

Social Media Business Network and MSMEs Performance in Ogun State, Nigeria

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Abstract

Businesses are fast realizing the importance of digital technology to enhance their productivity. This study, therefore, examines the impact of social media use on the financial and non-financial performance of MSMEs. Primary data were adopted for the analysis with focus on some selected Micro, Small, and Medium Scale Enterprises (MSMEs) in Ogun State, Nigeria. 280 valid responses were collated for the analysis and descriptive and logistic regression analyses were carried out. 152 females and 128 males participated in the survey. The findings showed that about two-thirds of the businesses sampled currently have their businesses on a social media handle and a large percent of them use Facebook as a platform to promote their businesses. More referrals, investment, and digitally skilled staff all significantly improved the financial performance of the businesses. On the other hand, social media visibility, investment in business, and digitally skilled staff positively impacted non-financial performance. Only two (business investment and digitally skilled staff) of the variables analysed significantly impact both financial and non-financial performance. The study does not find a significant relationship between other variables measured (such as online delivery of services and staff training) and the non-financial performance of the MSMEs. The study recommended that MSMEs should employ staff members that are social media savvy and also proactively attend to customers' online queries.

Keywords: Social Media, financial performance, non-financial performance, MSMEs, Ogun State

JEL Classification: M1, O14

1. Introduction

It is not surprising to see many businesses' pages popping up on social media. Businesses are fast realizing the importance of digital technology to enhance their productivity. Organizations are developing and sustaining social media platforms to improve their social network salience, increase interest in their organizations and also develop relationship with

the online public (Parvaan, Jaffar, & Ainin, 2016). The transformation in digital technology landscape generally cannot be overemphasized. While developed countries can optimally make use of digital advancement based on the level of their technological development, many users in developing countries are still down the ladder and just struggling to keep up the pace with the digital technology usage especially in Nigeria. However, many individuals and corporate entities have adopted digital technology in enhancing their economic viability. A major digital technology used in businesses in developing countries is social media.

Social media outlets such as Facebook, Instagram, LinkedIn, Telegram, Twitter, YouTube, and WhatsApp are been viable online tools for promoting goods and services at cheaper costs (Derhamet *et al.*, 2011; Ainin, Parveen, Moghavvemi, Jaafar, N & Shuib, 2015). Social media has the prospects of providing higher sales, greater customer experience, and leads to new product development. The effectiveness of social media usage for Micro, Small and Medium scale Enterprises (MSMEs) performance has been recognized by managers and scholars (Ainin *et al.*, 2015; Parveen *et al.*, 2016). The users require little to no cost in setting up a business account. In fact, individuals who cannot afford the meagre set up cost often use their personal accounts (opened at no cost) to advertise their businesses pending when they can afford a standard business account. Although much education and advanced information technology is not required in opening and using these accounts (Derham *et al.*, 2011), a minimal level of formal education is needed so as to understand how to correctly use the social media handles for enhanced visibility.

Extant literature has identified MSMEs as a link for creating and sustaining economic growth in Nigeria. This is not surprising because MSMEs play a key role in promoting economic growth and development via different platforms such as job opportunities, redistribution of income, poverty alleviation and maintaining a healthy economy (Bello, Jibir & Ahmad, 2018). Many managers of MSMEs in Nigeria today possess little or no formal education and this may be a hindering factor in enabling them optimally use social media handles. Furthermore, in developed countries, periodic training and skill acquisition are recommended for staff members to enhance their productivity. However, in many developing countries, Nigeria inclusive; many MSMEs rarely undergo human capacity building and this leads to stagnancy in businesses (Akhatior & Ugbomhe, 2018 cited in the Lagos Business School Insight, 2021).

