A Gender-Based Comparison of Marketing Strategies of SMEs in Tanzania

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Abstract

This study identifies the differences between female and male-owned SMEs with respect to business characteristics, application of marketing strategies and associated marketing challenges. To achieve this, a survey was conducted in Dar es Salaam, Tanzania during 2009. Then the study used the Chi-square test for independence and the student t-test to examine if there was any significant difference between male and female-owned businesses, which would determine whether gender has an influence on marketing decisions. It was revealed that the main strategy used by female-owned businesses was Networking, while their male counterparts focused more on the strategy of Quality and Price differentiation. The associated costs and ease to use were the major influences on the choice of strategy, regardless of gender. Compared with their male counterparts, females tend to commit fewer resources to their ventures. Moreover, most owner-managers were more generalists, not marketing specialists. Principles and practices on how to grasp the existing opportunities and to promoting SME growth through using appropriate marketing strategies regardless of gender have been recommended.

Key words:
SMEs, marketing strategies, gender perspective

1. Introduction

Although an abundance of literature exists on small and medium-sized enterprise (SME) sector in developing countries (Onugu 2005; Mfaume and Leonard 2004; Kuo and Wang 2001; McCormick et al. 1997), work has yet to be done on a gender-based comparison of the marketing strategies of the sector and countries. Several papers have been written about the major differences in business performance between SMEs owned by both genders. The University of Dar es Salaam Entrepreneurship Centre (UDEC 2002), for instance, established that women entrepreneurs in Tanzania earn much less revenue than their male counterparts, despite the fact that both male and female entrepreneurs conduct their businesses in similar business environments. This concurs with other findings (e.g. Loscocco and Robinson 1991; Rutashobya, 2000) that SMEs owned by females tend to be less successful, in terms of profitability and other performance indicators, than those owned by males. However, Watson (2003) and Watson and Robinson (2003) linked enterprise performance more with the amount of resources invested and the choice of venture rather than the inability on the part of females to put resources to effective use. Both studies concur that females tend to invest fewer resources in their ventures and often get involved in less risky enterprises than their male counterparts.

Naturally, studies attribute the success of SMEs, all things being equal, to the extent to which the enterprise invests in an appropriate marketing strategy in symphony with the prevailing conditions in the environment in which it operates (Chambaka 2005; Anderson 2011). Therefore, because of the lack of relevant marketing knowledge and skills in particular, many SME entrepreneurs cannot match their scarce resources with the marketing strategies needed. In most cases, however, many SMEs do not invest much in marketing, which means that they perform poorly in comparison with those who invest heavily in the marketing of their businesses, especially the large ones (Onugu 2005).

However, the choice of small and medium-sized enterprises as the focus of this study was purposeful, mainly because the recent decade has witnessed an increasing number of SMEs worldwide (Kim et al. 2008; Startienė and Remeikienė, 2008). Thus, owing to factors such as the growing global market and trade, the current global economic crisis, and the emergence of new production technologies, the augmentation and sustainability of this category of business in many parts of the world is threatened. Contrary to large enterprises, the inability of SMEs to reach external markets, the scarcity of relevant resources and increasing competition make them more susceptible to stagnation and failure in the world of mounting complexity, economic downturn, and new production technologies (Anderson, 2011). Under these circumstances, SME owners need to have a thorough understanding of key factors for entrepreneurial triumph, particularly those directly related to the entrepreneur and those related to the external environment in which they operate, regardless of gender.

Of course, when dealing with developing countries, especially in the African context, where differences between gender roles in society are vastly apparent, and assuming that both genders may employ similar business strategies, one may be deceived. Hence studies like this are needed in order to provide more information and evidence needed that could be used to guide the marketing field as to where the two genders share common marketing practices, where they diverge and how they can run their SMEs to achieve growth and sustainability.

To generate that sort of information, this study is guided by three objectives. It starts by examining business characteristics and analysing the differences between female and male-owned SMEs with respect to the type of marketing strategies used. It also identifies the marketing challenges they faced during their implementation. The findings of the study aim at bridging the gap in the existing literature which has concentrated on ascertaining the business skills of female entrepreneurs only (for example, Rutashobya 2000; Malaya 2006). By considering both male and female entrepreneurs, the study has provided critical evidence not only in relation to the marketing knowledge of both male and female entrepreneurs but also to relevant business skills. The rest of the paper is arranged as follows: the literature review comes before the research methods, followed by the findings, and finally the conclusion.

