competitive resilience in a dynamic business environment.

**Keywords:** MSMEs, Digital Marketing, Economic Development, Marketing Strategies, Digital Transformation

## Introduction

Micro, Small, and Medium Enterprises (MSMEs) are very important and are a significant source of jobs, poverty reduction, and general economic development. The gross domestic product (GDP) and main drivers of local and national economic growth are placed on a big tick of information in the power of MSMEs in Zambia. The digital landscape is evolving and there are new challenges and opportunities for

enterprise. However, the traditional marketing methods used which were sufficient to attract local consumers in yesterday's environment are becoming irrelevant now, when society is becoming more and more controlled by digital technology and the behaviour of the consumers is changing. Both existing and prospective MSMEs in Zambia are faced with significant opportunities in the digital era, including opportunities to improve their market reach, interact with customers, and compete more effectively on a much larger scale. There's a point in time when things dramatically change and the traditional methods of establishing connexions with the target audience are no longer applicable thanks to the power of social media platforms, e-commerce websites, search engine marketing, and mobile applications. To make full use of digital tools, as it were, there is strategic planning, resource allocation, and an understanding of market imperatives needed. While some MSMEs have jumped into the digital marketing era very quickly, other MSMEs are hindered by a trade-off of access to technology, lack of digital skill sets, and lack of funding. This study looks at the impact of variegated marketing initiatives used by MSMEs in Zambia, against the backdrop of moving away from traditional to digital approaches. This study also analyses the challenges of enterprises, the determinants determining their marketing strategy selection, as well as the effects of marketing digital on business performance.

The value addition in research is not only in uncovering the best practices or successful case studies but in facilitating actionable insights for existing MSMEs who seek to find their place through the digital space and competition in both local and global markets. This study takes a view of what influences government policy, non-government organizations, and private sector initiatives might have on MSME digital transformation. The research established that strategic marketing has been an important determinant of sustainability and resilience for the growth of MSMEs identified in Zambia's business environment.

## **Literature Review**

Micro, Small, and Medium Enterprises are internationally recognized drivers of economic growth, employment, and innovations. In Zambia, MSMEs form one of the major mechanisms of economic development, as they contribute much to the GDP of the country and give a backbone to native entrepreneurship.

The emergence of digital technologies turned the world business landscape; it brought opportunities and challenges in the digital market for MSMEs in Zambia. Traditional marketing has transitioned into digital marketing. For MSMEs, traditional marketing methods such as word of mouth, print advertisement, and community outreach have been long a mainstay for customer outreach. So far, there's very little internet and mobile technology engagement with digitally active consumers in Zambia. The emergence of social media platforms like Facebook, Instagram, WhatsApp among others had transformed the marketing landscape and enabled MSMEs to gain inexpensive, very impactful channels to reach out to a large audience, as stated by Chisulo et al. (2021).

Digital marketing allows them to break all geographical and cultural barriers in ways that often allow reaching their customers both locally and internationally. Marketing tools such as e-commerce, SEO, and emailing have also proved quite efficient for increased customer response and enlarged sales. Much of the challenges affecting MSMEs in Zambia, however, include barriers to accessing technologies, not being at ease with managing digital skills, and general financial incapacitation to fund sophisticated marketing activities.

### ***Challenges in Adopting Digital Marketing***

Even with the potential, Digital marketing adoption by Zambian MSMEs is heavily hindered by several

barriers to adoption. In addition, there is still poor general infrastructure, particularly in rural areas. Moreover, general infrastructure is still very poor, especially in rural areas. For instance, unstable internet connectivity and high costs for data services limit the possibility of many enterprises to keep their online presence (Mulenga et al., 2022). Also, there is very limited availability of digital literacy training for MSME owners themselves, which limits their capability to utilize digital tools well. Financial bottlenecks matter almost equally as much. Kawimbe (2024) states that financially empowered MSMEs contribute drastically to economic growth activities. However, almost all MSMEs struggle with numerous challenges such as access to bank loans because of their weak financial positions of constrained cash flows and MSMEs consequently have minimal access to formal sector financing which when accessed could expedite cash flows, scale earnings, and profits through digital presence.

Secondly, many MSMEs typically tend to focus on short-term operational requirements to the exclusion of investing in digital technologies on a long-term basis. Some of the relentless change involves businesses that are resource-strapped trying to keep up with the rapid evolution of digital marketing platforms and the need to continuously learn and adapt.

