

# SOCIAL MEDIA BUSINESSS STRATEGY AND PERFORMANCE OF SMALL AND MEDIUM ENTERPRISE (SMEs) IN EDO STATE, NIGERIA

**\*DR. UMORU ABDULJELIL IZUAGIE; & \*\*UMOLE, I. MOHAMMAD**

\*Department of Business Administration & Management, School of Administration, Business & Management Studies, Auchi Polytechnic, Auchi.

\*\*Academic Affairs Division, Auchi Polytechnic, Auchi. ORCID NO. 0009-0009-0082-4690

Corresponding Author: [umoruabduljelil@gmail.com](mailto:umoruabduljelil@gmail.com)

DOI Link: <https://doi.org/10.70382/bejasd.v7i2.005>

## ABSTRACT

This study investigates the effect of social media business strategy and performance of small and medium enterprises (SMEs) in Edo State, Nigeria. The study is specifically aimed to investigate the extent to which customer engagement increases information accessibility; business accessibility improves financial performance and business interaction influences cost reduction. Relevant conceptual, theoretical and empirical literatures were reviewed. The study was anchored on Social Exchange Theory. Survey research design was adopted. The study was carried out in Edo

## Introduction

Social media is considered to be one of the main ICT components with the most significant impact on business, among all the application that are now in use. In recent years, there has been a lot of anticipation and enthusiasm surrounding social media's crucial role as one of the most important virtual channels for engaging with customers (Khan, 2022). Social media becomes increasingly popular and attractive to be adapted by many business

State, Nigeria. The population of the study is 2,995 small and medium enterprises (SMEs) Auchi, Abudu, Benin City and Ekpoma in Edo State. The statistical formula devised by Borg and Gall was employed to determine the sample size of 584. The instrument used for the study was questionnaires. Face and content validity were adopted, while test retest and Cronbach Alpha method was carried out to achieve the reliability of the instrument. Simple percentage analysis was employed to analyse the research questions and the study employed Linear multiple regression analysis to test the hypotheses. Statistical package for social sciences (SPSS) version 21 was employed to run the test. Results showed that customer engagement has a significant positive effect on information accessibility of SMEs in Edo State of Nigeria. ( $t = 16.431$ ,  $p < 0.05$ ). Business accessibility has a significant positive effect on financial performance of SMEs in Edo State, Nigeria. ( $t = 22.613$ ,  $p < 0.05$ ). Business interaction has a significant positive effect on cost reduction of SMEs in Edo State, Nigeria. ( $t = 17.959$ ,  $p < 0.05$ ). The study concluded that social media business strategy had a significant positive effect on the performance of small and medium enterprises in Edo State, Nigeria. The study recommended among others that small and medium enterprises should deploy information accessibility that focuses on the customer needs, to ensure customer engagement in order to increase their performance

**Keywords:** social media; business strategy; performance of small and medium enterprises; customer engagement, business accessibility; business interaction.

actors due to its low costs and minimum technical requirements. Social media produce enormous real-time information that helps companies learn more about their customers and their competitors through data mining. Therefore, social media enhances competition (Aswani et al, 2017). Since the beginning of the 21st century, the use of internet and social media has become a part of business strategy. Tourani (2022) explains

business strategy as a tailor-made comprehensive plan that connects organization's strengths and weaknesses to environmental opportunities and threats, and helps the organization achieve its principal objectives.

Without strategy or goals, a business is unable to determine whether or not, they are gaining anything through their efforts, or simply wasting time. In view of the above assertion, Eltayib, Bhimani, Gandhi & Kamdar (2018) , opine that small businesses need to have a plan when using social media. Because social media is applied to marketing in various methods, no one strategy fits all. The tools and strategies for communicating with consumers have changed. Social media tools help companies communicate with individual consumers, which can in turn help establish long-term relationships. An effective business strategy is a comprehensive plan of action that defines the organization's direction and determines resource allocation for the achievement of long-term objectives (Turban, Strauss & Lai, 2016). Ahmed & Mukhongo, (2017) concur, and add that SMEs need to employ strategic management principles to survive and prosper in the current unstable macroeconomic environment.

Organizations that use social media to support their business strategies have better performance than the rest of organizations (Agnihotri, Kothandaraman, Kashyap & Singh, 2012). Social media is a tool for discussing and sharing information, which encourages every member to give their feedback and contribution. It is a social instrument of two-way communication, facilitating the sharing of information between users within a defined network via web 2.0. The result of an online survey reported that about 60% of consumers discover a product or brand through social media (Venkateswaran, Ugalde & Gutierrez, 2019). Social media makes it easier for consumers to find more detailed information and to communicate with companies that sell the products they need. Different scholars, researchers, and academics have documented several advantages of using social media in the development of SMEs in the global perspective. By adopting social media platforms, consumers and service providers can directly link up with the

latter to showcase their product developments and brands (Rupeika-Apoga, Bule, & Petrovska, 2022).

Social media platforms are not just intended to communicate with other people or interact internationally; but also an important way to promote business (Gharibi & Shaabi, 2012). Social networking is an effective cyberspace for secure access and updating of information (Sigala, 2012). The success and massive use of social media makes online advert and information sharing easier. Social networking helps SMEs to connect and create content without having physical presence (Zhang, Guo, Hu, & Liu, 2017).

