

## Effect Of Social Media Usage On The Growth Of Small And Medium Enterprises In South East Nigeria

Wabara, S.T; Udu, G.O.C; Nwekpa, K.C; Arisi-Nwugbala, E.A; Ezeanokwasa, F. N; Mamah, A.I.K; And Chijindu, S.J.

---

### **Abstract**

*Social media has positively impacted the growth of small and medium enterprises across the world. Owners of small businesses are utilizing social media platforms such as Facebook, WhatsApp and Instagram for the operation and growth of their businesses. It is against this premise that this study investigated the effect of social media usage on the growth of small and medium enterprises in South East Nigeria. The study employed cross-sectional survey. Population of two hundred and twenty small and medium enterprises operating within South-Eastern part of Nigeria were surveyed. Sample size of one hundred and forty (140) was determined using Krejcie & Morgan formulae (1970). One hundred and forty (140) questionnaire was administered to owners of small and medium enterprises and one hundred and thirty two (132) copies were retrieved and found useful for analysis. Multiple linear regression was used to analyze the hypotheses. The study found that social media usage has significant positive effect on the growth of small and medium enterprises in South East Nigeria. The study concludes that social media usage measured by Facebook, Instagram, and WhatsApp applications promote the growth of small and medium enterprises in Nigeria. One of the implications of this study is that managers of small and medium enterprises should deploy more resources to social media platforms so as to boost their customer base, increase their profitability as well as revenue base.*

**Keywords:** *Small and Medium Enterprises, Growth, Facebook, WhatsApp, Instagram, applications.*

---

Date of Submission: 06-09-2023

Date of Acceptance: 16-09-2023

---

### **I. Introduction**

Small and medium enterprises are the lubricants for economic growth and development. It is based on this premise that Adegboyega, Godwin & Clement (2020) opined that without small businesses other sectors of the economy would not thrive successfully. Small and medium enterprises account for 90% of businesses as well as 50% of employment generation globally (World Bank Group, 2021). It was also established that small and medium enterprises contribute about 40% of GDP in developing countries like Nigeria (World Bank Group, 2021). Small businesses contribute 50% to Nigeria's GDP (Saanyol, 2021; Acho & Abula, 2018). Small and medium enterprises has reduced high rate of unemployment through the creation of jobs for people that are willing and ready to work (World Bank Group, 2021). Saanyol (2021) added that small and medium enterprises are the engine of Nigeria's economic growth through the exportation of finished goods. In the Sub-Saharan Africa for instance, small businesses account for 60% of disposable income in the hands of the citizenry (Otugo, Edoko & Ezeanolue, 2018; Gbam,2017).The springing up of small and medium enterprises by entrepreneurs has enhanced development in the rural communities (Bello, Jibir & Ahmed, 2018; Opafunso & Adepoju, 2014). Nigeria is a fast growing economy where small and medium enterprises metamorphosis into multinational organisations (Eno-Abasi, Adeyemi & Ese, 2020). Most countries that are manifesting transformational digital evolution and revolution have realized the relevance of small businesses. It is based on these benefits that countries such as Nigeria established Small and Medium Development Agency of Nigeria (SMEDAN) to promote and develop small and medium enterprises in the country.

However, studies has shown that the growth and development of small and medium enterprises are fueled by the use of social media networks (Ladokun, 2019; Solo-Anaeto, Ojunta & Lakanu, 2017) in some societies. Thus, social media is one of the instruments that small and medium enterprises deploy to create the awareness of their services via Facebook, WhatsApp, Instagram, Telegram to mention but a few. Social media has impacted positively to the growth of small and medium enterprises in Nigeria and that is why Adegboyega, Godwin & Clement (2020) asserted that small and medium enterprises relies so much on social media for promotion and advertisement. Social media is a strong instrument through which small businesses navigate their ways to the top as a result of their presence in the social space. It has been shown that ever since the emergence of social media usage by small and medium enterprises, product sales and services has increased geometrically (Shaw, 2018). Nory, Richard & Ebru (2015) added that social media have built customer confidence in terms of product trust

