



**THE IMPACT OF MARKETING STRATEGIES ON THE GROWTH OF SMALL
MEDIUM ENTERPRISES IN PALLISA TOWN COUNCIL**

BY

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**A RESEARCH REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE
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DECLARATION

I **AKELLO JACKIE ANNA**, REG NO **BU/UP/2023/1210** hereby declare that contents of this work are my original work and that no other study has been conducted on the topic. To the best of my knowledge, this work has never been submitted before in any other university or higher institution of learning for any degree or related qualification.

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Signature.....

Date.....13th Jul 2026.....

APPROVAL

This is to certify that this report has been submitted in partial fulfillment of the requirement for the award of Bachelors Degree of Business Administration with my approval as a university supervisor.

ACADEMIC SUPERVISOR

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Signature.....

Date.....13th July 2026.

DEDICATION

Every challenging work needs self-efforts as well as guidance of elders especially those who were very close to our heart. This work is dedicated to my parents **Mrs. APIO EUNICE OTIM** and **Mr. OTIM ISAAC**, and to my siblings for their moral support, encouragement and understanding. To all my friends, course mates, lecturers and the Almighty God for His unceasing blessings without which it is impossible to ensure the proposal submission a reality.

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LIST OF ABBREVIATIONS

ANOVA- Analysis of Variance

BBA - Bachelor of Business Administration

DV- Dependent Variable

GS- Growth strategy

IV- Independent Variable

PS- Product Strategy

PRS- Pricing Strategy

PMS- Promotion Strategy

Sig- Significance

SMEs –Small Medium Enterprises

SPSS- Statistical Package for the Social Sciences

UBOS- Uganda Bureau of Statistics

ABSTRACT

This study examined the effect of marketing strategies on the growth of Small and Medium Enterprises (SMEs) in Pallisa Town Council, Uganda. Specifically, the study sought to determine the influence of product strategies, pricing strategies, and promotion strategies on SME growth. A descriptive research design employing both quantitative and qualitative approaches was adopted. Primary data were collected from 66 owners, managers, and sales personnel of SMEs using structured questionnaires. The data were analyzed using the Statistical Package for Social Sciences (SPSS Version 20). Descriptive statistics were used to summarize respondent characteristics, while Pearson's correlation and multiple regression analyses were used to establish the relationship between marketing strategies and SME growth. The findings revealed that marketing strategies have a strong positive and statistically significant influence on the growth of SMEs. The regression model showed a strong relationship between the independent and dependent variables ($R = 0.802$), with marketing strategies explaining 64.4% of the variation in SME growth ($R^2 = 0.644$). The overall regression model was statistically significant ($F = 37.345$, $p < 0.001$), confirming that marketing strategies collectively have a significant effect on SME growth. Among the predictor variables, product strategy emerged as the strongest determinant of SME growth ($\beta = 0.480$, $p < 0.001$), while pricing strategy and promotion strategy also had positive and statistically significant effects. The study concludes that effective implementation of product, pricing, and promotion strategies significantly enhances the growth of SMEs in Pallisa Town Council. The study recommends that SME owners prioritize product development, adopt competitive pricing policies, and strengthen promotional activities to improve business performance and achieve sustainable growth.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the background of study, the problem statement, and the purpose of the study, the objectives of the study, research questions, scope, significance, and the conceptual framework that guides research.

1.1 Background of the study

Small and Medium Enterprises (SMEs) are widely recognized as engines of economic development, job creation and innovation. SMEs contribute up to 90% of businesses and more than 50% of employment worldwide (Bank, 2020). SMEs refer to businesses that form the backbone of many economies. Effective marketing strategies have been identified as key drivers of SME success enabling businesses to attract customers, increase sales, and remain competitive in dynamic markets (Kotler, 2016). In developed and emerging economies, the adoption of both traditional and digital marketing strategies has significantly improved business growth and sustainability (Chaffey, 2019). In addition, SMEs globally are often the main source of innovation through the introduction new products and services, adopting the new technology, and exploring niche markets that larger firms might overlook. Their flexibility allows them to respond quickly to market changes, consumer trends, and technological advancements making them crucial for maintaining competitive and resilient economies ([OECD], 2021). The growth

of SMEs is measured in terms of increase in sales and profitability and business expansion (Fajarika, 2023).

Despite the benefits of SMEs highlighted above they still face numerous challenges that hinder their growth such as stagnant growth, low profitability. For example, globally in E2China and Indonesia, many SMEs often struggle with limited access to finance, poor infrastructure and inadequate marketing knowledge.

In Africa, studies show that in Nigeria, Kenya and Ghana, many SMEs struggle with limited market access, low customer awareness, and inadequate marketing capabilities (Tayeba, 2025). Other challenges like regulatory barriers, poor infrastructure, and lack of professional training, reduce the ability of SMEs to scale operations and reach broader markets (AfDB, 2020). This situation is not different from Uganda, as evidence from Enterprise Uganda shows that there is low customer awareness, poor infrastructure and inadequate marketing capabilities.

However, access to finance remains a major constraint for African SMEs. Without adequate funding, many businesses are unable to invest in advertising, technology, and skilled personnel required to implement robust marketing strategies. These SMEs continue to experience slow growth and high failure rates. This has been partly attributed to weak marketing strategies, limited financial resources, and lack of managerial skills. Also, most SMEs in Ugandan are often family owned and operate in informal sectors such as retail, agriculture based trading and small scale manufacturing as nearly 80% of SMEs in Uganda operate without formal business registration which limits their access to formal markets and financial services (UBOS, 2022).

In the context of Pallisa Town Council, SMEs operate in a highly competitive and resource-constrained environment. Many businesses rely on informal and traditional marketing methods such as word-of-mouth, with limited use of structured marketing strategies. This has resulted in

low customer reach, reduced sales performance, and limited business expansion. Furthermore, the adoption of modern marketing approaches, including digital platforms, remains low among SMEs in this area; as a result, many SMEs in Pallisa Town Council remain small, informal, and unable to achieve significant growth (UBOS, 2022).

To address the problem of poor growth of SMEs, this study was anchored on the Marketing Mix Theory (4Ps) which was popularized by E. Jerome McCarthy and later advanced by Philip Kotler. The theory identifies four key elements of marketing strategy namely product, price, place, and promotion, which organizations use to influence customer purchasing decisions and achieve their objectives (Keller, 2022). This study is therefore relevant as it explains how these marketing mix elements influence the growth and performance of SMEs in Pallisa Town Council.

Various studies have been carried out on the effect of marketing strategies in the growth of SMEs (Dushyenthan, 2024). However, most of these studies are country specific from outside countries and not in Uganda context. Therefore, it is hard to conclude based on these findings on the situation of SMEs growth in the context of Pallisa town council. It's upon this that this study seeks to explore how different marketing strategies such as pricing, promotion, branding, and digital marketing affect customer acquisition, sales volume, and business expansion.

1.2 Problem Statement

Despite the pivotal contributions of SMEs growth towards the economic development like, employment creation, income generation and promotion of innovation and entrepreneurship, there is still evidence of SMEs stagnant growth, low profitability, limited market share, and high failure rates. Studies indicate that a large number of SMEs fail within their first few years of operation due to poor business practices and limited competitiveness (Yahaya, 2023). A major

contributing factor appears to be the ineffective use of marketing strategies. Marketing strategies such as product development, pricing, promotion, and distribution play a critical role in enhancing business performance and growth (Kotler, 2016). However, many SME owners lack sufficient knowledge, skills, and resources to implement these strategies effectively. This study therefore seeks to examine the impact of marketing strategies on SME's growth in Pallisa Town Council.

1.3 Purpose of the study

The main purpose of this study is to examine the impact of marketing strategies on the growth of Small and Medium Enterprises (SMEs) in Pallisa Town Council.