Given the recent hype around social media, social networking idea has been around and developed much like any other invention, and has since become sophisticated with technical advances. Social media such as YouTube, Twitter, WhatsApp, Facebook, and Instagram deliver users a global platform for connecting, interacting and sharing information (Sakthivel & Parasuraman, 2017). Mayfield, (2018) described five essential characteristics that most of social networking sites share include: engagement, accessibility, community, interaction and connectivity. These are accessibility, speed, interactivity, durability and reach. Because of the latest discussion on social media, optimistic and negative, performance of organisations, the aim of this research is to extend previous research on social media business strategy using five independent variables: customer engagement, business accessibility, business community, business interaction, business connectivity, and their impact on performance of small and medium enterprises in Edo state, Nigeria.

Social media as one of the new strategy that SMEs currently deploy in the business of their goods and services, used in creating a novel means to share business information. Not only is social media able to connect people, it also enables them to express and share ideas, thoughts, and opinions with others. It also eliminates the spatial and time constraints that are inherent in traditional methods of communication. These features placed the social media

as ready means to advertise goods and services and promote the image of brands and organisations (Mainye, 2017). Soelaiman, & Ekawati, (2021) stated that social media is often used by companies to market their products, because social media is far-reaching. Marketing activities on social media can build brand awareness in order to attract new customers and maintain customer loyalty, which ultimately has an impact on increasing sales volume and the number of customers.

Social media had enabled SMEs to acquire customers from outside their zone of operation. By venturing into new markets, they were able to grow their sales and serve a variety of customers. Social media had removed geographical barriers and given the SMEs an opportunity to venture into new markets. The reviews of Jagongo & Kinyua, (2013) who observed that the internet, and specifically social media, has broken down geographical barriers in terms of the way of doing business and communication.

The performance and growth of SMEs is a major foundation for economic growth, as this drives industrialization and gainful and meaningful employment for many people. Thus, to achieve high business performance, organizations need to attain and sustain competitive advantages. For this reason, many researchers had argued that strategic planning enables organizations have competitive advantages and the ability to stay in business against competitors (Suklev, & Debarliev, 2012).

SMEs performance in this study is focused on information accessibility, financial performance, cost reduction, customer relation and market performance. Most businesses want to gain wider market accessibility domestically and globally, as this helps them make profit and achieve the desired business growth. Currently online business is seen as one of the ways this goal can be achieved. The rapid growth of social media represents potential opportunities for companies to grow and increase their market share as evidence shows that social media has been able to capture more subscribers in a shorter time compared to traditional means of commercial

media such as television (Erukusin & Ekanem, 2014). Therefore, the study examines the effect of social media business strategy on performance of Small and Medium Enterprises (SMEs) in Edo State, Nigeria

### Statement of the Problem

The unimpressive performance of many SMEs had given rise to business owners seeking diverse approaches to improving business performance. One of them is the adoption of social media business strategy by many SMEs. The SMEs social media strategy such as customer engagement, accessibility, interaction, connectivity, and community had posed a lot of challenges to the performance of SMEs. SMEs have witnessed problems and challenges through social media business platforms which attract fraud and scamming of clientele across the globe. Due to demonstrated demand of some services, as well as increased awareness through social media, most SMEs have expanded their services in Edo State, Nigeria. Despite many scholarly arguments affirming that social media has a great impact on organizational performance, some researchers and scholars seem to disagree, as they indicate that social media campaigns that attempt to change consumers behaviour using the same principles as in selling products and services to consumers may not work effectively. Others however, argued that organizational performance change requires more than just adverts and campaigns to be more effective. Balci and Cetin, (2017), added that individuals may know the effects of their behaviour but may not be willing to change unless it is involuntary. Many organizations do not take full advantage of social media business strategy because they don't see social media business strategy making a lot of impact on organizational performance.

Social media has from time to time been viewed negatively and this makes many companies avoid using the channel as a means of marketing their organizations. Many employers think that social media marketing should be avoided because employees see social media as having no business purpose, and highly believe that employees can't be trusted..

Various studies have been conducted on social media and organizational performance. Mwangi (2017) carried out a study on the influence of social



media business on organizational performance with a focus on Nyeri constituency and revealed a significant relationship between social media business and consumers purchasing behaviour. Arshad (2019) conducted a study on the influence of social media business on consumer behaviour while applying different analytical techniques to carry out various findings and conclusion in different environments.

Based on the analysis of the above studies, it is evident that there exists content, variables, methodological and geographical gap since the studies have researched on the influence of social media on consumer behaviour based on various industries and other environments but not Edo State. Therefore, this study seeks to concentrate on social media business strategy on performance of Small and Medium Enterprises (SMEs) in Edo State, Nigeria.

### Objective of the study

The general objective of this study is to investigate the effect of social media business strategy on performance of Small and Medium Enterprises (SMEs) in Edo State, Nigeria. The specific objectives are to:

- i. Determine the extent to which customer engagement increases information accessibility of SMEs in Edo State of Nigeria.
- ii. Examine the extent to which business accessibility improves financial performance of SMEs in Edo State, Nigeria.
- iii. Investigate the extent to which business interaction influences cost reduction of SMEs in Edo State, Nigeria.

### Research Questions

- i. To what extent does customer engagement increase information accessibility of SMEs in Edo State of Nigeria?
- ii. To what degree does business accessibility improve financial performance of SMEs in Edo State, Nigeria?
- iii. How does business interaction influence cost reduction of SMEs in Edo State, Nigeria?

## Hypotheses

- Ho<sub>1</sub>: Customer engagement has no positive significant effect on information accessibility of SMEs in Edo State of Nigeria
- Ho<sub>2</sub>: Business accessibility has no significant positive effect on financial performance of SMEs in Edo State, Nigeria.
- Ho<sub>3</sub>: Business interaction has no significant positive effect on cost reduction of SMEs in Edo State, Nigeria

## Literature Review

### Conceptual Review

#### Social Media Business

Social media consists of interactive computer mediated technologies that facilitate the creation and sharing of information, ideas, career interests and other forms of expression via virtual communities and networks (Tuten & Perotti, 2019). Social media business is the use of social media platforms and websites to promote a product or service to the target audience (Muralidharan & Xue, 2016).

