

Social media as a tool for marketing communication: a study of Small and Medium Scale Enterprises (SMEs).

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Abstract

In response to the global COVID-19 pandemic, firms have increasingly leveraged social media to communicate effectively with their customers. Despite the inherent attributes of simplicity, cost-effectiveness, and efficacy that it offers businesses, fostering innovation and responsiveness to customer demands, its adoption for marketing communication by SMEs remains limited. This research delves into the impact of Social Media Marketing (SMM) as a tool for marketing communication among SMEs in Nigeria, integrating the Technology Acceptance Model (TAM) and Technology Organization and Environmental (TOE) theories. The study employed a mixed data collection method, administered 300 questionnaires, and conducted 30 interviews with SMEs in Nigeria. The findings revealed that SMEs underscore the importance of social media for marketing products and communicating the existence of goods and services to the final consumer, recognising technological constraints that hinder optimal utilisation. Additionally, the research emphasises crafting the right marketing mix tailored to be applied based on context. In concluding the study, appropriate social media networks aligned with the context's unique characteristics are suggested, providing a comprehensive guide for SMEs seeking to leverage social media for optimal business outcomes. Recommendations include the importance of government initiatives, incentives, and organisational advancements as crucial factors to further incentivise SMEs to adopt SMM effectively. Notably, Financial Commitment Obligations (FCOs) did not impact SMM, underscoring the imperative need for a conducive environment to implement social media strategies successfully.

Keywords: *Social Media, Marketing Communication, Small and Medium Enterprises, Nigeria.*

1.0 INTRODUCTION

In the contemporary landscape, Social Media Marketing (SMM) has emerged as a critical competitive advantage, particularly during the COVID-19 pandemic. Success in 2021 and beyond demands marketers to adapt dynamically to fluctuating demand, enable online window-shopping experiences, and navigate the delicate balance between value and ethical shopping preferences. Meeting fluid consumer expectations, now comparable to well-established brands, has become the norm. Hall and Peszko (2016) indicate that user perceptions of advertising on social networks vary, emphasising the crucial role of user motivations in shaping responses to social media marketing. Kotler and Armstrong (2007) utilised the Technology Acceptance Model (TAM) as a loose framework, combining trust with TAM factors (Perceived Enjoyment, Ease of Use, and Usefulness). Notably, sites lighted a hierarchy of trust among students using social media, emphasising 'real' friends, followed by Facebook friends, expert blogs, independent review sites, and celebrities and e-retailer sites (Al-Qaysi et al., 2020).

1.1 Problem Statement/Justification:

In today's tech-driven world, social networking sites have become avenues for retailers to expand marketing campaigns to a broader consumer base. Social media marketing, defined by Xun and Guo (2017) as a "connection between brands and consumers, offering a personal channel for user-centred networking and social interaction," has transformed communication tools. This transformation is

especially crucial for businesses aiming to gain a competitive edge.

Social media is no longer just a means of staying connected; it is now a platform for consumers to explore their favourite companies and products. Marketers leverage social media to reach consumers and provide innovative shopping experiences. Technological advancements, including powerful search engines, advanced mobile devices, and online social networks, have extended marketers' reach through new touchpoints (Marchand et al., 2021).

1.2 Objectives of the Study:

This study aims to:

1. Assess the impact of Social Media Marketing on SMEs' turnover.
2. Evaluate the success of Social Media Marketing in creating product and service awareness for SMEs in Nigeria.
3. Recommend suitable social media networks for marketing communication in Nigeria.

2.0 LITERATURE REVIEW:

Social Media Marketing (SMM) and SMEs:

Social media marketing, fostering interaction and information exchange in virtual communities, depends on mobile and web-based technologies. Effective utilisation of IT, including social media, can enhance enterprises' productivity, revenue, and profit (Nurfarida et al., 2021). Social media encourages innovation by monitoring customer communications, feedback, and opinions (Al-Busaidi & Al-Muharrami, 2021). Research on the influence of

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social media on technology and organisational performance in the entrepreneurial context is limited (Hudson et al., 2015).

According to Tata Consultancy Services (2016), 33% of participants in a study on social media and entrepreneurship in 15 European countries used social media daily for hiring, client communication, networking, collaboration, and skill development. Sixty per cent found freelancers through social media, and 62% used it to expand their business networks.

