

The Relationship between Social Media Marketing and SMEs Performance in Nigeria: A Systemic Literature Review

Lawal Abideen Ayokunmi^{1*}, Noor Aslinda Abu Seman², and Umi Kartini Rashid³

^{1,2,3}*Department of Business Management, Faculty of Technology Management and Business, Universiti Tun Hussein Onn Malaysia (UTHM), 86400 Parit Raja, Batu Pahat, Johor, Malaysia*

Email: ¹hp180143@siswa.uthm.edu.my, ayolawi0@gmail.com, ²naslinda@uthm.edu.my, ³kartini@uthm.edu.my

Abstract

Small and medium enterprises (SMEs) are considered as a vibrant and dynamic sector of the world economy including Nigeria. Small and medium scale enterprises prefer the use of social media marketing because of its ability to connect with many potential consumers at a time, low cost, ease of use, and technical manageability. Hence, social media marketing is rapidly growing among businesses and is currently considered a major key to enhancing a better performance. Thus, this paper provides a systematic literature review (SLR) of previous research studies on social media marketing and SMEs performance in Nigeria. In this work, the research procedure focuses on the subject matters related to social media, marketing, SMEs, and performance, which are selected from three major digital databases, namely Scopus, ScienceDirect, and Web of Science. The study selection process consists of research into two factors; i) literature sources, articles, and journal publications between the years 2014 to 2020; and ii) that investigate the direction of the study of SMEs performance in the context of social media marketing. The articles were screened, filtered and duplicates were excluded, followed by the reading of the full-text articles. The final included result is 65 articles, which will be adopted in this study. From the previous results, most studies applied a quantitative approach which is the most popular research method. But this SLR study discovered social media marketing strongly affects the performance of SMEs worldwide and particularly in Nigeria. Therefore, this study suggests that social media marketing studies should be given adequate concentration. The government should cater for financial assistance with a low-interest rate for SME entrepreneurs. Furthermore, this SLR recommends that researchers should investigate and focus more on the effective use of social media marketing in the context of SME performance.

Keywords: Social media, Marketing, SMEs, and performance.

I. INTRODUCTION

Over the years, numerous studies have investigated the relationship between SMEs, entrepreneurship, performance, innovations, technologies, and growth of SMEs in a specified economic system, which is very paramount in business and economics kinds of literature. Small and medium-sized enterprises adopt the use social media marketing because of its ability to connect with many potential consumers at a time, low cost, ease of use, and

technical manageability [1]. Hence, social media marketing is rapidly growing among businesses and is currently considered a major key to enhancing a better performance [2]. Social media marketing is the use of social media platforms to connect with the audience to build the company's brand, increase sales, and drive website traffic. This involves publishing great content on the company's social media profiles, listening to and engaging their

followers, analysing results, and running social media advertisements [3].

In recent times, new social technologies like social media marketing have rapidly emerged which is consistent with the increasing number of research institutes and research universities and this leads to more intense competition in the market, research tends to consider the use of social media marketing from a business-to-consumer perspective. For instance, previous studies have investigated the influence of social media on consumer purchase decisions, customer retention, the impact on brand awareness and purchase intention, electronic word of mouth, and purchase decision involvement [4], the effects on SMEs and its mediating role but several areas remain unexplored, such as the use of digital platforms by SMEs and the impact on SME survival [5].

In Nigeria, quite a number of findings have highlighted the success story of SMEs and its relationship with social media marketing but there is still limited studies regarding how SMEs use or choose social media platforms. Therefore, social media marketing becomes very essential in promoting economic growth and its new market demand continues to rise in Nigeria, which is seen as necessities to remain buoyant and significant in a competitive business environment in order to survive the rapidly changing customer wants [6]. According to Adebisi [7], few studies have investigated the use of social media marketing to advance business practices and their effects on business performance, and the relationship between social media marketing and SMEs performance in Nigeria. In view of this, further investigation on previous studies of SMEs performance will take place, systematically beginning with the next section, which talks about the literature review of variables followed by the research methodology in section three. The result and discussion will be presented in section four and the conclusion of these findings will be discussed in section five. To further investigate the issue of SMEs performance, a systematic literature review (SLR) was conducted for two objectives; a) To

identify the number of studies of the relationship between social media marketing and SMEs performance from 2014 to 2020; b) To examine the strength of the relationship between social media marketing and SMEs performance.

