

Research Article

Application of Digital Marketing on Small and Medium Enterprises in Abuja Metropolis-Nigeria: An Issue of ICT and Business Sustainability

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Received: June 4, 2022

Accepted: June 16, 2022

Published: June 23, 2022

Abstract: In emerging nations, the capability to uninterruptedly elevate procedures and be creative in business has become an issue of not only innovativeness but eventually for business continuity and survival. Digital technology is expected to improve SMEs operations. The application of Digital Marketing (DM) on SMEs in Nigeria has not been greatly explored. The goal of the research is to assess the application of DM on SMEs. The study adopts multi-stage sampling techniques and obtained a sample of 200 SMEs from the population of 5 groups of agriculture (25) manufacturing (35) transportation (54) wholesale and retail (70) and entertainment (16) administered in Abuja metropolis. The dependent elements of operational cost, efficiency of business operations, and marketing and sales were connected with SMEs performance using correlation. Consumers may easily obtain detailed DM information on items or services at the point-of-sale thanks to the use and use of digital marketing, according to the findings. The study concludes and recommended that there is need to improve the exposure of SMEs owners to information and communication facilities of DM so as to enhance and sustain their business operations.

Keywords: Digital marketing, small and medium enterprises, information, communication, technology.

Introduction

In recent years, business owners' usage of social media has become a significant podium for promotion their goods and services (Paquette, 2013). Some organizations now employ the media as part of their marketing plan to interact with potential clients, and this development has persistent to fetch substantial variations to in what way business is done nowadays related to what was achieved about forty years. It should be noted that, while social media was originally intended to be used for socializing, some marketers have recognized the economic prospects that they provide and have chosen to use them to expand their enterprises. Globalisation has ushered in advancements in ICT, resulting in the widespread use of the internet and, as a result, the rise of social media. Neti (2011) opined that "social media represents a marketing opportunity that cuts out the middleman and connects businesses and customers directly. As a result, social media has altered the way consumers and marketers communicate and conduct business".

Statement of the Problem

In emerging nations, the capability to uninterruptedly advance functions, procedures and be creative in business has become an issue not only of innovativeness but eventually for business continuity and survival. Digital technology is anticipated to advance SMEs operations output in a form of adverts, promotions, convenience transactions, time saving, and fast transactions, as well as better customer relations. The extent to which SMEs can benefit from mobile technology is worthy of

exploration. Application of Digital marketing (DM) on SMEs in Nigeria has not been greatly explored. SMEs continue to face difficulties in achieving effective performance, which can be attributed to a variety of factors including a lack of credit, insufficient information to make rational choices decisions, absence of know-how, poor digital knowledge, an increased cost of exposure to ICT, infrastructure, and high taxes. In this case SMEs in Nigeria still primarily employ traditional marketing methodologies and tools to operate.

The Object of the Study

To access the application of DM on SMEs and proffer recommendations for business sustainability.

Literature Review

Small and Medium Enterprises and Management

Small firms are typically run by their proprietors, who have a lot of freedom and little restrictions. That is, owners operate their businesses according on their own personal and business goals, as well as their own management methods, marketing, and operational procedures. Beaver and Jennings (2000) said “acknowledged in their article that many writers agree that the unique characteristics of small businesses necessitate a different understanding of management, such that management methods and techniques used in the corporate sector are neither applicable nor relevant in small businesses”. In many small ventures, the management procedure reflects the entrepreneur's highly individualized inclinations, biases, and views. In small enterprises, management practices are frequently defined by an informal connection between the owner and the staff. Rather than educational or professional abilities and ability, proximity to the owner, birth, personal tie or link, are frequently used to make appointments and promotions.

Organizational structures are more probable to be biological and slackly designed than mechanical and highly defined, as they emerge from the interests and capabilities of the entrepreneur. Based on the foregoing, it can be acceptable to assume that numerous small enterprise owners operate according to their own preferences, with little or no consideration for rigorous administration, strategic planning, or strategizing. Microenterprise owner-managers, according to Wickham's (2001) research, are constantly guided by specific aims and planning, albeit not as thoroughly created and precisely managed as bigger corporations. Such management approaches are disposed to failure, particularly in novel businesses; Beaver and Jennings (2000) agree, stating that prosperous enterprise growth requires shrewd and Thoughtful management, novel methods to strategic reasoning and decision-making, significant private risk, and a lot of strong commitment are all required. They stated that in order for an enterprise to succeed and gain a comparative benefit, the businessman must carry out a number of important managerial jobs, duties, and tasks. Thus, we deduce that the entrepreneur's managerial expertise is among the essential factors of small enterprise achievement and continuity, and that inability to take care of key managerial duties and functions will lead to less optimum performance and, at worst, endanger the firm's existence.

