

FACTORS INFLUENCING ADOPTION OF E-MARKETING ON DAIRY PRODUCTS IN MERU COUNTY: A CASE OF MERU DAIRY COOPERATIVE UNION, KENYA

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ABSTRACT

The main objective of this study was to find out the factors influencing adoption of e-marketing on dairy products in Meru County a case of Meru dairy Cooperative Union, Kenya. As the globe approaches the summit of digitization in communication, business transactions are not left out. Digitization of marketing activities has become crucial as communication goes electronic. E-marketing has enhanced relationship building with clients as well as made access to clients more effective for all categories of business. The objectives of the study were to find out the influence of management support, finances and training on adoption of e-marketing on dairy products in Meru Dairy Cooperative Union. The research design used in this study was descriptive survey. The total population was 113 participants comprising of: 7 BOM, 13 HODs, 28 ICT staff and 65 sales and marketing staff. Census was carried out, hence no sampling procedure or sample size. Data was collected using questionnaires and interview schedules. Data was analyzed by use of descriptive statistics. Regression analysis was used to test the statistical relationship

between variables. Data was presented in frequency tables, pie charts and diagrams. The study revealed that MDCU has not fully embraced e-marketing as a result of weak management decisions. It was also found that financial capability is a key determinant of an organization's ability to adopt and sustain e-marketing and that staff training had significant effect on adoption and sustainability of e-marketing. The study recommended that the management of dairy organizations should attain adequate education qualifications to enable them formulate policies and strategies that encourage e-marketing adoption. It was further recommended that dairy organization should implement sound financial plans and strategies that would ensure availability of adequate funds to finance e-marketing initiatives; and ensure that policies encouraging staff training and adoption of e-marketing are in place and effectively implemented. A further study is suggested on factors that influence product branding and brand acceptability among its consumers as these factors may significantly influence amount of sales made.

Key Words: *e-marketing, management support, finances, training dairy products*

INTRODUCTION

According to Eid (2011), the internet has become an integral part of the modern day societies and economies across the world. European Commission (2012) estimated the global internet users to be about 2.4 billion, with developed nations having significantly higher internet penetration rates. E-commerce is fundamentally changing the way in which logistics companies operate. Turban, King, Lee and Viehland (2004) posit that Electronic Commerce (e-commerce) involves exchange of information and products as well as services or transferring of products and services; which is supported by availability of internet and e-mail and the use of World Wide Web to support business transactions. E-commerce has created efficiency and effectiveness since the traders are able to promote their products and sell as well as place orders from their suppliers

with a lot of ease. The resulting outcome is improved customer service, reduced lead times, space and distance, improved product packages; and this leads to higher profitability. E-commerce has created a competitive advantage through direct marketing of products and direct communication to various stakeholders such as customers, shareholders and suppliers among others, from all over the globe.

E- Marketing is a management process whose aim is to establish and maintain long-term relationship with customers. E-Marketing is not any different from the conventional marketing methods however it is electronic as opposed to the conventional methods. E-marketing entails use of strategies to create product awareness and communicate it to the appropriate audience instantly. It entails locating, bringing on board and retaining clients who are of value by the business. E-commerce has been widely used with several options in comparison to the conventional marketing. E-commerce is gaining momentum in several business organizations as a result of continued development of ICT and formation of global markets and business arena. Albee (2010) argues that e-marketing is also a tool and venue for organizations to have conversations online, analyze digital behavior, virtually engage the clients and have interactions with the clients and thus attract new and retain existing customers.

The use of internet for marketing purpose is said to have started way back in 1960s with more improvements and development of advanced applications being done in the late 1970s (Turban et al., 2004). Later on Electronic Data Interchange (EDI) was introduced which supported order placement and invoicing between organizations in the use of standardized procedures and documentation (Papazoglou & Ribbers, 2006). Turban et al. (2004) points out that the rapid improvement of the internet and the contents have made it possible for many organizations to share information since the internet is more affordable than electronic data interchange (EDI). Teo and Ranganathan (2010) tells us that the internet experienced a breakdown, referred to as the Dot.com crash which entailed substantial breakdown of internet business in the US. This incident became a wakeup call for the U.S government, organizations and information technology practitioners to put in place measures to get rid of future system breakdown and losses.