1.4 Research questions

- i. To examine the effect of product strategies on the growth of SMEs.
- ii. To assess the influence of pricing strategies on SME growth.
- iii. To evaluate the impact of promotion strategies on SME growth.

1.5 Research questions

- i. What is the effect of product strategies on the growth of SMEs in Pallisa Town Council?
- ii. What is the influence of pricing strategies on the growth of SMEs in Pallisa Town Council??
- iii. What is the effect of promotion strategies on the growth of SMEs in Pallisa Town Council??

1.6.0 Scope of the study

1.6.1 Content scope

The study will focus on marketing strategies that is the product, price, and promotion strategies, and the growth of SMEs in terms of sales volume, profit levels, customer base and business expansion.

1.6.2 Geographical scope

The study will be carried out in Pallisa Town Council which is located in Eastern Uganda. The area is selected because it has a high concentration of SMEs operating in different sectors such as retail, services, and small-scale trade and the presence of significant evidence in regards to low /stagnant growth of SMEs in the context of study.

1.6.3 Time scope

The study will cover the period between 2020 and 2026 to capture recent trends in marketing strategies and SME growth and provide the detailed evidence on the challenges of SMEs growth in Pallisa Town Council.

1.7 Significance of the study

The study will provide SME owners and managers with a deeper understanding of how different marketing strategies such as product development, pricing, promotion and distribution directly influence business growth. It will guide them on how to attract and retain customers and improve sales performance.

Government bodies and agencies such as the Uganda Bureau of Statistics and local authorities will benefit from the study by gaining insights into the challenges SMEs face in implementing effective marketing strategies.

The study will contribute to the existing body of knowledge in the field of marketing and entrepreneurship by providing empirical evidence on the relationship between marketing strategies and SME growth. It will serve as a useful reference for future researchers who may wish to explore similar topics especially within local contexts such as Pallisa town council

The study will indirectly benefit the local community in Pallisa town council through the improved performance and growth of SMEs. This can lead to job creation, increased income levels and improved standards of living. As businesses grow, they are more likely to provide better goods and services to the community contributing to the overall local development.

1.8 Conceptual framework

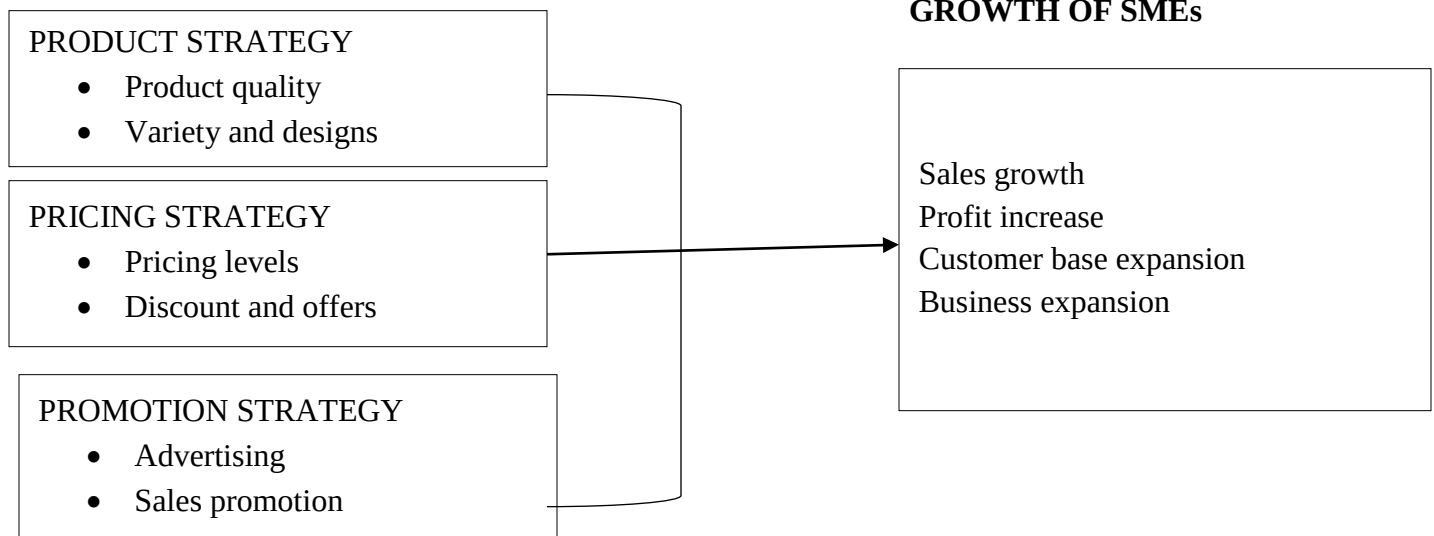
The conceptual framework illustrates the variables that affect the research, including both independent and dependent factors.

Figure 1.1 A conceptual framework showing the variables that affect the research, including both independent and dependent factors.

INDEPENDENT VARIABLE (IV)

DEPENDENT VARIABLE (DV)

MARKETING STRATEGIES



Source: Adapted from Kotler and Keller (2016) and Caesar et al. (2017)

The conceptual framework above shows that the independent variable consists of a marketing strategy that incorporates product strategy, pricing strategy, promotion strategy and distribution strategy. Product Strategy involves decisions related to the quality, design, packaging, and variety of products or services offered and these help SMEs provide products that meet customer needs and preferences. Pricing strategy determines how much customers pay for a product or service and appropriate pricing strategies help SMEs attract more customers while maximizing

profits and ensuring business sustainability. Promotion strategy includes advertising, sales promotion, personal selling, and use of digital platforms such as social media. Effective promotion increases customer awareness, influences buying decisions, and enhances the visibility of SMEs in the market. Distribution strategy refers to how products are delivered to customers. Efficient distribution ensures that products are available at the right place and time, improving customer convenience and increasing sales.

Because of these marketing strategies, the growth of SMEs is the dependent variable. Growth of SMEs refers to the improvement in business performance over time. It is measured using sales growth, profit increase, customer base expansion and business expansion. Sales growth refers to an increase in the volume of goods or services sold by the business over a given period. Profit increase is the ability of the business to generate more income after deducting costs, indicating financial success. Customer base expansion refers to an increase in the number of customers purchasing from the business, showing improved market reach. Business expansion refers to the growth in the size or scale of the business, such as opening new branches, increasing stock, or expanding operations.

The framework assumes that effective implementation of marketing strategies leads to improved SMEs growth such as good product quality that attracts customers, fair pricing that encourages repeat purchases, strong promotion that increases awareness, efficient distribution which improves accessibility. Together these strategies contribute to increased sales, higher profits, and overall business expansion.

CHAPTER TWO

LITTERATURE REVIEW

2.0 Introduction

This chapter reviews existing literature on marketing strategies and their impact on the growth of Small Medium Enterprises (SMEs). It covers theoretical foundations and empirical studies related to product, pricing and promotion strategies, identifies gaps in literature and shows how the current study addresses those gaps.

2.1 Theoretical review

2.1.1 Marketing Mix Theory (4Ps)

The Marketing Mix Theory commonly referred to as the 4Ps model, remains one of the most widely used frameworks in marketing. The theory was popularized by E. Jerome McCarthy and later advanced by Philip Kotler. It identifies four key elements namely which are product, price, place, and promotion, which organizations use to influence customer purchasing decisions and achieve their objectives (Keller K. &., 2022). According to recent studies, the marketing mix remains a fundamental tool that enables businesses to design effective strategies for reaching their target markets and satisfying customer needs. The four elements are interrelated and must be carefully coordinated to create value for both the firm and its customers (Pandey, 2025).

The product element refers to decisions about quality, features, design, variety and branding. Businesses that provide high-quality and innovative products are more likely to attract and retain customers, leading to increased sales and growth (Jagongo, 2020).