Social media comprises various online forums, such as blogs, discussion boards, chat rooms, and social networking sites. Understanding every aspect of social media as a marketing tool is crucial for retailers. Web 2.0 describes a new collaborative way users interact with the World Wide Web, where content is continuously altered by all users (Constantinides, 2014). It is more about what people do with technology than the technology itself, allowing users to create and consume content, adding value to websites (Cheung et al., 2022)

2.2 MARKETING COMMUNICATION

Marketing communications is a stimulating aspect of the present marketing activities. (Arnaboldi et al., 2017). He defines it as "*the means by which a supplier of goods, services, value and/or ideas represent themselves to their target audience to stimulate dialogue leading to better commercial or other relationships.*" (Hudson et al., 2015) stated that in the contemporary world, the marketing communication concept has changed into something much more complex and far-reaching than ever before, providing various

communication tools and technologies to marketers to pass messages and encourage desired feedback from their targeted audience. Three key elements are incorporated in a planned marketing communication. These elements include tools, media and messages. (Valos et al., 2016).

2.3 Marketing Communication Mix

Marketing communications are vital in contemporary marketing activities, stimulating engagement with target audiences and fostering improved commercial relationships (Raji et al., 2019). According to Egan, it is how suppliers represent themselves to their audience, encouraging a dialogue that leads to enhanced relationships. (Hoang & Bui Thanh, 2021) emphasises that marketing communication has evolved into a more intricate and expansive realm, providing marketers with diverse tools and technologies to convey messages and elicit desired feedback.

2.3.1 Advertising: Advertising, a paid form of non-personal communication about an organisation and its products, is a mass marketing technique with a broad audience reach (Nelly Awinja & Isola Fatoki, 2021). While it builds awareness and supports sales efforts by creating a strong brand position, its impersonal nature limits its ability to answer specific questions or close a sale.

2.3.2 Personal selling: Personal selling involves oral communication directly with the purchaser (Cheng & Chang, 2016). Its interactive nature allows immediate responses to questions and concerns, and the verbal approach can be tailored to customer needs. Although personal selling leads to sales closure, its downside lies in being costly and time-consuming.

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2.3.3 Sales promotions: Sales promotions offer incentives like competitions and special offers to stimulate purchases (Raji et al., 2019). While effective in providing a quick sales boost, overuse may damage brand image, creating concerns about product quality or perceived value.

2.3.4 Direct marketing:

Direct marketing, encompassing direct mail, involves distributing printed materials to prospective clients based on demonstrated interest or geographic proximity (Le & Ikram, 2022). This personalised approach, often used for emotional marketing, can increase awareness and proximity to the business.

2.3.5 Public Relations:

Public relations offers a cost-effective means to communicate information without direct payment, providing highly credible messages through third-party endorsement (Zhao et al., 2022). Despite the potential for higher readership, it involves a loss of content control. In summary, the diverse tools within the marketing communication mix serve distinct purposes, requiring strategic alignment with objectives and an understanding of their respective strengths and limitations in different contexts.

2.4 Theoretical framework:

2.4.1 Technology Acceptance Model (TAM):

Conceived by Davis in 1989, the Technology Acceptance Model (TAM) stands out as a leading theoretical framework for understanding the integration of new technology and utilisation processes. Rooted in the Theory of Reasoned Action (TRA) principles, TAM is widely recognised as the preeminent theory explicating

an individual's acceptance and utilisation of technological innovations (Al-Qaysi et al., 2020). According to TAM, the foundational determinants for adopting new technology are perceived usefulness (PU) and perceived ease of use (PEOU). Defined by Davis (1989), PU reflects "the extent to which a person believes that using a particular system would enhance his or her job performance," while PEOU is characterised as "the degree to which a person believes that using a particular system would be free of effort." Consequently, an individual's attitude is pivotal in determining the intention to use.

