

Small Business Enterprises (SBE's) do play a major role in the world economy, and they are recognized as one of the main contributors to economic development and employment growth. They have emerged as a source of increased output, income and employment for marginalized members of the society. This has come in handy considering the dismal performance of the third world countries which include Africa, Latin America and Asia. The informal sector (SBE's) contributes a big portion of the Gross Domestic Product (GDP) in countries that are in these continents. The small enterprises (SBEs) cut across all sectors of our country's economy and provide one of the most prolific sources of employment, not to mention the breeding ground for medium and large industries which are critical for industrialization. According to the 2003 Kenya economy survey, employment within the SBE sector increased from 4.2 million persons in 2000 to 5.1 million persons engaged in employment. The sector contributes up to 18.4% of the country's Gross Domestic Product (GDP). This sector therefore is not only a provider of goods and services, but also a driver in promoting competition and innovation, and enhancing the enterprise culture which is necessary for private sector development and industrialization. Despite the significant role played by the sector, it has continued to experience many binding constraints that have inhibited the realization of its full potential. Among these constraints include the slow pace of adoption of e-marketing as a marketing strategy. Implementing e-marketing by small business enterprises can change the shape and nature of SBE's business all over the world. Because of the rapid proliferation of the internet, the World Wide Web (WWW) and electronic communication has created fast growing new electronic channels for marketing. The revolution in information technology (IT) and communications has changed the way people conduct business today. In recent years, increasing numbers of businesses have been using the internet and other electronic media in their marketing efforts, giving the chance for electronic marketing (as a new marketing phenomenon and philosophy) to grow in a very dramatic and dynamic way. Depending on that and based on the SBE role as an economic engine to drive global development, this paper sort to determine factors that have affected the adoption of e-marketing by SBE's in Mombasa Island. Prior studies in e-marketing and e-commerce adoption have identified eight factors that affect SBE adoption of e-marketing namely-perceived relative advantage; perceived compatibility; perceived complexity; pressures from trading partners; pressures from competitors; external change agents; knowledge and expertise about e-Commerce; and management attitudes towards e-marketing. The descriptive design was used in the study whose target population was 354 SBE firms in Mombasa island. A sample size of 106 firms was selected through stratified random sampling. Data was collected using questionnaires with both open and closed ended questions. Data collected was both qualitative and quantitative. Qualitative data was analyzed using content analysis whereas quantitative data was analyzed using descriptive statistics such as mean and percentages. Findings were presented by use of histograms. Both external and internal factors were found to affect the adoption of e-marketing by SBE firms in Mombasa Island. Some

factors were also found not to affect the adoption at all. In conclusion there is need for user training to enable demystify the technology, the government has a big role to perform in order to reduce the cost of adoption and improve infrastructure. Top management need to be educated on the benefits of e- marketing so that they can allocate more resources to the technology.