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**THE EFFECT OF INFLUENCER MARKETING ON BRAND LOYALTY AMONG
SMALL AND MEDIUM ENTERPRISES IN NAIROBI CITY COUNTY**



OMANI KEVIN MATWETWE

065450

**THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR
THE AWARD OF MASTER OF COMMERCE AT STRATHMORE UNIVERSITY**

JUNE 2023

DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

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DEDICATION

To my dear parents, Mr. Kennedy Omani and Mrs. Ruth Moraa who sacrificed their finances to ensure that I complete my education at the best university in Kenya. You are my sole role model and always there to challenge me to be a better individual as well as aim higher.

To my Fiancée, Ms. Margaret Obuya for her unconditional love and constant support. Thank you for always believing in me and seeing a way when I didn't see any.

To my dear siblings Tracy, Cruzben and Esther, for their continuous encouragement. I am glad to report that the journey I started is almost over. Glory and honor be to the Lord.



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I would like to take this earliest opportunity to express my heartfelt gratitude to God for the provision of good health and guidance up to this stage of my study. I saw His Care in several ways, which I feel should be acknowledged.

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Last but not least, to my classmates and colleagues, I can't mention all of you by name but allow me to sincerely appreciate your constant follow-up on my progress, encouragement to finish, and the support you have given me in every way.



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ABSTRACT

There are various challenges facing Small and Medium Enterprises in Nairobi City County. It is significant that SMEs develop appropriate marketing strategies that would give them a competitive edge against well-established organizations. Marketing is a critical element in achieving brand loyalty, objectives and goals, which then leads to positive increases the performance of an organization. The main objective of the study was to establish the effect of influencer marketing on brand loyalty among small and medium enterprise in Nairobi City County. To achieve this objective, the researcher focused on the following specific objectives; to establish the effect of digital, celebrity, and expert influencers on brand loyalty among small and medium enterprises in Nairobi City County. The study was anchored on social learning theory, and Trust-Commitment theory. The study also adopted a descriptive research design in conducting the research with a target population of the top 100 small and medium enterprises operating in and licensed by Nairobi City County. The study focused on the top 100 SMEs because they are likely to have well organized marketing activities, marketing personnel, social media presence and influencer marketing. A total sample of 200 respondents were drawn from the top 100 small and medium enterprises using purposive sampling technique. The primary data was collected by the use of a structured questionnaire, which consisted of closed-ended statements and questions. The collected data was inspected for completeness and accuracy, thereafter coded in a Statistical Package for Social Sciences (SPSS) Version 26 for analysis. The data was analyzed using both descriptive, and inferential statistics and the results presented in form of tables and figures. The study findings indicated that the effect of digital influencers was statistically significant to predict the brand loyalty. Similarly, the findings revealed that celebrity influencers exhibited a positive and moderate relationship with brand loyalty and it had a significant positive effect on brand loyalty. The study equally demonstrated that expert influencers had significant positive effect on brand loyalty. The study concluded that the revealed positive relationship between influencer marketing and brand loyalty means that SMEs in Nairobi City County have embraced influencer marketing (digital, celebrity and expert) as a significant marketing strategy to build a strong competitive advantage. This study concentrated on the Small and Medium Enterprises; therefore, this study recommends a similar study to be conducted on other sectors of the economy like manufacturing companies.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Influencer marketing is used globally by using social media influencers to spread the company's brand and reach a specific target market niche (Sudha & Sheena, 2017). The speedy usage of the internet and websites globally has boosted influencer marketing as a digital marketing tool in global business today. A study by Adjei, Noble, and Noble (2010) noted that a third of the worldwide population is connected to the internet and utilizes social media daily. The usage of the internet has altered consumer behavior in almost all industries. These changes affect how consumers shop and search for information on what to purchase (Zimmerman & Kleefeld, 1977). This has forced marketers to change how they conduct their marketing activities across the world. Khamis, Ang, and Welling (2017) noted that traditional media like sponsored posts and pop-ups need to be incorporated with influencer marketing so that they can achieve expected optimal results in the fast-evolving digital marketplace.

Operating a small or medium sized firm is not an easy task. Being small doesn't translate that the challenges the SMEs face are small too (Becker & Schmid, 2020). Over decades, SMEs have experienced challenge in finding new customers and increasing sales from the existing customers (Mustafa & Yaakub, 2018). Razak, Abdullah, and Ersoy (2018) noted that sales and marketing are often co-related to each other and rely on each other for working of the firm and one department cannot be said successful if the other is not. Finding a new customer for an SME is a tough task and their reach to the audiences is restricted (AlQershi, 2021). SMEs are trying hard to create strong bonds with existing customers but major task for them is to maintain visibility with key stakeholders and continue to build credibility whilst keeping an ear to the ground for any new order opportunities (Becker & Schmid, 2020). Personal networking is a proven technique to use in this case, however, SME's may be limited in terms of the number of contacts they can effectively network with (Mustafa & Yaakub, 2018).

Most organizations globally have increased their budgets towards social media marketing, proof that influencer marketing is a powerful tool in the digital marketing era (Thitai, 2018). For instance, SMEs have found influencer marketing faster and relatively cheaper than other marketing modes

(Ayedun, Oloyede, Oluwunmi & Oyedele, 2014). Companies view influencers as opinion shapers; therefore, they can be used to disseminate information to their social media followers about various brands to create loyalty either to the company or the company's products (Trivedi, 2018).

In the Small and Medium Enterprises (SMEs) industry, social media influencer marketing is becoming an effective marketing strategy for most company brands globally (Ayedun *et al.*, 2014). This has been enabled by the global acceptance of social media platforms such as Instagram, Facebook, and You-tube, facilitating influential people to become social media influencers. In most countries, embracing the internet and putting more and more internet infrastructure, influencer marketing has become a very significant and lucrative marketing option to the traditional marketing strategies (Khamis *et al.*, 2017).

Due to the broad reach and influence of trusted influencers, studies (Sung & Kim, 2010; Pranadata, 2017; Lou & Yuan, 2019) have shown that influencers can shape and redirect consumer opinion or perception on various company products and brands. Consequently, changing their buying behavior and creating bias in purchasing some brands to others (Kasemsap, 2018; Voorn & Kommers, 2013). Celebrities are most used in influencer marketing because they are the most social media users with a vast following. In rare instances, one can scroll down the celebrities' pages without popping up with adverts of various brands (Kasemsap, 2018). Influencer marketing has gained prominence even in developing countries like Uganda, Nigeria, and Kenya (Voom & Kommers, 2013).

1.1.1 Influencer Marketing

Influencer marketing refers to a type of marketing that employs influencers to promote a brand to a large target audience or market (Trivedi, 2018) and influencers are opinion shapers with a vast social following base. The opinion-shapers are experts and trustworthy sources of credible information in society (Ernst & Young, 2011). Influencer marketing is closely similar to social media marketing because most opinion shapers assemble their target audience from social media sites (Hubspot, 2019). Companies that have employed influencer marketing have demonstrated the effectiveness of the marketing strategy compared to other marketing channels (Ledikwe, Roberts-Lombard, & Klopper, 2019). According to Islam and Rahman (2017), influencers have developed

and created a substantial social media following. They are in most cases perceived to be trusted in society and influential in certain specific target markets.

Influencer marketing is a form of the social media marketing that involves endorsements and product placement from influencers, people, and organizations with expert levels of knowledge or social influence in their area of specialization (Muhammad, Iqbal & Ayesha, 2021). Influencer content may be designed as testimonial advertising, where the influencer plays a role of a potential buyer or is involved as a third party in the sale transaction (Hubspot, 2019). The third party can be seen in the distribution chain as retailers or manufacturers or as value-add influencers like a journalist, academic, and professional adviser (Ledikwe, Roberts-Lombard, & Klopper, 2019). Influencer marketing also refers to the process of identifying and activating people who influence a particular target audience or medium to be part of a brand's campaign towards increased reach, sales, or engagement (Ernst & Young, 2011). Influencer marketing extends the original concept of word-of-mouth marketing, focusing on a social context and performing more professionally. It is a form of relationship building, which may be very helpful for brands that seek to expand their audience and turn them into loyal customers through trust and authenticity (Islam & Rahman, 2017).

Influencer marketing as an emerging marketing trend uses celebrities and experts who are perceived to be opinion shapers and inspirational to other people on social media platforms (Hollensen & Raman, 2014). The use of celebrities as an influencer marketing tool is likely to exponentially grow as a marketing strategy, which organization will employ to market their products and services. The engagement of the influencer marketers is primarily done on the social media platforms such as Instagram, Twitter, Facebook, and YouTube (Hubspot, 2019). Therefore, marketing influencers engage their followers on these platforms where they have a significant effect, measured through the views, likes, comments, and other variables that may be useful to the company's brand. Zietek (2016) noted that influencer marketing through social media is advantageous because many people spend a considerable amount of time on social media sites in today's digital age.

Influencer marketing is defined depending on the number of followers and para-social relations with the audience with the power of persuasion (Conde, 2019). Lou and Yuan (2019) attempted to

classify types of influencers: Mega, Macro, and Nano, based on the number of followers. Lou and Yuan (2019) defined mega influencers as the highest-ranking class of social media influencers with over a million followers. Macro-influencer refers to influencers with less than one million but more than one hundred thousand social media followers (De Veirman, Cauberghe, & Hudders, 2017). Conde (2019) defines a micro-influencer as someone with less than one hundred thousand but more than one thousand social media followers. Finally, Nano influencer is a new breed of an influencer with less than one thousand followers on social media platforms (Conde, 2019).

According to Voom and Kommers (2013), expert, digital, and celebrity influencers are essential measurements of influencer marketing. Expert influencer refers to an individual knowledgeable in their area of expertise and has a vast following of the people who show interest in what they have to discuss. In most cases, the followers look to them for direction and recommendations regarding their purchasing decisions (Ndege & Kegoro, 2019). A digital influencer refers to a person with a wide digital social media following who can encourage followers to take action on a specific course or influence purchase decisions (Chinomona & Maziriri, 2017). A celebrity influencer refers to a famous individual, particularly in entertainment, who can influence potential consumers of a product or service by promoting or recommending the items or products on social media platforms (Trivedi, 2018). This study will adopt Voom and Kommer's (2013) concept of influencer marketing because it focuses on the major categories of influencer marketers and has a broad approach to measure influencer marketing as opposed to using a single measure framework.

1.1.2 Brand Loyalty

Khamis et al. (2017) defined brand loyalty as a situation where a client continues to buy from a company because of the sole reason that the client trusts the company and not that it is the only option. Therefore, building and maintaining brand loyalty has remained a significant element for marketers and organizations for a long time because of its role in sales performance and increasing market share (Chinomona & Maziriri, 2017). Brand loyalty is believed to occur in the marketing concept when the buyers continually purchase the same product or service because of the belief that the product or service is superior to other products in the market (Sunghee & Jisu, 2020). Therefore, brand loyalty is usually based on the customer's perception that the product is superior among the choices in the market.

Brand loyalty is a customer's behavior over time by repeatedly using a particular brand, product, or service (Franzen, 2019). Customers who find their needs fulfilled and that the quality and value proposition of their brand or products meet their expectations tend to become loyal to the brand (Kasemsap, 2018). Loyal customers tend to become regular customers and influence their friends and family members to purchase the products and services that have benefited her (Hollensen & Raman, 2014). Therefore, this is important to have the company manage its brand loyalty by ensuring that the customers get the correct value proposition offered.

Brand loyalty is realized when consumers remain committed to the company's brand and make repeated purchases without considering the product or service prices or convenience (Zahoor & Qureshi, 2017). Realizing a solid and stable brand requires a long-term investment through traditional advertising, promotions, and re-launching the product or services (Zahoor & Qureshi, 2017). With several choices accessible, consumers will not be willing to accept anything less than excellent service.

According to Kotler and Keller (2016), brand loyalty refers to buyers' choice to purchase a specific brand over others in the same item category. Repeat purchase occurs when the consumer perceives that the brand sells the right item features, images, or the level of quality at the right price (Kotler & Keller, 2016). The perception may translate into repeat purchases, which results in brand loyalty. Therefore, brand loyalty is related to a consumers' preference and attachment to a brand. Pranadata (2017) described brand loyalty as the commitment to consistently repurchase specific brands in the future, regardless of the situation and marketing strategy of the other brands that have the potential of making consumers switch brands.

In an attempt to identify the effect of customer loyalty and the intention to switch in the banking sector, Arokiasamy (2013) identified three critical features of brand loyalty: brand switching, repetitive purchase, and customer satisfaction. Brand switching refers to the act of a consumer changing brands whenever there is an adjustment in the price of the brand or other brands (Pranadata, 2017). Loyal consumers do not switch brands regardless of the changes in pricing. The reliable brand consumers are ready to pay a premium on the brand's products. Repetitive purchase is the act of the consumer buying the same brand as purchased on the previous occasion (Hollensen & Raman, 2014). A repeat purchase shows that the consumer has high brand loyalty. Customer

satisfaction is a measurement that indicates the consumers' level of happiness with a brand's products or services (Zahoor & Qureshi, 2017).

Aaker (1995) describes brand loyalty as a deeply held commitment to repurchase a preferred product or service again and again in the future, causing a repetitive same-brand buying, regardless of promotional and marketing efforts having a likelihood to cause brand switching behavior. Bhattacharya and Lordish (2000) also emulate the same belief by espousing that it is broadly accepted that satisfied customers are not sensitive to changes in product features and prices. But they are less influenced by rival brands' attacks and remain loyal to the brand longer than dissatisfied consumers. Therefore, this study was anchored on the Aaker's (1995) brand loyalty concept, which views brand loyalty in terms of repeat purchase, non-switching of brands, willingness to pay a premium, the customer's willingness to wait and referring other customers. These measures are the key focus of this study and also can adequately measure the brand loyalty in the context of SME sector.

1.1.3 Small and Medium Enterprises in Nairobi City County

In Kenya, Small, and Medium Enterprises (SMEs) are defined based on the number of people working in the firms (Kenya Bureau of Standards, 2019). A small enterprise employs people ranging from 10 to 50 while a medium enterprise engages 50 and 100 employees in its business (Kenya Bureau of Standards, 2019). The SMEs are popularly known as the 'Jua Kali' sector, which occupies a very strategic point in the country's economic growth and development (Kenya Institute for Public Policy Research, 2018). According to MSEA (2013), the SMEs are found in all the sectors and industries, and therefore, are critical in creating jobs and a suitable medium of poverty alleviation.

There is no single accepted definition of Small, and Medium Enterprises (SMEs) globally (OECD, 2016b). SMEs are defined legislatively because the terms small and medium are relative to the size of the national economy (European Union, 2016). For statistical reasons, the OECD defines SMEs as firms that employ less than 250 people with the following break downs; micro refers to firms with employees between 1 and 9, small guides to firms with less than 50 but more than ten employees while medium firms employ less than 250 but more than 50 employees (OECD, 2016a). SMEs are significant players in developing economies worldwide; however, they are more critical

players in developing economies than developed economies (Bergthaler, Kang, Liu & Monaghan, 2015). SMEs represent over 85% of businesses and more than 55% of employment globally (Bergthaler *et al.*, 2015). Formal SMEs contribute up to 50% of Gross Domestic Product (GDP) in developing countries (Baumol, 2002).

