

Influence of Search Engine Marketing on Business Performance among Clothing SMEs in Dar es Salaam City, Tanzania

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Abstract— This study investigated the effect of search engine marketing on business performance among clothing small and medium-sized enterprises (SMEs) in Dar es Salaam and examined the mediating role of online social network relationships. The research was grounded in the Diffusion of Innovation Theory and Social Network Theory. A quantitative approach and an explanatory research design were employed. Primary data were collected from 363 owners of clothing SMEs using structured questionnaires, with respondents selected through a systematic sampling technique. Linear regression analysis revealed that search engine marketing exerts a positive and statistically significant effect on business performance ($\beta = 0.837$, $p < 0.001$). Search engine marketing also demonstrated a significant positive effect on online social network relationships ($\beta = 0.837$, $p < 0.001$). When the mediating variable was introduced, both search engine marketing ($\beta = 0.377$, $p < 0.001$) and online social network relationships ($\beta = 0.549$, $p < 0.001$) had significant effects on business performance, indicating partial mediation. The model accounted for 79.0% of the variance in business performance ($R^2 = 0.790$). The study concludes that enhanced search engine visibility and strengthened online customer relationships are associated with improved performance of clothing SMEs. It recommends increased investment in search engine marketing and digital customer engagement strategies to foster business growth and competitiveness.

Keywords— Search Engine Marketing, Business Performance, Clothing SMEs, Online Social Network Relationships

I. INTRODUCTION

Small and Medium Enterprises (SMEs) play a critical role in economic development by generating employment opportunities. Globally, SMEs account for more than 90% of all enterprises and make substantial contributions to Gross Domestic Product (GDP) and employment in both industrialized and developing countries (International Council for Small Business [ICSB], 2024). In Tanzania, SMEs contribute approximately 35% of national GDP and provide employment to about five million people, thereby constituting a major pillar of the national economy

(Tanzania Investment and Consultant Group Ltd, 2024). Despite this contribution, many SMEs continue to experience slow business growth due to limited financial resources, restricted market access, and intensifying business competition.

The rapid expansion of internet technologies has transformed how SMEs communicate with customers and promote their products. Search Engine Marketing (SEM) has emerged as one of the most effective digital marketing strategies because it enables firms to increase their online visibility through paid advertisements and search engine optimization

(Nimgharen & Ayaz, 2025). SEM allows businesses to appear in search engine results when customers search for products and services, thereby increasing website traffic, customer inquiries, and sales (Nimgharen & Ayaz, 2025). As internet usage continues to grow, SEM provides SMEs with opportunities to compete with larger firms by reaching customers beyond their traditional geographical markets.

Internet access has expanded substantially in Tanzania over the past decade. According to the National Bureau of Statistics (2022), Tanzania has a population of approximately 61.3 million people, while World Bank (2022) estimates indicate that nearly half of the population uses the internet. This expansion has increased the potential for SMEs to adopt digital marketing tools. However, many Tanzanian SMEs still rely on traditional marketing approaches despite the availability of digital platforms (TCRA, 2022). Limited digital skills, inadequate knowledge of online marketing strategies, and financial constraints reduce the effective adoption of SEM among many small businesses (World Bank, 2021).

Empirical studies have shown that SEM has a positive effect on business performance. For example, Mutano (2017) found that search engine marketing is associated with improved marketing performance among SMEs in Kenya. Similarly, Kumar and Jincy (2017) reported that online marketing strategies contribute to higher sales and enhanced customer acquisition. However, most existing studies have been conducted outside Tanzania, while domestic research has predominantly focused on social media marketing (Fute & Lyimo, 2019; Silvano & Mbogo, 2022). Consequently, evidence on the contribution of SEM to business performance among clothing SMEs in Tanzania remains limited. In response, the present study examined the influence of search engine marketing on business performance among clothing SMEs in Dar es Salaam, Tanzania.

II. THEORETICAL REVIEW

2.1 Diffusion of Innovation Theory

The present study employed two theoretical frameworks, namely Diffusion of Innovation Theory (DOI) and Social Network Theory (SNT). Diffusion of

Innovation Theory, originally developed by Rogers (1962), explains how new ideas and innovations disseminate within a population over time through a series of stages, specifically knowledge, persuasion, decision, and validation. The theory is structured around four key elements: the innovation itself, communication channels, time, and the social system.