Social media reach is a media examination metric that refers to the number of users who have come across a particular content on a social platform such as Facebook, Instagram or Twitter (Hamouda, 2018).

#### Small and Medium Scale Enterprises

The largest groups of businesses in the world are family firms (Basco, 2014). These firms dominate what is universally known as the Small and medium-sized enterprise (SME) landscape in the world. Micro and Small Family Businesses sometimes referred to as SMEs have seen different definitions based on the context of the research. The position occupied by family businesses in terms of percentages in some of the important economies are : Australia-75%, Germany - 60%, USA-96%, Brazil - 90%, Belgium - 70%, Netherlands - 74%, Finland - 80%, (Timmons & Spinelli, 2019).

Family-firms might be the oldest type of business organization, however it is only lately that their advantages and roles in world economies have been inquired into. More than 70 percent of organizations in many nations are



family possessed. Family-owned companies have various favorable circumstances. They include: ego identification with the business, status, expectation of present and future wealth, entrenched core value system; unequaled steadfastness and responsibility of relatives to the venture; inclination to uprightness and moral behavior in administration etc.

### **Theoretical Framework**

This work adopted the Social Exchange Theory by Homans (1958)

#### **Social Exchange Theory by Homans (1958)**

Social exchange theory is a social mental and sociological point of view that clarifies social exchange and security as a procedure of arranged trades between parties. Social exchange hypothesis states that human connections are shaped by the utilization of subjective money saving advantage examination and the correlation of options. The hypothesis has been established in financial aspects, brain science and humanism. Social exchange hypothesis highlights a considerable lot of the principle suppositions found in sound decision hypothesis and structuralism. It is additionally utilized as often as possible in the business world to infer a two-sided, commonly unexpected and compensating process including exchanges or just trade. Social exchange theory (SET) is among the most persuasive reasonable standards for understanding working environment conduct. Its revered roots can be followed back to the 1920s (Homans 1958), crossing over such trains as human sciences, social brain research (Homans, 1958), and humanism (Blau, 1964). Albeit distinctive perspectives of social trade have risen, scholars concur that social exchange includes a progression of communications that produce commitments.

Social exchange theory was linked to this study because it examines trade between people or little gatherings. The theory chiefly utilizes money saving advantage system and correlation of contrasting options to clarify how people speak with each other, how they frame connections and securities, and how networks are shaped through correspondence trades (Homans 1958). The theory expresses that people participate in practices they find fulfilling and

keep away from practices that have too surprising expense. At the end of the day, all social conduct depends on every on-screen character's subjective evaluation of the money saving advantage of adding to a social trade. They impart or trade with each other dependent upon complementary activities from the other conveying party.

### Empirical Review

Bandara (2021) explored the impact of social media advertising on organizational performance towards fast fashion. Along with the study, it measures the overall impact of social media advertising on the consumer decision making process in line with fast fashion industry. This study adopts a descriptive quantitative research design and data was collected through self-administrated questionnaire. The population of this study is taken from active social media users in Western province and a sample of 300 consumers was selected using the convenience sampling method. The hypotheses were tested using Correlation and Regression analysis since the purpose of the study is to measure the impact of each independent variable on the chosen dependent variable. The present study revealed that social media advertising has a positive influence on organizational performance towards the fast fashion industry. Three independent variables out of four, namely entertainment, familiarity, and social imaging, have a significant influence on consumer behaviour, while the remaining variable, advertising expenditure, has no statistically significant influence. The study also provides valuable implications for the fast fashion industry, allowing marketers to use the findings to identify their consumers' real organizational performance in a digital environment and make decisions accordingly.

Laith (2021) explored the effect of social media on business and organizational performance and there is still a need to further understand this effect. However, this study aims to explore the use of social media sites and the effect of social media on the consumer's decision of the commercial banks' consumers in Jordan. The sample of this study conducted with 200 consumers to understand how consumers use social media and how it affects their organizational performance of different banking products and services. The

findings show that social media affect organizational performance by 69%. Also, consumers mostly used Facebook and it is mostly affecting consumers' behavior by 73% and the most influential factor that affects the relationship between social media and organizational performance is interactivity by 63%. The implication of these findings suggests that commercial banks in Jordan should focus on their business platform, and they have the opportunities to seize the power of influence of social media.

### Methodology

Survey research design was adopted in this study. The population of the study consists of 2995 registered owners of small and medium enterprises (SMEs) in Edo state. SMEs were chosen because they encompass the Private Limited Companies, Partnership, and Sole Proprietorship, which form the bedrock of businesses in Edo State. Edo State was chosen for the study because of the preponderance of SMEs in four of its commercial areas (Benin City, Auchi, Abudu and Ekpoma). It is also the state with the second highest number of registered SMEs in Nigeria (National Bureau of Statistics / SMEDAN Collaborative Survey (2021).

The target population was made up of all small and medium scale enterprises in Edo State which is 2995 in number. The statistical formula devised by Borg and Gall (1973) was employed to determine the sample size. The formula state thus:

$$n = (Zx)^2eN$$

Where n = Sample size

N = Population Figure

e = Margin error and this case= 0.05

Z = Confidence level and for 0.05 it is 1.964

N.B. Target population manufacturing firms is 2995

Substituting the population variables of this study into the formula above, the sample size can be neatly computed as follows:

$$n = (1.964)^2 0.05 \times 2995$$

$$n = 584.025$$

Therefore, n = 584

## Data Presentation, Analysis and Interpretation

### Presentation of Data relevant to the Research Questions

**Question One:** To what extent does customer engagement increase information accessibility of SMEs in Edo State of Nigeria?