and loyalty. This implies that entrepreneurs that owned small businesses are utilizing social media to grow their business across their geographical locations. Again, people prefers small ventures because of their closeness to communities and the entrepreneurs that owns them. Ladokun (2019) opined that small and medium enterprises have migrated from word of mouth to social media emotional inducement through advertisement of their services and products using recognized platforms such as Facebook, WhatsApp, Telegrams, Youtube, Tiktok and Instagram to mention but a few. Supporting the argument above, Srinivasan, Bajaj & Bhanot (2016) elucidated that social media instruments have enhanced the growth of small and medium enterprises in terms of high performance, affective commitment by subordinates, high sales and high profit margin.

Nonetheless, prior studies has shown that social media usage predicted the growth of small and medium enterprises (Siebu, 2019; Ladokun, 2019; Lakshmi, Afraa & Ankita, 2017; Solo-Anaeto, Ojunta & Lakanu, 2017; Srinivasan, Bajaj & Bhanot, 2016). Although most of these studies carried out their investigations in other parts of the globe other than Nigeria business environment. This is what motivated the researcher to investigate the effects of social media usage on the growth of small and medium enterprises in South East Nigeria.

### **Objectives of the study**

Specifically, the study sought to:

- 1) Investigate the effect of instagram usage on the customer base of SMEs in South East Nigeria
- 2) Examine the effect of WhatsApp usage on the revenue of SMEs in South East Nigeria
- 3) Ascertain the effect of Facebook usage on the profitability of SMEs in South East Nigeria

### **Research Hypotheses**

From the above specific objectives, the following research hypotheses were formulated.

HO1: Instagram usage has no significant effect on the customer base of SMEs in South East Nigeria,

HO2: WhatsApp usage has no significant effect on the revenue of SMEs in South East Nigeria,

HO3: Facebook usage has no significant effect on the profitability of SMEs in South East Nigeria.

## **II. LITERATURE REVIEW**

### **Social Media Usage**

In order to grow and sustain small businesses, entrepreneurs have adopted social media as a strategy for customer attraction and retention. The digital world has brought business practitioner including customers into one circumference thereby forming a community of interest amongst them. In the light of the above, entrepreneurs have embraced social media platforms for the promotion of their business. Social media is defined as content administered through social interactions (Nory, Richard & Ebru, 2015). Kaplan & Haenlein (2010) opine that social media is a group of internet related applications that supports the ideology and foundations of Web 2.0 and that encourage the creation as well as the exchange of ideas. Social media was also perceived as practices, activities and behaviour of individuals that are connected online for the purpose of sharing information, ideas, opinions and knowledge that support their ideology (Safko & Brake, 2009). Other scholars viewed social media as the medium of sharing information, experiences and views through online websites (Weinberg & Pehlivan, 2011). Al Bakri (2017) who investigated the impact of social media adoption on competitive advantage amongst SMEs found that social media improves product and services including customer service as well as relationships with customers. Abdulmuhsen (2018) examined the effect of social media on SMEs in Kuwait and found that social media platforms such as YouTube, Instagram, Snapchat and Twitter are effective for public relation.

### **Instagram and growth of small and medium enterprises**

Instagram is a powerful social medial platform that small businesses deploy to grow their businesses across the globe. It is owned by Facebook and has over 1 billion active users around the world (Kuligowski, 2020). The platform has wide visibility of audience thereby connecting multicultural entities that share common principles. In terms of business growth, many entrepreneurs post their products or services with the intention of attracting new customers as well as retaining older ones (Holton, 2019). One of the reasons why entrepreneurs make use of Instagram is that it has large followers that are mostly young people who are digitally compliant with e-commerce (Bose, 2018). Posting of company products and services means that more people would place order through electronic payments platforms such as Paypal to mention but a few (Kuligowski, 2020).

In another perspective, friends who are not willing to make purchases of a particular product also referred their friends, family members or colleagues to such products (Geyser, 2021). Small and medium enterprises now prefer an environment that is free from government interference and of such universe could be Instagram. Small businesses employ Instagram to enhance brand awareness quite apart from brand presence (Bose, 2018). Another usefulness of Instagram to small enterprise growth is that distance barrier is not a factor in reaching prospective customers irrespective of their locations. To make purchases on Instagram, customers use shop tabs which is

located on home dock. Instagram offers shoppable posts that gives small and medium enterprise owners to add tags to their products with the aid of hyperlinks that automatically take clients to the website of the company where other variety of products can be viewed.

