

Title

**ASSESSING THE IMPACT OF PERSONALIZED MARKETING STRATEGIES ON
REVENUE GENERATION: A CASE STUDY OF KAWALE TOWNSHIP**

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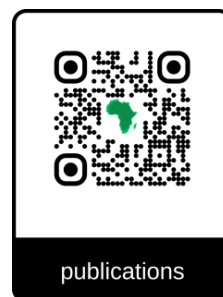
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ABSTRACT

Personalized marketing has emerged as a powerful tool for small-scale businesses seeking to stand out in competitive local markets. This study assessed the impact of personalized marketing strategies on revenue generation among small-scale business operators in Kawale Township, Lilongwe. Using a descriptive research design, data were collected from 50 respondents through structured questionnaires and analyzed with descriptive statistics and cross-tabulations. Findings revealed high awareness of personalized marketing (84%), with discounts and special offers (53%) and personalized social media advertisements (35%) being the most commonly used strategies. Personalized marketing significantly improved customer engagement, with 80% of respondents reporting better retention and stronger relationships. Revenue outcomes were positive for 60% of businesses, showing increased sales after implementation, though 40% experienced no change due to inconsistent application and skill gaps. Key challenges included customer resistance, high costs, limited technological access, and lack of marketing knowledge. The study concludes that while personalized marketing enhances engagement and revenue for small businesses in Kawale, its success depends on affordable digital tools, training, and customer education. Recommendations focus on capacity-building programs, improved access to low-cost digital platforms, awareness campaigns, and support from business associations. Areas for further research include customer perceptions, rural-urban comparisons, and long-term effects on business growth.

Keywords: Personalized Marketing, Revenue Generation, Small-scale

Businesses, Customer Engagement, Discounts and Offers, Social Media Personalization, Kawale Township, Malawi

INTRODUCTION

This study focuses on small businesses in general and small businesses in Kawale Township to be specific. The study falls in the field of marketing, with special focus on marketing strategies. In today's highly competitive and digitally driven marketplace, businesses are constantly seeking innovative ways to attract and retain customers. One such innovation is personalized marketing. Many small enterprises, including big companies, are looking for new strategies to reach and acquire consumers while saving costs in the process. Revenue generation is the goal for every business, and personalized marketing strategies play a major role, as this study aims to assess the impact of personalized marketing strategies on revenue generation.

This research aimed to assess the impact of personalized marketing strategies on revenue generation. It explored how businesses collected and utilized customer data, the effectiveness of various personalization techniques, and the measurable outcomes on sales and profitability. Importantly, the study also focused on the relevance and applicability of personalized marketing for small-scale business operators in Kawale, a densely populated and economically active area. These businesses often face resource limitations, yet they operate near their customers, making them uniquely positioned to benefit from relationship-based marketing approaches. By understanding and implementing personalized strategies, small business owners in Kawale could potentially improve customer satisfaction, foster loyalty, and increase revenue.

BACKGROUND OF THE STUDY

Customer expectations have changed since the mid-20th century, when accessibility of products was the key to capturing markets. Today, customers want to stand out while being part of a crowd. The desire to own a product that carries a personal signature drives each customer by satisfying them with products tailored according to their preferences. In practice, personalization is regarded as a process designed to curate a relevant, individualized interaction to enhance customer experience. Personalization is not new and can be traced back to the nineteenth century. *Ross (2017)* found that the earliest use of personalized direct marketing letters dates to 1870. Marketers observed that personalized salutations increased response rates by six times. In an experiment by Time magazine in 1940, it became difficult and expensive to execute personalization until the advent of modern computing power. Conceptually, the idea of personalization originated when researchers acknowledged the heterogeneity of markets consisting of homogeneous customer groups according to their needs and wants (*Brodie et al., 2011*).

Globally

Companies are using technology and data analytics to optimize their marketing efforts and increase revenue. For instance, personalization in marketing within Saudi Arabia involves tailoring marketing efforts to the unique characteristics, preferences, and cultural sensitivities of Saudi consumers. It encompasses strategies such as customized content, targeted advertising, and personalized offers, all designed to resonate with Saudi consumers (*Alalwan et al., 2017*). By considering factors such as

language, local customs, religious observances, and regional preferences, businesses can create more relevant and engaging experiences.