**Table 1: Influence of customer engagement on information accessibility of SMEs in Edo State**

S/N	ITEMS	SA	A	U	D	SD	Mean
1	Customer engagement in business has increased sales performance	151 30.2%	226 45.2%	59 11.8%	46 9.2%	18 3.6%	3.74
2	Customer engagement enhances product innovation	149 29.8%	200 40%	61 12.2%	52 10.4%	38 7.6%	4.00
3	Customer engagement increases marketing performance	134 26.8%	197 39.4%	41 8.2%	60 12%	68 13.6%	4.05
4	Customer engagement increases financial performance	120 24%	193 38.6%	52 10.4%	72 14.4%	63 12.6%	3.86
5	Customer engagement exposes all the information about company product	153 30.6%	198 39.6%	69 13.8%	53 10.6%	27 5.4%	4.10

**Source: Researcher's Field Survey, 2025**

Table 1 presents the effect of customer engagement in business as increasing sales performance in Edo- State, Nigeria. Regarding the issue of whether customer engagement in business has increased sales performance, 151 (30.2%) of the total sample strongly agreed, 226 (45.2%) agreed. However, 59 (11.8%) undecided, 46(9.2%) disagreed and 18 (3.6%) strongly disagreed. On customer engagement enhance product innovation, 149 (29.8%) respondents strongly agreed and 200 (40%) agreed. On the other hand, 52 (10.4%) respondents disagreed, 38 (7.6%) strongly agreed and 61 (12.2%) were undecided. On questions that bordered on whether customer engagement increases marketing performance, 134 (26.8%) respondents strongly agreed and 197 (39.4%) agreed. Conversely, 60 (12%) disagreed, 68 (13.6%) strongly disagreed and 41 (8.2%) were undecided. On whether customer engagement increases financial performance, 120 (24%)

respondents strongly agreed and 193 (38.6%) agreed. On the other hand, 72 (14.4%) disagreed, 63 (12.6%) strongly disagreed and 52 (10.4%) were undecided. On whether customer engagement exposes all the information about company product, 153 (30.6%) respondents strongly agreed that customers are exposed, and have access to an organization's product all the time, in 24 hours and 7 days of the week, 198 (39.6%) respondents agreed, while, 53 (10.6%) disagreed, 27 (5.4%) strongly disagreed and 69 (13.8%) were undecided.. Using a cutoff point of 2.50 for the rating scale, all the items had mean scores above the cutoff point. This implies that customer engagement increase information accessibility of SMEs in Edo State

**Question Two:** To what degree does business accessibility improve financial performance of SMEs in Edo State, Nigeria?

**Table 2: Influence of business accessibility on financial performance of SMEs in Edo State.**

S/N	ITEMS	SA	A	U	D	SD	Mean
1	Business accessibility enables SMEs keep up with trending marketing issues with their customers	153 30.6%	198 39.6%	69 13.8%	53 10.6%	27 5.4%	4.10
2	Business accessibility eliminates boredom from consumer of SMEs	150 30%	182 36.4%	76 15.2%	50 10%	42 8.4%	3.82
3	Business accessibility are better, faster and reliable for customers	127 25.4%	210 42%	66 13.2%	54 10.8%	43 8.6%	3.88
4	Business accessibility improves on the confidence of consumers behaviour of SMEs	124 24.8%	141 28.2%	81 16.2%	84 16.8%	70 14%	3.38
5	Business accessibility increased knowledge of customers behaviour of SMEs	120 24%	193 38.6%	52 10.4%	72 14.4%	63 12.6%	3.69

Source: Researcher's Field Survey, 2025

The result on Table 2 indicates that 153(30.6%) respondents strongly agreed that Business accessibility enables SMEs keep up with trending marketing issues with their customers, 198(39.6%) agreed, 53(10.6%) disagreed,

27(5.4%) strongly disagreed while 69 (13.8%) were undecided . On whether Business accessibility eliminates boredom from consumer of SMEs, 150 (30%) respondents strongly agreed, 182(36.4%) agreed, 50(10%) disagreed, 42 (8.4%), strongly disagreed, and 76 (15.2%) were undecided. 127 (25.4%) respondents strongly agreed that business accessibility sites are faster and reliable for customers, 210(42%) agreed, 54 (10.8%) disagreed, 43 (8.6%) strongly disagreed and 66 (13.2%) were undecided. 124 (24.8%) respondents strongly agreed that business accessibility improves on the confidence of consumers behaviour of SMEs, 141(28.2%) agreed, 84 (16.8%) disagreed, 70 (14%) strongly disagreed and 81 (16.2%) were undecided . Business accessibility increased knowledge of customers' behaviour of SMEs, 120 (24%) respondents strongly agreed and 193(38.6%) agreed. However, 72(14.4%) disagreed, 63(12.6%) strongly disagreed while 52 (10.4%) were undecided. With a cutoff mean score of 2.50 for the rating scale, all the items had mean scores above the cutoff point. This implies that business accessibility improved financial performance of SMEs in Edo State, Nigeria.