In addition, hashtags on Instagram promote the visibility of small and medium enterprises thereby instilling confidence to the customers (Kuligowski, 2020). It has been revealed that Instagram promote business sustainability through the acquisition of customers from different parts of the world (Amos, 2019). Video strips on Instagram, assist entrepreneurs to showcase their services which in turn, increases sales of goods and profitability (Holton, 2019). Instagram has helped small businesses to grow into multinational conglomerates as a result of its flexibility. Thus, content sharing on Instagram attracts large number of followers who in one way or the other recommend products or services to their immediate friends.

### **WhatsApp and Revenue of Small and Medium Enterprises**

WhatsApp is social media platform that brings people together in one room. It has more than 1.2 billion users across the world thereby making it the most visible social media network (Guta, 2020). Small and medium enterprises are beneficiary of WhatsApp especially when it comes to end-to-end posting of products and services to group members. Prospective customers nowadays prefers company that can reach them in their homes and this is what WhatsApp has accomplished (Boitnott, 2021). Research has shown that small business growth in the era of digital revolution is made possible by WhatsApp. This is the reason Bhat (2021) added that accessibility to company's product is no longer an issue due to the support of social media platforms such as WhatsApp. In furtherance, Shetty (2020) asserted that the flexibility of WhatsApp in terms of video, voice and photo sharing has helped small and medium enterprises to grow their customer base and increase their profit margin.

Desk (2021) opine that small and medium enterprises attract more customers when they make use of WhatsApp as a medium for advertising their goods and services. Shilling (2021) emphasis that small businesses have shifted to WhatsApp as a window where they display their goods for people to view and place orders. Shetty (2020) opined that the reason small businesses prefer making use of WhatsApp as a medium of instant communication between intending customers or clients is that group members tend to trust their colleagues that made the post or content that has to do with services or products.

### **Facebook and profitability of Small and Medium Enterprises**

Since the emergence of Facebook, business practitioners and managers have adopted it for the promotion of their businesses. One other reasons why business owners hooked their businesses on Facebook is that, it has large audience totaling about 2.7 billion active users (Freedom, 2021). Facebook business page has increased the visibility of small and medium enterprises in the world. Facebook business page is unique and friendly to use for small business because most persons that are active users can view products or services shared on public space. Thus, small businesses are making good profit through Facebook. In Nigeria Facebook currently has over 22 million active users (Adepetun, 2018). A research carried out in Nigeria by Morning Consult Brand Intelligence revealed that small and medium enterprises in Nigeria benefit from placing adverts for Facebook users to view. Prospective customers in Nigeria nowadays prefer making purchases via Facebook because they perceived it to be very reliable compared to other social media platform (Osugwu, 2017). It has been shown that in order to reach many customers, small businesses in Nigeria use the Facebook (Adepetun, 2018)

### **Small and Medium Enterprises**

Small and medium enterprises remain a major revenue contributor to Nigeria's economic growth (Opafunso & Adepoju, 2014; Rajesh, Suresh & Deshmukh, 2008). Apart from Nigeria, they account for 60-70% of world employment opportunities on annual basis (OECD, 2015). Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) (2013) defined Small Enterprises as those enterprises whose total assets (excluding land and building) are above Five Million Naira but not exceeding Fifty Million Naira with a total workforce of above ten, but not exceeding forty-nine employees while Medium Enterprises are those enterprises with total assets excluding land and building) are above Fifty Million Naira, but not exceeding Five Hundred Million Naira with a total workforce of between 50 and 199 employees. SMEs have contributed immensely to the economic and social development of developing countries. World Bank (2013) asserts that small ventures contribute to the creation of employment which reduces regional disparities between urban and rural areas. Small and medium enterprise have positively added to growth of manufacturing, services and agricultural sectors, as well as information and communication technology services in terms of output, value addition, employment and export of produced goods (Omar, Arokiasamy & Ismail, 2009).