Organizational performance is regularly appraised in order to know the organization's economic viability. It remains one of the incontrovertible topics in management sciences. There seems to be no end to the argument on the importance of organizational performance. This can be viewed from various perspectives, namely financial and non-financial performance. Financial performance is related to the profit of the organization, return on investment, and asset growth (Venkatraman & Ramanujam, 1986), whereas, non-financial performance is viewed in the context of the overall brand of the business with respect to customer satisfaction, employee satisfaction, shareholder wealth maximization and customer loyalty (Venkatraman & Ramanujam, 1986). Despite the fact that Nigeria has the most internet and social media users in Africa (Statista, 2018), adoption of this technology by SMEs is low, and as a result, business failure is on the rise (Napitupulu, Syafrullah, Rahim, Abdullah & Setiawan, 2018; Rahayu & Day, 2017). Notwithstanding the rate of failure, MSMEs have been identified to be major contributors to the Gross Domestic Product (GDP)

of an economy (Adeosun & Shittu, 2021; Bello *et al.* 2018), thus the need to focus on this sector in this study. Therefore, the objectives of this study are to:

- determine the rate of adoption of social media by selected businesses in Ogun State
- analyse the impact of social media usage on the financial performance of selected businesses
- evaluate the impact of social media usage on the non-financial performance of selected businesses

The remainder of this paper is divided into the following sections- section 2 provides a literature review that reviews the concepts, theories, and empirical studies. Section 3 discusses the methodology that is used. Section 4 presents the analyses and discussions of findings; while section 5 provides the conclusions and recommendations.

2. Literature review

2.1 Conceptual Review

Social media has become an integral part of business operations over the years (Chen, Chen & Yang, 2008; Wang & Kim, 2017). It comprises of texts, pictures, audio, videos, and networking (Berthon, Pitt, Plangger, & Shapiro, 2012). According to Wang and Kim (2017), the use of social media has transformed the role of consumers from passive participants to active participants through their ability to create and share information about the business. Thus, customers can make inquiries online and get replies as soon as possible. Also, social media platforms have become viable tools for advertising and selling at an affordable cost (Ainin *et al.*, 2015). Some of these popular media are Facebook, Instagram, WhatsApp, YouTube, Twitter (Akram & Kumar, 2017), and recently, Tiktok (Su, Baker, Doyle & Yan, 2020).

SMEs are sources of innovation, employment, and income generation for economies. They are increasingly becoming significant in the economic growth and development of many countries (Bello *et al.*, 2018). The Organisation for Economic Co-operation and Development (2005) defines small businesses as non-subsidary and independent firms that employ very few numbers of employees. Micro enterprises have at most 10 employees while SMEs have less than 50 employees. Due to the economic viability of MSMEs, nations have continued to embark on policies and plans targeted at creating sustainable development for these businesses (Bello *et al.*, 2018).

Performance in this study is captured from two approaches: financial and non-financial. Financial performance refers to the profitability of a business with respect to market share, rate of interest, and profit from sales. The collation of financial and non-financial indicators could be from primary and secondary sources (Venkatraman & Ramanujam, 1986). Although the secondary sources make comparing easy, the primary sources require detailed attention. This is to enable comparison efficiently made across sampled organisations. The study by Venkatraman and Ramanujam (1986) revealed some indicators of financial and non-financial performance of organisations. The financial indicators were sales growth, profitability, market share, and rate of interest. The non-financial indicators include operational measures such as the efficiency of the business. Both the financial and non-financial performance of businesses can be impacted by the use of social media. Such usage could be in the area of

staff training (Akhaton & Ugbomhe), interactions with customers (which could further improve referrals) (Ainin *et al.*, 2015; Wang & Kim, 2017), employee satisfaction (Wang & Kim, 2017).

2.2 Theoretical Review

The Diffusion of Innovation (DOI) Theory is central to the understanding of the adoption and usage of technology (Ainin *et al.*, 2015). The theory emphasised that technological innovation creates some form of uncertainty in the mind of the adopters. This is because they have to use a technology that was not originally used by them. However, the possibilities embedded in the new technology propel individuals or potential adopters to learn about the innovation. After a full understanding of the innovation is gotten, individuals can then decide if they will accept or reject the innovation. The belief system in place is also a major determinant in the adoption of technology. Thus, innovation may not thrive where the belief system in place is against the ethics of the innovation. If the innovation is perceived to be difficult to adopt, it may be rejected altogether. On another hand, while some innovations are immediately understood and absorbed by some social systems, some will be slowly absorbed over time. Again, the results of innovation must be visible to all in the social system in order for them to understand the importance of such innovation. Oftentimes, peer discussions influence the visibility of innovation as a member in the peer group encourages or discourages the absorption of the innovation (Rogers, 1983).