**Question Three:** How does business interaction influence cost reduction of SMEs in Edo State, Nigeria?

**Table 3: Influence of business interaction on cost reduction of SMEs in Edo State, Nigeria?**

S/N	ITEMS	SA	A	U	D	SD	Mean
1	Interactivity plays a key role in cost reduction	145 29%	198 39.6%	69 13.8%	53 10.6%	35 7%	4.01
2	Business interactivity increases performance of SMEs	140 28%	178 35.6%	76 15.2%	54 10.8%	52 10.4%	3.99
3	Interactivity, involves the user being integrated into the fictional world	127 25.4%	198 39.6%	66 13.2%	66 13.2%	43 8.6%	3.89
4	Business interactivity given a viable strategy for cost reduction of SMEs	122 24.4%	179 35.8%	69 13.8%	72 14.4%	58 11.6%	3.87
5	Social media also consider as an interactive media.	140 28%	178 35.6%	76 15.2%	54 10.8%	52 10.4%	3.99

Source: Researcher's Field Survey, 2025



Table 3 shows that 145 respondents representing (29%) of the total sample strongly agreed that interactivity plays a key role in cost reduction, 198 (39.6%) agreed, 53 (10.6%) disagreed, 35 (7%) strongly disagreed while 69 (13.8%) were undecided. On whether business interactivity increases performance of SMEs 140(28%) respondents strongly agreed, 178 (35.6%) agreed, 54(10.8%) disagreed, 52 (10.4%) strongly disagreed and 76 (15.2%) were undecided.

127(25.4%) respondents strongly agreed interactivity, involves the user being integrated into fictional world, 178(39.6%) agreed, 66(13.2%) disagreed, 43(8.6%) strongly disagreed while 66(13.2%) were undecided.

122(24.4%) respondents that business interactivity given a viable strategy for cost reduction of SMEs, 179(35.8%) agreed, 72 (14.4%) disagreed, 58(11.6%) strongly disagreed and 69(13.8%) were undecided. Finally, 140 (28%) respondents strongly agreed social media also consider as an interactive media. 178 (35.6%) agreed, 54(10.8%) disagreed, 52 (10.4%) strongly disagreed and 76 (15.2%) were undecided. Using a cutoff mean score 2.50 for the rating scale, all the items had means scores above the cutoff point. This implies that business interaction influence cost reduction of SMEs in Edo to a large extent.

## Test of Hypotheses

### Hypothesis One

Ho: Customer engagement has no significant positive effect on information accessibility of SMEs in Edo State of Nigeria

Ho<sub>1</sub>: Customer engagement has a significant positive effect on information accessibility of SMEs in Edo State of Nigeria

**Table 4: Regression analysis showing the effect of Customer engagement on information accessibility of SMEs in Edo State of Nigeria**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta (β)		
Information Accessibility	34.044	2.662		12.786	.000
Customer Engagement	2.752	.168	.636	16.431	.000
Linear Multiple R=0.636, Linear Multiple R <sup>2</sup> =0.404, Adjusted R <sup>2</sup> =0.403, F <sub>1,398</sub> =269.971					

\*p<0.05

Table 4 revealed that customer engagement has a significant positive effect on information accessibility of SMEs in Edo State of Nigeria. ( $t = 16.431$ ,  $p < 0.05$ ). The null hypothesis is rejected. The table indicates a significant linear multiple correlation between the predictor variable (customer engagement) and information accessibility of small and medium enterprises in Edo State, Nigeria ( $\beta = 0.636$ ,  $p < 0.05$ ). The value of the coefficient of determination ( $R^2 = 0.404$ ) indicates that customer engagement accounted for about 40.4% ( $R^2 \times 100$ ) of the observed variance in information accessibility of small and medium enterprises in Edo State, Nigeria while the remaining 59.6% unexplained variance is largely due to other variables that can account for information accessibility of small and medium enterprises in Edo State, Nigeria. The calculated F-ratio (269.971) is statistically significant at 0.05 level of significance. This implies that the predictor variable provides a significant explanation for the variation in information accessibility of small and medium enterprises in Edo State, Nigeria. The regression equation for the relationship between customer engagement and information accessibility of small and medium enterprises in Edo State, Nigeria is shown below:

$$Y = 34.044 + 2.752X$$

Where

X = Customer Engagement

Y = Information Accessibility

### Hypothesis Two

Ho: Business accessibility has no significant positive effect on financial performance of SMEs in Edo State, Nigeria.

Ho<sub>1</sub>: Business accessibility has a significant positive effect on financial performance of SMEs in Edo State, Nigeria.

**Table 5: Regression analysis showing the effect of business accessibility on financial performance of small and medium enterprises in Edo State, Nigeria**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta ( $\beta$ )		
Financial Performance	36.496	1.834		19.901	.000
Business Accessibility	2.696	.119	.750	22.613	.000
Linear Multiple R=0.750, Linear Multiple R <sup>2</sup> =0.562, Adjusted R <sup>2</sup> =0.561, F <sub>1,398</sub> =511.350					

\* $p < 0.05$

Table 5 revealed that business accessibility has no significant positive effect on financial performance of SMEs in Edo State, Nigeria. ( $t = 22.613$ ,  $p < 0.05$ ). The null hypothesis is rejected. The table indicates a significant linear multiple correlation between the predictor variable (business accessibility) and on financial performance of small and medium enterprises in Edo State, Nigeria ( $\beta = 0.750$ ,  $p < 0.05$ ). The value of the coefficient of determination ( $R^2 = 0.562$ ) indicates that business accessibility accounted for about 56.2% ( $R^2 \times 100$ ) of the observed variance in financial performance of small and medium enterprises in Edo State, Nigeria while the remaining 43.8% unexplained variance is largely due to other variables outside the regression model which are otherwise included in the stochastic error term. The calculated F-ratio (511.350) is statistically significant at 0.05 level of significance. This implies that the predictor variable provides a significant explanation for the variation in financial performance of small and medium enterprises in Edo State, Nigeria. The regression equation for the relationship between business accessibility and financial performance of small and medium enterprises in Edo State, Nigeria, is presented below:

$$Y = 36.496 + 2.696X$$

Where

X = Business Accessibility

Y = Financial Performance

### Hypothesis Three

Ho: Business interaction has no significant positive effect on cost reduction of SMEs in Edo State, Nigeria

