

IMPACT OF SOCIAL MEDIA NETWORKS ON SMALL AND MEDIUM ENTERPRISE (SME) IN

BAYELSA STATE

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IMPACT OF SOCIAL MEDIA NETWORK ON SMALL AND MEDUIM ENTERPRISE (SME) I

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TABLE OF CONTENTS

APPROVAL.....	v
ACKNOWLEDGEMENT.....	vi
DEDICATION.....	vii
LIST OF TABLES.....	viii
LIST OF ABBREVIATIONS AND ACRONYMS.....	ix
ABSTRACT.....	x
CHAPTER ONE: INTRODUCTION	
1.1 Background of the Study.....	1
1.2 Significance of the study.....	3
1.3 Objectives of the study.....	4
1.4 Research questions.....	4
1.5 Assumption.....	4
1.6 Limitation of the study.....	5
1.7 Definition of key terms.....	5
1.8 Summary.....	6
CHAPTER TWO: LITERATURE REVIEW	
2.1 Introduction.....	7
2.2 Defining Of Small and Medium Enterprise (SME).	8
2.3 Marketing Opportunities for Small and Medium Enterprises (SME).....	8
2.4 Marketing Challenges of Small Businesses.....	10
2.5 Integrated Marketing Communication (IMC).....	11
2.6 Relationship Marketing.....	12
2.7 Social Media Networks.....	12
2.7.1. Types of Social Media Networks.....	13

2.7.2. The Use of Social Media within Small and Medium Enterprises (SME).....	14
2.7.3. Impact of Social Media Networks within Small and Medium Enterprises.....	15
2.8. Social Media Marketing.....	15
2.8.1 What To Consider When Approaching Social Media.....	16
2.9. Building a Social Media Marketing Strategies.....	17
2.9.1. Six Steps to a Social Media Business Strategy.....	17
2.9.2 Ways of Being Social.....	19
2.9.3 Summary.....	20

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction	23
3.2 Research Plan.....	23
3.2 Research Design.....	23
3.4 Sample Size.....	23
3.5 Data Collection.....	24
3.6 Information Examination.....	25

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction.....	26
4.2 Response Rate.....	26
4.3 Demographic Information of the Respondents.....	27
4.3.1 Age of the Respondent.....	27
4.3.2 Level of Education.....	28
4.4 Business Information.....	29
4.4.1 Nature of Business.....	29
4.4.2 Age of the Business.....	30
4.4.3 Location of the Business.....	31
4.5 Type of Social Media Marketing Strategies.....	31
4.5.1 Owner Manager Use of Social Media Marketing.....	32
4.5.2 Social Media Platform Used As a Marketing Tool.....	32
4.5.3 Level of Engagement in Business.....	33
4.6 Challenges of Social Media Marketing.....	34
4.7 SME Performance.....	36
4.8 Correlation between Social Media Marketing and SME Performance.....	37
4.9 Discussion of the Findings.....	38

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction..... 41

5.2 Summary of the Research Findings..... 41

5.3 Conclusions..... 42

5.4 Recommendations from the Study..... 43

5.5 Suggestions for Further Studies 44

REFERENCES 45

Appendix I: Questionnaire 50

APPROVAL

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I would like to thank the Almighty God, and my supervisor Mr. **PAUL YERIKEME** his great support and guidance throughout the project.

DEDICATION

**This project is dedicated to God almighty for the knowledge he has given to me throughout this research work
and my family**

LIST OF TABLES

Table 3.1: Sample Size

Table 4.1: Response Rate

Table 4.2 Age of the Respondents

Table 4.3: Level of Education

Table 4.4: Nature of Business

Table 4.5: Age of the Business

Table 4.6: Location of the business

Table 4.7: Use of Social Media Marketing

Table 4.8: Social Media Platform Used As a Marketing Tool

Table 4.9: Level of Engagement in Business

Table 4.10 Challenges of Social Media Marketing

Table 4.11: SME Performance

Table 4.12: Correlation Analysis

LIST OF ABBREVIATIONS AND ACRONYMS

ICT-Information Communication Technology

IMC-Integrated marketing communication

ROE-Return on equity

ROI-Return on investment

SMEs-Small and medium enterprises

WOMMA-Word of mouth marketing association

ABSTRACT

SMEs in Nigeria have a chance to use the uncharted frontier that is the African internet space. They can use social media to grow and expand their businesses to unimaginable heights through reaching the expansive clientele that consists of the over 22 million Nigerians who have access to the Internet. Based on these facts, the study sought to establish the impact of social media networks on small and medium enterprises in Bayelsa state, Nigeria. The study was guided by the following objectives; to find out the type of social media marketing strategies used by small and medium enterprises (SMEs), the adoption of social media networks as a marketing strategy on the performance of small and medium enterprises (SMEs) and social media marketing challenges facing small and medium enterprises (SMEs) in Bayelsa state, Nigeria. The study employed a descriptive survey design. Convenience and random sampling was used to select a sample population of 60 small and medium enterprises (SMEs) from Yenagoa, Ogbia, Nembe, Ekeremor, Sagbama, Brass, Kolokumo Opokumo and southern ijaw, in Bayelsa state, Nigeria. The study used semi-structured questionnaire to collect primary data from the owners of each sampled small and medium enterprises (SMEs). Descriptive data was collected and then analyzed using Statistical Package for Social Sciences (SPSS). The study found that most small and medium enterprises (SMEs) in Bayelsa state, Nigeria Use social media and specifically Facebook as a marketing strategy. The study also found that small and medium enterprises (SMEs) Owners personally engage or hire people to meet current and potential customer on social media to enable them to received new customers on social media. Due to the higher level of education of the entrepreneurs engaging in small and medium enterprises (SMEs), the study found that social media marketing is user friendly and for that reason, majority do not fear that hackers will damage the image of their business when they use social media for marketing their products. However, there was fear that the use of social media for marketing may expose their business to legal suits. On performance the study found that social media marketing has positively resulted to increase in sales revenue, number of customer and the number of employees. In essence social media networks has impacted positively on the growth of small and medium enterprises (SMEs) in Bayelsa state, Nigeria The study

recommends that small and medium enterprises (SMEs) should adopt the various social media marketing practices more in their business to achieve the desired levels of performance. The study also recommends that small and medium enterprises (SMEs) should establish their weaknesses and strengths on how to enhance their performance through social media.

CHAPTER ONE.

INTRODUCTION

1.1. BACKGROUND OF STUDY

Social media plays a vital role in marketing and creating relationships with customers. With limited barrier to entry, small and medium enterprises (SME) are beginning to use social media as a means of marketing.

Social media marketing incorporates the use of online social media instruments like the Facebook, Twitter, and LinkedIn to pursue clients in creative ways. Given the many purchasers using internet organizing, businesses of all sorts are getting included into online social media in an effort to contact new audience and fortify their ties with existing customers. Social networking gives small entrepreneurs various opportunities to gain closer and more useful relationship with customers. In any case, all social media are not the same and some are more set to meet certain marketing strategies compared others. Unfortunately, many small and medium enterprises (SME) struggle to use social media and have no strategy going into it. As a result, without a basic understanding of the impacts of social media and how to use it to engage customers, countless opportunities are missed. This research aims to acquire an initial understanding of how a small and medium enterprise (SME) recognized for using social media to grow the business, uses social media to engage customers. The rules of marketing are changing all the time and companies have to develop new types of marketing to survive in the hard competition today (Kumra, 2007). (Thorp 2007) mentions in the article "Tomorrows word - *Re-evaluating the role of marketing*" that the shift in marketing can be referred to elements such as globalization, massive technological changes and the spread of marketing techniques into new areas. (Kumra 2007:1) also argues that information technology is one element that has caused big changes and is one reason why the power has shifted from marketers to consumers. By having greater amount of information about anything, consumers are now more active, careful and informed (Kumra, 2007:1) (Sheeban 2010:7) agrees that technology has taken marketing in a new direction, where online marketing is the most dynamic and fast-moving field within marketing today. Online marketing tools like Google

Analytics can be used to see where the visitors come from, what pages that are most popular, things that people click on e.g. (Agresta and Bough, 2010:109.) The author state that this kind of data never would exist without our current technology and it's opening up a whole new world for marketers, who're looking to get a better understanding in online consumer behavior. (Sheehan 2010:7) mentions that even if online marketing is very dynamic it's also a quite new idea and is still in experimental stage. The author mentions that we are now only in the beginning of realizing the huge potential of the web that could offer the best possibilities to create ideas that could change the world. (Carlsson 2009:8) says that people have always gathered around the "lunch table" to tell stories and gossip about, everything from traveling, food and diet tips or how awfully that sales lady treated them at the store the other day. You did it in the good old days and you do it now. The difference today is that social network is often more world spread than it was some years ago (Carlsson, 2009:8). Through social media the communication has gone from the small lunch table at the office to be a global gathering place. Through social media we inform, interact, react, discuss and share with the whole world in real time our thoughts and opinions (Carlsson, 2009:8).