Diffusion of Innovation Theory is particularly pertinent to this study because search engine marketing constitutes a digital innovation adopted by clothing SMEs to enhance their business performance. This is consistent with Rogers (2003), who found that businesses are more likely to adopt innovations that offer greater benefits. In this context, search engine marketing is associated with increased online visibility, broader customer reach, and higher sales volumes (Masikonte, Kitur & Maina, 2024).

Furthermore, the theory elucidates how innovations diffuse through communication channels within a social system over time. It identifies key factors that influence adoption, including relative advantage, complexity, and observability. In the context of the present study, these principles provide a framework for understanding how SMEs utilize digital marketing tools, particularly search engine marketing, to reach customers and improve business performance.

2.3.2 Social Network Theory (SNT)

Social network theory (SNT) originated in the work of early scholars such as Ferdinand Tönnies, Émile Durkheim, and Georg Simmel. SNT examines how interpersonal relationships and network structures influence behaviour, information exchange, and organisational outcomes (Ding, Feng, Huang, & Li, 2024; Minati, 2024). It posits that small and medium-sized enterprises (SMEs) are embedded within networks in which ties provide access to resources, knowledge, and business opportunities that enhance organisational performance (Borgatti & Halgin, 2011). SNT assumes that firms are mutually interdependent and that relationships facilitate the flow of information and resources. Furthermore, it contends that network structure shapes outcomes and that firms which are strategically connected obtain greater competitive advantages (Abbas *et al.*, 2019; Guimarães *et al.*, 2021; Kgakatsi *et al.*, 2024; Mancini & González, 2021).

STN offers a useful framework for explaining how online network relationships have an effect on SME performance via nodes, ties, network structure and information flow (Minati, 2024). In this study, nodes stand for SMEs, customers and digital platforms, while ties refer to the connections among them. Network structure determines how successfully information and resources are shared, and information flow permits the exchange of knowledge, innovations and marketing content that generates business opportunities (Bidoki, Mantzaris, & Sukthankar, 2020). In the current study, the STN clarifies how search engine marketing enhances online visibility, social media marketing supports customer relationships, and content marketing increases information sharing; this enables SMEs to increase their networks, increase customer engagement and attain better business performance (Katona & Sarvary, 2014).

2.3 Empirical Literature Review

Sharabati *et al.* (2024) from Jordan examined the effect of search engine marketing on the performance of SMEs. Their study used a quantitative approach and a population of 190 managers randomly selected. The findings of the regression model showed that search engine marketing is associated with increase SMEs business performance. The study suggested that SMEs need to invest more in digital technologies, and policymakers are required to offer financial and technical support to support digital transformation among SMEs. The study of Sharabati *et al.*, (2024) was conducted in Jordan, but this study was conducted in Tanzania background. Similarly, Chaffey and Ellis-Chadwick (2022) from the United Kingdom examined the influence of search engines on SMEs' business performance. Their research applied a quantitative research approach with a descriptive and explanatory research design. The population comprised online retail companies, and a sample of 210 companies was selected using simple random sampling. The results of regression exposed that search engine marketing is associated with increase SMEs business performance. In Africa background, Ndung'u and Mutinda (2022) from Kenya investigated the influence of search engine marketing on SMEs' business performance. Their study employed a descriptive design and focused on marketing administrators from the top 100 medium-sized firms recognised through the KPMG

and Nation Media Group survey. The findings of the regression analysis showed that search engine marketing is associated with increase SMEs performance. The study by Ndung'u and Mutinda (2022) was conducted in Kenya, but this study adds a contextual gap in Tanzania background.

Moreover, Mushi (2024) from Mbeya City, located in Tanzania, investigated the relationship between search engine marketing strategies and SME performance. Their study used a quantitative approach and involved 335 SMEs selected through systematic random sampling. In their study, primary data were gathered through a structured questionnaire. SEM exhibited that digital marketing strategies had a positive and statistically significant relationship with SME performance, particularly sales growth, market share and market development. Although the study is related to the present study, it was conducted in Mbeya City, whereas the current study focuses on Dar es Salaam City Council. Also, Ndone and Kisawike (2025) from Tanzania examine the effect of digital marketing strategies on business performance among SMEs at SIDO Market in Mbeya. Their research employed a quantitative approach and a descriptive research design. The population comprised 185 SMEs working in manufacturing, trade and service sectors. Also, their study used a sample of 126 respondents, selected using stratified random sampling. The results of regression analysis showed that digital advertising significantly increases sales growth and customer retention. The study further exposed that numerous SMEs were still using online advertising only occasionally due to cost and technical barriers. It encouraged the regular use of online platforms to gain stronger business results.

