

CHAPTER I

INTRODUCTION

The introduction section provides an overview of the research topic, explaining the significance of studying the impact of Facebook marketing on SMEs, particularly in the restaurant industry. It highlights the growing importance of Facebook Marketing, for businesses. The section also outlines the objectives and research questions of the study. It also, shows the rapid growth of social media platforms, particularly Facebook, has revolutionized marketing strategies for businesses worldwide. This thesis focuses on the impact of Facebook marketing on the performance of small and medium enterprises (restaurants) in Mukono municipality, Uganda. The utilization of Facebook as a marketing tool offers numerous advantages, including cost-effectiveness, wider reach, and targeted advertising.

1.1. Background Research

SMEs are the backbone of the economy in many developing countries, including Uganda. Small and medium enterprises (SMEs) play an important role in the development of economies and communities (Bajdor, 2021). To realize this, SMEs have begun adopting social media platforms and electronic commerce platforms to improve their marketing strategies and, consequently, their operational performance. Social media, however, has begun to attract and encourage many unemployed individuals to create their SMEs as supported by their governments. In particular, by using Facebook as a relatively more social, interactive, and consumer-concentrated tool for their businesses (Tajvidi R, 2017). However, SMEs often struggle to compete with larger firms due to resource limitations, limited marketing budgets, and lack of access to traditional marketing channels. Facebook platforms and websites that allow users to create, share, and interact with content,

in today's business, Facebook can be considered the most strategic tool to increase company value proposition, image, and revenue as well as competitive benefit. (Alraja et al., 2020). However, Facebook social media influences increasing sales of micro, small, and medium enterprises because service promotions at a cost that intends to be cheap and the development of Facebook's immediate media users resulted in information can spread quickly and the time needed is also very fast, it is also considered to be one of the main ICT components with the most significant impact on business among all the apps that are now in use mostly Facebook (Ashraf, 2014). In recent years, there has been a lot of anticipation and enthusiasm surrounding social media's crucial role as one of the most important virtual channels for engaging with customers. Based on this, the researchers felt it was important to investigate if the use of Facebook can accelerate the growth of SMEs in Uganda (Rezma, 2022). According to Sadi & Iftikhar (2011), SMEs in Uganda can perform better overall when they use Facebook, according to the scant research that has been done on the topic as well as examined literature that appears to be a huge knowledge gap on how social media- Facebook usage might improve the performance of SMEs in Uganda. Addressing this gap in the literature is necessary since insights from Uganda could also be applied to other comparable emerging economies (Smith, 2019). Therefore, it's undeniable that most small and medium enterprises, including the restaurants in Mukono, are forced to use social media- Facebook as their marketing and sales promotions. In addition, the role of social media- Facebook can be used to build trust and relationship as well as enhance interactions (Tajvidi R, 2017).

In recent years, there has been a significant shift in marketing strategies with the rise of social media- Facebook platforms. Social media- Facebook networks, such as Facebook, have become powerful tools for businesses to engage with customers and promote their products and services, this has led to an increased interest in studying the impact of social media- Facebook marketing on various industries, including the restaurant industry (Chatterjee & Kumar Kar, 2020). Among the numerous social media- Facebook platforms, Facebook has been a popular choice for businesses due to its wide reach and user-friendly features, it provides an opportunity for small and medium-sized enterprises (SMEs) to connect with their target audience and generate business leads. For this study, the focus will be on selected small and medium-sized restaurants in Mukono, Uganda. (Smith, 2019). By specifically examining the impact of Facebook marketing on restaurants, this research aims to provide valuable insights into the effectiveness of social media- Facebook marketing strategies in driving business performance for these establishments. The selection of restaurants as the target industry is based on their unique characteristics (Daowd A et al., 2020). The strategy of Facebook marketing can greatly impact the performance of small and medium enterprises (SMEs) in Uganda, particularly in the restaurant industry in Mukono municipality. By effectively leveraging Facebook as a marketing tool, restaurants can reach a larger audience, increase brand awareness, drive traffic to their establishment, and ultimately increase sales (Wang & Kim, 2017). Halaal Diners Restaurant represents the case of an SME proactively using social media and digital marketing. It has active social media pages where marketing and customer interaction occur. By studying their Facebook marketing strategies, researchers can gain insights into

how they effectively target and engage with their specific customer base(Daowd A et al., 2020). Picture 1 below shows the profile of Halaal restaurant, Food is not just about nourishment, it is an experience that delights all the senses. Step into this restaurant, where every dish is a work of art waiting to be savored.



Picture 1. Preview of Halal Restaurant's Facebook Page (Source: Facebook, 2019)

According to Smith, J et al. (2020), Halaal is a restaurant in the Mukono Seeta district in Uganda. It is a welcoming restaurant that caters to the dietary needs of the Muslim community and anyone looking to enjoy delicious halal cuisine. Conveniently located in the bustling area of Mukono Seeta, the restaurant provides a convenient dining option for residents, visitors, and travelers passing through the region. Their vision for Halaal Diners is to be the premier destination for authentic halal cuisine in Mukono Seeta, Uganda (<https://www.facebook.com/photo/?fbid=198845061589390&set=a.511502640976325>).

