

**The role of information and communication technology in the success of small and medium business enterprises: a case of merchandising businesses in Dar es Salaam**

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This study assessed the impact of information and communication technology (ICT) within the small and medium enterprise (SME) sector in Dar es Salaam, Tanzania. ICT plays an important role in the current knowledge economy. It is vital for SMEs to participate in this economy in order to compete and thrive in the future. The problem is that SMEs are mainly using traditional tools to stay competitive. They need to take advantage of and embrace the power that ICT brings in business in order to remain competitive in this highly competitive economic environment. This study used quantitative research approach with semi-structured questionnaires with closed ended questions as data gathering technique. The study revealed that the creative use of ICT enables SMEs to grow profitably. Overall, the results of this research confirmed that ICT has a consistent positive impact on the competitiveness of SMEs. Despite the benefits that come with the use of ICT tools, there are a number of reasons why SMEs might not implement ICT tools; the major ones according to this study being unreliable service providers, time barriers and security concerns. This study also came up with conclusions about the research propositions and problem, implications for theory, policy and practice as well as limitations and recommendations for further research. SMEs play a key role in the economic growth of any country. Notably, the application of modern ICTs can improve the performance of SMEs.