Africa

In Malawi, particularly in Kawale, many small-scale business operators face challenges such as limited resources, intense competition, and changing consumer preferences. Yet, these businesses often rely heavily on personal relationships and community trust. This presents a valuable opportunity: by understanding their customers better and offering tailored products, services, and promotions, small business owners can increase their relevance and appeal, ultimately boosting sales and revenue.

PROBLEM STATEMENT

There was limited research on how personalized marketing could practically benefit small businesses in local settings like Kawale. Most existing studies focused on large or online enterprises, leaving a gap in knowledge regarding localized, small-scale implementation. This study therefore sought to assess the impact of personalized marketing strategies on revenue generation among small-scale business operators in Kawale, with the goal of providing insights and recommendations that could lead to more effective and profitable marketing practices (*Pappas, 2018*).

While personalized marketing had proven effective in enhancing customer engagement and boosting revenue in larger businesses, its adoption and impact among small-scale businesses remained largely unexplored, especially in the local context of Kawale.

However, due to a lack of awareness or practical strategies, most small businesses continued to rely on common marketing methods that did not fully address customer needs or drive consistent growth. There was therefore a need to investigate how personalized marketing strategies could be effectively implemented by small business operators in Kawale and whether such strategies could lead to meaningful improvements in revenue generation.

RESEARCH OBJECTIVES

Main Objective

- To assess the impact of personalized marketing strategies on revenue generation among small-scale business operators in Kawale.

Specific Objectives

- To identify the types of personalized marketing strategies being used by small businesses in the area.
- To examine the relationship between personalized marketing practices and changes in customer engagement and revenue generation.
- To identify the challenges and limitations faced by small business operators in implementing personalized marketing strategies.

RESEARCH QUESTIONS

- Which personalized marketing strategies, if any, are being applied by these businesses?
- How does the use of personalized marketing affect customer engagement and revenue generation?

- What challenges do small-scale business operators face when trying to implement personalized marketing strategies?

SIGNIFICANCE OF THE STUDY

This study is significant as it aims to bridge the knowledge gap on how personalized marketing strategies can be practically applied by small-scale businesses in local settings such as Kawale, Malawi. While the concept of personalized marketing is well-documented in the context of large corporations and e-commerce platforms, there is limited research on its relevance and effectiveness for small business operators in developing urban communities.

The study holds significant importance in the field of marketing and business. Understanding the impact of personalized marketing strategies on consumer behavior and revenue generation provides valuable insights and benefits for consumers as well as for businesses. For small-scale entrepreneurs in Kawale, where competition is growing and customer retention is crucial, understanding and applying personalized marketing could offer a cost-effective way to stand out, attract repeat business, and increase revenue. By focusing on the specific marketing behaviors, capabilities, and constraints of these local businesses, the study offers tailored insights that can help them transition from traditional, generic marketing approaches to more customer-centered strategies.

LITERATURE REVIEW

This chapter presents a comprehensive review of literature related to personalized marketing strategies and their influence on

revenue generation. It begins by defining key terms used in the study to ensure clarity and shared understanding. The chapter then explores theoretical perspectives that support the concept of personalized marketing, providing a foundation for understanding its role in modern business practices. It further examines empirical studies both global and local that have investigated the relationship between personalized marketing and revenue performance, especially in small-scale business contexts. A conceptual framework is developed to visually and logically explain how various elements of personalized marketing interact and contribute to revenue generation. Finally, the chapter identifies the research gap by highlighting areas that remain underexplored in the current literature, particularly the limited focus on how small-scale businesses in resource-constrained settings like Kawale apply or benefit from personalized marketing. Overall, this chapter aims to build a strong theoretical and practical foundation for the current study and guide the research approach that follows.

Definition of key terms

Personalization

Personalization in marketing refers to the practice of delivering customized content, offers, and experiences to individual consumers based on their unique characteristics and preferences. It involves leveraging customer data, such as demographics, purchase history, browsing behavior, and social media interactions, to create targeted and relevant marketing messages. Personalized marketing encompasses various tactics, including personalized emails, product recommendations, dynamic website content, and tailored advertising (Zeng & Huang,

2020). Personalization is regarded as a process that is designed to curate a relevant, individualized interaction to enhance customer experience (Polk et al., 2020).

