UTILIZATION OF SOCIAL MEDIA AS AN E-MARKETING TECHNOLOGY BY SMALL AND MEDIUM SCALE BUSINESS OPERATORS IN ONDO AND EKITI STATES, NIGERIA

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Abstract
The study aimed at finding out the extent of utilization of social media as an e-marketing technology by small and medium scale business operators in Ondo and Ekiti States. One research question guided the study while two null hypotheses were tested at 0.05 level of significance. Descriptive survey research design was adopted for the study and a population of 500 and 300 registered businesses from Ondo and Ekiti States respectively were used for the study. The sample used for the study was two hundred and forty (240) small and medium scale business operators which represented 30% of the total number of registered businesses in Ondo and Ekiti States from 2013 - 2015. Ondo State had 150 of the sample while Ekiti State had 90. The sample was derived using proportionate stratified random sampling. Instrument used for data collection was a 10-item validated questionnaire. The questionnaire was structured on a five-point rating scale. Pearson Product Moment Correlation Coefficient was used to establish the reliability of the instrument which yielded a co-efficient reliability of 0.83. The data collected in relation to the research question was analyzed using the mean. Data relating to the hypothesis was tested using z-test statistical tool at 0.05 level of significance. The findings of the study revealed that social media was highly utilized as an e-marketing technology by small and medium scale business operators. However, the study showed that location and industry type did not affect the extent of utilization of social media as an e-marketing technology by small and medium scale business operators. Based on the findings of the study, it was recommended that small and medium scale business operators should educate their staff through the organization of seminars, workshop, conferences and training programmes on how to effectively use social media as an e-marketing technology in business transactions.

Keywords: Utilization, Social media, E-marketing technology, Small and medium scale business.
Introduction

E-marketing is a short form for electronic marketing. Electronic marketing (e-marketing) can be viewed as a new philosophy and a modern business practice involved with the marketing of goods, services, information and ideas via the internet and other electronic means. E-marketing refers to the use of electronic communication technology (Internet, websites, email and wireless media) in conjunction with traditional marketing media to acquire and deliver services to customers. The deployment of the electronic communication technology has revolutionized marketing perspective in recent times. The application of electronic communication technology in marketing provide actors (suppliers, sellers organizations, individuals and SMEs) numerous opportunities such as large market, wide advertising medium, wide distribution channel, wide platform for sales transactions (Chaffey, Ellis-Chadwick, Mayer & Johnston, 2009). E-marketing refers to the application of marketing principles and techniques via electronic media and more specifically the internet. Strauss and Frost (2000) defined e-marketing as the use of information technology in the processes of creating, communicating, and delivering value to customers, and for managing customer relationships in ways that benefit the organization and its stakeholders.

Strauss and Frost (2001) also defined e-marketing as the use of electronic data and applications for planning and executing the conception, distribution and pricing of ideas, goods and services to create exchanges that satisfy individual and organizational goals. Burgess and Bothma (2007) defined e-marketing as a business’s efforts to inform, converse, promote and sell products and services over the internet. E-marketing is defined as achieving marketing objectives through the application of digital technologies (Chaffey & Smith, 2005).

Electronic marketing provides unique segmentation opportunities; allows an easy and rather cheap (or even free of charge) segmentation of consumers according to the geographical criteria, interests, sales history and so on. Electronic marketing allows for the establishment of direct contacts with clients or potential clients. Present-day technical possibilities allow immediate interactive communication with consumers responding to the marketing campaign. E-marketing, in essence, is global, that is it allows reaching global consumers with minimum efforts and costs.

Adeosun (2008) defined technology as a complex and integrated process aimed at determining and resolving human problems. It is also the application of scientific principles in research design, development, production and distribution of service. Technology is the art, the know-how and practical application of science and a tool for achieving self reliance, controlling destiny and environment and for solving socio-economic problems. According to Kumar in Sazali and Raduan (2012), technology consists of two primary components: a) a physical component which comprises of items such as products, tooling, equipments, blueprints, techniques, and processes; and b) the informational component which consists of know-how in management, marketing, production, quality control, reliability, skilled labor and functional areas. Technology is the theoretical and practical knowledge, skills, and artifacts that can be used to develop products and services as well as their production and delivery systems.

