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Original Article

### Assessing the Challenges & Opportunities of Digital Marketing in Ethiopia: The case of Somali Regional State

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E-payment,  
Opportunities*

This study assesses the challenges and opportunities of digital marketing in Somali regional state of Ethiopia. We selected the sample purposively in this study. The collected data were analyzed by using descriptive statistics, regression model was also used to analyse the data. Quantitative data were used. The researcher collected the data with the help of questionnaire. The collected data shows that growing online markets, growing human capacity, growing telecommunication sectors and favourable government policies were digital marketing opportunities, the study also found that risk of privacy and security, e-payment accessibility, limited usage of computer technology, high cost of internet, frequent power disruption and lack of awareness are the challenging factors of digital marketing in Somali region. The findings also show the existence of positive attitude toward digital marketing in the study area. The study also witnesses that the current condition of digital marketing activities in Somali region is poor. The study shows that security and privacy, infrastructure, e-payment accessibility, and awareness have direct impact on digital marketing performance in Somali regional state. The study recommends improvement of government infrastructures, developing of e-payment systems and creation of awareness toward digital marketing.

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**INTRODUCTION**

The development, integration, and advancement of information communication technology (ICT) are changing the Earth. The globe continuously witnesses changing the way that business is conducted and also the new era of electronic commerce presents many opportunities and challenges to the newly emerging global economy. Internet marketing is the leading promoter of e-commerce and it becomes one in all the foremost important components of current international trade. It widely changed the standard way of international trade (UNCTD, 2003). Digital marketing is selling and buying and promotion of products and services through digital medium. Digital marketing is that component of the promotion mix, which is commonly measured prominent within the overall marketing matrix. Its high generality and visibility increased its importance within the commercial medium. It is influencing customers to get products and services through visual or audio persuasion (Anbumani et al., 2017). Beyond the existed world, there is a brand-new world which is named the Virtual network world or the sixth continent. Electronic commerce led to the web amongst the foremost significant accomplishments. Technology gives rise to a revolution within the circulation system. It breaks the boundary of time and space, alters the trade pattern, improves the circulation of merchandise, capital, and data, and makes enterprises have a foothold over others further by reducing the price of production effectively. E-commerce enabled traditional marketing and business to attain greater, faster, better, and more successful results (Qin, 2009).

Today the world is slowly entering the era of digital marketing environment, but there are some problems that exist like gap of richness between developed, developing, and under-developed countries. Developed countries like the United States of America, Canada, and Australia have

meaningfully Business Ventures in the world of internet marketing, and their business becomes successful. Furthermore, research and development activities have enabled them to develop marketing activities through electronic channels with the latest and most advanced information communication technology (ICT). The developing countries such as the nation in South East Asia region started information technology evolution in numerous areas including business transactions. The education system has been upgraded by incorporating the studies of ICT, introducing incentives for entrepreneurs to go online, and improving facilities. But in under-developed countries problems like lack of funds, expertise, technology, and exposure to the importance of venturing Internet Marketing exists. This wide gap between the developed, developing, and under-developed countries needs to be eliminated by the establishment and share of the wealth generated from doing business through electronic channels such as the internet. Therefore, world bodies like the World Bank and United Nations for Development Program (UNDP) have uphill tasks to improve these conditions (Mohammad & Deepak, 2004).

Lacking security issues is one of the biggest problems that challenge the spread of e-commerce (Wen & Chen, 2001). Lack of security is experienced in many ways such as illegal use of the corporate networks, packet sniffing, modification of data illegal transactions, and illegal property usage. The attacks and threats that internet-based enterprises face include those which occur on yahoo, E-trade, and amazon (Sussan & Kassira, 2003).

While the extension of the use of the internet and worldwide and telecommunication networks can provide the developing countries an opportunity and benefit for their participation in the global economy. The development of advanced information and communication networks ICT is expected to provide economic growth. Even

though there is a gap in the availability of new technologies, firms in developing countries are expected to benefit (Mansell, 2001). The development of ICT-related skills and management capabilities is important for developing countries if they are to boost their capacity to soak up advanced ICTs. The web offers a potentially open platform for trading, but policies are needed to access the networks, to develop trust within the electronic trading environment (Mansell, 2001).