Cognizant of the role and contribution of the SMEs towards the growth and development of the country, the government of Kenya created a Micro and Small Enterprises Authority (MSEA) that supervises and regulates the conduct of the SMEs in Nairobi City County (Kenya Ministry of Devolution and Planning, 2017). MSEA (2019) report indicates over 7 million SMEs in Nairobi City County as of 2019; however, only 1.6 million are licensed, and the rest operate without licenses. According to the KNBS (2016), SMEs comprises 92% of all the established business in Kenya, which provides nearly 80% of all the jobs in the country's economy. The report further indicated that over 15 million Kenyans are engaged either formally or informally in the SME sector, contributing over 35% of the entire country's GDP. SMEs in Nairobi City County produce goods and services consumed by the majority of the Kenyan masses (Kenya Ministry of Public Service, Youth and Gender Affairs, 2018). The paper further demonstrated that the production of goods and services by SMEs is driven by advanced innovation, competition, and promotion of the culture of entrepreneurship, which is significant in the growth and development of the private sector and industrialization.

Notwithstanding the critical contribution that SMEs play in the Kenyan economy, the sector has faced challenges building strong loyalty for their services and goods (Kenya Bankers Association, 2016). The majority of the SMEs struggle to achieve their full potential by creating loyalty for their brands Kenya Bankers Association, 2016). A study by Evans *et al.* (2017) revealed that over 80% of the established SMEs in Nairobi City County do not survive more than five years, attributed to numerous factors such as lack of brand loyalty and low sales of the enterprise's products and services, and financial liquidity challenges. The SMEs operating in Nairobi County will be further categorized, considering the number of employees to reflect the number of enterprises that fit various categories; small, medium enterprises. SMEs in Nairobi face stiff competition from large and well-established companies; therefore, they lack a definite competitive advantage in the market.

1.2 Problem Statement

Globally, influencer marketing has been a new communication strategy organizations employ to market their goods and services. Bruns (2018) focused on the trust and perceived authenticity in social media and its effect on the customers' intention to buy as facilitated by influencers. The study focused on a population of young people aged between 18 and 24 years old. The study aimed to evaluate the effect of influencer marketing, perceived authenticity and trust, and the intention to buy by generation Z. To achieve the objective, the study used an inductive approach and deductive methods in collecting and analyzing data. The study results and findings demonstrated that influencer-driven marketing on generation Z positively impacted the intention to buy, though the effect was weak.

Muhammad *et al.* (2021) carried out a study entitled effect of influencer marketing on Instagram on the behavior of consumers when making decisions on buying a product or service. The study's objective was to evaluate the impact of promotional posts with influencers through Instagram on the consumer's purchasing decisions. To achieve this objective, the author employed an experimental research design to test the behavior and rate of buying as a result of influencer marketing. The study used 203 samples of participants by using a convenient sampling method. The author further used a questionnaire to collect data and utilized the product-moment of correlation analysis to determine the relationship between the study variables. The findings revealed a significant positive correlation between buying behavior of the consumer and influencer marketing done on the Instagram platform.

A study by Sunghee and Jisu (2020) on the role of influencer interactivity in building influencer brand equity focused on the effect of authenticity emotional attachment on creating brand loyalty. The study used a cross-sectional survey on 282 social media users using the conceptual model to achieve this objective. The findings demonstrated that influencer interactivity had a positive and significant correlation, and the influencer's authenticity affected the emotional attachment, which impacts the brand trust.

A study conducted in South Africa by Chinomona and Maziriri (2017) on the influence of brand awareness on male consumers for cosmetic brands had an objective to investigate the effect of brand awareness, association, and product quality on brand loyalty and purchase intention. To

achieve the purpose, the study used a quantitative research design with the help of a well-structured questionnaire to collect data. The sample size was 150 male participants from Gauteng province in South Africa. The study findings demonstrated that brand awareness through influencer marketing had a positive and significant influence. It also revealed that brand association had a positive and insignificant effect on brand loyalty and product quality had a positive and significant impact on brand loyalty that shows a positive and significant effect on purchase intention.

A study conducted in Botswana by Ledikwe *et al.* (2019) on the perceived influence of quality on brand loyalty in the emerging markets had a general objective to investigate the effect of the attitude of the dedication of small and medium apparel businesses. To achieve these objectives, the study employed a quantitative descriptive research design with the help of a well-structured questionnaire administered on three SME brands located in the Metropolitan City of Gaborone, Botswana. The results and findings revealed that trust, commitment, and satisfaction had a positive and significant influence on the attitudinal loyalty of SME customers. Similarly, attitudinal loyalty had a positive and significant effect on the customers' behavioral loyalty.

Ndege and Kegoro (2019) studied the impact of brand awareness customer features on customers' loyalty to SACCOs in Embu County, Kenya. The study aimed to evaluate brand equity's effect on SACCOs' customer loyalty using two variables; brand awareness and customer characteristics. The study utilized the cross-section research to achieve its purpose with a target population of 4,014 customers drawn from 30 SACCOs operating in Embu County. The study findings showed a positive and significant correlation between brand loyalty and customer loyalty.

Another study in Kenya by Wenani (2020) investigated the relationship between influencer marketing and brand performance in FMCG companies. The study's objective was to find out the relationship between influencer choice and brand performance, the relationship between public relations and communication and brand performance. The study employed an exploratory research design by administering a questionnaire to 77 respondents from the marketing department of the 10 FMCG companies registered with Kenya Private Sector Alliance (KEPSA). The study findings indicated a strong positive significant relationship between influencer marketing and brand performance.

Similarly, Thitai (2018) conducted a study on the impact of experiential marketing strategy on Brand Equity of Infill Academy in Nairobi County. The study objective was to determine the effect of experiential marketing on brand association, brand loyalty, and perceived quality. The study adopted a descriptive research design with a well-structured questionnaire used to collect data from 139 respondents drawn from a population of 689 respondents using a stratified random sampling technique. The study findings indicated a positive and significant relationship between experiential marketing and brand loyalty, brand association, and brand quality.

The reviewed past studies that have shown that they employed various influencer marketing variables that affect customer brand loyalty (Thitai, 2018; Wenani, 2020; Ndege and Kegoro, 2019; Muhammad *et al.*, 2021). However, few studies have focused on the effect of influencer marketing on brand loyalty in SMEs in Nairobi City County. Therefore, this study will seek to bridge the gap by focusing on influencer marketing, mainly digital, celebrity, and expert influencers, on brand loyalty in SMEs in Nairobi City County.

1.3 Objectives of the Study

The main objective of this study was to establish the effect of influencer marketing on brand loyalty among small, and medium enterprises in Nairobi City County

1.3.1 Specific Objectives

- i. To establish the effect of digital influencers on brand loyalty among small, and medium enterprises in Nairobi City County.
- ii. To establish the effect of celebrity influencers on brand loyalty among small, and medium enterprises in Nairobi City County.
- iii. To establish the effect of expert influencers on brand loyalty among small and medium enterprises in Nairobi City County.

1.3.2 Research Questions

- i. What is the effect of digital influencers on brand loyalty among the small, and medium enterprises in Nairobi City County?

- ii. What is the effect of celebrity influencers on brand loyalty among small, and medium enterprises in Nairobi City County?
- iii. What is the effect of expert influencers on brand loyalty among small, and medium enterprises in Nairobi City County?

1.4 Significance of the Study

The study findings and results would benefit policymakers such as the government Micro and Small Enterprise Authority (MSMEA) in formulating relevant policies that would promote the development and growth of the SMEs in Nairobi City County. The study findings would also provide invaluable information to the regulatory authority in enacting the best regulations and laws that promote and encourage the establishment of more SMEs; as they are essential in economic development in the country. The study will specifically provide information on the challenges SMEs encounter in trying to market their products, which need intervention by the regulatory agencies.

The owners and managers of the SMEs would also benefit from the study findings in decision-making on the marketing strategies that could help the firms profit from the cheap and efficient influencer marketing strategies in creating a solid loyalty brand. The Management of the SMEs would also find the findings of the study significant in making operational changes to improve the company's performance in terms of market size and sales volume.

The study findings would add to the body of knowledge in marketing management, strategic development, and organizational management concepts. Marketers and other scholars in the field of marketing would utilize the study findings to further their interests in market research. Moreover, the postulations of various theories underpinning this study could further find the linkages between influencer marketing and brand loyalty, which influence the performance of SMEs in Nairobi City County.

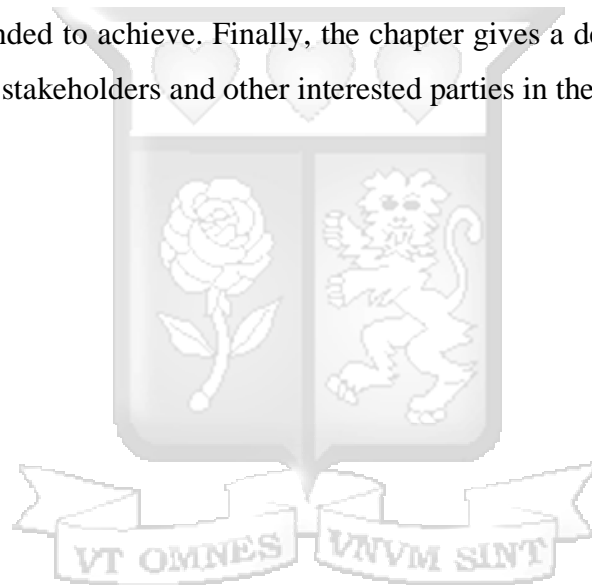
1.6 Scope of the Study

The study focused on the top 100 SMEs licensed by Nairobi City County to operate in the city. The research focused on owners and employees in charge of marketing departments given that they were more knowledgeable on marketing strategies that impact the brand loyalty. The study

employed the Social learning theory and Trust-Commitment theory to anchor its findings and conclusions on the effect of influencer marketing on brand loyalty. Also, the study focused on three indicators of independent variable, which included celebrity, digital and expert influencers. The independent variable was analyzed in regard to brand loyalty, which formed the dependent variable in this study. The study employed descriptive research design to collect and analyze data. This study was conducted within a span of two months starting on July 2022 to August 2022.

1.5 Chapter Summary

This chapter provides in detail the background to the study and the statement of the problem that led to the current research. The chapter further presents details on the general and specific study objectives the study intended to achieve. Finally, the chapter gives a detailed significance of the study findings to various stakeholders and other interested parties in the SMEs sector.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter details the past studies that have dealt with similar topics of this study. The literature review section was classified into various areas: theoretical review, empirical literature review, research gaps, and operationalization of the study variables. The empirical literature covered the previous studies that mainly dealt with influencers' effects on brand loyalty. The section also gave details of the conceptual framework. The theoretical section gives explicit theories on influencer marketing and brand loyalty the researcher relied on when making conclusions on the study.

2.2 Theoretical Review

This section gives details of theories that the study relied on in anchoring its findings. Various researchers have developed multiple models and approaches that explained the concepts of influencer marketing and brand loyalty. This study was anchored on two critical theories: social learning theory, and trust-commitment theory.

2.2.1 Social Learning Theory

Social learning theory was developed by Bandura in 1977 as an improvement of the work of Skinner (Glucksman, 2017), from his view of behaviorism theory, Bandura (1969) conducted various experiments to establish whether social behaviors could be acquired through observation and imitation. According to Zimmerman and Kleefeld (1977), learning occurs within a social system with an ever-changing and shared interaction between people, environment, and behavior. Social learning theory is premised on the assumptions that people learn through observation; therefore, influencers can influence the purchase behavior of society (Maisto, Carey & Bradizza, 1999). Social learning theory postulates that human beings emulate the behavior they see within their environment, particularly if the behavior is reinforced in other people (Maisto et al., 1999).

Social learning theory was developed around four mediational processes that establish whether an individual acquired new behavior or not: attention, retention, reproduction, and motivation. According to Zimmerman and Kleefeld (1977) attention refers to the level to which a behavior is noticed before it can be imitated. Similarly, Maisto, Carey and Bradizza (1999) revealed that

attention is critical in determining whether a behavior affects imitation. Social learning theory also demonstrates the ability of people to recall the observed behavior (retention). Maisto *et al.* (1999) stated that an observed behavior would not be performed if it was not remembered. Therefore, while a behavior may be noticed, an individual would not complete the behavior unless it is memorized.

Social learning theory further demonstrates that individuals should have the capacity to reproduce the observed behavior. The ability to reproduce a behavior will influence whether to try acting the behavior. Pratt, Cullen, Sellers, Thomas, Madensen, Daigle, and Gau (2010) stated that the theory similarly is anchored on the ability of the observer to emulate the behavior, which Bandura (1969) referred to as vicarious reinforcement. It involves learning through observation of the effect of actions for other people rather than through direct experience. Pratt *et al.* (2010) found that social learning theory is applied in everyday life, which is evident in consumers as they imitate famous figures (celebrities) and other television characters in making purchasing decisions. If the consumers perceive a meaningful reward for celebrity behavior, they will purchase the brand at some point (Bandura, 1969). Social media gives opportunities for organizations to use influencers to promote their brands.

As much as the social learning theory contribution has been positive, there are many shortcomings of applying the theory in day-to-day lives. Social learning theory discusses complex behavior by acknowledging cognitive elements and the significant role they are employed in determining whether to imitate the behavior or not (Bakhanova, Garcia, Raffe & Voinov, 2020). However, the theory does not consider how individuals develop a wide range of behavior based on thoughts and feelings (Bakhanova *et al.*, 2020).

The focus of this study is social cognitive concerning the impact of influencer marketing on brand loyalty in SMEs. The theory will be helpful in this study because of the influential role of market influencers in today's promotional marketing and understanding the mechanisms through which influencers impact consumer buying behavior. Social learning theorists have revealed that behaviors are not affected by personal or live models only but by those presented on social media platforms like opinion leaders, experts, and digital influencers. Marketing influencers, in

particular, seem to exert a powerful effect, and one significant implication is that marketing influencers are shaping consumer motivation and behavior daily.

2.2.2 Trust-Commitment Theory

Trust-Commitment Theory was developed by Morgan and Hunt (1994). The theory postulates that trust and commitment must exist for a relationship to be successful. This theory is majorly employed in business world in form of relationship marketing. Relationship marketing involves forming bonds with customers by meeting their needs and honoring commitments (Morgan & Hunt, 1994). Commitment and trust are primary factors in relationship marketing because they encourage marketers to maintain relationships and focus on strengthening long term bonds (Morgan & Hunt, 1994). Majority of businesses follow the principles of relationship marketing to forge long-lasting relationships with their clients, which in the long-run create customer trust in the company's products, and the mutual loyalty assist both parties to fulfill their needs (Brown, Crosno, & Tong, 2019).

According to Wang et al. (2020) trust refers to the confidence both parties in a relationship have that the other party would not be involved in actions that are harmful or risky. Similarly, Julian et al. (2021) noted that businesses develop trust by honoring their promises to their customers. On the other hand, Mahmoud, Hinson, and Adika (2018) describe commitment as a long term desire to maintain a valued partnership. This desire ensures that businesses continuously invest in developing and maintaining relationships with their customers (Rather et al., 2019). Organizations should incorporate the feedback to enhance customer relationship and ensure customer purchase experience is improved on a continuous basis (Dubey, Altay, & Blome, 2019).

Nyongesa, Kibera, and Kiraka (2020) revealed that trust and commitment results in a relationship based on cooperative behaviors that gives both parties a chance to fulfill their individual needs. Rather (2019) noted that besides customers getting the product or service they pay for; they also need to feel valued. When organizations strive to meet the desires of the customers, they will also expect to earn customer loyalty in return, which is valuable because the organization would not use much resources in acquiring new customers (Fullerton, 2005). Gounaris (2005) demonstrated that investing in excellent customer service provision, can save the company money due to reduced numerous marketing campaigns with a view of acquiring new customers.