Previous studies have revealed that digital marketing enhances SME performance, but most have examined digital marketing largely focused on other countries (Bruce *et al.*, 2023; Minama, 2016; Nganga, 2022). Moreover, in Tanzania, limited evidence exists on the effect of search engine marketing on the business performance among the clothing SMEs in Dar es Salaam. Furthermore, previous studies used either the Diffusion of Innovation (DOI) Theory or Social Network Theory (SNT) separately, which does not fully explain both the adoption of search engine marketing and its contribution to business performance through digital networks (Shauri,

Magaria, & Masanyiwa, 2023). This paper addresses these contextual and theoretical gaps by focusing on clothing SMEs in Dar es Salaam and fitting DOI and SNT to explain how search engine marketing adoption and online network relationships increase business performance.

2.4 Conceptual Framework

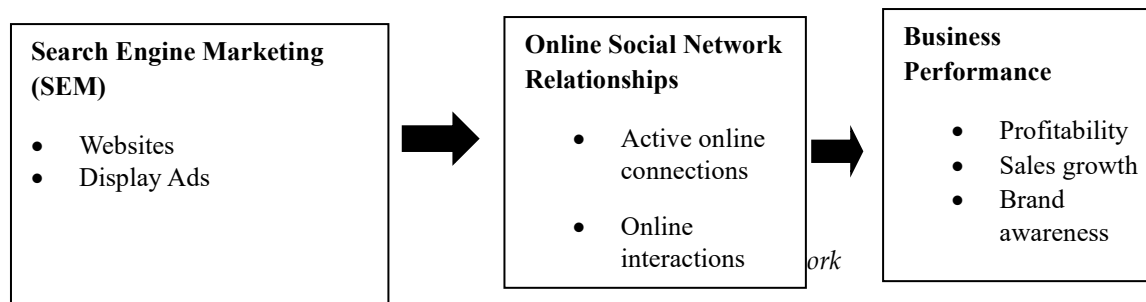
Figure 1 displays the CF, showing a connection between the outcome variable of SMEs business performance and the predictor of search engine marketing. Also, this study used online social network relationships as mediating variables since they best reflect the theoretical model of SNT and offer a stronger explanation of the mechanism through which digital marketing influences SME performance.

Search engine marketing has an effect on SMEs' business performance through direct causal

Independent Variables

Mediator

Dependent Variables



III. RESEARCH METHODOLOGY

3.1 Research Approach and Research Design

The current study used a quantitative research approach, as numerical data were used to investigate the influence of Search Engine Marketing on SMEs' business performance. This approach was appropriate to measure the magnitude and direction of the influence of search engine marketing on SMEs' business performance with the aid of a linear regression model (Saunders *et al.*, 2019).

Moreover, the current study used an explanatory research design to investigate the cause-and-effect relationship between search engine marketing and SMEs' business performance. Also, the design supports the use of statistical analysis to test hypotheses, and this helps to generate evidence-based conclusions for decision-making (Saunders *et al.*, 2019; Creswell & Creswell, 2018).

relationships, whose strength and direction are determined by regression coefficients (Gujarati & Porter, 2009; Wooldridge, 2016). In addition, online social network relationships act as a mediating variable, indicating that search engine marketing affects business performance both directly and indirectly through stronger online networks, consistent with Social Network Theory (Scott, 2017). According to the review, hypotheses are established as follows;

H₀₁: Search engine marketing has no significant positive influence on the business performance of SMEs.

H_a: Search engine marketing has a significant positive influence on the business performance of SMEs.

3.2 Study Area and Population

This study was carried out in Dar es Salaam City Council since it has the largest concentration of SMEs in Tanzania, with 204,312 SMEs; this represents the setting for the study (NBS, 2024). Moreover, as the country's main commercial and technological hub, SMEs in Dar es Salaam extensively use digital marketing tools, for instance, social media, search engines and online platforms (United Republic of Tanzania, Ministry of Finance, 2024). The target population for this study included 3,952 clothing SMEs operating in the city and were selected since they actively use digital marketing to reach widespread markets (DCC, 2025; Nyamanza, 2020).

