

DIGITAL MARKETING: A TOOL FOR BUSINESS EXPANSION (A CASE STUDY OF SMEs IN ABEOKUTA METROPOLIS)

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Abstract

This research examined digital marketing as a tool for achieving SME business expansion in Abeokuta Metropolis. The study adopted analytical data of frequency of counts converted to percentages to analyze 100 random sampled respondents' demographic information while chi-square method at 0.05 significant levels was used to analyze the research hypothesis. The study revealed a significant relationship between the digital marketing channel adoption and SME business expansion, between digital marketing, SME business expansion and satisfying their customers' needs and there are significant barriers or strategies for SME to use digital marketing in achieving business expansion. The study recommended among others that SME body should organize regular training on digital media knowledge and awareness of digital marketing techniques, government should aid the SMEs in adequate capital for digital expenses.

Keywords: Digital, Marketing tool, Business expansion, Effective tool and Business owners

Introduction

Digital marketing is a form of marketing that connects consumers with sellers electronically using interactive technologies such as email, websites, online forums, newsgroups, interactive television, and cellular communications. The Digital Marketing Institute (DMI) refers to it as "The use of digital technology to create integrated, targeted and measurable communications that help to obtain and retain customers while building deeper relationships with customers" (Royle & Laing, 2014).

The advancement of technology offers small business leaders an opportunity to evaluate data and use the information to improve their productivity (Keegan & Rowley, 2017). Dolan, Conduit, Fahy, and Goodman (2017), online marketing increased in content and changed the way individuals and organizations interact. To realize and understand the eminent benefits of online marketing, small retail business leaders need to ensure their processes align with technological advancements. Failing to recognize potential benefits of online marketing might cause loss of productivity, revenue as well as communication (Cheng & Liu, 2017).

Donthu & Gustafsson, (2020) emphasized that embracing digital is one of the efficient ways of managing pandemic. Nestle industry experienced steady increased through digital marketing communications has steadily in also since the last decade (Pandey, Nayal & Rathore, 2020). Companies, therefore, require smart and sustainable digital marketing strategies and models to guide them to ensure proper execution of such innovative and sustainable digital marketing techniques (Dolan et al, 2017).

"if an organization can't be found in Google, it doesn't exist," exemplify shopper conduct today. As digital marketing improve during the 2000s, LinkedIn, Facebook, YouTube, and Twitter, customers become exceptionally reliant on web-based networking media in their day-by-day

lives (Pandey et al, 2020). The digital marketing enabled customers to survey, select, and purchase products and services around the world. Peer communication becomes a new form of consumer socialization which have a profound influence on consumer decision making and, thus, marketing strategies. The internet, therefore, might be considered as an important agent of socialization among customers. In Nigeria, both large and small business owners have also joined millions of internet users, to reach out to customers and new shoppers by promoting and offering their products and services to them, Rahamon and Ma'ruf-Sogeyinbo (2021). Rangaswami & Gupta, (2000) commented, "Marketing digitalization is a phase of change in the history of communication". Changes in technology and consumer behaviour have always been the main drivers of change in marketing strategies, Jung (2009)

Digital marketing businesses gain economic value through collaboration with stakeholders, customers and employees (Purkayastha & Sharma, 2016). Business leaders must incorporate digital marketing strategies into their business plans to reduce the likelihood of failure, grow their business, and be more profitable.

Bolat, Kooli, & Wright, (2016), consumers use internet technology to increase numbers, which presents opportunities for businesses to reach out and connect with more people through websites and social media sites. (Smith, Smith, & Shaw, 2017) state that 69% of consumers use social media to share information about products and services. However, succeeding with online marketing requires resources to create content and build quality followers. Technology changes many aspects of business and market activities; technological advances have given birth to a method of transaction known as e-commerce (electronic commerce).

According Dolan et al, (2017), online marketing (online marketing) is increasing content and changing the way individuals and organizations interact. Digital marketing can provide benefits such as growth in potential, reduce expenses, provide elegant communication, better control, improve customer service and provide competitive advantages. Businesses need to ensure their processes are aligned with technological advancements. If it fails to recognize the potential benefits of online marketing, it can cause a loss of productivity, income, and communication (Cheng & Liu, 2017).

However, online marketing has several disadvantages including vulnerable to fraudulent activities (cybercrime), technical errors vulnerable, networks dependency or IT and Culture where there are still customers who prefer an offline store.