The international debate on the new economic paradigm seems to hide that the appliance of data and communication technologies have a broad impact on the expansion and productivity of national economies. However, the event of ICT causes a widening of the gap between developing and developed countries. Identifying ways during which the enterprises of developing countries can reap the advantage of the emerging e-economy, may contribute to narrowing the world digital divide. Internet marketing brings Advantages of Cost-effectiveness, flexibility, and fast delighting in a speedy environment, and other different incredible gains to the business. However, like every other factor, it has its own pitfalls and problems like lack of face-to-face contact, security and privacy issues, integration problems, trust etc. which are needed to be taken in to account (Uslu, 2014).

Although e-commerce has many usages it also has disadvantages and challenges generally in a world and specifically in Ethiopia, which include security and legal issues, risk in e-commerce, lack of skilled manpower, socio-cultural issues, transportation, and delivery system are general global challenges, and all are applicable in Africa. Ethiopia shares all those challenges, additionally telecommunication sector in Ethiopia is in its infant stage and there is no e-payment system in Ethiopia (Barani et al., 2018).

Ethiopia continues to face numerous challenges in using e-commerce and more is needed to be done in order to address the situation. Major challenges identified include: low levels of internet penetration and limited communication

infrastructure, human capacity issues; legal issues, no legal background towards electronic document, absence of ecommerce policy and public awareness. In addition, policies need to address infrastructure development, which is key to the developing electronic commerce. Infrastructure that can play an important role for businesses includes cost-efficient communication technologies such as broadband, satellite connections and Voice over Internet Protocol (VOIP). It is only possible to implement and operate e-commerce initiatives if there are modern banking and insurance firms operating, and these do not exist in some African countries especially in Ethiopia (Barani et al., 2018).

The information communication technology (ICT) as a facilitator of e-commerce is still characterized by low quality and high internet cost, shortage of human resource development, poorly developed infrastructure, lack of legal and regulatory framework for e-commerce and government monopoly telecommunication sector. But the government is highly working on the development of the sector, and they promised different projects. The number of ICT professionals are increasing year after year in the country and the stable political situation in the country can be taken as an opportunity. The government puts as an agenda on breaking up the government policies, developing adequate infrastructure enacting policies, rules, and regulations that allows direct participation in business through tax incentives and other mechanisms (Addis et al., 2012).

Poor internet quality, poor ICT infrastructures, and limited ICT literacy are the main challenges that Ethiopia face. While openness of the entry is an opportunity in Ethiopia (Addis et al., 2012). ICT in Ethiopia is characterized by low quality, high cost, government monopoly of this sector, lack of suitable legal and regulatory framework for e-commerce. On the other side the government currently started to develop the ICT sector and the number of projects as well as the number of people who own the profession of ICT is continuously increasing (Addis et al., 2012).

Although the information communication technology ICT is growing in Ethiopia, but still, it is in infant stage. Small number of companies have established business to business websites and international accepted credit cards does not exist. It is clear that there is no significant attention to conduct and simplify business through e-commerce with the application of ICT (Tadesse & Kidan, 2005).

Although there is no empirical study that has been done before in Somali region as a whole to identify the challenges and opportunities of digital marketing. The researcher believes that there are many challenges as well as opportunities in the study area. This study attempts to investigate the challenges and opportunities of digital marketing in Somali regional state, Eastern Ethiopia. Somali region is one of the under-developed regions in the country in areas of literacy, ICT, and government infrastructures. This study documents important information on the subsector, which has not been yet carried out before in Somali region.

The research will answer the following questions

- What are the challenges of digital marketing in the Somali region?
- What are the available opportunities for digital marketing in the Somali region?
- What is the attitude and perception of business owners and consumers toward digital marketing in the Somali region?
- What is the current condition of digital marketing in Somali region?