Sejinja Guest House Restaurant was chosen for this research due to its unique selling propositions, such as its location, amenities, and services offered. By studying their Facebook marketing efforts, researchers can understand how they

differentiate themselves from competitors and attract customers through social media channels (Smith, J et al., 2020). Picture 2 below shows the profile of Sejinja Guest House;

Picture 2. Preview of Sejinja Guest House Restaurant's Facebook Page (Source: Facebook, 2024)



According to Johnson et al. (2019), Sejinja Guest House Restaurant in Mukono, Uganda, is a cozy and welcoming dining establishment that offers a relaxed atmosphere and delicious cuisine for both guests of the guest house and visitors from the surrounding area. Located within the picturesque grounds of Sejinja Guest House, the restaurant offers a peaceful retreat from the hustle and bustle of city life. Sejinja Guest House Restaurant is also available for hosting events and special occasions, offering a charming and intimate setting for celebrations and gatherings. For more information;

<https://www.facebook.com/share/TTzvdu84k4mrDhDb/?mibextid=qj2Omg>).

In the case of Halaal Dinners, Sejinja Resort, and Farm Gates Restaurant, these specific restaurants may have been chosen for research over others in Mukono for a variety of reasons. Farm Gates Restaurant: Researching Farm Gates

Restaurant may be beneficial due to its focus on locally sourced and sustainable ingredients. By analyzing their Facebook marketing strategies, researchers can gain insights into how they communicate their values and offerings to customers, and how this impacts their overall performance. Picture 3 below shows the profile of Farm Gate Resort;



Picture 3. Preview of Farm Gate Resort Restaurant's Facebook Page (Source: Facebook, 2024)

According to Smith J et al. (2020), Farm Gate Resort Restaurant in Mukono is a hidden culinary gem that offers a delightful dining experience in a picturesque rural setting. Situated amidst lush greenery and overlooking scenic farmland, our restaurant provides a unique opportunity for guests to savour fresh, farm-to-table cuisine while immersing themselves in the beauty of the Ugandan countryside. Nestled in the heart of Mukono, Surrounded by vibrant gardens, towering trees, and the sights and sounds of nature, the restaurant offers a tranquil ambiance that is perfect for enjoying a leisurely meal with family and friends. Farm Gate Restaurant is a charming venue for hosting

events and special occasions amidst the natural beauty of the farm. (<https://www.facebook.com/share/mjaEKTy6fH4Xuze9/?mibextid=qj2Omg>).

Based on the data collected here are reasons for Choosing Halaal Diners, Sejinja, and Farm Gate: Halaal Diners has customers who specifically look for halal-certified food options due to religious beliefs or dietary restrictions. Sejinja has a unique menu variety and traditional Ugandan cuisine, appealing to customers looking for authentic local flavors this is confirmed by Facebook. Farm Gate was chosen for its pleasant ambiance and outdoor seating area, attracting customers who prefer a more relaxed dining experience. By understanding the current situation of the restaurant industry in Mukono, we can assess the potential challenges and opportunities faced by SMEs in this specific location (Aulina & Yuliati, 2017).

1.2 Research Problem

In this study is a need to understand how Facebook usage by SMEs affects their marketing strategies, customer engagement, and financial success. By examining the specific context of restaurants in Mukono Municipality, this research aims to provide valuable insights into the advantages, challenges, and opportunities that arise from integrating Facebook as a marketing tool for SMEs. Despite the widespread adoption of Facebook by SMEs, there is limited research on how its usage specifically affects the performance of restaurants in a developing country like Uganda. This study fills that gap by examining the benefits, challenges, and overall impact of Facebook on the restaurant sector in Mukono Municipality (Ziółkowska, 2021).

1.3 Objectives of the Study

1.3.1 General Objective of the Study

To increase online visibility and reach for the restaurants in Mukono Municipality through effective Facebook page management.

1.3.2 Specific Objectives

The specific objectives of this study include;

- To engage with customers and build a loyal online community for the restaurants.
- To promote the restaurants' products, services, and promotions to a wider audience.
- To gather customer feedback and reviews to improve services and offerings.
- To stay updated on social media trends and best practices to ensure a competitive online presence for the restaurants.

1.4 Research Question

How does Facebook's usage the impact marketing strategies of restaurants in Mukono Municipality?

1.5 Significance of the Study

Understanding the impact of Facebook on the performance of SMEs in the restaurant sector is crucial for restaurants, industry professionals, Policymakers, and researchers. The findings of this study will provide valuable insights into the advantages and challenges of using Facebook as a marketing tool. Additionally, it will contribute to the existing literature on social media-Facebook marketing in developing countries and provide SMEs with practical recommendations to enhance their online presence and performance.

1.6 Scope and limitation

This study focuses on the impact of Facebook on SMEs in the restaurant industry within Mukono Municipality. The research will consider a sample of restaurants to gain a comprehensive understanding of their Facebook usage, marketing strategies, customer engagement, and financial performance.

However, the study's generalizability may be limited to similar contexts in Uganda.