II. LITERATURE REVIEW

Small and medium-sized enterprises (SME's) play a key role within the economies of most countries around the world including Nigeria, making important contributions to the economic process, and creating employment opportunities. More precisely, SME's has significant impacts on the environment by their activities, products, and services [8]. The overall economic growth of countries both nationally and internationally basically relies on SMEs success and the ability to globalize which has become a competitive advantage for most SMEs as this enables them to access larger markets and allows for their sustainability. To improve the globalization of SMEs and support numerous types of mechanisms of social interaction such as collaboration, knowledge sharing, and collective action, there is a need to adopt a digital platform [9].

In the decade of knowledge in systems, social media marketing has made a significant role in remodelling businesses and communications, we tend to believe that the quickest way to grow a business entity is through social media and networking [10]. Social media marketing offers numerous benefits and opportunities for companies since it helps to lure new customers and maintain relationships with existing customers. Moreover, social media marketing can also be used to intensify cooperation with customers, which in turn may facilitate innovation [11]. Many marketers believe that social media platforms are a major piece of their marketing initiatives as stipulated in the industry social media report. Social media marketing allows corporations to transact directly with end consumers at relatively low costs and a higher level of productivity than is achieved by long-established communication tools [12]. Recently,

companies especially SMEs have started adopting social media for various marketing purposes which include branding, research, customer relationship management, services, and sales promotions. Also, marketing through social media can positively affect a company's reputation. With the usage of social media marketing, customers have access to various shared information sources from other customers in terms of experience and recommendations [13].

The importance of social media marketing in SMEs is growing faster within the world especially in Nigeria because more individuals are engaging in social media sites and exploiting them efficiently and regularly. More likely, social media trade is expanding in growth in the few years to come. With these futuristic tendencies, every SMEs must actively use social media channels very keenly to achieve their target market who nowadays is always hanging around social networks [14]. Previous studies show that an individual spends at least three hours each day on social media [15].

III. RESEARCH METHODOLOGY

The focal point of this SLR is to unveil the relationship between social media marketing and measures for enhancing good SMEs performance. These measures have been collated using the systematic literature review (SLR) which is purposely used to delineate areas of uncertainty in the research and to recommend opportunities for future research. In this study, a total of 65 different research papers or articles have been classified and the results indicate areas for a potential angle of recommendation. SLR was conducted to answer the following research questions; What are the types of social media marketing that have been studied in SMEs performance researches and how strong the relationship between social media marketing and SMEs performance?

3.1. Selection of papers

The motive for using the SLR was to investigate the direction of the study of SMEs performance in the context of social media

marketing which have propelled the relationship between social media marketing and the success of SMEs performance in Nigeria. First, there was a selection of a dependent variable (SMEs performance), and to identify related studies, automatic searches were performed using the search engines of electronic databases which are Scopus, Science Direct, and Web of Science. These sources are the most frequently cited and high ranked journals which are from different research fields were selected. In the next stage, the search was narrowed to include literature that has been published within a seven-year period, starting from 2014 until 2020. The highest number of articles reviewed was in the areas of social media, marketing, adoption, SMEs and performance, social media innovations, research policy, and entrepreneurship. Therefore, the study has decided to limit the search to articles that are more specific on social media marketing, SMEs, and their performance as an indicator of social innovation success. The initial query resulted in 320 papers: 20 from the Web of Science database, 115 from ScienceDirect, and 185 from Scopus. The filtered articles published until 2020 were adopted in this research and divided into three categories. In the three databases, the included papers are filtering into three parts; the first part, 5 papers were duplicates from the total number 320, the second part, after reading the titles and abstract, 210 excluded from the number of 315, the result becomes 105, in the second parts of the filtering process 35 papers were excluded, from the number of 105 the final included papers was 65 sixty-five as illustrated in Fig 1below:

