



SOCIAL MEDIA MARKETING AS A TOOL FOR THE SUSTAINABILITY OF SMALL AND MEDIUM ENTERPRISES IN OGUN STATE

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Abstract

Without a doubt, social network has changed the way business happens in recent times, especially when it has to do with communication and marketing techniques. Social media is an undeniable reality that must be professionally managed in the modern economy. Social media marketing is the use of social media platforms to connect with your audience to build your brand, increase sales, and drive website traffic. The purpose of this study is to Scrutinize how Small and Medium Enterprises (SMEs) in Ogun state adjudge and use the internet especially social media in their everyday running also to prove the effectiveness of social media marketing on sales growth in SMEs. This study made use of an exploratory research approach combined with a structured interview data collection process. Questionnaires were administered to 170 SMEs in 6 local government areas in Ogun state with the respondents being either the owners or the managers. The results of the analysis have been presented in tables for easy interpretation. ANOVA and other statistical tools were used in testing these hypotheses. Descriptive statistics were used to examine the percentage of SMEs in the state that uses social media in marketing their businesses. The study has established that social media marketing increases the sales performances of SMEs and it has a significant impact on the efficiency of business operations. The study reveals that SMEs in Ogun state should embrace social media marketing by co-opting the trend and adding it to their arson to remain valuable in these changing times.

Keywords: Social media; Marketing; Performance; Small business; SMEs.

Introduction

In today's highly competitive business world and unstable economic situation, many small and medium enterprises go into bankruptcy due to the many challenges they face in their day-to-day business activities. This has made many SMEs change their operational strategies and look for different means to achieve their desired business goals, one of such means is in the strategic approach they use in the marketing of their products, many businesses have started embracing the social media marketing paradigm. Social media marketing is the use of social media platforms and websites to aggrandize a product or service. Although the terms e-marketing and digital marketing are still dominant in academia, social media marketing is becoming more popular for both practitioners and researchers. Social applications have been with us since the earliest days of the internet, but then modern social media was developed little over a decade ago. It fundamentally changed how entrepreneurs communicate with their target customers, and how businesses promote their products or services. According to Yan and Musika (2018), Social media has changed the way how people interact, participate, cooperate, and connect, it turns the traditional "one-to-many" to "many-to-many". Most people nowadays buy things after going through their reviews on social networking sites. So, if SMEs create a page on these social networking sites like Facebook, Twitter, Instagram, and so on, they can get a position of advantage in a contest and can be closer to consumers, Veseli-Kurtish (2018). An SME according to the Central Bank of Nigeria (CBN) is one whose capital employed ostracizing land is between ₦1 million and ₦150 million and employs not more than 500 personnel, Ebitu, Ufot, & Olom (2015). According to World Bank (2015), Small and Medium Enterprises play a significant role in most economies, especially in developing countries. SMEs account for the majority of businesses worldwide and are important contributors to job creation and global economic



development. They represent about 90% of businesses and more than 50% of employment worldwide. Formal SMEs contribute up to 40% of national income (GDP) in emerging economies. These numbers are significantly higher when informal SMEs are included. As claimed by World Bank (2015), 600 million jobs will be needed by 2030 to address the increasing global workforce, which makes SME development a high priority for many governments around the world. In emerging markets, most formal jobs are generated by SMEs, which create 7 out of 10 jobs. However, access to finance is a major constraint to SME growth, it is one of the five obstacle facing SMEs to grow their businesses in emerging markets and developing countries. Nigeria, like other developing countries with relatively low per capita income, looks forward to industrialization and funding of SMEs to give it the structural transformation that is imperative in its quest for growth and development.

On a strategic level, social media marketing includes the management of a marketing campaign, governance, and the establishment of a firm's desired social media "culture" and "tone." A study by Ebitu (2016) reveals that in the southern part of Nigeria, marketing problems such as difficulty in managing firm's advertising, lack of adequate marketing research, poor branding and packaging, low level of knowledge on business market analysis, unawareness of competition, poor promotion, poor segmentation strategy, poor pricing technique, and unplanned distribution contribute negatively to SMEs' performance and profit margin. Ebitu (2016) further observed that most of these problems were as a result of the fact that most of the managers of the SMEs are unenlightened about the principles and practice of marketing orientation strategies.

