SOCIAL MEDIA: A TOOL FOR SUCCESSFUL OPERATION OF SMALL AND MEDIUM SCALE ENTERPRISES (SMEs) IN THE 21ST CENTURY NIGERIA.

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Abstract
The study assessed the use of social media as a tool for successful operation of small and medium scale enterprises (SMEs) in the 21st century Nigeria. Two research questions guided the study and two null hypotheses were tested at 0.05 level of significance. A descriptive survey research design was adopted for the study. The population consisted of 2512 small and medium scale enterprise and a sample size of 251 managers (made up 166 small and 85 medium scale managers) was taken. A structured questionnaire was used for data collection. The instrument was validated by three experts. The reliability of the instrument was ensured using pilot test technique. Data collected were analyzed using Cronbach Alpha formula which yielded reliability co-efficient of 0.88. Data related to the research questions were analyzed using mean and standard deviation while the z-test analysis was used to test the null hypotheses at 0.05 level of significance. Findings arising from the study revealed that the use of social media as a tool in customer relationship management by SMEs and in the innovativeness of SMEs in Anambra State, Nigeria were rated to a high extent. Findings also indicated that managers did not differ significantly in their mean responses regarding the use of social media as a tool in customer relationship management and in the innovativeness of SMEs. It was recommended among others that managers of SMEs should endeavour to learn and adopt social network in order to fit into the business world at large since the world is becoming a global village.

Keywords: Social media, social media tools and small and medium scale enterprises (SMEs).

Introduction
The modern economy has embraced Information and Communication Technology (ICT) as one of the driving forces for accelerated business growth in the world. It is evident that ICT has brought immense innovations, improvements and advanced ways of doing business in a speedy manner in developed economies. Currently, the use of information system resources such as computers, internet, e-business, point of sales (POS) and other ground-breaking business practices is a common feature of small and medium scale enterprises (SMEs) in the advanced world (Attom, 2011). The modern business environment is not only complex but also extremely dynamic with the attendant cutting edge improvements characterized by multifaceted customer needs and wants that must be met with accuracy and momentum in order to ensure the survival and growth of small and medium scale business activities. According to Laudon and Laudon (2010), information technology is one of the important tools that managers (businesses) use to cope with change. Small and medium-scale enterprises require information technology infrastructure to provide a solid platform on which their business processes can be built to meet the dynamic business environment they find themselves.
The 21st century has seen a shift in the way businesses market their products and services. Smith and Taylor in Jagongo and Kinyua (2013) revealed that companies are presently experiencing several new unanticipated events and the development of the internet as a communication channel is almost certainly one of the most influential factors. The internet has brought about several new elements. It has made consumers more accessible; has emerged with a completely new set of communication tools that make the process of exchanging information much easier and faster, and has compelled companies to rethink how they are communicating with their customers (Jaokar, Jacobs, Moore & Ahvenainen, 2009). Business owners/managers, marketers and consumers are witnesses to the appearance of virtual social media.

Social media refers to content distributed through social interactions. These media utilize various firms that offer services or tools to help customers and firms build connections (Grewal & Levy, 2013). According to Zeeshain and Hussain (2017), social media is the usage of web-based and mobile technologies to create, share and consume information and knowledge without any geographical, social, political or demographical boundaries through public interaction in a participatory and collaborative way. Kaplan and Haenlein (2010) defined social media as a group of internet-based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of user-generated content. Social media encompasses a wide range of online word of mouth forums including blogs, company-sponsored discussion boards and chat room, consumer to consumer email, consumer product or service ratings websites and forums, internet discussion boards and forums, moblogs (sites containing digital audio, images, movies or photographs) and social networking websites, to name a few (Mangold & Faulds, 2009).