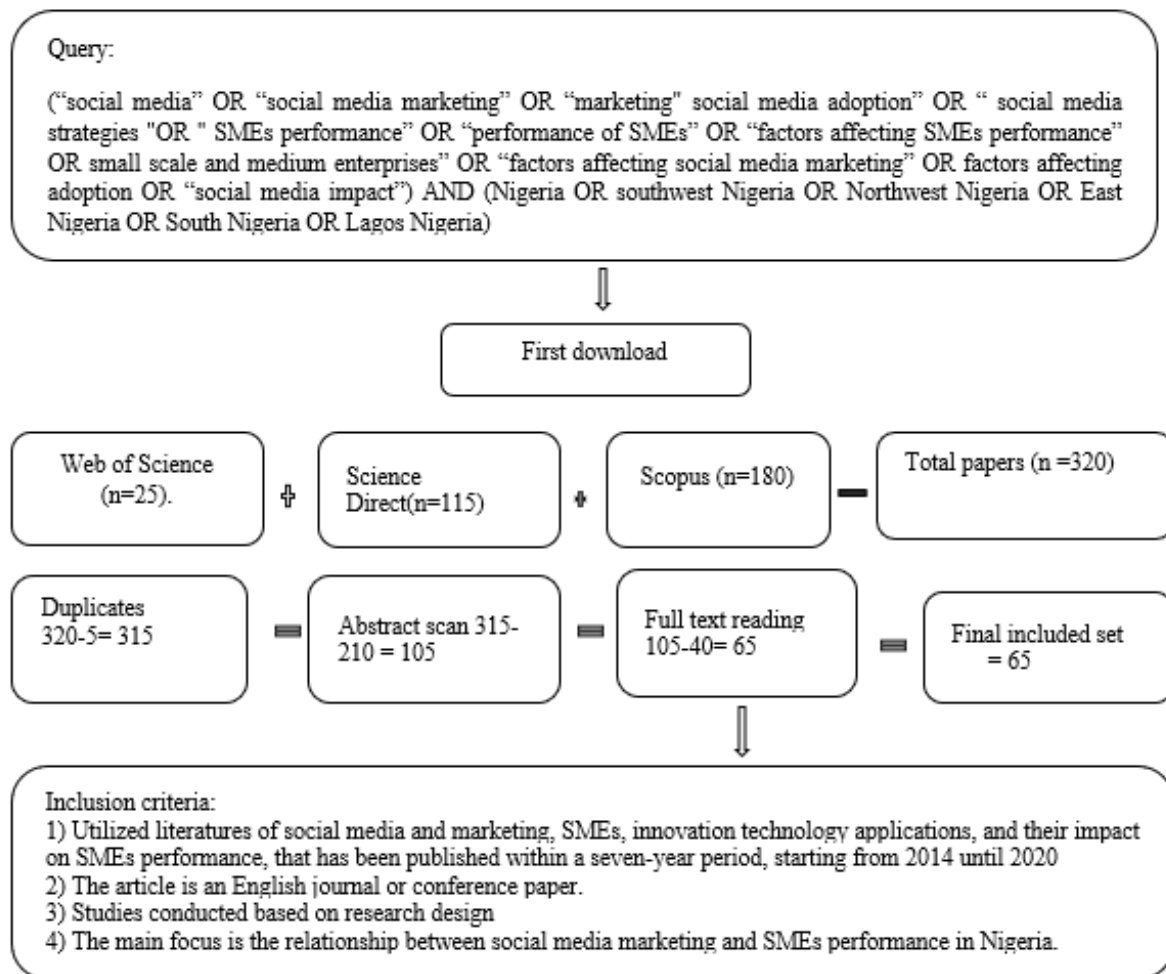


Figure 1. Flowchart of selection of papers, including the search query and inclusion criteria

IV. . RESULTS AND DISCUSSIONS

In this section, the SLR presents the data collected according to i) the overview of the social media, SMEs performance articles, and journals publications between years 2014 to 2020; and ii) the relationship between social media marketing and SMEs performance.

4.1. Overview of studies on social media marketing and SMEs performance

From Fig.2, it is understandable that SMEs performance has attracted many researchers and the number of studies has continued to increase every year. There was a significant increase from 2014 to 2015 but experienced a sharp decline in 2016 with 6 research papers. While the year 2017 recorded the highest number of researches conducted (14 papers), and the percentages for 2018, 2019, and 2020 remained

constant with 11 papers reviewed. This shows that as the year pass by more researchers is more interested in the relationship of social media marketing and SMEs performance except for the years 2014 and 2016 that recorded low numbers, therefore further studies on the relationship between social media marketing and SMEs performance remains an essential research agenda.