Cater (2007) demonstrates that the most common outcome expected from relationship marketing efforts is increased brand loyalty. However, brand loyalty has been defined and operationalized in numerous varying ways. Margahana (2020) describes customer loyalty as an expectation of continuity that reflects the customer's intention to maintain the relationship in the future and captures the likelihood of continued purchases. Some scholars (Arori, & Rugami, 2020; Mahmoud, Hinson & Adika, 2018; Brown, Crosno, & Tong, 2019; and Wang et al., 2020) have criticized this measure of loyalty because customers with weak relationship bonds and little loyalty reports high continuity expectations because of their perceptions of high switching costs or their lack of time to evaluate alternatives.

Despite strong arguments by Morgan and Hunt (1994) on the benefits of trust commitment in building strong relationship bonds between the business and the customers, Kassim, and Abdulla (2006) argues that business and customer relationships are contingent on the context. Whereas the literature consistently conceptualizes trust and commitment as the major mediating factors that affect relationship marketing on brand loyalty, the specific terms or composite appear to be driven mainly by researcher's discretion (Alkitbi et al., 2020). Some scholars propose trust as the major relational mediator (de Oliveira et al., 2020; Nguyen, Jaber, & Simkin, 2022; Juliana et al., 2021; and Brown, Crosno & Tong, 2019) while others (Osobajo, Koliouisis, & McLaughlin, 2021; Rather et al., 2019; Dubey, Altay & Blome, 2019 and Margahana, 2020) suggest that commitment is the cornerstone of relationship marketing. Fullerton (2005) prefers overall relationship quality to any of the specific component of trust-commitment theory in relationship marketing. In summary, there is little agreement among scholars as to which individual or composite terms best captures the critical aspects of a relationship that most affect outcomes.

In context of this study, trust-commitment theory informed the way of measuring brand switching, repetitive purchase and customer loyalty. Trust-commitment theory provides marketers the basis to adopt and implement influencer marketing strategies, which in turn would have influence on brand loyalty through strong marketing relationships (Roedder, Loken, Kim, and Monga, 2006). A review of past literature showed that adopting and implementing effective influencer marketing strategies leads to increased brand loyalty and reduced costs in acquiring new customers (Glynn, and Widjaja, 2015).

2.3 Empirical Review

This section focused on presenting a detailed review of past studies on the effect of influencer marketing on brand loyalty in the SMEs sector.

2.3.1 Digital Influencers and Brand Loyalty

Campbell and Farrell (2020) define digital influencer as a digital media content creator who employs his/her social media platform to influence audience behavior both online and offline. Similarly, Haenlein *et al.* (2020) describes digital influencer as a person responsible for developing and executing influencer campaigns to reach the desired target audience using digital social media platforms.

Hu *et al.* (2020) investigated the ability of digital influencers in converting their followers into paying customers using Weibo, (Chinese social media platform equivalent to twitter). To achieve its objective, the study employed descriptive research design with primary quantitative methods and conducted a survey on 319 followers of real digital influencers that used different revenue models. The study findings indicated that digital influencers have significant but varying impacts on the followers' stickiness in different influencers' revenue models. Hu *et al.* (2020) concluded that digital influencers contributed to the brand loyalty development process since digital influencers like other marketing influencers were perceived as role models that influenced customers' buying behavior.

Flanigan and Obermier (2016) investigated the utilization of influencer marketing focusing on industrial distribution and particularly business-to-business (B2B) market in the United States of America. This study was conducted in a more developed economy and it also focused on large organizations. The study found that digital influencers have strong influence on brand trust and confidence as well as got credibility in the company's products, which finally affected customer acquisition and retention. The study further indicated that there was positive conflation between sales and digital influencers visibility. It also suggested that digital influencer marketers employed promoting techniques that were likely to affect customer acquisition and retention.

Ayedun *et al.* (2014) assessed the effect of marketing strategies on corporate performance of estate surveying firms in Nigeria. The study findings showed that there was a positive relationship

between marketing strategies and corporate performance of surveying companies. However, the study focused on a single dimension of marketing (social media marketing). It also focused on valuation companies, most of which are known to be conservative and are not growth aggressive like the SMEs (Ayedun et al., 2014)

A study by Jalang'o (2015) investigated the value of digital marketing in commercial banks in Kenya about the effect on their performance. To achieve the objective, Jalang'o (2015) employed a descriptive design and utilized a questionnaire to gather primary data from the registered commercial banks in Kenya. The study found out that most commercial banks used digital advertisement primarily to attract new customers and build a strong brand. The author concluded that digital marketing had a significant role in improving customer experience, interactions, and promotional costs.

Owino et al. (2016) carried out a study with an intention to establish the effect of social media on brand equity in the Kenyan banking sector. The author revealed that the digital space had significantly affected the ways corporates engage their existing and potential customers. Owino *et al.* (2016) noted that brands ought to be extra cautious when digital marketing activities where digital influencers have been born for social media. Owino *et al.* (2016) went further to state that companies have little control over sharing information by social media platforms users. Dogra (2019) supported the findings by Owino *et al.* (2016) that influencer marketing strategies on social media sites had a significant effect on the dynamics of how social media users interact and share the information. Digital influencers on social media platforms have increased the flexibility and visibility in marketing content and changed how brands and customers interact (Dogra, 2019).

In supporting the findings by Owino et al. (2016), Almeida (2021) indicated that strong brands had been found to have robust systems that can keep track of the digital communication content and user feedback that enable them to identify the trends and crises and timely take corrective measures. It was significant to ensure that information given to the consumers through digital influencers was sufficient for decision-making (Grossberg 2016). Almeida (2021) found that providing inadequate information in digital communication content can be disastrous for brand perception. Lack of appropriate and informative digital content would make consumers delay buying decisions to get more information about the brand (Grossberg 2016).

2.3.2 Celebrity Influencers and Brand Loyalty

According to Cartwright, Liu and Davies (2022), celebrity influencer refers to a well-known person, who live in the public eye and are famous beyond his/her social media presence. Campbell and Farrell (2020) refers celebrity influencer as someone who is famous, particularly in areas of entertainment like films, sport, music, or writing. In addition, Haenlein et al. (2020) describe celebrity influencers as people who first gained their reputation from traditional media channels, and then started to actively create content on entertainment industry.

A study conducted in Lisbon by Gonclaves (2019) focused on investigating the impact of celebrities and YouTubers on brand trust, love, and loyalty. The increase in social media sites had provided consumers with a significant source of information in making decisions. This growth in social media usage had provided brands with new ways to interact with both existing and potential customers (Gonclaves, 2019; Gupta, 2021 & Rohman and Indaryadi, 2020).

Saini et al. (2021) researched the impact of social media influencers and celebrity endorsers on brand loyalty, focusing on the brand's image in United Kingdom. The researchers noted that celebrity endorsers had a significant impact on consumer purchasing decisions, and thus, it has been incorporated by many organizations into their advertising strategies. Saini et al. (2021) revealed that celebrity endorsers improve the brand's image, boosting brand loyalty.

A study by Jun and Yi (2020) attempted to investigate the factors that make followers of a brand remain loyal in China. To achieve its objective, the study employed a cross-sectional survey research design using a sample size of 282 social media users to establish the conceptual model. The study findings indicated that influencer interactivity exhibited positive emotional attachment and influencer authenticity. In addition, the study found out that emotional attachment affects brand loyalty through brand trust. According to Rohman and Indaryadi (2020), celebrity influencers are significant in assisting organizations in spreading positive word-of-mouth about a brand and building brand loyalty.

A review of Alan, Craig, and Victoria (2004) study on the impact of sports celebrities on behavioral intentions revealed that celebrities have a significant influence on the followers' purchase intentions and decisions on a specific brand. Celebrity athlete endorsement has become a

considerable debate among sports marketers and has created great interest by various companies worldwide (Alan *et al.*, 2004). Alan *et al.* (2004) further noted that many advertisers have chosen to use sports heroes as endorsers of their services and products. Past studies have suggested that celebrity endorsers have a significant impact on a brand because they are perceived to be highly dynamic and possess attractive and likable qualities (Febrian & Fadly, 2021). Febrian and Fadly (2021) further demonstrated that celebrity endorsers might add value to the endorsed brand because of the celebrity's physical attractiveness and the athlete's status in society.

According to Anjali *et al.* (2020), celebrity influencers are significant for better returns than digital marketing. In addition, Anjali *et al.* (2020) noted that celebrity endorsement assists in achieving higher brand awareness among consumers. Similarly, celebrity influencers are significant in forging product engagement, which leads to brand loyalty (Rohman & Indaryadi, 2020). Celebrity influencers have a smaller section, and therefore, the conversation is sharper and focused on a specific group of consumers. Rohman and Indaryadi (2020) agreed with the findings of Anjali *et al.* (2020) that celebrity influencers' effectiveness depends on the credibility of the source. In specific, Rohman and Indaryadi (2020) noted that the more trustworthy endorser, the better is the consumers' perception of a product or service.

2.3.3 Expert Influencers and Brand Loyalty

An expert influencer is someone with ability to direct and influence others because defer to one based on his/her expertise or specialized knowledge that relates to the task he/she is involved (Feng, Chen, & Kong, 2021). Karagür *et al.* (2022) notes that expert influencer derives influence based on one's knowledge and expertise in a particular area or situation. Expert influencer provide high-quality, relevant content to the targeted audience that showcases that you are an expert and valuable resource (Hudders & Lou, 2022).

Cheung *et al.* (2015) conducted a study in China trying to establish the status of electronic word-of-mouth (eWOM) employing the secondary data only. The study observed that expert sources are considered to elicit more processing of persuasive appeal because of the perception that the information has a likelihood of being accurate and valid in the eyes of the consumers. Expert influencers have elicited higher confidence and attitudes based on the recipients' thoughts, unlike

information from non-expert sources (AlFarraj, Alalwan, Obeidat, Baabdullah, Aldmour & Al-Haddad, 2021).

A study by Trivedi and Ramzan (2019) investigated the impact of influencer marketing on consumer's brand admiration and online purchase intentions in India. They indicated that source frameworks play a significant role in expounding the effect of endorsements on consumer behavior. According to Trivedi and Ramzan (2019), source trustworthiness and expertise are the primary elements of credibility theory. AlFarraj *et al.* (2021) studied the extent to which an expert is viewed as a source of valid assertions. The source attractiveness framework (AlFarraj *et al.*, 2021) described attractiveness as the purchaser's perceived likability and familiarity with the endorser. However, other studies (AlFarraj *et al.*, 2021 and Majidian *et al.*, 2021) have demonstrated that source and attractiveness models affect the buyer's behavior. Similarly, Majidian *et al.* (2021) revealed that expert endorsers significantly affect consumer behavior.

Mammadli (2021) conducted a study on the role of brand trust and the impact of social media influencers on purchasing intentions and behavior in Azerbaijan in Europe. Mammadli (2021) observed that influencer endorsement in promotion is to get people trusted in society to recommend the products to consumers and increase brand awareness and sales. Similarly, AlFarraj *et al.* (2021) noted that for a significant impact on brand loyalty to occur, the marketing influencer should have experience and adequate knowledge of the product being endorsed. Therefore, expert influencers can boost their credibility with expertise and experience to connect the emotional aspect to ability, and they must possess the expertise in the topic or product involved (AlFarraj *et al.*, 2021)

Menezes (2017) investigated the differences between YouTubers and traditional celebrities and their effect on brand awareness and intention to buy in Brazil. Menezes (2017) indicated that the increased usage of social media platforms has resulted in new opinion leaders (expert influencers). The study concluded that expert influencers have influential power that can affect the consumer's purchase intention. Similarly, Khan, Rashid, Rasheed, and Amirah (2022) noted that most organizations integrate expert influencers with their marketing strategies. Additionally, Khan *et al.* (2022) concurred with Menezes (2017) that expert influencer endorsements have more influence over consumers' brand awareness and purchase intention. In general, Menezes (2017) concluded

that many organizations employ YouTubers over traditional celebrities as brand endorsers in their marketing strategies.

2.4 Research Gap

Menezes (2017) carried out a study on the contrast between YouTubers and traditional celebrities in Portugal. The study adopted an online survey targeting Portuguese nationals who were active on social media platforms with a target of 210 online celebrities. His findings showed that YouTubers were more trustworthy than traditional celebrities, and they wield influential power in creating brand awareness and consumer purchase intention. The study findings also indicated that celebrity influencers positively affect brand loyalty.

Gonclaves (2019) conducted a study to investigate the effect of celebrities and YouTubers on brand trust, brand love, and brand loyalty. The author adopted a focus group study with online surveys to achieve his objectives. The study findings indicated that YouTubers positively affected brand trust, love, and loyalty while celebrities exhibited a strong relationship between brand trust and love only. The study further demonstrated that celebrities were efficient and a better strategy than YouTubers.

Jalang'o (2015) investigated the impact of digital advertising on performance focusing on commercial banks operating in the Kenyan financial sector. The author employed a descriptive cross-sectional survey design with a target population of staff in the marketing and communication department of all the registered commercial banks in Kenya. The author collected primary data using a well-structured questionnaire to achieve its objectives. The study findings indicated more commercial banks were migrating from traditional advertisement platforms to emerging digital marketing agents like celebrities and other influencer marketing.

A similar study by Owino *et al.* (2016) found that digital influencers had the potential of disastrous brand perception due to inadequate and lack of valuable, informative digital content, making consumers delay making purchase decisions. Similarly, Anjali *et al.* (2020) established that companies have little control around sharing information by users of social media platforms, which may lead to a disastrous perception of brand loyalty and awareness.

Several studies have been conducted on the influence of celebrities on brand loyalty. Alan, Craig, and Victoria (2004) investigated the effect of sports athlete celebrities on the behavioral intentions of Generation Y and, in particular, teen groups of the Y generation. The study found out that celebrity sports athletes positively influence adolescents' good brand loyalty. The study suggested that celebrity sports athletes were significant to teens when making brand choices and discussing the brands entirely.

Trivedi and Ramzan (2019) investigated the impact of influencer marketing on consumers' brand admiration and online purchase intentions focusing on expert influencers. The study used a survey technique and collected data from 438 respondents. The study findings indicated that expert influencers exhibited a positive and significant correlation with consumer purchasing intentions. It is noteworthy that Trivedi and Ramzan (2019) revealed that few studies have focused on the effectiveness of social media influencers on brand loyalty. Saini *et al.* (2021) noted that the efficacy of each expert influencer varies depending on the goods or services being endorsed.

Mammadli (2021) investigated the role of brand trust in the impact of social media influencers on purchase intention in Azerbaijan in Europe. It adopted a survey research design methodology with a non-random convenience sampling technique to achieve the study's objective. The sample was selected from Azerbaijani citizens who knew influencers and active accounts in one or more social media platforms. The study used a well-structured questionnaire to collect data from the respondents. The variables were measured using a 5-point Likert scale. The study found that digital influencers had a positive and significant correlation with brand trust and purchase intention.

The studies reviewed concentrated on the influence of social media influencers and influencer marketing on building brand awareness and brand trust, focusing on an organization in the service and manufacturing sectors. The reviewed studies painted a clear finding that influencer marketing has both positive and negative effects on brand loyalty; however, these studies were carried out in service organizations and prominent manufacturing players. Therefore, the current research will focus on the impact of influencer marketing on SMEs operating in Nairobi City County.

