



UNIVERSITY  
OF  
LUSAKA

**SCHOOL OF POSTGRADUATE STUDIES**

THE ROLE OF WORD OF MOUTH MARKETING ON LUSAKA CITY  
CBD SMALL-SCALE RETAILERS' BUSINESS GROWTH AMID THE  
CURRENT ENERGY CRISIS

**BY**

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DISSERTATION SUBMITTED TO THE FACULTY OF THE DEPARTMENT OF  
POSTGRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
OF THE AWARD OF A MASTER OF MARKETING MANAGEMENT

**2025**

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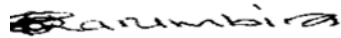
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## DECLARATION

I Wazakauye Zulu, hereby declare that this thesis is my own original work and that all sources used to complete it have been properly acknowledged. The research presented in this thesis has not been submitted for any other degree or qualification at any other institution.

I also confirm that ethical guidelines have been adhered to throughout the course of this research, ensuring that all participants were fully informed about the purpose and scope of the study, and that their confidentiality and privacy were respected.

**Signature of Supervisor:**

A handwritten signature in black ink, appearing to read "S. Mumba", is written next to the text "Signature of Supervisor:". The signature is somewhat stylized and cursive.

## DEDICATION

This project is dedicated to my parents and my sister that supported my academic journey this far and to Masego. Without the sound of his music to pull me through the darkest times of my life, I would not have gotten this far.

Thank you.

## ACKNOWLEDGMENT

Thankful for the opportunity to advance my career through this report. I am eternally grateful to all those that have aided me along the way.

Many thanks to the supervisor, Judith Charimbira, and the GBS 800 team for their guidance throughout this research despite the uncertain and challenging conditions of the energy crisis

Would not have been able to carry out the research and achieve knowledge accumulation without their help and support. The recommendation and instructions enabled the effective assembly and completion of this dissertation...

Lastly, I am so thankful to my family and friends for all the support they have given me throughout this dissertation and my postgraduate degree. Would not have been able to reach this point without them.

To them, I am eternally grateful.

## ABSTRACT

This study explored the role of word-of-mouth marketing in the business growth of small-scale retailers in Lusaka's CBD during the current energy crisis. In this study, a qualitative exploratory design was adopted, and semi-structured interviews were conducted with 50 small-scale retailers to gain an understanding of their marketing practices, challenges, and strategies as well as a focus group of 11 customers. This study was informed by the Stimulus Response Model and Social Exchange Theory, which in turn provided the conceptual framework in assessing the consequences of WOM marketing in environments with resource constraints. These findings showed that WOM marketing: both traditional and digital was a crucial tool for small-scale retailers due to its low-cost approach to attracting and retaining customers. Participants discussed how trust and credibility were central to positive WOM, with loyal customers playing an informal role of brand ambassadors. Digital media, especially WhatsApp and Facebook, came out as very important channels in amplifying WOM efforts and engaging customers in real time. However, other challenges were found to include managing negative WOM in their operations, intense competition, and maintaining consistent activity and customer engagement. This study contributed to the existing literature by showing how digital tools enhanced the consequences of WOM marketing in informal economies, especially during economic and operational disruptions. Practical implications include a call for retailers to inspire trust through transparency in their operations, to encourage referrals, and to use digital platforms to widen their reach. Policymakers were encouraged to support small-scale retailers by making it easy to access affordable digital tools and by providing training on customer engagement strategies. This research underlined the importance of WOM marketing as a sustainable growth strategy for small-scale retailers in challenging environments. Further research is needed to explore the long-term effects of digital WOM marketing and its generalizability across industries and cultural contexts.

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## CHAPTER ONE: INTRODUCTION AND BACKGROUND

### 1.0 Introduction

The study investigated how word-of-mouth marketing played a role in the survival and development of small-scale retailers in the CBD, Lusaka, during the energy crisis. These small-scale retailers did not advertise through expensive advertisements but relied on customer satisfaction and referrals to reach more people and gain confidence in the business. Word-of-mouth (WOM) marketing refers to the informal exchange of information between consumers about products or services (Harrison-Walker, 2020). Unlike electronic word-of-mouth (e-WOM), which occurs through social media and online platforms, traditional WOM marketing happens through face-to-face interactions or customer recommendations.

For small-scale retailers in Lusaka's CBD, WOM marketing played a critical role in business sustainability, especially given financial constraints and limited access to formal advertising platforms. However, Zambia's ongoing energy crisis disrupted many traditional and digital marketing efforts. This study examined how WOM marketing helped small retailers attract customers and survive economic challenges during this crisis.

### 1.1 Background

Small-scale retailers operating in Lusaka's Central Business District were confronted with a lot of challenges that threatened their survival and growth. These were the limited financial and operational resources, the high competition coming from larger-scale enterprises and other small-scale operators, and the problem of reaching a wider clientele in a dynamic, highly segmented market. These were exacerbated by the competitive nature of the CBD and inconsistent economic conditions, making many small-scale businesses look for means of cheaply retaining their market share and laying a concrete base of loyal customers. The research that informed this report was based on word-of-mouth, perhaps as an important tool in helping small-scale retailers in Lusaka's CBD find a cost-effective solution to address these challenges.

Studies have shown that word-of-mouth marketing significantly influences purchasing behaviour, with consumers trusting personal recommendations over advertisements (Silverman, 2019). Research by Mwale (2021) found that 72% of small businesses in

Lusaka relied on WOM referrals, but this study did not examine how external factors like energy crises affected WOM consequences.

The energy crisis in Zambia caused frequent power outages, reducing digital marketing reach and forcing businesses to rely more on traditional WOM marketing. However, little research has been done to explore how small-scale retailers in Lusaka's CBD adapt their WOM marketing strategies in response to economic disruptions.

Being a technique based on personal recommendations and customer referrals, WOM marketing required only very minimal financial investment compared to other traditional methods of advertising, thus being within reach for businesses operating under constrained resources. According to Springerlink (2020), WOM marketing offers an opportunity for small-scale entrepreneurs to get a foothold in competitive markets by eliciting trust and loyalty from customers. While formal advertising mostly failed to reach the local masses, WOM marketing relied on authenticity and the emotional bonds created when people shared their experiences. At local levels, for one reason or another, WOM marketing achieved several ends: mainly used by the small-scale business owners at the Lusaka CBD; making your brand awareness.

By encouraging satisfied clients to share good experiences, small-scale retailers increased their visibility and attract potential clients at minimal costs compared to advertising digitally or in print. Word-of-mouth also helps to build consumer trust, something that is widely regarded as paramount in consumer decisions, especially at markets where customers value personal recommendations over impersonal promotional messages from companies. Trust developed through WOM marketing provides better customer retention; however, small-scale businesses also emerge as trustworthy and customer-centric organizations in the minds of their customers. Moreover, WOM marketing helps small-scale enterprises to create competitive operational scenarios for larger firms that can invest more in financial and technology-based resources.

Large businesses mainly dominated formal advertising channels, thereby removing mere scope for smaller retailers to get visibility. However, WOM marketing leveled this playing field by focusing on customer satisfaction and using social networks to achieve organic growth. The report, Frontiers 2021, said WOM marketing had become a lifeline

for small-scale businesses in Lusaka's CBD to sustain operations and pursue growth in even adverse economic environments. These businesses, through relations with customers and quality of the product or service provided, manage to carve their niches in markets dominated by such well-established businesses. This therefore broadened the implications for WOM marketing in the Lusaka CBD; positioning it an adaptive and resilient strategy, above all within resource-constrained settings.

This was the consequence because it was congruent with the local cultural context where interpersonal communication and community trust are valued. Besides, WOM marketing does not depend on good technological infrastructure and connectivity that digital marketing does, which is all the more valuable in an environment where power outages and limited access to the internet are frequent. However, while WOM marketing realized critical advantages for small-scale retailers, it was by no means short of its disadvantages. It often didn't go much farther than social networks of your current customers, hence being limited as compared to more scalable digital and traditional marketing methodologies. Besides, WOM marketing depends very much on the positive customer experiences: the negative reviews and dissatisfaction may spread equally fast as recommendations, which can jeopardize a business's reputation. This was regardless of some challenges that it could also bring about; WOM marketing may unleash immense opportunities for growth and resilience among the small-scale retailers operating within Lusaka's CBD. By formulating structured avenues where customer feedback may be called for and absorbed into the systems and integrating this strategy of marketing into their mix, enterprises can harness it to attain optimal consequences and competitiveness. An illustration may have included referral credits or embedding word-of-mouth into social media applications to further push their potential.

Due to this, small-scale retailers in Lusaka's CBD adopted WOM marketing as an affordable and culturally appealing strategy to break through resource constraints, stiff competition, and the desperate need for increased customers.

WOM marketing adapts to ensure reliability for growth and also brings about trust and loyalty among customers; hence, even when the economy is bad, small businesses thrive.

This helped such businesses better their edge in the competitive Lusaka market by innovating and institutionalizing their WOM marketing.

## 1.2 Statement of the Problem

The most significant challenge faced by most small-scale retailers operating in the Lusaka CBD was that of poor customer attraction and retention resulting from limited access to formal marketing platforms. Indeed, traditional advertising through print and broadcast media remains expensive for small-scale entrepreneurs, with larger firms with more substantial financial resources often dominating such facilities (Kotler & Keller, 2020). This imbalance puts the smaller retailers at a disadvantage, wherein their ability to effectively promote their products and services is dwarfed by the greater visibility and influence of larger competitors. In consequence, small-scale businesses often remain in a relentless pursuit of some other affordable means of marketing to remain competitive in this densely populated, economically dynamic environment (Porter, 2019).

Small-scale retailers in Lusaka's CBD faced significant marketing challenges due to financial constraints and limited access to formal advertising. Word-of-mouth (WOM) marketing has been widely recognized as a cost-effective strategy for business growth, with studies indicating that personal recommendations influence 92% of consumer purchasing decisions (Harrison-Walker, 2020). However, most research focused on digital WOM (e-WOM) in developed economies rather than traditional WOM marketing in resource-limited settings (Silverman, 2019).

The energy crisis in Zambia has worsened these marketing difficulties by limiting the use of digital platforms, forcing businesses to rely more on face-to-face WOM marketing (Moyo, 2021). Yet, little research has explored how small-scale retailers adapt their WOM strategies during economic crises and the consequences of this adaptation on customer retention. This study sought to fill this gap by examining the consequences, challenges, and consequences of WOM marketing during Zambia's energy crisis.

Another alternative, WOM marketing, was based on a sales technique whereby customer recommendations and interpersonal communications are used to acquire new customers. What really made WOM marketing so attractive to the small-scale retailer is that it is inexpensive: there is no need for important financial input, only

organic sharing of good customer experiences (Arndt, 2018). On the other hand, WOM marketing, though promising many advantages, can be quite inconsistent since it is deeply dependent on the quality of customer satisfaction and the willingness of clients to recommend the business to others (Silverman, 2019). Unlike traditional advertising, where businesses have more control over messaging and reach, WOM marketing depends on external factors like the perception of customers and the size of their social networks (Solomon, 2020).

The perpetual energy crisis in Zambia only sharpened the issues facing small-scale retailers in Lusaka's CBD and further extended the limitations and potential of WOM marketing (Moyo, 2021). Essentially, frequent power cuts and uncertainties over energy supplies disrupted business processes and reduced the ability of retailers to keep regular working hours, serving customers adequately (Chisanga, 2022). These disruptions not only affected regular business operations but also alternative marketing approaches, such as digital and social media platforms reliant on steady access to both electricity and connectivity. In this context, WOM marketing has also become a vital tool for small-scale businesses because these activities are less dependent upon technological and infrastructural constraints (Kotler & Keller, 2020).

The purpose of the study was to explore the consequences of WOM marketing on small-scale retailers in the Lusaka CBD, adding to the knowledge on how best the strategy can be utilized for improved business development and sustainability. The research looked for strategic ways in which, with the help of WOM marketing, the small-scale retailer surmounted challenges driven by resource constraints and the energy crisis (Harrison-Walker, 2020). The findings of the study contributed to the development of a marketing strategy for local business owners and help them gain a competitive advantage in the CBD. This research also provided information for policymakers on how to support small-scale enterprises so that they could maintain their sustainability for a long time and contribute to the local economy (Porter, 2019).