E-marketing technology is the marketing logic by which business units hope to create customer’s value and achieve profitable customer relationship. According to Rune (2011), E-marketing defines how by positioning the company in a specific way, stated marketing objectives will be achieved. The most important step to an effective e-marketing
campaign is the proper planning to ensure that all marketing objectives, messaging, and comprehensive execution plan are clearly defined to deliver the optimal performance results (Rune, 2011). E-marketing technology is the strategic process of creating, distributing, promoting, and pricing goods and services to a target market over the Internet or through digital tools (Hooker, Heilig & Ernst, 2001). It is important that any technology used as an e-marketing technology should identify goals and in addition target groups, formulate message, identify parameters for measuring, choose media, tools and services (Rune, 2011). SmallBizConnect (2015) identified email, website, search engine, social media, online advertising, affiliate marketing, viral marketing, website and so on as e-marketing technologies employed by companies and organizations.

Social media is the collective online communication channels dedicated to community-based input, interaction, content-sharing and collaboration. Websites and applications dedicated to forums, micro-blogging, social networking, social bookmarking, social curation and wikis are among the different types of social media. Social media simply refers to communication or publication platforms which are generated and sustained by the interpersonal interaction of individuals through the specific medium or tool. Examples of social media are: Facebook, Twitter, Google +, LinkedIn, Reddit, Pinterest, Instagram and so on (Rouse, 2011).

Social media marketing is involved with the marketing of goods, services, information and ideas via the online social media. Social media marketing is a form of marketing that utilizes social networking websites as a marketing tool. The goal is to produce content that users will share with their social network to help a company increase brand exposure and broaden customer reach. Social media marketing helps a company get direct feedback from customers (and potential customers) while making the company seem more personable. The interactive parts of the social media give customers the opportunity to ask questions or voice complaints and feel they are being heard. This aspect of social media marketing is called Social Customer Relationship Management (Social CRM) (Rouse, 2011).

Technopedia (2015) defined social media marketing as a technique that targets social networks and applications to spread brand awareness or promote particular products. Social media marketing campaigns usually center on establishing a social media presence on major platforms, creating shareable contents and advertorials and cultivating customer feedback throughout the campaign through survey and contests. Social media marketing is perceived as a more targeted type of advertising and is therefore believed to be very effective in creating brand awareness. The definition of social media marketing includes using the social media platforms and its related technologies and features in conjunction with other marketing communication tools to help achieve marketing objectives.

Social media marketing refers to marketing done through social media or social networking websites. While most companies or organizations have their own websites, it can be difficult to reach users who do not already know about the organizations. Social media marketing provides a low cost way for businesses to reach large numbers of users and gain brand recognition. Since social networking websites already have large established online communities, businesses and organizations can gain exposure by simply joining these websites. Businesses can create custom social media profiles then build communities within these sites by adding users as friends or followers. While social media marketing is a powerful e-marketing technology, it is typically used to supplement other e-marketing technologies rather than replace them (Techterms, 2010).
Social media marketing primarily covers activities involving social sharing of content, videos, and images for marketing purposes. Social media marketing improves site traffic and helps businesses reach more customers; it provides a valuable venue for better understanding and learning from target audiences (Wordstream, 2015).

**Statement to the Problem**
E-marketing is an ICT device for facilitating business transactions for organizations and individuals both at the local and international level. E-marketing is an opportunity for business to explore the great benefits that the internet has brought, such as providing pre sales technical assistance and after- sales support service to their customers, collecting market data and promoting their goods and services (Kotler & Armstrong, 2010). Despite the numerous benefits emanating from the emergence and adoption of e-marketing, many organizations are still unable to effectively utilize the various components of social media as an e-marketing technology in transacting business.

**Purpose of the Study**
The study determined the extent of utilization of social media by small and medium scale business operators in Ondo and Ekiti States as an e-marketing technology.

**Research Question**
The following research question guided the study:
1. To what extent do small and medium scale business operators in Ondo and Ekiti States utilize social media as an e-marketing technology?