Table 2. 1: Summary of the Knowledge Gap

Study	Focus of Study	Findings	Research Gap	The focus of the current study
Hu et al. (2020)	Ability of digital influencers in converting followers into paying customers	Digital influencers have strong and significant effect in the conversion of followers into buying customers for brands	The study focused on the technology industry and it was conducted in China (developed economy)	This study focused on the SME sector and it was carried out in Kenya (developing economy)
Flanigan & Obermier	The use of influencer marketing for B2B marketing in industrial distribution sector in the USA	Digital influencers have strong and positive correlation on brand trust. Digital influencer visibility have positive conflation on sales volume	This study was conducted in the USA, considered to be strong developed economy). It also focused on industrial distribution and logistics	This study focused on SME in Kenya with a focus on the effect of digital influencers on brand loyalty Kenya is a developing economy.
Ayedun et al. (2014)	Effect of marketing strategies on corporate performance of estate surveying firms in Nigeria	Social media marketing has positive relationship on corporate performance of surveying sector	The surveying companies are considered to be conservative with little or no marketing strategies	The current study focused on SMEs, which were considered to be aggressive for growth and growing market shares. The focus concentrated on influencer marketing

			The study also focused on social media marketing in general	
Jalang'o (2015)	Effect of digital advertising on the performance of commercial banks in Kenya	The strong relationship between digital advertising and the performance of commercial banks	The study focused on the banking industry in Kenya	This study focused on the SMEs sector in Kenya
Owino et al. (2016)	Influence of social media on brand equity in Kenyan banking industry	Social media exhibited a statistically significant positive effect on brand equity	The study employed descriptive cross-sectional survey methodology as well focused on the banking sector	This study used a descriptive study design with a focus on influencer marketing as part of the social media marketing
Gonclaves (2019)	Impact of celebrities versus YouTubers on brand trust, brand love, and brand loyalty in Lisbon	Youtubers and celebrities positively influenced brand trust, brand love, and brand loyalty.	The study employed a focus group and online questionnaire targeting the Portuguese population.	Using a descriptive research design and a well-structured questionnaire, the current study focused on digital, expert, and celebrity influencers only.

Saini et al. (2021)	Effect of social media influencers and celebrity endorsers on brand loyalty through brand image	Celebrity and social media influencers improve the brand image, which impacts brand loyalty.	The study was conducted in India and focused only on celebrity endorsers	The current study was conducted in Kenya and with a focus on influencer marketing as a whole
Alan, Craig, and Victoria (2004)	Influence of sports celebrity on the behavioral intentions of generation Y	There exist a strong and positive correlation between sports celebrities and the behavioral intentions of generation Y	The study focused on sports celebrities	The current study focused on all celebrities, experts, and digital influencers without specifics
Anjali et al. (2020)	Influencer marketing with a focus on an exploratory study to identify antecedents of Consumer behavior of millennial	Attitude towards influencers and perceived behavior positively impacted consumer behavior, but peer influence had no effect.	The study used an experimental research design based on qualitative research. The study employed open-ended interviews.	The current study used a descriptive research design and a questionnaire with closed statements.
Cheung et al. (2015)	Effect of electronic word-of-mouth (eWOM) on consumer buying decisions in China –A literature analysis	Electronic word-of-mouth plays a significant role in shaping consumer buying behaviors	The study used only secondary data analysis and mathematical modeling.	This study employed the use of primary data using questionnaire as a data collection instrument. The study adopted descriptive

			The study focused on individual and message as the unit of analysis	research design methodology.
Trivedi and Ramzan (2019)	Effect of influencer marketing on consumers' brand admiration and online purchase intentions	Positive and significant relationship when using expert influencer over an attractive celebrity influencer	The study focused on consumers of electronic products and services in India.	The current research focused on SME products and services in Kenya
Mammadli (2021)	The role of brand trust in the impact of social media influencers on purchase intention	Social media influencers have a positive and negative impact on purchase intention.	The study used survey studies on a sample size of 316 respondents who were Azerbaijani citizens.	The current study employed descriptive design and primary data focusing on CEOs of SMEs operating in Nairobi City County.
Menezes (2017)	The contrast between YouTubers and traditional celebrities affects brand awareness and brand loyalty.	YouTubers have a more positive impact on brand loyalty and awareness than traditional celebrities.	The study was conducted in Portugal using an online survey targeting Portuguese individuals.	This study was conducted in Kenya, focusing on SMEs and drop and pick questionnaires method.

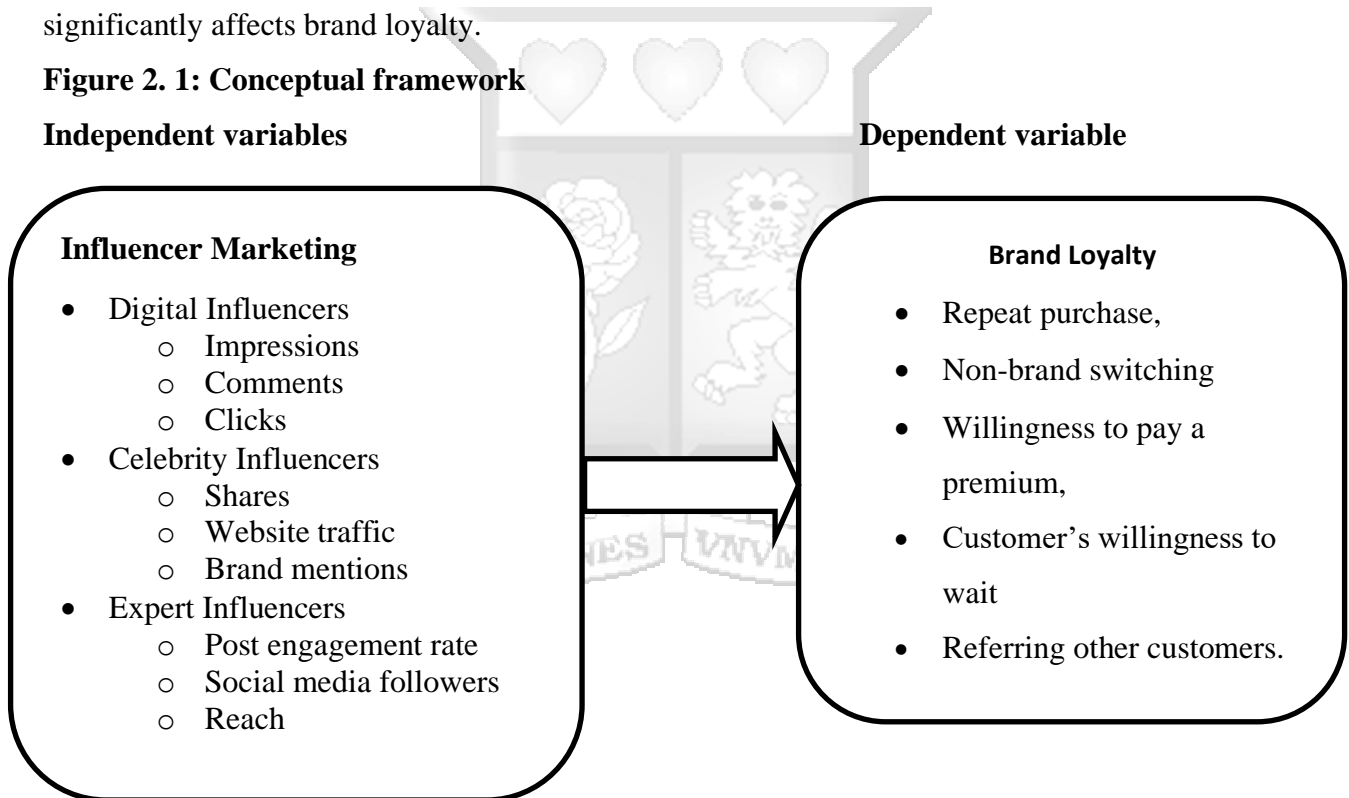
Source: Researcher (2023)

2.5 Conceptual Framework

The conceptual framework refers to the diagrammatical presentation of the relationship between the study variables (Varpio, Paradis, Uijtdehaage & Young, 2020). Figure 2.1 presents the pictorial representation of the association between influencer marketing as the independent variable and brand loyalty as the study's dependent variable. This study measured influencer marketing in terms of digital, celebrity, and expert influencers (Voom & Kommers, 2013). Brand loyalty was measured in terms of no- brand switching, repetitive purchase, willingness to pay a premium and referring other customers, and customers' willingness to wait (Aaker, 1991).

Figure 2.1 illustrates the association between influencer marketing and brand loyalty based on the reviewed past studies. The conceptual framework hypothesizes that influencer marketing significantly affects brand loyalty.

Figure 2. 1: Conceptual framework



Source: Researcher (2023)

2.6 Operationalization of Study Variables

According to Cervone and Pervin (2019), operationalization help reduces the abstract notion of the constructs into a clear and easily observable feature, which the use of indicators can easily measure. This study used a rating scale ranging from 1= strongly disagree to 5= strongly agree to

measure the study variables (dependent and independent variables). Table 2.2 below summarizes the indicators that the study will use to measure its constructs.



Table 2. 2:Operationalization of Study Variables

Variable	Constructs	Operational Definition	Measurement Scales	Source(s)
Independent variable (Influencer Marketing)	Digital Influencers	A person with a social media following who can encourage followers to take action on a particular course or influence purchase decision	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	Cervone and Pervin (2019).
	Celebrity Influencers	A famous individual, particularly in the field of entertainment, can influence potential consumers of a product or service by promoting or recommending the items or products on social media platforms	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	Cervone and Pervin (2019).
	Expert Influencers	An individual who is knowledgeable in their area of expertise and has a vast following of the people who show interest in what they have to discuss on social media	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	Cervone and Pervin (2019).

Dependent variable (Brand Loyalty) Variable	Constructs	Operational Definition	Measurement Scales	
	Brand switching	A consumer behavior which a customer develops over some time by repeated use of a particular brand, product, or service	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	Aaker (1991)
	Repetitive purchase	The act of a consumer changing brands whenever there is an adjustment in the price of the brand or other brands	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	Aaker (1991)
		The act of the consumer buying the same brand product as purchased in the previous occasion regardless of the market changes	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	Aaker (1991)

	Customer satisfaction	A measurement that shows the consumers' level of happiness with a brand's products or services	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	Aaker (1991)
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Source: Researcher (2023)



2.7 Chapter Summary

This chapter focused on the theories that the study anchored its analysis. It also presented the empirical studies of the past research findings on the effect of influencer marketing on brand loyalty. The chapter also presented details on theoretical framework; social learning and trust-commitment models that was used in developing the study's conceptual framework. This section also summarized the identified research gaps arising from the review of the past studies. This section further presented details of the conceptual framework indicating the hypothesized relationships between the study variables. Finally, the chapter elaborated on the operationalization of the study variables through definition and their measures.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives a detailed research methodology that was adopted in conducting the study, the target population, data collection and sampling techniques employed to select the sample size of the study. It also provides the research philosophy, research design, data analysis, and ethical considerations in carrying out the study.

3.2 Research Philosophy

Research philosophy refers to the belief in the process of gathering, analyzing, and using data on a phenomenon in a logical manner (Kögler, & Stueber, 2018). The significance of research philosophy in social sciences was derived from the unsettled status of the people's understanding of the logic of social science knowledge and the urgency and complexity of challenges that face society as a whole (Wang, 2020). Research philosophy was employed to allow a researcher to gain a deeper understanding of the underlying original reasons, opinions, and motivations of the study (Schlagwein, 2021). According to Valiev (2021), two major research philosophies underpin studies in the social science fields; positivism and interpretivism.

The proponents of positivism research philosophy believed that the social world should be comprehended in an objective way (Kögler, & Stueber, 2018). Schlagwein (2021) indicated that under positivism philosophy, the researchers are considered to be objective analysts, and therefore, dissociate themselves from personal views and work with a lot of autonomy. Positivism philosophy is based on real facts, neutrality, measurements, and validity of results and tries to provide predictive and explanatory information on the global by the way of determining the cause and the effects of various study elements (Miller, 2019).

This study adopted a positivist research philosophy because the study assumed that only factual knowledge was trustworthy. Schlagwein (2021) revealed that through positivism, the researcher was concerned with facts and not perceptions. Valsiner (2019) noted that study findings obtained from the positivism approach are usually observable and statistically quantifiable. Kögler, &

Stueber (2018) asserted that positivism theory depends on a theoretical framework to build a hypothesis to be tested during the study.

3.3 Research Design

The research adopted a descriptive cross-sectional survey design. According to Creswell & Creswell (2017), descriptive research design refers to the means of collecting data that describes a phenomenon related to the population in question. It also focuses on the what, where and how of the study variables. The current study adopted a descriptive research design because the study aimed to establish the what, where, and how the digital, celebrity, expert influencer marketing affect brand loyalty. A cross-sectional study refers to a research design in which data is collected from several participants at a certain point in time (Cooper & Schindler, 2006). The current study adopted a cross-sectional study because it intended to collect data from the study participants in the month of July 2022. Similarly, cross-sectional design has been adopted in similar studies by various scholars (Adede, 2017; Ndege & Kegoro, 2019, Khamis, Ang, & Welling, 2017).

3.4 Population of the Study

Mugenda and Mugenda (2010) defines a population as the entire phenomena or elements a researcher is interested to answer questions to a research study and also draw conclusions on the same research topic. This study focused on the top 100 SMEs in Nairobi City County because they were likely to have well-organized marketing activities, marketing personnel, social media presence and influencer marketing. The researcher targeted the owners/managers and heads of the marketing departments of the top 100 SMEs in Nairobi City County from of each enterprise.

3.5 Sampling Design

Kothari (2004) defines sampling as a procedure or technique used by a researcher to obtain a sample from a given target population. Sampling is necessitated because of practical or technical limitations that would hinder the researcher to carry out a census. The study targeted owners or managers and head of marketing department from each of the enterprises because they were deemed to have relevant information about the effect of influencer marketing in their organizations. The projected participants from each enterprise were one member in charge of the marketing department and the owner or manager in the absence of the owner. The projected

respondents from each enterprise were 2 members consisting of head of marketing and owners or manager of the firms, which made up a total of 200 respondents across the top 100 SMEs based in Nairobi City County.

Saunders, Lewis, and Thornhill (2011) describe purposive sampling as a non-probability sampling technique where the researcher relies on his own judgement when choosing members of the study population. The current research applied purposive sampling as espoused by Mugenda and Mugenda (2010) in determining the respondent in every enterprise at all the top 100 SMEs. This means that the owners/managers and head of marketing department were interviewed.

3.6 Data Collection Method

This study employed the use of a self-administered questionnaire to collect primary data. The use of a questionnaire in collecting data was because of its cost-effectiveness in administering it and was considered to be bias-free as noted by Creswell and Creswell (2017). Further, Creswell and Creswell (2017) noted that the questionnaire technique was convenient means of gathering data because each item was focusing to address a particular objective.

This study relied on primary data because of the belief that it is original and reliable with greater control as compared to secondary data (Mugenda & Mugenda, 2003). The questionnaire had closed ended statements or questions with a 5-point Likert scale that was utilized to measure various aspects of the research variables. The questionnaire was divided into three sections namely; Section I, which focused on the respondent's demographic information, Section II consisting of statements about influencer marketing, and Section III comprising of statements regarding brand loyalty.

The questionnaires were self-administered employing the drop and pick later technique. The researcher distributed the questionnaires to all respondents with the help of a research assistant. The questionnaires were distributed to the participants that agreed to participate in the study. To increase confidence in the process, the questionnaire accompanied by an introductory letter to explain the purpose of the study and assure the respondent of data privacy and confidentiality. The researcher sought an appointment before dropping off and picking up the filled questionnaire.

