

Social Media Engagement and Performance of Small and Medium Scale Enterprises (SMEs) in Akwa Ibom State

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ABSTRACT

Despite the significant potentials that social media platforms offer for promoting the performance and competitiveness of SMEs, many of these SMEs though using these platforms, are yet to fully embrace these advantages. The purpose of this study was to investigate the effect of social media engagement and performance of SMEs in Akwa Ibom State. Three objectives were raised and the variables under consideration were content creation and sharing, brand building and awareness, networking and collaboration. Based on these, three hypotheses were formulated for the study. Survey research design was adopted for the study. Data were collected from 331 respondents in three Local Government Areas namely Ikot Ekpene, Uyo and Mbo representing each of the senatorial districts of Akwa Ibom State, using multi-stage sampling procedure. Multiple regression analysis was used to test the all the hypotheses. Findings of the study revealed that content creation and sharing, brand building and awareness, networking and collaboration all had positive significant effect on performance of SMEs in Akwa Ibom State. Based on this, it was recommended amongst others that small and medium scale enterprises should invest in high-quality content creation and sharing strategies on social media platforms. This includes regular engaging posts, visual and informative contents that appeal to the target audience.

Keywords: *Social Media Engagement, Content Creation and Sharing, Brand Building and Awareness, Networking and Collaboration, Performance, Small and Medium Scale Enterprises, Akwa Ibom State.*

INTRODUCTION

The digital age has brought about a transformative shift in how enterprises operate, interact, and compete, and social media serves as key drivers of this transformation. For small and medium-scale enterprises (SMEs), social media has become crucial for growth, competitiveness, as well as customer interaction. As integral players in global economies, SMEs drive employment, foster innovation, and contribute to economic diversity. (Ahmad et al., 2020; Dutot & Bergeron, 2019; Tajvidi & Karami, 2021).

Network connections sites such as Facebook, Instagram, Twitter, LinkedIn and WhatsApp have upgraded into basic transaction channels that enable SMEs to connect conveniently with clients, establish business opportunities, as well as create business awareness that are both efficient and affordable. Unlike traditional marketing methods, which often require considerable financial investment, social media offers an array of

tools and strategies that allow SMEs to reach larger audiences at a fraction of the cost, making it an attractive option for budget-conscious enterprises (Ahmad et al., 2020; Algharabat et al., 2020, Dutot & Bergeron, 2019).

Furthermore, social media offers businesses detailed analytics on engagement, clicks, and audience demographics. This data helps SMEs adjust their marketing strategies more effectively, leading to improved efficiency and performance (Tajvidi & Karami, 2021; Ahmad et al., 2020).

This research examined the impact of social media engagement variables (content creation and sharing, developing brand recognition, fostering networking and collaboration) on performance of small medium-scale enterprises in Akwa Ibom State.

Statement of Problem

Despite the significant potentials that social media platforms offer for enhancing the performance and competitiveness of SMEs, many of these SMEs, though using these platforms, are yet to effectively leverage their advantages in enhancing their performance. This challenge often arises from a lack of proper integration of these tools into their business daily operations. While their considerable anecdotal evidence suggesting that social media engagement can enhance customer interaction, marketing effectiveness, and operational efficiency, a gap remains in the empirical research that systematically explores and quantifies these impacts. This research addressed this gap by examining specifically how social media engagement influences business outcomes for SMEs particularly in Akwa Ibom state.

Research Objectives

The main purpose of the research was to investigate the relationship between social media engagement and performance of SMEs in Akwa Ibom State. Specifically, the research objectives were;

- i. ascertain how content creation and sharing relate to performance of SMEs.
- ii. examine the impact of brand building and awareness on performance of SMEs.
- iii. assess the effect of networking and collaboration on performance of SMEs

Research Hypotheses

The under listed hypotheses were raised and tested to establish their significance in the research.

H₀₁: Content creation and sharing do not significantly relate to performance of SMEs.

H₀₂: Brand building and awareness do not significantly impact on performance of SMEs.

H₀₃: Networking and collaboration do not significantly affect performance of SMEs.

LITERATURE REVIEW

Concept of Social Media Engagement

Asangaeneng et al. (2024) refer to social media engagement as the interactions between media content and the audience. It includes likes, comments, shares, and any other form of response that shows people are paying attention to the content. A lot of digital platforms, applications and services have been specifically designed to enable businesses, particularly small and medium enterprises to get the best from social media (Uford et al., 2022).

The social media applications are vital for improving marketing efforts, driving customer engagement, and boosting operational efficiency. By taking advantage of the various functionalities offered by social media engagement, enterprises can streamline

their processes, interact more effectively with their audience, and ultimately improve their overall performance in a highly competitive market environment (Dwivedi, 2021; Evans, 2022).

It is against this backdrop this study attempts to investigate the influence of social media engagement dimensions of content creation and sharing, brand recognition, fostering networking and collaboration on performance of small and medium scale enterprises in Akwa Ibom state.