Reviewed studies on social media marketing and SMEs performance

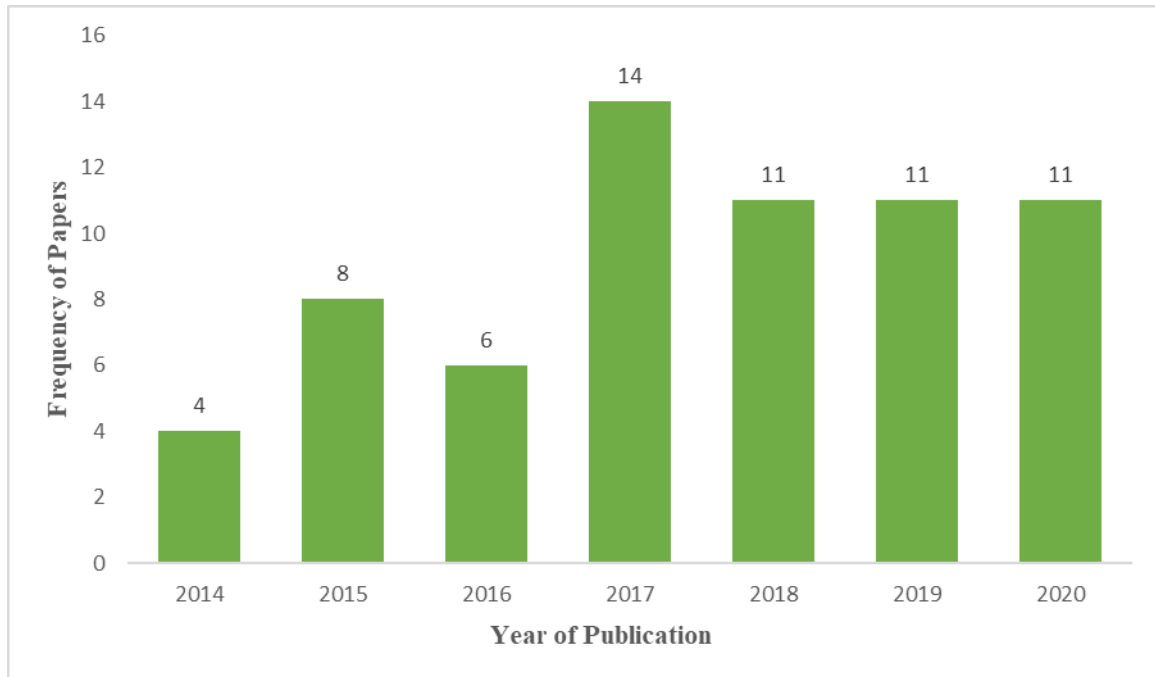


Figure 2. Number of reviewed studied with respect to the publication year

4.2. To investigate the relationship between social media marketing and SMEs Performance

Social media marketing is a necessity to speed SMEs performance [16]. This implies that social media marketing programs usually centre on efforts to create content that attracts attention and encourages readers to share it with their social networks [3]. Some studies have suggested that social media marketing can enable SMEs to improve performance [17]. Even though, the federal government in Nigeria

has some put up some structure for social media marketing, SMEs still pay little attention to social media marketing and the linkage between universities, government research centres, and firms is still not encouraging [18]. By reviewing and analysing the obtained literature related to social media marketing, only a few articles are quantitative-based studies, as illustrated in Table 1, and a total of nine different types of social media marketing were recognised in this study.

Table 1. Summaries of previous studies on social media marketing and SMEs performance

Author	Year	Country	Social Media marketing	SMEs performance	Findings	Result
Abimbola and Vallaster	2007	Uk/Germany	Brand reputation and image	Reputation	Suggest that branding is one of the potential key elements towards the performance of SMEs	Significant
Aaker	2012	UK	Customer brand attitudes	Growth	customer pick a brand hardly, which it is seems to be harder than to keep the brand	Significant

Merrilees et al	2011	Australia	Brand reputation and image	Reputation	Branding has a positive impact in SMEs performance	Significant
Cabiddu et al	2014	Italy	Customer engagement	Owners personal goals	Engaging people is always the main purpose in business context	Significant
Hacioglu et al.	2012	Turkey	Customer intensity	Efficiency	Customer intensity is positively related to innovative performance	Significant
Cronin et al	2000	USA	Customer brand attitudes	Growth	findings have shown that customer attitudes are significantly related to SMEs performance	Significant
Olanye and Edward	2016	Nigeria	Proactiveness	Efficiency	exhibited a positive effect on competitive advantage	Significant
Gummerus et al	2012	Turkey	Customer engagement	Efficiency	Costumer engagement have partial impact to customer satisfaction	Partial
Dobni and Zinkhan	1990	USA	Brand reputation and image	Reputation	Branding positively influences the customer interest of organizational performance	Significant