3.7 Data Analysis and Presentation

Mugenda and Mugenda (2003) define data analysis as the procedure of collecting, modeling, and analyzing data to extract useful information that supports decision-making in society. Fairchild and Mackinnon (2009) further indicate that data analysis refers to various techniques used to perform the study depending on the goal of the investigation. The raw data collected from the field was sorted and edited to ensure that it was complete, accurate and consistent. The study employed the Statistical Package for Social Sciences (SPSS) software to process the cleaned and sorted data to get the descriptive and inferential statistics. The descriptive statistics used in this study included the mean and standard deviation. The inferential statistics included correlation analysis to give the results on the fitness of the variables for further analysis and the regression analysis was conducted to determine the nature of the relationship between the study variables.

Essentially, the regression analysis was used to highlight the nature of the relationship between influencer marketing and brand loyalty. The regression model of the study was hypothesized in the following form; $Y = \beta_0 + \beta_1 X + \varepsilon$ where β_0 and β_1 were the model parameters and ε representing the error term that accounted for the variability in the Y variable. The independent variables of influencer marketing were regressed against the dependent variable of brand loyalty. The regression equation will be as shown below;

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$, where the dependent variable (Y-Brand Loyalty) was the subject in the equation, X1, X2, and X3 being digital, celebrity, and expert influencers respectively.

$\beta_1, \beta_2, \beta_3$ - coefficients which will predict the value of Y, β_0 = constant, and ε – Error term

3.8 Validity and Reliability Tests

This part provides detailed tests on the reliability and validity of the study.

3.8.1 Validity Test

Validity testing refers to the process of determining the appropriateness of the data collection tools, procedures, and data used in the study (Dahabreh et al., 2019). Validity testing involves evaluating whether the research question is valid for the desired outcome, whether the choice of methodology is appropriate for providing accurate answers to the study questions, and whether the design is

valid for the methodology (Panke, 2018). Validity testing also involves determining whether sampling and data analysis is appropriate for the study as well as the results and conclusions.

Creswell and Poth (2013) demonstrated that there are three types of validity testing; content validity, predictive and construct validity. To determine content validity of the data collection tool, the questionnaire was given to the supervisor at Strathmore University and other experts in the field of research to guide and provide their views to ensure that it measures the variables. The construct validity was obtained by a thorough review of the research variables from theoretical frameworks and an adequate review of related past studies. Thereafter, a sample questionnaire was given to 5 SMEs with their head office located in Kiambu County, which did not form part of the final study population to ascertain the clarity and relevance of the data collection tool. This helped the researcher to change or eliminate any item that was unclear or irrelevant, thereby improving the quality of the data collection tool, and consequently increasing the validity of the research.

3.8.2 Reliability Test

Creswell and Creswell (2017) define reliability testing as the determination of the extent to which the study results will remain consistent over a certain period. Creswell and Creswell (2017) further noted that if the study results remained unchanged under the same methodology and research instrument will only be considered reliable if the findings will give the same conclusions to the general population. In this study, the researcher used Cronbach's Alpha coefficient to measure the extent to which the findings were reliable. Adeniran (2019) provides the following as the rule of thumb in using Cronbach's Alpha test “->0.9-excellent, ->0.8-good, ->0.7-acceptable, ->0.6-questionable, ->0.5-poor, and ≤ 0.5 -unacceptable.” However, Bujang, Omar, and Baharum (2018) stated that Cronbach's alpha test which lies between 0.7 and 0.9 is considered good for the study while Carden, Camper, and Holtzman (2018) suggested that a Cronbach value of 0.7 will give reliable results.

Taber (2018) demonstrated that when the research results are consistent, then the data collection instrument is considered as being reliable. This study accepted a Cronbach's Alpha coefficient of more than 0.7 for satisfactory reliability.

Table 3. 1 Summary of Reliability Results for the Study

Variable	Component	Cronbach's Alpha Coefficient	No. of Items	Interpretation for the study
Digital Influencers	<ul style="list-style-type: none"> ○ Impressions ○ Comments ○ Clicks 	0.911	6	Reliable
Celebrity Influencers	<ul style="list-style-type: none"> ○ Shares ○ Website traffic ○ Brand mentions 	0.820	6	Reliable
Expert Influencers	<ul style="list-style-type: none"> ○ Post engagement rate ○ Social media followers ○ Reach 	0.891	6	Reliable
Brand Loyalty	<ul style="list-style-type: none"> ○ Repeat purchase ○ Non-brand switching ○ Willingness to pay a premium ○ Customers willingness to wait ○ Referring other customers 	0.733	9	Reliable

Source: Researcher (2023)

3.9 Ethical Considerations

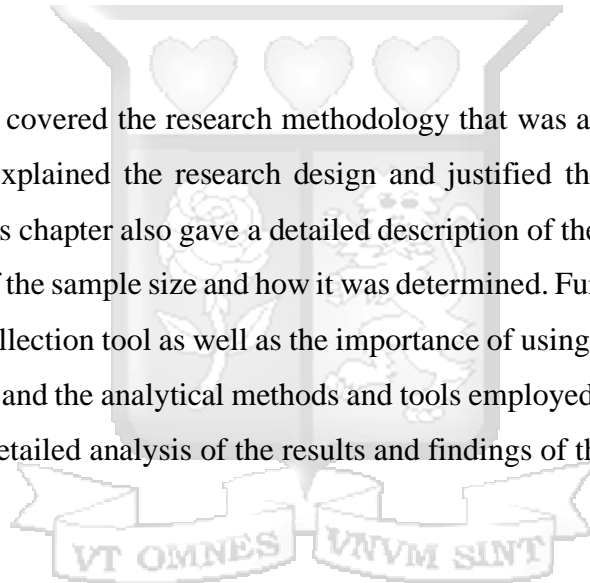
Ethics is a core element in the field of research because of various reasons namely; it enhances the objectives of the study like knowledge, truth, and elimination of errors (Lauber-Rönsberg, 2018). Ethics also plays a significant role in the cooperation and coordination of various players from different disciplines and organizations (Bos, 2020). The ethical principles and regulations have the potential in promoting the value that is important in cooperation like trust, accountability, and mutual respect in the carrying out of the study (Lauber-Rönsberg, 2018). The researcher ensured

that the privacy and confidentiality of the respondents as well as the sensitive and personal data shared. Ethical matters concerning the research discipline include confidentiality, privacy, anonymity, and voluntary and informed consent (Iphofen & Tolich, 2018). Therefore, the researcher ensured that the anonymity of the respondents was guaranteed by separating the identity of individual SMEs and participants from the data provided.

This study followed the guidelines provided by Strathmore University's code of ethics. To achieve the ethical requirements, the researcher sought approvals from Strathmore University's ethical committee to carry out the study, and a research permit from NACOSTI, which helped to ascertain the credibility of the study.

3.10 Chapter Summary

This chapter of the study covered the research methodology that was adopted when carrying out the study. This section explained the research design and justified the methods relied upon in conducting the study. This chapter also gave a detailed description of the population and sampling design which consisted of the sample size and how it was determined. Further, the chapter provided a definition of the data collection tool as well as the importance of using it. It also gives the details of the research procedure and the analytical methods and tools employed to carry out analysis. The next chapter provides a detailed analysis of the results and findings of the study.



CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the results of the data analysis and the findings in regards with the study objectives and questions. The chapter presents the results of both descriptive and inferential statistics and discusses the findings as relates to the literature on the topic under study. In addition, the chapter begins with the presentation and analysis of the profiles of the respondents that comprised the population in terms of gender, age, position, education level and number of years of work experience.

4.2 Response Rate

The respondent's background information in the study consisted of gender, age, position in the enterprise, educational level and number of years of experience. The results of the findings are displayed in the sub-sections that follow.

The study had a target of a population of top 100 SMEs operating in Nairobi City County with 200 respondents. A total of 200 questionnaires were administered, and only 151 respondents returned questionnaire that had complete responses. This translated to a response rate of 76%, which was considered as adequate representative of the target population. According to Mugenda and Mugenda (2003), a response rate of more than 50% is adequate to represent the targeted population. Similarly, Sileyew (2019) stated that a response rate of 60% and above is adequate to be representative of the target population. The response rate was considered high compared to similar past studies by Saunders, Lewis & Thornhill (2011) at 65%, Ledikwe et al. (2019) at 72%, and Adede (2017) at 75%. This is presented in the table 4.1 below.

Table 4. 1 Response Rate

Response Rate	Frequency	%
Returned & Filled Questionnaire	151	76%
Questionnaire not Returned	49	24%
Distributed Questionnaire	200	100%

Source: Researcher (2022)

4.2.1 Respondents' Gender

The study sought to establish the gender of the respondents and Table 4.2 presents the results.

Table 4. 2 Response by gender

Gender	Frequency	Percent (%)
Male	114	75%
Female	37	25%
Total	151	100%

Source: Researcher (2023)

The findings indicate that the majority (75%) of the respondents were male while 25% represented female respondents. This indicates that majority of the owners and those holding senior marketing positions in SMEs in Nairobi City County are male.

4.2.2 Respondents' Age

The respondents were requested to indicate their age group and the results were presented in table 4.3.

Table 4. 3 Respondent's age

Age (Years)	Frequency	Percentage (%)
18-27	14	9%
28-37	59	39%
38-47	57	38%
48 & Above	22	14%
Total	151	100%

Source: Researcher (2023)

The results revealed that majority (39%) aged between 28-37 years old, closely followed by ages between 38 and 47 years old at 38%. 48 years and above bracket scored 14% of the respondents while 9% of the respondents were aged between 18 and 27 years old. The findings revealed that over 70% of the owners and head of marketing departments in the SME sector in Nairobi City County falls between 28 and 47 years of age. This indicates that majority of the respondents had

the ability to comprehend their enterprise’s marketing strategies and therefore their opinions on the research questions could be relied on for further analysis.

4.2.3 Respondents’ Position in the Firm

The study sought to establish the position held by the respondents at the SMEs in Nairobi County. Table 4.4 presents results on the distribution of the respondents’ position in the organization they are working for.

Table 4. 4 Respondent’s position in the firm

Position	Frequency	Percentage %
Owner	49	32%
Head of Marketing	102	68%
Total	151	100%

Source: Researcher (2023)

The respondents were requested to indicate the position they held in their organization at the time of the research period. The results indicated that majority (68%) held head of marketing positions while 32% were proprietors of their organizations. This indicates that majority were from marketing department which indicates that they were readily available and willing to respond to the research questions. Moreover, it suggests that the owners may be involved in other activities of the organization or they dedicate more work to the marketing managers, which reveals the owners’ confidence in the marketing managers in making enterprise decisions.

4.2.4 Respondent’s Education Level

The researcher requested the respondents to indicate their level of education to determine the level of formal education of each respondent. Table 4.5 presents the distribution of the respondents according to their highest level of education.

Table 4. 5 Respondent’s education level

Highest Education Level	Frequency (F)	Percentage %
Certificate	14	9%
Diploma	35	23%
Bachelor's Degree	76	51%
Masters' Degree	22	14%
Other (Specify)	4	3%
Total	151	100%

Source: Researcher (2023)

The respondents were required to indicate their highest level of education, and the results shows that 51% possessed bachelor’s degree, followed by diploma at 23%, Master’s degree at 14%, certificate 9% and others category recorded 3%. This is a prove that the respondents had formal education and therefore the answers they provided to research questions were informed and could be credible for analysis.

4.2.5 Respondents’ Years of Experience

The study sought to establish the number of years of working experience of the respondents in the organization. Table 4.6 presents the distribution of the respondents in terms of number of years of experience in the company.

Table 4. 6 Respondent’s years of experience

Years of Experience	Frequency (F)	Percentage %
Below 3 Years	10	6%
3-6 Years	51	34%
7-9 Years	65	43%
10 Years & Over	25	17%
Total	151	100%

Source: Researcher (2023)

The results indicate that majority (43%) have worked in the company between 7 and 9 years, followed by 3 to 6 years’ experience at 34%, 10 years and over experience had 17% of the respondents while below 3 years’ experience recorded 6% of the total respondents. The results

indicate that majority of the respondents had experience of over 7 years, and therefore, they were considered to have adequate knowledge and comprehension how the organization's influencer marketing activities have developed in their respective organizations and how it relates to brand loyalty with regards to the questions posed to them. Similarly, their answers to the research questions were considered reliable.

4.3 Descriptive Statistics

In this section, the study employed the use of frequencies, mean and standard deviation as the key descriptive statistics. The evaluation of the mean was classified according to Amrhein, Trafimow and Greenland (2019) who indicated that a statistic means of 1 to 2.49 was considered to be very weak, 2.5-3.49 weak, 3.5-4.49 strong, and a mean of 4.5-5.00 very strong. Similarly, the standard deviation was evaluated to demonstrate the level of homogeneity with a standard deviation of less than 0.5 indicating heterogeneity of data (Mishra et al., 2019). George and Mallery (2018) described heterogeneity of data as a state by which a sample population shows varied results. A high standard deviation indicates that they were a high diversity among the respondents in the sample of the population (Andrews, Gentzkow, Shapiro, 2020). If the data collected is homogeneous, then it reveals that the respondents had a similar comprehension of the question and they provided similar answers (Pyzdek, 2021).

4.3.1 Descriptive Statistic Result for Digital Influencers

The study sought to investigate the effect of digital influencers on brand loyalty among SMEs in Nairobi City County. Table 4.7 presents results of the descriptive analysis of the digital influencers.

Table 4. 7 Descriptive statistics for digital influencers

	N	Mean	Std. Dev.
Our customers make purchase decision based on recommendations from digital influencers	151	3.55	0.818
Digital influencers are reliable sources of information to our customers	151	4.01	0.851
My company regularly monitors the impressions on digital influencers pages	151	4.63	0.475
My company constantly monitors the comments on digital influencers' social pages	151	4.62	0.488
I spend more time searching through digital influencers to find feedback on the company's products	151	3.99	0.856
I follow digital influencers to discover new products on the market	151	3.87	0.822
Average Score	151	4.11	0.718

Source: Researcher (2023)

Table 4.7 shows the scores by the respondents on digital influencers. The results revealed that the average mean score for digital influencers was 4.11 with a standard deviation of 0.718. The high mean indicates that digital influencers are highly employed by SMEs operating in Nairobi City County with the statement 'my company regularly monitors the impressions on digital influencers' being the most highly rated with a mean score of 4.63 (Std. Dev.=0.475) while the statement 'our customers make purchase decision based on recommendations from digital influencers' scoring the least with a mean of 3.55 (Std. Dev.=0.818). All other statements scored a mean above 3.55 demonstrating that Small and Medium Enterprises have largely embraced digital influencer marketing practices. This can be attributed to the relative affordability of digital influencers activities and the wide reach it accords its followers and users.

4.3.2 Descriptive Statistic Results of Celebrity Influencers

The study also purposed to find out whether the celebrity influencers affected the brand loyalty among SMEs in Nairobi City County. respondents were requested to show the extent to which each of the statement matched the celebrity influencer marketing activities of their firm. The

measurement scale on celebrity influencers consisted six question items. The results of the responses were as shown in table 4.8.

Table 4. 8 Descriptive statistics for celebrity influencers

	N	Mean	Std. Dev.
The higher the number of celebrity followers, the more likely customers trust their opinion	151	4.30	0.569
Celebrity influencers are a reliable source of information about our products	151	4.13	0.811
My company uses celebrity influencers to market our products in order to minimize the marketing costs	151	3.45	0.661
My company constantly monitors the number of shares on the celebrity and brand mentions	151	4.29	0.632
Celebrity involvement in negative event may demotivate customers in buying the company products	151	4.31	0.815
My company engages celebrities in advertisement to attract and gain attention of the consumers to influence their buying decision	151	4.96	0.953
Average Score	151	4.24	0.740

Source: Researcher (2023)

Results in Table 4.8 reveals a very high and close scores on celebrity influencers of the SME companies with a mean average score of 4.24 (Std. Dev. =0.740). The highest score was from the statement ‘my company engages celebrities in advertisement to attract and gain attention of the consumers to influence their buying decision’ that scored a mean of 4.96 (Std. Dev.=0.953) with the lowest scoring statement being ‘my company uses celebrity influencers to market our products in order to minimize the marketing costs’ that had a mean score of 3.45 (Std. Dev.=0.661). All the other statements scored a mean above 4.00 demonstrating that Small and Medium Enterprises operating in Nairobi City County have largely employed celebrity influencers in advertising their products and services.