2. Literature Review

2.1 The Concept of Small and Medium-sized Enterprises

There is no single universally accepted definition of what constitutes a small or medium-sized enterprise, as numerous definitions exist, each one valid in its own context. The definitions of SMEs, in most cases, vary from country to country and between different sources of SME statistics. The differences in defining the term are sometimes attributed to different levels of development between countries. For example, businesses considered as SMEs in the UK are those with less than 200 employees, at most 500 employees in the USA and a maximum of 100 employees according to the OECD (MacGregor and Vrazalic 2008; Mukhtar 1998). The European Union's Director General (DGXXIII), on the other hand, defines business as follows: micro (0-9 employees);

small (10-99 employees); medium (100-499 employees); and large (500+ employees) (Blankson and Omar 2002).

However, the commonly used measures in all definitions are number of employees, capital invested, total assets, sales volume and production capability. This study opts for the definition given by the United Republic of Tanzania (URT) Ministry of Industry and Trade (2003), in its SMEs Development Policy. In this policy, SMEs are defined as shown in Table I, which shows that SMEs consist of micro, small and medium enterprises (MSMEs) or small, micro and medium enterprises. MSMEs cover non-farm economic activities, mostly manufacturing, mining, commerce and services (Anderson 2011).

Table 1: Categories of SMEs in Tanzania

Category	Number of Employees	Capital Investment (TShs)
Micro enterprise	1-4	Up to 5 million
Small enterprise	5-49	Above 5 million to 200 million
Medium enterprise	50-99	Above 200 million to 800 million
Large enterprise	100+	Above 800 million

Source: URT Ministry of Industry and Trade (2003); 1 US$ was equivalent to TShs. 1400 in 2009

2.2 SMEs' Marketing Strategies

A marketing strategy is widely known as a fundamental underpinning of marketing plans designed to make better use of the organisation's resources to meet its objectives (Menon et al. 1999; Fornell and Wernerfelt 1987). On the one hand, a marketing plan is a list of specific actions required to implement a specific marketing strategy. On the other, a good marketing strategy is one that provides a unified plan of action incorporating the organisation's marketing goals and policies (Kotler and Armstrong 2010). However, it should be noted that the choice of a specific marketing strategy to use depends on many factors. These include the environment in which the firm operates and the firm's resources (human and financial), among others (Porter 1990). It is evident that, in a competitive business environment with limited customer purchasing power in terms of goods and services, knowing which marketing strategy to use is critical for the survival of the firm. Sorce (2002) argues that the objectives of many marketing strategies include creating customer satisfaction and creating and maintaining relationships. She argues further that any organisation which achieves either of these objectives will enjoy repeated purchases of its products by customers.

Consequently, some SMEs employ available marketing strategies to ensure that they retain their customers. The strategies commonly used to satisfy particular target markets, and consequently improve their organisation's sales and profitability (usually known as the marketing mix) are distribution, pricing schemes, product (brand name, packaging, customer service, product design) and promotion (sales promotion, advertising scheme, publicity, personal selling) (Kotler and Armstrong 2010). Additional elements in marketing strategies, particularly when dealing with services, include appropriate personnel and relationship marketing (see Anderson 2010; Kotler and Armstrong 2010). Personnel play a crucial role in the development of any business endeavour; whereby customer care is still a very great challenge to many businesses, and particularly in developing countries.

In this particular context, from the ownership of the business to the product delivery staff the personnel involved may in one way or another influence marketing decisions, as mentioned earlier and dealt with in the next section on gender. It is important to note that the topic of gender in marketing decisions emerges so long as critical decisions on resource utilization need to be made, which is sometimes gender-based as pointed out in Watson (2003) and Watson and Robinson (2003), among other studies.

2.3 Gender-Perspective in SME Marketing

The subject of gender has been topical in the business field. Various studies, such as Loscocco and Robinson (1991), Watson (2002), Watson and Robinson (2003), UDEC (2002) and Johnson (2002), have established that female-owned SMEs generally under-perform in comparison to male-owned businesses in many business aspects, but particularly in terms of sales or profitability growth. Watson and Robinson (2003), for instance, suggested that female-controlled SMEs are likely to have lower profit levels as female entrepreneurs tend to run less risky ventures and prefer to invest fewer resources in them.

In an attempt to explain that phenomenon, several studies have emerged, with the liberal feminist perspective and social theory perspective (see Watson 2003; Kim et al. 2008) being opted to explain why females tend to invest less in their ventures than males. Using the same perspective, Cliff (1998, pp. 523) sought to address the gender differences in business, including how female entrepreneurs perform in comparison with male entrepreneurs, and concluded that:

[1]Organization for Economic Co-operation and Development

"Female entrepreneurs are more likely to establish maximum business size thresholds which they would prefer not to expand, and that these thresholds are smaller than those set by their male counterparts. Female entrepreneurs also seem to be more concerned than male entrepreneurs about the risks of fast-paced growth and tend to deliberately adopt a slow and steady rate of expansion" (p. 523).