Social media is a part of online marketing and can be described as the act of when someone creates and posts information in an online, mobile or virtual environment (Agresta and Bough, 2010:2). (Agresta and Bough 2010:2) argue that the key message of social media is that information is shared with people in your inner circle who are identified as your friends or followers. Due to (Selg 2010:8) social media combine technology, social interaction and user generated content and therefore fit to the concept of Web 2.0. (Selg 2010:8) further explains that social networks, blogs, micro blogs, wiki and communities are part of this Web 2.0 concept. According to the research I have made 47.7 % of Nigerians population (of those who are 12 years or older) are using social media today. The statistic further shows that the most common use of social media is Facebook, but other communities where people can share and talk about their special interest are still very popular. People who are writing blogs haven't increased so much in recent years, but on the contrary people who read blogs have increased a lot and have created a new type of media form where people are most active (Findahl, 2011:19). Small and medium enterprises (SME) are using social media frequently today as a way to communicate with their customers. Small and medium enterprises (SME) has for example used social media

to communicate with their customers and have different medium to serve different purposes. Their Facebook is used for mainly customer inquiries and fielding, twitter for talking to fans and sharing images and other content related to the brand's different campaigns. On YouTube they post short brand films and finally Instagram to post images (Indvik, 2011).

(Wright 2010) argues that the emerging use of social media is clearly visible within small and medium enterprises (SME) and is often included in the strategic communication plan for many companies. Companies are now being able to communicate and reach to their consumers to a much lower cost than ever before (Wright, 2010). The importance of online marketing is further enforced by the fact that many companies are even hiring "specialists" on social media. Social media networks gives small and medium enterprises (SME) various opportunities to gain closer and more useful relationship with customers. In any case, all social media are not the same and some are more set to meet certain marketing strategies compared others. Huge companies with massive spending budget for promotion and marketing can afford different publicizing media to propel their business, for instance, television, promotional programs and billboard among others. However, this is impossible for many small businesses considering the related cost of advertising. Social media has presented a platform that is free for all to advertise themselves via social network, friends and connections. SMEs can leverage on this opportunity and propel their business thereby leading to increased sales.

1.2. SIGNIFICANCE OF THE STUDY

The Significance of this research is to identify the strategies that aid small and medium enterprise (SME) use of social media to engage costumers. Small firms are extremely important to the Bayelsa economy, representing 80% of allemployer firms (Small Business Administration (SBA), 2011). Because the SME sector is important within most economies, it is important to understand how small and medium enterprises (SME) are taking advantage of marketing techniques and social media best practices to help promote business to customer relationships. However, many small businesses struggle to use social media. A small business survey conducted by the Deluxe Corporation found that 49% of small business owners surveyed claim that effectively reaching customers with limited resources is their biggest challenge (Small Business Trends, 2011). Social media affords SMEs with a variety of marketing opportunities for little to no monetary cost.

SMEs should embrace such opportunities since they often face resource constraints in terms of time and money. Social media provides small and medium enterprises (SME) the opportunity to engage and interact with customers to create lasting relationships. The results gained from this study provide an initial understanding of how a small business uses social media to engage customers and build long term relationships, which helps the business grow.

1.3.OBJECTIVES OF THE STUDY

The research objective of this project is to identify the strategies that aid a small and medium enterprise (SME) use of social media to interact with customers. The project deals with two specific topics that are rarely discussed together: SME's marketing strategy and social media and the impact of social media networks on small and medium enterprises (SME). The weakness of such literature, however, is that those same strategies do not necessarily work for small and medium enterprises (SME).

The study examines a small business recognized for its success of using social media. The goal is to gain insight to how the small and medium enterprises (SME) uses social media to engage customers.

1.4. RESEARCH QUESTIONS

The research aims to answer the question:

1. How has social media networks impacted on the growths of small and medium enterprises (SME)
2. How a small and medium enterprises (SME) does recognized for using social media to grow the business, use social media to engage customers?

1.5. ASSUMPTIONS

The assumptions inherent to this study include:

1. Participant uses social media to not only share content, but interact with the external public as well.
2. Participant in the research will be truthful in his/her responses.
3. Participant will respond to the best of his/her ability.
4. Participant will not answer the interview items he/she finds unclear.

1.6. LIMITATIONS OF THE STUDY

Limitations relevant to the research include:

1. Because a variety of small and medium enterprises (SME) exist, it was unfeasible for the scope of this research to cover every industry.
2. The limitations of the collected data make it difficult to make generalizations across small and medium enterprises (SME) and locations.
3. The research lacks a comparison between the practices of a small and medium enterprises (SME) recognized for using social media marketing successfully and a small and medium enterprises (SME) using it less successfully.

1.7. DEFINITIONS OF KEY TERMS

Marketing - research conducted by Reijonen (2010) found that from a SMEs general point of view, marketing can be described as “a means to inform the customer about the firm, its products, and services.” SMEs believe marketing is also interested in creating

And maintaining customer relationships.

Small business – a business having fewer than 500 employees (SBA,2011).

Small-to-medium enterprise (SME) – a business employing fewer than 250 people (Gilmore, Carson, Donnell, & Cummins, 1999).

Social media – “A group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user generated content” (Kaplan & Haenlein, 2010).

Social media marketing (SMM) – marketing through the use of social media or social networking sites. SMM techniques often exist to increase brand awareness, increase sales, improve customer service, and implement marketing campaigns (Mangold & Faulds, 2009).

1.8. SUMMARY

This chapter provided a brief overview of the research project and addressed the background, significance, objectives, research question, and definitions. Assumptions and limitations were also discussed. The lack of research into social media use in a small business environment provides the motivation for the study. The study addresses this gap and contributes to existing literature. The paper opens by reviewing existing literature on small business marketing, integrated marketing communications, social media, and social media marketing.

CHAPTER TWO.

LITERATURE REVIEW

2.1 INTRODUCTION

Marketing is a crucial activity for the survival and success of a business. Businesses today have more marketing opportunities than ever (Bresciani & Eppler, 2010). In small businesses, marketing relies heavily on word of mouth recommendations for customer acquisition (Stokes & Lomax, 2002). Today's Economy, distinguished by relationships, technology, and networks, favors some of the characteristics of SMEs (Walsh & Lipinski, 2009). Social media enables small and medium enterprises (SME) to network with customers in order to build relationships and achieve a better understanding of customer needs. Small and medium enterprises (SME) want their message to reach as many people as possible. To maximize this reach, a small and medium enterprises (SME) must have a presence where customers are hanging out. Increasingly, they are hanging out on social networking sites (Halligan, Shah, & Scott, 2009). Social media provides multiple opportunities for small and medium enterprises (SME) to market to customers and build closer and more profitable relationships. However, small and medium enterprises (SME) still struggle to reach customers. Much of the existing literature on small business and SMEs includes studies of organizations with the number of employees ranging from one to five hundred people. The research presented in this paper focuses on the typical problems of very small businesses. The literature review first defines small and medium enterprises (SME). Second, it provides insights into marketing opportunities and challenges for small and medium enterprises (SME) to engage customers. Third, it examines integrated marketing communications which small and medium enterprises (SME) use to overcome the challenges they face. Fourth, it discusses social media, its importance, advantages, and applications, as a means of engaging customers. Lastly, it investigates social media marketing for small and medium enterprises (SME), its impact, strategy, process, empirical studies, and applications.