In many advanced and developing nations, SMEs have a key part in the growth process. Several governments have recognized the value of SMEs. They're recognized for their vigor, amusing ideas, and efficiency, as well as their little size, which allows them to make speedier decisions. SMEs has sparked a lot of discussion in the literature throughout the years. Nigeria is still trying to get to grips with a common understanding from the numerous incoherent and vague meanings provided by large industries and agencies, such as the National Council on Industrial Standards' 1992 review, which describe SMEs as enterprises with a aggregate cost (with working capital but without the cost of land) of more than N31 million but less than N31.50 million and a workforce of 11 to 100 workers.

A medium-sized business, as defined by the Federal Ministry of Industries, is a small business is defined as one with operating capital that is below \$200 million and fewer than 300 employees. A small firm is also described as an enterprise that have workers below 100 and total assets of less than \$50 million. A small firm is defined by the National Economic Reconstruction Fund (NERFUND) as

one with total assets of less than \$10 million, nevertheless it makes no reference of annual revenue or employee count (SMEDAN, 2009).

SMEs are well-known for being critical to the development of any economy; despite their tiny sizes, they are making significant contributions to the improvement of the economy. Because of their numerous contributions, they are regarded as the backbones of the Nigerian economy. According to the 2012 Enterprise Baseline Survey, SMEs in Nigeria employ around 32,414,884 individuals. Around 58 percent of the world's working population has the capacity to create jobs. In developing societies' lower income and rural groups, SMEs, particularly in agriculture, trading, and services, are key sources of revenue and involvement in economic activity. Normally, SMEs account for close to 46.7% of the nation's GDP and give sustainable vehicle for practical advancement, principally in businesses with limited technological requirements.

In fact, since SMEs are commonly regarded as the machine of economic growth and development, the government has put in place series of facilities to help and maintain them, like: The Small Scale Industries Credit Scheme (SSIC) (1971). The Military started to give SMEs with more direct financial support (SMEDAN, 2009). Oyedijo (2012) asserted that "the government launched a Small Industries Development Program to provide technical and financial assistance to SMEs as a first step. SICC was later created to handle the Small Industries Credit Fund (SICF) throughout the Federation.

Under the second national development plan (1970–1975), the Federal Government established the Industrial Development Centre (IDC) as another key endeavor to boost SMEs. Under the plan, N800,000.00 was allocated for setting up IDCs in various parts of the country. Despite these new measures and continuous attempts by both the government and the business sector to support SMEs in Nigeria, data shows that 70% of SMEs fail within the first three years of operation. Nigerian SMEs continue to encounter several challenges, including an unpredictable macroeconomic climate. Due to high inflation and heavy import dependency, the nation's debt burden is significant, and the country lacks access to technology and best-of-breed business solutions, business services, consultancy, and training. Government bureaucracy, such as an unfavorable judicial procedure, regulatory, and commercial environment, drives up SMEs' operating costs. Limited capacity of business organisations, such as Chambers of Commerce, due to a lack of managerial facilities and enterprise support services".

Digital Marketing

Over time, DM has provided new ways for businesses to interact and engage with their target audiences more effectively. However, the tool's full potential has yet to be realized. These are some of the platforms:

LinkedIn as asserted by Edosomwan, *et al.*, (2011) "was one of the top three most popular social media sites, with 396 million members as of the third quarter of 2015. Recruiters utilize LinkedIn, and around 80% of organizations use it for their hiring process". Therefore, LinkedIn is a fantastic resource for work seekers as well as employment organizations and businesses. It is commonly utilized by experts, academicians, and those with exceptional talent and competence who want to showcase their capabilities.

YouTube was created in 2005 and it became the globe's further most virtual video community, with billions of subscribers involved watching and distributing quality made videos (Edosomwan, *et al.*, 2011). Brightpearl (2011) said "YouTube is one of the top 10 most visited web sites and the second most popular target search engine, mainly for online users who are into the realm of online video content. It is a good medium for a company to host its videos for free and provides a great way of promoting products to customers, followers and fans. YouTube is also used by companies to demonstrate product use or provide instructional materials for students or staff training".

LunarStorm is a commercialized online site that is only accessible in Swedish and so has a small user base. According to Edosomwan *et al.*, (2011), “LunarStorm started in 1996 and was designed by Rickard Ericsson as a website for teenagers and was Europe’s first digital online community”. As a result, the website serves as an efficient online channel for marketing to children. By 2011, LunarStorm had expanded to over 600,000 subscribers, but it was still losing money. The site was initially financed primarily through banner adverts and other kinds of electronic advertising, but it quickly expanded to include more pay-by-text messaging services, enhancing its financial situation (Goma, 2001: Edosomwan, *et al.*, 2011).