On another hand, CBN (2003) contended that small businesses contributed positively to employment creation as one of the sectors that provide industrial employment in Nigeria. Hassan, Maina & Mahammad, (2016) views SMEs as an engine of growth that contributes enormously to nation's Gross Domestic Product (GDP) employment generation, industrial output, poverty alleviation, export promotion and self-independence. Schlogl

(2004) and; Omar, Arokiasamy & Ismail (2009) opines that small and medium enterprises dominates the world economies when it comes to employment and number of organisations, yet their full potential remains remarkably untapped. Ngui (2014) stressed that there are approximately twenty three million SMEs in the US that absorbs more than fifty percent (50 %) of the private workforce, and generate more than half of the nation's gross domestic product (GDP).

In countries like India, Indonesia and Mali for instance, SMEs have been recognized to constitute more than 95% of manufacturing sector and have become a very strong engine for development in terms of provision of employment, industrial output and export promotion. Small firms utilizes local raw materials that do not require high level technology to process, and this provides an effective means of mitigating rural to urban migration and resource utilization (Ibrahim & Mohd, 2015). Government receives revenues from the activities of SMEs through different types of taxes and they also serve as means for mobilization and utilization of domestic savings which reduce cost of production, and increases efficiency of the sector (Ibrahim & Mohd, 2015).

The general notion is that small businesses are seen as accelerating the achievement of broad socio economic goals, including poverty reduction, employment generation, wealth creation, among others. Oduntan (2014) opine that SMEs have provided platforms for training indigenous entrepreneurs that drives the wealth creation process at all levels and it also play a vital role in reducing poverty and inequality among citizenry because it engages both skilled and unskilled workforce thereby creating a means of livelihood for those working. Oduntan (2014) went further to add that the brain behind every successful small and medium scale enterprise is entrepreneurship. Small businesses are growth supporting sectors that improve the living standards of the citizenry, add substantial income capital formation and they are responsible for driving the innovation and competition in developed and developing economies. Government on their worn has embarked on several initiatives to promote the growth and development of small businesses.

### **Roles of Small and Medium Enterprises in Economic Development**

The role of SMEs in developing countries including Nigeria has been established. Oduntan (2014) highlighted seven contributions of small and medium enterprises to Nigeria's economic development as follows:

**Capacity Building:** SMEs provide a platform for training indigenous entrepreneurs that drives the wealth creation process at all levels. Small businesses are nursery of entrepreneurship where aspiring individual create, innovate and start new firms that will employ people that are ready to work. Thus, SMEs empower nee entrepreneur that have passion for businesses through capacity building.

**Job Creation:** SMEs have the capacity of creating employment since their mode of operations is more labour intensive. Labour intensive implies that their activities are much higher than that of large enterprises which already have structures. It has been shown that more jobs per unit of investment capital and per unit energy consumed are generated globally by SMEs than big businesses (Gbam, 2017; Ilegbinosa & Jumbo, 2015). Small businesses have therefore assisted in solving the problem of unemployment in many nations.

**Economic Growth:** In similar vein, SMEs by its nature promotes production of goods right from the source of raw materials for the finished points. That is why in most countries small businesses are located everywhere. Unlike large scale enterprise that ate located in the cities, small enterprises can be situated in the locality where farmers bring their produced directly to them.

**Industrial Dispersal:** SMEs can easily be situated in rural areas because they can survive anywhere which makes them all people friendly. Through the establishment of small firms, people that are employed in such enterprise make decision to stay on that locality. Some even went further to bring their spouses or friends to assist in rendering services to the customers.

**Backward and Forward Linkages:** Most small enterprises output serves as semi processed goods for large scale organisations. By this, they create mutual industrial bridges between local producers of raw materials and large industrial attentions.

**Technological/Industrial Development:** SMEs have short term lifespan and high potentials for quick return on investment. They also provide promising choice for countries that desire fast option for industrial advancement. This is usually made possible in most satiations as a result of technology employed.