However, social media marketing are used as a source of information and spread of knowledge changing people's views and opinions [28]. They belong among very important business marketing tactics and help to create new business opportunities, develop a stronger market position or modify consumer's behaviour [29]. As stipulated earlier, the objective of this study is to look at the strength of the connection between social media marketing and SMEs performance. It has been measured using the regression coefficient (rc) in previous studies which use the Structural Equation Modelling (SEM) and simple

regression. To know about the strength, even more, the analysis has been divided into five levels; very weak (0.00-0.30), weak (0.31-0.50), moderate (0.51-0.70), strong (0.71-0.90) and very strong (0.91-1.00). Thus, the relationship between social media marketing and SMEs performance results is shown in Table 2 below;

Table 2. Relationship between social media marketing and SMEs performance based on regression coefficient

Author(s)/Year	Type of Social media marketing	Regression coefficient (rc)	Very weak	Weak	Moderate	Strong	Very strong
Abimbola and Vallaster (2017)	Brand reputation and image	0.06	x				
Aaker (2012)	A Customer brand attitudes	0.08	x				
Merrilees et al, (2011)	Brand reputation and image	0.10	x				
Cabiddu et al., (2014)	Customer engagement	0.24		x			
Hacioglu et al.,(2012)	Customer intensity	0.30		x			
Cronin et al.,(2000)	Customer brand attitudes	0.60			x		
Olannye and Edward (2016)	Proactiveness	0.06	x				
Gummerus et al.,(2012)	Customer engagement	0.06	x				
Dobni and Zinkhan (1990)	Alalwan, (2018)	0.03	x				
Frequency of each category			6	2	1	0	
		0	67%	22%	11%	0%	
Weighted ratio		0%					

The analysis results in Table 2 show that the regression coefficient (rc) of the relationships is between 0.03 (very weak) and 0.60 (moderate). The overall mean for rc is 0.31, which is labelled as weak. In particular, the weighted ratio of the category is 67% (very weak), 22% (weak), and 11% (moderate). These results have further specified that 89% of the results show a

weak relationship. The study deduced that there are still inconsistent results from the relationship even though most of the results are significant.

V. CONCLUSION

This study presents an SLR on the crucial factors which identify the social media

marketing study level in the context of SMEs performance. Convincingly, the analysis results conclude that very few empirical studies have investigated the relationship between social media marketing and SMEs performance. Invariably, the result shows that there is still an inconsistent result of the relationship between social media marketing and SMEs performance. According to Baron [30], inconsistent results can be explained by the exclusion of mediators and moderators in the research design. Thus, based on this gap, further investigation of both the mediating and moderating effects between social media marketing and SMEs performance will be conducted. Thus, the researcher believes that this paper would provide assistance for future suggestions in the relationship between social media marketing towards the direction of SMEs performance studies and also to contribute to other factors involved

BIBLIOGRAPHY

1. Tajudeen, F. P., Jaafar, N. I., & Ainin, S. Understanding the impact of social media usage among organizations. *Information and Management*, 55(3), 308–321, 2018
2. Iankova, S., Davies, I., Archer-Brown, C., Marder, B., & Yau, A. A comparison of social media marketing between B2B, B2C and mixed business models. *Industrial Marketing Management*, 81(January), 169–179, 2019
3. Chatterjee, S., & Kumar Kar, A. Why do small and medium enterprises use social media marketing and what is the impact: Empirical insights from India. *International Journal of Information Management*, 53(March), 102103, 2020
4. Alalwan, A. A. Investigating the impact of social media advertising features on customer purchase intention. *International Journal of Information Management*, 42(June), 65–77, 2018
5. Scuotto, V., Del Giudice, M., & Carayannis, E. G. The effect of social networking sites and absorptive capacity on SMES' innovation performance. *Journal of Technology Transfer*, 42(2), 409–424, 2017
6. Eniola, A., & Ektebang, H. SME firms' performance in Nigeria: Competitive advantage and its impact. *International Journal of Research Studies in Management*, 3(2), 2014
7. Adebisi, A. J., Banjo, H. A., & Regin, O. O. Performance of small and medium enterprises in Lagos State: The implications of finance. *Acta Universitatis Danubius*, 13(5), 72–83, 2017
8. Divakara, S. A literature Review on Small & Medium size Enterprises. *Journal of Business and Technology*, 2(3), 17–33, 2018
9. Costa, E., Soares, A. L., & de Sousa, J. P. Industrial business associations improving the internationalisation of SMEs with digital platforms: A design science research approach. *International Journal of Information Management*, 53(August), 102070, 2020
10. Singh, M., & Singh, G. Impact of social media on e-commerce. *International Journal of Engineering and Technology (UAE)*, 7(2), 21–26, 2018
11. Shaltoni, A. M. From websites to social media: exploring the adoption of internet marketing in emerging industrial markets. *Journal of Business and Industrial Marketing*, 32(7), 1009–1019, 2017
12. Samat, M. F., Yusoff, M. N. H., & Ismail, M. The Mediating Effect of Social Media Marketing Adoption between Competitive Intelligence and SME Performance. *International Journal of Asian Social Science*, 8(7), 379–387, 2018
13. Olujide, O., & Philip, D. O. O. Entrepreneurial Orientation and Business Performance: A Case Study