Dimensions of Social Media Engagement

Content Creation and Sharing

According to Kotler (2021), creating content that aligns with customer needs and preferences enhances customer engagement and drives interaction on social media platforms. Engagement like Canva and Adobe Spark have simplified content creation by providing SMEs with easy-to-use platforms to develop visually appealing content without the need for advanced design skills (Westwood, 2020).

In addition to static content such as posts and images, video content has grown in prominence as an essential tool for capturing the attention of online users. Forbes (2021) notes that video marketing has become increasingly popular due to its high engagement rates, with platforms like YouTube, Instagram, and TikTok offering enterprises the opportunity to reach a larger audience.

Brand Building and Awareness

Brand building and awareness are crucial for growth of SMEs in today's competitive marketplace. Social media applications give SMEs engagement and resources necessary to make formidable internet presence, enhance brand visibility, and foster customer loyalty. By effectively utilizing these platforms, SMEs can interact with clients, convey their product identity, and differentiate themselves from competitors.

One major advantage of social media for brand building is the capability to reach a wider audience. Research indicates that consistent engagement on social media increases brand visibility, which is essential for attracting new customers (Keller, 2020; Attih, 2024).

Networking and Collaboration

Networking and collaboration play important roles in success and performance of SMEs. These tools enable SMEs to build valuable relationships, access resources, and share knowledge, ultimately leading to competitive advantage. Networking facilitates the exchange of ideas and resources among enterprises. Effective networking allows SMEs to tap into external knowledge, which can be vital for innovation and growth (Jones & Rowley 2021).

Theoretical Framework

Stakeholder Theory (Edward Freeman, 1984)

Stakeholder theory which was propounded by Edward Freeman in 1984 is the best fit theory for this study. It emphasizes that enterprises operate within a complex web of relationships, and the management of these relationships is essential for long-term performance. The Stakeholder Theory focuses on ethical considerations in business practices. By recognizing the rights and interests of all stakeholders, SMEs can foster trust and loyalty, which are important for sustaining competitive advantages in today's market.

Furthermore, the relevance of this theory to the study is that business leaders are

encouraged to consider the potential impacts of their decisions on various stakeholder groups, which can lead to more informed and responsible strategies. The theory also provides a framework for measuring business performance beyond traditional financial metrics. By incorporating stakeholder-related indicators, such as customer satisfaction, employee engagement, and community impact (Pérez & Rodríguez, 2015).

Empirical Review

Akintayo and Ogunyemi (2023) conducted a study on the effect of branding strategies on SME performance in Nigeria. The study aimed to investigate how difference branding strategies, including brand identity and customer relationship, influence the performance of SMEs in Nigeria. The authors adopted the mixed-method design, collected data using surveys administered to 150 SMEs and qualitative insights through interviews with 20 brand managers. The analysis involved regression analysis for the quantitative data and thematic analysis for the qualitative insights. Results showed that strong branding strategies contribute significantly to improved SME performance, particularly in fostering customer loyalty and enhancing market positioning. It was recommended that more studies should look at long-term effects of branding strategies and the specific elements that contribute most significantly to improved performance in SMEs.

Nnamani et al. (2022) examined the effects of digital transformation on SME performance in Nigeria through a quantitative survey of 200 SMEs, focusing on their adoption of digital engagement strategies and technologies. Using structural equation modeling (SEM), the study assessed impacts on operational efficiency and customer satisfaction. Results indicated that digital transformation significantly improves SME performance by enhancing processes, streamlining workflows, and boosting customer engagement, helping businesses gain competitive advantages. The study concluded that SMEs must prioritize digital transformation initiatives and recommended investment in technology and digital skills training. Limitations included reliance on self-reported data, which may introduce bias, and the absence of qualitative insights, limiting understanding of the complexities involved. This research is relevant to the current study as it highlights the role of digital transformation in improving operational efficiency and customer satisfaction, providing guidance for policymakers and practitioners supporting SMEs in their digital adoption efforts.

Okwudiri et al. (2021) investigated the impact of social capital on SME performance in Nigeria, focusing on networking and collaboration. Using a quantitative approach, data were collected from 150 SMEs via structured questionnaires and analyzed with regression techniques to assess effects on sales growth and market access. Results showed that social capital significantly improves SME performance, with effective networking providing better market insights, resource access, and business outcomes. The study concluded that SMEs should actively develop and leverage social capital through engagement with peers, trade associations, and community organizations to enhance growth. Limitations included the focus on a specific geographic area and challenges in quantitatively measuring social capital. This research is relevant to the current study as it highlights the role of social networks and collaborations in boosting SME performance, aligning with broader literature on the importance of social capital

RESEARCH METHODOLOGY

Research Design

This research utilized the survey research design, which was suitable for gathering data from a large group of respondents to investigate the association between variables.

Population of the Study

The population of this study comprised 1,918 Small and Medium-Scale Enterprises (SMEs) registered with the Corporate Affairs Commission (CAC) as at 2024. These enterprises were distributed across three selected local government areas: Ikot Ekpene, Uyo, and Mbo, representing the three senatorial districts in the state.