Rogers (1983) emphasised that the communication channel is another vital component of the diffusion theory. This is the process through which people innovate and share information with each other so as to reach a mutual understanding of the innovation. This is important in order to share the new innovation with as many people as possible. The four (4) components of communication that have been identified are:

- i. Innovation
- ii. An individual or groups of individuals who understand the innovation
- iii. An individual or groups of individuals who do not understand the innovation
- iv. A communication channel that connects the two groups together.

While mass and social media may be effective in passing information about a particular product, an interpersonal link is even more effective in convincing other people to accept a particular product or service. The ability to convince as many people as possible thus determines the rate of adoption. While only a few individuals may adopt the innovation in the short run, many would adopt it in the long run (Rogers, 1983). Braojos, Benitez, and Llorens (2018) also proposed the social media-IT capabilities theory. This organizational theory reveals how firms' performance is influenced by the online engagement of customers. The analysis supported the theory in examining the effects of social media on firm performance. From the foregoing, a close link between the theory of diffusion of innovation and the innovation of social media is observed.

2.3 Empirical Review

Many researchers have examined the link between social media and a firm's financial performance while some have focused on social media and non-financial performance. Tajvidi and Karami (2017) in their research aimed at examining the mediating role of marketing capabilities in the United Kingdom, hotel industry. A structural equation modeling

method was employed to analyze the data and the result found a positive and significant relationship between social media and a firm's performance. Similarly, Parveen *et al.* (2016) studied the impact of social media on organizational performance and entrepreneurial orientation in an organization with a focus given to 174 organizations. Using a cross-sectional sample to collect data, the study found that social media usage has a very strong positive impact on organization performance while also enhancing customer relations and providing information accessibility.

The role of a CEO's social media capability on a firm's performance was researched by Lijuan and Yan (2021). This study validated a causal relationship between social media capability and firm performance. The moderating effects of CEOs' social media capability on customers' engagement was also examined. An interesting finding is that the firm's CEO's social media capability leads to a positive effect on firm performance and consumer engagement. In a similar vein, Wang and Kim (2017) examined how social media usage can help firms build new Customer Relationship Manager (CRM) capabilities and thus improve marketing adoption strategies to improve customer management and firm performance. The sample size of this study was 232 companies using Facebook. The study contributes to extant literature by confirming a new form of CRM and social media capabilities using the resource-based view and dynamic capabilities theory frameworks and by demonstrating that social media usage plays a moderating role by amplifying the positive impact of social CRM capabilities on firm performance.

In examining entrepreneurs' motivations, expected benefits, and intentions on using social media, Turan and Kara (2018) used a quantitative approach to investigate the entrepreneurs' online social media behaviors. Data were collected from 368 entrepreneurial organizations using structured questionnaires and personal interviews. Results from the data analysis show that entrepreneurs' perceptions and various social influences helped explain a significant proportion of the variations in entrepreneurs' intentions to use online social media. A searchlight was again put on the organizational structure by Rashid and Centikaya (2018). The study examined the effects of the use of social media on performance and the mediating effect of an organization's structure. The survey data gathered from this sample size was 205 responses and analyzed by structural equation modeling techniques. Results revealed that the use of social media is positively correlated with employees' job performance while organizational structure has a positive mediating effect.

Ahmad *et al.* (2019) also explored the impact of social media and analyzed to what extent social media have impacted the organization's capabilities and business performance. A mixed research method including qualitative analysis based on interviews and quantitative analysis based on a survey of 60 employees was used. Findings showed that the use of social media enhances business capabilities and business performance. Similar findings were also revealed by Ladokun (2019) and Tajvidi and Karami (2019). The study emphasised that the use of social media by businesses leads to brand awareness. This can also be attributed to competition. The study specified that web-based life are not only for socialization but could also be utilized in contracting and presenting some data about the organizations. Indeed, organizations that do not hold onto internet-based life, for example, Facebook, LinkedIn, and Twitter as enlistment apparatus may lose to quality competitors.