2.2. DEFINITION OF SMALL AND MEDIUM ENTERPRISE (SME)

Generally there is no universally agreed-on definition of small business or SME. Many efforts have tried to define the term small business, using criteria such as number of employees, sales volume, and value of assets. Small and medium enterprises (SMEs) employ fewer than 250 people. In Nigeria, small and medium enterprises (SME) as defined by the national council of commerce and industries are business enterprises whose total cost excluding land is not more than two million naira (₦2,000,000) and only having fewer than 50 employees. The literature reviewed for this study adopts either of the definitions and often uses small business and SME interchangeably. For the purposes of this study, the definition of small and medium enterprises (SME) will be used; however, Small business will be identified with its original source where appropriate. Small and medium enterprises (SME) represent 90% of all employer firms in Bayelsa state. Making small businesses extremely important to the Bayelsa state Economy. Small and medium enterprises (SME) are the backbone of the Bayelsa economy. They create employment opportunities and it is important for them to survive to sustain or increase their contributions to the economy. Marketing from a SMEs point of view is a way to inform the customer about the firm, its products, and services; and to create and maintain customer relationships (Reijonen, 2010). With the amount of resources available today, small and medium enterprises (SME) have numerous marketing opportunities available to them.

2.3. MARKETING OPPORTUNITIES FOR SMALL AND MEDIUM ENTERPRISES (SME)

Numerous marketing opportunities exist for small and medium enterprises (SME), namely networking and word of mouth marketing. Not only do owner-managers of small and medium enterprises (SME) rely on their personal contact network, but they rely on the networks of their customers as well. Small and medium enterprises (SME) often rely on word of mouth recommendations for new customers. Word of mouth marketing provides small businesses with an opportunity to give customers a reason to talk about products, making it easier for word of mouth to take place. Networking is a widely cited marketing activity for SMEs and is important during their establishment, development, and growth (Walsh & Lipinski, 2009). (Siu as cited

in Walsh & Lipinski, 2009) found that in marketing their firms, SMEs rely heavily on their personal contact network. Traditionally, economic structures favor larger firms; however, today's economy is distinguished by relationships, network, and information, favoring some of the characteristics of SMEs (Walsh & Lipinski, 2009). Rather than relying solely on their personal contact network, small and medium enterprises (SME) rely on the networks of customers as well. Today, these customers can be reached through electronic word of mouth, or EWOM. Marketing in small and medium enterprises (SME) relies heavily on word of mouth recommendations for customer acquisition. Stokes and Lomax (2002) claim that "a number of studies have indicated that the most important source of new customers for small and medium enterprises (SME) is recommendations from existing customers". For many owner-managers, reliance on customer recommendations is more suited to the resources available to their business (Stokes & Lomax, 2002). Word of mouth marketing involves monitoring what is being said for marketing purposes, engaging in brand related discussions, involving people and their social media networks for marketing purposes, and more (WOMMA, 2011). The Word of Mouth Marketing Association (2011) recognizes all word of mouth marketing techniques as being based on the concepts of customer satisfaction, two-way conversation, and transparency. The association describes the basic elements of word of mouth marketing as: "Educating people about your products and services; Identifying people most likely to share their opinions; Providing tools that make it easier to share information; Studying how, where, and when opinions are being shared; and Listening and responding to supporters, detractors, and neutrals" (WOMMA, 2011). In 2011, According to (Straw 2011) "The perceptions by companies' match the changing ways in which consumers find information about the products and services they want to buy." small and medium enterprises (SME) are generally at an advantage because their small size makes it easier to get close to customers and obtain valuable feedback. Such an advantage enables small and medium enterprises (SME) to take advantages of the marketing opportunities networking and word of mouth marketing provide. But small business owners face many challenges when it comes to marketing as well.

2.4. MARKETING CHALLENGES OF SMALL BUSINESSES

Marketing practiced in small firms is different from that of large organizations. Small firm marketing has been described as informal, unstructured, spontaneous, and reactive (Gilmore et al., 2001; Reijonen, 2010). According to Stokes (2000), in small firms, marketing is used for immediate needs and little attention is paid to plans and strategies. SMEs direct their attention to sales in order to survive (Stokes, 2000). For all issues outside of advertising, such as customer satisfaction measurement and improvement and design of customer service and support, the sales function has a slightly greater influence (Walsh & Lipinski, 2009; Harris et al., 2008). One of the most prevalent areas in which a small business has problems is marketing. This is due to the inability to employ a marketer to carry out marketing activities for the business (Berthon, Ewing, & Napoli, 2008 ;). Leppard and McDonald (as cited in Hill, 2001) stated that the owner-manager has a significant impact on every aspect of the SMEs marketing activities. The SME owner manager is often responsible for the performance of functions within an organization, such as banking, purchases, advertising, and recruitment. They will often decide which marketing strategies to use because the use of specialists is rare and they do not often have a marketing manager as an employee (Berthon, Ewing, & Napoli, 2008). Moss, Ashford, and Shani (2003) state that "Relatively little is known about SME marketing activities..." There exists a lack of knowledge about marketing activity in small businesses, suggesting that "such functional specialization may rarely exist" (Moss, Ashford, & Shani, 2003). According to Walsh and Lipinski (2009), marketing in SMEs is not as well developed or influential as it is in large firms. Large organizations are often large enough to have a marketing department that permits the delineation of functions and activities. This difference can be attributed to certain limitations that small and medium enterprises (SME) face including limited resources in terms of finance, time, and marketing knowledge (Gilmore et al., 2001; According to Reijonen (2010) "it is argued that owner-managers of small firms tend to view marketing narrowly". Furthermore, it is argued that SME marketers may consider marketing the same as selling or advertising (Reijonen, 2010). Traditional marketing theories fail to account for the marketing carried out by small and medium enterprises (SME) (Reijonen, 2010). Rather than viewing the marketing concept as a simply business philosophy, Stokes (2000) also examines marketing as a strategy and as tactics. Reijonen (2010) recognizes "marketing as tactics/methods focuses on the use of marketing mix (4 P's: product, place, price, promotion); in other words, on the

implementation of marketing strategy" (p. 280). Because definitions of marketing generally interpret the marketing carried out by large businesses, there is no clear definition of marketing in SMEs (Reijonen, 2010). One solution to the marketing challenges faced by small and medium enterprises (SME) is social media. Social media enables small and medium enterprise (SME) to overcome the challenges of limited budget, lack of expertise, and positioning against larger competitors. Small businesses are not the same as big businesses and therefore cannot be expected to have the same marketing resources. Competitive advantage often has to be sought from other sources and by other means. Several models of marketing exist that provide guidelines for businesses to survive and grow. However, marketing theory that a large organization uses cannot be generalized to a small and medium enterprise (SME) which has different characteristics and requirements. As a consequence, small firms are moving from conventional marketing practices towards more affordable, interactive, and integrated marketing.

2.5. INTEGRATED MARKETING COMMUNICATION (IMC)

Marketing practices have traditionally centered on the marketing mix model (product, price, promotion, and place) termed the 4Ps of marketing. Integrated marketing communication (IMC) emerged in the past few decades as a response to the changes in the domains of marketing and marketing communications, changes brought about by the impact of information technology. Various interpretations and values of IMC exist, making it nearly impossible to agree upon a universal IMC definition (Mangold & Faulds, 2009). Caywood, Schultz, and Wang define IMC as a concept that combines the disciplines of general advertising, direct response, sales promotion, and public relations to provide clarity, consistency, and maximum communication impact. More recently, the arrival of social media has added a new dimension to the promotion mix. In a traditional sense social media enables businesses to engage their customers. In a nontraditional sense it enables customers to interact directly with other customers (Mangold & Faulds, 2009). The tools and strategies for interacting with customers have changed with the advent of consumer-generated media. Managers' control over the content, timing, and frequency of information is diminishing in the era of social media (Mangold & Faulds, 2009). Several scholars suggest that, despite the constraint of resources, small and medium enterprises (SMEs) are likely to be more entrepreneurial, flexible, and innovative than their large

organization counterparts. This enables them to be more responsive to customer needs and they have more of an opportunity to get close to customers and obtain valuable feedback. Such opportunities can be exploited through the use of social media, but it is also important to know how small and medium enterprises (SMEs) use social media to engage customers.