**Technological Acquisition:** Small enterprises provide more opportunities for developing local skills and technology transfer through adaptation. For instance, the made in Aba goods nomenclature is has been adopted by Nigeria to promote its technological acquisition and incubation that provides value to locally made goods as against the imported ones.

**Alleviating poverty:** SMEs play a great role alleviating poverty and inequality among the citizenry. Small firms also engage both skilled and unskilled labor force thereby creating more means of livelihood for the society.

In view of the above, Ossai (2017) also highlights the following prospects of small and medium enterprises to national development.

**Employment Generation:** SMEs provides employment opportunities for individuals that are ready and willing to work. In most advanced countries, SMEs serve as the channels through which exchange of goods and services are made. For instance, in Japan, small enterprises absorb about 74% of their workforce. In Korea and Taiwan, SMEs employs about 82% of its labour force; while in the United State of America, SMEs account for 87% percent of the countries workforce.

**Wealth creation:** SMEs create wealth for countries where they are domiciled. SMEs empower individuals by means of creating wealth for them through employment. Individuals that gained employment in SMEs get paid for the services rendered to clients, customers and hence they become reliant by pursuing other necessities that will enhance the standard of their living.

**Promotion of local entrepreneurship and indigenous technology advancement:** The promotion of rural industries is one of the major contributions of small and medium organizations to economic development. SMEs are the foundation of any growing economy because their presence in rural areas supports the social and economic transformation of such communities. Today, most giant conglomerates began as small industries, for example, Philips international of Netherlands, Guinness of Dublin, Sonny electronics and Honda automotive of Japan.

**Reduction of Rural-Urban Migration:** SMEs are the weapons that successive government uses to reducing rural urban migration. This is because; the rural populace gain useful employment due the activities of small business which consequently reduced rural urban migration.

**Income distribution:** SMEs generate income for both the citizens and the nation in general through their various economic benefits. This is done by means of individual securing paid employment that will bring revenue to government. Small ventures contribute not just revenue for the government, but also make gains in income distribution which improved the living standards of everyone working.

**Export Promotion:** The promotion of large enterprises encourages export promotion. Thus, modern SMEs are interdependent on one another for survival. They supply needed raw materials to large enterprises who export them to other organizations. However, an increase for the demand of raw material makes it possible for large enterprise production which later results in lowering of prices to enable consumers make purchases.

### **Problems of Small and Medium Enterprises in Nigeria**

Baadom (2004) in Safiriyu & Njogo (2012) highlighted the following problems hindering small and medium enterprises in Nigeria;

**Inadequate infrastructure:** Most SMEs suffer setbacks as a result of inadequate infrastructure such as good road network for transportation of raw materials to where they are needed for processing (Tahir, Ibrahim & Babawulle, 2021). Another infrastructure that affects the development and sustainability of SMEs is insufficient telecommunication network especially at the rural areas where raw materials are produced before moving them to urban areas. One other infrastructural facility that hinder the growth of SMEs especially in Nigeria power supply (Adeosun & Shittu, 2021). Most SMEs depend solely on generating sets for powering their offices and other machines that are used for production.

**Corruption:** Corruption has hindered SMEs development and survival in Nigeria. Lack of sincerity and transparency in the areas of accessing loans from either Central bank or deposit money banks as well as the capacity to pay back has engendered mistrusts amongst lenders.

**Poor policy implementation:** Policies that would have promoted more small and medium enterprises are not usually followed for full implementation. Hence, even if such policies are very good they may not yield any positive result because of poor implementation. Ineffective implementation of such policies are usually noticed where family members are in charge of the management of the SMEs.

**Lack of continuity:** Most small firms establishments are sole proprietorship and such enterprises often cease to exist as soon as the founder passes away. Some small businesses owners do not have what it takes to plan for their successors because they believe they can do it by themselves and at the end of the day the businesses will fail.

**Inadequate capital:** Inadequate capital spending has often affected small business negatively. Venture capitalist often regards small businesses as high risk and thus feels skeptical about putting their money into it. It has been revealed that most SMEs are funded by the entrepreneurs that created them hence, they lack huge capital to acquire sophisticated tools needed to expand it. This explains the reasons why SMEs in Nigeria fails to hire qualified personnel that will turn the business into large companies as it is with the case of western countries where funding of small businesses are usually carried out by their government.