The price element involves setting the appropriate price levels that reflect the product while remaining attractive to target customers. Appropriate pricing strategies help firms remain

competitive while maximizing profitability (Keller K. &, 2022).The place element focus on making products available to customers through convenient channels. This includes distribution channels, location, and logistics. Effective distribution ensures that products are available at the right place and time, improving customer convenience and satisfaction. (Wirtz, 2021). The promotion element covers all communication strategies aimed at creating awareness and persuading customers to buy, for example, personal selling. Promotion plays a key role in creating awareness and influencing customer behavior. (Ellis-Chadwick, 2022)

Recent literature shows that the marketing mix has evolved to accommodate modern business environments, especially with the rise of digital marketing. However, the 4Ps framework remains relevant as it can be adapted to changing market conditions and technological advancements.

The theory of Marketing Mix also emphasizes that the 4Ps should be changed and adapted to meet the changing needs and preferences of the customers. For example, SMEs will have to reassess and rebalance the products, prices, channels of distribution, and promotions constantly to ensure that all elements remain competitive and relevant in the different marketplaces. This allows flexibility that ensures the marketing strategies are able to meet changing customer's expectations and satisfaction. (Keller P. K., 2016)

McCarthy also points to the role of feedback and data in refining the marketing mix. Through analyzing the customer preferences, customer feedback, and market research, SMEs are in a position to get an insight into how well their marketing strategies are working and make great choices and decisions towards that aspect. Therefore, this approach being data-driven, will allow the SMEs to optimize the marketing mix for a greater effectiveness in attracting and retaining customers. (Pepels, 2021). Furthermore, empirical evidence indicates that firms that effectively

integrate the four elements of the marketing mix are better positioned to influence consumer behavior, build customer loyalty, and achieve sustainable growth.

2.2 Empirical Literature Review

2.2.1 Product Strategy and Growth of SMEs

Product strategy is a key determinant of SME growth, focusing on aspects such as quality, design, innovation, and branding. Product strategy remains a cornerstone of SME competitiveness, encompassing decisions on quality, innovation, design, branding, and product differentiation. (Philip Kotler, 2022).

Product strategy remains a cornerstone of SME competitiveness and long-term sustainability. It encompasses critical decisions related to product quality, features, design, innovation, packaging, branding, and differentiation. Extensive empirical studies have consistently shown that SMEs that strategically invest in superior product development and continuous innovation tend to achieve higher levels of customer satisfaction, repeat purchases, customer loyalty, and overall market expansion (Keller et al., 2022; Jagongo, 2020). In competitive markets, well-executed product strategies enable small businesses to stand out by addressing specific customer pain points and adapting quickly to evolving preferences, which is particularly vital in resource-limited environments.

In developing economies across Africa, research provides strong evidence of this relationship. For instance, Jagongo, (2020), in a study of Kenyan SMEs demonstrated that product innovation and enhancements in quality were directly correlated with increased sales volumes, improved profitability, and business expansion. Similarly, Irina (2014), emphasized that SMEs capable of continuously adapting their product offerings to shifting consumer trends were better positioned to survive market disruptions such as economic shocks or technological changes. Ceptureanu

(2017), further highlighted that in highly resource-constrained settings, tactics like product bundling, customization, and value-added modifications allow SMEs to create niche markets and foster stronger brand loyalty among local consumers. These strategies not only enhance perceived value but also contribute to higher retention rates even when facing competition from larger firms.

However, the implementation of effective product strategies is fraught with challenges, especially for SMEs in rural and semi-urban areas. Many businesses grapple with limited access to modern technology, inadequate market research capabilities, financial constraints, and a shortage of skilled personnel, all of which severely restrict innovation efforts (Mustapha, 2017). In contexts like Pallisa Town Council, these barriers are exacerbated by poor infrastructure, unreliable electricity, and limited exposure to global market trends, resulting in heavy reliance on generic, low-differentiation products that fail to command premium prices or attract a broader customer base. Kenu (2020) in India found that SMEs adopting proactive product development practices experienced up to 35% higher growth rates compared to those maintaining static product lines, underscoring the transformative potential of innovation even with modest resources.

Recent studies also underscore the pivotal role of branding as an integral component of product strategy. Strong branding not only differentiates offerings in crowded local markets but also enables SMEs to build emotional connections with customers, command premium pricing, and generate organic growth through positive word-of-mouth referrals (Reinartz, 2021). For example, SMEs that systematically integrate customer feedback loops into product design processes report significantly higher retention rates and accelerated business growth.

In the Ugandan context, Tayebwa (2025) observed that retail and agro-processing SMEs investing in quality certification and localized product adaptations were more successful in accessing markets beyond their immediate localities, although high innovation costs and technical skill gaps continue to constrain many enterprises in Eastern Uganda. Oketch (2023) further supports this in a study of Ugandan SMEs, noting that successful innovation strategies focused on product modification help diversify revenue streams and enhance resilience.

Despite the evidence, the majorities of empirical studies are concentrated in urban centers or developed economies, with scant attention paid to highly localized, informal, and rural settings such as Pallisa Town Council. There remains insufficient research on the synergistic interplay between product strategy and other marketing mix elements (price, promotion, and place) specifically within the Ugandan SME landscape, limiting the applicability of existing findings to town council-level policy and practice. (Komunda, Osarenkhoe, Fjellstrom, Katusabe, & Nyongyera, 2023)

2.2.2 Pricing Strategy and Growth of SMEs

Pricing strategy plays a significant role in determining the competitiveness and profitability of SMEs. It involves setting prices that reflect the value of the product while remaining affordable to customers. According to Kotler & Keller (2022), pricing directly affects customer perception and purchasing decisions, making it a critical factor in business success.

Pricing strategy is a critical determinant of SME profitability, customer perception, market positioning, and overall growth trajectory. It involves setting optimal price levels that balance production costs, perceived customer value, competitive dynamics, and market demand. According to Keller and Keller (2022), effective pricing decisions directly influence purchasing

behavior and long-term business sustainability by shaping how customers view the value proposition of products or services.

Empirical evidence robustly supports the positive impact of strategic pricing. Reintarz(2021), demonstrated that value-based and dynamic pricing models significantly enhance customer loyalty, repeat purchases, and sales growth when aligned with customers' willingness to pay. Kezlenkova (2020), found that SMEs employing flexible, market-oriented pricing approaches in volatile economic environments outperformed those relying on rigid cost-plus pricing methods. In African contexts characterized by high price sensitivity due to lower disposable incomes, studies from Nigeria and Kenya reveal that psychological pricing techniques (such as odd-number pricing) and targeted promotional discounts can drive short-term sales surges, although overuse may damage long-term brand perception and quality signals (Jagongo, 2020). Mustapha (2017), added that SMEs with robust cost-control mechanisms and reliable market intelligence are far better equipped to deploy sustainable pricing strategies that support profitability.

A recent study by Ndwandwe(2026) in South Africa, involving 132 SMEs, confirmed a significant positive relationship between well-implemented pricing strategies and both business growth and sustainability. The research highlighted that frequent price reviews (quarterly or monthly) in response to market changes lead to better performance outcomes compared to annual adjustments. Value-based pricing emerged as particularly effective, fostering customer retention and revenue stability in competitive settings. Similarly, research on Nigerian SMEs showed that value-based and dynamic pricing yielded the highest financial performance ratings, with regression analysis confirming strong correlations to profitability ($p < 0.01$ for value-based pricing).

Challenges in pricing remain pronounced for SMEs in rural areas like Pallisa Town Council. Fluctuating raw material costs, intense competition from informal traders, limited access to real-time market data, and high customer price sensitivity often result in thin profit margins and hindered expansion. In such environments, poor pricing decisions can lead to cash flow problems and business stagnation. Pandey(2025), stresses that regular competitor analysis and adaptive pricing are essential for maintaining advantage in saturated local markets. For Pallisa SMEs, adopting hybrid pricing models that combine cost considerations with customer value perception could unlock greater growth potential, though skill gaps in data-driven decision-making continue to impede progress.