2.6. RELATIONSHIP MARKETING

Relationship marketing, also called one-to-one marketing, focuses on establishing a learning relationship with each customer, rather than a dominant focus on sales. It is concerned with providing value to both the business and the customers. Small and medium enterprises (SME) often have the advantage of knowing their customers on a more personal level. Such relationships result in higher customer loyalty and higher levels of customer satisfaction. Small and medium enterprises (SME) also have the ability to quickly react to customer needs. However, studies have shown that small and medium enterprises (SME) have a short-term orientation and long-term perspective to market planning is unlikely (Coviello, Brodie, & Munro, 2000). Social media networks enables Small and medium enterprises (SME) owner-managers to begin creating relationships with consumers in the beginning.

2.7. SOCIAL MEDIA NETWORKS

Kaplan and Haenlein (2010) describe social media as "a group of Internet based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content." Web 2.0 technologies on the Social Web permit two-way conversations with customers enabling brands to listen to customers and respond (Fournier & Avery, 2011). Customers and organizations alike are increasingly using the web to discuss, share, and collaborate (Jones, 2010). Social media networks offers an abundance of services on the Internet. This makes it complicated for companies to know which ones to use and how to use them.

2.7.1. TYPES OF SOCIAL MEDIA NETWORKS

Types of social media networks include: social networks (Facebook, Myspace, and LinkedIn), micro-blogs (Twitter, Plurk, and Friend Feed), reviews and ratings (Yelp, Amazon, and Trip Advisor), video (YouTube

and Vimeo), and more. Social media is very popular. Facebook has more than 1.94 billion active users with over 70% of active users logging on every day (Facebook, 2017). According to Twitter's CEO Dick Costolo, Twitter has 328 million registered users with 70 million active users logging in every day. The micro-blogging service hosts roughly 230 million tweets every day (Taylor, 2011). It comes as no surprise that businesses want to embrace the opportunities these services provide. Social media enables small and medium enterprises (SME) to engage customers in a timely and direct manner at relatively low cost and higher levels of efficiency than with more traditional communication tools. This makes social media not only appropriate for large organizations, but for small and medium enterprises (SME) as well (Kaplan & Haenlein, 2010). Social media sites such as Facebook and Twitter let customer 'friend' or 'follow' favorite brands and comment or post questions as a form of engagement. Through the use of social media sites, managers can find out what is being said about a brand and they can also connect with consumers (Reyneke, Pitt, & Berthon, 2011). Consumers are able to generate new business and promote or help a brand by tweeting, blogging, reviewing, following, etc. Loyal customers also help generate "online word of mouth" which is very important for SMEs. Engagement with consumers provides SMEs with opportunities to use social media networks as a tool for their marketing strategies (Reyneke et al., 2011). However, many small and medium enterprise (SME) owners struggle to effectively reach their customers (Small Business Trends, 2011).

2.7.2. THE USE OF SOCIAL MEDIA WITHIN SMALL AND MEDIUM ENTERPRISES (SME)

As explained before social media is a popular marketing tool among small and medium enterprise (SME). For us to understand how small and medium enterprise (SME) can use social media we have to discuss different opportunities and risks with using this specific marketing tool. Social media can have following advantages:

AVANTAGES OF USING SOCIAL MEDIA NETWORKS: For instance a small and medium enterprise (SME) can create a dialogue with the customers and get feedback without any delay at all. The small and medium enterprise (SME) can also get information about the users and customers so that the product range and the assortment of goods can adapt after real needs. It's also mentioned that being on social media increase the credibility of the brand if the different tools are used in an accurate way. Many small and medium

enterprise (SME) spread their knowledge for free that others can take part of and by doing so small and medium enterprise (SME) can be seen both as a good source of information and believable in its competence.

Another reason to use social media in small business is word of mouth (WOM) and a number of studies have showed that recommendations from existing customers is an important source of getting new customers. According to (Barber and Wallace 2009) there is no stronger communication technique than WOM and the usage of WOM can when used as a marketing strategy be very effective as it travels fast, is personal, trustworthy and honest. (Barber and Wallace, 2009:36) WOM is a very powerful tool, and social media is nothing but an enhanced word of mouth. (According to Garnett 2010) the ability of being online 24/7 for the customers' has increased in the business environment today and particularly SMEs are feeling this pressure of being online all the time. Although it is not easy for SMEs to develop and maintain user loyalty since they really can't compete with the bigger organizations that have better manpower and financial resources (Garnett, 2010). SMEs need to be aware that many of their users are not only online and in the buzz but are talking about the company's products and services when they are there. If a problem occurs the customers usually use social media like Twitter or Facebook to leave a comment, therefore the company needs to engage with their users wherever they are and find a solution to the problem before the problem escalates (Garnett 2010). (Garnett 2010) claims that many customers expect this kind of service today and SMEs that are not engaged in social networking risk being left out and loose market shares to competitors that are responding to these issues much faster.

From the theory above we can see that there are lots of possibilities for SMEs when using social media such as cost effective and getting closer to the customer. But risks like lack of financial and manpower resources can also be seen.

2.7.3. IMPACT OF SOCIAL MEDIA NETWORKS WITHIN SMALL AND MEDIUM ENTERPRISES

A unique role of social media networks is that enabling customers to talk to one another, in a sense, an extension of traditional word of mouth communication (Mangold & Faulds, 2009). Managers are faced with the question of how this power can be harnessed to benefit the organization. Although small and medium

enterprises (SME) cannot directly control what customers are saying, they do have the ability to influence the conversations customers are having (Mangold & Faulds, 2009). But how can managers use social media to influence customer conversation or interact with customers?

2.8. SOCIAL MEDIA MARKETING

Social media networks has caused a significant change in the strategies and tools small and medium enterprises (SME) use for communicating with customers. (Mangold and Faulds 2009) argue that "social media combines characteristics of traditional IMC tools (companies talking to customers) with a highly magnified form of word-of-mouth (customers talking to one another) whereby marketing managers cannot control the content and frequency of such information." small and medium enterprise (SME) are limited in the amount of control they have over the content and distribution of information. Ignoring such user-generated content is not an option. Small and medium enterprise (SME) must be able to monitor and respond to conversation, both positive and negative, surrounding the brand. There are ways however, that small and medium enterprise (SME) can influence discussions in a way that is consistent with the organization's mission (Mangold & Faulds, 2009). Social media marketing enables small and medium enterprise (SME) to achieve a better understanding of customer needs in order to build effective relationships. The foundation of any business is the customer. Social networking provides small businesses with multiple opportunities to build closer and more profitable relationships with customers. However, not all social media are the same and some are better suited for certain marketing strategies than others.

2.8.1 WHAT TO CONSIDER WHEN APPROACHING SOCIAL MEDIA

For Small and medium enterprise (SMEs) to have a successful social media strategy they should consider first and foremost to use the social media tools that fits their company the best. Different social media suits different companies but Facebook and blogs are two platforms that fit the most companies since almost every customer use them. Blogs however demands more time and effort.

1. Consider following some kind of strategy when approaching social media, set up realistic goals and build your presence on the different medium gradually depending on the goals.

- II. It is almost always preferable to be updated with the latest trends within social media. At least to gain business intelligence. The more niche tools the better.
- III. Having a conversation and a good relationship to the customers are very important when approaching social media. Being personal with the customers are important as well and is something that can be easier for SMEs comparing to bigger companies. Be aware that social media is mainly a platform for building relationships. See it also as an investment on ROE and not only ROI.
- IV. Don't be afraid of negative critic, use all information given to you by customers and try to make something good out of it instead.
- V. The main characteristics you should have to be successful within social media are being active, interesting and honest. Other important characteristics are passion, creativity and knowledge.
- VI. Finding the time and personnel resources are two difficulties for SMEs when approaching social media. However as long as you priorities the time and have the interest to develop within social media this might not be such a big problem.

2.9. BUILDING A SOCIAL MEDIA MARKETING STRATEGY

Having a social media marketing strategy is important for all small and medium enterprise (SME) that have decided to engage with this marketing tool. To understand how companies can build strategies within this area I am going to mention six different steps small and medium enterprise (SME) can follow. As i mentioned before social media is a powerful tool that allows companies to reach more customers worldwide and engage with their customers in a more easy way than before (Winterfeldt, 2012). According to (Winterfeldt 2012) a natural consequence of using social media is the trademark and brand enforcement challenges SMEs face. To avoid damage like this it's important to have a social media business strategy within the company.