4.3.3 Descriptive Statistic Results for Expert Influencers

The study tried to investigate how expert influencers affect brand loyalty among SMEs in Nairobi City County. The measurement scale for expert influencers was made up of six question items and the participants were requested to show the extent to which each of the statement matched their firm 's use of expert influencers for marketing their products and services. Table 4.9 presents the results in regard to expert influencers in SME sector.

Table 4. 9 Descriptive statistics for expert influencers

	N	Mean	Std. Dev.
My company uses expert influencers to attract his followers to make a decision to buy our products.	151	4.75	0.711
My company uses expert influencers to conduct research about our products and services	151	4.94	0.723
My company constantly monitors the engagement rate of expert influencers on our products	151	4.38	0.899
My company uses expert influencers to shape the views of social media followers about the company's products	151	3.97	0.074
My company follows expert influencers pages to establish the quality of engagement on social media	151	4.44	0.821
My company follows expert influencers to determine the company's customer reach	151	4.32	0.920
Average Score	151	4.47	0.858

Source: Researcher (2023)

Table 4.9 results indicates very close and high scores on all the statements ranging from a mean of 3.97 to 4.94 with an average score of 4.47 and Std. Dev. of 0.858. the highest score was recorded on the statement 'my company uses expert influencers to conduct research about our products and services' with a mean score of 4.94 with a Std. Dev. of 0.723 with the lowest scores being recorded from the statement on the usage of expert influencers to shape the views of social media followers about the company's products that had a mean score of 3.97 and standard deviation of 0.074.

Apart from these two statements, all others had a mean score of above 4.00, that is, use of influencers to attract followers to make decision about the company's products (Mean=4.75, Std. Dev.=0.711, company constantly monitors engagement rate of expert followers on company products (Mean=4.38, Std. Dev.=0.899), company follows expert influencers pages to establish the quality of engagement on social media (Mean=4.44, Std. Dev.=0.821) and company follows expert influencers to determine the company's customers reach (Mean=4.32, Std. Dev.=0.920). The results demonstrate that Small and Medium Enterprises operating in Nairobi City County regard expert influencers highly because they use expert influencers to ensure their products reaches their customers

4.3.4 Descriptive Statistic Result of Brand Loyalty

The respondents were required to state the extent to which they ranked brand loyalty among their companies using a Likert Scale. The results of the findings were shown in table 4.10 below.

Table 4. 10 Descriptive statistics for brand loyalty

	N	Mean	Std. Dev.
Brand Switching			
Our customers do not switch brands regardless of the pricing	151	4.19	0.812
Our customers are not sensitive to changes in product features and prices	151	3.82	1.052
Our customers are willing to pay a premium	151	4.12	0.798
Average Score	151	4.04	0.887
Repetitive Purchase			
Our customers make repetitive purchase of our products	151	4.01	0.711
Our customers are committed to the company's brand	151	4.11	0.653
Our customers perceive our prices as the right for the quality of the products	151	3.89	1.011
Average Score	151	4.00	0.792
Customer Satisfaction			

Our customers are likely to recommend our products to others	151	4.26	0.623
Compared to our competitors, our products' quality is better	151	4.03	0.665
Our products meet expectation of the customers	151	4.15	0.852
Average Score	151	4.15	0.713
Overall Average	151	4.06	0.797

Source: Researcher (2023)

Results in table 4.10 reveals that the overall average score on brand loyalty was 4.06 with a Std. Dev. is 0.797. The question on customer satisfaction scored the highest average mean score of 4.15 with a Std. Dev. of 0.852, followed by brand switching with a mean score of 4.04 with a standard deviation of 0.887 and repetitive purchase with a mean score of 4.00 and standard deviation of 0.792. The question with the highest rating required the respondents to indicate the extent to which customers are likely to recommend their products to others. The mean score was 4.26 with a Std. Dev. of 0.623 indicating high level of brand loyalty among the SME organizations operating in Nairobi City County.

The second rating came from the statement 'Our customers do not switch brands regardless of the pricing' with a mean score of 4.19 and standard deviation of 0.812 indicating that customers are loyal to SME brands. Apart from two statements 'Our customers are not sensitive to changes in product features and prices' and 'Our customers are not sensitive to changes in product features and prices' which score a mean score of 3.89 and 3.82 respectively, all other statements recorded a mean score of above 4.00 indicating that there is a high level of brand loyalty among SME's products and services. These findings therefore imply that influencer marketing constructs affected brand loyalty among Small and Medium Enterprises in Nairobi City County.

Table 4. 11 Summary of descriptive statistics

Area of focus	Item description	N	Mean Score	Std. Deviation
Influencer Marketing	Digital influencers	151	4.11	0.718
	Celebrity influencers	151	4.24	0.740
	Expert influencers	151	4.47	0.858
Average Score			4.273	0.772

Source: Researcher (2023)

Table 4.11 presents the average scores of the descriptive statistics focusing on each study variable. Expert influencers recorded the highest mean score of 4.47 indicating that it had the most influence on brand loyalty and the participants strongly agreed to the statement under the variables. Usage of expert influencer in marketing products and services, use of influencer's social media pages and using influencers in shaping followers on buying decisions are essential in brand loyalty building. Further, the respondents strongly agreed that celebrity influencers indicated a notable influence on the brand loyalty with a high mean of 4.24. This demonstrated that majority of the respondents strongly agreed to the notion that celebrity influencers had a significant impact on the brand loyalty among SMEs in Nairobi City County.

Digital influencers equally like other variables turned a mean of 4.11, which was the least among the variables. This implied that the most respondents strongly agreed that digital influencers have an impact in predicting brand loyalty among SMEs operating in Nairobi City County. The overall means of influencer marketing and brand loyalty were 4.273 and 4.06 respectively, which demonstrates that influencer marketing had a significant impact on brand loyalty among SMEs in Nairobi City County.

4.4 Inferential Statistics

The study intended to investigate the effect of influencer marketing (digital, celebrity, expert) on brand loyalty among SMEs in Nairobi City County. To achieve this goal, the study carried out correlation analysis to establish the relationship between the study variables. In regard to whether influencer marketing variables affected the variability in brand loyalty among SMEs in Nairobi City County, a regression analysis was conducted.

4.4.1 Results of Correlation Analysis

The study adopted the spearman's rho correlation analysis model to evaluate the relationship between the independent variable (influencer marketing) and the dependent variable (brand loyalty) and if present the extent of the strength of the relationship. Spearman's rho correlation analysis was suitable for the study because it is employed to assess the monotonic relationship between different variables as espoused by Hauke and Kossowski (2011). In addition, this study

adopted the ordinal scale using a 5-point Likert scale-level of agreement or disagreement as confirmed by Akoglu (2018). as a suitable model for the analysis of relationships. Similarly, May, and Looney (2020) indicated that the strength of the relationship between variables would be determined by the co-efficient of correlation. The coefficient of correlation ranges from -1 to 1 as demonstrated by May and Looney (2020). Akoglu (2018) indicates that a coefficient of correlation of more than zero shows a positive correlation, less than zero indicates a negative correlation and the one with zero reveals that no association between the variables. The results of the correlation analysis are tabulated table 4.12 below.

Table 4. 12 Correlation analysis results

		Spearman's Correlation				
		Digital Influencers	Celebrity Influencers	Expert Influencers	Brand Loyalty	
Spearman's rho	Digital Influencers	Correlation	1.000	0.458**	0.532**	0.372**
		Coefficient				
		Sig. (2-tailed)		0.001	0.000	0.000
		N	151	151	151	151
	Celebrity Influencers	Correlation	0.456**	1.000	0.533**	0.486**
		Coefficient				
		Sig. (2-tailed)	0.001		0.001	0.000
		N	151	151	151	151
	Expert Influencers	Correlation	0.538**	0.502**	1.000	0.625**
		Coefficient				
		Sig. (2-tailed)	0.000	0.000		0.001
		N	151	151	151	151
	Brand Loyalty	Correlation	0.337**	0.398**	0.620**	1.000
		Coefficient				
		Sig. (2-tailed)	0.000	0.000	0.001	0.000
		N	151	151	151	151

**Correlation is significant at the 0.05 level (2-tailed)

Source: Researcher (2023)

The correlation analysis conducted revealed that there existed a positive and moderate relationship between digital influencers and brand loyalty. This is depicted by a positive correlation coefficient value of 0.337 and a p-value of 0.000 which was less than one at 95% confidence level. The spearman's rho correlation analysis also demonstrated that there existed a positive and moderate association between celebrity influencers and brand loyalty at 95% confidence level as depicted by a correlation coefficient value of 0.398 and a p-value of 0.000. In regard to expert influencers, table 4.12 depicts a positive and strong relationship between expert influencers and brand loyalty of SMEs at 95% confidence level with a correlation coefficient value of 0.620 and p-value of 0.000 that was less than one.

4.4.2 Results of Regression Analysis

The study's three independent variables consist of digital, celebrity, and expert influencers and brand loyalty as the dependent variable in the regression model. From the results of the regression analysis indicated in each table below, the researcher developed regression equations for each objective and a model equation for the multiple regression model. The multiple regression analysis was utilized to analyze the relationship between a single dependent variable; brand loyalty and various independent (predictor) variables.

4.4.3 Digital Influencers and Brand Loyalty

The study sought to evaluate how digital affect brand loyalty. The results of the regression analysis are shown in table 4.13 below.

Table 4. 13 Regression analysis for digital influencers and brand loyalty

Model Summary					
Model	R	R-Square	Adj. R-Square	Std. Error of the Estimate	
1	0.572	0.327	0.306	0.2321	
ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	56.21	1	56.21	65.71	0.00
1 Residual	35.35	149	0.237		
Total	91.56	150			

Regression Co-efficient

Model	Unstandardized Co-efficient		Standardized Co-efficient Beta	t	Sig.
	B	Std. Error			
1 Constant	1.56	0.065		24.000	0.000
1 Digital Influencers	0.323	0.423	0.013	0.764	0.031

Source: Researcher (2023)

Table 4.13 presents the relationship between the dependent variable (brand loyalty) and independent variable (digital influencers). The results reveal a strong coefficient of determination between the digital influencers and brand loyalty as evidenced by R-value of 0.572. In addition, R-square =0.327 and P<0.05 gives evidence that the coefficient of determination was significant. This indicates that 32.7% of the variation in brand loyalty was as a result of digital influencers

The significance of the regression was tested by the use of ANOVA and the results indicates that F=65.71, and p=0.00, which was less than 0.05, therefore, the model was statistically significant in forecasting how digital influencers impact brand loyalty in SMEs operating in Nairobi City County. Provided that p<0.05, the model was significant at 95% confidence level and that the variables in the equation were important.

The digital influencers had a coefficient of 0.323 and p<0.05, which implied that the relationship between digital influencers and brand loyalty was significant at 5% level of significance Also, the unstandardized coefficient indicates the corresponding change in the dependent variable, when a unit change is affected in the independent variable. Therefore, a 1% change in the level of digital influencers would yield a 32.3% change in the level of brand loyalty.

Hence, the regression equation would be;

$$Y=1.56+0.323X_1+0.065$$

Where;

Y- Brand loyalty (dependent variable)

X₁-Digital Influencers (Independent variable)

4.4.4 Celebrity Influencers and Brand Loyalty

The study sought to investigate the extent to which celebrity influencers affect determine the brand loyalty among the SMEs in Nairobi City County. The results are presented in table 4.14 below.

Table 4. 14 Regression analysis results for celebrity influencers and brand loyalty

Model Summary					
Model	R	R-Square	Adj. R-Square	Std. Error of the Estimate	
1	0.613	0.376	0.367	0.4332	

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.062	1	40.062	48.058	0.00
	Residual	19.202	149	0.129		
	Total	59.264	150			

Regression Co-efficient						
Model		Unstandardized Co-efficient	Std. Error	Standardized Co-efficient	t	Sig.
	B			Beta		
1	Constant	2.14	0.076		28.158	0.000
	Celebrity Influencers	0.189	0.046	0.173	4.109	0.000

Source: Researcher (2023)

Table 4.14 reveals the relationship between the celebrity influencers as the independent variable against the brand loyalty as independent variable in this study. The results show that a notable coefficient of determination between the celebrity influencers and brand loyalty ($R=0.613$). The result further demonstrate that the coefficient of determination was significant as evidenced by the values of R-Square (0.376) and the p-value (<0.05). This gives an interpretation that 37.6% of variation in brand loyalty was as a result of celebrity influencers.

The significance of the regression model was tested using the ANOVA which produced an F-value of 48.05 with a p-value of 0.00, which is less than 0.05, therefore indicating that the model was statistically significant in determining how the celebrity influencers impact the brand loyalty in SMEs operating in Nairobi City County. Since the p-value was less than 0.05, the model was significant at 95% confidence level and that the variable in the equation were also important in predicting t dependent variable.

The celebrity influencers produced a coefficient of 0.189 and p-value of less than 0.05, which indicates that the relationship was significant at the 5% significant level. The unstandardized coefficients further provide that there is a corresponding change in the dependent variable when a

change of one unit in independent variable is triggered. Therefore, a 1% unit change in celebrity influencers will result in a 18.9% change in brand loyalty.

Hence, the regression equation would be;

$$Y=2.14+0.189X_2+0.076$$

Where;

Y- Brand loyalty (dependent variable)

X₂-Celebrity influencers (independent variable)

4.4.5 Expert Influencers and Brand Loyalty

The study carried out a regression analysis to determine the extent to which expert influencers affect brand loyalty in SMEs operating in Nairobi City County. The results of the findings were displayed in table 4.15 below.

Table 4. 15 Regression analysis for expert influencers and Brand Loyalty

Model Summary				
Model	R	R-Square	Adj. R-Square	Std. Error of the Estimate
1	0.654	0.428	0.419	0.321

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.062	1	41.062	78.877	0.00
	Residual	25.202	149	0.169		
	Total	66.264	150			

Regression Co-efficient						
Model		Unstandardized Co-efficient		Standardized Co-efficient Beta	t	Sig.
		B	Std. Error			
1	Constant	3.19	0.092		34.674	0.000
	Expert Influencers	0.612	0.0614	0.352	9.967	0.000

Source: Researcher (2023)

Table 4.15 presents the relationship between the expert influencers (independent variable) and the brand loyalty (independent variable). The result shows that there is a notable coefficient of determination between the expert influencers and brand loyalty as evidenced by the R (0.654). It further shows that the coefficient of determination was significant as evidenced by R-Square (0.428) and p-value (0.00), which is less than 0.05. This reveals that 42.8% of variation in brand loyalty is as a result of expert influencers.

The regression model was tested by the use of ANOVA to determine its significance. The F-value (78.88) and p-value (0.00), which is less than 0.05 shows that the model is statistically significant in predicting how expert influencers affect the brand loyalty among SMEs operating in Nairobi City County. Since, p-value is less than 0.05, the model is significant at 95% confidence level and that the variables in the equation are important.