3.3 Sample Size and Sampling Techniques

Given the known population of 3,952 clothing SMEs in Dar es Salaam City Council (DCC, 2025), Yamane's (1967) formula was applied at a 5% margin of error, yielding a sample size of 363 respondents. The study

used systematic sampling, in which a sampling frame compiled from relevant business registers was used to select eligible SMEs. After randomly selecting the initial sampling unit, the study selected subsequent units at a predetermined sampling interval until it reached the required sample size. This procedure provided a systematic and transparent approach to respondent selection and helped minimise subjective selection, thereby supporting the credibility of the study findings (Creswell & Creswell, 2018; Saunders *et al.*, 2019).

3.4 Types, Sources of Data and Methods of Data Collection

The current study used primary data collected using closed-ended questionnaires administered to 363 clothing SME owners located in Dar es Salaam. The questionnaire items were adapted from Nganga (2022) and pre-tested through a pilot study that involved 36 respondents (10% of the sample) to guarantee precision, reliability and validity.

3.5 Data Analysis

This study used linear regression to investigate the influence of search engine marketing on the dependent variable of SMEs' business performance, holding other factors constant (Gujarati & Porter, 2009). A linear regression model is appropriate to determine the individual contribution and significance of each variable, as well as recognise which factors have the strongest effect on SMEs' business performance (Wooldridge, 2016; Hair *et al.*, 2020). Since this research includes the mediating relationship, mediation analysis was conducted using hierarchical regression following the procedures proposed by Reuben M. Baron and David A. Kenny (1986), accompanied by the bootstrap approach suggested by Andrew F. Hayes (2022). The analysis was carried out in three sequential regression models.

Model 1: Effect of Independent Variable on the Dependent Variable (Total Effect)

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon \dots\dots\dots (1)$$

where:

Y = Business Performance

X_1 = Search Engine Marketing

β_0 = Constant

ε = Error term

This model examines whether the independent variables of search engine marketing significantly predict the outcome variable of SMEs business performance.

Model 2: Effect of Independent Variables on the Mediating Variable

$$M = \beta_0 + \beta_1 X_1 + \varepsilon \dots\dots\dots (2)$$

where:

M = Mediating variable (online network relationships)

This model determines whether the independent variables significantly influence the mediator of online network relationships)

Model 3: Mediation Model

$$Y = \beta_0 + \beta_1 X_1 + \beta_4 M + \varepsilon \dots\dots\dots (3)$$

Third model estimates both the direct effects of the independent variables and the indirect effect through the mediating variable. Thus, mediation recognized if the predictors significantly predict the mediator; the mediator significant predicts the dependent variable; Moreover, mediation established if regression coefficients of the predictors decrease after inclusion of the mediator. Complete mediation happens when the direct effect becomes statistically insignificant, while partial mediation occurs when the direct effect remains significant but is reduced.

The validity of the regression model depends on attaining important assumptions. Also, collinearity test was evaluated using Variance Inflation Factor (VIF), with VIF values greater than 10 specify high collinearity. Homoscedasticity was examined to guarantee constant error variance while normality was tested to confirm a normal data distribution. Finally, autocorrelation was evaluated using the Durbin-Watson statistic, where values close to 2 suggests no autocorrelation (Gujarati & Porter, 2009; Wooldridge, 2016).

4. Findings and Discussion

This section presents the main findings where linear regression model was used in data analysis. Since this included mediating variable, the suitable analysis is hierarchical linear regression. The hierarchical regression analysis was conducted in three models to investigate the direct influence of search engine marketing on business performance, as well as the mediating role of online social network relationships

among clothing SMEs. Thus, this study estimates the model in three regression steps as follows;

4.1 Direct Effects of Search Engine Marketing on Business Performance (Model 1)

The first regression model examines whether the independent variables significantly influence business performance. The main purpose is to determine

whether each digital marketing strategy significantly predicts business performance.

$$BP = \beta_0 + \beta_1 SEM + \varepsilon \dots \dots \dots (4)$$

Where: BP stand for business performance (dependent variable), SEM represent search engine marketing, β_0 is the constant, β_1 is the regression coefficient, and ε represents the error term

Table 1: Model 1

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.002	.029		-.060	.952
	Search Engine Marketing	.835	.029	.837	28.772	.000
a. Dependent Variable: Business Performance						