The implication of this knowledge in understanding the specific role of WOM marketing in the growth of businesses in Lusaka's CBD is immense in terms of economic policy. Small-scale retailers form the backbone of Zambia's urban economy in terms of providing employment opportunities and adding vibrancy to local commerce (Chisanga, 2022). However, systemic challenges like inadequate infrastructure and a

lack of access to financial resources often confront their success (Solomon, 2020). By emphasizing WOM marketing as powerful, inexpensive, and versatile, this study sends an important message on the need for focused intervention that would enable these small-scale entrepreneurs to better avail themselves of the power of customer relationships, which could be useful in the design of programs by policymakers, stimulating customer activity to build trust and encouraging sustainable business practices among small retailers (Moyo, 2021).

As such, small-scale retailers operating in Lusaka's CBD did their business in very challenging environments characterized by resource constraints, increased competition, and infrastructural limitations. In regard to the same, WOM marketing has emerged as an important strategy in addressing such challenges by offering an efficient avenue for attracting and retaining customers at a lower cost (Arndt, 2018). Success, however, depended on whether or not the business would be able to ensure continued customer experiences that create opportunities for organic recommendation spread (Harrison-Walker, 2020). This study explored the dynamics of WOM marketing in the context of Lusaka's CBD and thus formed a basis on which innovative solutions could be developed to support small-scale retailers in an increasingly competitive marketing environment (Porter, 2019).

### 1.3 Research Objectives

1. To analyse the impact of word-of-mouth (WOM) marketing on small-scale retailers' customer acquisition and business growth amid the energy crisis in Lusaka's CBD.
2. To examine changes in consumer behaviour due to the energy crisis and how it affected their reliance on WOM marketing.
3. To investigate the role of trust and loyalty in WOM marketing when digital communication was limited by power outages.
4. To identify the challenges businesses and consumers faced in using WOM marketing during power shortages.
5. To explore the consequences of business strategies that enhanced WOM marketing and customer engagement despite energy-related disruptions.

## 1.4 Research Questions

1. How did WOM marketing influence small-scale retailers' customer acquisition and business growth during the energy crisis?
2. How did the energy crisis change consumer behaviour and their reliance on WOM marketing?
3. What factors influenced customer trust and loyalty when access to digital marketing is limited due to power outages?
4. What challenges did businesses and consumers face in using WOM marketing during the energy crisis?
5. What alternative marketing strategies could businesses implement to maintain and enhance WOM marketing despite energy disruptions?

## 1.5 Significance of the Study

The study conducted an in-depth study on the consequences of word-of-mouth marketing for small-scale retailers operating in developing regions, focusing on Lusaka's CBD. It underlined the important role WOM marketing plays in driving business growth, especially in environments where formal advertising channels are often beyond reach or too expensive. This becomes particularly relevant in the case of Lusaka, where small-scale retailers have to fight against resource limitations, high market competition, and infrastructural problems.

One of the main results derived from the study was the centrality of customer satisfaction and trust in enabling business growth through WOM marketing. Satisfied customers who had attachment toward the products or service being provided would tell others about their positive experiences, thus spreading the business by this ripple effect. This organic form of marketing relies exclusively on personal recommendations by consumers and, not only builds brand awareness, but it is a major means for extending the retailer's customer base without having to engage in major financial outlays on above-the-line advertising. It exemplified how positive word-of-mouth can have an immediate impact on customer loyalty and retention since people will probably give more belief to friends, family members, and acquaintances than they would to formal advertisements.

This therefore, led the research to investigate how small-scale retailers could reconfigure marketing to ensure full utilization of WOM in the face of the current energy crisis situation faced in Zambia, where inconsistency in energy supplies had caused disturbance to day-to-day core operations and limited usage of digital marketing gadgets that rely on electricity and internet connectivity. Under those conditions, WOM marketing emerged robust and at little cost. The study had proved that businesses can take part in building good relations with customers to inspire them to unofficial brand ambassadors. Small retailers can increase the chance of receiving more referrals even when there is an absence of robust digital infrastructure by offering customized experiences, assuring product quality, and incentivizing positive reviews.

But other areas of the exploratory study focused on practical strategies which retailers could practice, as well as the contributions made by policymakers and business development organizations in supporting such small-scale retailing. Emphasizing specifically those types of targeted interventions, better external enabling environments will be developed to help this business group turn around some serious constraints, such as the energy crisis. These included policy recommendations aimed at improving access to reliable sources of energy, training programs on marketing and customer engagement for small-scale retailers, and knowledge sharing and collaboration platforms. In so doing, policymakers would go a long way toward giving small retailers the wherewithal to tap into the power of WOM marketing-which would go a long way toward making these enterprises sustainable in the long run and economic development processes inclusive.

The study finally concluded that, although small-scale retailers in Lusaka's CBD face different challenges, WOM marketing is a gold mine in developing businesses, especially when the more traditional channels are not effective. A close network of word-of-mouth could be created by focusing on customer satisfaction and trust, leading to increased sales and customer loyalty. Meanwhile, the study also pointed out that there was a need to create an enabling environment through policy interventions which could allow small-scale retailers not only to survive but also prosper in a competitive marketplace.

## 1.6 Scope and Delimitation of the Study

The scope of this study focused on small-scale retailers within Lusaka's CBD, establishing how WOM marketing influenced customer acquisition, retention, and

ultimately business growth. The study focused on retailers who operate in the CBD but excludes those who do not. The research did not cover other forms of marketing, including digital advertising and promotional sales techniques. The study also excluded large retailers or those with international branches, since such organizations have access to wider marketing resources.

### 1.7 Operational Definitions

1. Word-of-Mouth Marketing (WOM): A marketing approach whereby customers share their experiences and recommendations with others either physically or digitally.
2. Small-Scale Retailers: Those businesses that operate on small capital and workforce and usually serve a local market.
3. Customer Acquisition: The process used to attract customers to a particular business.
4. Customer Retention: The customer base that a business can hold onto over some time.
5. Customer Satisfaction: A measure through which the requirements of the customers are achieved or exceeded in regard to supplied goods or services.
6. Lusaka CBD: The central business part of Lusaka, Zambia, used as a key area for various retail activities.

### 1.8 Chapter Synthesis

The purpose of this chapter, therefore, was to outline the importance of WOM marketing for small-scale retailers within the Lusaka CBD. It has elaborated on the difficulties faced in expanding the base of customers amid limited resources and access to formal marketing platforms. Against these odds, WOM marketing was an invaluable approach to customer loyalty and business growth that increases brand visibility.

This chapter has discussed how WOM marketing works as a relatively costless means of advertising, enabling business enterprises to engender trust through personal recommendations and consumer referrals. In the context of Lusaka's CBD, where most of the retailers were reliant on informal lines of communication, such as face-to-face and digital tools like WhatsApp, it is an important tool in keeping business concerns running, especially when economies start to stagnate and energy supplies are erratic.

The chapter also took a wider look at the implications for WOM marketing in terms of its effect on customer acquisition, retention, and loyalty for business success. It has emphasized the role of customer satisfaction and trust, and businesses engaging their customers with high levels of satisfaction can use WOM marketing to surmount the challenges of a competitive retail environment.

In essence, the chapter overemphasized the resilience and flexibility of WOM marketing as one crucial aspect of the small retailer's business strategy operating in the Lusaka CBD or similar contexts characterized by infrastructural and economic challenges.

## CHAPTER TWO: LITERATURE REVIEW

### 2.0 Introduction

This chapter carried out a review of the relevant theoretical and empirical literature on WOM marketing in the perspective of small-scale retailers in the CBD of Lusaka. It has outlined the importance of WOM in resource-constrained contexts, some important theoretical frameworks, global and regional perspectives, and its applicability during disruptions, such as an energy crisis. Models and diagrams showing WOM processes, consumer decision-making, and its impact on retailer growth have also been presented.

This chapter reviews literature on word-of-mouth marketing and its role in small-scale business growth, focusing on theoretical foundations, empirical studies, consumer behaviour in resource-constrained environments, and research gaps, highlighting the impact of external factors like the energy crisis on WOM marketing.

### 2.1 Word-of-Mouth Marketing and Its Impact on Small-Scale Retailers

WOM marketing was highly valued as a marketing tool for small-scale retailers. It is initiated through personal experience and recommendations. Its organic form made it one of the most reliable sources for customers. According to Harrison-Walker, 2020, positive consumer experiences created a referral that had a greater contribution toward improving the loyalty and retention of customers. Referrals provided a kind of endorsement that helped a business increase their visibility and credibility.

WOM marketing was also crucial in developing customer loyalty. Satisfied customers were more likely to recommend businesses to others, creating a cycle of trust. According to Springerlink (2020), recommendations from trusted individuals were often more reliable than traditional advertising. For small-scale retailers, positive WOM significantly contributed to a stable customer base, helping them sustain operations amidst competitive pressures.

In developing economies, the importance of WOM marketing was heightened. The lack of access to formal advertising channels often forced small-scale businesses to rely on WOM. According to Frontiers (2021), in areas such as Lusaka's CBD, small businesses rely on WOM as a major tool of marketing. Its low-cost nature allowed small businesses to compete with larger enterprises, levelling the playing field.

Therefore, WOM marketing became an enabling resource that helped small-scale retailers cope with resource limitations amidst heavy competition. Referrals enabled

the businesses to develop loyal customer networks and achieve continuous growth in markets where much larger competitors also operated.

### 2.1.1 Positioning WOM Marketing within Lusaka's CBD

The setting described in Lusaka's CBD was quite unique to study WOM marketing. Most of these small-scale businesses, with limited capital, relied on informal strategies to win customers. High costs of traditional advertising and daily power outages disrupted digital marketing efforts, making word-of-mouth one of the few affordable and reliable methods.

These factors notwithstanding, the high population and good social networks in Lusaka supported WOM marketing. Indeed, customers relied on recommendations from their networks, thereby setting an environment where WOM could thrive. This study has explored how retailers in Lusaka leveraged such social connections, especially during the energy crisis, to attract and retain customers.

## 2.2 Empirical Review

The research conducted across the world presented the crucial role WOM marketing plays in developing small-scale businesses. According to Huang et al. (2015), positive customer experiences significantly enhanced loyalty and repeat purchases through WOM, widening the circles without the cost of advertising. Springerlink (2020) believed that WOM still stands unbeatable for those industries reliant on customers for trust and building relationships.

### 2.2.1 Empirical Studies on WOM Marketing in Small-Scale Businesses

Mwale (2021) conducted a qualitative study on 72 small retailers in Lusaka's CBD, finding that word-of-mouth referrals were the dominant form of customer acquisition. However, this study did not explore how WOM marketing adapts during economic crises.

Harrison-Walker (2020) conducted a quantitative survey in South Africa and found that businesses with high customer trust saw a 35% increase in sales due to WOM referrals. However, the study focused on formal businesses and did not address challenges faced by informal retailers.

These studies confirm that WOM marketing is critical for business growth, but they do not explore how economic disruptions, such as energy crises, impact consumer reliance on WOM strategies.

### 2.2.2 WOM Marketing During Economic Disruptions

Research on WOM marketing during economic crises suggests that when digital access is limited, traditional WOM becomes more important.

Ncube (2022) found that during power shortages in Zimbabwe, informal retailers relied on face-to-face referrals and community-based WOM strategies to maintain customer loyalty.

A study by Khan and Ahmed (2020) in Bangladesh revealed that during prolonged power outages, customers engaged in more offline discussions and referrals, reducing dependence on online advertising.

Mukuka (2023) found that customers who experienced frequent digital communication disruptions relied more on personal networks for business recommendations, increasing word-of-mouth influence in consumer decision-making.

### 2.2.3 Importance of WOM Marketing

WOM marketing is an important tool that helps small-scale retailers in resource-constrained environments build and grow their businesses. According to Berger (2016), compared to traditional advertising, WOM marketing creates a 10X multiplier effect; this is because it is a credible means of marketing. With most small-scale retailers in Lusaka CBD lacking access to platforms of mass media, WOM emerges as a critical customer acquisition strategy.

Recent studies in African contexts, such as Mwale (2021), have reported that WOM marketing is actually responsible for high levels of market penetration and consumer loyalty. Similarly, Effah and Debrah (2018) identify that WOM is most prominent within an informal economy context where "trust and word of mouth mean far more than brand identity".

### 2.2.4 Challenges and Advantages of WOM Marketing

Despite its consequences, WOM marketing poses challenges for small-scale retailers. Huang et al. (2017) note that WOM marketing, by its very nature, relies on customer initiative and is thus hard to control or measure. In Lusaka, the diversity of customers in the CBD adds to the complexity in designing strategies that appeal to different

demographics. Its low cost and ability to foster deep customer relationships are undeniable advantages.