## REVIEW OF THE RELATED LITERATURE

Dessie (2018) assessed the practice of digital marketing in promoting Ethiopian tourism in the case of Ethiopian tourism organization and found limited human resources for digital marketing elements, poor perception of workers, limited financial resources for digital marketing campaigns and poor ICT infrastructure as challenges. Barani et al. (2018) conducted an empirical study on Opportunities and Challenges

of E-Commerce in the Case of Ethiopia and found that Ethiopia faces a number of challenges in implementation and using of e-commerce including poor internet quality and inadequate ICT infrastructure, human capacity issues; legal issues, no legal background towards electronic document, absence of ecommerce policy and public awareness. The opportunities that the country have includes market entry, economy wide efficiency gain, access to direct export and easier inventory management.

ICT and e-commerce practices in Ethiopia are not well-developed. In terms of being a facilitator for e-commerce, ICT in Ethiopia is still characterized by limited reach and expensive internet services. Additionally, the telecommunication sector is dominated by government monopolies, there is a lack of human resource development, and the telecommunication infrastructure is poorly developed. Furthermore, there is a lack of suitable legal and regulatory framework for e-commerce. However, it is important to note that there are some promising future opportunities. These include the expansion of primary, secondary, technical, and vocational schools, as well as tertiary education over time. The country also benefits from a stable political climate, sustained economic growth, and some government initiatives and projects (Addis et al., 2012).

Even though the newly emerged innovative internet technology such as social media marketing brought new opportunity for developing countries and enable them to market their products and service in low cost and also to interact with their customers, but number of challenges hinder to fully utilize the online marketing and communication opportunity. (Seifu, 2018)

In a study by Kasimu (2017), examined the digital marketing strategies and marketing performance of the top 100 small and medium enterprises (SMEs) in Kenya. The findings revealed that the participants acknowledged the positive impact of social media usage on their businesses. They agreed that utilizing social media increased customer engagement, enhanced complaint

resolution, and improved overall customer experience and satisfaction. Additionally, the respondents also recognized that incorporating social media into their marketing efforts resulted in higher sales, expanded access to new markets and clients, improved brand recognition, and strengthened customer loyalty.

Odongo (2014) did a study to investigate the usage of social media marketing in the Electronics industry in Kenya. The study identified two main challenges encountered in this regard: the absence of corporate control over social media pages and the lack of well-defined parameters for measuring success. To address these challenges, the study suggested the development of a comprehensive social media strategy and the targeting of specific customer segments to enhance the effectiveness of social media usage. Consequently, the study emphasized the importance of creating a clear social media strategy and focusing on specific customer groups to maximize the success of utilizing social media platforms.

Makori (2014) Conducted a descriptive study on digital business strategies employed by Equity bank in Kenya and found that the digital marketing strategies increased the service offers,

speed, and decision making. Also, the studies found that implementation of the digital strategy faces challenges like cybercrime and theft which affected negatively for the customers.