Sample Size Determination

The sample size was calculated using the Taro Yamane (1975) statistical formula for sample size determination and was put at 331 respondents.

Sampling Technique

The study adopted a multi-stage sampling procedure to obtain an adequate sample for the research. In the first stage, the study area was stratified into three segments based on the senatorial districts in Akwa Ibom State namely Ikot Ekpene, Uyo, and Mbo representing the three senatorial districts. At the second stage, one local government areas (LGAs) within each district were selected.

Methods of Data Collection

Questionnaire was used to collect primary data. It was divided into two parts A and B. Part A focused on respondents' demographics data aimed at identifying respondents and their characteristics. While part B focused on the independent and dependent variables of the study. Thus, statements that measured these variables were made and the respondents given options to choose from an adjusted five- point Likert rating scale.

Reliability of the Instrument

The research instrument was subjected to Cronbach Alpha reliability to test the level of reliability of the research instrument. The result was substantially high enough to justify the use of the research instrument as shown below.

Table 1: Cronbach Alpha Pre-test Result

S/N	Variables	No of Items	Coefficient
1	Content creation	3	0.690
2	Branding/awareness	3	0.677
3	Networking/collaboration	3	0.790
4	Performance	3	0.800

Source: The Researcher's Computation (2025).

The resulting Cronbach coefficients for each item were 0.6 above, indicating the reliability, or internal consistency, of the tested items.

Method of Data Analysis

Based on the nature of data collected the statistical methods adopted for data analysis was regression analysis which was used for testing the hypotheses to ascertain the influence that exists between the identified variables. The data were analyzed with the help of a statistical tool using Statistical Package for Social Sciences (SPSS, Version 25).

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

Model evaluation

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.622 ^a	.625	.630	1.18401

a. Predictors: (Constant), BrandBuilding_and_Awareness, Networking_and_Collaboration, Content_Creation_and_Sharing.

Source: Researcher’s computation (2024) using SPSS 23.0.

Table 3: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.128	4	57.426	47.963	.000 ^b
	Residual	45.609	25	1.402		
	Total	42.737	30			

a. Dependent Variable: Performance_of_SMEs

b. Predictors: (Constant), BrandBuilding_and_Awareness, Networking_and_Collaboration, Content_Creation_and_Sharing.

Source: Researcher’s computation (2024) using SPSS 23.0.

Table 4: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.628	.297		2.118	.035
	Content_Creation_and_Sharing	.161	.028	.274	5.809	.000
	BrandBuilding_and_Awareness	.215	.031	.349	6.861	.000
	Networking_and_Collaboration	.358	.040	.418	9.019	.000

a. Dependent Variable: Performance_of_SMEs

Table 2 shows a regression coefficient of $R^2 = 0.622$, which indicates that the independent variables explained approximately 62.2% of the variation in dependent variable. 62.2% of the changes in dependent variable, while 37.8% was not accounted for.

Results on the table also indicates that the joint effect of the independent variables in the model and the dependent variable was very strong at $R = 0.625$. According to the coefficient of determination $R^2 = 0.625$ and the adjusted coefficient of determination; adjusted $R^2 = 0.630$, the regression model of this study is said to have a very strong explanatory power of the dependent variable.

In addition, the F-ratio = 47.963 and p-value < 0.000 on the ANOVA suggest that the results of the regression model could not have occurred by chance and that content creation and sharing, branding and awareness, networking and collaboration significantly predicted the changes in performance of SMEs. The regression results show that all the three social media engagement indicators significantly affect performance of SMEs.

Discussion of findings

Findings from test of the hypotheses revealed that there is a significant positive effect of content creation and sharing, branding and awareness and networking and collaboration of SMEs in Akwa Ibom State. This means that all the independent variables jointly affect performance of SMEs in Akwa Ibom State.

This result of the analysis is in tandem with the work of Akintayo and Ogunyemi. (2023) that examined the effect of branding strategies on SME performance in Nigeria with the aim of investigating how difference branding strategies, including brand identity and customer relationship, influence the performance of SME. The study reveals that strong branding strategies contribute significantly to improved SME performance, particularly in fostering customer loyalty and enhancing market positioning.

The result is also supported by Okwudiri et al. (2021), who investigated the impact of social capital on SME performance in Nigeria, focusing on networking and collaboration. Findings showed that social capital significantly improves SME performance, with effective networking providing better market insights, resource access, and business outcomes.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This study was carried out to examine the effect of social media engagement on performance of small and medium scale enterprises in Akwa Ibom State. The results clearly showed that there is a significant effect of content creation and sharing, branding and awareness and networking and collaboration of SMEs in Akwa Ibom State. Therefore, it is concluded that social media engagement plays an important role in influencing performance of SMEs. Based on the findings, it was recommended that Small and Medium Scale Enterprises (SMESs) should invest in high-quality content creation and sharing strategies on social media platforms as a way of strengthening their performance in the long run.

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