2.9.1. SIX STEPS TO A SOCIAL MEDIA BUSINESS STRATEGY

- I. **DEFINE A 12-MONTH SOCIAL MEDIA MACRO STRATEGY WHERE A NEW TOOL WILL BE ADDED EVERY MONTH:** Macro strategy should be realistic, flexible and experimental and by adding a new tool every month the company will be able to promote every new tool to the employees, customers and prospects. With this strategy the company is able to look back on previous month and see how effective that month's tool were implemented. Examples of tools could be bloggers, Facebook, YouTube, Twitter or Flickr.
- II. **ENGAGE YOUR EMPLOYEES:** the company will have a greater success with social media if they first implement some strategies with the employees. Letting employees using these tools on an everyday basis they will eventually become accustomed with one another in a new way than before e.g. starting a company blog where people can share expertise within the company.
- III. **GET CLOSER TO CUSTOMERS AND PROSPECTS:** in order to influence the conversation of the customers it's important to get closer to them and finding out what they want. There are several ways of trying to get closer to the companies' customers and prospects, one way is to create a public blog and use search tools to identify blogs and blog topics that might be in the company's interest. Another way is to create a Facebook account or join other social networks to attract the attention of people who needs the product and service of yours.
- IV. **THINK LIKE A PUBLISHER:** with social media everyone is a publisher. As a publisher the company has to deliver something that engages that audience and by adding (often in months 5-7) videos (YouTube) and photos (Flickr) the company increases their ability to engage their audience with components that ease communication, education and entertainment.
- V. **CREATE A COMMUNITY:** this is usually done in month 8-12 in the macro strategy. Tools like Twitter or Survey Monkey can be used to involve the audience around details of the content that might be of interest for them. It's important that the tools work together, for example Twitter could be used to send a tweet about an online survey or a blog post that has been posted.

MEASURE WHAT'S MOST IMPORTANT BY INVOLVING THE EMPLOYEES, CUSTOMERS, AND PROSPECTS IN THE PROCESS:

the first thing that has to be done is to ask people for feedback, which can be done by encouraging comments on the blog. Another valuable measurement tool is Google Analytics which is highly recommended and best of all it's free. This tool gives metrics on traffic patterns for your site and see where people actually is spending time and is tracking the actual behavior of the companies community, although the most convincing metrics would be if the macro strategy is impacting sales and profitability.

2.9.2. WAYS OF BEING SOCIAL

To make the social media strategy work after its implementation there are certain characteristics a small and medium enterprise(SME) should have to be able to get closer to their customers. I will discuss five important characteristics according to (Kaplan and Haenlein 2009) that are vital for small and medium enterprises (SME) to have if they want to be successful with social media.

- I. BE ACTIVE ON THE INTERNET:** According to (Kaplan and Haenlein 2009) a company has to be active if they want to develop a relationship to someone. They should ensure that the content is always fresh and that they are engaged in the discussions with your customers (Kaplan and Haenlein, 2009). They further explain that social media effort should be more than only responding to negative comments and defending product offerings. It should be more about engaging others in open and active conversations.
- II. BE INTERESTING IN DIFFERENT WAY:** No one would be interested in speaking to a boring person and that's why it's important to give the customers a reason to engage with the company. The first step a company has to do is to listen to the customers and find out what they want to hear, talk about or what they find interesting and enjoyable. Then a post content should be developed that fits those expectations as for instance Starbucks did when they created "My Starbucks idea" platform where the consumers can present new ideas to the company.

BE HUMBLE TO AVOID MISTAKES: Another thing that's very important is to be humble and never forget that social media existed before most of the small and medium enterprises (SME) decided to use them. The author further says that you should not expect that you now know better, how to use social media than those people who have spent countless hours on Facebook or second Life. Before a small and medium enterprises (SME) starts to use any new application it's important to find out about its history and basic rules otherwise it could be a failure.

IV. BE UNPROFESSIONAL SO YOU CAN BLEND WITH CUSTOMERS: companies should avoid being too professional in the content offerings as for instance hiring a professional writer to the blog. They should instead try to blend in with the users and shouldn't be afraid to make mistakes. Social media users are just like you and understand that things can go wrong sometimes.

V. BE HONEST TO GAIN PEOPLE TRUST: It's important to be honest and respect the rules of the game and some social media (Wikipedia) doesn't allow companies to be involved and therefore you should stay out. Other participant can easily find out who's standing behind an anonymous user account since many of them are one of the most technologically sophisticated people on the planet.

2.9.3 SUMMARY

This chapter has provided an overview of the literature relevant to the focus of this study. Topics covered included small business marketing, integrated marketing techniques, social media, and social media marketing. The literature review revealed the need for research in the area of small business and social media strategy and the relevance of the research question. Small businesses struggle to use social media to reach customers. Research on how small businesses use social media exists, however the results are based solely on surveys or interviews. The research fails to gain insights on the strategies owner managers use to engage customers on social media and check what the participants say against what the participants do. The research on social media use by small and medium enterprise (SME) also fails to investigate the types of messages, comments, or replies participants post on the social media sites. The methods described in this paper aim to bring new insights to existing literature. This review and the additional research will result in an initial

Understanding of how a small business recognized for using social media, uses social media to engage customers. Helps create transparency which can increase trust from consumers. By using Twitter and Facebook as a customer service platform, these companies are able to successfully promote a positive brand image and solve customer problems often with less cost than call centers or email service. Providing great customer service enables better brand loyalty. Such well-known companies, however, have the resources to dedicate to creating relationships with consumers. In Social Media Examiner's *2011 Social Media Marketing Industry Report*, over 3,300 marketers were surveyed about their use of social media. One major finding of the study is that social media marketing takes a lot of time. Approximately 58% of marketers are using social media for 6 hours or more each week while 34% invest 11 or more hours weekly (Stelzner, 2011). Marketers reported the number one advantage of social media marketing as generating more business exposure, indicated by 88% of marketers. Other major advantages of social media marketing were increased traffic (72%) and improved search rankings (62%). Slightly more than half reported social media had generated qualified leads. A significant 90% of marketers surveyed claimed social media was important for their businesses. The self-employed and small and medium enterprise (SME) owners were more likely to strongly agree. "A direct relationship between how long marketers have been using social media and their weekly time commitment" exists (Stelzner, 2011). For those just getting started with social media, 59% spend between 1 and 5 hours per week; those with experience of a few months or longer spend 6 or more hours per week on social media activities. Marketers reported reduced overall marketing expenses. The main financial cost of social media marketing was recognized as the time it takes to gain success. The survey found that the top two social media choices for marketers just getting started to those using social media for three or more years were Facebook and Twitter (Stelzner, 2011).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This section plots the techniques to be utilized as a part of completing this study. Particularly the data collection, sampling and data analysis strategies to be utilized are talked about.

3.2 RESEARCH PLAN

The study utilized a descriptive survey outline. This outline has been picked in light of the fact that a review which depends on some type of irregular inspecting strategy was to deliver an example which is illustrative of the specific population under study and create discoveries which might be summed up to the more extensive population. It additionally depicted the qualities of a population in their regular setting completely.

3.3 RESEARCH DESIGN

The target population alludes to a gathering of people, items or objects from which tests are taken for estimation. Target population is the particular population about which data is coveted. The objective population of this study was every one of the small and medium enterprises (SME) in Bayelsa state, Nigeria. As per in Bayelsa state, we assume there are 1,103 small and medium enterprises (SME) in Bayelsa state.

3.4 SAMPLE SIZE

The example size was 10% of the population which is 160 small and medium enterprises (SME). As indicated by (Cooper and Schindler, 2003), a sample size of 10% is sufficiently illustrative. Convenience and random sampling was utilized to choose 20 small and medium enterprises (SME) from each of the eight local government making up Bayelsa state and which are; Yenagoa, Ogbia, Nembe, Ekeremor, Sagbama, Brass, Kolokumo Opokumo and southern Ijaw.