### 2.2.5 Consumer Behaviour & WOM Marketing in Resource-Constrained Environments

Consumer behaviour is highly influenced by environmental and economic factors. The energy crisis in Zambia has created a shift where traditional word-of-mouth (face-to-face referrals) has become more dominant than digital WOM. A study by Banda (2021) found that during frequent power outages, Zambian consumers turned to in-person recommendations rather than online reviews, as they could not always access social media platforms. Similarly, Matanda (2022) found that limited internet access due to electricity shortages forced consumers to rely on verbal referrals from family and friends. These findings suggest that consumer behaviour adapts based on accessibility to information, and WOM marketing becomes an alternative information source when digital platforms fail. Trust is a fundamental aspect of WOM marketing, especially during uncertain economic periods. A study by Kimani (2023) found that:

- 78% of consumers were more likely to trust word-of-mouth referrals when they could not verify information online.
- Consumers remained loyal to businesses that provided consistent service despite power outages.

This aligned with the findings of this study, which showed that retailers who build strong customer relationships and ensure accessibility despite energy challenges maintained higher levels of customer loyalty and WOM referrals.

## 2.3 Theoretical framework

### 2.3.1 Social Exchange Theory (Blau, 1964)

This theory explains how trust and reciprocity in consumer relationships influence word-of-mouth marketing. Consumers engage in WOM marketing when they receive positive experiences from businesses and want to share them with others. Trust is a key element, as customers are more likely to refer businesses they believe will maintain quality service.

### 2.3.2 Stimulus-Response Model

This model explains how external disruptions like the energy crisis affect consumer behaviour. It suggests that when access to digital marketing is disrupted due to power

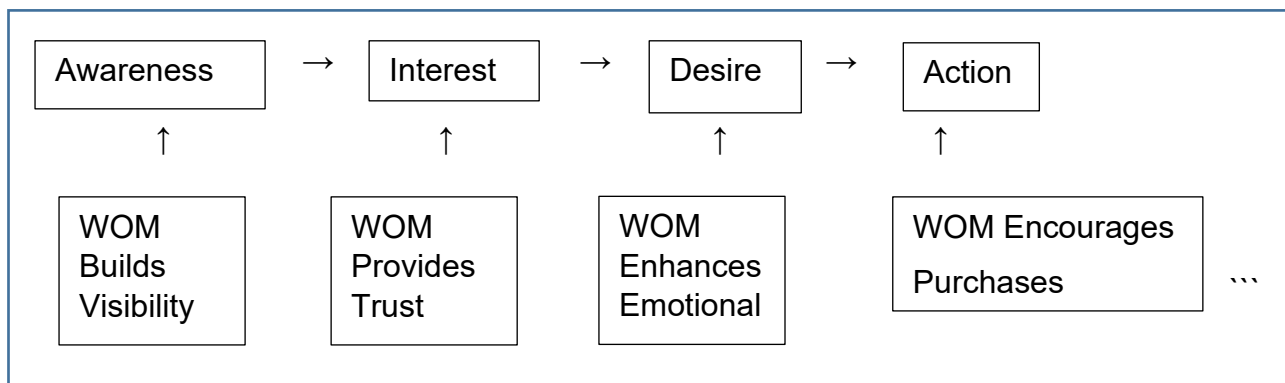
shortages, consumers will rely more on face-to-face WOM marketing for recommendations. This theory justifies why offline WOM marketing has become even more crucial for small businesses in Lusaka’s CBD.

### Why These Theories?

Social Exchange Theory explains why consumers engage in WOM marketing.

Stimulus-Response Model explains how the energy crisis shifts WOM marketing reliance from digital to face-to-face communication

Figure 1.1 WOM Marketing Ecosystem



Key Insight: WOM serves as a bridge across these stages by leveraging trust and personal relationships.

Table 2.1: WOM Marketing’s Role in the Customer Decision-Making Process

Stage	Role of WOM Marketing
Awareness	Introduces new customers to the brand
Interest	Provides trusted recommendations
Desire	Builds emotional connections through shared experiences
Action	Encourages purchases via personal endorsements

Table 2:2 Comparison of Marketing Strategy

Strategy	Cost	Reach	Impact
Traditional Ads	High	Limited	Low (low trust)
Digital Marketing	Medium	Moderate	Moderate
WOM Marketing	Low	High (via networks)	High (high trust)

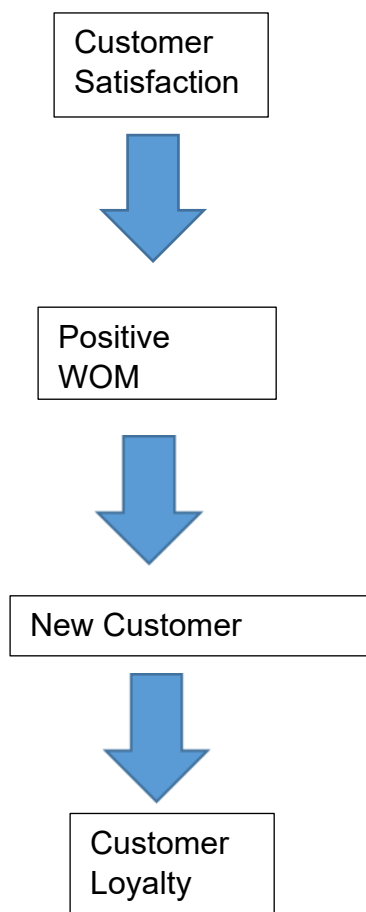


Figure 2.2 WOM Mouth Marketing Flowchart

## 2.4 The Role of WOM Marketing Amid the Energy Crisis

The Zambian energy crisis has significantly impacted retail operations in Lusaka's Central Business District (CBD), leading to challenges such as reduced foot traffic,

delayed service delivery, and supply chain disruptions (Zulu, 2024). In response, word-of-mouth (WOM) marketing has emerged as a resilient strategy for businesses, facilitating continuity despite power outages and other energy-related issues. WOM marketing, grounded in personal recommendations and customer referrals, operates independently of digital infrastructure, enabling businesses to overcome the limitations of traditional marketing channels during power shortages (McKinsey & Company, 2024). Satisfied customers are more likely to promote businesses within their personal networks, leading to increased brand visibility, the acquisition of new customers, and enhanced customer loyalty (WorkWave, 2023). Consequently, WOM marketing remains a crucial strategy for retailers in Lusaka's CBD to maintain competitiveness and retain customers amid ongoing energy challenges.

#### 2.4.1 Informal Channels and Resilience

During power outages, customers often rely on word-of-mouth (WOM) networks to locate merchants and alternative products. These informal networks are crucial for small-scale retailers, as they disseminate information about available products and services (McKinsey & Company, 2010). Businesses with well-developed WOM networks exhibit greater resilience during crises, benefiting from loyal customers who share positive recommendations. This proactive customer advocacy helps mitigate the impact of external challenges like power outages. However, small businesses in Lusaka's Central Business District (CBD), constrained by limited advertising channels and frequent energy blackouts, may face difficulties in leveraging WOM marketing during such crises. Therefore, cultivating strong customer relationships and maintaining robust WOM networks are essential strategies for attracting new clients and ensuring business sustainability and longevity.

#### 2.4.2 Digital WOM Marketing

Digital communication platforms such as WhatsApp, Facebook, and Instagram have transformed word-of-mouth (WOM) marketing, offering small-scale retailers innovative channels to connect with customers. In Lusaka's Central Business District (CBD), these platforms have broadened the reach and impact of WOM marketing strategies, particularly during power outages and other disruptions. Digital WOM disseminates information more rapidly than traditional methods, enabling businesses to maintain contact with existing customers and attract new ones, even when physical stores are closed or operating on reduced hours due to energy shortages. These platforms

facilitate interactive engagement, fostering a sense of community among customers and encouraging further WOM promotion. Additionally, digital WOM is cost-effective, requiring minimal investments—primarily a mobile device and internet connection—thus allowing retailers to overcome constraints imposed by the energy crisis and maintain robust marketing efforts (Mwaanga and Hapompwe, 2024; Mwaanga, 2024).

Figure 2.3: Digital WOM Ecosystem



## 2.4 Measuring the Consequences of WOM Marketing

Word-of-mouth (WOM) marketing is crucial for small-scale retailers in Lusaka's Central Business District (CBD), as it aids in evaluating marketing strategies and making informed business decisions. Key metrics for measuring WOM success include customer referral rates, sales attributed to WOM, and repeat purchase rates. Customer referral rates indicate the effectiveness of WOM in expanding a business's customer base, while sales attributed to WOM track revenue generated through referrals. A high repeat purchase rate signifies that WOM marketing has attracted new customers and fostered customer loyalty, which is vital for small businesses focusing on long-term relationships and building a sustainable customer base (McKinsey & Company, 2010).

Informal methods of assessing WOM impact include customer feedback forms and verbal testimonials, providing insights into customer satisfaction and loyalty. In community-based markets like Lusaka's CBD, personal testimonials serve as valid indicators of WOM effectiveness. However, small-scale retailers are increasingly recognizing the need for systematic tracking of WOM marketing impact. They are adopting digital platforms for customer relationship management and utilizing social media analysis tools to monitor customer interactions (The Social Media Hat, 2021).

Measuring WOM marketing metrics enables small-scale retailers to evaluate and refine their strategies, ensuring continued success in a competitive market environment.

Table 2.3: Metrics for Measuring WOM Consequences

Metric	Description	Role on Growth
Referral Rates	Percentage of new customers from recommendations	Expands customer base
Sales from WOM	Revenue linked directly to referrals	Boosts short-term revenue
Repeat Purchases	Frequency of WOM-ruled customer purchases	Enhances long-term loyalty

## 2.5 Conceptual Framework

This study is centred on the development of a conceptual framework that explores the role of word-of-mouth (WOM) marketing in driving business growth, especially in the context of small-scale retailers in Lusaka's CBD during the ongoing energy crisis. The framework draws from two foundational ideas: Social Exchange Theory (SET) and the Stimulus-Response Model, but it aims to build upon these theories to offer new insights into how customer-driven communication impacts business success.

### Social Exchange Theory (SET)

Social Exchange Theory (SET) suggests that interactions between individuals are driven by a cost-benefit analysis, where positive exchanges lead to satisfaction, sharing, and the creation of business value (Cropanzano & Mitchell, 2005). In the context of WOM marketing, customers engage in sharing positive experiences when they feel that their exchange with a business is beneficial. This theory helps us understand that satisfied customers are likely to engage in WOM marketing to foster further business growth. However, this study builds upon SET by focusing on how

specific elements like customer satisfaction, trust, and loyalty serve as the mediators that influence the effectiveness of WOM marketing, offering a more nuanced view of how these mediators contribute to business success during crises such as the energy shortage.

### Stimulus-Response Model

This study adopts the Stimulus-Response Model to conceptualize WOM marketing as a stimulus that elicits specific responses from customers (Schultz, 2017). Under this model, WOM is seen as a tool that prompts reactions from customers—such as trust, satisfaction, and loyalty—that can lead to business growth. This approach focuses on the immediate and direct responses of consumers to marketing stimuli (in this case, WOM) and builds a new framework for understanding how these responses drive sustained business growth. This model moves beyond the general diffusion processes and highlights specific customer behaviours that result from WOM, specifically focusing on customer satisfaction, trust, and loyalty as key factors mediating this process.

### Conceptual Framework Development

The conceptual framework developed in this study proposes that WOM marketing plays a critical role in driving business growth, especially for small-scale retailers in Lusaka's CBD, amidst the energy crisis. By using the Stimulus-Response Model, this study posits that WOM, particularly in digital and traditional forms, serves as a stimulus that triggers customer satisfaction, trust, and loyalty. These factors then mediate the relationship between WOM marketing and business growth.

### Independent Variable: Word-of-Mouth Marketing

In this framework, WOM marketing is positioned as the independent variable that initiates customer-driven communication efforts. WOM marketing can be seen as both traditional (word of mouth via face-to-face interactions) and digital (via social media platforms like WhatsApp, Facebook, and Instagram). These forms of WOM are cost-effective mechanisms for promoting small businesses, particularly in the face of challenges such as power outages. By leveraging digital platforms, businesses can sustain customer engagement even when physical interactions are hindered by energy crises (González & Palacios, 2021).

### Mediating Variables: Customer Satisfaction, Trust, and Loyalty

The mediators of this process—customer satisfaction, trust, and loyalty—serve to deepen our understanding of how WOM marketing leads to business growth. This study builds on SET by suggesting that customer satisfaction is a key driver for increasing WOM referrals. Satisfied customers are more likely to recommend a business to others, thus generating further growth. Moreover, trust is particularly crucial during periods of disruption, such as the energy crisis, when transparency and reliability become pivotal (Gu et al., 2020). Loyal customers, who feel that a business consistently meets their needs, will continue to engage in WOM marketing, further expanding the reach of the business.