**Lack of management skills:** Human resource has always been a problem for SMEs as most of them do not have the required management skills to effectively handle the business from start to finish. Most SMEs are manned by either family members who knew nothing managers' skills such as human skills, conceptual skills, or technical skills (Tahir, Ibrahim & Babawulle, 2021). And this is the major reasons why most of them fail to survive when they come in contact with competitors.

**Inadequate information base:** SMEs are usually known with poorly keeping of financial records which usually hinder information that is required for planning and operation purposes. This usually affects the achievement of the objectives of the firm.

**Inadequate raw materials:** Small and medium enterprise find it difficult to source for raw materials externally because of the huge capital involved. Fluctuation of foreign currency may also make it difficult to plan for importation of such materials (Adegboyega, Godwin & Clement, 2020).

**Poor Accounting System:** Small enterprises lack effective and efficient accounting standard which also affect their performances. This gives room opportunity for mismanagement of funds which may lead to failure of the enterprise (Ilegbinosa & Jumbo, 2015).

**High Taxation:** Instead of reducing taxes for small and medium enterprises, both states and federal government collect huge taxes from them (Adeosun & Shittu, 2021). When the owners of these small businesses compare the income with their expenditure which include rent, cost of running generating set as well as monthly salary payment they make drastic decision to close up the business.

**Unstable Policy Environment:** Instability of government policy has also affected small firms from developing. Nonetheless, small and medium enterprises in Nigeria are regulated by Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) which was established under Act No.16 in 2003 to facilitate the promotion and development of the Small and Medium Enterprises (SMEs) sector in an efficient and sustainable manner.

### **Empirical Review**

Prior studies that examined the use of social media for the growth of small and medium enterprises were explored. Tumsifu, Jani & Gekombe (2020) investigated how social identity, perceived ease of use and perceived usefulness of social media influences the use of social media for the growth of small and medium enterprises in Kenyan fashion industry. They discovered that most females use Facebook to patronize the fashion industry compared to other platforms. Ladokun (2019) explored the role of social media strategy in the performance of SMEs in Oyo state, Nigeria. His result revealed that Facebook, Twitter and LinkedIn are the major social media instruments employed by the SMEs to exploit competitive advantage. Solo-Anaeto, Ojunta & Lakanu (2017) evaluated social media as promotional tools for small and medium enterprises (SMEs) in Yaba, Lagos State, Nigeria. Findings from their study showed that Instagram is the most widely used social media platform for promotion. In addition, they also found that social media meet the promotional needs of SMEs and they are effective as promotional tools as they contribute to increase in customers. Lakshmi, Afraa & Ankita (2017) conducted a study on impact of social media on small and medium enterprises and discovered that social media has significant relationship with SMEs growth in Arabian market. They went further to conclude that social media has increased marketing platform, increased sales, increased profitability, reduced business costs, and enhance innovation of SMEs.

Srinivasan, Bajaj & Bhanot (2016) examined the impact of social media marketing strategies used by micro small and medium enterprises on customer acquisition and retention. Their result showed that social media participation has a strong influence on brand awareness and brand trust, which in turn, have a strong influence on customer acquisition and customer retention. They also found that social media marketing strategies have a positive effect on customer acquisition and retention which increases the market share. Gekombe, Tumsifu & Jani (2019) examined social media use among small and medium enterprises in Kenya. Result of their study revealed that the use of social media had a significant influence on the growth of small and medium enterprises. Al Bakri (2017) examined the impact of social media adoption on competitive advantage in the small and medium enterprises. Results from their study revealed that social media use has significant relationship with competitive advantage. Other findings from their study revealed that 10% SMEs are using social media platforms while 72% used Facebook, 27% Twitter and 1% use YouTube.