Table 3.1: sample size

Local government area	Frequency	Percent
Yenagoa	20	12.5
Ogbia	20	12.5
Nembe	20	12.5
Ekeremor	20	12.5
Sagbama	20	12.5
Brass	20	12.5
Kolokumo opokumo	20	12.5
Southern ijaw	20	12.5
Total	160	100

3.5 DATA COLLECTION

In this study, essential information was gathered utilizing semi-structured questionnaires from small and medium enterprise (SME). As indicated by Ngechu (2004), semi-structured questionnaires are less expensive than personal interviewing and snappier if the example is huge and broadly scattered like for our situation. Drop and pick technique was utilized on the grounds that the distinctive small and medium enterprise (SME) have diverse schedules. The questionnaire had four parts. The initial segment secured demographic data and business foundation, the second part was on social media marketing strategy, the third covered challenges while the fourth part covered performance of small and medium enterprise (SME).

3.6 INFORMATION EXAMINATION

Before handling the reactions, the finished questionnaires were edited for fulfillment and consistency. Descriptive analysis will be employed. The Data was coded to empower the reactions to be assembled into

classifications. Descriptive statistics was utilized for the most part to abridge the information. Frequency tables were utilized to present the information gathered for simplicity of comprehension.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter discusses the interpretation and presentation of the study findings. The purpose of the study was to establish the impact of social media networks on small and medium enterprises (SME) in Bayelsa state, Nigeria. I made use of frequency tables and figures to present data. The finding was intended on answering the study's research questions. Data composed was collated and reports were produced in form of tables and figures.

4.2 Response Rate

The study targeted a sample of 160 owned small and medium enterprises (SMEs) from Yenagoa, ogbia, Nembe, Ekeremor, Sagbama, Brass, Kolokumo Opokumo and southern ijaw local government areas. However, out of 160 questionnaires distributed, 120 respondents completely filled in and returned the questionnaires, contributing to 80% response rate. This is a reliable response rate for data analysis as (Mugenda 2003) pointed that for generalization a response rate of 70% and over is excellent.

Table 4:1 Response Rate

Response	Frequency	Percentage (%)
Filled in questionnaires	120	80%
Un returned questionnaires	40	20%
Total	160	100%

4.3. Demographic Information of Respondents

As part of demographic information, I requested the respondents to indicate their age bracket, highest level of education, nature of business, the period the business has been in existence and the location of the business

4.3.1 Age of the Respondents

The study sought to find out the age of the respondents. Results are shown on Table 4.2

Table 4.2 Age of the Respondents

Age	Frequency	Percentage (%)
35 and below	60	52%
36-45	30	29%
46-60	20	14%
Above 60	10	5%
Total	120	100%

From the findings 52% of the respondents were aged below 35 years, 29% were between 36-45, 14% were between 46-60 and 5% were above 60years. This shows that majority of people involved in small and medium enterprises (SMEs) are youth (below the age of 35). This is also the age whereby people are more energetic and more likely to be involved in the risky ventures of entrepreneurship.

4.3.2 Level of Education

This study sought to investigate the level of education of the respondents. Results are given on table 4.3

Table 4.3 Level of Education

	Frequency	Percentage (%)
Secondary	35	29%
College	55	52%
Undergraduate	20	14%
Others	10	5%
Total	120	100

From the findings, 52% of the respondents had a college diploma, 29% had gone up to secondary school, 14% had an undergraduate degree while 5% had other qualifications. This shows that majority of those who own small and medium enterprises (SMEs) have a college diploma or secondary school education. This is because those who have a college diploma cannot find employment opportunities in the formal sector and hence end up starting their own businesses.

This also shows that diploma holders gain technical knowledge that from college and opt to use by starting their own business rather than looking for low paying jobs.

Owners of small and medium enterprises (SMEs) after completing their secondary education either do not have the money to finance their universities/college education and are thus forced to venture into businesses.

On the other hand, most small and medium enterprise (SME) with undergraduate degree in Bayelsa state would rather look for formal employment than start their own businesses.

4.4 Business Information

4.4.1 Nature of Business

The study also sought to investigate the nature of business being operated by respondents. Results are given on the table 4.4

Table 4.4 Nature of business

	Frequency	Percent (%)
Fashion	40	24%
Food	30	15%
Manufacturing	5	8%
Transport	8	10%
ICT	30	15%
Education	7	13%
Total	120	85%

The study required the respondents to indicate nature of business they were operating. From the study, 24% of the respondents indicated that they were operating fashion business, 15% were both in food and ICT business, and 13% were in education while only 8% and 10% were in transport and manufacturing business respectively. This means that most Small and medium enterprises (SMEs) venture into education and fashion as compared to those who venture into manufacturing and transport businesses.

The above is because fashion business, which includes selling of clothes, shoes and hairdressing are not capital intensive as compared to manufacturing and transport hence easy to start for most people who cannot easily find financing for capital intensive businesses. The other reason is because education and fashion does not require specialized skills, training, experience or licensing and hence easy to start for male and female entrepreneurs. It can also be noted that the area under study (Yenagoa) is mostly a residential area where fashion and education businesses are more common than manufacturing and transport. These businesses are also fast moving and have ready market in these areas. This means that most entrepreneurs have no access to credit to venture into capital intensive businesses like manufacturing.

4.4.2 Age of the Business

The study sought to establish the period the business has been in existence. Results are shown on Table 4.5.

Table 4.5: Age of the Business

	Frequency	Percentage
Less than 5years	45	28.8%
5-10years	60	55.9%
Over 10years	15	15.3%
Total	120	100%

From the findings, 28.8% of the businesses had been in operation for less than 5 years, 55.9% for between 5-10 years and those in operation for over 10 years were 15.3%.

4.4.3 Location of the Business

The study sought to find out the location of the business in Bayelsa state. Results are given on Table 4.6.

Table 4.6: Location of the business

	Frequency	Percentage
Yenagoa	35	40%
Ogbia	20	15.5%
Nembe	16	10.5%
Ekeremor	10	5.5%
Sagbama	16	10.5%

5.3 Level of Engagement in Business

The study also sought to establish the engagement of business owners in social media marketing. Results are given on Table 4.9.

Table 4.9: Level of Engagement in Business

Statement	Mean	Std. Dev
I personally engage current and potential customer on social media	4.56	0.310
I have hired someone to help in social media marketing	3.96	0.653
I have a social media marketing plan for my business	3.46	0.716
I have received new customers on social media	4.42	0.423

From the findings, whether I personally engage current and potential customer on social media had the highest mean of 4.56 followed by whether I have received new customers on social media with a mean of 4.42 and whether I have hired someone to help in social media marketing with a mean of 3.96. Whether I have a social media marketing plan for my business had the lowest mean of 3.46. This shows that most of the entrepreneurs in the area engage current and potential customer on social media and have received new customers because of this but they do not have a plan on the use of social media as a marketing strategy.

This means that most of these entrepreneurs engage in social media marketing without a plan/strategy on how to execute the same. This is in agreement with Sikalieh et al. (2012) who argue that most entrepreneurs do not develop business plans for strategy execution and this is one of the reasons as to why majority of small businesses do not survive above 5 years. This reason as to why these entrepreneurs do not have a social media plan is either because they do not have the skills to develop one owing to their lack of business management training or because they are just ignorant.

4.6 Challenges of Social Media Marketing

The study further sought to find out the challenges facing social media marketing. The results are shown in table 4.10 below.