### ***Opportunities in the Digital Landscape***

In this context, numerous success stories provide the first powerful evidence of the digital marketing transformation. The case studies in Banda and Phiri (2023) show how MSMEs using platforms such as Facebook Marketplace and Jumia have been able to increase their customer base and improve their incomes. Such findings point toward the value of strategic planning and a focused investment in digital capabilities.

Digital adoption is of the essence to governments and the private sector. Indeed, programs that focus on improving access to the Internet, training in digital literacy, and providing financial support pay big dividends for MSMEs. For example, through its Smart Zambia Initiative, the Zambian government prioritizes technology-driven growth by creating an enabling environment for MSMEs to flourish in the digital era.

### ***The Role of Strategic Marketing***

The effective use of digital tools for the sustainable development of MSMEs is very necessary in the Zambian business environment. Evidence proves that a hybrid approach of marketing where digital marketing is integrated into the digital as well as traditionally operated aspects is more successful in terms of business results than a digital strategy can achieve (Tembo et al., 2023). This not only shows us organizations need customized marketing strategies that fit into their business's objectives, resources, and customer base. Partnerships with non-government organizations and private organizations have effectively touched on the resource-bound gaps. Mentorship, funding, and access to digital platforms can be used to enhance MSME competition in the digital marketplace in teamwork. Zambian MSMEs however have a unique opportunity to redefine market boundaries, broaden market boundaries, and enable economic growth in the wake of the digital age. The reality, however, is that it is this potential that is enabled by the proliferation of many of these barriers, such as difficulties in terms of infrastructure, a lack of digital skills, and a lack of financial reserves. Government policies and collaborative initiative efforts support the digital transformation of MSMEs using agile strategic marketing. The adoption of digital innovation in Zambia places pressure on the empowerment of MSMEs in favour of inclusive and sustainable economic development.

## Discussion

No one can doubt the role that Micro, Small, and Medium Enterprises (MSMEs) play in Zambia's economy. With MSMEs as key drivers of GDP, job creation, and poverty alleviation it is no wonder that they are a keystone of the country's development agenda. However, these enterprises must change their marketing strategies to suit the current digital transformation sweeping across global markets. As traditional marketing transitions to a digital era, so does the strategic marketing approach need to become more nuanced to take advantage of new opportunities and overcome new challenges.

### *The Dual Role of Digital Marketing: Opportunity and Challenge*

In the digital era, MSMEs continue to have fair chances to access markets that had been previously impossible to reach via the conventional way. Customer engagement has become economical thanks to social media platforms such as Facebook and WhatsApp, e-commerce sites such as Jumia, friends and followers on social media platforms, and search engine marketing. Considering Facebook's marketplace to sell its products, a small enterprise in Lusaka can market its products across the country and the world at a scale that was never available. There are several challenges when we transition to digital marketing. The technical access to the technology, the infrastructure, and the cost of the internet only in the rural areas faced immense challenges, which is even more prominent for the MSMEs. According to Mulenga et al. (2022), the urban-rural divide in digital access only strengthens existing inequalities thereby putting rural MSMEs at a major disadvantage. Digital literacy is a large one; younger entrepreneurs quicken to use digital tools, whereas older business owners find it difficult to traverse the complex digital platforms.

### *Strategic Marketing: A Pathway to Competitiveness*

For MSMEs to close the gap between potential and reality, the marketing must be strategic. However, a more balanced approach is possible with a hybrid strategy that combines old procedures with digital tools, particularly for firms making their way through switching from old processes. For instance, MSMEs can utilize print marketing to keep in touch with local consumers and access social media to grow. A customized marketing strategy is very important for an MSME tailored according to its needs. Let's give a couple of examples: a small tailoring business could display Instagram designs and talk one-on-one with consumers via WhatsApp. A medium-sized manufacturing company may however favour search engine optimization (SEO) and email marketing to capture corporate clients.

### *Support Mechanisms for Digital Transformation*

It can't be emphasized enough that you need help from the outside. Along with government policies, there need to be private sector initiatives to give MSMEs that have the resources and capabilities to be successful.

The Smart Zambia Initiative is a great idea, the Zambian government needs to improve ICT infrastructure and encourage the use of technology. Although measures aimed at accelerating digital transformation can limit themselves to supporting MSMEs' internet expenses by subsidizing them or providing free digital marketing courses. Other important players can be commercial companies or non-governmental organizations, also. Some of this systemic impediment can be overcome through partnerships with telecom providers to offer more affordable data plans, or with tech firms to achieve digital literacy training. These programs are not only empowering MSMEs, but they also have multiplier effects and spur economic growth within our grassroots.