### **III. RESEARCH METHODOLOGY**

Research design adopted in this study is cross-sectional survey. Cross-sectional survey support the use of questionnaire to collect data from respondents within a short period of time (Sekaran & Bougie, 2016). The target population of the study comprises of small and medium enterprises operating within South East Nigeria. South East Nigeria comprise five States of Abia, Anambra, Ebonyi, Enugu and Imo. However, the accessible population is made up of two hundred and twenty (220) entrepreneurs that own small and medium enterprises and utilize social media as a tool of operation in South East Nigeria. Purposive sampling was used to select the owners of SMEs in the region. Sample size of one hundred and forty (140) was determined using Krejcie & Morgan (1970) which served as the number of questionnaire the researcher administered but only one hundred and thirty two (132) copies were retrieved and found useful for analysis.

The researcher employed face validity to confirm the validity of the instrument while cronbach  $\alpha$  coefficient was used to determine the reliability of instrument and the results revealed that independent variables

has 0.84 $\alpha$ ; 0.74 $\alpha$  and 0.82  $\alpha$  while dependent has 0.82; 0.78; 0.83. Variables were measured with 12-items on five point Likert scale ranging from 5=strongly agree to 1=neither agree nor disagree. Multiple linear regression was used to analyze the hypotheses while frequency distribution was used to analyze the profiles of the respondents.

#### IV. ANALYSIS AND RESULTS

**Table 1:** Hypothesis one result

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	T-statistic	Beta ( $\beta$ )	Df	N	F statistic	Std. error	Sig.
0.847 <sup>a</sup>	0.717	0.715	18.135	0.847*	3.91	132	328.871	0.051	0.000

Predictor variable: Instagram  
 Criterion variable: Customer base

Result on table 1 above revealed that Instagram has significant effects on customer base with high correlation ( $p < 0.05$ ;  $\beta = 0.847^*$ ). R<sup>2</sup> of the model shows that 72% of the total variation in Instagram can be explained by customer base. The difference between R<sup>2</sup> and adjusted R<sup>2</sup> are less than 5% which indicates no sample error. F-statistics (328.871\*\*) calculated is greater than tabulated (1, 130 = 3.91), thus null hypothesis is hereby rejected and alternate hypothesis accepted. This implies that Instagram increases the customer base of small and medium enterprises.

**Table 2:** Hypothesis two result

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	T-statistic	Beta ( $\beta$ )	Df	N	F statistic	Std. error	Sig.
0.867 <sup>a</sup>	0.751	0.749	19.801	0.867*	3.91	132	392.078	0.048	0.000

Predictor variable: WhatsApp  
 Criterion variable: Revenue

The result above revealed that WhatsApp has significant effects on revenue of small and medium enterprises with high correlation ( $p < 0.05$ ;  $\beta = 0.867^*$ ). R<sup>2</sup> of the model shows that 75% of the total variation in WhatsApp can be explained by revenue of small and medium enterprises. Secondly, the difference between R<sup>2</sup> and adjusted R<sup>2</sup> are less than 5% which shows there is no sample error. F-statistics (392.078\*\*) calculated is greater than tabulated (1, 130 = 3.91), thus null hypothesis is hereby rejected and alternate hypothesis accepted. This revealed that the use of WhatsApp by small and medium enterprises practitioners increases their revenue.

**Table 3:** Hypothesis three result

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	T-statistic	Beta ( $\beta$ )	Df	N	F statistic	Std. error	Sig.
0.894 <sup>a</sup>	0.799	0.797	22.707	0.894*	3.91	132	515.616	0.038	0.000

Predictor variable: Facebook  
 Criterion variable: Profitability

Table 3 above shows that Facebook has significant effects on the profitability of small and medium enterprises with high correlation ( $p < 0.05$ ;  $\beta = 0.894^*$ ). R<sup>2</sup> of the model shows that 80% of the total variation in Facebook can be explained by profitability of small and medium enterprises. In addition, the difference between R<sup>2</sup> and adjusted R<sup>2</sup> are less than 5% which shows there is no sample error. F-statistics (515.616\*\*) calculated is greater than tabulated (1, 130 = 3.91), thus null hypothesis is hereby rejected and alternate hypothesis accepted. This implies that the utilization of Facebook by small and medium enterprises, enhances their profitability.