### Dependent Variable: Business Growth

The dependent variable in this framework is business growth, which is conceptualized as an increase in customer base, customer retention, and overall reach. This growth is driven by the positive experiences and responses of customers to WOM marketing, particularly when customer satisfaction, trust, and loyalty are high. The study also builds on the understanding that WOM marketing can counterbalance external challenges, such as energy shortages, by relying on the goodwill of loyal customers (Rogers, 2020).

### Conclusion

This conceptual framework contributes to theory building by extending the application of Social Exchange Theory and the Stimulus-Response Model to better understand the dynamics of WOM marketing and its role in business growth during crises. By focusing on the mediating effects of customer satisfaction, trust, and loyalty, this study proposes a new perspective on how WOM marketing can drive business success, especially for small-scale retailers in Lusaka's CBD. This framework offers novel insights for policymakers and business development organizations, providing a foundation for further research and practical applications in empowering small businesses to thrive in challenging environments.

## 2.6 WOM Marketing in Global and Regional Contexts

WOM marketing has shown remarkable results in most industries across the world, an evidence of its ability to deliver expected and desired customer engagements for

businesses that intend to drive sales. To some extent, extensive research has elucidated the real advantages accruable from WOM marketing for SMEs and firms operating in environments beset by resource scarcity. For example, a study in China by Huang et al. (2018) established a significant 30% increase in the sales of small businesses following the implementation of WOM marketing strategies over a six-month period. This clearly indicates the potential of WOM marketing in attracting new customers while retaining the existing ones, hence providing long-term growth and profitability in the business world.

Equally, in this aspect, the research work of Effah and Debrah (2018) relates to the use of WOM marketing in emerging markets where traditional forms of advertising are often not accessible or less effective because of financial and infrastructural constraints. Their results showed that companies using WOM marketing were able to foster more customer loyalty than those using only traditional advertising methods. The success in this study was attributed to the personalized nature of WOM marketing, building trust through authentic, experience-based recommendations. In emerging markets, where relationships and community ties often hold a central position in consumer decision-making, WOM marketing offers an extremely valuable tool for fostering sustainable customer connections.

In the African context, WOM marketing has been particularly helpful to the informal and small business sectors. Research shows that it is effective because it can respond to the peculiar problems that entrepreneurs face under dynamic and often unpredictable economic environments. For example, Mwale (2021) examined how Zambian retailers use WOM marketing to mitigate persistent economic challenges of inflation and currency fluctuations. The study has shown that Zambian retailers often depend on WOM marketing, not only because of the low cost of promoting their products but also as a way of gaining the trust and credibility that comes with it among local consumers. In a market where word-of-mouth recommendations are valued highly, especially in close-knit communities, this strategy acts as a key driver of business resilience.

Similarly, Baker (2020) argued in relation to the role played by WOM marketing in maintaining customer relationships during times of economic or social crises. Focusing on small-scale entrepreneurs in sub-Saharan Africa, Baker found that in these cases,

where traditional marketing avenues were badly disrupted by outer factors such as economic downturns, political turmoil, or public health emergencies, WOM proved a lifeline. The study showed that WOM marketing creates a solid emotional bond between companies and customers, which guarantees loyalty and repeated business for the company. Moreover, since WOM marketing depends on interpersonal communication, this means that even in places where access to digital or technological platforms is unfeasible because of infrastructural issues, companies can continue to maintain contact with customer engagement.

Beyond its versatility in times of crises, WOM marketing is also culturally relevant in much of the African market context. Unlike formal advertising methods, which may come across as impersonal or overly commercial, WOM marketing resonates with the values of trust, community, and relationships central to many African societies. This cultural resonance enhances its consequences, as consumers are more likely to trust recommendations from people within their social networks than promotional messages delivered through formal channels.

While it has its obvious strengths, the WOM marketing implementation in the African context is not without its challenges. Much of the success of this strategy depends on the quality of customer experiences and the ability of businesses to consistently meet or exceed customer expectations. The negative customer experiences can also spread like a bush fire, and with equal speed to that of positive experiences, to hurt the reputation of a business. Moreover, reliance on personal networks means that WOM marketing has rather limited reach compared to digital marketing—especially in metropolitan areas where the social networks could be fragmented.

However, studies of Mwale (2021) and Baker (2020) point to WOM marketing as an opportunity, still largely underutilized, but scalable and sustainable for small businesses across Africa. The challenges in addressing them through innovative approaches, such as combining WOM marketing with digital tools or formalizing referral programs, can be pursued further to enhance the consequences of this strategy. For example, the integration of WOM marketing with social media platforms enables companies to amplify positive customer experiences and increase their reach while maintaining the authenticity and trust associated with personal recommendations.

In the final analysis, the global and African contexts reveal the tremendous adaptability and consequences of WOM marketing across a wide variety of industries and economic environments. From increasing sales and building customer loyalty in China to helping Zambian retailers deal with economic adversity, WOM marketing has time and again proved to be one of the greatest strengths businesses—especially in resource-constrained settings—could have. By playing to its strengths and working within its limitations, small-scale entrepreneurs can use WOM marketing to build resilience, foster growth, and sustain customer relationships in the face of external challenges.

## 2.7 Emerging Trends in WOM Marketing

Emerging technologies have significantly reshaped word-of-mouth (WOM) marketing practices. Artificial Intelligence (AI) transforms how businesses analyse and respond to WOM by tracking customer sentiment in reviews, social media posts, and other online content. AI predicts buying behaviours and optimizes marketing strategies by assessing customer experiences and alerting businesses to potential issues (Liu et al., 2024). Social media analytics platforms, such as Meta Business Suite, enable businesses to monitor customer interactions in real-time, refine marketing strategies, and foster customer loyalty (Smith, 2023). Gamification, incorporating game-like elements like points, badges, and rewards, further encourages WOM referrals by enhancing customer engagement (Johnson, 2024). These tools provide businesses with deeper insights into customer behaviour, optimize marketing campaigns, and incentivize referrals. For small-scale retailers, particularly in developing regions, these technologies offer new opportunities to enhance marketing efforts and expand customer reach, even during challenging times.

## 2.8 Gaps in the Literature

This study filled the literature gap in understanding the WOM marketing practice among small-scale retailers around Lusaka's CBD—both on traditional and digital platforms—and how these support business survivals in an era of limited marketing choices like print and electronic advertisement and power supply disruptions.

### 2.8.1 Identified Gaps in Existing Literature

While existing studies highlighted the importance of WOM marketing for customer acquisition and retention, they failed to examine how businesses adapt WOM strategies during a prolonged energy crisis.

Key research gaps included:

Most studies focus on developed markets where digital marketing is widely accessible, ignoring informal businesses in energy-constrained economies.

Limited research on how businesses maintain WOM referrals when mobile and internet-based communication is disrupted.

Few studies explore customer trust and loyalty during energy crisis-driven WOM marketing.

### 2.8.2 Contribution of This Study

This study fills these gaps by examining:

- How the energy crisis affected consumer reliance on WOM marketing.
- How small-scale retailers adapted WOM strategies when digital communication is limited.
- The role of trust and loyalty in WOM marketing amid economic disruptions.

## 2.8 Conclusion

Word-of-mouth marketing (WOM) is crucial for small-scale retailers, especially in challenging environments like the Central Business District in Lusaka. WOM marketing allows them to build customer loyalty, trust, and increase brand visibility without relying on expensive advertising or formal channels. WOM is powerful because it relies on personal, trusted recommendations from familiar sources, which are valuable in developing regions. WOM marketing is particularly effective in cities like Lusaka, where small-scale businesses often have limited access to formal channels. WOM marketing is reliable and low-cost, making it a reliable tool for business growth. In times of energy shortages, WOM marketing becomes even more indispensable, as it allows small businesses to maintain visibility and customer engagement. This literature review demonstrates the relevance of WOM marketing and suggests that it can be optimized, supported, and expanded through emerging technologies and

digital platforms to increase the resilience and sustainability of small-scale enterprises in Zambia and similar contexts.

## CHAPTER THREE: METHODOLOGY

### 3.0 Introduction

This research was all about how word-of-mouth (WOM) marketing impacted small-scale retailers in Lusaka's Central Business District (CBD). WOM marketing was super

important for small businesses because it helped them get and keep customers without spending a ton on advertising. This study looked at how these small retailers used WOM marketing to grow, especially considering the challenges they faced like limited resources, competition from bigger companies, and the ongoing energy crisis.

To get the data, this study adopted a qualitative exploratory design to examine the role of word-of-mouth (WOM) marketing in small-scale business growth during Zambia's energy crisis. A multi-stakeholder approach was used to gain insights from both retailers and consumers, ensuring a comprehensive understanding of WOM marketing in a resource-constrained environment.

Since the impact of energy disruptions on marketing strategies was underexplored, a qualitative design allowed for in-depth analysis of behaviours, attitudes, and adaptive business strategies that may not have been captured through quantitative methods. The data was analysed using thematic analysis for the qualitative data. This helped identify patterns in how WOM marketing was used and its impact on business growth, customer loyalty, and sales. The study also looked at how external factors like power outages affected WOM marketing strategies.

Ethical considerations were a big deal in this research. Participants were informed about the study's purpose, and their consent was obtained before collecting any data. Confidentiality and anonymity were maintained throughout the process.

Despite its strengths, the study had some limitations. It focused only on small-scale retailers in Lusaka's CBD, so the findings might not apply to all small businesses in Zambia or other developing countries. Plus, since the data was self-reported, there could be some biases.

Overall, this study provided valuable insights into the role of WOM marketing for small-scale retailers in Lusaka's CBD. It showed how effective WOM could be for business growth, especially when formal advertising budgets were tight. The study also offered practical tips for small retailers to improve their WOM strategies and for policymakers to support small business growth in Zambia.

### 3.1 Research Design

The study took an exploratory research design, which worked well for digging into how word-of-mouth (WOM) marketing plays a role for small businesses in Lusaka's Central

Business District (CBD). There wasn't much previous research on this topic, so this approach made sense for getting a better sense of how things work in this particular setting. The goal wasn't to prove a specific theory but to learn more about the experiences of small business owners and their customers.

This approach also gave the study some flexibility. Patton (2015) points out that being adaptable is crucial in exploratory research, especially in fast-changing areas like WOM marketing. It's an area that varies a lot between different businesses, so flexibility allowed for new insights to emerge as data came in. The study focused on understanding how WOM marketing helped with attracting customers, growing businesses, and building loyalty.

The study used a cross-sectional design, gathering data at one point in time to get a snapshot of how WOM marketing was affecting small businesses in the CBD. This was practical, especially since these businesses often face challenges with resources. WOM marketing is an important tool for them, and this design helped capture how it's really impacting them right now.

To dig deeper into this, the study used interviews with both small business owners and their customers. These conversations revealed personal experiences, giving the research a richer, more detailed perspective. The data collection kept going until it felt like the key themes had been covered and no new information was coming in. At that point, it seemed like the study had gathered enough to draw conclusions.

### 3.2 Research Philosophy

The study was built around an interpretivist philosophy. This approach was chosen because it's all about understanding the unique views of the small business owners in Lusaka's CBD and how they use WOM marketing. Instead of focusing on hard numbers or objective facts, interpretivism focuses on the meanings behind people's actions and experiences.

This made it a good fit for understanding how businesses build relationships with customers and why some customers keep coming back or recommend businesses to others. Interpretivism is more about the why and how than just the what. Instead of focusing on measurable outcomes, it sought to understand the motivations behind WOM marketing.

The study also aimed to dive into how small business owners define success. For them, success wasn't just about making money—it was about having loyal customers, strong relationships, and a sense of trust. Interpretivism was perfect for exploring these deeper, more personal aspects of business success.

The interpretivist approach also let the study explore customer behaviour in a more nuanced way. It gave insights into what motivates people to share recommendations, whether it's because they feel a personal connection to the business or they're getting something like a discount in return. By focusing on these human factors, the study helped uncover the hidden drivers of WOM marketing in Lusaka's CBD.

### 3.3 Research Approach

An inductive approach was used in this study, meaning the data guided the findings instead of starting with a fixed theory or hypothesis. This approach is especially useful in areas with limited prior research, like the impact of WOM marketing on small-scale retailers in Lusaka's CBD. The goal was to uncover new insights directly from the data, rather than testing pre-existing theories (Creswell, 2013; Guest, Bunce, & Johnson, 2006).