MySpace, until being replaced by Facebook in 2008, was perhaps the most prominent socializing site in the United States. It employs over 1000 workers and has 43.2 million monthly visitors on their website as of 2011. MySpace is unique in that users may edit their profile information to include precise information about themselves and their hobbies. It also has a page devoted to musicians, where they can obtain mp3 versions of their songs (Edosomwan *et al.*, 2011).

StumbleUpon is a innovation device that helps a corporation to link to clients who may not be conscious of its presence by displaying 'remarkable' material. According to Brightpearl (2011), “StumbleUpon offers users a ‘lucky dip’ into online content that may be of interest to them and it is advisable for a company not to promote commercially driven pages, such as product pages, but may be best used for promoting the valuable content companies have created”. Differently put, StumbleUpon is more about brand publicity than immediate conversion; it is not a platform for product sales. Foursquare, Gowalla, Yelp, CitySearch, Angie Vibes, and WhatsApp are some other emerging social networking sites that aren't as well-known but could be quite beneficial to company owners or online consumers. These sites are utilized for displacing appraisals and information about a corporation's commerce action, in addition to social activities (Constant Contact, 2011).

Facebook was officially started in 2004 and maintains the foremost capacity for retailers, in giving assortments of techniques to extent and entice fresh customers. Edosomwan, *et al.*, (2011); Brightpearl (2011) said “As at 2011, this social networking site was reported to have 750 million active users and, as at second quarter of 2015, had 1.45 billion active users. It is ranked as the most used social network worldwide. Also, on a daily basis traffic to the network is on the rise”. Consumers can build a Page that serves as an extension of their web store, allowing them to interact with consumers, distribute content, advertise products, services, and brands, and attract online consumers. Facebook can also be used to promote products and provide online customers with a link to a company or industry-related blog article. A corporation could use various contact points of social media and digital strategy to achieve a certain goal. Each touch point must be effectively utilized if a company's goal is to produce an online sale to an ecommerce website. The usage of "Like" advertisements on Facebook can aid establish fan pages with targeted consumers (Constant Contact, 2011). Boyd and Ellison (2007) opined that “One of the reasons for the high number of Facebook active users is that anyone who is at least 13 years is allowed to register as user”

Twitter was created in 2006, and it commanded much acceptance since it gave novel possibilities, such as microblogging, and it was also utilized by certain superstars (Edosomwan, *et al.*, 2011). Constant Contact (2011) stated that “it had about 200 million users as at 2011 and, as of the third quarter of 2015, the microblogging service averaged at 307 million monthly active users”. Twitter is typically utilized to file grievances concerning a firm's product, as well as to drive fresh visitors to a firm's site by pushing offerings, advice, recommendations, and new resource to the corporation's followers. Twitter can be utilised to publish numerous modifications regarding corporate brand, however, its actual value resides in its capacity to break down traditional boundaries between businesses and their customers by providing insight into customer sentiment and allowing them to respond to client complaints more quickly (Brightpearl, 2011; Constant Contact, 2011; Edosomwan, *et al.*, 2011).

Business Sustainability

The basic goal of any business, great or little, is to endure or subsist. As a result, the idea of business continuation emerges. The only way for a company to stay in business is for it to break even and make a profit in its operations. As a result, the concept of business sustainability aims to explain how a company might be in operation for a long time.

Business sustainability is described as a mixture of environmental, social, and economic performance (Doane and MacGillivray, 2001). They go on to say that there is widespread agreement that individual businesses should strive for sustainability in order to avoid the disastrous and wasteful effects of corporate untimely demise, as well as to allow and guard social and environmental creativities, which are typically the outcome of many developed enterprises.

Sustainability is now an important aspect of today's company operations, and most scholarly material has focused on giant transnationals rather than SMEs, since SMEs are thought to lack adequate resources (Salimzadeh *et al.*, 2013; Gayfutdinov, 2014). Differently, because of absence of monetary and human resources, both large and small businesses, particularly SMEs, now absence of an organization to incorporate sustainability in enterprises choices (Kiron *et al.*, 2014; Shields and Shelleman, 2015).

Business sustainability must be considered in relation to the environment, economic development, human rights, women's empowerment, and the rule of law, according to the World Economic Forum (2014). They think that savvy organizations should incorporate larger sustainability concepts into their business decisions, as well as provide practical criteria and indicators to aid in the implementation of these principles. These policies are designed to maximize opportunities while minimizing the negative effect their primary operations have on the environment, community, and economy in the areas where they function.

Pojasek (2007) defined business sustainability as the avenue of realizing a corporation's vision and goal. It is the use of information, skills, tools, and processes to the activities, goods, and services of an organization (Pojasek, 2007).