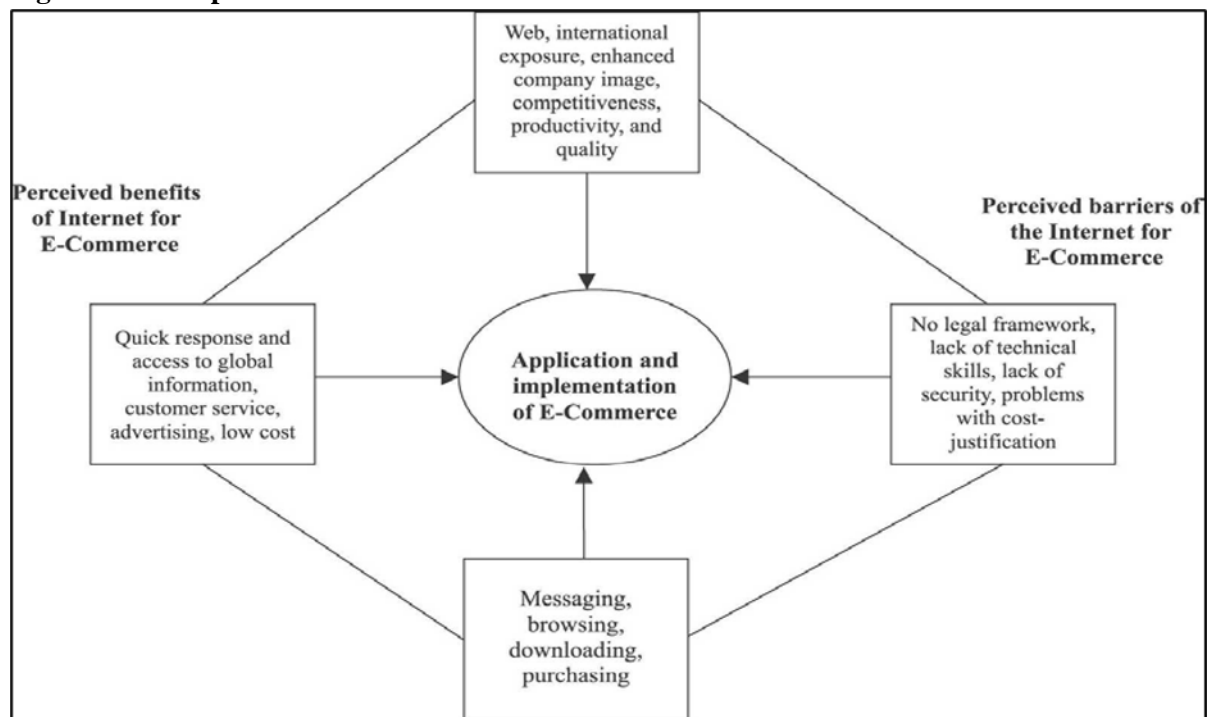
Al-Afifi et al. (2015) mentioned that there are more advantages that digital marketing can bring to customers including updated information about the products and services, easy accessibility, enough information about the products, 24/7 availability. According to Al-Afifi et al. (2015), digital marketing elements are online advertising, e-mail marketing, social media marketing, text messaging, affiliate marketing, search engine optimization, and pay per click.

Mkwizu (2019) assessed digital marketing and tourism opportunities for Africa and found that there are opportunities in Africa in terms of social media marketing, content marketing, and mobile marketing. In Africa, the internet and Facebook users are increasing while a lot of people use smartphones.

**Conceptual Framework**

The research is based on the conceptual frame work model developed by Wen and Chen (2001).

**Figure 1: Conceptual frame work of e-commerce.**



## METHODOLOGY

### Research Design

This study was descriptive research with a quantitative approach to analyse the data. This study examined the challenges opportunities and attitudes of the respondents to ward digital marketing in the study area

### 3.3 Data Sources and Collection Methods

Quantitative type of data was used from different data sources.

#### *Primary Data*

Primary data collected from questioner and interviews with the respondents

#### *Secondary Data*

Secondary data collected from different related documents, findings and websites newspapers, and government organizations of the area used as secondary sources.

**Table 1: Sample size determination**

Area	Sampling proportion	Sample size	Sector
Kabridahar	25%	25	All sectors equally
Gode	25%	25	All sectors equally
Jigjiga	50%	50	All sectors equally
Total	100%	100	

25% of the sample was slected from Kabridahar, 25% from Gode, and 50% from Jigjiga because the population who engaged digital marketing is high in Jigjiga city. That means in Kabridahar city 25 respondents were selected and those 25 respondents were from financial institutions, ICT, and business institutions.

### Method of Data Analysis and Presentation

The data collected for this study were analysed by using descriptive analysis to address the objectives of the study in the most excellent way. Data was presented using analytical tools like; tabulations, percentage and descriptions that make it graspable.

## RESULT & DISCUSSION

### Demographic Information of the Respondents

### Sampling Design

Selecting the sample in this research, purposive sampling design was used. The researcher purposively selected those cities in which digital user population is high. The researcher selected Kabridahar, Gode, and Jigjiga. Because the proportion of business owners and consumers who have accessing or aware digital marketing are more in the above cities. The respondents were purposively selected based on their digital marketing knowledge and background.

### Sample Size Determination

A total of 100 respondents were selected from Commercial banks, Micro finance institutions, ICT and telecommunication sector and business owners and consumers who are directly involved in digital marketing or at least have awareness about the area.