Ho<sub>1</sub>: Business interaction has no significant positive effect on cost reduction of SMEs in Edo State, Nigeria

**Table 6: Regression analysis showing the effect of business interaction on cost reduction of small and medium enterprises in Edo State, Nigeria.**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta ( $\beta$ )		
Cost reduction	31.386	2.585		12.143	.000
Business interaction	2.908	.162	.669	17.959	.000

Multiple R=0.669, Multiple R<sup>2</sup>=0.448, Adjusted R<sup>2</sup>=0.446, F<sub>1,398</sub>=322.540

\* $p < 0.05$

Table 6 showed that Business interaction has a significant positive effect on cost reduction of small and medium enterprises in Edo State, Nigeria. ( $t = 17.959, p < 0.05$ ). The null hypothesis is rejected. The table reveals that there is significant linear multiple correlation between the predictor variable (business interaction) and cost reduction of small and medium enterprises in Edo State, Nigeria ( $\beta = 0.669, p < 0.05$ ). The value of the coefficient of determination ( $R^2 = 0.448$ ) indicates that business interaction accounted for about 44.8% ( $R^2 \times 100$ ) of the observed variance in cost reduction of small and medium enterprises in Edo State, Nigeria while the remaining 55.2% unexplained variance is largely due to other variables outside the regression model which are otherwise included in the stochastic error term. The calculated F-ratio (322.540) is statistically significant at 0.05 level of significance. This implies that the predictor variable provides a significant explanation for the variation in cost reduction of small and medium enterprises in Edo State, Nigeria. The regression equation for the relationship between Business interaction and cost reduction of small and medium enterprises in Edo State, Nigeria, Nigeria is presented below:

$$Y = 31.386 + 2.908X$$

Where

X = Business interaction

Y = Cost reduction

### Summary of the Regression Analysis

Table 7: Regression analysis showing the contributions of customer engagement, business accessibility and business interaction to SMEs performance (information accessibility, financial performance and cost reduction)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta( $\beta$ )		
Performance Variables	-.304	3.164		-.096	.924
Customer Engagement	1.138	.183	.213	6.207	.000
Business Accessibility	1.011	.174	.228	5.803	.000
Business Interaction	.799	.191	.149	4.191	.000
Linear Multiple R=0.805, Linear Multiple R <sup>2</sup> =0.648, Adjusted R <sup>2</sup> =0.643, F <sub>5,394</sub> =144.918					

\* $p < 0.05$

Table 12 reveals that there is significant joint contribution of customer engagement, business accessibility and business interaction to SMEs performance (information accessibility, financial performance, cost reduction, customer relation, and marketing performance) in Edo State, Nigeria ( $5,394=144.918$ ,  $p<0.05$ ). The null hypothesis is rejected. The table shows that there is significant linear multiple correlation between the predictor variables (Customer engagement, business accessibility and Business interaction in Edo State,, Nigeria ( $r = 0.805$ ,  $p<0.05$ ). The value of the coefficient of determination ( $R^2 = 0.648$ ) indicates that all the predictor variables jointly accounted for about 64.8% ( $R^2 \times 100$ ) of the observed variance in SMEs performance (information accessibility, financial performance, cost reduction, customer relation and marketing performance) in Edo State, Nigeria, while the remaining 35.2% unexplained variance is largely due to other variables outside the regression model, which are otherwise, included in the stochastic error term. Taking the absolute values of the regression coefficients, customer engagement was the single best predictor of SMEs performance in Edo State, Nigeria ( $\beta = 0.258$ ), closely followed by business accessibility ( $\beta = 0.245$ ) and Business interaction ( $\beta = 0.228$ ). The calculated F-ratio (144.918) is statistically significant at 0.05 level of significance. This implies that the predictor variables provide a significant explanation for the variation in SMEs performance (information accessibility, financial performance,, cost reduction, customer relation and marketing performance) in Edo State, Nigeria. The regression equation for the relationship between independent variables (customer engagement, Business accessibility and Business interaction) and the dependent variables (information accessibility, financial performance, cost reduction, customer relation and marketing performance in Edo State, Nigeria) is further depicted below:

$$Y = -0.304 + 1.138X_1 + 1.011X_2 + 0.799X_3$$

Where

$X_1$	=	Customer Engagement
$X_2$	=	Business Accessibility
$X_3$	=	Business Interaction
$Y$	=	SMEs performance
$Y_1$	=	Information Accessibility
$Y_2$	=	Financial Performance
$Y_3$	=	Cost Reduction

### Discussion of Findings

This study examined the effect of social media business strategy on the performance of small and medium enterprises in Edo State, Nigeria. Data were sourced from small and medium enterprises in Edo State. The data generated were analyzed using simple regression analysis. The result revealed the following.

#### Customer Engagement and Information Accessibility

The result of the first hypotheses revealed that customer engagement has a significant positive effect on information accessibility of small and medium enterprises in Edo State, Nigeria. This agrees with the position of Parveen, Jaafar, and Ainin (2015) who found out that customer engagement has a significant positive effect on information accessibility of small and medium enterprises. Chille (2018) also found out that customer engagement has a significant positive effect on information accessibility of small and medium enterprises.