The expert influencers gave a coefficient of 0.612 with a p-value (0.000), which was less than 0.05 significance level. Further, the unstandardized coefficients indicate that the corresponding changes in the dependent variable when a unit of independent variable is changes. Therefore, a 1% unit change in expert influencers will produce a 61.2% change in brand loyalty.

Hence, the regression equation would be;

$$Y=3.19+0.612X_3+0.092$$

Where;

Y- Brand loyalty (dependent variable)

X₃-Expert influencers (independent variable)

4.4.6 Influencer Marketing and Brand Loyalty

The study carried out a multivariate liner regression to establish whether influencer marketing (digital, celebrity and expert) explained the variability in brand loyalty of SMEs in Nairobi City County. In the regression analysis, the dependent variable was brand loyalty while the independent variable was the influencer marketing measured by digital influencer, celebrity influencer and expert influencer. The following table 4.16 presents the regression analysis results.

Table 4. 16 Influencer marketing and brand loyalty regression results

Model Summary					
Model	R	R-Square	Adj. R-Square	Std. Error of the Estimate	
1	0.757 ^a	0.573		0.564	0.4332
ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	48.072	3	16.024	78.877	0.000
1 Residual	42.212	147	0.578		
Total	90.284	150			
Regression Co-efficient					
Model	Unstandardized Co-efficient		Standardized Co-efficient	t	Sig.
	B	Std. Error	Beta		
Constant	1.31	0.076		17.237	0.001
Digital Influencers	0.08	0.332	0.013	0.241	0.044
1 Celebrity Influencers	0.197	0.046	0.192	4.283	0.000
Expert Influencers	0.583	0.081	0.662	7.198	0.000

Source: Researcher (2023)

Table 4.16 reveals a direct relationship between the dependent and independent variables involved in the study. The results also indicate a strong coefficient of determination between influencer marketing and brand loyalty (R=0.757). Moreover, it is evident from the table that coefficient of determination was strong and significant as indicated by R-Square of 0.573 and p-value of less than 0.05. This implies that 57.3 of the variation in brand loyalty was as a result of digital, celebrity, and expert influencers.

The significance of the regression model was tested using ANOVA and the result of the analysis is as shown in table 4.16. The F-value was 78.877 with a p-value of 0.000. The significance value was 0.000, which is less than 0.05. The results indicate that the model was statistically significant

in determining how influencer marketing affect brand loyalty among SMEs in Nairobi City County. Provided that $p < 0.05$, the model is significant at 95% level of confidence, and that the variables in the equation are important. This demonstrates that the regression model can effectively be employed to determine the brand loyalty using influencer marketing (digital, celebrity and expert influencers).

Table 4.16 also shows that the regression weights of the three independent variables were significant as shown by the results of each construct. Digital influencer had a coefficient of 0.08 with p-value of less than 0.005, celebrity influencer returned a coefficient of 0.197 with a p-value of less than 0.05 while expert influencers indicated a coefficient of 0.583 with p-value of less than 0.05. This reveals that the relationship was significant at the 5% level.

The unstandardized coefficients in table 4.16 indicate a corresponding change in the dependent variable when a change of one unit is triggered in the independent variables. Therefore, a 1% unit change of digital influencers will result an 8.0% change in brand loyalty, a 1% change in celebrity influencers will result a change in brand loyalty by 19.7%, and a 1% unit change in expert influencers would cause a 58.3% change in brand loyalty.

Therefore, the regression equation is;

$$Y = 1.31 + 0.08X_1 + 0.197X_2 + 0.583X_3 + \epsilon$$

Where;

Y=influencer marketing (comprises of digital, celebrity and expert influencers)

+0.08X₁= the coefficient of digital influencer, which means that for every unit increase in digital influencer marketing, brand loyalty increase by 0.08 holding other variables constant.

0.197X₂= the coefficient of celebrity influencer, which reveals that for every unit increase in celebrity influencer activities it will result an increase in brand loyalty by 0.197 units when all factors remain constant.

0.583X₃= the coefficient of expert influencers, which reveals that for every unit increase in expert influencer activities, brand loyalty increases by 0.583 when all other factors are held constant.

4.5 Chapter Summary

The chapter presented the analysis of the response rate, the background of the respondents and the effect of influencer marketing on brand loyalty in terms of digital influencers, celebrity influencers and expert influencers. From the results and findings presented, it was clear that influencer marketing has been adopted by SMEs in Nairobi City County and it was found to be significant in influencing brand loyalty in SMEs operating in Nairobi City County.



CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the major findings of the study, discussion of the findings, conclusion and recommendations on practice and policy as well as the recommendation on further studies. The study findings were derived from the analysis and interpretation of the primary data obtained through the research questions and answers by respondents based on the study objectives and questions.

5.2 Summary of the Study

The main purpose of the study was to establish the effect of influencer marketing on brand loyalty among SMEs operating in Nairobi City County. To achieve the purpose of the study, the researcher focused on three specific objectives; to establish the effect of digital influencers, celebrity influencers, and expert influencers on brand loyalty among small and medium enterprises in Nairobi City County. The study was limited to the top 100 SMEs in Nairobi City County because they were believed to have well established marketing departments. The study focused on 2 respondents consisting of the manager or the owner and the head of marketing department because they were believed to have knowledge on marketing strategies the firms employ in the SMEs sector.

The study's findings were anchored on social learning theory, and trust-commitment theory to establish the relationship between influencer marketing and brand loyalty among SMEs operating in Nairobi City County. The study sought to fill research gap on the basis of context, concept, research methods, and theoretical and empirical gaps. Contextually, the study was conducted in Kenya, which is classified under developing countries while the majority of the past studies reviewed were conducted in developed countries. Conceptually, the study employed the Aaker's (1991) model of brand equity.

The study adopted a positivist research philosophy due to the assumption that only factual knowledge is trustworthy, and therefore, the researcher was interested with facts and not

perceptions (Schlagwein, 2021). In addition, the study was quantitative in nature and it employed descriptive cross-sectional survey as the research design. The research targeted the top 100 small and medium enterprises operating in Nairobi City County as listed by Nairobi City County. A sample of 80 firms were selected and either the owner or the head of marketing from every enterprise formed the respondents. Data was obtained from the respondents using a well-structured questionnaire. The data analysis was conducted using descriptive statistics and Spearman's correlation analysis to determine the relationship between the study variables.

The response rate was 96%, which was considered adequate allowing the data collected to be analyzed. Descriptive statistics demonstrated that SMEs operating in Nairobi City County employ influencer marketing to boost brand loyalty. Correlation analysis on the other hand, revealed that independent variables (digital, celebrity and expert) had a positive relationship with the dependent variable (brand loyalty).

5.3 Discussion of the Findings

The main purpose of the study was to investigate the relationship between influencer marketing and brand loyalty among SMEs operating in Nairobi City County. The study findings showed some resemblance with previous studies while some other findings gave a divergent and contradicting finding in relation to particular influencer marketing and brand loyalty. The study findings are as discussed below in relation to the research questions and specific objectives.

5.3.1 Digital Influencers and Brand Loyalty

The study examined the effect of digital influencers on brand loyalty among SMEs in Nairobi City County, the descriptive statistics findings indicated that SMEs in Nairobi City County regularly monitor the impressions and comments on digital influencers' social media pages. The findings also reveal that SMEs in Nairobi City County consider digital influencer as reliable sources of information to their customers. The descriptive statistics findings also revealed that their customers make purchase decisions based on the recommendations from digital influencers. Similarly, the study findings demonstrated that most of the SMEs spend a considerable amount of time to search through digital influencers to find feedback on their company's products and services and also to discover new products on the market.

The correlation analysis showed that there was a positive and moderate relationship between digital influencers and brand loyalty. This finding was similar to Flanigan and Obermier (2016) on usage of influencer marketing for B2B marketing in industrial distribution sector in the USA, which concluded that digital influencers had a strong and positive correlation on brand trust and loyalty. The findings were also similar to a study by Ayedun et al. (2014) who conducted a study on the effect of marketing strategies on corporate performance of estate surveying firms in Nigeria, and concluded that influencer marketing had a positive relationship on corporate performance.

In regards to regression analysis results, the effect of digital influencers was statistically significant to predict the brand loyalty. This result contradicts the findings by Jalang'o (2015) who conducted a study on the effect of digital advertising on the performance of commercial banks in Kenya and concluded that despite the relationship being positive, digital influencers had insignificant impact on the performance of commercial banks in Kenya. The strong and positive relationship between digital influencers were similar with Hu et al. (2020) on the ability of digital influencers in converting followers into paying customers, which found that digital influencers had strong and significant effect in the conversion of followers into buying customers for brands.

This study diverges from the findings by Almeida (2021) that indicated that the digital influencers had a moderate influence on brand perception on consumer products. According to Almeida (2021) noted that provision of inadequate information by digital influencers can be disastrous for brand loyalty and perception. Digital influencers do not have impactful effect because they have very weak correlation with brand loyalty.

The study findings contradict the study conducted by Grossberg (2016) on the new marketing solutions that enhances strategy implementation. The findings of the study indicated that digital influencers had a weak correlation with brand loyalty and strategy implementation, and that digital influencers can only guide management on the future of marketing but does not affect the current brand loyalty. The study demonstrated that digital influencers had a strong coefficient of determination with brand loyalty because it provides the meaning to the organization through new marketing solutions.

5.3.2 Celebrity Influencers and Brand Loyalty

The study investigated the effect of celebrity influencers on brand loyalty among SMEs operating in Nairobi City County. The descriptive statistic results on the effect of celebrity influencers on brand loyalty among SMEs in Nairobi City County revealed that the firms engage celebrities in advertisement to attract and gain attention of the consumers to influence their buying behavior. The findings also indicated that involvement of celebrities in negative event may demotivate customers in buying the company products. Similarly, the study findings revealed that most SMEs constantly monitors the number of shares on the celebrity and brand mentions as well as considers celebrity influencers as a reliable source of information about their products. In addition, the descriptive results revealed that very few SMEs in Nairobi City County uses celebrity influencers to market their products with an intention of minimizing the marketing costs.

Based on the Spearman's correlation analysis results, the findings reveal that celebrity influencers had a positive and moderate relationship with brand loyalty. In addition, the multivariate linear regression analysis proved that celebrity influencers had a significant positive effect on brand loyalty among SMEs in Nairobi City County. These finding was similar to Goncalves (2019) who found that Youtubers and Celebrities positively influenced brand trust, brand love and brand loyalty in Lisbon. Gonclaves (2019) argued that the increase in social media provided consumers with a significant source of information in making decisions. The findings of this study also coincided with a similar study by Saini et al. (2021), which indicated that celebrity endorsers had a significant impact on consumer purchasing decisions, and therefore, many organizations in the UK have incorporated celebrity influencers into their advertising strategies.

On the other hand, the results of the study findings gave a divergent view from Anjali et al. (2020) that the significant effect of celebrity influencers depended on the credibility of the source. Anjali et al. (2020) indicated that celebrity influencers have smaller section, and therefore, the conversion may be focused to a smaller and specific group of consumers whose overall significant may be small. The study findings concurred with Ala, Craig and Victoria (2004) who conducted a study on the impact of sports celebrities on behavioral intentions that revealed that celebrities have a significant influence on the followers' purchase intentions and decisions on a specific brand. Alan et al. (2004) further revealed that majority of organizations world over use celebrity endorsers

since they have significant impact on a brand because of the perception of being highly dynamic and possess attractive and likable qualities.

The study findings were consistent with Saini et al. (2021) on the effect of celebrity endorser on brand loyalty through brand image. Similarly, the study's findings were similar with the study Febrian and Fadly (2021) whose findings were that celebrity influencers had a notable and strong impact on brand loyalty. Both studies concluded that celebrity influencers were the backbone of repetitive purchase, repeat purchase and referrals of other customers. Those SMEs that adopt celebrity influencers as a marketing strategy have the capacity to build a strong brand.

The finding of the study had a divergent view on the use of celebrity influencers away from a study by Jun and Yi (2020), which revealed that there was a weak relationship between celebrity influencers and brand equity. According to the study, brand equity and loyalty are influenced by celebrity influencers used by an organization. Based on this study, SMEs in Nairobi City County invest on celebrity influencers in order to improve brand loyalty among their customers.

5.3.3 Expert Influencers and Brand Loyalty

The study investigated the effect of expert influencers on brand loyalty among the SMEs operating in Nairobi City County. Descriptive statistics results revealed that SME's expert influencer marketing strategies were employed majorly to conduct research about their products and services. The findings also demonstrated that SMEs employ expert influencers to attract their followers to make decisions to buy the company products and services. Also, SMEs follows expert influencers' pages in social media to establish the quality of engagement on social media. Similarly, the descriptive findings revealed that few SMEs employ expert influencers to shape the views of social media followers about the company's products.

Based on the Spearman's correlation analysis findings showed that expert influencers had a strong and positive relationship with brand loyalty. In addition, regression analysis also showed that expert influencers had a strong significant impact on brand loyalty. These findings were similar to the tenets of social learning theory by Bandura (1969), which states that social behaviors could be acquired through observation and imitation. Social learning theory postulates that human beings emulate the behavior they see within their environment, particularly if the behavior is reinforced

in other people (Maisto et al., 1999). The results also concurred with Trivedi and Ramzan (2019) that revealed that source systems play a significant role in explaining the effect of endorsements on consumer behavior.

The findings also agreed with Menezes (2017), which investigated the differences between Youtubers and traditional celebrities and their effect on brand awareness and intention to buy in Brazil. Menezes (2017) indicated that increased usage of social media platforms has resulted in new opinion leaders (expert influencers). Additionally, the findings of this study concurred with Khan et al. (2022) that expert influencer endorsement have significant influence over consumers' brand awareness and purchase intention. The study findings were also similar to Mammadli (2021) that observed that influencer endorsement in promotion is to engage people trusted in society to recommend the products and services to consumers and increase brand awareness and sales.

The study findings differed with AlFarrai et al. (2021) whose findings was brand loyalty is directly connected to marketing influencers and has intervening factors indicating that expert influencers on its own would have no impact. In the study by AlFarrai et al. (2021) expert influencer exhibited a weak correlation with brand loyalty meaning that the constructs under expert influencers do not influence the brand loyalty. The study also reinforced the basic underlying structure of influencer marketing; basic underlying assumptions, brand loyalty, commitment, and trust, which are also underpinned in the Trust-Commitment Theory (Wang et al., 2020). Since the underlying variables like the need to achieve repetitive purchase, referrals, and ready to pay a premium, creating good relationship with customers through expert influencers is key in building a strong brand loyalty.

5.4 Conclusion

The study investigated the relationship between influencer marketing and brand loyalty. Influencer marketing activities were measured by the digital, celebrity and expert influencers while brand loyalty was measured in terms of repetitive purchase, customer satisfaction, and non-brand switching). The positive relationships showed that SMEs operating in Nairobi City County have embraced influencer marketing as a significant marketing strategy in 21st century that would guarantee them business competitiveness. the SMEs are therefore being able to effectively use influencer marketing to seek their customers' views and attract new customers employing cost-effective and efficient marketing influencers. SMEs ought to also be cognizant of the consumers'

current high knowledgeability and demand for better products, which requires that they be responsive to the needs and wants of their customers by creating a strong brand loyalty.

On one hand, the study investigated the effect of celebrity influencers on brand loyalty among SMEs in Nairobi City County and on the other hand the effect of expert influencers on brand loyalty. In both investigations, the findings were statistically significant and had positive relationships implying that an increase in celebrity and expert influencers activities, the brand loyalty will increase and vice versa. Specifically, as celebrity influencers increases in the industry, the SMEs had to engage celebrity influencers that guarantees them to build a strong brand loyalty, which would lead to repetitive purchase and customer satisfaction. This indicates that the type of the influencer marketing adopted by SMEs as marketing strategy would lead to great influence on the relationship between influencer marketing and brand loyalty of the majority of SMEs in Nairobi City County.