**Hypotheses**
The following null hypotheses were tested at 0.05 level of significance.
1. There is no significant difference in the mean ratings of respondents on the extent of utilization of social media as an e-marketing technology based on location.
2. Respondents do not significantly differ in their mean ratings on the extent of utilization of social media as an e-marketing technology based on industry type.

**Method**
The descriptive survey design was adopted in conducting the research and was carried out in Ondo and Ekiti States of Nigeria. A sample of two hundred and forty (240) small and medium scale business operators which represented 30 percent of the total number (800) of registered businesses in Ondo and Ekiti States from 2013 – 2015 were used for the study. The sample was derived using proportionate stratified random sampling. Data were collected with a structured questionnaire titled “Extent of Utilization of Social Media as an E-marketing Technology Questionnaire (EUSMETQ)”. The instrument was structured on a five-point scale of Very Highly Utilized (VHU), Highly Utilized (HU), Moderately Utilized (MU), Lowly Utilized (LU) and Very Lowly Utilized (VLU).

The test – retest method was used to establish the reliability of the instrument which yielded a correlation coefficient of 0.83. The data collected in relation to the research question was analyzed using the mean. Data relating to the hypothesis were tested using z-test statistical tool at 0.05 level of significance. In answering the research question, boundary limit of numbers was used to determine the extent of utilization of social media as an e-marketing technology by small and medium scale business operators. The null
hypotheses were accepted when the z-calculated value is less than the z-critical value and were not accepted when the z-calculated value is equal or greater than the z-critical value.

Results
Research Question
To what extent do small and medium scale business operators in Ondo and Ekiti States utilize social media as an e-marketing technology?

To answer this research question, data collected using items 11-20 on the questionnaire were analyzed and presented in Table 1.

Table 1:
Respondents’ mean responses on the extent of utilization of social media as an e-marketing technology. N= 240

<table>
<thead>
<tr>
<th>S/N</th>
<th>Extent of Utilization of social media</th>
<th>𝑥̅</th>
<th>SD</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>To market products</td>
<td>4.08</td>
<td>1.08</td>
<td>HU</td>
</tr>
<tr>
<td>2.</td>
<td>My company has a social media profile</td>
<td>4.17</td>
<td>1.11</td>
<td>HU</td>
</tr>
<tr>
<td>3.</td>
<td>To reach customers</td>
<td>3.67</td>
<td>1.28</td>
<td>HU</td>
</tr>
<tr>
<td>4.</td>
<td>To create brand awareness</td>
<td>3.50</td>
<td>1.32</td>
<td>HU</td>
</tr>
<tr>
<td>5.</td>
<td>My company has a lot of friends and followers on its social media profile</td>
<td>3.42</td>
<td>1.26</td>
<td>MU</td>
</tr>
<tr>
<td>6.</td>
<td>Promotes activities by updating statuses or tweets</td>
<td>3.67</td>
<td>1.24</td>
<td>HU</td>
</tr>
<tr>
<td>7.</td>
<td>Adds links to social media</td>
<td>3.21</td>
<td>1.15</td>
<td>MU</td>
</tr>
<tr>
<td>8.</td>
<td>Used to enhances the sale and purchase of products and services</td>
<td>3.80</td>
<td>1.19</td>
<td>HU</td>
</tr>
<tr>
<td>9.</td>
<td>Uses social media to attract new customers</td>
<td>3.68</td>
<td>1.25</td>
<td>HU</td>
</tr>
<tr>
<td>10.</td>
<td>Allocates time to interact with customers</td>
<td>3.17</td>
<td>1.25</td>
<td>MU</td>
</tr>
</tbody>
</table>

Cluster Mean 3.64 HU


Data in Table 1 show the extent of utilization of social media as an e-marketing technology by small and medium scale operators. The results show that small and medium scale business operators highly utilized social media in marketing their products, to reach customers, to create brand awareness, promote activities by updating statuses or tweets, enhance sale and purchase of products and services and attract new customers. Having lot of friends and followers, adding links to social media pages and allocating time to interact with customers on social media are moderately utilized as an e-marketing technology by small and medium scale operators in Ondo and Ekiti States.