E-marketing is popularly used by huge business organizations in developed countries with smaller enterprises being reluctant to fully embrace the concept, especially in the developing countries (MacGregor & Vrazalic, 2004). Kithinji (2014) points out that infrastructure are core for organizations to the implementation of e-marketing. Kithinji further enlist these infrastructures as laptop computers, smart phones and personal computers and other communication gadgets coupled with the availability of internet. Electricity is also important to power the communication gadgets. Electricity is a challenge in the developing countries like Kenya which has major power issues currently; however it is not an issue in the developed countries. Huge organizations have focused on investing in e-marketing since they have ample resources to support the same and are experiencing the benefits the step comes with. For the

smaller firms, the situation is different. The small firms find it difficult to fully adopt e-marketing and many have kept a distance from the same (Stockdale & Standing, 2004).

In developed countries dairy organizations' have better knowledge of ICT than those in developing countries (Erickson, Hultman & Naldi, 2008). According to (Nielsen 11 NetRatings, 2014) United States leads in internet use with over 300 million users, representing 90% of penetration. Others on the top list are Canada with over 50 million users. . The total number of internet users is 800 million worldwide (Internet World Stats, 2014). In United States, e-marketing has been embraced by most industries with the hospitality industry being on the fore front (Hsu & Ting, 2013). E-marketing is highly advanced in United States with an overall rating of 60% of marketing being done online. Estimates show that by the end of the year 2017, £592 billion will be spent through online shopping by the U.S citizens (Internet World Stats, 2017).

In Japan, it is estimated that an average citizen spends four hours on their laptops and smart phones while spending only two hours on the television. Other less developed countries like India have also gone digital with approximately one hundred and thirty seven million citizens being digital (Singhal, 2016). This has created a great opportunity for sellers to do business online since there is the ease of access to customers. Singhal (2016) argues that in the Asian continent, the travel and tourism industry is the main field where e-business is carried out. Clients search for information online, place bookings online and make payments online. Thus the sector is mainly flourishing on e-business. The European countries are not left behind in usage of internet for business purposes. United Kingdom is recognized as the main consumer of e-business with approximately £78billion being spent through online business.

In the African continent, e-marketing has posed a major opportunity for business transformation. Some countries are way ahead in adoption and usage of internet in business. Seychelles, at 60.3%, Nigeria at 52%, Mauritius at 59%, Kenya at 58% and South Africa at 52.6%, have been cited as being ahead of others in usage of the internet hence the potential for e-business. Nigeria alone has over 48 million internet users. Others like Niger, though lag behind with barely 2% internet usage and Ethiopia at 4% internet usage. It is estimated that the total number of internet users in Africa goes beyond 1886 million (internet world stats, 2017). A study by Olatokun and Kebonye (2010) on e-commerce adoption issues in Botswana found that dairy organization generally lacked support to undertake certain business activities. Poor infrastructure and lack of network connectivity are the major obstacles to internet usage hence e-marketing. Not all East African states are committed to the implementation of ICT projects, for example, the East Africa Sub Marine Cable System (EASSy).

Kenya being the business hub for the east African countries has propelled the use of e-business in various industries. Kiprutto, Kigio, and Riungu (2011), point out that e-tourism has revolutionised the tourism industry in Kenya. The manufacturing industry is not left behind however its approach in the use of e-marketing is through use of well-designed websites (Mzee,

Kwama & Nyakweba, 2015). The adoption of e-marketing in the retail business has been mainly propelled by the existing challenges and the nature of the Kenyan businessman (Kinuthia & Akinnusi, 2013). These challenges include high rental rates in prime locations, high cost of licensing and the pre-occupied nature of Kenyan consumers who have limited time to visit shops.

Meru Central dairy cooperative union, now known as Meru dairy cooperative union is an organization in the business of processing milk. It deals with one product line, processed milk products. The organization processes over 10,000,000 litres of milk annually which has been continuously increased over the years. Most of the milk is sold while some other is not sold and ends up expiring in the shelves or stores. The milk processed has been continuously increasing over the years. Similarly the percentage of the quantities of unsold is increasing; with year 2012 having 3.8%, year 2013 6%, year 2014 7.2%, year 2015 8% and year 2016 having 8.9%. As the quantities of unsold increases, the organization is suffering more and more losses since cost of acquisition and processing was incurred, yet no revenue is earned on the same.

According to Meru dairy cooperative annual report of 2016, most of the sales promotions are done through televisions, radio and rarely in the printed media. Other tools that have enabled the organization to promote its products are through proper product branding and quality products which have seen consumers become ambassadors of the organization brand. E-marketing is a relatively new concept in Meru dairy cooperative union with mainly use of emails to communicate with key customers such as licensed agents, distributors, wholesalers and retail outlets. Despite being the major dairy products processor in Meru County, the organization is yet to embrace e-marketing and thus experience the benefits.