As already mentioned, descriptive statistics were used to analyse the data. The findings of the study shows that 60% of the respondents were male while the rest 40% of them were female. This implies that there are significant women employees in the study area. 61% of the respondents were aged between 20 and 29, 29% aged between 30-39, 8% aged 40-49, 1% below 20, and 1% above 50. That means the most of the respondents were aged 20-39. When considering the education of the respondents the findings of the study shows that 80% of the respondents had bachelor's degree, 14% of the respondents had master's degree, 4% of the respondents had college diploma level, and 2% of them had high school students. That means most of the respondents had high education level. As mentioned earlier, the study collected data from

different sectors and majority of the respondents 52% were from business and consumer sectors, 39% of the respondents came from Financial Institutions, and the rest 9% were telecommunication agencies. Meaning all of the respondents were from the sectors where digital marketing activities were practiced.

### Challenges and Opportunities of Digital Marketing

#### Opportunities of Digital Marketing

The study aimed to assess the challenges and opportunities of digital marketing in Somali region. The result of the study shows that 61% of the respondents strongly agreed the ICT sector is improving and growing, 27% of the respondents agreed, 3% of the respondents disagreed while 9% of the respondents neither agreed nor disagreed. The findings also shows that 57% of the respondents strongly agreed the existence of

growing online markets in the region, 26% agreed, 13% neither agreed nor disagreed, while 2% of the respondents disagreed. 62% of the respondents strongly agreed the existence of growing and improving e-payment system, 24% of the respondents agreed, 9% of the respondents neither disagreed nor agreed while 2% of the respondents strongly disagreed and 2% of the respondents disagreed. The study witnesses the human capacity and adaptation of the current digital era is increasing, 49% of the respondents strongly agreed that the human capacity is developing, 26% of the respondents agreed, 18% of the respondents neither agreed nor disagreed, 1% of the respondents strongly disagreed and 6% of the respondents disagreed. 44% of the respondents strongly agreed the existence of favourable government policies for digital marketing, 29% of the respondents agreed, 20% of the respondents neither agreed nor disagreed while 7% of the respondents disagreed.

**Table 2: Opportunities of digital marketing**

		SD	D	N	SA	A	Mean	StD
Growing and improving ICT	f	1	2	9	61	27	4.10	.721
	%	1	2	9	61	27		
Growing online markets	f	2	2	13	57	26	4.03	.814
	%	2	2	13	57	26		
Growing E-payment system	f	2	3	9	62	24	4.02	.795
	%	2	3	9	62	24		
Developing human capacity	f	1	6	18	49	26	3.92	.883
	%	1	6	18	49	26		
Favourable government policies	f	0	7	20	44	29	3.94	.879
	%	0	7	20	44	29		

Key: SD = Strongly Disagree, D = Disagree, N = Neutral, SA = Strongly agree, A = Agree, StD= Std. Deviation

The results are also supported by the means and standard deviations which are summarized as follows; Growing and improving ICT ( $M = 4.10$ ,  $STD = 0.71$ ); Growing online markets ( $M = 3.03$ ,  $STD = 0.814$ ); Growing E-payment system ( $M = 3.02$ ,  $STD = 0.795$ ); Developing human capacity ( $M = 2.92$ ,  $STD = 0.883$ ); Favourable government policies ( $M = 2.94$ ,  $STD = 0.879$ ).

In this study, five-point Likert scale was used where 1 represent strongly disagree to 5 strongly agree, the mean is very significant; from 1 to 1.80 means strongly disagree; from 1.81 to 2.60 means

disagree; from 2.61 to 3.40 means neutral; from 3.41 to 4.20 agree; from 4.21 to 5 strongly agree.

#### Challenges of Digital Marketing

According to Table 3: 53% of the respondents strongly agreed that lack of skilled workers is hindering the readiness and fully acceptance of digital marketing in all marketing sectors. Due to the literacy of business firms, 27% of the respondents agreed, 10% of the respondents neither agree nor disagree while the rest 10% disagree. The study also shows that 49% of the respondents strongly agreed fearing of the