Several studies confirm a positive relationship between effective pricing and SME growth addressing pricing dynamics in highly informal, rural economies or the interactive effects of pricing with product development and promotional activities. Localized empirical evidence on optimal pricing models and price sensitivity specific to Eastern Uganda and areas like Pallisa Town Council is particularly limited, highlighting a critical gap for context-specific interventions. (UBOS, Statistical Abstract , 2022)

2.2.3 Promotion Strategy and Growth of SMEs

Promotion strategy is essential for creating awareness, attracting customers, and increasing sales and it involves personal selling among others. Promotion plays a vital role in communicating the value of products and influencing customer behavior. (Ellis-Chadwick, 2022)

Promotion strategies play an indispensable role in creating brand awareness, stimulating demand, attracting new customers, and building lasting relationships that drive SME growth. These strategies encompass a wide array of tools including advertising, personal selling, sales promotions, public relations, and digital marketing channels (Ellis-Chadwick, 2022).

Empirical studies consistently affirm the growth-enhancing effects of promotion. Reinnartz(2021) and Jagongo (2020) found that SMEs implementing integrated promotional campaigns experienced notable expansions in customer bases and revenue. Digital platforms, particularly social media and mobile-based tools, have emerged as cost-effective avenues for reaching wider audiences, with localized and interactive content yielding higher engagement and conversion rates (Kezlenkova, 2020). In developing countries, traditional methods such as word-of-mouth, community events, and radio advertising remain dominant due to accessibility, yet hybrid approaches combining these with low-cost digital tools show promising results where infrastructure permits.

Budget limitations, low digital literacy, and infrastructural deficits (such as unreliable internet and electricity) severely constrain promotional effectiveness in rural settings like Pallisa Town Council (Mustapha, 2017). Ellis Chadwick(2022) noted that SMEs successfully blending traditional media (e.g., posters, radio) with platforms like WhatsApp Business and Facebook achieved superior reach among semi-urban customers. In Uganda, studies highlight that personal selling and relationship-based marketing thrive in trust-oriented economies, leading to higher repeat business and referrals (Wirtz, 2021). Furthermore, measuring return on promotional investment enables SMEs to optimize scarce resources and refine campaigns for better outcomes.

Additional evidence from African contexts underscores the need for context-appropriate promotion. SMEs that invest in customer engagement initiatives, such as interactive social media content and personalized communication, report stronger brand associations and loyalty, which translate into sustained growth through repeat purchases and positive referrals (Adejuwon, 2022). However, many rural SMEs face barriers including low digital literacy, unreliable internet

and limited budgets, resulting in limited market penetration and missed opportunities for business expansion in areas like Pallisa Town Council (Ellis-Chadwick, 2022) ; (Mustapha, 2017).

There exists limited empirical data evaluating the effectiveness of hybrid traditional-digital promotion strategies in Ugandan rural environments. Most existing research fails to adequately explore the holistic interactions among promotion, pricing, and product strategies in driving comprehensive SME growth outcomes such as market share, profitability, and business expansion in localized contexts like Pallisa Town Council. This gap calls for more targeted studies to inform practical recommendations for small businesses in Eastern Uganda (Cunningham, 2020)

2.3 Gaps in Literature

Despite the growing body of literature on marketing strategies and SME growth, several gaps remain evident.

First, most studies have been conducted in developed countries and urban areas, with limited focus on rural and semi-urban settings. Contextual differences such as infrastructure, access to technology, and market dynamics significantly influence SME performance, yet these factors are often overlooked in existing studies (Kozlenkova, 2020). This creates a gap in understanding how marketing strategies operate in rural areas like Pallisa Town Council.

Second, many studies tend to focus on a single marketing strategy rather than examining the combined effect of multiple strategies. For example, studies by Jagongo (2020) mainly focus on

marketing mix elements individually, without providing a comprehensive analysis of how these strategies interact to influence SME growth.

Third, there is limited empirical evidence specifically addressing SMEs in Uganda. While studies such as those by (Ellis-Chadwick, 2022) and Kumar and Reintarz (2021) provide valuable insights, they are largely based on global or developed market contexts, which may not fully apply to local SMEs.

Fourth, the rapid advancement of digital marketing has changed the way businesses operate, yet many studies have not fully explored how SMEs in developing countries are adapting to these changes. This is particularly important given the increasing role of digital platforms in marketing and distribution.

Finally, there is a lack of localized research that directly links marketing strategies to SME growth outcomes such as sales, profitability, and market share at the town council level. This limits the applicability of existing findings to specific areas like Pallisa.

Therefore, this study addresses these gaps by providing empirical evidence from Pallisa Town Council, Uganda.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents and discusses the research design that was adopted for the study, area and population of study, the sampling method and techniques applied, data collection methods and instruments used, data quality control, data analysis and presentation, ethical considerations and limitations to the study.

3.1 Research Design

The study adopted a cross-sectional research design using a quantitative approach to investigate the current situation regarding marketing strategies and SME growth in Pallisa town council. The above design is considered because it allows the researcher to collect data from SMEs in Pallisa Town Council at a single point in time to examine how different marketing strategies influence their growth. The quantitative approach is chosen because it enables objective statistical analysis, generalizable findings, and measurement of relationships between variables (Creswell, 2014)

3.2 Study Population

The study population consisted of 80 SMEs operating within Pallisa Town Council. These included SME owners, managers, marketing staff, and selected local government officials who have knowledge about business operations and marketing practices.

3.3 Sample Size and Sample Determination

A sample size is the number of observations selected from a given population to participate in a research study (Creswell, 2014). From the population of 80 SMEs, 66 businesses were selected using Krejcie and Morgan, (1970)table of sample size determination. From each SME, three persons (owners, managers, and sales persons) were selected purposively in the study because of their critical role in ensuring the financial accessibility and progressive growth of the businesses.

Table 3.1 Target population and sample size of the study

Category of respondents	Population	Sample size	Sampling technique
SME Owners	35	29	Simple Random Sampling
SME Managers	20	17	Simple Random Sampling
Marketing Staff	15	12	Simple Random Sampling
Local Government Officials	10	8	Purposive Sampling
Total	80	66	

SOURCE: Krejcie and Morgan, (1970).

3.4 Sampling Method/Technique

The study used simple random sampling to select 66 small-scale enterprises in PTC from the population of 80 SMEs. This technique provides every member of a population that has an equal and chance of being selected for the sample (Zaveri, 2024). Pieces of paper with the names of the small-scale enterprises were written and placed in box and shuffled. It's from this that the 66 SMEs will be selected without replacement for the study. This method was used because it

minimizes selection bias, ensuring that the sample is representative of the entire population and that research findings can be generalized.

3.5 Type and Sources of Data

Primary data were collected using a structured questionnaire from SME owners and managers . Primary data is preferred as it provides current, specific, and relevant information tailored to the Pallisa context, ensuring accuracy and originality (Mark N. K. Saunders, 2019)

3.6 Data Collection Method and Tools

In this study, the survey method was used and the primary tool for collecting data in this study were the structured questionnaire and interview guide. The questionnaire included both closed-ended questions focusing on marketing strategies such as advertising, pricing, promotion, and customer relationship management.

3.7 Measurement of Study Variables

This study measured both the independent variable that includes product strategy, pricing strategy and promotional strategy that has 23 items in total and dependent variables that includes growth of SMEs that has 7 items. We also used a structured questionnaire designed on a 5-point Likert scale (1= strongly disagree to 5= strongly agree). This approach allows for quantitative analysis of respondent's perceptions regarding marketing strategies and SME.