STATEMENT OF THE PROBLEM

With the proliferation of technology in various sectors, businesses are at the center stage of exploiting technology to improve efficiency and effectiveness (Stansfield & Grant, 2003). E-marketing has played a major role in reaching out to the target market and enhanced cost cutting in most marketing activities. The service industry in the country has been keen on adoption of e-marketing while a majority of the processing and manufacturing organizations are taking it bit by bit (Mzee et al., 2015). For an organization to be a market leader and always stand above the competitors, it must be ready to take considerable risk and delve into the unknown means of marketing (Molla & Licker, 2005). Meru dairy cooperative union, being the major milk processor in Meru County, has for over years not adopted e-marketing to its fullest (Meru dairy cooperative union annual report, 2016). A website was created but only hosted to local area network (LAN), which supports only internal communication within the organization other than wide area network (WAN). WAN supports both internal and external communication, thus widely advantageous. This implies that the enterprise is limited in the way it communicates and how it achieves its marketing objectives. Several factors have been associated with adoption of e-marketing. For instance Ouma, Omoro, Wanjohi, Njoroge and Njubi (2000) identified

management rigidity as a hindrance to adoption of new technologies however he was not specific to e-marketing. Okwara (2004) looked at the challenges that faced financing of SMEs; he did not investigate financing of e-marketing and in particular the milk processing industry. Kithinji (2014) found that lack of communication was a hindrance to adoption of e-marketing for SMEs. He did not associate the lack of communication with training and this study will cover this. Mzee et al. (2015) looked at factors that hindered adoption of e-marketing by SMEs in Kisumu. They did not look at the milk processing industry in isolation. For the last five years, Meru dairy cooperative union has been producing over ten million litres of milk as shown in table 1.1. Part of the milk is sold while quantities of unsold is increasing; with year 2012 having 3.8%, year 2013 6%, year 2014 7.2%, year 2015 8% and year 2016 having 8.9%. (MDCU sales and marketing department, 2012-2016). The unsold milk ends up expiring and become waste. The unsold milk is as a result of inability of the marketing department to dispose off the milk before expiry dates. Despite the high losses incurred as a result of unsold milk going bad, the organization has not taken any corrective measure to manage the issue. The stocks held for extended duration can be associated with over reliance on traditional means of marketing strategies which are slow and ineffective. Therefore this study focused on finding out the factors influencing adoption of e-marketing on dairy products in Meru County, a case of Meru dairy cooperative union, Kenya.

GENERAL OBJECTIVE

The main objective of this study was to find out the factors influencing adoption of e-marketing on dairy products in Meru County a case of Meru dairy Cooperative Union, Kenya.

SPECIFIC OBJECTIVES

1. To find out the influence of management support on adoption of e- marketing on dairy products in Meru Dairy Cooperative Union.
2. To determine the influence of finances on adoption of e-marketing on dairy products in Meru Dairy Cooperative Union.
3. To find out the influence of training on adoption of e-marketing on dairy products in Meru Dairy Cooperative Union.

THEORETICAL FRAMEWORK

The theories that form the foundation of this study include the chaos theory of management, the capital structure theory, the social learning theory and the Innovation Diffusion Theory (IDT).

Chaos Theory of Management

According to the theory, nothing is permanent and organized but change is constant. Although certain events and circumstances in an organization can be controlled, others cannot. Chaos theory recognizes that change is inevitable and is rarely controlled. While organizations grow, complexity and the possibility for susceptible events increase. Organizations increase energy to maintain the new level of complexity, and as organizations spend more energy, more structure is needed for stability. The system continues to evolve and change. The theory further allows employees freedom to try out new approaches to job performance and adopt those that are working for the organization (Adetule, 2011). MDCU can be seen as an organization that is growing based on the increase in quantities of milk processed. As the organization is growing, it will continuously face complexities such as need to improve its marketing strategies to deal with the increased production. It is necessary for the top management to embrace change in the organization which includes adoption of e-marketing as an approach to marketing its products. The top management may lack proper understanding of e-marketing however it should encourage its employees to adopt it if they are convinced that it is a better approach to marketing.