personal privacy is also challenging issue for digital marketing activities in Somali region, 24% of the respondents agreed, 9% of the respondents disagreed while 18% of them neither agreed nor disagreed. 52% of the respondents strongly agreed that product delivery risk after purchase is also challenging, 22% of the respondents agreed, 7% of the respondents disagreed, 3% of the respondents strongly disagreed while 16% of them neither dis agreed nor agreed. 57% of the respondents strongly agreed that the computer technology is not widely adapted in Somali region, which means the society specifically business firms are still running their day-to-day activities by traditional manual way, 29% of the respondents agreed, 5% of the respondents disagreed, 3% of the respondents strongly disagreed while 6% of the respondents neither disagreed nor agreed. 60% of the respondents strongly agreed that the internet penetration and internet access is low in the study area, 29% of the respondents agreed, and 5% of the respondents disagreed, 3% strongly disagreed and 7% of the respondents neither agreed nor disagreed. 61% of the respondents strongly agreed the power and electric is not as required in the study area, 15% of the respondents agreed, 6% of the respondents disagreed, 2% strongly disagreed and 16% neither disagreed nor agreed. The study also shows 58% of the respondents strongly agreed the existence high illiteracy rate in the study area. That means the business firms and entrepreneurs are lack required skills in adapting the new technologies. 24% agreed, 7% of the respondents disagreed, 1% strongly disagreed and 10% neither agreed nor disagreed.

On the other side, the study shows that the human capacity is still growing and developing in the study area as well as Africa as a whole, but is not as required. 50% of the respondents also strongly

agreed that the internet is costing more both on the firms and consumers when it is compared to average other countries, 26% agreed, 8% disagreed, and 16% neither agreed nor disagreed. 55% of the respondents strongly agreed that there are no adequate existed legal frameworks for digital and e-commerce marketing. Though the government is improving the policies but is not still as required and 20% agreed, 12% disagreed, and 13% neither agreed nor disagreed. 57% of the respondents strongly agreed that the telecommunication infrastructure is poor, 31% agreed, 2% disagreed and 10% neither agreed nor disagreed. 53% of the respondents strongly agreed that the e-payment accessibility in the region is low, 23% agreed, 11% disagreed and 13% neither agreed nor disagreed. The study also witnesses that 53% of the respondents strongly agreed that there is lack of awareness about digital marketing and the procedure it uses in terms business firms as well as the customers, 31% agreed, 3% disagreed, 5% strongly disagreed and 8% neither disagreed nor agreed.

The results are also supported by the means and standard deviations as summarized as follows Lack of skilled workers ( $M = 4.99$ ,  $STD = 0.863$ ); Risk of security and privacy ( $M = 4.89$ ,  $STD = 0.879$ ); Fear of product delivery risk ( $M = 4.84$ ,  $STD = 0.955$ ); Limited usage of computer technology ( $M = 3.84$ ,  $STD = 0.955$ ); Low internet penetration and internet access ( $M = 4.04$ ,  $STD = 0.914$ ); Frequent power disruption ( $M = 4.14$ ,  $STD = 0.742$ ); High rates of Illiteracy ( $M = 3.96$ ,  $STD = 0.844$ ); High cost of internet ( $M = 3.93$ ,  $STD = 0.860$ ); Inadequate legal framework for e commerce ( $M = 3.81$ ,  $STD = 0.911$ ); Poor telecommunication infrastructure ( $M = 4.16$ ,  $STD = 0.681$ ); Low e payment access ( $M = 3.87$ ,  $STD = 0.888$ ); Lack of awareness ( $M = 4.01$ ,  $STD = 0.985$ ).



**Table 3: Challenges of digital marketing**

		SD	D	N	SA	A	Mean	STD
Lack of skilled workers	f	0	10	10	53	27	4.99	0.863
	%	0.0	10.0	10.0	53.0	27.0		
Risk of security and privacy	f	0	9	18	49	24	4.84	0.955
	%	0.0	9.0	18.0	49.0	24.0		
Fear of product delivery risk	f	3	7	16	52	22	3.84	0.955
	%	3.0	7.0	16.0	52.0	22.0		
Limited usage of computer technology	f	3	5	6	57	29	4.04	0.914
	%	3.0	5.0	6.0	57.0	29.0		
Low internet penetration and internet access	f	1	3	7	60	29	4.14	0.742
	%	1.0	3.0	7.0	60.0	29.0		
Frequent power disruption	f	2	6	16	61	15	3.8	0.833
	%	2.0	6.0	16.0	61.0	15.0	3.8	
High rates of Illiteracy	f	1	7	10	58	24	3.96	0.844
	%	1.0	7.0	10.0	58.0	24.0		
Inadequate legal framework for e commerce	f	1	11	13	55	20	3.81	0.911
	%	1.0	11.0	13.0	55.0	20.0		
Poor telecommunication infrastructure	f	0	2	10	57	31	4.16	0.681
	%	0.0	2.0	10.0	57.0	31.0		
Low e payment access	f	0	11	13	53	23	3.87	0.888
	%	0.0	11.0	13.0	53.0	23.0		
Lack of awareness	f	5	3	8	53	31	4.01	0.985
	%	5.0	3.0	8.0	53.0	31.0		
High cost of internet	f	0	8	16	50	26	3.93	0.86
	%	0.0	8.0	16.0	50.0	26.0		