The research demonstrated agreement among participants that the small and medium enterprises have fostered usage of information accessibility in running their customers engagements. Parveen, Jaafar, and Ainin (2015) suggested that building customer relationships has been possible as a result of improved utilization of information accessibility. The study participants



also showed agreement that small and medium enterprises have improved online customer engagement, which has been key to better information accessibility.

### **Business Accessibility and Financial Performance of SMES**

The result of the second hypotheses showed that business accessibility has a significant positive effect on financial performance of small and medium enterprises in Edo State, Nigeria. This finding is in line with the submission of Chaffey (2019) who submission shows that business accessibility has a significant positive effect on financial performance of small and medium enterprises.

The finding is also in line with Leung & Baloglu (2015) who indicate that business accessibility has a significant effect on financial performance of small and medium enterprise due to adequate design of many online products and services that are accessible to people, which increase financial performance. Sibanda, Hove-Sibanda & Shava (2018) and Nguyen (2014) also agree that business accessibility has a significant effect on financial performance. Business accessibility easily facilitates companies products, services, and functions and makes it available to as many people as possible. A high extent of business accessibility is desired in today's corporate world as it ensures free flow of information in all directions to enhance financial performance.

### **Business Interaction and Cost Reduction of SMEs**

The result of the third hypothesis revealed that business interaction had a significant positive effect on cost reduction of small and medium enterprises, in Edo State, Nigeria. This finding agrees with Kaplan (2016). The results show that business interaction had a significant positive effect on cost reduction of small and medium enterprises. They opined that business information can be quickly and effectively shared to consumers. Ainin et al., (2015). ascertained that business interaction had a significant positive effect

on cost reduction of small and medium enterprises. Business interaction is linked to sharing, participation, exchange, sense, immersion which lead to cost reduction.

## Conclusion and Recommendations

### Conclusion

The study examined the effect of social media business strategy on performance of Small and Medium Enterprises (SMEs) in Edo State, Nigeria. The study was tested using simple regression analysis, and the result showed that customer engagement has a significant positive effect on information accessibility of SMEs; business accessibility has a significant positive effect on financial performance and business interaction has a significant positive effect on cost reduction in Edo State, Nigeria. The study, therefore, concluded that social media business strategy had a significant positive effect on the performance of small and medium enterprises in Edo State, Nigeria

### Recommendations

The study recommends the following:

1. With regard to customer engagement, the study recommended that small and medium enterprises should deploy information accessibility that focus on the customer needs, to ensure customer engagement, in order to increase their performance.
2. The study also recommended that small and medium enterprises should seek collaboration with technology firms that can help in designing business tools that every information about the business can be accessible in 24 hours every day, in order to improve their financial performance.
3. Concerning the level of business interaction, small and medium enterprises should deploy interactive strategy that can allow customers to access various services. The study further recommends that small and medium enterprises should rely on online strategies to develop business interaction that can help small and medium enterprises on cost reduction.

## REFERENCES

- Agnihotri, R., Kothandaraman, P., Kashyap, R., & Singh, R. (2012). Bringing "Social" into Sales: The Impact of Salespeople's Social Media Use on Service Behaviors and Value Creation. *Journal of Personal Selling and Sales Management*, 32, 333-348.
- Ahmed, A.S. & Mukhongo, A. (2017). Role of strategic management practices in Organisational performance of customs department in Mogadishu, Somalia. *Imperial Journal of Interdisciplinary Research*, 3(9), pp. 1201-1211
- Ainin, S., Parveen, F., Moghavvemi, S., Jaafar, N. I., and Mohd Shuib, N. L. (2015). Factors influencing the use of social media by SMEs and its performance outcomes. *Industrial Management & Data Systems*, 11. (3), 570-588.
- Arshad, S. (2019). Influence of social media marketing on consumer behavior in Karachi. *International Journal of Scientific and Research Publications*, 9(2), 547-557
- Aswani, R., Ghreera, S., Kar, A. K., & Chandra, S. (2017). Identifying buzz in social media: A hybrid approach using artificial bee colony and k-nearest neighbors for outlier detection. *Social Network Analysis and Mining*, 7(1), 1-10.
- Balci, G., & Cetin, B. (2017). Market segmentation in container shipping services: a qualitative study. *Management Research Review*, 40(10), 11-45.
- Bandara D. M. D. (2021). Impact of social media advertising on organizational performance : with special reference to fast fashion industry. *Sir Lanker Journal of business*, 2,(7), 80-103
- Basco, R. (2014) Family Business and Regional Development—A Theoretical Model of Regional Familiness. *Journal of Family Business Strategy* 6(4)
- Blau, P. M. (1964). *Exchange and power in social life*. NY: John Wiley & Sons.
- Chaffey, D. (2016). Global social media research summary 2018. *Smart Insights: Social Media Business*.
- Chile, F. J. (2018), The impact of digital marketing on business performances in online food marketing and telecommunication industries. The case of Dar Es Salaam, Tanzania. *Business Education Journal*, 4(1),
- Eltayib, N.H.E., Bhimani, A.M. C., Gandhi, I. A. K. & Kamdar, T. S. A. (2018) The Effect of Social Media Marketing in Small Business Performance. *International Journal of Novel Research in Marketing Management and Economics* Vol. 5(1), p141-147
- Enyinda, C. I., Ogbuehi, A., & Mbah, C. (2018). Building pharmaceutical relationship business and social media impact. *International Journal of Pharmaceutical and Healthcare Business*, 12(2), 11-19.
- Erukusini, I., & Ekanem, K. (2014). THE Emergence of Social Media and Its Impact on SME Performance. Institute for Small Business and Entrepreneurship Conference, (pp.1-13). Manchester, United Kingdom
- Gharibi, W., and Shaabi, M. (2012). Cyber threats in social networking websites. arXiv preprint arXiv:1202.2420.
- Hamouda, M. (2018). Understanding social media advertising effect on consumers' responses. *Journal of Enterprise Information Management*, 31(3).
- Homans, G. C. (1958). Social behavior as exchange. *American Journal of Sociology*, 63, 597- 606.
- Jagongo, A. & Kinyua, C. (2013) The Social Media and Entrepreneurship Growth (A New Business Communication Paradigm among SMEs in Nairobi. *International Journal of Humanities and Social Science*. Vol. 3 (10), 213-227
- Kaplan, A., & Haenlein, M. (2017). Users of the world, unite! The challenges and opportunities of Social Media. *scribd*, 8(2), 1-11.
- Khan, I. (2022) Do brands' social media marketing activities matter? A moderation analysis. *J. Retail. Consum. Serv.*, 64, 102794.
- Laith, T. (2021). The Effect of Social Media on organizational performance in Commercial Banks. *Saudi Journal of Business and Management Studies*, 6(2), 28-38..
- Lappeman, J., Ferreira, C., & Chikweche, T. (2018). Worlds apart: an investigation of South Africa's established and emerging middle class consumers. *Society and Business Review*, 13(1), 45-81.