3.8 Data Collection Procedure

The procedure of collecting data followed a systematic process to ensure accuracy and reliability of the information obtained. The researcher first obtained an introduction letter from Busitema

university and sought permission from relevant authorities in Pallisa Town Council. Structured questionnaires were then distributed to selected SME owners, managers, marketing staff, and local officials. Respondents will be given time to complete them after which the questionnaires were collected, checked for completeness and prepared for analysis. Confidentiality and voluntary participation were ensured throughout the process (Kothari, 2004).

3.9 Data Quality Control

3.9.1 Validity of the Research Instrument

Validity refers to the degree to which an instrument measures what it is intended to measure. In this study, content validity was ensured to confirm that the questionnaire adequately covers all relevant aspects of the marketing strategies (product, price, and promotion) and SME growth variables. The Content Validity Index (CVI) were computed after expert review and pilot testing. The CVI is essential because it provides a quantitative measure of the relevance, clarity, and representativeness of each item in the questionnaire as judged by subject matter experts. It helps eliminate ambiguous, irrelevant, or poorly worded questions, thereby enhancing the overall quality and accuracy of the data collected (Beck, 2006); (M.E.Amin, 2005); (Yaghmaei, 2003). A CVI of 0.70 or higher indicates the instrument is valid for the study (Beck, 2006); (M.E.Amin, 2005).

Content validity was ensured by having the questionnaire reviewed the supervisor and two other experts in business research. A pilot test was conducted on a few selected respondents outside the main study sample to check clarity, relevance and appropriateness of the questions.

3.9.2 Reliability of the Research Instrument

Reliability refers to the extent to which a research instrument produces consistent and stable results when used under similar conditions. It is concerned with the consistency, dependability, and repeatability of the measurements obtained from the data collection tool (Creswell, 2014); (Mark N. K. Saunders, 2019). The reliability of the questionnaire was tested using the Cronbach's Alpha coefficient to assess its internal consistency. It evaluates how closely related a set of items are as a group by examining the inter-item correlations (Cronbach, 1951; Nunnally & Bernstein, 1994). All variables recorded Cronbach's Alpha values above 0.7, which is considered for social science research (see table 3.2 below).

Table 3.2 Reliability table

	Variable	Cronbach's Alpha	N of Items
	Marketing strategies	.914	23
	Growth of SMEs	.837	7

Source: Primary data, 2026

The reliability analysis using Cronbach's Alpha indicated a coefficient of 0.914 for the 23 items under independent variables and 0.87 for 7 items under dependent variables, which demonstrates good internal consistency of the measurement scale.

3.10 Data Analysis and Presentation

The collected data were coded, entered and analyzed using statistical software tools such as SPSS. Descriptive statistics including frequencies, percentages were used to summarize the

quantitative data. In addition, inferential analysis such as correlation were applied to find out the relationship between marketing strategies and the growth of SMEs.

Furthermore, a multiple linear regression analysis was used to determine the impact of the independent variables (product strategy, pricing strategy, and promotion strategy) on the growth of SMEs. Regression analysis is particularly appropriate because it allows the researcher to determine the extent to which each marketing strategy predicts or influences SME growth while controlling for other variables. The data got were presented using tables, charts, and graphs to make the findings clear and easy to understand.

3.11 Ethical Considerations

The study observed high ethical standards throughout. Permission to conduct the research were obtained from relevant authorities in Pallisa Town Council. Participation of respondents were voluntary and informed consent were sought before data collection. The researcher ensured confidentiality by not disclosing respondents' identities and used the information collected strictly for academic purposes. No respondents were coerced, and all information collected was used only for academic purposes.

CHAPTER FOUR

DATA PRESENTATION AND INTERPRETATION OF THE FINDINGS

4.0 Introduction

This chapter presents, analysis, interpretation of findings, response rate, demographic characteristics of respondents, correlation analysis and regression analysis obtained from the field study on the relationship between marketing strategies and growth of SMEs in Pallisa Town Council.

4.1 Response rate

A total of 80 questionnaires were administered to all the SMEs in Pallisa Town Council. Out of the total 80 questionnaires, 66 useable questionnaires were obtained to enable a meaningful analysis of the data with 82.5% response rate. According to Mugenda and Mugenda (2003), a response rate of 70% and above is considered very good for data analysis in social research.

4.2 Demographic characteristics

This section presents the gender, age, education level, position, length of the business and which sector does the business belong.

Gender

Table 4.1 Gender of Respondents

		Frequency	Percent
Valid	Female	25	37.9
	Male	41	62.1
	Total	66	100.0

Source: Primary Data, 2026

The above table shows that 62.1% of respondents are males and 37.9% of the respondents are females. This implies that more of the males use the service compared to females since males are often considered to be primary income earners, coupled with better access to capital and fewer domestic responsibilities compared to females in Pallisa Town Council.

Age of the respondents

Table 4.2: Respondent age

		Frequency	Percent
Valid	18-23 years	15	22.7
	24-29 years	8	12.1
	30-35 years	15	22.7
	36-41 years	14	21.2
	42-above years	14	21.2
	Total	66	100.0

Source; Primary data, 2026

The age distribution of respondents was fairly balanced across brackets in this way ,18–23 years (22.7%), 30–35 years (22.7%), 36–41 years (21.2%), 42 years and above (21.2%), and 24–29 years (12.1%). This shows that the respondents are mainly youthful in nature and able to adopt to new marketing strategies that can enhance customer satisfaction experience.

Education level of the respondents

The education level of the respondents is important for it influences their perceptions in regards to customer satisfaction. Education level affects the degree of adoption of new marketing strategies.

Table 4.3 Education level

		Frequency	Percent
Valid	Certificate	16	24.2
	Degree	7	10.6
	Diploma	14	21.2
	Ordinary	9	13.6
	Primary	20	30.3
	Total	66	100.0

Source: Primary Data, 2026

In terms of highest level of education, the largest group had attained Primary education (30.3%, n=20), followed by Certificate (24.2%, n=16), Diploma (21.2%, n=14), Ordinary level (13.6%,

n=9), and Degree (10.6%, n=7). This implies that most respondents start their business early due to the need to earn money and cater for the family.

Position in the business

Table 4.4 Position of the respondents

		Frequency	Percent
Valid	Manager	19	28.8
	Owner	24	36.4
	Sales person	23	34.8
	Total	66	100.0

Source: Primary data, 2026

Regarding position in the business, Owners were the largest category (36.4%, n=24), followed closely by Sales persons (34.8%, n=23) and Managers (28.8%, n=19). This shows that most respondents have enough knowledge on marketing strategies in order to start their own businesses

Length of the business

This talks about how long the business has lasted in operation.

Table 4.5 Length of the business

		Frequency	Percent
Valid	0-4 years	20	30.3
	10-14 years	14	21.2
	15-above years	17	25.8
	5-9 years	15	22.7
	Total	66	100.0

Source: Primary data, 2026

Business characteristics reveal that most businesses had been operating for 0–4 years (30.3%), followed by 15 years and above (25.8%), 5–8 years (22.7%), and 10–14 years (21.2%). The dominant business sectors were Food and Beverage (24.2%), Personal Services (18.2%), and Education (16.7%).

Sector of the business

Table 4.6 sector of the business

		Frequency	Percent
Valid	Agriculture	7	10.6
	Education	11	16.7
	Events	7	10.6
	Food and beverage	16	24.2
	Manufacturing	5	7.6
	Personal service	12	18.2
	Retail	8	12.1

Total	66	100.0
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Source: Primary data, 2026

Food and beverages has the highest number of respondents that is 16 with 24.2% followed by personal service 12 respondents (18.2%), education 11 (16.7%), 7 respondents respectively for agriculture and events (10.6%), retail 8 respondents (12.1%) and manufacturing 5 respondents (7.6%). This shows that more businesses in the SMEs naturally fit foods and beverages group.

4.3 Correlation analysis

This section presents the relationship between product, pricing, promotion and growth of SMEs. The Pearson's correlation was conducted to determine the relationship between marketing strategies and growth of SMEs in Pallisa Town Council.