Using various social media like social networks, sharing websites, blogs and a lot of other channels people can interact online with whomever they want without any restrictions in terms of quantity or quality (Rugova & Prenaj, 2016). This great opportunity has allowed people to share valuable information and experiences. As at January 2012, there were more than 800 million active Facebook users, with over 250 million of them logging in everyday. Additionally, over 3.5 billion pieces of contents such as blog posts, web links and news stories are shared on this social network (Digital Research, 2012). Social media is an important tool for all businesses because it allows businesses to communicate with, listen to, and learn from their customers in a way they have never been able to do before (Grewal & Levy, 2013; Smith & Wollen, 2011). But these technologies are arguably more important for small businesses primarily because such businesses lack the traditional resources to market their products. It is important for managers and marketers to be it home with the internet functions and the expectations of its users. The growing use of media and the emergence of social media has pushed the businesses to use social media as one of their marketing tools (Nekatibeb, 2012).

Social networking allows businesses to gain access to resources that might otherwise not be available to them. It can also aid the development of a firm’s worthiness, increase the customer and supplier contacts, bring to light where resources and funding are available, promote innovation and help in the cultivation of
strategic partnerships (Zontanos & Anderson, 2004). Business owners/managers rarely possess all the skills and knowledge needed to expand their enterprise, and finding people with the necessary skills, and getting them to contribute, is a vital aspect of their networking (Simon, 2012). The sky is the limit with social media. Owing to the flexibility of social networking tools, businesses can realize different benefits. These according to Simon (2012) are greater access to different audiences, improved customer service, improved products and services and adoption of favorable pricing practices. Social media enables firms to engage consumers in a timely and direct manner at relatively low cost and higher levels of efficiency than with more traditional communication tools. This makes social media not only appropriate for large organizations, but for small and medium size companies as well (Kaplan & Haenlein, 2010).

Small and medium scale enterprises are business enterprises which employ less than 200 persons and possess assets which value excluding land and building is less than ₦300 million (Ebitu, Basil & Ufot, 2015). An SME according to the Central Bank of Nigeria is one whose capital employed excluding land is between ₦1 million and ₦150 million and employs not more than 500 persons. The National Policy on Micro, Small and Medium Scale Enterprises (SMEDAN, 2012) defined SMEs with respect to the backdrop of number of persons employed and assets possessed. The importance of small and medium scale enterprises in Nigerian economy cannot be over emphasized. Small and medium enterprises represent the spinal cord of the economy of a country (Ramadani, 2011). SMEs have contributed reasonably towards employment, gross domestic product (GNP) and sustainable development of Nigeria. The success of a business can be attributed to a number of factors, but the greatest determinant of a business success is the owner or manager. Social media are becoming increasingly important to business owners/managers as they provide firms with access to markets, ideas, information, advice, business opportunities, and other resources (Fang, Tsai & Lin., 2010).

Similarly, Mangold and Faulds (2009) recognized that social media allows an enterprise to connect with both existing and potential customers, engage with them and reinforce a sense of community around the enterprise’s offering(s). Further, an information rich website can help a business to develop relationships with customers by providing more effective marketing, new communication and distribution channels, shorter time to market, customized products, 24hour online technical support and online interactive community. SMEs use social media to enhance an organization’s performance in various ways such as to accomplish business objectives, increasing annual sales of the organization. Businesses can be promoted through various social networking sites. Many of the organization promote their business by giving advertisement on the social media in order to attract maximum users or customers. Social media are used in various business functions. Some of them are: marketing, human resource, creative, operations/strategy and business development.

Big businesses have seen this opportunity as they compete aggressively for potential consumers and have started using this new channel as a marketing tool. Thus, social media has been used successfully as a marketing tool for quite some time.
now by big companies. However, it is still not clear how this trend is being followed in the same manner by SMEs. There are not many studies that discuss the use of social media as a tool in the customer relationship management and innovativeness of SMEs in Anambra State, Nigeria, that would help SMEs to know what social media tool would offer their businesses and which particular techniques should be used to achieve success (Rugova & Prenaj, 2016). The usage of social media among SMEs seems to be lower especially in developing countries such as Nigeria. But it should not go without saying that lately, social networking marketing has seen a really big growth in patronage. This may be as a result of cheap and effective Facebook advertisements that made SMEs willing to use them. The increase in sales by SMEs that have used social media as a tool has boosted the interest of other SMEs in using social media for marketing purposes.