The Capital Structure Theory

The theory was proposed by Ross, Leland and Pyle in 1977. According to the capital structure theory there exist an optimal debt to equity ratio where the overall cost of capital is the minimum and market value of the firm is the maximum. The traditional approach to capital structure advocates that there is a right combination of equity and debt in the capital structure, at which the market value of a firm is maximum. At this point, the weighted average cost of capital (WACC) is at the minimum. As per this approach, debt should exist in the capital structure only up to a specific point, beyond which, any increase in leverage would result in the reduction in value of the firm (Ghosh, 2012). The theory is applicable to the study in the aspects that the firm will require funds to finance e-marketing. The funds must be obtained in the right proportion to ensure that the firm does not lose its value. The firm must be able to balance off between debt and equity in the right proportions and acquire adequate funds for all its activities including adoption of e-marketing

Social Learning Theory

This was put forth by Bandura. The theory posits that people learn from one another, via observation, imitation, and modeling. The theory further identifies four basic conditions for learning to take place which are: Attention, retention, reproduction and motivation. Various factors increase or decrease the amount of attention paid. These factors include distinctiveness, affective valence, prevalence, complexity, functional value. Also one's characteristics such as; sensory capacities, arousal level, perceptual set and past reinforcement affect learning. Retention involves remembering what one paid attention to and includes symbolic coding, mental images,

cognitive organization, symbolic rehearsal, motor rehearsal among others. Reproduction entails repeating what was learnt or making use of the learnt skills. Finally motivation looks at the reason why the learners will want to learn or acquire new skills. These may include incentives or reinforcement (Narendra, 2013).

MDCU needs to train employees and ensure that they learn e-marketing. For them to learn, the organization must relieve them of the duties so as to ensure they pay maximum attention to what they are learning. Once trained, they must be encouraged to remember what they learnt by giving them learning materials and notes for reference in future. The organization must also create room for the trained employees to reproduce or practice what is learnt before it is forgotten. This means that training must take place when the organization has already installed the e-marketing system to enable its use after training. The employees must also be motivated to learn and embrace the new technology. At the initial stages the organization can have incentives such as rewards for those who learn faster. Then later on it can have a reinforcement measure for those who are reluctant to learn and adapt to the new technology (e-marketing).

The Innovation Diffusion Theory

The innovation and diffusion theory by Rogers has evolved to be among the most popular model of adoption of an innovation after the field has been studied and researched on for more than 30 years (Sherry & Gibson, 2002). Dooley (1999) and Stuart (2000) indicate the wide usage of the model in various disciplines such as technology, education, history, economics, political science and public health among others; however they point out that the model is mainly applied in adoption and diffusion of technology as a theoretical framework. Medlin (2001) and Parisot (1995) appoint the diffusion of innovation theory by Rogers as the most applicable in exploring technology adoption. From Rogers's point of view, technology involves reducing uncertainty in the causal relationship. This is achieved through instrumental action that is well designed in order to achieve desired results.

Technology consists of two major components: the hardware and the software. The hardware consist of the physical body that carries the technology, the software consist of the information that will be used by the technology (Rogers, 2003). The software has challenges in adoption since it is invisible. Rogers (2003) refers to adoption as the decision to implement and make use of an innovation to achieve the best results, while he refers to rejection as the decision to not adopt. Diffusion takes place when an innovation is communicated among the members of a certain social system using some channels. From this point of view, there are four aspects of diffusion of innovation that come out, which are time, innovation , social system and channel of communication.

According to Rogers (2003), the time lapse is not an important aspect since an innovation could have existed for some time but as long as there are some individuals perceiving it as new, then it

still remains an innovation. An adoption is new in relation to knowledge, persuasion and the decision to use or not use it. Time dimension strengthens the diffusion research and thus it is important. The classification of adopters of diffusion and the process of adoption together with the adoption rate all make use of the time aspect.

The channels of communication are the next component of the process of diffusion of innovation. Rogers (2003) refers to communication as the process of creating and sharing of information among a group of participants for the purpose of creating mutual understanding. He further points that communication is between two parties through some channel. The source of information or the parties involved in communication can be individuals or organizations; while the channel is a path through which information moves from the sender to the recipient. According to Rogers, diffusion is a unique kind of communication and encompasses innovation, two persons or more and the channel where the message will flow through.

According to the Turkish Online Journal of Educational Technology (2006), interpersonal channels are characterized by homophily, which is the extent to which individuals interacting share some common aspects like status, education level, beliefs among others. The more the aspects being shared, the more the likelihood of diffusion while on the other hand if the individuals interacting are heterophilous, diffusion is hindered. The final component of the process of diffusion is the social system. The social system is a group of collection of units bound by the need to solving a problem jointly with the aim of achieving a common goal (Rogers, 2003). Diffusion is highly influenced by the structures in the social system since it is a social process. A structure refers to the arrangement of units in a social system and that the nature of this system determines the innovativeness of individual units. This forms the main guideline for categorizing the adopters.