Table 4.7 Correlation Analysis between Marketing strategies and Growth of SMEs

Variable	Mean	Std. Dev	(1)	(2)	(3)	(4)
Product Strategies(1)	38.2727	5.03081	1			
Pricing Strategies(2)	38.3182	5.71411	.520**	1		
Promotion Strategies(3)	29.5000	3.95844	.409**	.379**	1	
SME Growth(4)	29.8939	3.58685	.712**	.619**	.551**	1
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: Primary Data, 2026

4.3.1 Product Strategies and SME Growth

Results got from Table 4.7 indicate a strong positive relationship between product strategies and SME growth ($r = 0.712$, $p < 0.01$). This implies that improvements in product strategies significantly enhance the growth of Small and Medium Enterprises (SMEs). Product strategies such as product quality improvement, innovation, branding, and packaging play a key role in increasing customer satisfaction, strengthening market competitiveness, and improving overall business performance. The findings further suggest that SMEs that invest more in effective product strategies are more likely to experience higher levels of growth compared to those with weak or poorly implemented strategies. Conversely, inadequate product strategies may limit customer attraction and reduce market performance, thereby constraining SME growth.

4.3.2 Pricing Strategies and SME Growth

Results got from Table 4.7 indicate a strong positive relationship between pricing strategies and SME growth ($r = 0.619$, $p < 0.01$). This implies that effective pricing strategies significantly enhance the growth of Small and Medium Enterprises (SMEs). Appropriate pricing strategies such as competitive pricing, discount pricing, and value-based pricing help SMEs attract customers, increase sales volume, and improve profitability. The findings further suggest that SMEs that adopt well-structured pricing strategies are more likely to experience increased market demand and sustained growth. In contrast, poor pricing decisions may lead to reduced competitiveness, lower customer attraction, and limited business expansion.

4.3.3 Promotion Strategies and SME Growth

Results got from Table 4.6 indicate a moderate positive relationship between promotion strategies and SME growth ($r = 0.551$, $p < 0.01$). This implies that improvements in promotion strategies contribute positively to the growth of Small and Medium Enterprises (SMEs). Promotion strategies such as advertising, sales promotions, personal selling, and social media marketing play a key role in increasing product awareness, attracting new customers, and boosting sales performance. The findings suggest that SMEs that actively engage in promotional activities are more likely to achieve higher growth levels compared to those with limited promotional efforts. Conversely, weak promotion strategies may result in low market visibility, reduced customer reach, and slower business growth.

4.4 Regression analysis

This section presents the results of the regression analysis which was conducted to determine the predictive power of the effect of marketing strategies on the growth of SMEs at Pallisa Town Council. Multiple linear regression analysis was performed to determine the extent to which product strategies, pricing strategies, promotion strategies collectively predict the growth of SMEs Results are shown in the subsequent tables.

4.4.1 Product strategies and Growth of SMEs

Product Strategies was regressed on growth of SMEs to determine its predictive power at Pallisa town council as shown in the table below.

Table 4.8: Regression Analysis on Product strategies and Growth of SMEs

		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	10.470	2.416		4.334	.000
	Product	.508	.063	.712	8.108	.000
	Strategies	R=.712 ^a	R ² =.507	Adj.R ² =.499	F=65.738	.000

a. Dependent Variable: SME Growth

Source: Primary Data (2026)

The results from Table 4.8 indicates a strong model fit in that product strategies significantly predicts SMEs growth at Pallisa town council ($F = 65.738$, $p < 0.01$). The adjusted coefficient of determination shows that 49.9% of the variation in SMEs growth ($\text{Adj.}R^2=.499$; $p < 0.01$) is accounted for by product strategies. This implies that adequacy in product strategies leads to a considerable improvement in the growth of SMEs in Pallisa town council. However, the 50.1% of the variation in SMEs growth is explained by other factors not included in this model.

4.4.2 Pricing Strategies and Growth of SMEs

Pricing Strategies was regressed on Growth of SMEs to determine its predictive power at Pallisa town council. The results are presented in the table below.

Table 4.9 Regression analysis on Pricing Strategies and Growth of SMEs

		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	14.995	12.394		6.284	.000
	Pricing	.389	.062	.619	6.312	.000
	Strategies	R=.619 ^a	R ² =.384	Adj.R ² =.374	F=39.846	.000

a. Dependent Variable: SME Growth

Source: Primary Data (2026)

The findings presented in Table 4.9 indicate a good model fit, showing that pricing strategies significantly predict SME growth ($F=39.846$, $P<0.01$). The adjusted coefficient of determination indicates that 37.4% of the variation in SME growth ($\text{Adj } R^2=0.374$, $p<0.01$) is explained by pricing strategies. This implies that effective pricing strategies such as competitive pricing, value based pricing and discount pricing make a significant contribution to the growth of SMEs in Pallisa town council. However, the remaining 62.6% of the variation in SME growth is explained by other factors not included in the regression model.

4.4.3 Promotion Strategies and Growth of SMEs

Compliance with promotion strategies was regressed on SME growth to determine its predictive power at Pallisa town council. The results are presented in the table below.

Table 4.10: Regression Analysis on Promotion Strategies and Growth of SMEs

		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	15.166	2.813		5.391	.000
	Compliance					
	With Promotion	.499	.095	.551	5.282	.000
	Strategies	R=.551 ^a	R ² =.304	Adj.R ² =.293	F=27.899	.000

a. Dependent Variable: SME Growth

Source: Primary Data (2026)

The results from table 4.10 indicate a good model fit, showing that promotion strategies significantly predict SME growth ($F=27.899$, $P < 0.01$). The adjusted coefficient of determination indicates that 29.3% of the variation in SME growth ($\text{Adj } R^2 = 0.293$, $p < 0.01$) is explained by promotion strategies like advertising and sales promotions which make a significant contribution to the growth of SMEs. However, the remaining 70.7% of the variation in SME growth is explained by other factors not included in the regression model.

CHAPTER FIVE

DISCUSSIONS OF FINDINGS, CONCLUSIONS, RECOMMENDATIONS, LIMITATIONS, AND AREAS FOR FURTHER RESEARCH

5.0 Introduction

This chapter presents the discussion of study findings, conclusions, recommendations, limitations of the study, and areas for further research. The discussion is based on study objectives which sought to establish the relationship between product strategies, pricing strategies, promotion strategies with growth of SMEs

5.1 Discussion of findings

5.1.1 Product Strategies and Growth of SMEs

The study sought to examine the relationship between product strategies and the growth of Small and Medium Enterprises (SMEs). The findings revealed a positive and significant relationship between product strategies and SME growth. This implies that the more effective SMEs are in designing and implementing product strategies, the higher their level of growth in terms of sales performance, customer retention, and market expansion. The findings suggest that when SMEs focus on improving product quality, innovation, branding, packaging, and product variety, they are better able to meet customer needs and remain competitive in the market. Product strategies enhance customer satisfaction, increase demand, and contribute to overall business sustainability and growth.

The findings are consistent with those of Kotler and Armstrong (2021), who emphasized that effective product strategies are central to achieving competitive advantage and business growth through customer value creation. Similarly, Armstrong et al. (2022) established that firms that

invest in product development and differentiation experience higher levels of market performance and customer loyalty. In developing economies, Nsubuga et al. (2023) found that SMEs that adopt strong product strategies tend to record improved sales performance and sustainable growth due to better alignment of products with customer preferences. Comparable findings were reported by Okello and Achieng (2024), who observed that product innovation and branding significantly enhance the competitiveness and growth of SMEs in Uganda.

The theory can be interpreted using the Resource-Based View (RBV) theory, which argues that a firms' competitive advantage and superior performance can be achieved through utilization of valuable, rare, inimitable, and non-substitutable resources. In this context, product strategies such as innovation, branding, and quality improvement are considered key internal resources that SMEs can leverage to enhance their competitiveness. SMEs that effectively develop and manage their product offerings are able to compete in the market, attract more customers, and achieve sustainable growth. Therefore, product strategies contribute to SME growth when they are effectively integrated as strategic resources that create value and competitive advantage.