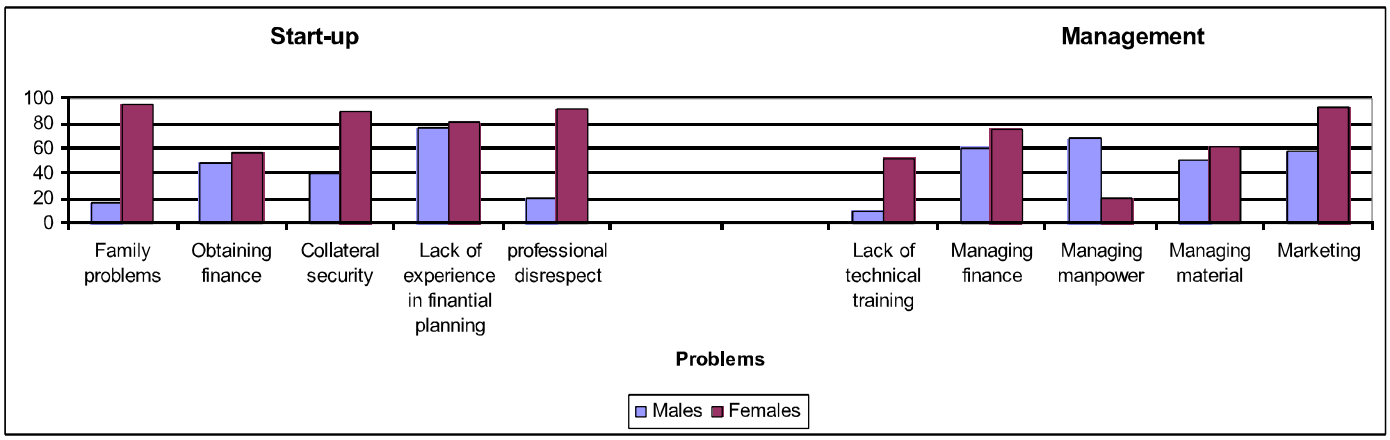
Using the social theory perspective, Watson (2003) argues that females are more risk-averse than males and so they are more likely to commit fewer resources to their ventures even if they have plenty. However, Watson (2003:4) argues, using the liberal feminist perspective, that female entrepreneurs invest fewer resources in their ventures due to the limited resources they own, as they earn less from their jobs than males and/or they are discriminated against by lenders in the loan market. In view of this, Rutashobya (2000), and Startienė and Remeikienė (2008) reveal that more female entrepreneurs experience difficulties in securing finance at the start-up stage of business than males.

Some other studies have even embarked on the managerial styles of the two genders to explain the observed differences in business performance (Kim et al. 2008; Mukhtar 2002; Mukhtar 1998). For instance, Kim et al. (2008) observed significant differences in terms of managerial styles between male-owned and female-owned firms. Regarding business location, they noted that female-owned businesses were less likely to remain at the same site than those of their male counterparts. Shifting often from one location to another means changing the routine, losing loyal customers and engaging afresh in recruiting new clients, which may affect performance, in terms of sales and hence profitability. Mukhtar (1998) indicates that female entrepreneurs had a narrower product range, relied more on part-time staff, and tended to have more domestic customers than male entrepreneurs.

` Clinging to this profiled behaviour by female-owner managers may demoralize the staff (as they lack a sense of ownership or permanence) and customers (as they lack variety in the supply of goods), both of which eventually may negatively affect business performance.

Concerning the return on the resources committed, Johnson (2002) found no statistically significant differences between the two genders, in terms of return on assets and return on equity. That is not the case in UDEC (2002)'s findings, which show that women entrepreneurs earn less revenue than their male counterparts, despite the fact that both male and female entrepreneurs conduct their businesses in similar business environments. UDEC (2002) argues that the low level of education and lack of appropriate business skills of female entrepreneurs in Tanzania is one of the micro-level constraints. However, the magnitude of the challenges differs between males and females. Indeed, the evidence given by Mukhtar (2002) and Kim et al. (2008) reveal that small and medium entrepreneurs encounter a greater number of challenges. Marketing is a core function and affects all sections of the venture. In turn, the constraints affecting enterprises also affect marketing decisions. Many constraints have been addressed in Onugu (2005), including access to finance, management, infrastructure, government policy inconsistencies and bureaucracy, environmental factors, multiple taxes and levies, access to modern technology, unfair competition, marketing problems and non-availability of raw materials locally. Figure 1 summarizes the challenges at the start-up and management levels from the gender perspective. In the illustration, the left-hand panel shows the problems faced by male and female entrepreneurs during the start-up phase while the right-hand panel shows the problems encountered at the management level. As evident from the figure, with the exception of managing manpower, female entrepreneurs are generally poor in many aspects of business.