Notably, the expert influencer marketing predicts the brand loyalty of the majority of the SMEs in Nairobi City County. The opinion leaders employed by SMEs therefore establish whether they are able to effectively respond to the needs and expectations of their customers in the digital era. The expert influencer marketing adopted by SMEs in Nairobi City County is capable of turning their followers into buying customers. On combined influencer marketing (digital, celebrity, and expert influencers) results were equally statistically significant, which suggests that the effect of influencer marketing on brand loyalty was stronger compared to the effect of each individual variable. This demonstrates that the combined effect of the independent variable (influencer marketing) builds synergy that can be relied upon by SMEs to deliver superior brand loyalty and customer satisfaction.

5.5 Recommendations

Based on the discussion of the results and findings of the study, recommendation to management, policy makers and body of literature were derived as follows:

5.5.1 Recommendation to Management

Based on the findings, the study recommends to the management of small and medium enterprises to seriously consider improving their influencer marketing activities. Special attention should be

given to constant monitoring, engaging, reviewing and monitoring influencers' social media pages and other social activities with an aim to understand the needs of the customers as well as attract potential customers to purchase their products. This will enable the SMEs improve their brand loyalty levels, which in turn will lead to repetitive purchase, customer satisfaction and elimination brand switching. Moreover, the management of the SMEs need to consistently improve on influencer marketing strategies to build a strong and resilient brand loyalty that would enable them be competitive in the industry.

5.5.2 Recommendation to Policy makers

Agencies and other government institutions mandated to formulate policies on internet and social medial usage should develop policies that will enable SMEs use influencer marketers to generate, disseminate and respond to customer feedback promptly. This will improve customer satisfaction and help in building strong brands in the SME sector. SMEs in Nairobi City County are significant player in the development of economy, and therefore, influencer marketing will enhance accessibility and reach a wider market for their products. Since the SME sector plays a major role in eth country's economy, it becomes a matter of policy concern by the government of the day. In addition, SMEs are being considered as one key priority sector and therefore the government should focus and intervene to ensure the SMEs compete favorably on the global market.

The findings of the study revealed that SMEs' have not widely adopted influencer marketing as a strategy to tap global markets mainly because they target local customers only. Majority of the enterprises employ influencer marketing to only attract customers and not as a platform to search for new products and services. From the findings, the study recommends that deliberate policy makers within the sector can offer concrete support to the SMEs by passing laws that enable ease of access to the social media platforms as well as enable investment in technology related to social media marketing. Policy intervention are therefore necessary in strengthening and promoting influencer marketing among the SMEs in Nairobi City County.

5.5.3 Contribution to Knowledge

The study sought to investigate the relationship between influencer marketing and brand loyalty among SMEs operating in Nairobi City County, therefore, the current study is among the few

studies that tested the effect of influencer marketing with focus on digital influencers, celebrity influencers and expert influencers. The study specifically focused on brand loyalty indicators using repetitive purchase, non-brand switching, willing to pay a premium, ready to refer other customers and customer satisfaction. In both cases, the study results revealed statistically significant correlation among the independent (influencer marketing) and dependent variable (brand loyalty).

The study tested the effect of influencer marketing with digital, celebrity and expert influencers as the main constructs in the study. Social learning theory provided insights in connecting influencer marketing to the four mediational processes that establish whether an individual acquired new behavior or not: attention, retention, reproduction, and motivation (Zimmerman and Kleefeld,1977). Similar to past studies (Hu et al., 2020; Flanigan and Obermier, 2016; Owino et al., 2016; Gonclaves, 2019; Anjali et al., 2020; Cheung et al., 2015, and Trivedi and Ramzan, 2019), the current study demonstrated the effect of expert influencers on the relationship between influencer marketing and brand loyalty as being significant.

5.6 Limitations of the Study and Suggestion for Further Research

Focusing on the top 100 SMEs in Nairobi City County was a limitation because not all registered SMEs were involved in the study although they could have employed influencer marketing to market their products and services. The opinion presented in this study does not represent all the SMEs that are registered in Kenya, hence, the findings of the study could not be generalized for all the SMEs operating in Kenya. The data collection was carried out in the midst of the sixth wave outbreak of Covid-19 pandemic and most of the SMEs were affected due to the advisory from the Ministry of Health on embracing social distance. This influenced data collection process which took longer than anticipated.

The study focused on influencer marketing as a discipline in its entirety, therefore, scholars interested in further research could focus on the influencer marketing dimensions individually, digital influencers, celebrity influencers and expert influencers and their influence on brand loyalty among SMEs in Nairobi City County. Similarly, this study concentrated on the Small and Medium Enterprises, therefore, this study recommends a similar study to be conducted on other sectors of the economy like manufacturing companies. In addition, apart from digital, celebrity, and expert influencers, researchers interested in studying Influencer marketing among SMEs could study

other disciplines that could influence brand loyalty like macro influencers, micro influencers and nano-influencers.



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APPENDIX 1: LETTER OF INTRODUCTION

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16th May 2022

TO WHOM IT MAY CONCERN

REF: FACILITATION OF RESEARCH FOR OMANI KEVIN MATWETWE - STUDENT NO. 065450

I am a postgraduate student in Master of Commerce (MCom) programme in Strathmore University. In partial fulfillment of the MCom degree, we as students are required to carry out a research project and write a thesis on a contemporary subject within our field of specialization. Among other activities, the project involves data collection and analysis.

I am requesting to gather information to be used in my research. The information I will obtain from your organization will be used for the purpose of this academic only and will be kept confidential. The results of the survey will be in summary form and will not disclose any individual names, company name or company information in any way.

The University's MCom seeks to establish links with industry, and one of these ways is by directing the university's research to areas that would of direct use to the industry. I would be glad to share the findings with you after the study, and I trust that you will find them of great interest and of practical use to your company.

The research study is entitled **“Effect of influencer marketing on brand loyalty among small, and medium enterprises in Nairobi City County.”**

I appreciate your support and shall be willing to provide any further information if requested.

Yours faithfully,

OMANI KEVIN MATWETWE

Student in Strathmore University

APPENDIX 2: QUESTIONNAIRE

The main objective of this questionnaire is to collect information on the effect of Influencer Marketing on Brand Loyalty of SMEs in Nairobi City County. To help in achieve this objective, you are kindly and honestly respond to the questions in the questionnaire. The responses given will be treated with utmost confidentiality and will be used only for academic purpose. Your acceptance to participate is greatly appreciated.

Please tick (√) inside the box [] where applicable

SECTION A: DEMOGRAPHIC INFORMATION

1. Gender: Male [] Female []
2. Age: 18-27 years [] 28-37 years [] 38-47 years [] 48 & above []
3. Position: Owner [] Head of Marketing []
4. Highest Education Level: Certificate [] Diploma [] Bachelor's Degree [] Master's Degree []
Other (Specify).....
5. The number of years you have been working in the organization
Below 3 years [] 3-6 years [] 7-9 years [] 10 years and over

SECTION B: INFLUENCER MARKETING

This part allows you to give your opinion on various aspects of your organization's influencer marketing practices

Tick (√) the appropriate scale: **Strongly Disagree=1; Disagree=2; Neutral =3; Agree=4; Strongly Agree=5**

	Digital Influencers	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
6	Our customers make purchase decision based on recommendations from digital influencers					
7	Digital influencers are reliable sources of information to our customers					

8	My company regularly monitors the impressions on digital influencers pages					
9	My company constantly monitors the comments on digital influencers' social pages					
10	I spend more time searching through digital influencers to find feedback on the company's products					
11	I follow digital influencers to discover new products on the market					
	Celebrity Influencers	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
12	The higher the number of celebrity followers, the more likely customers trust their opinion					
13	Celebrity influencers are a reliable source of information about our products					
14	My company uses celebrity influencers to market our products in order to minimize the marketing costs					
15	My company constantly monitors the number of shares on the celebrity and brand mentions					
16	Celebrity involvement in negative event may demotivate customers in buying the company products					

17	My company engages celebrities in advertisement to attract and gain attention of the consumers to influence their buying decision					
	Expert Influencers	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
18	My company uses expert influencers to attract his followers to make a decision to buy our products.					
19	My company uses expert influencers to conduct research about our products and services					
20	My company constantly monitors the engagement rate of expert influencers on our products					
21	My company uses expert influencers to shape the views of social media followers about the company's products					
22	My company follows expert influencers pages to establish the quality of engagement on social media					
23	My company follows expert influencers to determine the company's customer reach					

SECTION C: BRAND LOYALTY OF SMES IN NAIROBI CITY COUNTY

This part gives you an opportunity to give your opinion on various aspects of Brand Loyalty for your organization.

Tick (✓) the appropriate scale: **Strongly Disagree=1; Disagree=2; Neutral =3; Agree=4; Strongly Agree=5**

	Non-brand Switching	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
24	Customers do not switch brands regardless of the price change of the products					
25	Customers are not sensitive to changes in product features and prices					
26	Customers are willing to pay a premium					
27	Promotional offers influence brand switching					
28	Value-added services cause brand switching					
	Repetitive Purchase	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
29	Customers make repetitive purchase of our products					
30	Customers are committed to the company's brand					
31	Customers perceive our prices as the right for the quality of the products					

32	High brand penetration could influence customers repeat purchase					
33	A more stable brand influences repeat purchase compared to a less stable brand					
	Refer Other Customers	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
34	Customers are likely to recommend our products to others					
35	Compared to our competitors, our products' quality is better					
36	My company's products meet expectation of the customers					
37	My company's products are accessible to our customers					
38	Our products' prices are acceptable to the customers.					

THANK YOU

APPENDIX 3: LIST OF SMEs OPERATING IN NAIROBI CITY COUNTY

No.	Company Name	Category	No.	Company Name	Category
1	General Cargo Services Ltd	Logistics And Transport	51	Premier Industries Ltd	Manufacturing & Supplies
2	Vivo Active Wear	Clothing	52	Elida Tours & Safaris Ltd	Tours & Travel
3	Diamond Property Merchants Ltd	Real Estate	53	United (EA) Warehouses Limited	Logistics
4	Mandhir Construction Ltd	Construction	54	Riley Falcon Security Services Ltd	Security
5	Trueblaq Limited	Marketing & Events	55	The Scott Travel Group Limited	Tours & Travel
6	Nywele Creatives	Beauty	56	Parshva Ltd	Supplies
7	Syner Medica (Kenya) Ltd	Pharmaceutical	57	Nova Industries Limited	Agrochemical
8	Orange Pharma Ltd	Pharmaceutical	58	Zimele Asset Management	Real Estate
9	Questworks Limited	Construction	59	Tandu Alarms Systems Ltd	Security
10	Haji Motors Ltd	Garage	60	Economic Industries Ltd	Manufacturing
11	Software Technologies Limited	Computer	61	The Makini School Limited	Education
12	Floor Décor Kenya Ltd	Wood And Laminate Flooring	62	Simba Technology Ltd	Software Solutions
13	Graceful Restaurant	Hotel	63	Tikoo A Co. Ltd	Embroidery
14	Fayaz Bakers Limited	Bakery	64	Mic Global Risks Insurance Brokers Ltd	Finance
15	Nationwide Electrical Industries Ltd	Electrical Supply	65	Super-Broom Services Limited	Cleaning
16	Babs Security Services Ltd	Security	66	Express Company Ltd	Clearing & Forwarding
17	Rural Distributors Limited	Transport And General Service	67	Real Auto Spares Ltd	Auto Spares
18	Executive Healthcare Solution Limited	Healthcare	68	Magnum Engineering & General Ltd	Construction
19	Eco Steel Africa Limited	Construction	69	Valley Hospital Ltd	Health Care
20	I Spy Africa Limited	Fleet Management And Cargo Tracking	70	Palmhouse Dairies Ltd	Dairy
21	Username Investment Limited	Real Estate	71	Jamii Autocare	Autocare
22	Rsa Kenya Limited	Manufacturing	72	Tdf Group Limited	Advertising
23	Bluekey Seidor (K) Ltd	IT	73	R World Enterprise Ltd	Construction
24	Victoria Courts Trading Limited	Furniture	74	Power Governors Limited	Security
25	Polyphase Systems Limited	Electrical Engineering	75	Sideways Tours & Car Hire	Tours & Travel
26	Bella Safaris Limited	Tours And Travel	76	De Ruiter East Africa Ltd	Floriculture
27	Exon Investments Limited	Transport	77	Bagda'S Auto Spare Ltd	Auto Spare
28	Octagon Pension Services Ltd	Finance	78	Belva Digital Limited	Advertising
29	Prafulchandra & Brothers Ltd	Electrical Supply	79	Bimas Kenya Limited	Finance
30	Isolutions Associates Ltd	IT	80	Varsani Brakelinings Ltd	Autorepair
31	Design Partnership Limited	Design	81	Kaesser Compressors Ltd	Manufacturing
32	Machines Technologies (2006) Limited	Automation	82	Digital City Ltd	Supplies
33	Polucon Services (K) Limited	Freight Forwarding	83	Coast Farmcare Agrovet Ltd	Agromechanical
34	Pathcare Kenya Limited	Health Care	84	Agoma Group Limited	Supplies
35	Hotel Waterbuck Ltd	Hotel	85	Office Dynamics Limited	Automation
36	Bilashaka Flowers Limited	Floriculture	86	Citrolam Contractors Limited	Construction
37	Natural World Kenya Safaris Ltd	Tours & Travel	87	Master Fabricators Ltd	Automotive
38	Rup Pharm Ltd	Pharmaceutical	88	Travel Care Limited	Tours & Travel
39	Chequered Flag Ltd	Car Rental	89	Classic Mouldings Ltd	Design
40	Unique Offers Limited	Construction	90	Farmal General Merchants Ltd	Supplies
41	Myspace Properties (Kenya) Limited	Real Estate	91	Index Modern Living	Furniture
42	Komal Construction Co. Limited	Construction	92	Eurocon Tiles Products Ltd	Furnishing
43	Metco Limited	Supplies	93	Newline Limited	Furniture
44	Ufanisi Freighters (K) Ltd	Freight Forwarding	94	Lekha Trading Company Ltd	ICT
45	Elite Offset Limited	Printing	95	Ideal Manufacturing Company Limited	Manufacturing
46	Goodman Agency Limited	Pharmaceutical	96	Maroo Polymers Ltd	Manufacturing
47	Mojo Productions Limited	Audio Visual Production	97	East Africa Tea Trade Association	Auctioning
48	Yogi Corp (Ea) Ltd	Construction	98	Coastal Image Technologies Limited	Automation
49	Novel Technologies E.A. Ltd	IT	99	Computer Pride Limited	IT
50	North Star Cooling System Ltd	Supplies	100	Viscar Industrial Capacity Limited	Consulting

Source: Nairobi City County, Trading and Licensing Department (2020)

APPENDIX 4: NACSOTI RESEARCH APPROVAL

REPUBLIC OF KENYA
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Date of Issue: 18/July/2022

RESEARCH LICENSE



This is to Certify that Mr., Kevin Marwoto Oduoi of Strathmore University, has been licensed to conduct research in Nairobi on the topic: **The Effect of Influencer Marketing Brand Loyalty Among Micro, Small and Medium-Sized Companies in Kenya**, for the period ending: 18/July/2023.

License No: NACDSTEP/22/18755

Applicant Identification Number: 153003

Innocent General
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