#### V. DISCUSSION OF FINDING

In line with the results above, this research found that social media usage has significant positive effect on the growth of small and medium enterprises in South East Nigeria. This correspond with prior studies such as Ladokun (2019) who examined the application of social media on the performance of SMEs in Oyo state and found that Facebook, Twitter and LinkedIn enhances the performance of SMEs. Again, Solo-Anaeto, Ojunta & Lakanu (2017) investigated social media as a tool for small and medium enterprises in Nigeria found that the use of Instagram boost the revenue base of SMEs.

#### VI. CONCLUSION AND IMPLICATIONS

This study concludes that social media usage measured by Facebook, Instagram, and WhatsApp applications promote the growth of small and medium enterprises in South East Nigeria. The deployment of social media for promotion and sales of products can enhance the profitability and revenue base of small and medium

enterprises in South East Nigeria. WhatsApp application assist small business owners to sell their products via end to end modes without spending much money. Owners of small business does not need to know every individual that are in WhatsApp group but if one person can be known, every other person would be connected.

The study has shown that Instagram predicted the growth of small and medium enterprises through its utilization by the respondents. On the one hand, Facebook was found to enhance the performance of small and medium enterprises. Thus, small businesses can benefit immensely from the deployment of Facebook to grow their financial base and customer attraction. The implications of this finding is that managers of small and medium enterprises should deploy more resources to social media platforms so as to boost their customer base, increase their profitability as well as revenue base.

## REFERENCES

- [1]. Abdulmuhsen, A. (2018). The Effect Of Social Media On The Kuwaiti Smes 2017. *Revista Internacional De Relaciones Públicas*, 16(VIII), 67-84.
- [2]. Acho, Y., & Abula, A.P. (2018). Assessment Of The Contribution Of Small Scale Enterprises To The Development Of The Nigerian Economy. *Journal Of Good Governance And Sustainable Development In African*, 4(1), 37-47.
- [3]. Adegbuyi, O.A., Akinyele, F.A., & Akinyele, S.T. (2015). Effect Of Social Media Marketing On Small Scale Business Performance In Ota Metropolis, Nigeria. *Int. J. Soc. Sci. Manage.* 2(3), 275-283.
- [4]. Adegboyega, A., Godwin, C., & Clement, C.J. (2020). Impact Of Small And Medium Scale Enterprises On Economic Growth In Nigeria. *Sapientia Foundation Journal Of Education, Sciences And Gender Studies*, 2(3), 97 – 108.
- [5]. Adeosun, O.T., & Shittu, A.I. (2021). Small–Medium Enterprise Formation And Nigerian Economic Growth. *Review Of Economics And Political Science*. <https://doi.org/10.1108/REPS-07-2020-0089>.
- [6]. Adepetun, A. (2018, February 1). Facebook Reports Revenue Growth For Nigerian Smes On Platform. <https://guardian.ng/business-services/facebook-reports-revenue-growth-for-nigerian-smes-on-platform/>
- [7]. Al Bakri, A.A. (2017). The Impact Of Social Media Adoption On Competitive Advantage In The Small And Medium Enterprises. *Int. J. Business Innovation And Research*, 13(2), 255–269.
- [8]. Amos, D. (2019, April 29). How Small Business Owners Can Take Advantage Of Instagram. <https://www.score.org/blog/how-small-business-owners-can-take-advantage-instagram>
- [9]. Barker, S. (N.D.). 8 Ways To Use Social Media To Grow Your Small Business. <https://www.postplanner.com/blog/ways-to-use-social-media-to-grow-your-small-business>
- [10]. Bello, A., Jibir, A. & Ahmed, I. (2018). Impact Of Small And Medium Scale Enterprises On Economic Growth: Evidence From Nigeria. *Global Journal Of Economics And Business*, 4(2), 236-244.
- [11]. Bhat, R. (2021, April 14). Whatsapp Business For Small Businesses. <https://verloop.io/blog/whatsapp-for-small-business/>
- [12]. Boitnott, J. (2021, April 6). Why You Should Use Whatsapp Business In 2021. <https://www.entrepreneur.com/article/368105>