Since little was known about WOM marketing in this context, an inductive approach provided the flexibility to discover how retailers use WOM marketing, how customers respond, and the effect it has on business growth. This method allowed for exploration without preconceived expectations, which helped capture a fuller understanding of the subject.

#### *Discovering Patterns and Insights*

One of the benefits of an inductive approach is the ability to reveal patterns in the data. Instead of assuming all small-scale retailers in Lusaka use WOM marketing the same way, the data collection process highlighted the differences in how various businesses implement this strategy. Additionally, elements like customer service, personal relationships, and referral incentives stood out as important factors influencing WOM marketing consequences.

This approach also helped uncover how both retailers and customers interpret WOM marketing. Retailers viewed it as a tool for business growth, while customers saw it as

a way to support friends or community members. These nuances would have stayed hidden if a fixed theory had been applied upfront.

### *Perfect for Exploratory Research*

This study was a great fit for an inductive approach. Instead of testing established theories, the focus was on discovering the dynamics of WOM marketing among small-scale retailers in Lusaka's CBD. The absence of strict expectations allowed for a more thorough exploration and valuable insights into how WOM marketing works and its impact on business success.

Guest, Bunce, and Johnson (2006) note that inductive research is especially useful for clarifying concepts or identifying new variables. This study aimed to provide a foundation for future research in this area, uncovering the factors that influence WOM marketing and offering insights for further studies.

### *Data Collection and Emerging Themes*

Data was gathered through semi-structured interviews with small-scale retailers and a focus group of their customers. This method allowed participants to share their experiences and views in detail. Semi-structured interviews offered flexibility, allowing follow-up questions and exploration of topics that emerged during the conversation. A focus group was chosen due to time constraints, allowing for a rich discussion in a short period. Participants were selected based on their recent experiences with WOM marketing in the energy crisis.

This method worked well with the inductive approach, as it allowed themes to emerge naturally. Retailers and customers shared their perspectives on WOM marketing, what motivated them to participate, and the outcomes they believed it generated for businesses.

### *How WOM Marketing Drives Growth, Customer Acquisition, and Loyalty*

A key research question was how WOM marketing contributes to business growth, customer acquisition, and loyalty. The data revealed that WOM marketing isn't just about attracting new customers but also plays a significant role in building long-term relationships. Retailers mentioned that loyal customers often refer others based on trust and positive experiences, which creates a sustainable customer base.

These referrals were seen as more genuine and trustworthy than traditional advertising, having a big impact on small businesses' success. The research also showed that WOM marketing helps create a community around businesses, fostering loyalty among existing customers. This feedback loop, based on trust and personal connections, can drive long-term growth, especially in competitive markets like Lusaka's CBD.

WOM marketing also proved valuable during tough times, such as economic downturns or energy crises. Small businesses relying on WOM marketing can better navigate these challenges by fostering deeper relationships with customers, instead of depending on expensive advertising campaigns. This aspect of WOM marketing became clear through the research findings.

### *A Practical and Theoretical Contribution*

The inductive approach not only provided a deeper understanding of WOM marketing in Lusaka's CBD but also made a contribution to both theory and practice. The findings offer a foundation for future research on WOM marketing, especially in emerging economies. The study also provides practical recommendations for small-scale retailers in Lusaka's CBD, offering actionable insights on how they can leverage WOM marketing to grow their businesses and build stronger customer relationships.

By using a flexible, inductive approach, the study uncovered new insights into WOM marketing that will contribute to the field's knowledge and guide businesses aiming to use this strategy effectively.

### **3.4 Study Population**

The focus of this study was on small-scale retailers in Lusaka's CBD and their customers. These included independent business owners, such as sole proprietors and hobby entrepreneurs, running businesses from bakeries to clothing shops, electronics stores, and more. Small-scale retailers are a vital part of the local economy, often relying on informal marketing techniques, making them ideal for studying WOM marketing.

Lusaka's CBD was chosen as the study area because it's the commercial heart of the city. It's a highly competitive zone where many businesses depend on WOM marketing to survive and thrive, making it the perfect setting to examine the dynamics of WOM marketing in this context.

### **3.5 Sample Size and Sampling Technique**

The sample for this study consisted of 50 small-scale retailers from Lusaka's CBD. This number was selected to ensure a broad range of perspectives while staying manageable in terms of time and resources. Although there's no official count of small-scale retailers in the area, 50 participants were deemed enough to offer a representative sample. A single focus group (1hr long) discussion was conducted with 11 consumers to explore their experiences with WOM marketing during the energy crisis. The discussion was semi-structured, allowing participants to express their views freely while ensuring key topics were covered.

Purposive sampling was used to select participants. This sampling method is particularly useful when specific characteristics or criteria are needed for the study, such as small-scale retailers who rely on WOM marketing (Etikan, Musa, & Alkassim, 2016). Saturation was also considered when determining when enough data had been collected. Data collection continued until no new themes or patterns emerged (Guest, Bunce, & Johnson, 2006).

Convenience sampling was employed in this study due to its practicality, efficiency, and cost-effectiveness, especially for gathering initial insights from participants who were easily accessible (Etikan, Musa, & Alkassim, 2016). Given the limited time and resources, this non-probability sampling method allowed for quick data collection, which is particularly useful in focus group research aimed at exploring diverse perspectives in a time-sensitive context (Saunders et al., 2015). Although the findings may not be generalizable to the larger population, convenience sampling was appropriate for the exploratory nature of this research, which aimed to generate preliminary insights and facilitate a more in-depth understanding of the topic.

## 3.6 Data Collection Methods

### 3.6.1 Primary Data

Primary data was collected through semi-structured interviews, which allowed for a deep dive into how small-scale retailers experience and use WOM marketing. An open-ended questionnaire was distributed via Google Forms to 50 small-scale retailers and a focus group of 11 customers. Semi-structured interviews were chosen for their flexibility, allowing participants to share their thoughts and experiences in detail. This method also allowed for follow-up questions and the exploration of new topics as they came up during the interviews.

### 3.6.2 Secondary Data

Secondary data was gathered from academic journals, industry reports, and case studies. This data provided context and background for the research, allowing for comparisons with other studies in similar settings. Secondary sources helped frame the research and provided additional perspectives on how WOM marketing works in different regions or industries.

### 3.7 Research Instruments

The main research instrument used for data collection was a semi-structured interview guides, which included open-ended questions designed to prompt detailed responses from participants. The guides ensured that all key aspects of WOM marketing during the energy crisis were addressed while still giving participants the freedom to share their own insights.

#### 3.7.1 Semi-Structured Interview Administration

The interviews were conducted via google forms with the small-scale retailers and on google meets for the focus group. This direct interaction helped build rapport with participants and made it easier for them to feel comfortable sharing their experiences.

### 3.8 Data analysis techniques

The data for thematic analysis of the interviews and WOM used by the retailers followed procedures in thematic analysis, which included familiarization, coding, theme development, review, definition of themes, and reporting. The consumer focus group discussion was recorded and transcribed with the participants' consent, and thematic coding was used to identify patterns in WOM marketing behavior, trust, and the impact of the energy crisis. To validate the findings, triangulation was employed by comparing data from both retailers and consumers. This process ensured that business insights aligned with real customer experiences regarding WOM marketing in the context of the energy crisis. This approach was appropriate as a qualitative method of data analysis, providing an in-depth exploration of the major issues that the retailers were concerned about.

### 3.9 Ethical consideration

This research adhered to ethical guidelines, including informed consent, confidentiality and anonymity, respect for participants, and data protection. Participants were informed about the study's purpose, questions, and withdrawal rights. Interviews were conducted at convenient times, and data was securely stored for the study's purposes.

### 3.10 Scope and Delimitation of the Study

This study targeted small-scale retailers in Lusaka's CBD, assessing the role of WOM marketing in this context. It excluded large retailers, businesses outside the CBD, and non-WOM businesses. The cross-sectional design limits tracking changes in WOM marketing consequences over time.

### 3.11 Limitations of the Study

The study employed a qualitative research design, relying on a single focus group, which may limit the generalizability of the findings. While this approach allowed for an in-depth exploration of participants' experiences, it did not capture the full spectrum of WOM marketing dynamics across different business sectors. Additionally, the study primarily focused on entrepreneurs' perspectives, with limited direct input from consumers, who play a crucial role in WOM marketing. The research also centred on the marketing implications of the energy crisis but did not extensively examine its broader economic and operational effects on small businesses.

### 3.12 Chapter Summary

The methodology of this study used an exploratory research design to examine how word-of-mouth (WOM) marketing impacts small-scale retailers in Lusaka's Central Business District (CBD), particularly during the energy crisis. The qualitative approach was chosen to capture in-depth insights into the behaviours, attitudes, and adaptive strategies of both retailers and consumers, which could not be fully captured through quantitative methods. A multi-stakeholder approach was used, gathering data from both retailers and consumers to ensure a comprehensive understanding of WOM marketing in a resource-constrained environment. Semi-structured interviews were conducted with small-scale retailers, allowing flexibility to explore the topic in detail and identify key themes. Additionally, a focus group discussion with 11 customers provided further insights into their experiences with WOM marketing during the energy crisis. Purposive sampling was employed to select participants who met the study's criteria, such as small-scale retailers dependent on WOM marketing.

The study adopted an interpretivist philosophy, focusing on understanding the meanings behind small business owners' actions and experiences with WOM marketing, rather than focusing on numerical data. The inductive approach allowed for the emergence of patterns and insights directly from the data, without preconceived theories or hypotheses.

Data was analyzed using thematic analysis, helping to identify patterns related to WOM marketing's impact on business growth, customer loyalty, and sales. Ethical considerations were upheld by ensuring informed consent, confidentiality, and anonymity for participants throughout the research process. The study was conducted

with a sample size of 50 small-scale retailers and 11 customers, and convenience sampling was used for practicality and efficiency, considering the time and resource limitations. This allowed for rich, diverse perspectives while ensuring the study was manageable.

## CHAPTER 4: PRESENTATION FINDINGS

This chapter presents and analyses findings from the study, which explored how small-scale entrepreneurs operating within Lusaka CBD adapt marketing strategies, especially word-of-mouth marketing, in light of challenges occasioned by the current energy crisis. Responses elicited from these questions have revealed the impact of energy disruptions on operations and marketing strategies, especially on the use of word-of-mouth marketing strategies.

### 4.1 Case of Lusaka CBD small-scale retailers

**To analyse the impact of word-of-mouth (WOM) marketing on small-scale retailers' customer acquisition and business growth amid the energy crisis in Lusaka's CBD.**

WOM marketing helped some entrepreneurs expand their customer base during the energy crisis. For instance, one participant saw success at Lusaka Thrift Market, where word-of-mouth exposure boosted product visibility. Similarly, personal endorsements from satisfied customers acted as informal ambassadors, driving sales through trust.

However, the energy crisis also created challenges, as power outages hindered communication and disrupted sales. Many entrepreneurs faced difficulties with digital tools necessary for transactions and customer engagement. One participant mentioned, "Frequent low battery levels disrupt sales processes," illustrating how technological limitations compounded the struggles entrepreneurs faced during the crisis.

Despite these challenges, entrepreneurs adapted by diversifying communication channels and considering backup power solutions, such as generators or solar panels, to ensure continuity. The study showed that blending traditional marketing techniques like WOM with digital tools could help small businesses better navigate external shocks and stay resilient in difficult conditions.

**2. To examine changes in consumer behaviour due to the energy crisis and how it affects their reliance on WOM marketing.**

The energy crisis impacted businesses differently based on operational models. Entrepreneurs running home-based businesses faced minimal disruption, avoiding the costs of commercial spaces and adjusting by switching to alternative energy sources. In contrast, those relying on commercial infrastructure or energy-intensive processes struggled more.

Consumer price sensitivity also influenced business strategies, leading to discounts or niche services. Some entrepreneurs, like those selling perfumes, attributed price adjustments to general economic factors, such as inflation and supply chain disruptions. This highlights how operational flexibility, such as low fixed costs, allows home-based businesses to absorb economic shocks, while those with higher overheads had to make larger adjustments.

Even with digital marketing's advantages, WOM marketing remained vital for small entrepreneurs, especially in situations where power shortages hindered the use of digital tools. By nurturing customer relationships and sharing positive experiences, entrepreneurs built loyalty and stayed competitive in a challenging economic environment.

### **3. To investigate the role of trust and loyalty in WOM marketing when digital communication is limited by power outages.**

The understanding of WOM marketing varied among participants. Some defined it as direct referrals or face-to-face interactions, while others saw it as customer satisfaction-driven recommendations. Despite the ongoing energy crisis, WOM marketing proved a resilient and valuable tool for maintaining customer loyalty.