*Key: SD = Strongly Disagree, D = Disagree, N = Neutral, SA = Strongly agree, A = Agree, StD= Std. Deviation*

**Attitude of the Respondents toward Digital Marketing**

According to above *Table 4*, 54% of the respondents access digital marketing while the

rest 46 did not use digital marketing. The respondents who use digital marketing were from the banks and telecommunication agencies while the rest are local business firms.

**Table 4: Digital marketing usage**

Digital marketing usage	Frequency	Percent
Yes	54	54
No	46	46
Total	100	100

**Table 5: Respondents perception toward digital marketing**

Do you perceive digital marketing is important for your business	Frequency	Percent
Yes	90	90
No	10	10
Total	100	100

The respondents were asked how they perceive digital marketing toward their business and 90% of them responded that they perceive it as an

important function of their business. While the rest 10% responded it as no.

**Table 6: Respondents attitude toward digital marketing**

		SD	D	N	SA	A	Mean	STD
Digital marketing was increasing Customer Satisfaction	f	2	1	7	69	21	4.07	.604
	%	2	1	7	69	21		
Digital marketing increase sales	f	1	0	4	77	18	4.11	.551
	%	1	0	4	77	18		
Digital marketing was increasing customer loyalty	f	3	7	12	57	21	3.86	.937
	%	3	7	12	57	21		
Digital marketing was improved overall marketing performance	f	2	1	11	56	30	4.11	.794
	%	2	1	11	56	30		

*Key: SD = Strongly Disagree, D = Disagree, N = Neutral, SA = Strongly agree, A = Agree, StD= Std. Deviation*

The study shows that 69% of the respondents agreed that digital marketing increases customer satisfaction, 29% agreed, 3% disagreed and 7% neither disagreed nor agreed. 77% of the respondents strongly agreed that digital marketing increases sales, 18% agreed, 1% strongly disagreed and 4% neither agreed nor disagreed. 57% of the respondents strongly agreed that digital marketing increases customer loyalty, 21% agreed, 3% strongly disagreed, 7% disagreed and 12% neither disagreed nor agreed. 56% of the respondents strongly agreed that digital marketing improves overall marketing performance, 30% agreed, 2% strongly disagreed, 1% disagreed and 11% neither agreed nor disagreed. That means there is good attitude of the respondents toward digital marketing.

The mean also shows: digital marketing was increasing customer satisfaction ( $M = 4.07$ ,  $STD = 0.604$ ); Digital marketing increase sales ( $M = 4.11$ ,  $STD = 0.551$ ); Digital marketing was increasing customer loyalty ( $M = 3.86$ ,  $STD = 0.937$ ); Digital marketing was improving overall marketing performance ( $M = 4.11$ ,  $STD = 0.794$ ).

**Current digital marketing performance in Somali region**

According to above Table 7, 41% of the respondents rated the current digital marketing condition in Somali region as a poor, 24% rated it as very poor, 13 rated neither good nor bad, 19% rated it as good while 3% rated as a very good. The above findings witnessing that the digital marketing activities in the region is very poor.