In former times, traditional, non-targeted advertising via newspapers, magazines, radio, television, and mail was the only way to communicate with the audience. These media make targeting specific buyers with individualized messages very difficult, Scott (2009). According to Newman (2013), after the emergence of new technologies, customers have been looking at social media instead of Google or other search engines in order to get concrete information about the companies they want to patronize.

Literature Review

In today's fast-paced technology-driven world, social networking sites have become an avenue where business owners can extend their marketing campaigns to a wider range of consumers. Kaplan and Haenlein (2010), defined social media as a group of Internets-based applications that build on the ideological and technological foundations of Web 2.0 and allow the creation and exchange of user-generated content. With a definition of social media in place, accurately defining social media marketing is possible. A basic definition is "using social media channels to promote your company and its products" Barefoot & Szabo (2010). An expanded definition is "a process that empowers individuals to promote their websites, products, or services through online social channels and to communicate with and tap into a much larger community that may not have been available via traditional advertising channels" Weinberg (2009). Chi (2011) defines social media marketing as a "connection between brands and consumers while offering a personal channel and currency for user-centered networking and social interaction." The tools and approaches for communicating with customers have changed greatly with the emergence of social media; therefore, businesses must learn how to use social media in a way that is consistent with their business plan, Mangold, Glynn, and Faulds (2009).

According to Gunelius (2011), social media marketing can be in the form of giving a coupon or announcing a sale on Facebook, Instagram, or Twitter, or it may include broader brand-building initiatives like communicating with people. Minton, Lee, Orth, Kim, and Kahle (2012) did this fascinating research on sustainable marketing and social media, involving cross-culture populations (subjects) to analyze the motives for sustainable behaviors. South Koreans are representing a collectivist culture and the USA, Germany being more of an individualistic culture, were studied based on their usage of Facebook and Twitter about motives for sustainable behaviors. According to Gilmore, Carson, O'Donnell, Cummins (1999), one solution to the marketing challenges faced by small businesses is social media. Social media enables small businesses to overcome the challenges of a limited budget, lack of expertise, and positioning against larger competitors. Small businesses are not the same as big businesses and

therefore cannot be expected to have the same marketing resources.

Competitive advantage often has to be sought from other sources and by other means. Wind and Mahajan (2002) support that, digital channels can be used to create unique and

positive experiences for customers, and build trust and relationships in the long term by mixing all aspects of products, service, brand, and communication – not just transactions.

Variable	Facebook		Twitter		WhatsApp		Instagram	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Never	16	15.2	17	16.2	13	12.4	2	1.9
Occasionally	30	28.6	32	30.6	1	9.5	13	12.4

Objective of the Study

- I. Scrutinize how SMEs in Ogun state adjudge and use the internet especially social media in their everyday running.
- II. To prove the effectiveness of social media marketing on sales growth in SMEs.

Methodology

Data Collection

With the broad objective of the study which is to analyze the impact of social media on the sustainability of SMEs in Ogun State, questionnaires were sent to 170 SMEs across 6 local government areas in Ogun State i.e Yewa South, Yewa North, Abeokuta South, Ijebu North, Ado-Odo Ota, and Ewekoro, 104 responded to the questionnaire, 61 Females (59%) and 43 males (41%). They gave the study a response rate of 61% while 39% didn't respond either because they were not in a position to give their marketing information or could not answer the question at the time of the study. The questionnaire was divided into two main sections. Section A was designed to obtain information on the respondents' demography and general information about the work environment while section B focused on the issues central to this study topic. Below are tables to examine the percentage of SMEs in the state that use social media marketing in their businesses.

The Extent to which social media sites are visited by entrepreneurs

Table 1.1



Source: Field Survey, 2020

Monthly	2	1.9	3	2.9	7	6.7	3	2.9
Weekly	4	3.8	8	7.6	13	12.4	2	1.9
Daily	53	50.5	45	72.9	53	51.4	85	81.0
Total	105	100.0	105	100	105	100.0	105	100

Reasons for visiting social media sites

Table 1.2

	Frequency	Percent	Valid percent	Cumulative Percent
Keeping in touch with friends	28	26.7	26.7	26.7
Business Marketing	53	50.6	50.5	77.1
Making New friends	4	3.8	3.8	81.0
Info on Local Events	20	19.0	19.0	100.0