### *The Impact of Digital Marketing on Business Performance*

From case studies that have succeeded, tangible benefits of digital marketing are shown. For instance, Banda and Phiri (2023) found that MSMEs reporting significant revenue growth after using digital tools

experience an increase in their revenue. They are good examples of how it pays to make investments in digital marketing. MSMEs can then track key performance indicators like website traffic, social media engagement, and conversion rates and refine their strategy for better results. Yet digital marketing is also about more than revenue. It contributes to innovation, empowers customer relationships, and prepares businesses for long-term resilience in an ever-changing business environment. These are critical benefits for MSMEs in Zambia to survive and thrive in an increasingly competitive global economy. MSMEs in Zambia are confronted by an opportunity in a rapidly developing digital landscape. While there are challenges like a lack of resources, digital skills, and infrastructure, strategic marketing helps you to overcome them. MSMEs can utilize digital marketing power to promote their competitiveness and offer greater contribution to Zambia's economic growth by adopting a hybrid approach, taking advantage of support mechanisms, and focusing on innovation. The success of MSMEs in the digital frontier will depend heavily on the collaboration of relevant stakeholders, including the government, the private sector, and NGOs to equip them to navigate the digital frontier.

### **Conclusions and Recommendations**

The following recommendations are proposed to enhance digital marketing usage by MSMEs in Zambia and their contribution to national economic growth.

#### **1. Invest in Digital Literacy and Training**

For the effective use of digital tools, MSME owners and employees must have enhanced digital skills. Produce nationwide digital literacy initiatives for urban and rural micro, small, and medium enterprises (MSMEs).

Deliver affordable training in Digital Marketing, E-Commerce and Social Media Management through collaborations with educational institutions, NGOs, non-profits, academic institutions.

Design the infrastructure to bring online learning platforms with access to flexible digital training modules.

#### **2. Improve Digital Infrastructure**

The government and business sector should first focus on building ICT infrastructures to improve the accessibility and affordability of the Internet. Make it easier and affordable to connect to the internet in rural areas to narrow the urban and rural divide. Working with telecom carriers to lower data prices to make digital tools more affordable to resource-constrained MSMEs.

Support investments in community-based digital hubs for MSMEs to have internet access and technical support.

#### **3. Facilitate Financial Support**

MSMEs investing in digital technology require affordable funding. Establish grant programs and low-interest lending plans just for MSME digital transformation.

Facilitate the introduction of microfinance banks through bespoke products designed for MSMEs who invest in digital marketing.

Subsidize the price of buying digital tools and software through public-private partnerships.

#### **4. Promote a Hybrid Marketing Model**

Encourage MSMEs to use balanced approach which includes traditional and digital marketing tactics. Help defining the most effective channels for target audiences. Help create a slow transition from business to business to use online services and slowly extend a digital footprint.

Provide examples of the use of effective hybrid methods to serve as benchmarks for MSMEs.

### 5. Strengthen Collaboration Among Stakeholders

For the development of a favourable system for MSMEs collaboration with the government, corporate, and civil society is critical. Provide venues for MSMEs to interact with policymakers, technology businesses, and financial institutions. Provide hands-on assistance to MSMEs off hand through the creation of mentorship programs between experienced digital marketers.

Share with MSMEs industry-wide initiatives for best practices, success stories, and case studies.

### 6. Encourage Data-Driven Decision-Making

With analytics tools, MSMEs can use analytics tools to discover the success of their marketing strategy. Teach and train MSMEs how to use the digital analytics tools and tools to measure performance indicators such as engagement level, traffic, and sales conversion.

In response, the findings from data should encourage businesses to regularly assess and change their marketing tactics.

### 7. Enhance Government Policy Support

The Zambian government must create a conducive policy environment for MSME growth in the digital economy and develop tax incentives for MSMEs investing in digital tools and technologies. The government should further strengthen regulatory frameworks for e-commerce to ensure fairness and transparency in online marketplaces as well as integrate MSME-specific goals into broader national digital transformation strategies.

Therefore, as Zambia continues to embrace digital innovation, empowering MSMEs through targeted interventions is critical for inclusive and sustainable economic growth. While challenges remain, the opportunities offered by the digital age are immense. Through strategic investments in infrastructure, education, and policy support, MSMEs can become more resilient and competitive, contributing significantly to the nation's development goals. By fostering a collaborative and enabling environment, stakeholders can ensure that MSMEs in Zambia are well-equipped to thrive in an increasingly digitalized world.

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