One participant defined WOM marketing as "referrals from people who have worked with us," emphasizing trust built through personal recommendations. Entrepreneurs found face-to-face communication to be central to their marketing strategies, strengthening relationships with customers. However, power shortages made regular communication difficult, prompting some to revert to traditional outreach methods like in-person meetings.

Despite these challenges, WOM marketing remained effective, as it helped build trust and loyalty without relying on digital platforms. As one participant noted, "The positive

experience that someone gets from a firm is most likely going to be shared, and the person being told could become our next very loyal client.” WOM marketing also thrived in small businesses, where personal relationships and community-based strategies played a crucial role in influencing customer behaviour.

#### **4. To identify the challenges businesses and consumers face in using WOM marketing during power shortages.**

The energy crisis has introduced a number of challenges in enhancing WOM marketing. Logistical and communication barriers have been highlighted as resulting from sustained power cuts. Many entrepreneurs faced difficulties with digital tools necessary for transactions and customer engagement, limiting their ability to maintain customer relationships.

Some participants expressed divided opinions about the importance of WOM marketing during the energy crisis. Those with a strong digital presence found it less useful, as one participant stated, "I think it's not important because for my line of business, digital marketing is so much more powerful." Others still deemed WOM very crucial, emphasizing its authenticity and trust-building capacity. One entrepreneur remarked, "Word-of-mouth marketing is very important because the good experience that somebody gets with one business most probably will be shared, and maybe the person who is being told could be our next loyal client."

#### **5. To explore the consequences of business strategies that enhance WOM marketing and customer engagement despite energy-related disruptions.**

When comparing WOM to other marketing strategies, most participants recognized its unique benefits, such as authenticity and low cost. One participant noted, "It doesn't need electricity to implement; it's just people sharing their experiences," highlighting WOM's advantage over digital marketing, which is more vulnerable to power disruptions. These insights demonstrate that despite the limitations of digital tools during the energy crisis, WOM remains a valuable, effective strategy for small-scale entrepreneurs.

Entrepreneurs demonstrated resilience through innovation, with those in the garment sector adjusting product lines based on seasonality or fashion trends, while printing

businesses used digital tools to improve efficiency and reduce costs. The adaptability of home-based businesses proved key to their success, allowing them to better absorb external shocks compared to businesses with higher fixed costs.

Policymakers should support these businesses with access to finance, capacity building, and renewable energy alternatives to foster a sustainable entrepreneurial ecosystem.

## 4.2 Focus Group Discussion with customers

### **1. To Analyse the Impact of Word-of-Mouth (WOM) Marketing on Small-Scale Retailers' Customer Acquisition and Business Growth Amid the Energy Crisis in Lusaka's CBD**

Respondents highlighted that social media, face-to-face recommendations, and WhatsApp remain the dominant channels for discovering small businesses and new products. However, the energy crisis has led to an increased reliance on in-person referrals due to network disruptions and device unavailability. Some businesses have maintained customer trust by implementing offline promotions, alternative contact methods, and reliable customer service. One respondent noted, "When there's no power, I just ask people around where to find something instead of checking online."

### **2. To Examine Changes in Consumer Behaviour Due to the Energy Crisis and How It Affects Their Reliance on WOM Marketing**

Many respondents noted a shift towards in-person recommendations because of frequent power outages. Face-to-face interactions have become more reliable for finding businesses, especially when devices lose charge or internet connectivity is compromised. However, some consumers still prioritize digital referrals if businesses maintain an online presence despite energy challenges. The crisis has also increased reliance on trusted vendors, as verifying new businesses has become more difficult. One participant explained, "I only buy from people I already know because I can't check reviews when the internet is down."

### **3. To Investigate the Role of Trust and Loyalty in WOM Marketing When Digital Communication is Limited by Power Outages\*\***

Consumers tend to remain loyal to businesses that have previously demonstrated reliability and adaptability. Factors such as consistent product availability, good

customer service, and innovative solutions to energy shortages (e.g., generators, alternative communication methods) have helped maintain trust. Many respondents stated that they prefer sticking with known businesses rather than taking risks with new ones, as researching businesses has become harder without consistent internet access. One respondent emphasized, "If a shop is always open even during blackouts, I trust them more."

#### **4. To Identify the Challenges Businesses and Consumers Face in Using WOM Marketing During Power Shortages**

The primary challenges included difficulties in verifying business reliability, delays in communication, and the inability to access online reviews. Many consumers struggle to contact businesses during power outages, leading to frustration and missed opportunities. Additionally, some businesses had stopped operations due to high costs of alternative power sources, forcing consumers to find new vendors. The energy crisis has also disrupted digital-based loyalty programs, limiting customer engagement. One business owner shared, "I lose customers when there's no power because they can't reach me on WhatsApp."

#### **5. To Explore the Consequences of Business Strategies That Enhance WOM Marketing and Customer Engagement Despite Energy-Related Disruptions\*\***

Businesses that have adopted creative strategies to stay operational during power outages have gained consumer trust and recommendations. Effective strategies include providing alternative phone numbers, using SMS instead of WhatsApp, offering handwritten discount vouchers, and engaging in face-to-face promotions. Consumers expressed a higher likelihood of recommending businesses that remain accessible and adaptable. Offline marketing efforts, such as flyers and community-based promotions, have also proven effective in maintaining customer engagement. One participant remarked, "I told my friends about a shop that still takes orders through SMS because it's the only way to reach them during blackouts."

## 4.6 Thematic Analysis and Triangulation

This section combined the results of the manual coding, thematic analysis, and triangulation of data from both interviews with small-scale retailers in Lusaka's CBD and customer responses. The analysis allowed for the exploration of how the energy crisis had affected WOM marketing, customer loyalty, and how businesses had adapted to these challenges.

### 4.6.1 Manual Coding and Theme Development

Manual coding had been conducted by reviewing interview transcripts from small-scale retailers and customer responses. Each response was carefully examined to identify recurring words, phrases, or concepts that emerged in relation to key topics like communication methods, challenges due to power outages, and trust in businesses. The manual coding process included the following steps:

#### 1. Identifying Key Concepts:

- For each transcript, key phrases such as “recommendations,” “word-of-mouth,” “power outages,” and “trust” were coded.
- These codes were placed under broad categories: *communication preferences, customer loyalty, business challenges, and adaptation strategies.*

#### 2. Developing Themes:

- By analysing the coded data, three major themes were identified across both retailers and customers:
  - Theme 1: Trust and Credibility in WOM Marketing
  - Theme 2: The Impact of the Energy Crisis on Customer Behavior
  - Theme 3: Strategies for Maintaining Customer Loyalty and WOM Marketing during Energy Shortages

### 4.6.2 Triangulation of Data

To increase the validity and reliability of the findings, triangulation was used, combining data from three different sources:

1. Small-Scale Retailers' Interviews  
Retailers had been asked about their experiences with WOM marketing,

challenges due to the energy crisis, and how they maintained customer loyalty. Their responses provided insights into business strategies, customer engagement, and adaptations during power outages.

2. Customer Responses  
Customers had been interviewed to understand their communication preferences, how the energy crisis affected their purchasing decisions, and how they shared recommendations. Their feedback highlighted changes in behaviour, such as a shift toward in-person recommendations due to unreliable digital communication.
3. Secondary Data (Observations)  
Observational data about how businesses and customers interacted in the CBD, particularly regarding face-to-face communication and digital marketing, had also been used to support and verify interview findings.

By comparing and cross-referencing these data sources, triangulation helped identify consistent patterns across all participants, improving the robustness of the analysis.

#### 4.6.3 Emerging Themes from Triangulated Data

After coding and triangulating the data, the following three main themes emerged:

##### *Theme 1: Trust and Credibility in WOM Marketing*

- Retailers' Perspectives: Small-scale retailers emphasized that trust had been central to building long-term customer relationships and encouraging WOM marketing. One retailer explained, *“People came through referrals because someone they knew trusted us. It was all about the connection, especially during times like these.”*
- Customer Perspectives: Many customers agreed, stating that they valued reliable businesses with consistent product quality. A customer noted, *“I knew the businesses I was loyal to were reliable, so I was happy to wait and recommend them even during power shortages.”*
- Triangulation Insight: Both groups (retailers and customers) identified trust as a key factor in WOM marketing, with customers tending to stick with businesses they trusted even when digital platforms were unreliable.

##### *Theme 2: The Impact of the Energy Crisis on Customer Behaviour*

- Retailers' Perspectives: Retailers noted that the energy crisis had made it harder for customers to access their businesses through digital channels. One owner explained, *“We were getting fewer messages on WhatsApp, and sometimes people visited the store instead, so face-to-face interactions became more common.”*
- Customer Perspectives: Customers echoed this change, with many relying on in-person recommendations and direct visits to stores. One customer stated, *“I found it easier to get recommendations from people in person because sometimes the power was off, and I couldn’t reach businesses online.”*
- Triangulation Insight: The energy crisis disrupted communication channels, leading to a greater reliance on face-to-face interactions. Retailers and customers both noted this shift, which suggested an adaptation to power shortages by engaging more directly in-person.

### *Theme 3: Strategies for Maintaining Customer Loyalty and WOM Marketing During Energy Shortages*

- Retailers' Perspectives: Retailers described several strategies they had used to maintain loyalty during power shortages, such as offline promotions, using generators to stay operational, and offering alternative contact methods. One retailer explained, *“We started offering offline promotions like flyers and discounts, and we invested in generators to keep the business running.”*
- Customer Perspectives: Customers appreciated businesses that found innovative solutions to continue operations, such as using alternative contact numbers or providing manual receipts. A customer mentioned, *“It was great when businesses used backup power or offered alternatives like SMS updates when WhatsApp wasn’t working.”*
- Triangulation Insight: Businesses that adapted to the energy crisis by maintaining alternative contact methods and staying operational through generators or manual solutions were more likely to maintain customer trust and loyalty. This feedback was consistent across both retailers and customers.

#### 4.6.4 Manual Coding Table and Exemplar Quotes

Theme	Code	Exemplar Quotes
Trust and Credibility	Referrals, Reliability, Connection	"People came through referrals because someone they knew trusted us." (Retailer) "I knew the businesses I was loyal to were reliable, so I was happy to wait and recommend them even during power shortages." (Customer)
Impact of Energy Crisis	Power Outages, Face-to-Face Interaction, Communication Shift	"We were getting fewer messages on WhatsApp, and sometimes people visited the store instead, so face-to-face interactions became more common." (Retailer) "I found it easier to get recommendations from people in person because sometimes the power was off, and I couldn't reach businesses online." (Customer)
Strategies for Customer Loyalty	Alternative Contact, Offline Promotions, Backup Power	"We started offering offline promotions like flyers and discounts, and we invested in generators to keep the business running." (Retailer) "It was great when businesses used backup power or offered alternatives like SMS updates when WhatsApp wasn't working." (Customer)

#### 4.6.5 Summary of Findings

The findings from this triangulated analysis provided a detailed understanding of the challenges and strategies for businesses and customers in Lusaka's CBD during the energy crisis. The key takeaway was that businesses that fostered trust and maintained consistent communication—whether through face-to-face interactions or alternative contact methods—were better positioned to sustain customer loyalty and thrive through these difficult conditions.

Moreover, the role of electronic and traditional WOM marketing continued to be vital for small-scale businesses, even as digital channels faced disruptions. Retailers who

proactively engaged with customers offline and found ways to adapt to the energy crisis would likely benefit from continued loyalty and referrals.

Despite the challenges posed by the energy crisis, consumers exhibited loyalty to businesses that maintained consistent service quality. The majority of participants from the focus group indicated their continued support for businesses that remained reliable, even in the face of power disruptions. Key factors influencing their loyalty included a consistent customer experience despite power challenges, alternative communication methods such as phone calls or face-to-face interaction, and offline promotions that allowed businesses to maintain visibility. Conversely, some participants noted that they had abandoned businesses that were unable to adapt to the crisis. These businesses often closed due to energy issues or struggled with communication because of network problems, leading to a loss of customers.

Both consumers and retailers identified several key adaptations businesses made to continue leveraging WOM marketing despite the energy crisis. Offline promotions, such as flyers, word-of-mouth referrals, and discount vouchers, were frequently mentioned as effective methods. Additionally, businesses invested in alternative power solutions, including generators and solar-powered devices, to ensure continuity. Multi-channel communication, such as using SMS, printed product lists, and alternative phone numbers, was also cited as a strategy that helped businesses stay connected with their customers. Furthermore, many businesses encouraged personal recommendations through referral programs, which helped maintain customer loyalty and facilitated continued WOM marketing.