Statement of the Problem

Business leaders focused on implementing social media marketing strategies on advertisement, employee recruitment, and communication for increased revenue (Schaupp & Belanger, 2014). Peer communication through social media has become a new form of consumer socialization which is having a profound influence on consumer decision making and, thus, marketing strategies for business owners.

In Nigeria, both large and small business owners have also joined millions of internet users, to reach out to their customers offering their products and services to them. The specific SME business problem was that some business organizers lack strategies to implement digital marketing to achieve business expansion. In 2015, 31.8% of businesses had websites to leverage digital marketing, yet 67.4% could not grasp opportunities offered by digital marketing, which lead to opportunities loss in online markets (Cesaroni & Consoli, 2015).

The research seeks online marketing as a correlate tool in achieving business expansion as against promoting and offering their products and services. Thus, seeks to investigate factors limiting SME using digital marketing to achieve business expansion

Research Questions

This study attempts to answer the following research questions.

1. What are digital marketing channel adopted by SME in Abeokuta Metropolis?
2. What digital marketing strategies have been effective for your company to achieve business expansion?
3. What are the extents to which the business owners are able to meet customer needs using digital marketing approach?
4. What are key challenges to successful implementation of digital marketing for SME to achieve business expansion?

Research Hypotheses

The following research hypotheses were formulated:

H₀: There is no significant relationship between the digital marketing channel adoption and SME business expansion.

H₀: There is no significant relationship between the digital marketing, SME business expansion and satisfying their customers' needs.

H₀: There are no significant barriers or strategies for SME to using digital marketing in achieving business expansion.

Methodology

This research study made use of descriptive survey research design. The population consisted of SME business organizations in Abeokuta metropolitan, Ogun State, Nigeria. A stratified random sampling technique was used to select subjects for this study. A total number of ten (10) business organizations were used, this comprised of 2 Medium/Small enterprise organizations from five different business hubs and a total of 100 workers respondents involved in the data/research information gathering for the study.

The research instrument for this study was a self-structured questionnaire. The questionnaire consisted of sections A and B. Section A was designed to seek information about respondents' personal data while section B consisted of items designed to seek for the responses on issues in digital marketing as a tool for business expansion. The items on the questionnaire investigated negative and positive responses based on the subject matter. The questionnaires were personally distributed to the various respondents by the researcher.

Permission was sought from the organization management and this afforded the opportunity of establishing a relationship with the respondents, particularly in responding to some questions.

Validity and Reliability of the Research Instrument

The questionnaire constructed was tested during the pilot survey conducted with the target population but from organizations not part of the drawn sample. Possible problems that were likely to be encountered during the research were noted and rectified. Reliability is regarded as the extent to which a measurement is free from random error. The reliability coefficient of the instrument was found to be 0.67, which can be said to be reliable.

Data Analysis

Simple percentage was used for respondents' biodata and chi-square method used to measure the relationship between the independent and dependent variables of hypotheses 1 to 3. Proper analysis and interpretation were done on the hypotheses tested and results obtained.

Results

Demographic Data of the Respondents

Table 1: Respondents Age

AGE RANGE		FREQUENCY	PERCENTAGE%
	Below 25 years	15	15%
	26 – 30 years	35	35%
	31 – 35 years	30	30%
	36 years and above	20	20%
TOTAL		100	100%

In table 1, it was observed that 15% of the respondents are below 25 years of age, 35% falls in the age bracket of 26 – 30 years, 30% of the age bracket of 31 – 35 years while 20% respondents are age of 36 years and above.

Table 2: Respondents Sex

SEX		FREQUENCY	PERCENTAGE%
	Male	35	35%
	Female	65	65%
TOTAL		100	100%

In table 2, the result revealed that 35 respondents which represent 35% were male while 65 respondents representing 65% were female. Therefore, it was observed that female respondents carry the highest percentage and has majority.

Table 3: Respondents Marital Status

MARITAL STATUS		FREQUENCY	PERCENTAGE%
	Single	35	35%
	Married	60	60%
	Divorced	5	5%
TOTAL		100	100%

The result of findings in table 3 revealed that 35 respondents representing 35% of the respondents are single, 60 respondents representing 60% are married while 5 representing 5% are divorced.

Table 4: Respondents Educational Background

Educational Background		FREQUENCY	PERCENTAGE%
	SSCE	17	17%
	NCE/HND	25	25%
	B.Sc/B.Ed	23	23%
	M.Sc/M.Ed	20	20%
TOTAL		100	100%

Table 4 revealed that 17 respondents representing 17% are SSCE holders, 25 respondents representing 25% are NCE/HND holders, 23 of the respondents representing 23% are B.Sc/B.Ed holders while the remaining 20 representing 20% are M.Sc/M.Ed holders.