The theory is relevant to the study since e-marketing is the innovation that MDCU needs to adopt. The four components necessary for adoption of an innovation are lacking in MDCU. The concerned departments will require time to adjust to the new technology; e-marketing is the innovation that needs to be diffused in the organisation. The social system can be viewed as the relationship that exists between individuals and departments within an organisation. Channels refer to the nature of communication that the organisation has adopted. The innovation (e-marketing) consists of hardware and software that are expensive to acquire and will require adequate finances to support their acquisition.

The level of education and training will determine how well an innovation will be communicated within the organisation. Low levels of education and inadequate training will hinder communication of innovation to take place. The theory further indicates that the channels of communication will be interpersonal where the parties involved share more aspects such as level of education. The interpersonal communication encourages sharing of information hence supports diffusion of an innovation while on the other hand heterophilous communication

hinders diffusion hence lack of adoption of e-marketing. Communicating the innovation can be a challenge where the management has a high level of education and the subordinates lack the same level of education and vice versa. For instance the study found that most HODs had high education qualification while the BOM were lacking the same. Communicating the importance of e-marketing to the BOM by the HODs so as to get their approval to implement its adoption will be challenging due to the gap in the education level.

EMPIRICAL REVIEW

Influence of Management Support on Adoption of E-marketing

Most dairy organizations are run by a manager who is usually the owner of the organization (Demirbas, Hussain, & Matlay, 2011). One of the key individual factors influencing e-commerce adoption is the board of management/owner or manager characteristics which refer to executive decisions that a manager or owner makes, the financial commitments they take in relation to the overall direction of the firm, whether or not they appreciate ICT and whether the organization must adopt e-commerce or not (Riemenschneider, Harrison & Mykytn, 2003). An organization whose manager/owner doesn't appreciate the value of ICT is likely to experience stifled growth. An acceptable level of ICT and e-commerce knowledge by the manager/owner can assist the dairy organizations to adopt appropriate e-commerce activities in any enterprise (Looi, 2005). A high level of appreciation of ICT and e-commerce principles by the owner/manager will directly lead to increases appreciation for further e-commerce uptake in the business. In developed countries dairy organizations have better knowledge of ICT than those in developing countries (Ericksson et al., 2008).

In developing countries, there is a low literacy level amongst dairy organizations which makes it difficult for the owners/managers to appreciate e-commerce opportunities in the market. Dube (2008) identifies lack of support by the top management, poorly designed packages and lack of technical skills by the users as major hindrances to adoption of e-marketing in Zimbabwean banking sector. This is supported by Singhal (2016) who identified the main bottleneck to adoption of e-business in India as the indifferent attitude by the management hence inability to support the idea of e-business. The Kenyan dairy industry is not any different as Ouma et al. (2000) found out. The management rigidity towards new technology is a red light in adoption of new approaches towards business. Dairy industry has not been able to adopt e-commerce with ease due to various reasons such as ever changing information systems and the changing needs of both global and local customers (Jones, Packham, Beynon & Pickernell, 2011). Small and medium enterprises in developing regions fail to exploit the benefits of internet and expand their businesses outside the conventional limits; as reported by studies done on e-commerce adoption and ICT (Bai, Law & Wen, 2008; Molla & Licker, 2005; Humphrey et al., 2003).

The SMEs are limiting the usage of internet to electronic mail (Mpofu & Watkins, 2011). The previous studies undertaken have revealed the reasons being lack of knowledge on ICT and e-commerce, acquisition cost, low literacy levels of the managers or owners, policies which are unsupportive, inability to identify the benefits of e-commerce, differences in cultures and customers/ suppliers preference. The study carried out in Botswana by Olatokun and Kebonye (2010) on e-commerce adoption issues found that dairy processors had problems with support from the management to venture into some activities. Security has also been cited as a challenge in adoption of e-commerce. The findings have an impact on individual organizations which is not clearly understood as the survey method was employed in data collection.