**Table 7: Current digital marketing situation in Somali Region**

		Very Poor	Poor	Neutral	Good	Very good	Mean	STD
Current digital marketing performance in Somali region	f	24	41	13	19	3	2.36	1.138
	%	24	41	13	19	3		

**Regression Analysis**

The study used regression model to determine the relationship between independent and dependent variables. The dependent variable was digital marketing while the independent variables were the Security & privacy, Infrastructure, E-payment accessibility, Awareness and Literacy. The study

shows that Security & privacy, Infrastructure, E-payment accessibility, Awareness and Literacy can be explained a significant proportion of variance in marketing performance,  $R^2 = 0.519$  this means that 51.9% of the proportion in digital marketing performance can be explained by Literacy, E-payment accessibility, Security & privacy, Awareness, and Infrastructure.

**Table 8: Regression analysis**

Model summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.720 <sup>a</sup>	.519	.493	.576		
<i>a. Predictors: (Constant), literacy, e-payment access, Security &amp; privacy, Awareness, Infrastructure</i>						
<i>b. Dependent Variable: Digital marketing</i>						
ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	33.670	5	6.734	20.263	.000 <sup>b</sup>
	Residual	31.240	94	.332		
	Total	64.910	99			
<i>a. Dependent Variable: Digital marketing</i>						
<i>b. Predictors: (Constant), Security &amp; privacy, Infrastructure, E-payment accessibility, Awareness and Literacy</i>						
Regression Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.548	.357		1.536	.028
	Security & privacy	.173	.059	.219	2.946	.004
	Infrastructure	.175	.086	.157	2.041	.044
	E-payment Access	.530	.077	.521	6.892	.000
	Awareness	.202	.070	.221	2.885	.005
<i>a. Dependent Variable: Digital marketing</i>						

The study also shows that the significance value in testing the reliability of the model for the relationship of Security & privacy, Infrastructure, E-payment accessibility, Awareness and Literacy and digital marketing performance was  $F=20.263$ ,  $p=0.000$ . Therefore, the model is statistically significant in predicting the relationship between variables. The results are as follows.

The study also found that Security & privacy, Infrastructure, E-payment accessibility, and Awareness were as follows,  $\beta = .219$ ,  $t = 2.946$ ,  $p = .004$ ;  $\beta = .157$ ,  $t = 2.041$ ,  $p = .044$ ;  $\beta = .521$ ,  $t = 6.892$ ,  $p = .000$ ;  $\beta = .221$ ,  $t = 2.885$ ,  $p = .005$ ;  $\beta = -.197$ ,  $t = -2.634$ ,  $p = .010$ ; respectively since the p value was less than  $<.05$  set by the study.

As the table 8 shows, the equation ( $Y = +\beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \epsilon$ ) becomes  $Y = 0.548 + 0.173X_1 + 0.175X_2 + 0.530X_3 + 0.202X_4 - 0.197X_5 + \epsilon$

The above result shows that Security & Privacy (X1), Infrastructure (X2), E-payment Access (X3), Awareness (X4), Literacy (X5) have significant influence on digital marketing performance. This means that all the variables studied do have a significant influence on the

marketing performance of Somali region in Ethiopia.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

Infrastructure had a significance influence on digital marketing performance in Somali regional state. The study shows that the government infrastructure specifically electric power and telecommunication directly effects on digital marketing performance in the study area. Therefore, the study concludes that digital marketing performance depends on government infrastructures. The study also found that E-payment accessibility have a significance influence on digital marketing performance in Somali region. Security and privacy were positively related to the digital marketing performance. So, the study concludes that e-payment accessibility and security privacy affect digital marketing performance. Awareness also positively affects digital marketing; therefore, the study concludes that awareness had a significance impact on digital marketing.

## Recommendations

Since the study found that the government infrastructure has a significance effect on digital marketing, the study recommends to the government improving of the infrastructures especially electric power and telecommunications. The study also recommends awareness creation and security improvements in order to overcome and solve the digital marketing challenges. Also, the study found that e-payment accessibility had a significance impact on digital marketing performance. Therefore, the study recommends to the public and private financial institutions to improve and increase the electronic payment accessibility. The study also recommends awareness creation within the society. Because infrastructure, e-payment access, security and privacy issues and awareness are the most challenging topics for digital marketing in Somali regional state.

## Recommendations for Further Research and Limitations

This study experienced limitations which serve as suggestions for further research. The study collected data only three cities in Somali regional state. This creates a gap that needs to be filled in the study area. Also, there is need for other studies to be conducted in other regions of

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