- of SMEs in Ibadan Metropolis. *The International Journal of Business & Management*, 8(2), 252–258., 2020
14. Morah, D. N., & Omojola, O. Social Media Use and Entrepreneurship Development in Nigeria: Lagos and Onitsha in Focus. *International Journal of Advanced Study and Research Work*, 1(5), 15, 2018
 15. Jimada, U. Social Media in the Public Sphere of Accountability in Nigeria. *Global Media Journal*, 17(Jun), 1–9, 2019
 16. Kumah, M. K. The Role of social media as a platform for E-Commerce. *Ammattikorkeakoulu University of Applied Science*, 2017
 17. Tajvidi, R., & Karami, A. The effect of social media on firm performance. *Computers in Human Behavior*, 1–10, 2017
 18. Etuk, R. U., Etuk, G. R., & Michael, B. Small and medium scale enterprises (SMEs) and Nigeria's economic development. *Mediterranean Journal of Social Sciences*, 5(7), 656–662, 2014
 19. Abimbola, T., Vallaster, C. Brand, organisational identity and reputation in SMEs: An overview. *Qualitative Market Research: An International Journal*, 10(4), 341-348, 2007
 20. Aaker, D.A. *Building Strong Brands*. London: Simon and Schuster, 2012
 21. Merrilees, B., Rundle-Thiele, S., Lye, A. Marketing capabilities: Antecedents and implications for B2B SME performance. *Industrial Marketing Management*, 40(3), 368-375, 2011
 22. Cabiddu, F., De Carlo, M., Piccoli, G. Social media affordances: Enabling customer engagement. *Annals of Tourism Research*, 48, 175-192, 2014
 23. Hacioglu, G., Eren, S. S., Eren, M. S., & Celikkan, H. The effect of entrepreneurial marketing on firms' innovative performance in Turkish SMEs. *Procedia-Social and Behavioral Sciences*, 58, 871–878, 2012
 24. Cronin, J.J., Michael, K. Brady, G. Tomas, M.H. Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing*, 76(2), 193-218, 2000
 25. Olannye, A. P., & Edward, E. The dimension of entrepreneurial marketing on the performance of fast-food restaurants in Asaba, Delta State, Nigeria. *Journal of Emerging Trends in Economics and Management Sciences (JETEMS)*, 7(3), 137–146, 2016
 26. Gummerus, J., Liljander, V., Weman, E., Pihlström, M. Customer engagement in a Facebook brand community. *Management Research Review*, 35(9), 857-877, 2012
 27. Dobni, D., Zinkhan, G.M. In search of brand image: A foundation analysis. In *Advances in Consumer Research*, 17, 110-119, 1990
 28. Shamsudeen, K., Keat, O. Y., & Hassan, H. Assessing the Impact of Viable Business Plan on the Performance of Nigerian SMEs: A Study among Some Selected SMEs Operators in. 1, 18–25, 2016
 29. Prenaj, B. Social media as marketing tool for SMEs; opportunities and challenges. November 2016
 30. R. M. Baron and D. A. Kenny "The Moderator-Mediator Variable Distinction in Social Psychological Research: Concept, Strategic, and Statistical Consideration," *J. Pers. Soc. Psychol.*, vol. 51, no. 6, pp. 1173–1182, 1986.