Personalized marketing

Personalized marketing, also known as one-to-one marketing, is a strategy that involves tailoring marketing messages, products, or services to individual customer preferences, behaviors, and needs using customer data and analytics. It aims to create a more relevant and engaging experience for each customer (Kotler & Keller, 2016).

Revenue generation

Revenue generation refers to the total amount of income earned by a business through its normal business activities, typically from the sale of goods or services. It is a key indicator of business performance and sustainability (Brigham & Houston, 2015).

Small-scale business

According to *Malawi Government (2013)*, a small-scale business is an independently owned and operated enterprise that is limited in size and revenue depending on industry and country standards. In the Malawian context, small-scale businesses are often informal and employ fewer than 10 people.

Customer engagement

Customer engagement refers to the emotional connection and active interaction between a customer and a brand or business. Engaged customers tend to show loyalty,

provide feedback, and make repeat purchases (*Sashi, 2012*).

Marketing strategy

A marketing strategy is a comprehensive plan formulated by a business to promote its products or services and reach target audiences effectively. It includes segmentation, targeting, positioning, and the marketing mix (product, price, place, promotion) (*Armstrong & Kotler, 2015*).

Empirical study

An empirical study is a type of research that uses observed and measured phenomena to collect data. It relies on practical experience and evidence rather than theory alone (*Creswell, 2014*).

Market penetration

Market penetration strategy is also known as concentrated growth strategy since a company can thoroughly develop and exploit their knowledge on a specific market (*Ataman, 2010*).

Theoretical Perspectives on Marketing Strategies

Marketing strategies are guided by several theoretical frameworks that help explain how businesses attract, retain, and grow their customer base including revenue generation. These theories provide a foundation for understanding how strategic marketing choices such as personalization can influence consumer behavior and revenue generation. This section reviews

key theories relevant to the development and application of effective marketing strategies.

Relationship Marketing Theory

Relationship Marketing Theory emphasizes the development of long-term relationships with customers as a way of achieving sustained business success. Unlike traditional transactional marketing, this theory focuses on customer retention, trust, and loyalty. Personalized marketing strategies are rooted in this theory, as they aim to build meaningful, one-on-one connections with customers. Relationship marketing builds customer connections based on trust, keen consideration, behavioral insights and mutual understanding. When executed well, it can drive customer retention, increase lifetime value and propel businesses toward their revenue goals. By understanding customers' preferences, behaviors, and purchase history, businesses can deliver personalized offers, recommendations, and communications, which can create a sense of value and trust. This, in turn, strengthens the bond between the customer and the brand, leading to increased loyalty and repeat purchases.

The Marketing Mix Theory (4Ps)

According to *Grönroos (1994)*, the theory of Marketing Mix was coined by Borden. The theory is still used today to make important decisions that lead to the execution of a marketing plan. The Marketing Mix framework (Product, Price, Place, and Promotion) serves as a fundamental guide for designing marketing strategies. Personalized marketing is considered part of the Promotion component, where businesses tailor communication strategies to suit the

preferences and behaviors of individual customers. The mix must be well-aligned to customer needs to generate consistent revenue growth. Personalized promotional messages can be more effective than generic ones. *Clow and Barack (2014)* highlight that most small businesses do not have the funds to broadcast a marketing message to millions of potential clients. After developing a product, setting the best market price and identifying an appropriate channel for distribution, an organization must promote it to potential buyers. It is important for the entrepreneur to notify potential buyers about the product's availability or to inform the consumer, using promotion media such as radio, print, or television.

Customer Engagement Theory

This theory suggests that engaged customers are actively involved, emotionally connected, and committed to a brand or company. This theory also expands on emotional connection where personalized marketing shows customers that a business knows and cares about them, which increases emotional attachment. This theory also explains active participation: engaged customers respond to messages, give feedback, share promotions, and return for repeat purchases. For small businesses, applying customer engagement principles through simple personalized strategies like SMS greetings, targeted promotions, and remembering customer preferences can make customers feel valued and increase their frequency of purchase. This, in turn, contributes directly to sustainable revenue growth.

Empirical Studies on Personalized Marketing Strategies

Empirical studies provide practical evidence on the effectiveness of personalized marketing strategies in enhancing business performance. This section reviews both international and local research findings that explore the connection between personalized marketing and revenue generation.