4.2 Effects of Independent Variable on the Mediating Variable (Model 2)

In the second model, the study evaluates whether search engine marketing significantly influences the mediating variable (online social network relationships). The intention is to know if search engine marketing is associated with an increase in online social network relationships. Thus, a significant relationship is one requirement for establishing mediation, where OSNR represent the online social network relationships (mediator).

$$OSNR = \beta_0 + \beta_1 SEM + \varepsilon \dots \dots \dots (4)$$

The findings from Table 2 indicate that search engine marketing has a positive and statistically significant influence on online social network relationships ($\beta = 0.837$, $p < 0.001$). The findings show that larger use of search engine marketing is associated with increased online relationships among clothing SMEs and their customers. The increased visibility in search engines contributed to increased customer awareness, website visits and chances for interaction; this simplifies SMEs to create stronger digital networks.

Table 2: Model 2

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.002	.029		-.070	.945
	Search Engine Marketing	.836	.029	.837	28.858	.000
a. Dependent Variable: Online Social Network Relationships						

4.3 Mediation Model (Model 3)

The final model incorporates both the independent variable and the mediating variable in order to assess whether online social network relationships mediate the association between search engine marketing and business performance. Accordingly, this study compares the regression coefficients (β_1) obtained from Model 1 and Model 3. A reduction in the

magnitude of these coefficients following the inclusion of the mediating variable, while online social network relationships (OSNR) remain statistically significant, indicates the presence of mediation. If the coefficients remain statistically significant but decrease in magnitude, this reflects partial mediation. Conversely, if the coefficients

become statistically non-significant, this indicates full mediation..

$$BP = \beta_0 + \beta_1 SEM + \beta_4 OSNR + \varepsilon$$

.....(7)

The results reported in Table 3 indicate that both search engine marketing ($\beta = 0.377$, $p < 0.001$) and online social network relationships ($\beta = 0.549$, $p < 0.001$) exert positive and statistically significant influences on business performance among clothing SMEs. The larger standardized coefficient associated with online social network relationships suggests that

this factor has a stronger impact on business performance than search engine marketing. Accordingly, the findings imply that search engine marketing directly enhances the business performance of SMEs, while the strengthening of online social network relationships is also associated with improved business performance. For example, clothing SMEs that are readily discoverable via search engines and that sustain active online interactions with customers are more likely to foster customer trust, encourage repeat purchases, and thereby improve overall business performance.

Table 3: Mediation Model (Model 3)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.001	.024		-.026	.979
	Search Engine Marketing	.376	.044	.377	8.454	.000
	Online Social Network Relationships	.549	.045	.549	12.333	.000
a. Dependent Variable: Business Performance						

4.4 Regression Assumptions

4.4.1 Residual Normality Assumption

This section presents the results of the first regression assumption, namely the normality of residuals. Residual normality denotes the assumption that the residuals (error terms) defined as the differences between the observed and predicted values of the dependent variable are normally distributed (Midway & White, 2025). The normality of residuals is evaluated using graphical methods, such as histograms and normal probability (Q-Q) plots. It can also be assessed using statistical tests, including the Shapiro-Wilk and Kolmogorov-Smirnov tests. These graphical and statistical procedures are employed to determine whether the residuals approximate a normal distribution, thereby supporting valid parameter estimation and hypothesis testing. When the residuals deviate from normality, statistical

inferences may become unreliable, potentially resulting in inaccurate p-values and confidence intervals, particularly in studies with small sample sizes (Osborne, 2013).

Figure 2 presents a histogram of the standardized residuals, indicating that the residuals are centered around zero and exhibit a symmetric, bell-shaped distribution. This pattern is consistent with the assumption of normality. Similarly, Figure 3 presents the Normal P-P Plot, which shows that the observed residuals closely follow the diagonal reference line, with only minor deviations. On this basis, it is concluded that the residuals are approximately normally distributed. Consequently, the assumption of residual normality is satisfied, implying that the regression estimates, hypothesis tests, and confidence intervals are reliable (Gupta *et al.*, 2019).