2.1.2 TOE Framework:

Crafted by Tornatzky et al. (1990), the TOE framework has found widespread application in analysing technology adoption at the firm level, encapsulating three contextual dimensions influencing technology adoption: technological, organisational, and environmental. The technological context encompasses internal and external technologies relevant to enterprises, with factors such as relative advantage, compatibility, complexity, trialability, and observability considered influential in adoption (Ozkaya et al., 2015). The organisational context relates to an enterprise's resources and characteristics, including managerial structure. This context is a predictor for the organisational adoption of Information and Communication Technology (ICT), with factors like support from superiors, innovativeness, and IT experience influencing social media adoption in this study. The environmental context pertains to the business environment in which an enterprise operates, involving factors like industry, competitors, and technology service providers. Pressures from competitors, customers, and

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society are recognised as environmental factors influencing SMEs' adoption of new technology (Emamjome et al., 2013; Oly Ndubisi & Jekanyika Matanda, 2009). In this study, the environmental context is acknowledged as a determinant impacting the adoption of social media.

3.0 METHODOLOGY

This study will be conducted using quantitative and qualitative approaches to survey design. The quantitative approach was used to obtain data through a questionnaire, and the qualitative approach was administered to the identified respondents within the communities. Three hundred questionnaires were distributed to the respondents (SMEs) in the Town, and 30 respondents were also interviewed to avoid social desirability and cognitive bias in sampling.

To serve the objectives of this research study, the researcher has chosen a quantitative and qualitative method, which is presumed to be suitable for conducting this study. Furthermore, it was surveyed at a particular period (Colucci, 2007). On top of it, many kinds of research undertaken for such purposes are time constraints, so cross-sectional studies with a survey method are preferred (Baruch, 1999). Therefore, the quantitative method is the most common data analysis method, in which questionnaires are employed to collect quantitative data as directed in structural design (Manley et al., 2021). However, the survey questionnaire and Interview would form this study's primary data source. (Baruch, 1999; Zhou et al., 2021) Established field scholars adopted the study questionnaire; the five Likert scale was used in analysing the data. However, the scholar will also conduct the Interview to

augment what the questionnaire will not reveal during the study (Tahir & Inuwa, 2019). The studies used two types of statistics: descriptive statistics and inferential statistical analysis. SPSS version 25.0, Smart PLS version 3.2.8 and Nvivo will be used to produce the result (Saunders et al., 2007).

4.0 RESULTS AND DISCUSSION

The hypotheses linking Perceived Ease of Use (PEU) and Perceived Enjoyment of Use (PEOU) to Social Media Marketing (SMM) (H1 and H2) are derived from the Technology Acceptance Model (TAM) formulated by Davis in 1989 and expanded upon by Davis et al. Empirical evidence substantiates these assertions, as indicated by previous studies establishing these connections (Bilgihan et al., 2014; Shergill & Nargundkar, 2005). Examining the core principles of PEU, its influence on SMM (H1) suggests simultaneous impacts on performance, effectiveness, risks, and trust (Chatterjee & Kumar Kar, 2020). PEOU, encompassing self-efficacy and technological simplicity (Batunanggar, 2019), shapes SMM (H2). Furthermore, prior research and statistical analyses affirm the significant role of Compatibility (COM) in positively affecting SMM (H3) (Alrousan et al., 2020; Obergassel et al., 2021).

In Nigeria, small and medium-sized enterprises (SMEs) operating with limited resources leverage the cost-conscious nature of SMEs in the region, validating H5 (COS→SMM) in terms of enhancing organisational health. Employing proven media platforms proves cost-effective, capitalising on network externalities and serving as a profitable strategy for SMEs,

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fostering sustainable development through the analysis of consumer feedback.

5.0 CONCLUSION

This research provides the advantageous potential of social media for SMEs while recognising challenges such as technological constraints impeding optimal utilisation. The study offers insights to streamline management systems, promoting growth and competitive advantages for SMEs. Recent trends indicate a noteworthy increase in SMM usage by SMEs in Nigeria, fostering business expansion and enhancing connections between SMEs and potential clients. Social CRM, an emerging technology, captures the dynamics of business engagement with stakeholders via social media for value generation.

SMEs embrace SMM due to its simplicity, cost-effectiveness, and efficacy, fostering innovation and responsiveness to customer demands. SMM plays a pivotal role in fortifying economic conditions for SMEs, contingent upon supportive conditions. Government initiatives, incentives, and organisational advancements can further incentivise SMEs to adopt SMM. Remarkably, Financial Commitment Obligations (FCOs) do not impact SMM (H4), underscoring the necessity of a conducive environment for successful implementation.

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