As a result, this investigation gives a working definition of business sustainability as any method by which a company can reach its mission and vision by handling business operations in a manner that is not harmful to the society in which it operates while also preventing the business from dying prematurely. The study suggests that most SMEs can attain long-term viability by using effective social media marketing tactics.

According to a survey, SMEs are the fastest growing sectors in various countries due to their significant input to export and job creation (Jaiswal, 2014). SMEs will assist alleviate poverty by creating wealth and jobs if fully established, but the current economic and political situations in many emerging economies have not allowed SMEs to grow (Etuk *et al.*, 2014).

Research Methodology

The study adopts multi-stage sampling techniques to obtain the sample of 200 SMEs from the population of 5 groups of agriculture (25), manufacturing (35), transportation (54), wholesale and retail trade (70) and entertainment (16) source from SMEDAN and administered in Abuja metropolis.

Method of Data Analysis

The correlation method was employed to see if the dependent indications of working cost, business efficiency, and digital marketing are connected to SMEs' performance. The researchers performed multiple regression analysis to see if the independent factors (operating costs, company efficiency, and digital marketing) have any effect on SMEs' success.

Table 1. Correlation of the Study Variables

	SME Performance	Operational cost	Effect of business operation	Digital marketing
SME Performance	1			
Operational cost	0.500**	1		
Effect of business operation	0.461**	0.733**	1	
Digital marketing	0.646**	0.593**	0.567**	1

Multi-variable Regression Analysis

There is a 0.4863 intensity connection between the aggregated independent factors and the dependent indicators, as illustrated by R. The independent factors explain 18.42 percent of the variations in SME performance in Abuja metropolis, as demonstrated by the adjusted R^2 . As stated in the model summary, the difference between R^2 and corrected R^2 indicates the extent of the error in the error term.

Table 2. Model summary

Model	R	R Square	Adjust R²	Std. Error of the Estimate
1	0.4863(a)	0.23648769	0.1842281	0.4082
a predictors (Constant): operation cost, efficiency of business operations, digital marketing				

The study demonstrates that the model fits well, with an F-value of 8.888 indicating that the model is dependable up to a 97.5 percent level, as revealed in the analysis of variables (ANOVA).

Table 3. ANOVA

1	Model	Sum of squares	Df	Mean square	F	Sig.
	Regression	1018.007	3	339.336	8.888	.025(a)
	Residual	954.428	25	38.177		
	Total	1972.435	28			
a predictors (Constant): operation cost, efficiency of business operations, digital marketing						
b dependent Variables: SME Performance						

Based on the coefficients matrix, the following model was recognized from

$Y = 0.9572 - 0.057x_1 + 0.073x_2 + 0.068x_3$, evaluated with no error.

Except for the constant, all of the variables were statistically significant at the 5% alpha level, as shown by the p-values. All of the parameters, even the constant, were statistically significant, with values larger than absolute 1.96, according to the t-values. Operational cost is the most illustrative separate measure of the independent indicators, with the least standard error (non-standardized coefficients).

Table 4. Coefficients

1	Model	Non-standardize coefficient		Standardize coefficient	t	Sig.
		B	Std. Error	Beta	B	Std. Error
	(Constant)	.9572	.3167	.759	3.0224	.379
	Operational cost	-.057	.026	.055	-2.1923	.004
	Efficient of business operations	.073	.030	.069	2.4333	.001
	Digital marketing	.068	.033	.060	2.0606	.018

Research Findings

The results of the study suggest that DM improves operating effectiveness within SMEs by letting for the creation and implementation of a competitive advantage over rivals. It also disclosed that consumers have easy direct exposure to in depth DM information about products at the point-of-sale through the use and implementation of DM, leading to better consumer purchase decisions to be made more quickly. The findings concur that the major characteristics of production and efficiency practiced in SMEs include lowering the cost of everyday operations, swelling the speediness of scale delivery, expanding flexibility, and obtaining economies of scale.

Conclusion and Recommendations

The adoption of DM by SMEs allows for quick access to data, as well as the assessment, processing, and dissemination of enormous amounts of data. It has provided businesses with new chances to interact and engage with their target audiences more effectively therefore, there is need to improve the exposure of SMEs owners to information and communication facilities of digital marketing so as to enhance and sustain their business operations.

Conflicts of interest: There is no conflict of interest of any kind.

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Citation: Nwaokwa Emilia. 2022. Application of Digital Marketing on Small and Medium Enterprises in Abuja Metropolis- Nigeria: An Issue of ICT and Business Sustainability. *International Journal of Recent Innovations in Academic Research*, 6(6): 35-42.

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