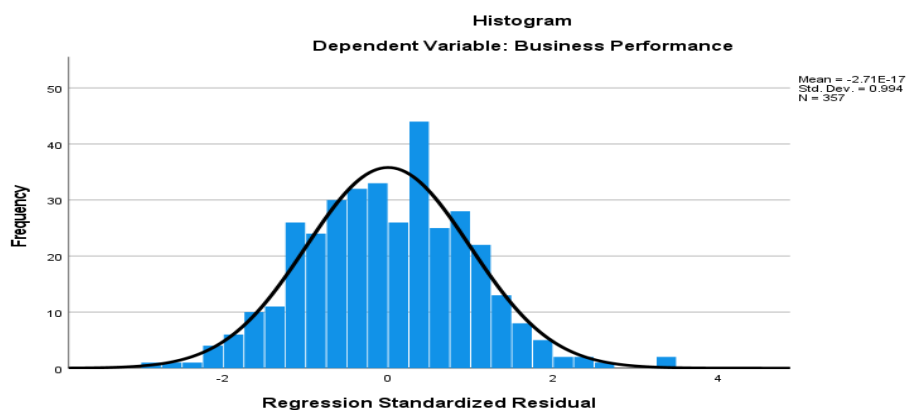


Fig.2: Histogram

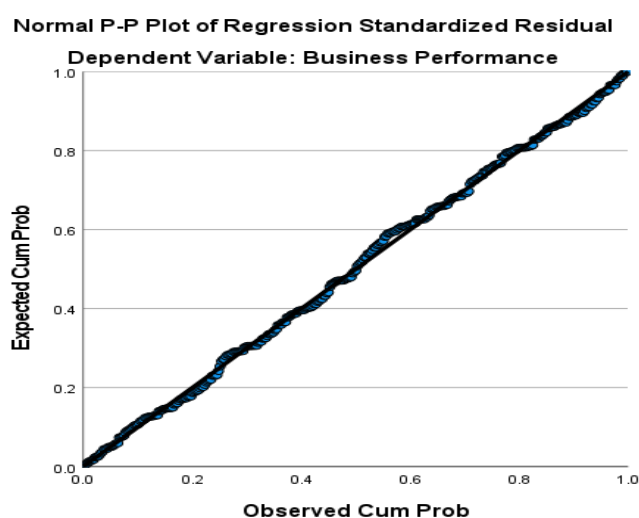


Fig.3: Normal P-P Plot

Similarly, Table 4 shows outcome of Kolmogorov-Smirnova and Shapiro-Wilk normality tests. Finding exposed that Shapiro-Wilk test associated with p_value of 0.606 while Shapiro-Wilk has p_value of is 0.200. Table 4.11 we obtain the p-values larger than

0.05, this indicates that at the 0.05 level of significance, thus study reject the null hypothesis of normality (Kwak, 2023). Thus, study conclude that, the standardized residuals are normally distributed.

Table 4: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Unstandardized Residual	.033	357	.200*	.996	357	.606
*. This is a lower bound of the true significance.						
a. Lilliefors Significance Correction						

4.4.2 Heteroscedasticity

This subsection presents the findings of the homoscedasticity assumption. Homoscedasticity

means that the variance of the regression residuals remains constant across different levels of the independent variables (Ocaña & Zumbo, 2019). As

revealed in Figure 4, the residuals are randomly and consistently scattered with no clear pattern; this confirms that the homoscedasticity assumption is met.

Thus, the regression model provides reliable coefficient estimates and valid statistical inferences.