In the traditional sales cycle, customer relationship management (CRM) forms a data driven understructure that powers an overall customer life cycle. Based on historical transactions, insights into what a customer may need next, or when a particular customer may be ready for an up sell offers are generated based on past transactional data and the larger purchase or use patterns that exist across the entire customer base (Evans & McKee, 2010). On the social web, where the customer is now an integral part of the sales process, CRM is being adapted to support this new role of the customer. This provides a highly valuable window of insight into what your customers are really thinking, and what they are likely to do next. This has led to the coining of the term Social CRM. Social CRM is an approach to business that formally recognizes the role of the customer as a key in understanding and managing conversations around the brand, product and service (Evans & McKee, 2010). Employees are also agents of change in CRM. Recruiting employees who understand social media is a key to successful business. They are the drivers of conversations between the organization and the customers. All businesses need to capitalize on having employees who can tap into the potential that Internet technologies have to offer. Having access to talented employees who will improve the productivity and efficiency of the business is important in the adoption of social media tools in any business (Simon, 2012). The use of social media as a tool in customer relationship management by SMEs can make a business increase its customer and market base and this makes a contribution towards the business growth strategy. It can also boost sales and generate opportunities to come up with new products and services; facilitate a business to expand its scope and extending its main business through market penetration and development or product development. Social media is a key factor in the success and growth of a business (Johansson & Corvera, 2012).

Customer intelligence gathered from social media is important in driving innovation in a business. The use of social technologies provides insights, thoughts and ideas on how to better serve customers and enable businesses to discover innovative ways to conduct business or new products and services to offer customers (Evans & McKee, 2010). Products and services innovation translates into ideas becoming a reality. This eventually leads to the financial growth of businesses. The growth of social media network platforms on the World Wide Web has brought a remarkable impact on the facilitation of global social interconnections. Social media
offers unparalleled constant connectivity for users, allowing them to share, collaborate and establish online communities. Both businesses and consumers use the media to share information, exchange opinions and recommendations and display certain consumption behaviors (Kotler & Armstrong, 2011). As such, social media gives SMEs the power to promote their products and services by transforming the communication networks into influence networks. The use of social media as a tool in the innovativeness of SMEs can facilitate the gathering of intelligence from customers and using the insights and ideas to come up with innovative products in terms of new packaging, delivery of produce, payments methods and ways to serve customers better.

Furthermore, factors influencing the use of social media as a tool for successful operation of small and medium scale enterprises (SMEs) in the 21st century Nigeria could be size of small and medium scale enterprises. Small and Medium Sized Development Agency of Nigeria (SMEDAN, 2012) classified SMEs based on a small scale enterprise as an enterprise with total capital employed of over ₦1.5million (€6,916.77) but not more than ₦50million (€228,469.28) including working capital but excluding cost of land and labour size of 11 – 100 workers; a medium scale enterprise as an enterprise with a total capital employed of over ₦50million (€228,469.28) but not more than ₦200million (€922,289.89) including working capital but excluding cost of land, and or a labour size of 101 – 300 workers. SMEs are those units that are actively managed by its owners. SMEs often face resource constraints in terms of employee expertise and money that larger organizations may not. Therefore, small business owner managers must take advantage of social media for the opportunities it provides. There is a great need for managers of SMEs to use social media as a tool for successful operation in the 21st century.

Statement of the Problem

The use of social media by small businesses is an important but under-researched area. With the development and availability of Web 2.0 tools, the capacity of small businesses to grow significantly has become a very real possibility. Social networking, incorporating Web 2.0 technologies has been credited with the ability to increase social contacts, hasten business operations, better customer relations, facilitate innovation and favorable pricing, and advantageous recruitment of highly competent staff (Juuosola, 2010). It is surprising however, to note that despite the enormous benefits derived from internet technology in the field of business, trade, industry and commerce, it is widely speculated by social commentators and stakeholders that most SME business operators in Nigeria hardly embraced the immeasurable advantages of internet in their businesses. The Internet provides leverage for SMEs because it has created mechanisms for attaining sustainable competitive advantage. Social media is one of these mechanisms and there is need for research to understand the effect it has on the growth of SMEs. The proper understanding of social media tools is yet to be fully achieved. The study sought to make SMEs to understand how social media can help transform and grow them as a marketing and communication tools, and how they can tap into the dynamism and potential social media present.
Purpose of the Study

The main purpose of this study was to assess the social media as a tool for successful operation of small and medium scale enterprises (SMEs) in the 21st century Nigeria. Specifically, the study sought to determine:

1. The extent of use of social media as a tool in customer relationship management by SMEs in Anambra State, Nigeria.
2. The extent of use of social media as a tool in the innovativeness of SMEs in Anambra State, Nigeria.