Lastly, improving SME growth requires strengthening product strategies through continuous product innovation, quality improvement, and effective branding. SME owners should invest in understanding customer preferences and market trends to ensure that their products remain relevant and competitive. This will enable SMEs to improve customer satisfaction, increase market share, and ensure long-term business growth.

5.1.2 Pricing Strategies and Growth of SMEs

The study sought to establish the relationship between pricing strategies and the growth of SMEs. The findings showed that pricing strategies have a positive and statistically significant effect on SME growth. This implies that SMEs that adopt appropriate pricing approaches such as

competitive pricing, value-based pricing, discounts, and price flexibility are better positioned to attract customers, increase sales, and improve overall business performance. Effective pricing strategies enable SMEs to respond to market conditions, enhance customer affordability, and remain competitive in dynamic business environments, thereby contributing to sustainable growth.

The findings are consistent with those of Kotler and Keller (2022), who noted that pricing is a critical marketing mix element that directly influences customer demand, revenue generation, and firm competitiveness. Similarly, Nwankwo et al. (2023) established that effective pricing strategies significantly improve sales performance and profitability in small businesses by aligning prices with customer perceptions of value. In the African context, Ssekajugo et al. (2024) found that SMEs that apply flexible and competitive pricing strategies experience higher customer retention and improved market performance. Comparable findings were reported by Achieng and Mukiibi (2023), who observed that pricing decisions significantly affect the growth and sustainability of SMEs in Uganda.

The findings are also supported by the Resource-Based View (RBV) Theory, which states that a firms' competitive advantage can be achieved through effectively utilizing internal resources and capabilities. In this context, pricing strategy is viewed as a strategic capability that allows SMEs to position their products effectively in the market. SMEs that develop strong pricing competencies are able to differentiate themselves, attract different customer segments, and optimize revenue generation. Therefore, pricing strategies contribute to SME growth when they are effectively aligned with market conditions and organizational capabilities.

Finally, improving SME growth requires SMEs to adopt well-structured and flexible pricing strategies that reflect both market demand and customer purchasing power. SME owners should

regularly review their pricing decisions to ensure competitiveness while maintaining profitability. This will enable businesses to increase sales volume, improve customer satisfaction, and achieve sustainable growth.

5.1.3 Promotion Strategies and Growth of SMEs

The study sought to assess the relationship between promotion strategies and the growth of SMEs. The findings showed that promotion strategies have a positive and statistically significant effect on SME growth. This implies that SMEs that effectively utilize promotional activities like advertising, public relations and personal selling are more likely to increase their visibility in the market, attract new customers, and enhance overall business performance. Effective promotion strategies enable SMEs to communicate product value, influence customer purchasing decisions, and strengthen brand awareness, thereby contributing to sustained business growth.

The findings are consistent with those of Kotler and Keller (2022), who emphasized that promotion is a key element of the marketing mix that drives customer awareness, demand creation, and competitive positioning. Similarly, Akinyi et al. (2023) established that effective promotional activities significantly enhance customer engagement and sales performance among small businesses. In the African context, Mutesi and Byaruhanga (2024) found that SMEs that actively engage in both traditional and digital promotional strategies experience improved market reach and business growth. Comparable findings were reported by Okello and Namatovu (2023), who observed that promotion strategies significantly influence customer acquisition and profitability among SMEs in Uganda.

The findings are also supported by the Resource-Based View (RBV) theory, which explains that a firm's competitive advantage can be achieved by effectively utilizing internal capabilities and resources. In this context, promotion strategies represent a key marketing capability that enables

SMEs to communicate value and differentiate themselves from competitors. SMEs that effectively manage their promotional resources are able to increase brand visibility, attract target customers, and enhance market performance. Therefore, promotion strategies contribute to SME growth when they are strategically designed and consistently implemented to create customer awareness and demand.

Finally, improving SME growth requires strengthening promotion strategies through increased investment in advertising, digital marketing, sales promotions, and customer engagement activities. SME owners should adopt both traditional and modern promotional tools to reach wider markets and improve brand recognition. This will enable SMEs to increase sales, expand market share, and achieve sustainable business growth.

5.2 Conclusions

These conclusions from the study are drawn regarding the effect of marketing strategies on the growth SMEs. The study specifically examined the effect of product strategies on SME growth. The findings revealed that product strategies have a positive and statistically significant effect on SME growth. The results further indicated that dimensions of product strategies such as product quality, product variety, branding, packaging, and product innovation significantly contribute to improved SME performance. These aspects enable SMEs to attract and retain customers, meet changing consumer preferences, and remain competitive in the market. The researcher therefore concludes that strengthening product strategies is essential for enhancing SME growth through improved customer satisfaction, increased sales, and expanded market share.

Similarly, the study examined the effect of pricing strategies on SME growth. The findings established that pricing strategies have a positive and statistically significant effect on SME growth. The results further showed that pricing dimensions such as affordability, competitive

pricing, discounting strategies, price flexibility, and value-based pricing contribute significantly to business growth. Appropriate pricing strategies enable SMEs to remain competitive, attract price-sensitive customers, and maximize profitability. The researcher therefore concludes that effective pricing strategies are necessary for improving SME growth through increased customer demand, revenue generation, and market competitiveness.

Lastly, the study assessed the effect of promotion strategies on SME growth. The findings demonstrated that promotion strategies have a positive and statistically significant effect on SME growth. The findings confirmed that promotional dimensions play a key role in enhancing business visibility and customer awareness. Effective promotion strategies increase market reach, improve brand recognition, and stimulate customer purchase decisions. The researcher therefore concludes that strengthening promotion strategies is crucial for improving SME growth through enhanced customer engagement, increased sales volume, and broader market penetration.

5.3 Recommendations

The findings of the study showed that marketing strategies significantly influence the growth of SMEs. Based on these findings, the following recommendations are made:

Firstly, SME owners and managers should strengthen their product strategies by focusing on improving product quality, innovation, branding, packaging, and product variety. Businesses should continuously assess customer needs and market trends to ensure that their products remain relevant and competitive. Enhancing product strategies will help SMEs attract and retain customers, increase sales, and achieve sustainable business growth.

Secondly, the researcher recommends that SMEs should improve their pricing strategies by adopting fair, competitive, and flexible pricing approaches. This may include the use of discounts, value-based pricing, and market-sensitive pricing decisions that reflect customer

purchasing power. Effective pricing strategies will enable SMEs to remain competitive in the market, attract more customers, and increase profitability and overall business growth.

Lastly, SMEs should strengthen their promotion strategies by investing in effective advertising, sales promotion, public relations, and digital marketing. Business owners should make use of both traditional and modern promotional channels to increase product visibility and reach a wider customer base. Strengthening promotion strategies will enhance brand awareness, improve customer engagement, and ultimately contribute to increased sales and SME growth.

5.4 Limitations of the Study

The study relied on a structured questionnaire measured using a five-point Likert scale to collect data from respondents. While this approach was useful in generating quantifiable data that could be analyzed statistically, it limited respondents from providing detailed explanations, personal experiences, and deeper insights regarding product strategies, pricing strategies, and promotion strategies and how they influence the growth of SMEs. As a result, some rich qualitative information that could have enhanced the understanding of the subject matter may not have been fully captured.

The study adopted a cross-sectional research design, which involved collecting data at a single point in time. Although this design was appropriate for examining the relationship between marketing strategies and SME growth, it did not allow the researcher to observe changes in marketing practices and SME performance over time. Therefore, the study could not capture possible trends, seasonal variations of marketing strategies on business growth.