Figure 1: Challenges at the start-up and management levels using gender perspective



Source: Compiled from Mukhtar (2002) and Kim et al. (2008)

3. Research Methods

The major focus of the study is on the differences between male and female entrepreneurs in terms of marketing principles and practices. The study identifies these differences with respect to business characteristics, application of marketing strategies and the associated marketing challenges. To achieve this, a specific SME survey was conducted in the city of Dar es Salaam during 2009. This city was chosen due to its long history with respect to SMEs, firstly, as it is Tanzania's commercial capital and where entrepreneurship and SMEs, especially itinerant trading, were evident even during the colonial period (Mfaume and Leonard 2004; Anderson 2011).

Some 175 SMEs were sampled, followed by various efforts to get the owner-managers to cooperate, including phone calls and visits. However, after several attempts, the total number of successful interviews was 105.

During the interviews, a structured questionnaire, containing both closed and open-ended questions, was administered to the owner managers of the SMEs. Box 1 presents the items that guided the discussions. Specifically, several variables were captured, including the use of the marketing mix elements based on the gender perspective, capacity building in marketing skills, the marketing implementation challenges and finally the characteristics of the respondent and business.

After data collection, the Chi-square (χ^2) test of association at the 5 percent level of significance was used to test the significance of various attributes of interest of male and female-owner managers. In addition, the student's t test was used to test for mean differences in the various variables between the two genders. Finally, the Karl Pearson correlation coefficient (r) was also employed to ascertain the correlation between the chosen variables. The results of the study are presented in the following section.

Box 1. Sample questions that led the discussion

A. RESPONDENT AND BUSINESS CHARACTERISTICS:

- **Respondent characteristics:** age (years), education, marital status, duration in business (in years)
- **Business characteristics:** business location, type of business, duration of business (in years), size of working capital (TShs.'000) and source of working capital

B. TYPEs OF MARKETING STRATEGIES USED

- **What are the main marketing strategies exploited by your business among the following?** (sales promotion, customer service, advertising, networking and relationship marketing, quality and service, packaging, brand name, product design, price differentiation, selling at specific place, other, none)
- **What is the main media used to promote your business?** (radio, television, newspaper, magazine, billboard, word-of-mouth, any other, none)
- **Have employees taken any short-term courses in the marketing field?** (Yes/ No)
  - **Nature of the training institution** (Non-governmental institution or Governmental Institution)
  - **Duration of short-term training** (options 1-3 months, 3-6 months or >6 months)
- **Is there a marketing department in your business?** (Yes/No)
  - **What are the Qualifications of your head of marketing department** (university degree, diploma/vocational certificate, secondary education, or below secondary school level)

C. MARKETING CHALLENGES DURING THEIR IMPLEMENTATION

- **Constraints facing SMEs in marketing their products**: (complying with government regulations, difficulty in accessing skilled workers, lack of financial assistance, lack of business information, excessive taxation or high inflation rate, other)
- **Respondents' opinions for improvements:** (soft loans, adhere to government regulations, provide tax relief, provide training in marketing principals and practices, government should control inflation and others)

4. Findings

4.1 Respondent Characteristics

The demographic characteristics of entrepreneurs and their businesses are summarised in Table 2. A total of 105 enterprises were studied. Of these, 62.5% were male-owned enterprises while the remaining were female-owned enterprises. Dar es Salaam is made up of the three administrative municipalities of Kinondoni, Ilala and Temeke. Distributing the market in terms of individual incomes, the types of market segments found in the three municipalities are where most people are on a high income (in Kinondoni), on a middle to high income (in Ilala) and where the largest concentration of people are on a low income (in Temeke). The study findings show that most of the businesses involved were in Kinondoni, followed by Temeke and Ilala Municipal Councils. However, being male or female was not associated with the area in which the business was located, which means that the gender of the individual entrepreneur did not determine the location in which the entrepreneur wanted to operate the business.