Hypothesis One

H0.: There is no significant relationship between the digital marketing channel adoption and SME business expansion.

Table5: Relationship between the digital marketing channel adoption and SME business expansion.

N	Cal. Value	D. F	Table value	Level of Sig.	Decision
100	37.000	10	18.307	0.05	Reject

Table 5 inferred the relationship between the digital marketing channel adoption and SME business expansion. This was observed when the calculated value of 37.000 at a degree freedom of 10 is greater than the table value of 18.307 at 0.05 level of significant. Based on the above table, the H₀ is rejected; this implies that, there is significant relationship between the digital marketing channel adoption and SME business expansion.

H₀: There is no significant relationship between the digital marketing, SME business expansion and satisfying their customers’ needs.

Table6: Relationship between the digital marketing, SME business expansion and satisfying their customers’ needs.

N	Cal. Value	D. F	Table value	Level of Sig.	Decision
100	22.000	11	19.675	0.05	Reject

In table 6 above, it was observed that the calculated value of 22.000 at a degree of freedom of 11 is greater than table value of 19.675 at 0.05 level of significant. Also, the null hypothesis is rejected; this implies that, there is significant relationship between the digital marketing, SME business expansion and satisfying their customers’ needs.

H₀: There are no significant barriers or strategies for SME to use digital marketing in achieving business expansion.

Table7: There are no significant barriers or strategies for SME to use digital marketing in achieving business expansion.

N	Cal. Value	D. F	Table value	Level of Sig.	Decision
100	75.396	8	15.507	0.05	Reject

Table 8 shows that, calculated value of 75.396 at a degree of freedom of 8 is greater than table value of 15.507 at 0.05 level of significant. Also, the null hypothesis is rejected; therefore, result supported that there are significant barriers or strategies for SME digital marketing in achieving business expansion.

Summary of Findings on the research questions and the hypotheses

Most of the SME organizations made use of Social network marketing, Email messaging and few ones use online advertising but first hypothesis revealed that all believe that there is significant relationship between the digital marketing channel adoption and SME business

expansion. The digital marketing and the use of employing the proper digital marketing strategies had a positive impact on the increase of sales in some businesses. Digital marketing aids business leaders with a chance to connect and communicate with the public.

There is significant relationship between the digital marketing, SME business expansion and satisfying their customers' needs. Popa (2015) indicated the social media engagement is the newest, most efficient, and eminent means of conducting business and has gained popularity over time and that social media is indispensable for companies and individuals and that marketing using social media by organizations to obtain additional consumers and to increase brand awareness. Social media marketing strategies include learning how to access new markets, how to access various demographics, and how to use virtual storefronts, Ceric, D'Alessandro, Soutar, and Johnson (2016).

There are significant barriers or strategies for SME to use digital marketing in achieving business expansion. Talafuse (2015), the technology increased communication with customers while offering products and services yet marketing through social media is a challenging platform.

Rahamon and Ojo (2018) postulated minimal marketing techniques center on technology barriers, action research, financial limitations, and lack of experience.

Conclusion

From the hypothesis tested, the result of hypothesis one evidenced the significant relationship between the digital marketing channel adoption and SME business expansion. The digital marketing and the use of employing the proper digital marketing strategies had a positive impact on the increase of sales in some businesses. Digital marketing aids business leaders with a chance to connect and communicate with the public.

There is significant relationship between the digital marketing, SME business expansion and satisfying their customers' needs. Business owner are accessible to customers as location of the business enterprise affects performance and distribution of the product, therefore business owners have a reliable channel of distribution for their products.

There are significant barriers or strategies for SMEs to use digital marketing in achieving business expansion. Lack of digital media knowledge, adequate capital for digital expenses needed for adoption for business, and laws and policies regarding digital marketing form major barriers for SMEs.

Recommendations

SME organizations should implore appropriate digital marketing platforms to communicate, attract, and retain end users. In this study, participants and other researchers suggest strategies to reach the end users such as the application of Facebook, Instagram, Twitter, Google Alerts, and other tools. SME organizations body should organize regular training on digital media knowledge and awareness of relevant digital marketing techniques for business and adoption.

The government should aid the SME in getting adequate capital for digital expenses needed for adoption for business and implementation

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