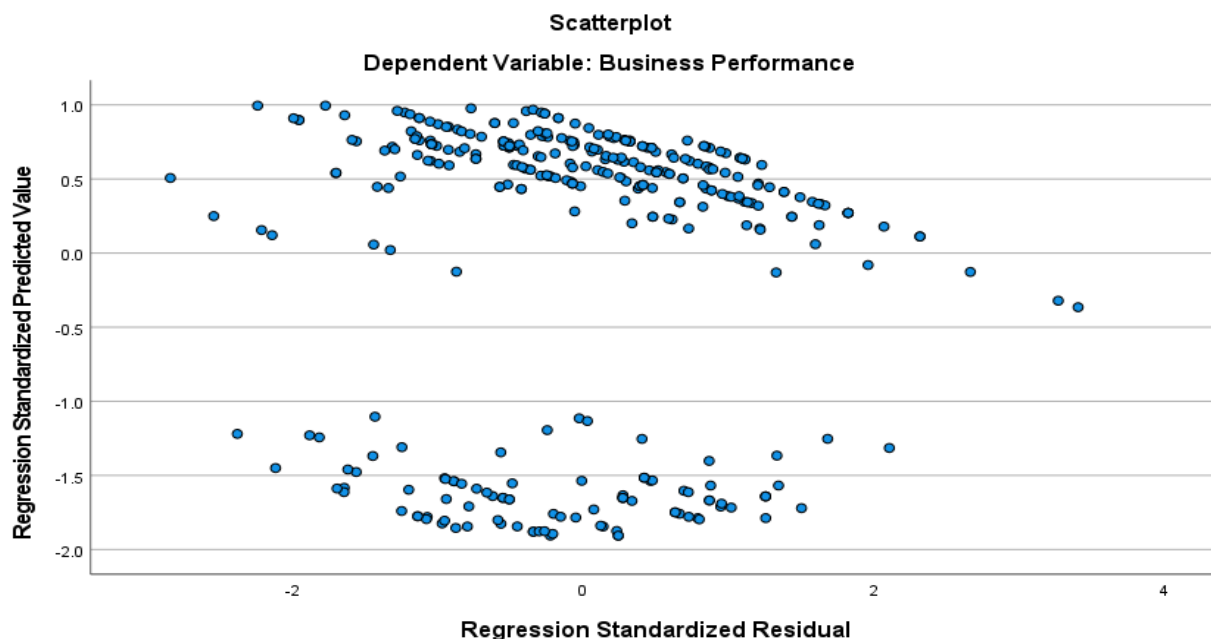


Fig.4: Scatter Plot

4.4.3 Multicollinearity

Multicollinearity occurs when two or more predictors within a model are strongly correlated, this makes it difficult to distinguish each variable's individual effect on the outcome variable (Shrestha, 2020). In this study collinearity test evaluated using Tolerance and the VIF. Tolerance values below 0.20 indicate possible multicollinearity, while VIF measures its effect on the

variance of regression coefficients. In this study, VIF values below 5 specify that collinearity is not a serious concern (Habshah *et al.*, 2013; Jamal, 2017). Finding from Table 5 show that search engine marketing and online social network relationships has VIF of 3.346 which below 5. Thus, collinearity diagnostics show that search engine marketing, and online social network relationships do not exhibit serious multicollinearity problems.

Table 5: Multicollinearity

Variables	Tolerance	VIF
Search Engine Marketing	.299	3.346
Online Social Network Relationships	.299	3.346

4.4.4 Autocorrelation

Autocorrelation refers to correlation among regression error terms, violating the assumption that residuals are independent (Chaudhary *et al.*, 2023). The presence of autocorrelation contributed a biased standard errors and unreliable statistical inferences (Gujarati & Porter, 2009). In the current study, Durbin-Watson test was applied to evaluate autocorrelation (Chen, 2016). A value close to 2

specifies no autocorrelation (Wooldridge, 2010). As shown in Table 6, the Durbin-Watson statistic was 1.87, which implies that the residuals are independent and the regression results are reliable.

4.4.5 Model Summary

This subsection shows the regression model summary revealed in Table 6. The model has a correlation coefficient of $R = 0.889$, which implies a strong positive connection among the predictor variables

(online social network relationships and search engine marketing) and business performance among clothing SMEs in Dar es Salaam. The R Square value of 0.790 shows that online social network relationships and search engine marketing jointly account for 79.0% of

the variation in business performance. The remaining 21.0% is unexplained by the model. After accounting for the number of predictors and sample size, the Adjusted R Square is 0.789, indicating little change in the proportion of variation explained.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.889a	.790	.789	.45964240	1.898
a. Predictors: (Constant), Online Social Network Relationships, Search Engine Marketing					
b. Dependent Variable: Business Performance					

4.4.6 Analysis of Variance (ANOVA)

The ANOVA was conducted to evaluate the overall model significance. As presented in Table 7, the model has F-statistic of 666.134 and a p-value of 0.000, this implies the model is statistically significant. This

finding shows that search engine marketing and online social network relationships jointly have a significant effect on SMEs business performance. Therefore, the regression model is suitable for explaining variations in business performance.