Table 2: Basic demographic and business characteristics

Variable	Dummy variables	Respondents			χ^2 value (DF, P)
		Males n_1=66 (%)	Females n_2=39 (%)	Total (n=105) %	
Municipal	Ilala Kinondoni Temeke	14.10 25.00 23.40	9.40 18.70 9.40	23.5 43.7 32.8	1.097 (2, 0.578)
Age (years)	<20 20-40 41-60	1.60 34.40 26.50	0.00 31.25 6.25	1.6 65.65 32.75	5.486 (2, 0.064)[1]
Education	No education Primary school Secondary school College/University	1.60 4.60 25.00 14.00	0.00 23.60 17.20 14.00	1.6 28.2 42.2 28	3.714 (3, 0.294)
Marital status	Married Single Separated	42.19 17.19 3.13	28.13 7.81 1.56	70.32 25 4.69	0.409 (2, 0.815)
Duration in Business (in years)	1-5 6-10 >10	18.75 23.44 20.30	15.63 10.94 10.94	34.38 34.38 31.24	0.950 (2, 0.622)

[1]Significant at 0.1 level of significance; *: Significant at 0.05 level of significance

The majority of those aged 20-40 were married and had been in the business sector for not more than a decade. At the 5% level of significance, age of the entrepreneurs was independent of gender. However, at the 10% level of significance, age (in years) of individual entrepreneurs was dependent on his/her gender. In this study, females were on average more likely ($P<0.1$) to engage in business at an earlier age than males. However, this was not a new finding in terms of gender business studies. In their comparative study of male and female entrepreneurs, Birley et al. (1987) found that the mean age of female entrepreneurs was significantly lower than that of male entrepreneurs at the 5% level of significance. The existence of the significant dependence of age of the entrepreneur on gender has many implications. However, the most pronounced one is that either females lack opportunities for further studies, which could be the reason for their early entry into entrepreneurship or that they prefer entrepreneurship more than males.

About educational achievements of owners of businesses, the results reveal that the majority of them had at least received secondary school education. Overall, the results show that education was independent of gender ($P>0.05$). This finding is consistent with that of Birley et al. (1987), that being a male or a female in this sample did not affect one's educational achievement. With respect to duration (years) since the business started, the findings show that, although the majority of both male- and female-owned enterprises started between 1-5 years ago (37.5% for males and 34.38% for females), the two variables were independent ($P<0.05$) of each other. None of the studied female-owned enterprises was more than ten years old whereas some (9.38%) of the male-owned businesses were more than ten years old. This finding suggests that since male-owned enterprises were on average older than those of females, male entrepreneurs have more experience (proxied by number of years since their businesses started) than females. Another possible explanation of this revelation is the fact that, in Tanzania, females tend to change businesses quite frequently (on average after every two years) unlike males.

The results of the Chi-square test of association between gender and respondents' demographic and business characteristic variables shown in Table 3 are generally consistent with those found in other similar studies (e.g. Kim et al. 2008). However, with respect to duration (years) of business, the findings from this study differ from those of Kim and colleagues, that the duration in business by the entrepreneur and gender were independent, while in the present study the two variables are dependent, in that males tend to have stayed in business much longer than their female counterparts. The dependence of the two variables in the present study could be attributed partly to the highly statistically significant correlation ($P<0.001$) between experience (measured by duration in business) of the respondents and years since the business started.

As evident from the results presented in Table 2, 43.8% of male entrepreneurs have been in business for at least six years compared with only 21.9% of female entrepreneurs.

The finding on the marital status of female entrepreneurs in this study is consistent with that of Rutashobya (2000), which found that the majority of female entrepreneurs are married, as only a small proportion of business women were single or divorced. Table 3 presents descriptive statistics and t test of the various demographic and business characteristics. With the exception of years since the business started the other variables were not statistically significant at all levels of significance.

Table 3: Descriptive statistics and t-test for mean differences

Age of respondent				Duration in business				Years since business started			
Male, (n=66)	Female (n=39)	Diff. (M-F)	t value (DF, P)	Male (n=66)	Female (n=39)	Diff. (M-F)	t value (DF, P)	Male (n=66)	Female (n=39)	Diff. (M-F)	t value (DF, P)
37.35	34.18			9.46	8.14			5.53	2.91		
1.36	1.60			0.86	0.79			0.81	0.40		
40.00	35.00			9.00	8.00			3.00	3.00		
30.00	30.00			5.00	5.00			2.00	1.00		
8.24	7.69	3.1774	1.514 (49.31, 0.13)	5.38	3.69	1.3252	1.135 (56.6, .261)	4.97	1.93	2.6133	2.901 (52.3, .005)**
67.96	59.06			28.99	13.65			24.69	3.72		
31.00	26.00			22.00	11.00			16.00	8.00		
24.00	21.00			1.00	3.00			1.00	1.00		
55.00	47.00			23.00	14.00			17.00	9.00		