Research Questions

The following research questions guided the study:

1. To what extent is social media used as a tool in customer relationship management by SMEs in Anambra State, Nigeria?
2. To what extent is social media used as a tool in the innovativeness of SMEs in Anambra State, Nigeria?

Hypotheses

The following null hypotheses were tested at 0.05 level of significance:

1. Managers of small and medium enterprises do not differ significantly in their mean responses regarding the use of social media as a tool in customer relationship management by SMEs in Anambra State, Nigeria.
2. Managers of small and medium enterprises do not differ significantly in their mean responses regarding the use of social media as a tool in the innovativeness of SMEs in Anambra State, Nigeria.

Method

Descriptive survey research design was adopted for the study. The researchers considered this design appropriate for this study since it collected data from managers or owners of SMEs in Anambra State. The population of the study consisted of 2512 small and medium scale enterprise managers in the three senatorial zones of Anambra State who are registered with the State Ministry of Commerce, Industry and Technology (1658 small and 854 medium). The sample of this study comprised 251 managers (made up 166 small and 85 medium scale managers) selected through randomization from each stratum. Instrument for data collection was a structured questionnaire. The instrument was validated by three experts in business education. Their comments enhanced the content validity of the instrument.

To establish the internal consistency of the research instrument, a pilot test was conducted and Cronbach Alpha reliability method was used to test data collected using the application of Statistical Package for Social Sciences (SPSS) version 21. The analysis yielded a co-efficient score of 0.88 which was deemed reliable for the study. The questionnaire was structured on a five-point scale with response categories as “Very High Extent”; “High Extent”; “Moderate Extent” “Low Extent” and “Very Low Extent”. The administration of the instrument was carried out personally by the researchers with the aid of five research assistants. Out of the 251 copies of the questionnaire administered, seven were incompletely filled and six were not returned. Thirteen copies of the questionnaire were not utilized. A total number of 238 copies of the questionnaire representing 94.82% return rate were used for data analysis.
Data collected regarding the research questions were analyzed using descriptive statistics (mean and standard deviation) while the z-test was used to test the hypotheses. In order to determine the extent social media was used as a marketing tool for successful operation of SMEs, a decision rule based on mean ratings between 4.50-5.00 was used by managers of enterprises to a very high extent, items with mean ratings of 3.50-4.49 was used at a high extent and items with 2.50-3.49 were used at a moderate extent. Furthermore, items with mean ratings of 1.50-2.49 and 0.50-1.49 were used by managers of enterprises to a low and very low extent respectively. In testing the null hypotheses, where the calculated p-value is less than the stipulated level of significance (0.05), it means that there was significant difference and the hypothesis was rejected. Conversely, where the calculated p-value is equal to or greater than the stipulated level of significance (0.05), it means that there was no significant difference and the hypothesis was not rejected.

Results

Research Question 1
To what extent is social media used as a tool in customer relationship management by SMEs in Anambra State, Nigeria?