Table 4.10 Challenges of Social Media Marketing

Statement	Mean	Std. Dev
The social media platform we are using is not user friendly	2.23	0.367
I fear that the use of social media for marketing may expose my business to legal suits	4.38	0.526
I feel that we may break some laws and regulations in the course of using social media marketing for my business	2.55	0.313
I am experiencing a shortage of funds to invest in social media marketing	3.69	0.797
Due to insufficient funds, I am unable to attract skilled staff to run my social media marketing	4.08	0.708
I am not computer literate	2.91	0.667
I am not much interested in using social media to market my products/services for fear of exposing my secrets to competitors	2.44	0.434
I fear that when I use social media for marketing my products, hackers will damage the image of my business	2.15	0.357

Whether respondents fear that the use of social media for marketing may expose their business to legal suits had the highest mean of 4.38 followed by whether due to insufficient funds respondents are unable to attract skilled staff to run their social media marketing with a mean of 4.08 and whether respondents are experiencing a shortage of funds to invest in social media marketing with a mean of 3.69. Whether

Brass	13	7%
Kolokumo-opokumo	13	7%
Southern ijaw	7	4%
Total	120	100%

On the location of the business within Bayelsa state, 40% of the businesses were located in Yenagoa followed by ogbia which had 15.5% of all the SMEs whose owners responded to the study. It was also established that 10.5% of SMEs were located in Nembe, 5.5% in Ekeremor, 10.5% were located in Sagbama, 7% in Brass and 7% in Kolokumo-opokumo while 4% were located in Southern ijaw. This can be explained by the fact that of the eight LGA's, Yenagoa also happens to be the most convenient in terms of distance and that's why most business owners were interviewed from there. This LGA's also happens to be the most populous of the LGA's according to the Nigerian National Bureau of Statistics.

4.5 Type of Social Media Marketing Strategies

The study sought to establish whether owned SMEs use social media as a marketing strategy.

4.5.1 Owner Manager Use of Social Media Marketing

Table 4.7: Use of Social Media Marketing

	Frequency	Percentage
Yes	80	80%
No	40	20%
Total	120	100%

From the findings 87.3% of the respondents admitted to using social media as a marketing strategy while only 12.7% said they do not use social media as a marketing strategy. This means that most entrepreneurs in this area have embraced social media as a marketing strategy because of the availability of cheap internet and smartphones. It can also be found that most of the clients in these businesses are the youth who are the largest users of social media where they can be easily reached.

5.2 Social Media Platform Used As a Marketing Tool

The study further sought to find out the kind of social media platform these businesses use as a marketing tool. Results are given on Table 4.8.

Table 4.8: Social Media Platform Used As a Marketing Tool

	Frequency	Percentage
Facebook	70	75.3%
Twitter	30	15%
Instagram	20	9.7%
Total	120	100%

From the findings, 75.3% of the respondents use Facebook for marketing, 9.7% uses Instagram while 15% use Twitter. This shows the majority of entrepreneurs in Bayelsa state use Facebook more for marketing than any other social media platform. This is because Facebook is relatively older than the other social media in Nigeria, with over 22 million Nigerians using the platform and so many people would prefer using it for marketing. Facebook is also easier to use than Twitter which is restricted by the number of characters (140). Any Facebook post a product will be seen and shared by many of your Facebook friends as compared to Instagram and Twitter whereby people have first to follow you in order to read/see your posts.

respondents were not computer literate had a mean of 2.91, whether respondents feel that they may break some laws and regulations in the course of using social media marketing for their business had a mean of 2.55 and whether respondents are not much interested in using social media to market my products/services for fear of exposing my secrets to competitors had a mean of 2.44.

Whether the social media platform respondents are using is not user friendly had a mean of 2.23, whether respondents fear that when they use social media for marketing their products hackers will damage the image of their business had the lowest mean of 2.15. This shows that the main challenges facing entrepreneurs in Bayelsa state is fear of legal suits that may arise from the use of media marketing and lack of sufficient funds to invest in social media marketing. It also shows that majority of the entrepreneurs are not only willing to use social media as a marketing strategy but are also computer literate.

Nigerian security agencies have been using non-existent laws to apprehend users of social media on the grounds of national security and this has scared away many entrepreneurs from using the media in marketing. Most of these entrepreneurs are not trained paralegals and they do not understand their rights and cannot also afford to hire legal help. It can also be found that most of the entrepreneurs have low turnover and profits and they do not have enough funds to invest in social media marketing. This can be attributed to the tight credit market in the Nigerian economy which makes it hard for small businesses to access credit. It can also be seen that most Nigerian entrepreneurs are willing to adopt social media marketing as the majority of them are computer literate but the above challenges must first be addressed.

4.7 SME Performance

The study further sought to find out the MSE performance. The results are shown in table 4.11 below.

Table 4.11: SME Performance

Statements	Mean	Std. dev
My sales revenue has been increasing	4.67	0.878

Number of employees has been increasing

Number of customers has been increasing

Will see my business being in operation in the next five years

Do I plan planning to expand my business

4.11	0.865
4.54	0.748
4.30	0.611
4.37	1.204

On the level of agreement on the SME performance, the respondents strongly agreed that sales revenue has been increasing as shown by a mean score of 4.67, number of customer was also found to have an increasing trend with a mean response of 4.54. The study also found that most of the respondents saw their business being in operation in the next five years with a mean score of 4.30 and that they are planning to expand their business as shown by a mean score of 4.37. The respondents were also on agreement that the number of employees has also increased as shown by a mean score of 4.11. This shows that majority of businesses are doing well in terms of revenues and customer growth. It also shows that majority of the entrepreneurs are planning to expand their businesses but are not sure whether the business will survive for the next five years, this is because of the uncertainty in some of these Areas.

Most of the small businesses in Bayelsa state can be closed any time by Government officers due to non-payment of dues. There is also no legally binding lease on the premises where most of these businesses are situated and the landlord can terminate the contract any time. There is also the aspect of the coming elections. Elections in Nigeria are characterized by violent clashes that lead to looting of small businesses. These are some of the reasons that the entrepreneurs think they will not be in operation in the next five years. Most of the respondents are not increasing number of employees because they want to maximize profits while some opt to hire relatives and family members who do not get salaries. There is also the fear that employees will steal.

4.8 Correlation between Social Media Marketing and SME Performance

To quantify the strength of the relationship between the variables, the study used Karl Pearson's coefficient of correlation. The findings are presented as follows;

Table 4.12: Correlation Analysis

		Performance of Small and Medium Enterprises (SMEs)	Social Media Marketing Strategy
Performance of Small and Medium Enterprises(SMEs)	Pearson Correlation	1	
	Sig. (2-tailed)		
Social Media Marketing Strategy	Pearson Correlation	.608	1
	Sig. (2-tailed)	.002	

Results in table 4.2 above reveal that the correlation between social media as a marketing strategy has a strong positive and significant correlation with the performance of Small and Medium Enterprises(SMEs) ($R=0.608$, p -value <0.005). This implies that the use of social media networks as a marketing strategy is associated with an impact in performance of Small and Medium Enterprises (SMEs) in Bayelsa state.

4.9 Discussion of the Findings

The main objective of the study was to examine the Impact of social media networks on small and medium enterprises in Bayelsa state, Nigeria. The study found that most SMEs in Bayelsa state use social media and specifically Facebook as a marketing strategy. This shows that social media is a marketing tool used by many businesses irrespective of the nature of the business itself. Facebook may be the main social media marketing platform due to a large number of users as compared to other social media platforms. This is in line with (Michaelidou

et al, 2011) statements that to get the most out of your social media efforts, your strategy should include: determining which sites are most beneficial to post to and when to post to them, deciding how large you want your social media presence to be, identifying the right metrics to use to measure your progress towards social media goals and how and why to engage current and potential customers online.

The study also established that women owners personally engage current and potential customer on social media which has enabled them to received new customers on social media. The study also revealed that the owners have hired someone to help in social media marketing. On the challenges these businesses face on social media marketing, the study found that these SMEs do not fear that when they use social media for marketing their products, hackers will damage the image of the business.

It was also found that social media platform these SMEs are using is not user friendly is a misguided fact as the respondents indicated the opposite of the fact. The results are in tandem with (Amha and Ageba, 2006) who argued that social media marketing platforms are striving to be technically and architecturally capable of providing basic tools to all it users so that they can have full access to various forms of information like full categorization of products on the platform, provisions for promotional activities and customized targeted campaigns like via e-mails. They add that scalability and flexibility offered by the platform is another crucial criterion for future business development.

Furthermore, the study found that these SMEs fear that the use of social media for marketing may expose their business to legal suits. However, the study found that the SMEs were experiencing a shortage of funds to invest in social media marketing and due to insufficient funds; they are unable to attract skilled staff to run their social media marketing.