** Significant at 0.01 level of significance; M=Male, F=Female

With respect to the types of business, the findings indicate that the majority (18.78%) of male entrepreneurs are engaged in operating shops, contrary to only 7.81% of the female entrepreneurs. Other types of businesses that are run by both male and female entrepreneurs are shown in Table 4. Generally, gender and type of business owned by both male and female entrepreneurs were statistically independent at the 5 percent level of significance. At the 10% level of significance the two variables are dependent. That is, the type of business an individual entrepreneur operated depends on the gender. It is worth mentioning that some respondents owned more than one category of business. Regarding working capital, female entrepreneurs were more likely to report their working capital than male entrepreneurs.

Table 4: Business Characteristics

Variable	Categories	Respondents		χ^2 value (DF, P)
		Male (n=66) (%)	Female (n=39) (%)	
Type of business	Shop	18.78	7.81	17.72 (11, 0.088)[1]
	Hotel	7.81	6.25	
	Welding and tailoring facility	7.81	3.13	
	Catering service	0.00	11.56	
	Hair Saloon	6.25	23.13	
	Pharmaceutical	13.13	6.25	
	Charcoal	3.13	10.00	
	Tomato seller	1.56	0.00	
	Grocery	17.81	0.00	
	Stationery	8.00	6.25	
	Internet cafe	3.13	0.00	
Duration of Business (in years)	<1	4.69	0.00	8.389 (3, 0.039)*
	1-5	37.50	34.38	
	6-10	10.94	3.13	
	>10	9.38	0.00	
Working capital (Tsh.'000)	<100	9.38	3.13	2.963 (5, 0.006)*
	100-500	25.00	14.06	
	>500-1,000	7.81	7.81	
	>1,000-5,000	6.25	6.25	
	>5,000	3.13	0.00	
	Don't know	10.94	6.25	
Source of working capital	Personal savings	48.44	28.13	
	Loan from Bank	12.50	7.81	
	Government Org	9.38	3.13	
	Loan from friend	29.69	14.06	
	Dividend	14.06	4.69	
	Loan from NGO	9.38	4.69	

[1] Significant at 0.1 and * at 5% levels; Total row percent adds to more than 100 because of multiple answers to the question.

Both male and female entrepreneurs had more than one source of working capital (bottom panel of Table 4). The majority started their businesses using personal or family savings, 48.44% of males as opposed to 28.13% of females. The results show further that the majority of entrepreneurs started their businesses with working capital ranging between one hundred thousand and five hundred thousand Tanzania shillings , with females committing fewer resources to their ventures than males (see Table 5 for the t test for mean differences in working capital between males and females). Male entrepreneurs had a slightly higher amount of working capital than their female counterparts. The difference was statistically significant (P>0.05) at the 5% level.

Table 5: Descriptive statistics for working capital (Tsh. '000) variable

Statistic	Gender		Absolute value of mean difference (M-F)	*t* value (DF,P)
	Female, (n=66)	Male (n=39)		
Mean	943.03	1046.50	103.4696	-0.246(50.98, 0.007)1
Std. Err. of mean	330.55	259.74		
Median	400.00	650.00		
Mode	50.00	1000.00		
Std. deviation	1898.84	1161.58		
Variance	3605596.78	1349276.58		
Range	9990.00	3990.00		
Minimum	10.00	10.00		
Maximum	10000.00	4000.00		

[2]Exchange rate is US$ 1= 1400Tanzania Shillings in 2009

[3]Two-sided test of significance assuming unequal variances (p-value for Levene's test for equality of variance greater than 0.05)

4.2 Gender-based SME Marketing Strategies

Having established the level of resources committed to their ventures and the challenges they face, respondents were then asked whether they were using any marketing strategies, with both closed questions (with 'Yes' or 'No' responses options available) and open-ended questions (to list any other remaining marketing strategies option that were missing). The results show that the majority used at least one strategy (Table 6). While the main strategy employed by female-owned businesses was networking and relationship marketing; their male counterparts focused more on quality, giving good service and price differentiation. Only 15.63% of male respondents as opposed to 3.12% females reported not using any strategy.