## CHAPTER 5: DISCUSSION OF FINDINGS

This chapter presents a discussion of the findings from Chapter 4 in relation to the study's objectives. The findings from the data reveal important insights into the evolving role of word-of-mouth (WOM) marketing amidst the energy crisis in Lusaka's Central Business District (CBD), as well as the consumer behaviour changes and business strategies that have been employed to adapt to the challenging environment. The chapter also examines the trust and loyalty aspects of WOM marketing and how energy disruptions impact both consumers and businesses in this sector.

### 5.1 Impact of WOM Marketing on Customer Acquisition and Business Growth

One of the primary objectives of this study was to analyse the impact of word-of-mouth (WOM) marketing on small-scale retailers' customer acquisition and business growth amid the energy crisis in Lusaka's CBD. The findings revealed that traditional and digital WOM marketing played an integral role in the acquisition of new customers and the retention of existing ones during this time of energy uncertainty. Most customers reported that they often hear about small businesses and products through face-to-face recommendations and social media. For example, one customer noted that they discover businesses primarily through “social media, Facebook, and WhatsApp, as they are convenient for discovering businesses and getting recommendations from friends.”

As digital communication faced challenges due to power outages and network disruptions, the significance of offline WOM grew. Face-to-face communication, particularly in places like workplaces, churches, and community gatherings, became more important in sustaining business awareness and driving growth. One respondent emphasized, *“More people now share recommendations in person, especially in workplaces, churches, or community gatherings.”*

Businesses that could adapt their marketing strategies to this shift in communication method capitalized on a more personalized approach to acquiring customers. These entrepreneurs understood the importance of human connection in times of crisis. As a result, the businesses that prioritized relationship-building through face-to-face engagement experienced continued loyalty and increased customer recommendations despite the power shortages.

## 5.2 Changes in Consumer Behaviour and Reliance on WOM Marketing

The second objective of the study was to examine how consumer behaviour has changed due to the energy crisis and how it has influenced their reliance on WOM marketing. The findings revealed a noticeable shift in consumer behaviour, with face-to-face recommendations becoming more common, as digital communication tools became less reliable. One participant stated, *“Yes, I have shifted to in-person recommendations as frequent power outages and network disruptions make it harder to access online platforms. Face-to-face interactions have become more reliable for getting recommendations.”* This shift underscores the impact of the energy crisis on consumer habits and how it has heightened the importance of offline communication in acquiring information about businesses.

While digital WOM was still valuable, especially through platforms like Facebook and WhatsApp, many customers acknowledged that power outages affected their ability to stay connected online. With mobile networks becoming unreliable, consumers turned to more traditional forms of communication, which highlights a dependence on immediate, human-driven sources of information. One respondent elaborated on this behaviour, saying, *“Sometimes I can’t always check social media or contact people through WhatsApp. I rely on word-of-mouth from people I meet in person or visit stores without prior research.”*

The data suggests that consumer trust has become increasingly linked to personal experiences and in-person recommendations, rather than solely relying on digital platforms. This suggests that word-of-mouth is becoming even more critical as a trust-building tool in this context.

## 5.3 Role of Trust and Loyalty in WOM Marketing

A core aspect of this study was to investigate the role of trust and loyalty in WOM marketing when digital communication is limited by power outages. The findings indicated that trust plays a pivotal role in WOM marketing during these periods of uncertainty. Despite the limitations caused by the energy crisis, loyalty to established businesses remained strong. Several respondents emphasized that they continued to support businesses they had previously trusted, even if those businesses were hard to reach due to power disruptions. One respondent noted, *“Yes, I do remain loyal to*

*certain businesses because of their reliability in the past to maintain standards, despite the energy challenges.”*

Trust was not just based on past service quality, but also on businesses' ability to adapt to the crisis. Entrepreneurs who invested in generators, offered alternative phone numbers, and employed offline communication strategies were perceived as more trustworthy. One customer explained, *“Some businesses provide alternative phone numbers that work during outages, use generators to stay open, and communicate through SMS instead of WhatsApp. This shows they are committed to their customers even in difficult times.”* This suggests that loyalty is closely tied to consistency and reliability, especially in the face of external challenges like the energy crisis.

As customers became increasingly reliant on offline recommendations for their purchasing decisions, businesses that focused on maintaining positive customer relationships and fostering trust were able to preserve their reputation and customer base despite the external disruptions. Trust was therefore not only a byproduct of good service but also a response to the businesses' commitment to engage consistently with their customers, regardless of network limitations.

#### 5.4 Challenges Faced by Businesses and Consumers in Using WOM Marketing During Power Shortages

The fourth objective was to identify the challenges faced by both businesses and consumers in using WOM marketing during power shortages. The findings highlighted several key obstacles that both parties encountered in relying on WOM as a primary marketing and communication tool.

For businesses, the biggest challenge was maintaining communication with customers when digital platforms were down. Power outages affected the ability of entrepreneurs to answer customer inquiries and process transactions, which, in turn, limited their ability to provide timely customer service. As one participant noted, *“The delay in mobile money transactions and constant shutdowns has made it difficult to manage secure transactions.”* Additionally, some respondents mentioned the difficulty of maintaining consistent contact, with many businesses only able to communicate through alternative phone numbers or SMS. This revealed the struggle for businesses to maintain their marketing momentum without reliable digital communication.

Consumers also faced challenges. Many respondents expressed frustration over being unable to access businesses online or get immediate responses to inquiries. One respondent said, *“Mobile networking services being flimsy at given hours has made it nearly impossible to get product recommendations at those points in time.”* This disruption in communication made it difficult for customers to engage with businesses, which delayed decision-making and affected the likelihood of referrals.

Despite these challenges, businesses that had prepared for such eventualities by offering offline promotions, creating alternative contact methods, and investing in energy solutions like generators and solar power were able to maintain communication and keep customers engaged.

## 5.5 Consequences of Business Strategies that Enhance WOM Marketing and Customer Engagement Despite Energy-Related Disruptions

The final objective was to explore the consequences of business strategies that enhance WOM marketing and customer engagement despite energy-related disruptions. The findings demonstrated that businesses that took proactive measures to address the energy crisis created long-lasting relationships with their customers, leading to increased recommendations and business growth.

For example, businesses that utilized offline methods like flyers, handwritten discount vouchers, and in-store promotions were able to increase engagement and drive referrals despite the digital limitations. One participant stated, *“Handwritten discount vouchers, word-of-mouth referral rewards (e.g., discounts for customers who bring friends), and in-store promotions would encourage me to recommend businesses.”* These strategies were well-received and were particularly effective in fostering local customer loyalty.

Moreover, businesses that used generators or solar energy to maintain operations were more likely to receive positive word-of-mouth and were viewed as more reliable. As one respondent noted, *“Being able to provide consistent power through the use of generators and providing charging ports leads to recommendations by the customers themselves.”* This also speaks to the value of innovation and creativity in overcoming adversity. Businesses that found ways to work around the energy crisis saw not only short-term customer retention but also long-term growth through customer referrals.

## 5.6 Conclusion

In conclusion, the findings of this study highlighted the critical role of word-of-mouth marketing during the energy crisis in Lusaka's CBD. WOM proved to be an essential tool for customer acquisition, trust-building, and business growth during challenging times. Changes in consumer behaviour, especially the shift toward face-to-face interactions, indicated that businesses needed to adapt their marketing strategies to rely more on offline channels. Furthermore, trust and loyalty were foundational to WOM marketing in the absence of reliable digital communication, and businesses that employed innovative strategies to remain accessible were more likely to thrive during the crisis. Despite the challenges posed by power outages, businesses that adapted through offline promotions, alternative communication methods, and energy solutions were able to maintain customer engagement, boost WOM referrals, and sustain growth during an otherwise difficult period.

## CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

This study explored the impact of WOM marketing on business growth and consumer behaviour during Zambia's energy crisis. The findings indicate that consumers increasingly rely on face-to-face WOM referrals due to limited access to online platforms. Businesses that adapted to the crisis by using alternative communication methods and offline marketing strategies were able to maintain customer loyalty. However, businesses that failed to adjust to power-related challenges experienced a loss of customers as accessibility and service quality decline

### 6.1 The Impact of Word-of-Mouth (WOM) Marketing on Customer Acquisition and Business Growth

This study explored the pivotal role of WOM marketing for small-scale entrepreneurs in Lusaka's Central Business District (CBD), especially in the context of the ongoing energy crisis. The findings highlighted the value of WOM marketing in helping businesses sustain customer acquisition and growth amidst energy disruptions. Importantly, WOM marketing was shown to be cost-effective and resilient, offering an alternative to traditional and digital marketing, which faced severe limitations due to power outages and network disruptions.

While traditional WOM, based on in-person recommendations and face-to-face interactions, remains a core component of marketing for small businesses, the study found that digital WOM through social media platforms such as WhatsApp, Facebook, and Instagram also plays a significant role in maintaining customer engagement. Despite the energy crisis, digital WOM allowed businesses to continue reaching customers, especially in instances when power or network outages made face-to-face interactions difficult. One participant shared:

“Social media or word of mouth, it is easy for me to find businesses through Facebook and WhatsApp.”

### 6.2 Changes in Consumer Behavior Due to the Energy Crisis

The energy crisis had altered consumer reliance on WOM marketing. While digital WOM offered convenience, power and network disruptions forced consumers to revert to traditional WOM in certain cases. Many consumers relied more on in-person recommendations, yet they still valued digital WOM when available.

A respondent highlighted this shift, stating:

“Yes, I have shifted to in-person recommendations as frequent power outages and network disruptions make it harder to access online platforms.”

However, businesses that adapt by offering alternative contact methods—such as SMS or backup phone numbers—help mitigate the impact of digital disruptions. As one participant noted:

“Some businesses provide alternative phone numbers that work during outages, use generators to stay open, and communicate through SMS instead of WhatsApp.”

### 6.3 The Role of Trust and Loyalty in WOM Marketing During Power Outages

Trust and loyalty are critical to WOM marketing, particularly when digital communication is unreliable. Customers are more likely to recommend businesses they trust, making consistent product quality and transparency essential factors in sustaining WOM referrals.

As one participant emphasized:

“Customers are more likely to recommend businesses they trust, especially during tough times like the energy crisis.”

Traditional WOM remains the most reliable form of marketing during energy disruptions, as it is built on personal relationships and direct communication. However, digital WOM continues to serve as a necessary supplement, especially for reaching a broader audience when connectivity allows.

### 6.4 Challenges of WOM Marketing During Power Shortages

Despite its advantages, digital WOM faces several challenges in the context of energy disruptions. While it provides businesses with a wider reach, it is limited by:

- Frequent power outages preventing device usage
- Network disruptions affecting access to online platforms
- Dependency on mobile data and electricity for both businesses and consumers

These factors make it difficult for businesses to rely solely on digital WOM, reinforcing the need for an integrated approach that includes traditional WOM.

## 6.5 Business Strategies to Enhance WOM Marketing and Customer Engagement

Small-scale entrepreneurs can strengthen word-of-mouth marketing amidst the energy crisis by investing in alternative power sources, developing structured marketing approaches, integrating digital and traditional marketing, building trust and transparency, and implementing policy implications. Renewable energy solutions and government support for solar energy can improve business resilience. Additionally, entrepreneurial networks can help businesses share resources and marketing strategies. Offline marketing strategies, such as printed flyers and referral rewards, can be enhanced. Alternative communication channels, such as phone numbers and SMS notifications, can also be used to keep customers engaged. Leveraging customer trust for WOM marketing can also help businesses maintain consistent product and service quality.

For policymakers and business support programs, it is recommended that they provide energy solutions, such as affordable solar energy systems, to help reduce small businesses' reliance on the national power grid. Additionally, training programs should be established to educate businesses on non-digital WOM marketing techniques, improving their ability to engage with customers despite challenges posed by the energy crisis.

## 6.6 Final Thoughts

Word-of-mouth marketing is a vital tool for small-scale businesses in Lusaka's CBD, particularly in the face of the energy crisis. Both traditional and digital WOM have demonstrated their value in maintaining customer acquisition and business growth. However, traditional WOM remains the most reliable form of marketing during energy disruptions, as it is based on personal relationships and trust.

To successfully navigate the challenges posed by the energy crisis, small-scale entrepreneurs should leverage both traditional and digital WOM marketing strategies. By investing in alternative energy, enhancing customer engagement, and building trust, businesses can not only survive but thrive in challenging times.