International Empirical Studies

In Indonesia, *Siti (2017)* conducted a study on the impact of marketing orientation and marketing strategies on performance of MSMEs in the batik industry. The marketing strategy variables employed were the 4Ps (product, price, promotion and place). The sample size was 140 MSMEs, sampled using purposive sampling technique. Data were primary, collected by direct observation, questionnaire, and guided interview. Multiple regression model was used to analyze and test the data. The results indicated that marketing strategies provide a positive impact on marketing performance.

In the United States, a study conducted by *Accenture (2018)* revealed that 91% of consumers are more likely to shop with brands that provide personalized offers and recommendations. Moreover, companies that implemented such strategies reported an average 10–30% increase in revenue over a one-year period. McKinsey research shows that 71 percent of consumers expect companies to deliver personalized interactions. 68 percent of consumers abandon a company due to a sense of indifference toward them. Customers' sentiments are almost as important as their buying power, so marketers must consider customers' attitudes (*Cawley, 2020*).

Regional and African Context Studies

In Sub-Saharan Africa, studies are increasingly exploring how small businesses leverage mobile-based personalized marketing. For example, a study in Kenya by *Otieno and Waithaka (2021)* showed that small retail businesses using SMS-based personalized promotions saw a 25% growth in customer retention and a 15% increase in monthly sales.

Similarly, in Nigeria, *Olayinka and Aminu (2019)* analyzed SMEs in Lagos that adopted digital CRM systems for customer-specific promotions. These businesses experienced measurable gains in revenue performance and customer satisfaction, especially in competitive sectors like fashion and electronics.

Personalization in marketing within Saudi Arabia involves tailoring marketing efforts to the unique characteristics, preferences, and cultural sensitivities of Saudi consumers. It encompasses strategies such as customized content, targeted advertising, and personalized offers, all designed to resonate with Saudi consumers (*Alalwan et al., 2017*). Saudi Arabia has seen a rise in the adoption of personalized marketing techniques. These strategies aim to deliver targeted and relevant messages to individual consumers based on their preferences, behaviors, and demographics. By tailoring marketing efforts to the unique needs and interests of Saudi consumers, businesses can create more engaging and personalized experiences that drive customer satisfaction and loyalty (*Al-Debei et al., 2020*).

Kenu (2018) investigated how marketing mix elements (product, price, promotion, and place) affect the performance of manufacturing MSMEs in Ethiopia. Although the study focused on general marketing strategies, it highlighted the positive impact of tailored promotions and product customization on business

performance. These findings suggest that personalized marketing efforts — especially customer-specific promotions — can contribute to revenue growth, even among small enterprises in developing economies.

Empirical Insights from Malawi and Related Contexts

Although limited, empirical evidence from Malawi suggested that personalized marketing remained underutilized but held great potential. A study by *Chirwa and Mvula (2022)* assessed the use of mobile marketing by small businesses in Lilongwe. In urban centers such as Lilongwe and Blantyre, some micro-enterprises informally used personalized tactics such as calling customers by name or sending messages via WhatsApp. However, these practices were often spontaneous and were not guided by customer data or long-term planning (*Nkhonjera, 2019*). This highlighted the lack of strategic application.

Several studies found a positive relationship between personalized engagement and business growth. For example, personalized communication and customer familiarity were shown to improve customer retention and loyalty, especially in informal market settings (*Mwale, 2021*). This supported the idea that tailored messaging increased repeat purchases and enhanced revenue stability.

However, implementation challenges persisted. Small business owners often lacked access to marketing training, digital tools, and customer data systems (*Kamwendo & Banda, 2022*). Many were unaware of how structured personalized marketing could be used as a competitive tool. Furthermore, resource limitations and low digital literacy further reduced adoption rates.

Conceptual Framework

The conceptual framework outlined how personalized marketing strategies (independent variable) influence revenue generation (dependent variable), particularly in small-scale businesses in Kawale. It helped explain the pathway through which personalization created value for both the customer and the business as well as revenue growth.

Independent Variable

The independent variables represented the personalized marketing strategies employed by a business:

- Name-based communication
- Sending Birthday or Anniversary Offers
- Personalized Emails
- Tailored Promotions for Specific Groups

Dependent Variable

Revenue generation (measured through increased sales volume and value, repeat purchases, higher customer lifetime value, and improved profit margins).