Of those who reported using some marketing strategies, the most commonly used ones were customer service and pricing by 21.88% and 17.19% of male entrepreneurs and 17.19% and 7.81% of females, respectively (results not displayed in the table).

The use of more than one marketing strategy was independent of gender (P>0.05). Several reasons were given by those who used only one marketing strategy. These included among others, the satisfactory flow of customers, according to 30% of males and 20.13% of females, and affordability of the strategy in terms of cost, (9.38%) of both males and females. The majority of respondents did not use the other marketing strategies, pointing out the high marketing costs and inadequate marketing skills as the major constraints. The use of common marketing strategies was independent of gender (P>0.05), with the exception of networking and relationship marketing, quality, giving good service and price differentiation.

Table 6: Use of marketing strategies

The main marketing strategy exploited in your business is:	Respondents			χ^2 value (DF, P)
	Males (n_1=66) (%)	Females (n_2=39) (%)	Total (n=105) %	
Sales promotion	21.88	12.50	17.19	5.766 (99, .1121)
Customer service	42.19	28.13	35.16	4.762(54,. 5674)
Advertising	26.56	37.19	31.875	3.889 (97, .3451)
Networking and relationship marketing	34.65	67.60	51.125	5.687 (101,.002)*
Quality and service	78.09	45.27	61.68	3.875 (89, .0052)*
Packaging	21.88	10.94	16.41	4.334 (54, .223)
Brand name	23.44	14.06	18.75	3.455 (67, .543)
Product design	28.13	20.31	24.22	2.556 (45, .235)
Price differentiation strategy	65.94	26.56	46.25	4.332 (76, .0041)*
Selling at specific place	31.25	14.06	22.655	3.887 (56, .113)
None	15.63	3.12	9.375	3.657 (66, .231)

*Significant at 5% level

Although promotion was reported by many males and females entrepreneurs as one of the strategies used, the majority of them did not use the common advertising media as revealed in Table 7. Among the reasons given for non-use of the media by the majority were the high costs of the media, poor business knowledge and scale (small) of production. Non-use of advertising media was independent of gender (P>0.05) with the exception of billboard, which was weakly significant at the 5% level of significance. Among those who used advertising media, female entrepreneurs were more likely to report increased sales after using the media. However, there was also no dependence (P>0.05) of the two variables.

Table 7: Use of media to advertise business by entrepreneurs

Advertising media	Categories	Respondents			χ^2 value (DF, P)
		Male (n_1=66) (%)	Female (n_2=39) (%)	Total (n=105) %	
Radio	Yes No	39.06 60.94	62.50 37.50	50.78 49.22	0.510 (1, 0.435)
Television	Yes No	37.56 62.44	66.50 33.50	52.03 47.97	0.670(1, 0.435)
Newspaper	Yes No	40.62 59.38	45.78 54.22	43.2 56.8	1.239(0.266)
Word-of-mouth	Yes No	60.3 39.7	67.8 32.2	64.05 35.95	0.785 (1,0.321)
Magazine	Yes No	67.94 32.06	22.50 77.50	45.22 54.78	0.610(1, 0.435)
Billboard	Yes No	43.12 56.88	70.31 29.69	56.72 43.28	3.860(1, 0.049)*

*: Significant at 0.05 level of significance

Assessing whether or not employees of the business firms had undertaken any marketing training revealed that the majority of employees from female-owned firms had, while those from male-owned firms had not (Table 8). In total, however, the proportion of those trained and not trained was almost the same. Nevertheless, no dependence between receiving training and gender was observed (P>0.05). For those who had received training, the main provider of the training was non-governmental organisations for employees from female-owned firms, unlike those the employees of male-owned firms, as overall they had received training from governmental institutions, with the majority having received training of above three months in duration.

Table 8: Short-term training of employees in marketing skills

Variable	Categories	Respondents			χ^2 value (DF, P)
		Male (n_1=66) (%)	Female (n_2=39) (%)	Total (n=105) %	
Employee undertaken any training	Yes No	43.13 56.87	55.56 44.44	49.35 50.66	0.025(2, 0.987)
Training institution	Non-governmental institution Governmental Institutions	33.58 66.42	64.06 35.94	48.82 51.18	0.734(2, 0.693)
Duration of training	1-3 months 3-6 months >6 months	3.13 37.49 59.38	22.50 41.56 35.94	12.82 39.52 47.66	2.868(2, 0.234)

Regarding the presence of marketing departments in the firm, the findings revealed that the SME respondents reported not having a unit at their businesses (Table 9). No statistical significant difference (P>0.05) was observed between male and female entrepreneurs in this aspect. Wherever the department existed, the qualification of the head of the department was between secondary school and vocational training level.