## 6.7 Recommendations for Future Research

Future research should expand the scope of inquiry to provide a more comprehensive understanding of WOM marketing in resource-constrained environments. A larger sample size, including multiple focus groups or surveys, would enhance the validity and applicability of findings across diverse business contexts. Quantitative research could further assess the direct impact of WOM marketing on customer acquisition and business growth. Additionally, consumer-centred studies are needed to explore how energy disruptions influence customer trust and engagement with businesses. Longitudinal research could track how entrepreneurs adapt their WOM strategies over time, while policy-oriented studies could examine the role of government interventions and alternative energy solutions in supporting small businesses. By addressing these areas, future research can contribute to a more holistic understanding of WOM marketing's role in business resilience and sustainability amid infrastructure challenges.

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## APPENDIX

### Interview Question for Small Scale Retailers

1. Can you tell me a bit about your business, how long you have been operating in Lusaka's CBD, and how the current energy crisis has affected your operations?

2. What types of products or services do you offer, and have you had to make any adjustments due to the energy crisis?
3. How would you define word-of-mouth marketing in the context of your business, especially during periods of energy shortages?
4. How important do you think word-of-mouth marketing is for your business, particularly in light of the energy crisis and its impact on your marketing budget?
5. Can you share any specific instances where word-of-mouth marketing significantly impacted your sales or customer base during challenging periods like the current energy crisis?
6. How do you think word-of-mouth marketing compares to other forms of marketing you use, especially given the constraints brought by the energy crisis?
7. What strategies do you use to encourage word-of-mouth marketing among your customers, even during times when energy disruptions make it challenging to reach them?
8. What challenges have you faced in leveraging word-of-mouth marketing for your business, particularly due to the energy crisis?
9. How has the energy crisis roled your ability to interact with and engage customers to foster positive word-of-mouth?
10. Can you describe any feedback mechanisms you have in place to capture customer experiences and opinions, and how they have been impacted by the energy crisis?
11. How do you measure the success of your word-of-mouth marketing efforts, especially during challenging times like the current energy crisis?
12. How do you see the role of word-of-mouth marketing evolving for your business in the next few years, particularly considering the ongoing energy crisis, and what advice would you give to other small-scale retailers looking to leverage word-of-mouth marketing during such challenges?

### Focus Group Questions

1. How do you usually hear about small businesses or new products in Lusaka's CBD? (e.g., face-to-face recommendations, social media, WhatsApp groups, posters, etc.)
2. Since the energy crisis began, have you relied more on in-person recommendations rather than digital referrals? Why or why not?

3. Has limited access to electricity or mobile networks made it harder for you to get product recommendations? If so, how?
4. How has the energy crisis affected your ability to verify business reliability before making a purchase?
5. Have you noticed a shift in how people share business recommendations (e.g., more face-to-face referrals, word-of-mouth through community networks, etc.)?
6. Do you still remain loyal to certain businesses even when power outages make it difficult to reach them? Why or why not?
7. What actions have businesses taken that helped maintain your trust and loyalty despite energy challenges? (e.g., alternative contact methods, better face-to-face communication, offline promotions, etc.)
8. If a business finds creative ways to stay accessible during power outages (e.g., generators, alternative phone numbers, manual receipts), would that make you more likely to refer them to others?
9. Have power outages affected your participation in loyalty programs, discounts, or referral rewards? If so, how?
10. What types of non-digital incentives (e.g., handwritten discount vouchers, in-person promotions) would make you more likely to recommend a business during this crisis?
11. Have you ever wanted to recommend a business but found it difficult due to energy-related communication issues? If so, how did you handle it?
12. What advice would you give to businesses struggling to maintain word-of-mouth marketing and customer loyalty during this energy crisis?

Focus Group Transcript on Small Business Marketing and Customer Loyalty in Lusaka's CBD Amid the Energy Crisis

**Moderator:** Let's start with how you usually hear about small businesses or new products in Lusaka's CBD. What methods do you rely on?

**Participant 1:** Social media.

**Participant 2:** Face-to-face and WhatsApp.

**Participant 3:** Social media and face-to-face recommendations.

**Participant 4:** Social media, recommendations.

**Participant 5:** WhatsApp and face-to-face recommendations. Social media, primarily Facebook and WhatsApp, are convenient for discovering businesses and getting recommendations from friends.

**Participant 6:** Social media.

**Participant 7:** Usually face-to-face.

**Participant 8:** Social media or word of mouth.

**Moderator:** Since the energy crisis began, have you relied more on in-person recommendations rather than digital referrals? Why or why not?

**Participant 9:** Mostly in-person recommendations. Digital referrals have yet to come up to scratch with managing inventory and delivery in the current digital climate.

**Participant 10:** Yes, but that's because I see people more now.

**Participant 11:** Yes, it's generally easier, especially when you need to find a business on short notice, and all devices have lost charge.

**Participant 1:** No, I haven't. I've always preferred in-person recommendations, so that hasn't changed.

**Participant 2:** In-person because most of the time gadgets are off.

**Participant 3:** In-person recommendations have proven more effective because the person referring has first-hand experience and is more likely genuine.

**Participant 4:** In-person, because they have had first-hand experience.

**Participant 5:** Yes, because frequent power outages and network disruptions make it harder to access online platforms. Face-to-face interactions have become more reliable for getting recommendations.

**Participant 6:** No, I haven't. The businesses I'm interested in still manage to market on social media.

**Participant 7:** Yes, I always preferred in-person recommendations, and I've noticed I tend to welcome them much more than digital ones. This has only increased for me since the crisis started.

**Participant 8:** No, because it's easier to find out about things online even with the crisis.

**Moderator:** Has limited access to electricity or mobile networks made it harder for you to get product recommendations? If so, how?

**Participant 9:** Yes, it's difficult to communicate with businesses during peak times when recommendations are required instantly.

**Participant 10:** Not really.

**Participant 11:** Mobile network issues at certain hours make it nearly impossible to get product recommendations.

**Participant 1:** No, it has not.

**Participant 2:** Yes, extremely difficult! It's not easy to do any business without power, and network issues from outages add to that.

**Participant 3:** There's limited access when network failure cuts out just when I want to explore products.

**Participant 4:** Yes, because mobile gadgets are not charged.

**Participant 5:** Yes, I can't always check social media or contact people through WhatsApp. Sometimes, I rely on word-of-mouth or visit stores without prior research.

**Participant 6:** No.

**Participant 7:** No, not really. It hasn't for me. I barely get them digitally or online.

**Participant 8:** No.

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**Moderator:** How has the energy crisis affected your ability to verify business reliability before making a purchase?

**Participant 9:** The delay in mobile money transactions and shutdowns make secure transactions difficult in the current climate.

**Participant 10:** They don't respond in time, so I move on.

**Participant 11:** Mostly, it just means waiting long hours for power to be restored or networks to run effectively, making a process that would normally take minutes unnecessarily long.

**Participant 1:** No, it hasn't.

**Participant 2:** It's time-consuming and costly, as power is only available for limited periods. Most gadgets are off, and we cannot operate all the time.

**Participant 3:** As a consumer, confirmation is key before purchasing, but since the energy challenges, low battery power often results in gadgets turning off.

**Participant 4:** It's harder to call and verify.

**Participant 5:** It's harder to check online reviews or contact businesses beforehand. Now, I rely more on personal experiences and recommendations from friends or colleagues who have already used the business.

**Participant 6:** Yes, because people post less reviews.

**Participant 7:** A lot of verification, especially with mobile transactions, has been a struggle. Keeping devices charged throughout the day is hard, even with solar energy. The weather also affects its reliability.

**Participant 8:** It makes it harder to do better research on companies or products.

**Moderator:** Have you noticed a shift in how people share business recommendations (e.g., more face-to-face referrals, word-of-mouth through community networks, etc.)?

**Participant 9:** Yes, it has been more of word-of-mouth recommendations.

**Participant 10:** Not really.

**Participant 11:** Not that I can recall at present.

**Participant 1:** I have not noticed a shift.

**Participant 2:** No, I haven't noticed, but I think it's more word-of-mouth.

**Participant 3:** Yes, it's become more effective.

**Participant 4:** No, really.

**Participant 5:** Yes, more people now share recommendations in person, especially at workplaces, churches, or community gatherings. Some businesses also encourage customers to spread the word offline.

**Participant 6:** No, I haven't.

**Participant 7:** I haven't noticed a shift. But rather, I've come to be more aware of how people around me are doing it. Face-to-face referrals in terms of food, medicines, and music.

**Participant 8:** No.

**Moderator:** Do you still remain loyal to certain businesses even when power outages make it difficult to reach them? Why or why not?

**Participant 9:** Yes, because they have been reliable in the past, maintaining business standards and innovating better ways to navigate the power crisis.

**Participant 10:** Yes, because they have the product and prices I want.

**Participant 11:** Yes, because these businesses have proven their reliability. It's easier to stick with them than to find something new, especially when verifying new businesses is harder now.

**Participant 1:** Yes, I prefer businesses I am familiar with.

**Participant 2:** Business has almost come to a standstill due to lack of electricity. Solar energy is expensive and not everyone can afford it.

**Participant 3:** Yes, because they have provided genuine service or products for a long time, even before the energy crisis began.

**Participant 4:** Yes, I do. I understand that the crisis is affecting everyone.

**Participant 5:** Yes, if they offer consistent quality and good customer service. I'm willing to wait until I can contact them or visit in person.

**Participant 6:** No, some businesses stopped running, so I had to find new vendors.

**Participant 7:** If the product is good, I'll still get it no matter what. I still do.

**Participant 8:** Yes.

**Moderator:** What actions have businesses taken that helped maintain your trust and loyalty despite energy challenges?

**Participant 9:** Offline promotions have been a common way to maintain customer trust.

**Participant 10:** Alternative and consistent contact methods.

**Participant 11:** Being able to provide consistent power through the use of generators and providing charging ports has led to customer recommendations.

**Participant 1:** They've implemented alternative ways to access power, ensuring their service is not adversely affected by the energy crisis.

**Participant 2:** Face-to-face communication.

**Participant 3:** Continuation of communication and offering promotions or discounts to loyal clients.

**Participant 4:** Some businesses provide alternative phone numbers that work during outages, use generators to stay open, and communicate through SMS instead of WhatsApp. They also offer printed flyers with their product lists.

**Participant 5:** Better face-to-face communication.

**Participant 6:** Alternative contact methods.

**Participant 7:** I'm not sure about this one.

**Participant 8:** Alternative content methods.

**Moderator:** If a business finds creative ways to stay accessible during power outages (e.g., generators, alternative phone numbers, manual receipts), would that make you more likely to refer them to others?

**Participant 9:** Yes.

**Participant 10:** Yes, definitely.

**Participant 11:** Yes.

**Participant 1:** Yes, most definitely. It shows they are reliable even during difficult times.

**Participant 2:** Definitely.

**Participant 3:** Most definitely! People love reliability.

**Participant 4:** Yes, but it depends on the quality of their product too.

**Moderator:** Have power outages affected your participation in loyalty programs, discounts, or referral rewards? If so, how?

**Participant 5:** No.

**Participant 6:** Not necessarily. Businesses have found innovative ways to deal with power shortages.

**Participant 7:** No, they haven't.

**Participant 8:** No.

**Participant 1:** Power outages have derailed a lot of businesses, making it extremely hard to operate properly.

**Participant 2:** Yes, because many loyalty programs depend on digital tracking or online apps. If I can't access them, I miss out on discounts or rewards.

**Participant 3:** No, I'm not someone who partakes.

**Moderator:** What types of non-digital incentives (e.g., handwritten discount vouchers, in-person promotions) would make you more likely to recommend a business during this crisis?

**Participant 9:** Discount vouchers.

**Participant 10:** In-person promotions.

**Participant 11:** In-person promotions.

**Participant 1:** Vouchers and access to promotions.

**Participant 2:** I think in-person promotions would be ideal, but they may not be as effective as digital.

**Participant 3:** In-person promotions to loyal customers.

**Participant 4:** Handwritten discount vouchers, word-of-mouth referral rewards, and in-store promotions would encourage me to recommend businesses.

**Participant 5:** Handwritten discount vouchers.

**Participant 6:** If the business lowers prices in a way that isn't a loss for them while not taking advantage of people during the crisis, that would be ideal.

**Moderator:** Have you ever wanted to recommend a business but found it difficult due to energy-related communication issues? If so, how did you handle it?

**Participant 7:** No.

**Participant 8:** Yes, I tried to recommend business operation times to

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