- Leung, X. Y., & Baloglu, S. (2015). Hotel Facebook business: an integrated model. *Worldwide Hospitality and Tourism Themes*, 7 (3), 266-282.
- Mainye A. N. (2017). Impact of Social Media on Consumer's Decision Making Process Among the Youth in Nairobi, United States International University Africa. pp.1-71
- Muralidharan, S., & Xue, F. (2016). Personal networks as a precursor to a green future: a study of "green" consumer socialization among youngmillennials from India and China. *Internet Research*, 28(4), 90-127.
- Mwangi, L. W. 2017. The Influence of social marketing on consumer behavior: a case of Nyeri Town constituency (Thesis). Strathmore University. Retrieved from <http://suplus.strathmore.edu/handle/11071/5588>
- Nguyen, N. (2014). Credit accessibility and small and medium sized enterprise growth in Vietnam. Masters Thesis. New Zealand: Lincoln University.
- Parveen, F., Jaafar, N. I., & Ainin, S. (2015). Social media usage and organizational performance: Reflections of Malaysian social media managers. *Telematics and Informatics*, 32 (1), 67-78.
- Parveen, F., Jaafar, N. I., & Ainin, S. (2016). Social media's impact on organizational performance and entrepreneurial orientation in organizations. *Management Decision*, 54 (9), 2208-2234.
- Sakthivel, R., and Parasuraman, J. (2017). A Study on Relationship between Use of Social Networking Sites and Employees' Performance at Work Place. *Journal of Business and Management*, 20(6), 10-13.
- Sibanda, K., Hove-Sibanda, P., & Shava, H. (2018). The impact of SME access to finance and performance on exporting behavior at firm level: A case of furniture manufacturing SMEs in Zimbabwe. *AOSIS*, 18(1), 1-13.
- Sigala, M. (2012). Web 2.0 and customer involvement in new service development: A framework, cases and implications in tourism. Paper presented at the Web.
- Soelaiman, L. & Ekawati, S.(2021) The Role of Social Media in Enhancing Business Performance. *Advances in Economics, Business and Management Research*, volume 653 Tenth International Conference on Entrepreneurship and Business Management 2021 (ICEBM 2021)
- Solomon M., Bamossy G., Askegaard S., & Hogg, M.K. (2016). *Consumer Behaviour. A European perspective*. Prentice Hall Financial Times.
- Suklev, B., & Debarliev, S. (2012). Strategic planning effectiveness comparative analysis of the Macedonian context. *Economic and Business Review*, 14(1), 63-69.
- Stone, R. W., Good, D. J., & Baker-Eveleth, L. (2007). The impact of information technology on individual and firm business performance. *Behaviour & Information Technology*, Vol. 26 (6), 465-482.
- Tourani, N. (2022) Thriving in a shifting landscape: Role of social media in support of business strategy. *Asia Pacific Management Review* 27 (2022) 276-281
- Turban, E., Strauss, J., & Lai, L. (2016). Introduction to social commerce. In *Social commerce* (pp. 3e22). Springer.
- Tuten, T., & Perotti, V. (2019). Lies, brands and social media. *Qualitative Market Research: An International Journal*, 22(1), 112-145.
- Urumsah, D. (2015). *Factors Influencing Consumers to Use e-services in Indonesian Airline Companies*. New York: Mc Graw-Hill. *UW-L Journal of Undergraduate Research*, Vol. XIV, pp.1-12.
- Vähäjiylkkä, M., & Lepistö, E. J. (2017). YouTubers' impact on viewers'consumers purchasing behaviour. *Unpublished Research Project, JAMK University of Applied Sciences*.
- Venkateswaran, R., Ugalde, B., & Gutierrez, R. T. (2019), Impact of Social Media Application in Business Organizations. *International Journal of Computer Applications*, 178 (30).5-10
- Zhang, M., Guo, L., Hu, M., & Liu, W. (2017). Influence of customer engagement with company social networks on stickiness: Mediating effect of customer value creation. *International Journal of Information Management*, 37(3), 229-240.