Table 1: Mean ratings of managers on the extent social media tool are used in customer relationship management by SMEs, N= 238

<table>
<thead>
<tr>
<th>S/N</th>
<th>Items</th>
<th>Mean</th>
<th>SD</th>
<th>Extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Enhancing brand popularity</td>
<td>4.40</td>
<td>.49</td>
<td>High Extent</td>
</tr>
<tr>
<td>2</td>
<td>Providing a platform for timely feedback</td>
<td>4.38</td>
<td>.49</td>
<td>High Extent</td>
</tr>
<tr>
<td>3</td>
<td>Creating awareness by building companies image</td>
<td>4.29</td>
<td>.5</td>
<td>High Extent</td>
</tr>
<tr>
<td>4</td>
<td>Increasing sales and profit</td>
<td>4.25</td>
<td>.3</td>
<td>High Extent</td>
</tr>
<tr>
<td>5</td>
<td>Connecting customers in terms of changing preferences</td>
<td>4.41</td>
<td>.49</td>
<td>High Extent</td>
</tr>
<tr>
<td>6</td>
<td>Manage and communicate with customers effectively</td>
<td>4.40</td>
<td>.49</td>
<td>High Extent</td>
</tr>
<tr>
<td>7</td>
<td>Facilitating word of mouth communication</td>
<td>4.34</td>
<td>.8</td>
<td>High Extent</td>
</tr>
<tr>
<td>8</td>
<td>Generating social support for consumers</td>
<td>4.58</td>
<td>.9</td>
<td>Very High Extent</td>
</tr>
<tr>
<td>9</td>
<td>Better customer service</td>
<td>4.35</td>
<td>.8</td>
<td>High Extent</td>
</tr>
</tbody>
</table>

Cluster Mean 4.38 High Extent
As indicated by the cluster mean of 4.38 in Table 1, managers of SMEs rated the use of social media as a tool in customer relationship management by SMEs in Anambra State Nigeria to a high extent. The item by item analysis shows that items 1, 2, 3, 4, 5, 6, 7 and 9 with mean ratings ranging from 4.25 to 4.41 are rated to a high extent while item 8 with mean of 4.58 was rated to a very high extent. There is homogeneity in items amongst managers of SMEs responses indicating a consensus of opinion.

**Research Question 2**

To what extent is social media used as a tool in the innovativeness of SMEs in Anambra State, Nigeria?

**Table 2: Mean ratings of managers on the extent social media tool are used in the innovativeness of SMEs. N= 238**

<table>
<thead>
<tr>
<th>S/NO</th>
<th>Items</th>
<th>Mean</th>
<th>SD</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Providing insights on new products and services</td>
<td>4.21</td>
<td>.65</td>
<td>High Extent</td>
</tr>
<tr>
<td>11</td>
<td>Providing insight on what the customer may need.</td>
<td>4.08</td>
<td>.45</td>
<td>High Extent</td>
</tr>
<tr>
<td>12</td>
<td>Providing thoughts and ideas on new business strategies to adopt</td>
<td>3.99</td>
<td>.49</td>
<td>High Extent</td>
</tr>
<tr>
<td>13</td>
<td>Providing ideas on new packaging</td>
<td>3.89</td>
<td>.50</td>
<td>High Extent</td>
</tr>
<tr>
<td>14</td>
<td>Providing ideas on delivery of products</td>
<td>4.32</td>
<td>.59</td>
<td>High Extent</td>
</tr>
<tr>
<td>15</td>
<td>Providing ideas on payment methods</td>
<td>4.21</td>
<td>.65</td>
<td>High Extent</td>
</tr>
<tr>
<td>16</td>
<td>Facilitating gathering of intelligence from customers</td>
<td>4.17</td>
<td>.63</td>
<td>High Extent</td>
</tr>
<tr>
<td>17</td>
<td>Helps business by connecting with experts who share some strategic plans</td>
<td>4.35</td>
<td>.60</td>
<td>High Extent</td>
</tr>
<tr>
<td>18</td>
<td>Enhancing business development</td>
<td>4.02</td>
<td>.63</td>
<td>High Extent</td>
</tr>
<tr>
<td></td>
<td><strong>Cluster Mean</strong></td>
<td><strong>4.14</strong></td>
<td></td>
<td>High Extent</td>
</tr>
</tbody>
</table>

The analysis in Table 2 shows the cluster mean of 4.14 which indicate that managers of SMEs rated the use of social media as a tool in the innovativeness of SMEs in Anamabara State, Nigeria to a high extent. The item by item analysis shows that all the items with mean ratings ranging from 3.89 to 4.35 were rated to a high extent. The standard deviation shows that there is homogeneity amongst response indicating a greater consensus of opinion.