Explanation of the Conceptual Framework

The conceptual framework explained that personalized marketing strategies led to improved customer engagement and satisfaction, which in turn boosted revenue generation. The more a business was able to tailor its communication and offers to the specific needs of its customers, the more likely it was to increase loyalty, encourage

repeat purchases, and ultimately grow revenue. For small-scale businesses in Kawale, this framework provided a practical pathway for leveraging personalization through low-cost methods like SMS or WhatsApp to drive income growth.

RESEARCH GAP

While numerous studies had explored the role of general marketing strategies in business performance, there was limited research focusing specifically on personalized marketing strategies and their direct effect on revenue generation, particularly in the context of small-scale businesses in developing countries like Malawi. Most existing literature tended to focus on large corporations or e-commerce platforms in developed economies, where access to customer data and advanced marketing tools was readily available. These studies often overlooked the realities faced by small business operators in informal sectors, who relied more on simple, direct, and cost-effective marketing tools such as SMS, WhatsApp, and face-to-face communication.

Furthermore, while the importance of customer engagement and satisfaction had been widely acknowledged, there was a lack of empirical evidence showing how personalized efforts such as name-based messaging, loyalty offers, and targeted promotions influenced customer behavior and business revenue in small communities like Kawale. This research sought to fill that gap by examining how small businesses in Kawale applied personalized marketing strategies and how these efforts impacted their revenue. It contributed to the academic field by offering local insights, and to business practice by helping entrepreneurs adopt low-cost, high-impact personalization techniques to improve performance.

RESEARCH METHODOLOGY

The study used a descriptive research design and collected data from 50 respondents using structured questionnaires. Data were analyzed using descriptive statistics and cross-tabulations. The research instrument included closed-ended questions on awareness, strategies used, customer engagement, revenue changes, and challenges faced. Ethical considerations such as voluntary participation and confidentiality were observed.

RESULTS AND DISCUSSION

Response Rate

A total of 50 questionnaires were distributed and all were successfully completed.

Demographic Characteristics of Respondents

Respondents represented a mix of small-scale business operators in Kawale Township, with varied ages, types of businesses, years in operation, and number of employees.

Key Findings

- Awareness of personalized marketing was high (84%).
- Most used strategies: discounts and special offers (53%), followed by personalized social media advertisements (35%).
- Positive influence on customer engagement: 80% reported improved retention and stronger relationships.

- Revenue impact: 60% recorded increased revenue; 40% experienced no change.
- Challenges: customer resistance, high costs, limited technological access, and lack of marketing knowledge.

Cross-tabulations showed a clear positive relationship between applying personalized marketing and improved customer relationships as well as revenue growth.

SUMMARY OF RESEARCH FINDINGS

The study established that personalized marketing is widely recognized and applied by small businesses in Kawale Township. Discounts/offers and social media personalization are the dominant strategies. These approaches significantly enhance customer engagement and retention. A majority of businesses experienced revenue growth after adoption, though results vary due to implementation differences and resource constraints. Challenges remain around cost, technology access, and skills.

CONCLUSION FROM THE STUDY

Personalized marketing has a positive impact on revenue generation among small-scale businesses in Kawale. Its effectiveness is evident in higher customer loyalty and sales, but full benefits are limited by practical barriers. The study confirms that even simple, low-cost personalization techniques can drive meaningful business growth when applied consistently.

RECOMMENDATIONS OF THE STUDY

- Capacity-building programs on digital personalization tools and techniques for small business owners.
- Improved access to affordable smartphones, internet, and marketing software through partnerships with telecom providers and NGOs.
- Customer awareness initiatives to reduce resistance and encourage participation in personalized offers.
- Greater support from business associations and financial institutions for training and low-interest loans targeted at marketing upgrades.
- Integration of personalized marketing modules into existing SME development programs run by government and development partners.

AREAS FOR FURTHER STUDY

- Customer perceptions of personalized marketing and privacy concerns in Malawi.
- Comparative studies between rural and urban SMEs on the effectiveness of personalized strategies.
- Long-term impacts of personalized marketing on business sustainability and growth over 3–5 years.

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