One of the key individual factors influencing e-marketing adoption in dairy organizations' is the owner/manager or board of Management support, characteristics which refer to executive decisions that a board of management/manager or owner makes, the financial commitments they take in relation to the overall direction of the firm, whether or not they appreciate ICT and whether the organization must adopt e-marketing or not (Riemenschneider et al., 2003) An organization whose board of management/ manager or owner doesn't appreciate the value of ICT is likely to experience stunted growth. Dairy organizations' are run by a manager who is usually the owner of the organization (Demirbas, Hussain & Matlay, 2011). This is further echoed by Kapurubandara and Lawson (2006) who argue that business owners or managers have a major role to play in adopting any form of change, with e-marketing inclusive. Their personal characteristics will determine if a business adopts e-marketing or not.

Influence of Finances on Adoption of E- marketing on Dairy Products

Financial ability and cost implications is an organizational factor that influences the utilization of e-commerce in dairy organizations. In most developing countries, dairy organizations have very little resources to venture into e-commerce initiatives (Mutula & Brakel, 2007). A study by Mercer (2005) revealed that another factor in the implementation of e- marketing was the lack of payment facilities. He found that facilitating services such as online payment structures are not available in most developing countries contributing to an incomplete marketing system. Johnstone and Wright (2004) carried out a study covering the barriers affecting the implementation of Internet systems and procedures in different countries. The study uncovered various factors prohibiting adoption of internet according to the strength of inhibiting: high cost of installing infrastructure; high price of technology, large investment requirements and liquidity constraints; Uncertain return on investment (ROI); Limited worker expertise caused by a general shortage of highly skilled workers and insufficient training; Lack of management vision, support and enthusiasm in the adoption of Internet technology, Inability to outsource IT expertise; and bad experiences in the past.

Sarosa and Zowghi (2003) identified inadequate funding of e-business project in Indonesia as a stumbling block to effective use of internet in business transactions. Sarosa and Zowghi (2003)

further points that poor government funding for information technology as prohibiting usage of IT in business; especially by SMEs which lack financial strength to support fully their IT needs. Mzee et al. (2015) also identifies lack of adequate funding as the most significant barrier towards adoption of ICT by SMEs, followed by cultural deficiencies and poor cooperation between the SMEs. Matambalya and Wolf (2010) also found over reliance on foreign aid by the African countries to undertake major projects such as installation of ICT infrastructure as a major problem. They argue that the African countries lack own initiative to undertake development projects and are always desperately looking upon donor countries to sponsor their projects. In as much as funding in the developing African countries is a challenge, poor allocation and management of the available funding has worsened the situation.

Influence of Training on Adoption of E-marketing on Dairy Products

In order to drive e-commerce activities in a firm, it's important that the manager/owner attains some acceptable level of education. According to previous research, the level of education is one of the criteria for successful e-commerce adoption and utilization (Sarosa & Zowghi, 2003). A basic level of education is important as it allows easy communication and understanding of business terms; therefore dairy organization managers/owners should have the basic level of education such as high school so as to be able to drive the successful adoption and utilization of e-marketing. SME owners pursuing unclear business strategies often contribute to their businesses losing sight of the value of adopting Internet technology (Migiro & Adigun, 2005). Kithinji (2014) carried out a study on internet marketing and performance of small and medium enterprises in Nairobi county; and found that a majority of small and medium business owners were finding it difficult to use internet for marketing purposes due to lack of proper communication skills as well as inability to handle some electronic communication gadgets.

An acceptable level of ICT and e-marketing knowledge by the board of management/ manager or owner can assist the dairy organizations' to adopt appropriate e-marketing activities in any enterprise (Looi, 2005). A high level of appreciation of ICT and e-marketing principles by the board of management/owner or manager will directly lead to increased appreciation for further e-marketing uptake in the business. In developed countries dairy organizations' have better knowledge of ICT than those in developing countries (Erickson et al., 2008). In developing countries, there is a low literacy level amongst dairy organizations' which makes it difficult for the board of management/ owners or managers to appreciate and support e- marketing opportunities in the market.

Training is key in every organization and in order to drive any activity in a firm, it's important that the manager/owner attains some acceptable level of education (Sarosa & Zowghi, 2003).They said that the level of education is one of the criteria for successful e-commerce adoption (where e-marketing is an activity) and utilization. A basic level of education is important as it allows easy communication and understanding of business terms; therefore dairy

organization managers/Owners should have the basic level of education to be able to drive the successful adoption and utilization of e-marketing. Lack of training that gives knowledge and awareness, capital and understanding of the potential benefits brought about by Internet technology have been cited as key barriers to the adoption of e-marketing (Migiro & Adigun, 2005).