Hypothesis 1
There is no significant difference in the mean ratings of respondents on the extent of utilization of social media as an e-marketing technology based on location.
To test this hypothesis, the mean values for the two groups were computed to obtain the z-value at 0.05 level of significance. The result of the computation is shown in Table 2.

**Table 2**

<table>
<thead>
<tr>
<th>Location</th>
<th>N</th>
<th>$\bar{X}$</th>
<th>SD</th>
<th>Z-Cal</th>
<th>$\alpha$</th>
<th>df</th>
<th>Z-crit</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ondo</td>
<td>150</td>
<td>3.67</td>
<td>1.28</td>
<td>-0.12</td>
<td>0.05</td>
<td>238</td>
<td>1.960</td>
<td>NS</td>
</tr>
<tr>
<td>Ekiti</td>
<td>90</td>
<td>3.69</td>
<td>1.23</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key: NS: Not Significant.**

As shown in Table 2, the z-calculated value of -0.12 is less than the z-critical value of 1.960 within 238 degree of freedom at 0.05 level of significance. This implies that there is no significant difference in the mean ratings of respondents on the extent of utilization of social media as an e-marketing technology by small and medium scale business operators in Ondo and Ekiti States. Therefore the hypothesis was not significant.

**Hypothesis 2**

Respondents do not differ significantly in their mean ratings on the extent of utilization of social media as an e-marketing technology based on industry type.

To test this hypothesis, the mean values for the two groups were computed to obtain the z-value at 0.05 level of significance. The result of the computation is shown in Table 3.

**Table 3**

<table>
<thead>
<tr>
<th>Industry Type</th>
<th>N</th>
<th>$\bar{X}$</th>
<th>SD</th>
<th>Z-Cal</th>
<th>$\alpha$</th>
<th>df</th>
<th>Z-crit</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>170</td>
<td>3.6</td>
<td>1.22</td>
<td>-1.67</td>
<td>0.05</td>
<td>238</td>
<td>1.960</td>
<td>NS</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>70</td>
<td>3.9</td>
<td>1.32</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key: NS: Not Significant.**

As shown in Table 3, the z-calculated value of -1.67 is less than the z-critical value of 1.960 within 238 degree of freedom at 0.05 level of significance. This implies that there is no significant difference in the mean ratings of respondents on the extent of utilization of social media as an e-marketing technology by small and medium scale business operators based on industry type. Therefore the hypothesis was not significant.
Discussion
The result of the analysis on the extent of utilization of social media as an e-marketing technology shown in Table 1 indicated that small and medium scale operators highly utilized social media. This is in agreement with Castronovo (2012), who found out that businesses utilize social media on a high extent due to the low cost associated with using social media to reach large numbers of users and gain brand recognition. Since social networking websites already have large established online communities, businesses gain exposure by simply joining these websites. Businesses can create customized social media profiles then build communities within these sites by adding users as friends or followers.

The test of hypotheses (see Tables 2 and 3) indicated that there was no significant difference in the mean ratings of small and medium scale business operators on the extent of utilization of social media based on location and respondents do not differ significantly in their mean ratings on the extent of utilization of social media based on industry type. This is in agreement with the findings of Iddris (2012) and Suhr (2010) which showed that location and business type has no effect on the utilization of e-marketing technologies like social media for business transactions. Therefore, the null hypotheses which stated that there was no significant difference in the mean ratings of small and medium scale business operators on the extent of utilization of social media based on location and industry type were retained.

Conclusion
Based on the results of the study, it was concluded that small and medium scale business operators in Ondo and Ekiti States highly utilized social media. It could also be concluded that location and industry type do not affect the extent of utilization of social media as an e-marketing technology by small and medium scale business operators in Ondo and Ekiti States.

Recommendations
Based on the findings and conclusion of the study, the following recommendations were made:

1. Small and medium scale business operators should educate their staff through the organizations of seminars, workshops, conferences and training programmes on how to effectively use social media as an e-marketing technology in business transactions to increase their profit and be able to operate effectively in the competitive market.
2. The electric energy supply in Nigeria is erratic and this makes online business transaction not to function well especially in Ondo and Ekiti States. So effort has to be put in place by the government to stabilize electricity supply in the country and in these States in particular.
References