Table 9: Presence of marketing department

Variable	Categories	Respondents			χ^2 value (DF, P)
		Male (n_1=66) (%)	Female (n_2=39) (%)	Total (n=105) %	
Marketing department for business	Yes No	39.37 60.63	24.06 75.94	31.72 68.29	0.138 (1, 0.711)
Qualification of head of marketing department	University degree Diploma/vocational certificate Secondary Education	22.05 46.43 31.52	18.34 35.95 45.71	20.20 41.19 38.61	

Source: Survey data, September, 2009

4.3 SME Marketing Challenges

When asked whether or not it was easy to carry out marketing activities for their businesses, the responses did not differ (P>0.05) between males and females. The majority said it was not easy for them to implement the marketing strategy of their choice because of various constraints as summarized below in Table 10. The constraints faced by both male and female entrepreneurs included complying with government regulations, having difficulty accessing skilled workers, lack of financial assistance and of business information, excessive taxation and high inflation rate. Cross-tabulation of each of the constraints given in the table by gender (results not shown) did not reveal any dependence (P>0.05). That is, gender and business constraints were independent.

Table 10: Marketing Challenges

Variable	Categories	Respondents			χ^2 value (DF, P)
		Male (n_1=66) (%)	Female (n_2=39) (%)	Total (n=105) (%)	
Constraint	Complying with govt. regulations	58.13	45.63	51.88	1.339 (2, 0.266)
	Difficulty accessing skilled workers	43.44	30.94	37.19	1.125(2, 0.587)
	Lack of financial assistance	79.06	98.13	88.60	0.437(2, 0.493)
	Lack of business information	88.75	76.81	82.78	2.268(2, 0.134)
	Excessive taxation	81.25	92.88	87.07	4.137(2, 0.413)
	High inflation rate	35.94	25.63	30.79	2.478(2, 0.334)

To overcome some of the stated constraints several suggestions were given as summarized in Table 11. These included adherence by entrepreneurs to the set government business rules and regulations, (which is of paramount importance), the government in collaboration with other stakeholders should provide (on a regular basis) training for small and medium entrepreneurs to update their business skills, the inflation rate should be kept as low as possible to avoid reducing customer purchasing power, and the government should provide tax relief for SMEs. Others include having an equal business environment for males and females as well as security or government commitment. These solutions are similar to those stated in the study by Mfaume and Leonard (2004). In their study, they identified customers, security and government support as important environmental factors for success of the SME sector.

Table 11: Respondents' opinions for improvements

Variable	Categories	Respondents	
		Male (n_1=66) (%)	Female (n_2=39) (%)
Option	Soft loans	37.50	28.13
	Adhere to government regulations	14.69	10.00
	Provide tax relief	17.19	74.06
	Provide training	28.13	20.31
	Gov. should control inflation	9.38	57.76
	Other	17.19	7.81

5. Conclusion

This study identified the differences between female and male-owned SMEs with respect to business characteristics, application of marketing strategies and the associated marketing challenges. To achieve this, a survey was conducted in Tanzania. Then the study used the Chi-square test for independence and the student t-test to examine if there is any significant difference between male and female-owned businesses, which determined whether gender is related to marketing decisions. It was revealed that the main strategy employed by female-owned businesses was networking, while their male counterparts focused more on quality and price differentiation. The associated costs and ease of use were the major influences on the choice of strategy, regardless of gender.

It is certain that adhering to proper marketing principles and practices is not optional. Thus, training the SME-owner managers in various aspects of marketing strategies is very important regardless of their gender. Understanding marketing enables the business owners to interact with the customers freely, while grasping existing marketing opportunities easily than otherwise. If the owner-managers lack marketing skills, it is of paramount importance to utilize the marketing experts to promote the business growth and sustainability.

Above all, adherence to the relevant business rules and regulations by entrepreneurs, the provision of training for small and medium entrepreneurs to update their business skills and controlling inflation to avoid reducing customer purchasing power are recommended. In addition, the tax relief for SMEs is required in order to create equal business opportunities not only for both males and females; but also between large and small enterprises in the country. There are largely miscalculations in developing economies where large enterprises which are a handful to receive tax relief while the SMEs that account for more than 40% of the nation's GDP (Tanzania in particular) to succumb the prospect. Lastly but not least, further research could test the relevant sets of distinctive marketing competencies for each gender. Likewise, further study can investigate why females are more relationship prone as compared to male? How do they manifest this practice and what is the consequence of this practice on their earnings?

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