The study by Mzee et al. (2015) established that the level of education is crucial to adoption of e-marketing. It was found that 41% of the business managers in SMEs who failed to adopt e-marketing had the highest level of education being secondary education and below. The study also established that the managers who had not adopted e-marketing lacked the skills to operate a computer. Thus from this study, there is a strong correlation between the level of training and adoption of e-marketing.

RESEARCH METHODOLOGY

In this study a descriptive survey design was used. Descriptive survey design is chosen because it enables the researcher to generalize the findings to a larger population. In addition this design enabled the researcher describe the characteristics of the population being studied as they exist at present hence minimizing biases and maximizing the reliability of the evidence collected. Finally this design was chosen because it also provides a relatively complete picture of what is occurring at a given time and allows the development of questions for further study.

The study was conducted in Meru Dairy Cooperative Union in Meru County. The union is based in Meru town but has its customers all over the Country. The rationale for choosing the area was that the researcher wanted to explore the potential for e-marketing in marketing of milk and it's by products by Meru dairy Cooperative Union. The target population comprised 113 members of MDCU comprising of 7 BOM, 13 HODs and 28 ICT staff and 65 sales and marketing staff. The researcher used census, this means no sampling procedure was carried. Therefore all the 7 BOM, 13 HODs, 28 ICT staff and the 65 sales and marketing staff were included in the study.

The researcher sought a research permit from the National Commission for Science, Technology and Innovation (NACOSTI). The researcher then proceeded to report to the Meru dairy cooperative Union to be allowed to conduct the study. The researcher created rapport with the respondents and explained the purpose of the study before administering the questionnaire to the respondents. The respondents were assured that strict confidentiality would be maintained in dealing with their identities. The completed questionnaires were collected once they were filled. Data in the study was collected using questionnaires. The questionnaires helped in collecting information over a short period of time. They were also anonymous and helped to produce more answers than it is in an interview schedule. Prior to the actual study, a pilot study was carried among staff of Kathendu Dairy which has similar characteristics as Meru Dairy Union and

reliability tested using a Spearman's coefficient of reliability. A reliability of above 0.87 was achieved and this was considered reliable.

The raw primary data collected was coded prior to being input into SPSS statistical analysis software. The data was then cleaned to ensure accuracy and completeness of the information obtained. Both descriptive and inferential statistics was utilized. Tables were used to summarize responses for further analysis and facilitate comparison. In addition, to quantify the strength of the relationship between the variables, the researcher conducted a multiple regression analysis. As such, the data was broken down into the different factors that influence the adoption of e-marketing on dairy products in Meru County a case of Meru dairy Cooperative Union, Kenya.

FINDINGS AND DISCUSSIONS

The study found that MDCU has not adopted e-marketing and is only limited to electronic mail, MDCU can be categorized under SME category having employees less than 250 and as such the study concurs with Mpfu and Watkins (2011) who argues that SMEs are limiting the usage of internet to electronic mail. The study found that most of top management had advanced in age and had low level of education and as such were not able to embrace e-marketing as a new technology. This finding does not agree with the findings by Ouma et al. (2000) who argue that the management decisions are not anchored by any other factor but the personal attitude and the business condition. On the other hand Kapurubandara and Lawson (2006) argue that personal characteristics affect the management decisions.

The study found that management decisions greatly influence e-marketing adoption. Management decisions and their leadership were also found to be important in adoption of e-marketing. ICT, sales and marketing staff thought that the management would prioritize e-marketing. However, significant numbers were not in agreement implying that the MDCU management had issues setting e-marketing as a priority for the organization. Further, there isn't such a policy and if it is in place, it is not well implemented as not all employees know about it. The top management lacked understanding of e-marketing and as such could not offer support; this concurs with findings by Olatokun and Kebonye (2010) who found that dairy processors had problems with support from the management to venture into some activities. The study further indicated that leadership and attitude towards e-marketing was important in adoption of e-marketing. This is in line with Kapurubandara and Lawson (2006) point of view; they feel that business owners or managers have a major role to play in adopting any form of change. Thus the top management has a major role to play in enhancing adoption of e-marketing.