**Testing the Hypotheses**

**Null Hypothesis 1**

Managers of small and medium enterprises do not differ significantly in their mean responses regarding the use of social media as a tool in customer relationship management by SMEs in Anambra State, Nigeria.
As shown in Table 3, managers of SMEs did not differ significantly in their mean responses regarding the use of social media as a tool in customer relationship management by SMEs in Anambra State, Nigeria. This is shown by $z$-cal value of -.464 and the p-value (.599) which is greater than the stipulated 0.05 level of significance. Therefore, the null hypothesis of no significant difference between the two groups was not rejected.

### Null Hypothesis 2

Managers of small and medium enterprises do not differ significantly in their mean responses regarding the use of social media as a tool in the innovativeness of SMEs in Anambra State, Nigeria.

The analysis in Table 4 shows that there was no significant differences in the managers mean responses regarding the use of social media as a tool in the innovativeness of SMEs in Anambra State, Nigeria. This is shown by $z$-cal value of -.408 and the p-value (.542) which is greater than the stipulated 0.05 level of significance. Therefore, the null hypothesis of no significant difference between the two groups was not rejected.

### Discussion of Findings

Findings of the study indicated that managers of SMEs rated the use of social media as a tool in customer relationship management by SMEs in Anambra State, Nigeria to a high extent. This finding is in consonance with that of Mangold and Faulds (2009) who stated that social media allows an enterprise to connect with both existing and potential customers, engage with them and reinforce a sense of community around the enterprise’s offering(s). An information rich website can help a business to develop relationships with customers by providing more effective marketing, new communication and distribution channels, shorter time to market,
customized products, 24hour online technical support and online interactive community. Furthermore, the result of the first hypothesis revealed that managers of SMEs did not differ significantly in their mean responses regarding the use of social media as a tool in customer relationship management by SMEs in Anambra State, Nigeria. This is in agreement with Jagongo and Kinyua (2013) who opined that managers irrespective of business size use social media to enhance an organization’s performance in various ways such as to accomplish business objectives, increasing annual sales of the organization.

Findings of the study also revealed that managers of SMEs rated the use of social media as a tool in the innovativeness of SMEs in Anambra State, Nigeria to a high extent. The outcome of this study agrees with the assertion of Evans and McKee (2010) who stated that the use of social technologies provides insights, thoughts and ideas on how to better serve customers and enable businesses to discover innovative ways to conduct business or new products and services to offer customers. Products and services innovation translates into ideas becoming a reality which eventually leads to the financial growth of businesses. The test of the second hypothesis indicated that managers of SMEs did not differ significantly in their mean responses regarding the use of social media as a tool in the innovativeness of SMEs in Anambra State, Nigeria.

**Conclusion**

Information and communication technology (ICT) provides the bedrock on which SMEs can build their business information systems aimed at improving their business processes, customer relations and efficient delivery of goods and services to satisfy the needs of cherished customers. As the technology is growing, the social media has become the routine for each and every business. SMEs use social media to enhance business organizations performance in various ways such as accomplishment of business objectives and increase in annual sales of organizations. Companies can also build their brand images via social media. Social media is an effective tool for doing business today and brings out innovative strategies out of companies that used to be very monotonous. Owners/managers of SMEs are today involved in social networking which enhances their businesses and the right social media is capable of getting current information relevant for the growth of businesses because the business world is becoming more competitive in the emerging global village.
Recommendations

Based on the findings and conclusions of the study, it is recommended that:

1. Periodic training in the form of workshops and sensitization programs on the use of social media in businesses should be organized by SMEDAN for SME operators to create more awareness in order to enhance their preparedness to institute ICT programs aimed at improving their business operations.

2. Managers of SMEs should endeavour to learn and adopt social networks in order to fit into the business world at large since the world is becoming a global village.

3. Investments should be made in ICT and particularly on the right social media that will enhance the efficiency of their operations to be of high quality, reliable and effective.

4. Government should help in providing adequate infrastructural facilities that will enhance ICT growth in Nigeria.

REFERENCES