The study also found that the sales revenue has been increasing, number of customer has increased and this can be attributed to social media marketing. 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. The study also found that most of these businesses would be in operation in the next five years as the number of employees has been also in the increasing trend. The study finally established that most of the SMEs are planning to expand their business. This is in accordance with (Ayedun et al, 2014) who studied the

Effect of marketing strategies on corporate performance of estate surveying and valuation firms in Kaduna Metropolis of Nigeria, and found that there is a positive relationship between marketing strategies adopted and corporate performance of the firms.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter, I present the summary, conclusion and recommendations based on the findings and interpretations of the research. I also presents the limitations that were identified when carrying out this research. Further, the researcher provides suggestions for further research on the area and closes the chapter with providing implications for policy and practice that can emanate from the findings of the research.

5.2 Summary of the Research Findings

On biographic information, it was found that the majority of SMEs involved in entrepreneurial ventures are youth (below the age of 35). It was also found that the majority of SMEs who have gone into self-employment (entrepreneurship) have a college diploma or secondary school education. From the findings, all the respondents were literate and understand the role of social media in marketing.

On the nature of business, it was found that most entrepreneurs venture into fashion and ICT business as compared to those who venture into manufacturing and transport businesses. It was also found that most of the entrepreneurs run businesses in this area do not survive beyond 5 years and that Yenagoa LGA had the largest concentration of businesses.

On social media marketing as a strategy, it was found that most entrepreneurs in this area have embraced social media as a marketing strategy. It was also found that the majority of entrepreneurs in Bayelsa state, Nigeria use Facebook more for marketing

than any other social media platform and that most of the entrepreneurs engage in social media marketing without a plan on how to execute the strategy

On challenges of social media use, it was found that the main challenges facing entrepreneurs in Bayelsa state is fear of legal suits that may arise from the use of media marketing and lack of sufficient funds to invest in social media marketing. It also shows that majority of the entrepreneurs are not only willing to use social media as a marketing strategy but are also computer literate.

On SME performance, it was found that majority of Small and Medium Enterprises(SMEs) are doing well in terms of revenues and customer growth. It was also found that majority of the entrepreneurs are planning to expand their businesses but are not sure whether the business will survive for the next five years. This is because of the uncertainty in some of these Local Government Area (LGA)

5.3 Conclusions

It can be concluded that entrepreneurs are in the youth bracket (35 year and below). It can also be concluded that most of the entrepreneurs in Bayelsa state, Nigeria are literate and thus understand the importance of social media for marketing. It can also be concluded that most of the entrepreneurs Bayelsa state, Nigeria in engage in businesses that are less capital intensive. Most SMEs in Bayelsa state, Nigeria use social media and specifically Facebook as a marketing strategy. The study therefore concludes that social media networks specifically Facebook is a marketing tool that when used effectively any businesses irrespective of the nature can positively affect its performance.

SMEs Owners need to personally engage or hire people to meet current and potential customer on social media to enable them to received new customers on social media.

This will enable them to be well versed with the media. Due to the higher level of education of the entrepreneurs engaging in SMEs, they find the social media marketing user friendly and for that reason, majority do not fear that hackers will damage the image of their business when they use social media for marketing their products.

However, there is fear that the use of social media for marketing may expose their business to legal suits. This indicates that despite many SMEs market their products on social media; they do not know the legal implications on misusing such platforms to market their products. Another major challenge that these SMEs were facing is shortage of funds to invest in social media marketing which has made them unable to attract skilled staff to run their social media marketing.

The study also concludes that social media marketing has positively resulted to increase in sales revenue, number of customer and the number of employees. The increase is due to brand awareness and brand trust from social media, which in turn, have a strong influence on customer acquisition and customer retention.

5.4 Recommendations from the Study

The study recommends that SMEs should adopt the various social media marketing practices more in their business to achieve the desired levels of performance. The study also recommends that SMEs should establish their weaknesses and strengths on how to enhance their performance through social media.

It is also recommended that despite most entrepreneurs depicting ease of using the marketing platform, awareness and how to operate platforms such as Facebook should be done to SME owners who do not know how to use these platforms to market their products. Entrepreneurs should also be encouraged to take credit/loans from microfinance

stitutions to market themselves as social media marketing platforms helps retain and to attract new customers to the business

The study further recommends that Facebook being a key determinant in the business performance should be enhanced by SMEs. The study also recommends that entrepreneurs make use of other social media marketing platforms with a wide reach such as YouTube. The study also recommends that social networking be incorporated in the SMEs so as to enhance the efforts of business performance.

The study also recommends that the government and other stakeholders promote entrepreneurs by easing access to credit so that they can be able to not only expand their businesses but also take advantage of modern marketing tools and especially social media. The government and other stakeholders should also sponsor training for entrepreneurs so that they are able to understand how to leverage on social media marketing which includes coming up with good action plans on the use of social media as a marketing strategy. With this help, entrepreneurs will also be able to engage in more capital intensive businesses like manufacturing.

5.5 Suggestions for Further Studies

The present study has exposed the challenges facing entrepreneurs on social media marketing. The study suggests further studies on the steps in which the various entrepreneurs are taking to deal with these challenges in order to leverage on social media marketing to grow their businesses.

The study also suggests studies to be conducted on the reasons as to why most entrepreneurs do not engage in capital intensive businesses like manufacturing, as it has been discovered. This will provide a deeper understanding of the challenges entrepreneurs face when they try to venture into these businesses.

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APPENDIX I: QUESTIONNAIRE

IMPACT OF SOCIAL MEDIA NETWORK ON SMALL AND MEDIUN ENTERPRISES (SMEs) IN
BAYELSA STATE, NIGERIA

Section A: Demographic Information

1. Name (optional).....

2. Age

Age (years)	Tick
30 and below	
31-40	
41-50	
Above 50	

3. Highest Educational Qualification

	Tick

Primary	
Secondary	
Diploma	
Bachelor's degree	
Master's degree	
Other (please specify)	

4. Nature of Business

Nature of Business	Tick
Fashion	
Food	
Manufacturing	
Transport	
ICT	
Education	
Retailing	
Other (please specify)	

Period (years)	Tick
Less than 5 years	

5-10 years	
Over 10 years	

5. Period the business has been in existence

6. Location of the business (if more than a branch, location of head office)

Location	Tick
Yenagoa	
Ogbia	
Nembe	
Brass	
Sagbama	
Kolokumo opokumo	
Ekeremor	
Southern ijaw	

Section B: Social Media Marketing

	Tick
Yes	

No	
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Do you use social media networks as a marketing strategy?

(If the answer above is yes), which kind of social media platform do you use In your business?

Medium	Tick
Facebook	
Twitter	
Instagram	
YouTube	

Other (please specify).....

How much do you agree with the following statement?

1=strongly agree 2=agree 3=neutral 4=disagree 5=strongly disagree

	1	2	3	4	5
I personally engage current and potential customer on social media					
I have hired someone to help in social media marketing					
I have a social media marketing plan for my business					
I have received new customers on social media					

No

Do you use social media networks as a marketing strategy?

(If the answer above is yes), which kind of social media platform do you use in your business?

Medium	Tick
Facebook	
Twitter	
Instagram	
YouTube	

Other (please specify).....

How much do you agree with the following statement?

1=strongly agree 2=agree 3=neutral 4=disagree 5=strongly disagree

	1	2	3	4	5
I personally engage current and potential customer on social media					
I have hired someone to help in social media marketing					
I have a social media marketing plan for my business					
I have received new customers on social media					

Section C: Challenges on Social Media Marketing

How much do you agree with the following statement?

1=strongly agree 2=agree 3=neutral 4=disagree 5=strongly disagree

Challenge	1	2	3	4	5
The social media platform we are using is not user friendly					
I fear that the use of social media for marketing may expose our business to legal suits					
I feel that we may break some laws and regulations in the course of using social media marketing for my business					
I am experiencing a shortage of fund to invest in social media marketing					
Due to insufficient funds, I am unable to attract skilled staff to run my social media marketing					
I am not computer literate					
I am not much interested in using social media to market my product/services for fear of exposing my secret competitors					
I fear that when I use social media for marketing my products, hackers will damage the image of my business					

Section D: SME Performance

How much do you agree with the following statement?

1=strongly agree 2=agree 3=neutral 4=disagree 5=strongly disagree

	1	2	3	4	5
My sales revenue has been increasing					

Number of employees has been increasing

Number of customers has been increasing

I see my business being in operation in the next five years

I am planning to expand my business