With regard to finances, the study established that e-marketing adoption depended on finances availability and that its installation required a lot of funds. Finance was an important component in the adoption of e-marketing. Adequacy of funds influenced e-marketing adoption while a good number of junior staff was of the same opinion. A good majority of the ICT, sales and marketing

staff identified that organizational budgets were important in embracing e-marketing. Some of the BOMs felt that budget size doesn't matter, but how well a budget is planned will have greater influence on e-marketing adoption. Timely disbursement of funds was very important in adopting e-marketing. Other findings showed strong agreement on that sales and marketing department was funded for online marketing. MDCU does not run e-marketing on its products thus these findings were motivated by the fact that MDCU's funds for local area network (LAN), advertisements on TV and email communication. According to this study, majority of the staff feel that MDCU has sufficient funds to support e-marketing activities despite the fact that it was expensive to run. HODs however contradicted the findings citing that proper budgeting for e-marketing would make it affordable to run. MDCU lacks proper planning and budgeting for the funds and thus may have challenges in adopting e-marketing. It was also found that e-marketing was expensive to run and install. This is in line with the findings by Johnstone and Wright (2004) who found that installation and running of e-marketing was expensive and thus a hindrance to its adoption.

On the influence of training on e-marketing adoption, most staff rated ICT expertise as very important. ICT training gives knowledge, awareness and understanding of potential benefits from ICT. These findings notwithstanding, the organization did not offer e-marketing training for employees. They expressed that the management were unable to implement e-marketing and its trainings since they lacked understanding of its benefits. Additionally, personnel's training was important in adoption of e-marketing. Management level of education was identified as a very important and important factor on adoption of e-marketing. Findings of this study imply that employees with low education level will not be comfortable to adopt e-marketing. In this regard, not all of the employees were computer literate. MDCU did not offer any form of staff training on e-marketing and as such did not have training packages for it. The study further outlined that low education level inhibits effective marketing especially on e-marketing platform and communication skills were vital in adoption of e-marketing. Kithinji (2014) found that majority of small and medium business owners were finding it difficult to use internet for marketing purposes due to lack of proper communication skills and inability to handle some electronic gadgets. As such training on e-marketing and generally ICT is very crucial for adoption of e-marketing in MDCU.

CONCLUSIONS

The study concludes that Dairy organizations in Kenya have not fully embraced new technology such as e-marketing as a result of weak management decisions on issues of e-marketing adoption. Consequently, they sell most of their products to local markets using conventional marketing strategies which have consistently caused them losses from products expiring while in stores or shelves. Meru dairy cooperative union recorded losses which have been consistently increasing over years, yet the management has not developed policies to initiate adoption of better marketing strategies like e-marketing. This is largely caused by the management advanced

age and low education which sums up into rigidity and negative attitude towards new technology. As a result, the management has not placed value on e-marketing benefits and hence did not prioritize and plan for its adoption.

Dairy organizations financial capability is a key determinant of its ability to adopt and sustain e-marketing. The study revealed that substantial finances are required to install e-marketing infrastructure besides the high fee required to run it. Organization facing financial crisis therefore are not able to install e-marketing as it may require adequate and timely financing. Adoption of e-marketing affects the organizations budget and may require a separate budget to run successfully. Due to financial inadequacy, sales and marketing department have not been efficiently funded to conduct online marketing.

Staff training has significant effect on adoption and sustainability of e-marketing. ICT expertise and training greatly influences installation and operation of e-marketing system as it hinges on the ICT framework available. The personnel in charge of the ICT must possess the right expertise and skills through studies and training in order to ably man the system. Organization management level of education influences their ability to run staff training that enhances organizational awareness and understanding of the benefits of e-marketing. Staff training equips employees with vital skills such as computer skills, handling electronic gadgets and online communication in order to effectively run e-marketing. Therefore, inadequate or no staff training derails organization's willingness capability to adopt and successfully run e-marketing.

RECOMMENDATIONS

Dairy organizations should ensure that their management is comprised of capable individuals. The management should possess high education qualifications in order to be able to formulate policies and strategies that encourage ICT and e-marketing adoption and growth. Age should also form part of the selection criteria for management members. For already sitting managements, ICT, sales and marketing staff should undergo capacity building in order to envision the benefits of using e-marketing on their products.

Dairy organizations should implement sound financial plans and strategies that would ensure availability of adequate funds to finance e-marketing initiatives. This should include making e-marketing a priority and therefore include it in their strategic goals. For organizations with weak revenue base, this will ensure that funds are mobilized or solicited over duration of time to avail the right amount of budgets during the adoption of e-marketing.

Dairy organizations should ensure that policies encouraging staff training and adoption of e-marketing are in place and effectively implemented. Additionally, they should ensure that these policies are well communicated to all employees across all departments to mobilize every staff towards actualization of the policy objectives. During recruitment, dairy organizations should ensure that young individuals with the high ICT expertise and training are hired to manage the

ICT department thus spark technological growth. In house training should also be implemented to equip existing staff with skill to operate e-marketing.

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