Source: Field survey, 2020

Table 1.1 shows the descriptive statistics of how entrepreneurs visit social media websites. The first part of Table 1.1 classifies the opinion of the respondent on whether the entrepreneur frequently uses Facebook. It shows 50.0% daily, 3.8% weekly, 1.9% monthly, 28.6% occasionally and, 15.2% never. This implies that respondents mostly visit Facebook daily. The Twitter aspect of the table shows 42.9% daily, 7.6% weekly, 6.7% monthly, 9.5% occasionally, 12.4% never. Here we see that the respondents frequently log on to Twitter. WhatsApp is another popular electronic social network. It shows 51.4% daily, 12.4% weekly, 12.4% monthly, 29.5% occasionally, 20.0% never. It is deduced that respondents are always on WhatsApp. Table 1.1 further provided information about how often the respondents visit Instagram. It shows 81.0% daily, 1.9% weekly, 2.9% monthly, 12.5% occasionally, 81.0% never, this means that respondents consistently and always visit or use Instagram.

Table 1.2 classifies the responses of the respondents on what they use these sites. It shows 20(19.0%) respondents used it for information on local events, 4 (3.8%) used it for making new friends, 53 (50.5%) visited the sites for business marketing purposes, and (26.7%) used it for keeping in touch with friends. This implies that these sites are mostly used by entrepreneurs for business marketing purposes.

Test of Hypotheses/Results and Discussion

Two hypotheses were raised and tested in this study.

Hypothesis 1: Social media marketing has a significant impact on sales performance.

Hypothesis 2: Social media marketing has no significant impact on the efficiency of business operations.



The findings are presented in the tables below. The significant level of 0.003 and 0.374 respectively was set to either retain or reject.

Hypothesis 1: Social media marketing has a significant impact on sales performance.

Table 2.1: Model Summary

Model	R	R-Square	Adjusted R Square	Std. Error of the Estimate
1	0.354	0.126	0.100	0.75

Table 2.2: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.066	3	2.689	4.839	0.003
	Residual	56.124	101	0.556		
	Total	64.190	104			

Predictors: (Constant), social media

Dependent Variable: sales performance

Source: Author's Compilation

Hypothesis

H0: Social media marketing does not have a significant impact on sales performance.

H1: Social media marketing has a significant impact on sales performance.

The results from Tables 2.1 and 2.2 revealed that the extent to which the variance in sales performance can be explained by social media marketing is 12.6% that is, (R square =.126) at .003 significance level. This implies that social media marketing has a significant effect on sales performance. Thus, the decision would be to reject the null hypothesis (H0) and accept the alternative hypothesis (H1).

Hypothesis 2: Social media marketing has no significant impact on the efficiency of business operations.

Table 2.3: Model Summary

Model	R	R-Square	Adjusted R Square	Std. Error of the Estimate



1	0.139	0.19	0.000	0.602
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Table 2.4: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	0.720	2	0.360	0.992	0.374
	Residual	36.655	101	0.363		
	Total	37.375	103			

Predictors: (Constant), social media

Dependent Variable: sales performance

Source: Author's Compilation

Hypothesis:

H0: Social media marketing has no significant impact on the efficiency of business operations.

H1: Social media marketing has a significant impact on the efficiency of business operations.

The results from Tables 2.3 and 2.4 revealed that the extent to which the variance in the efficiency of business operations can be explained by social media marketing is 1.9% that is (R square =.019) at .374 significance level. This implies that social media marketing has a significant effect on the efficiency of business operations. Thus, the decision would be to reject the null hypothesis (H0) and accept the alternative hypothesis (H1)

Conclusion

THIS study examined Social media as a tool for the sustainability of small and medium enterprises in Ogun state. Survey research based on selected SMEs in different local government areas was proposed. Both descriptive and ANOVA analysis were utilized in data collection. It can be seen from this study that social media is a major force in today's marketing scene. The opportunity offered to businesses through social media to penetrate and create a healthy client relationship is one of the most profitable features that this strategy offers. The study has established that social media marketing increases the sales performances of SMEs and it has a significant impact on the efficiency of business operations. This study has provided evidence and a good picture of the basic patterns of engaging Social Media as part of the marketing strategy. It recommends that SMEs in Ogun state should embrace social media marketing by co-opting the trend and adding it to their arsenal so as to remain valuable in these changing times.



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