The geographical scope of the study was limited to the selected area of SMEs under investigation (for example, Pallisa District or the specific study area used). This means that the findings may not fully represent the situation of SMEs in other parts of Uganda, which may differ in terms of

market conditions, access to finance, competition levels, managerial capacity, and customer behaviour. Consequently, caution should be taken when generalizing the findings to all SMEs in Uganda.

5.5 Areas for further research

To deepen understanding of the relationship between marketing strategies and the growth of Small and Medium Enterprises (SMEs), future research could adopt a qualitative approach to provide richer and more detailed insights into how product strategies, pricing strategies, and promotion strategies influence SME growth. Such a study would allow exploration of the lived experiences and perceptions of SME owners, managers, and customers, thereby providing a deeper explanation of how these marketing strategies translate into improved sales performance, customer retention, market expansion, and overall business growth.

In addition, future studies should consider using a longitudinal research design. This would enable researchers to track changes in marketing strategies and SME growth over time, rather than relying on a single point-in-time measurement. Such an approach would provide stronger evidence on the long-term effects of sustained improvements in product quality, pricing decisions, and promotional activities on business survival, competitiveness, and profitability of SMEs.

Furthermore, future research could introduce an intervening or moderating variable such as access to finance, digital marketing adoption, business environment, entrepreneurial competence, or market competition. This would help explain the mechanisms through which marketing strategies influence SME growth and provide a more comprehensive understanding of the factors that strengthen or weaken this relationship.

Lastly, further studies should be conducted in different regions and districts across Uganda and beyond, covering a wider range of SME sectors. This would enhance the generalizability of findings and allow comparison of how marketing strategies affect SME growth in different economic, cultural, and operational contexts.

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APPENDICES

Appendix I: The Introduction Letter

 **BUSITEMA UNIVERSITY**
www.busitema.ac.ug

FACULTY OF MANAGEMENT SCIENCES

To: THE TOWN CLERK'S OFFICE
PALLISA TOWN
COUNCIL

Date: 17/06/2026

Dear Sir/Madam,

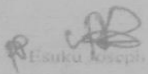
RE: AKELLO JACKIE ANNA - BU / 2023/1210

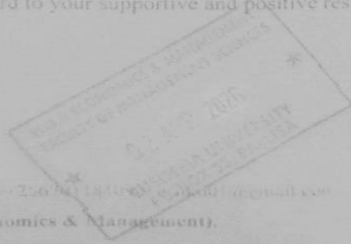
On behalf of Busitema University, Faculty of Management Sciences, please allow me extend my appreciation to your organization for the continued support and commitment to providing services to our community. The Faculty looks forward to continuously partner with your organization in pursuance of excellence of our students by exposing them to practical learning experiences.

It's a University requirement that every student must carry out research and write a report in order to satisfy the requirement for the award of a Bachelor's Degree. The purpose of this letter is therefore to humbly request you to allow our fore mentioned student, who is in 3rd year of study on a programme of Bachelors of Business Administration/Bachelor of Public Administration of Busitema University, to carry out research by way of collecting data in your esteemed organization.

We look forward to your supportive and positive response to our request above.

Yours faithfully,


Esauku Joseph
+256772181090/+256772181090 e: esauku.j@gmail.com
Ag. HOD (Economics & Management).



TOWN CLERK'S OFFICE
PALLISA TOWN COUNCIL
17/06/2026

Approved
Granted

Appendix II. The Questionnaire

Dear, Respondent,

You have been selected to take part in this study, which aims to investigate the on the impact of marketing strategies on the growth of SMEs in Pallisa Town Council. The information gathered from this survey will be kept completely confidential and used exclusively for purposes of academia.

Please kindly spare sometime of your busy schedule and fill in this questionnaire.

Please tick in the boxes provided;

SECTION A: BACKGROUND OF THE RESPONDENTS

1. What is your gender?

Male	Female
1	2

2. Which age brackets do you belong?

18-23 years	24-29 years	30-35 years	36-41 years	42-above years
1	2	3	4	5

3. What is the highest level of education obtained?

Primary	Ordinary	Certificate	Diploma	Degree
1	2	3	4	5

4. Position in the business

Owner	Manager	Sales person
1	2	3

5. How long has the business existed?

0-4 a year	5-9 years	10-14 years	15- above years
1	2	3	4

6. Which sector of business do you belong?

Retail	Food and beverage	Agriculture	Events	Manufacturing	Education	Personal service
1	2	3	4	5	6	7

SECTION B: MARKETING STRATEGIES USED BY SMES

Please indicate your level of agreement with the following statements.

Key: 1 = Strongly Disagree (SD) 2 = Disagree (D) 3 = Neutral (N) 4 = Agree (A) 5 = Strongly Agree (SA)

	Product strategies					
Code	Statements	1	2	3	4	5
PS 1	The business offers high quality products/ services	1	2	3	4	5
PS 2	Product improvement is carried out regularly	1	2	3	4	5
PS 3	The business offers a variety of products to customers	1	2	3	4	5
PS 4	Product packaging influences customer purchasing decisions	1	2	3	4	5
PS 5	Product strategies have contributed to business growth	1	2	3	4	5
PS 6	Our products are different from those of the competitors	1	2	3	4	5
PS 7	We regularly introduce new products to the market	1	2	3	4	5
PS 8	Product designs and features satisfy customer needs	1	2	3	4	5
	Pricing strategies					
Code	Statements	1	2	3	4	5
PRS 1	The business sets prices based on customer affordability	1	2	3	4	5
PRS 2	Competitive pricing helps us attract more customers	1	2	3	4	5

PRS 3	We regularly review and adjust prices according to market conditions	1	2	3	4	5
PRS 4	Discounts and price reductions increase our sales volume	1	2	3	4	5
PRS 5	Our pricing strategy contributes to business profitability	1	2	3	4	5
PRS 6	Customers perceive our prices as fair and reasonable	1	2	3	4	5
PRS 7	Our pricing strategy helps increase sales revenue	1	2	3	4	5
PRS 8	Flexible pricing has improved customer retention	1	2	3	4	5
Promotional strategy						
Code	Statements	1	2	3	4	5
PMS 1	The business uses advertising to promote its products/ services	1	2	3	4	5
PMS 2	Social media marketing helps attract customers	1	2	3	4	5
PMS 3	Sales promotions(discounts, coupons, gifts) increase sales	1	2	3	4	5
PMS 4	Personal selling is used to communicate with customers	1	2	3	4	5
PMS 5	Promotional activities have improved business growth	1	2	3	4	5
PMS 6	Promotional strategies have strengthened customer loyalty	1	2	3	4	5
PMS 7	Promotional activities have helped attract new customers	1	2	3	4	5

SECTION C: GROWTH OF SMEs

	Growth of SMEs					
Code	Statements	1	2	3	4	5
GS 1	The business has experienced an increase in sales revenue	1	2	3	4	5
GS 2	The number of customers has increased over time	1	2	3	4	5
GS 3	The business has expanded its operations	1	2	3	4	5
GS 4	The business has increased its profitability	1	2	3	4	5
GS 5	The number of employees has increased	1	2	3	4	5
GS 6	The business has expanded its market share	1	2	3	4	5
GS 7	The business has introduced new products due to growth	1	2	3	4	5

Thank you very much for your time.

Appendix III: Work plan

	MONTHS OF 2025-2026						
ACTIVITIES	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY
Problem identification							
Proposal							
Submission of the proposal							
Data collection,							
Editing and Proofreading							
Submission of report							

Appendix IV: Krejcie and Morgan Table of sample size determination

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Appendix V: Research Budget

ITEMS	Rates	QTY	Amount (ugx)
Printing questionnaires	500	66 copies	20,000
Typing	50,000	Lump sum	50,000
Transport	80,000	Lump sum	30,000
Data bundles	30,000	3 months	30,000
Communication (calls)	10,000	-	40,000
Stationery	30,000	-	50,000
Binding	50,000	3 copies	54,000
GRAND TOTAL			274,000