Table 7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	281.470	2	140.735	666.134	.000b
	Residual	74.790	354	.211		
	Total	356.260	356			
a. Dependent Variable: Business Performance						
b. Predictors: (Constant), Online Social Network Relationships, Search Engine Marketing						

IV. DISCUSSION

This subsection presents empirical evidence on the effect of search engine marketing on the business performance of clothing SMEs in Dar es Salaam. The results indicate that search engine marketing exerts a positive and statistically significant influence on SME business performance. This implies that SMEs with enhanced online visibility through search engines are more likely to attract customers and increase sales. Enterprises that maintain Google Business Profiles, appear on Google Maps, and optimize their websites are more easily discoverable by customers.

These results are consistent with the findings of Sharabati *et al.* (2024), who reported that search engine optimization improves SME performance in Jordan. They also align with Chaffey and Ellis-Chadwick (2022), who found that search engine activities are associated with improved SME performance in the

United Kingdom. Collectively, these studies suggest that enhancing search engine visibility can strengthen business performance among SMEs. Furthermore, the findings correspond with those of Ndung'u *et al.* (2022) in Kenya, who demonstrated that search engine marketing has a positive and significant effect on SME performance. Similarly, Mushi (2024) in Tanzania examined the relationship between digital marketing strategies and SME performance in Mbeya City and found, using structural equation modeling (SEM), a significant positive relationship between search engine marketing and SME performance, particularly in terms of sales growth, market share, and market development. In addition, the findings are in line with those of Ndone and Kisawike (2025), who showed that search engine marketing is associated with increased sales growth, customer retention, brand visibility, and competitiveness.

The findings of this research are consistent with the assumptions of the Diffusion of Innovations Theory, formulated by Everett M. Rogers. This theory explains how new technologies and innovations are adopted over time through communication channels. According to the theory, SMEs that adopt innovative technologies are more likely to enhance operational efficiency and performance than those that are slower to adopt. In the context of the present study, search engine marketing represents an innovative digital marketing practice that enables SMEs to increase their online visibility, attract customers, and expand their market presence. The positive relationship between search engine marketing and SME business performance indicates that clothing SMEs employing search engine marketing achieve better business outcomes than those relying solely on traditional marketing methods. The use of search engine marketing is therefore associated with improved business performance among clothing SMEs, supporting the core proposition of Diffusion of Innovations Theory that the adoption of innovation enhances firm performance.

The results also converge with a range of prior studies that have linked the use of digital marketing innovations to improved SME performance. For example, Tiago and Verissimo (2014) found that digital marketing technologies, including search engine optimization and search engine advertising, enhance customer acquisition and business competitiveness by increasing firms' online visibility. Similarly, Dwivedi *et al.* (2021) showed that the use of digital marketing innovations allows businesses to reach broader markets, improve customer engagement, and enhance business performance. In the same vein, Chaffey and Ellis-Chadwick (2022) established that search engine marketing has become an important digital strategy that helps firms generate qualified website traffic, increase brand awareness, and improve sales performance. Accordingly, the present findings support the view that SMEs employing search engine marketing are better positioned to improve business performance through greater online exposure and expanded customer reach.

V. CONCLUSION

This section presents the conclusions derived from the empirical results in relation to the formulated hypotheses. The findings of the study indicate that digital marketing plays a significant role in enhancing business performance among clothing SMEs in Dar es Salaam. The results of the hierarchical multiple regression analysis confirmed the effect of search engine marketing. Furthermore, the study established that online social network relationships are associated with improved business performance and partially mediate the relationship between digital marketing and SME performance. These results suggest that clothing SMEs that invest in digital marketing and maintain strong online relationships with customers are substantially more likely to increase sales, improve customer satisfaction, and enhance overall business performance. With respect to the first null hypothesis (H01), which posited that search engine marketing has no significant influence on business performance among clothing SMEs in Dar es Salaam, the study rejects the null hypothesis and accepts the alternative hypothesis. The findings demonstrate that search engine marketing exerts a positive and statistically significant influence on business performance.

VI. RECOMMENDATIONS

The present section formulates recommendations derived from the findings of the current research. Clothing SMEs are advised to increase their investment in digital marketing activities in order to enhance overall business performance. Given that social media marketing was found to exert the strongest influence on SME performance, owners are encouraged to make more extensive use of platforms such as Instagram, Facebook, and WhatsApp Business to promote products, communicate with customers, and process orders. Furthermore, businesses should develop comprehensive digital marketing strategies, regularly monitor customer engagement, and systematically evaluate the effectiveness of their online marketing efforts to improve sales and customer satisfaction within SMEs.

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