Introducing the mediating role of trust, selling capability, and pricing capability, Pratono (2018), developed a structural equation model to explain the complex relationship between social media and firm performance. A survey of 380 SMEs was done and the study found that the use of social media in the management process will not affect the increasing firm performance unless the firms build trust in social networks. The results shows that the selling and pricing capabilities become essential following the utilization of social media which is concerned with trust-building. Again, Pekka (2010) opined even though social media has many advantages, its disadvantages should also be considered. The study centered on the danger of online life with respect to the notoriety of business organizations. It made reference to instances of occasions where it includes the impact of internet-based life and how exposure can give a negative effect on the notoriety of an organization. It further emphasised that internet-based life grows the extent of notoriety dangers and lifts hazard elements.

The reviewed literature has focused on either financial or non-financial performance due to social media usage. For instance, Rashid and Centikaya (2018), Turan and Kara (2018), Ladokun (2019) and Tajvidi and Karami (2019) examined the impact of social media on non-financial performance such as customers' engagement and brand awareness. On the other hand, studies by Ahmad *et al.* (2019) and Pratono (2018) focused on financial performance. A focus on both financial and non-financial performance of SMEs as a result of using social media in Ogun State is therefore the gap the current study seeks to fill.

3. Methodology

The scope of this study covers Small and Medium Scale Enterprises operating in Ogun State, Nigeria. According to the Annual States Viability Index, (ASVI), Ogun State follows Lagos State as the economically viable state in Nigeria (ASVI as cited in Agbakwuru, 2020). A questionnaire was developed based on the indicators that have been discussed in the literature. The questionnaire consists of three parts: the first part covered the socio-economic characteristics of the respondents; the second asks questions about the role of social media on the performance of the business; and the third section was an open-ended question to enable the respondents to present their thought on the subject matter. Using convenience sampling (due to resource constraints to cover all the local governments in Ogun State), MSMEs were sampled in the Ado-Odo and Ota Local Government Areas in Ogun State. Three private tertiary institutions (Covenant University, Crawford University and Bells University of Technology) are located in these local government areas. This has influenced the establishment of businesses within and around the tertiary institutions. These MSMEs include restaurants, fashion designing, business centres, bookshops, ICT and hair salons. Since more fashion designers are prevalent in the study area, 95 of them were sampled, followed by 75 restaurants, 40 business centres, 20 bookshops, 25 ICT centres, 20 hair salons, and 25 other businesses which were not prevalent. Some of such businesses are printing, carpentry, and painting amongst others. In total, 300 samples were generated. However, 280 valid responses were used for analyses. The reliability of the instrument was tested using the Cronbach's Alpha test for all the independent variables and is presented in Table 1 below:

Reliability Statistics

Cronbach's Alpha	N of Items
.796	9

The score of the reliability test (0.80) shows a high index, implying the instrument is reliable to a large extent.

3.1 Model Specification

Model A: The impact of social media on Financial Performance

Building on previous studies (Ainin *et al.*, 2015; Venkatraman and Ramanujam, 1986), the turnover of selected MSMEs was adopted as a proxy for their financial performance. Unlike other indicators of financial performance such as market share and rate of interest, information on the turnover of selected businesses was easy to record and therefore available to respondents. The independent variables were adopted to capture the organisation’s use of social media in relating with customers, training staff members, and frequent use of social media to ensure visibility amongst others. It is also important to adopt only variables peculiar to the businesses in the study.

$$TRN = f(MREF, ONLD, MINV, PHYCUS, SMV, SKSTF, STFTR, ONLREQ) \quad \text{Eqn i}$$

Where

TRN= Turnover

MREF =More referrals

ONLD= Online Delivery

MINV= More investment in business

PHYCUS= Physical customers

SMV=Social media visibility

SKSTF= Skilled Staff

STFTR= Staff Training

ONLREQ= Online Requests

Thus, the econometric equation follows:

$$TRN = \beta_0 + \beta_1 MREF + \beta_2 ONLD + \beta_3 MINV + \beta_4 PHYCUS + \beta_5 SMV + \beta_6 SKSTF + \beta_7 STFTR + \beta_8 ONLREQ + \mu \dots \dots \dots \text{Eqn ii}$$

β_0 = Constant

β_1 - β_8 = Coefficients

μ = Error Term

Model B: The impact of social media on Non-Financial Performance

Venkatraman and Ramanujam (1986) and Tajvidi and Karami (2019) opined that the branding of businesses is key in understanding the non-financial performance of firms. MSMEs’ branding is also an important aspect of businesses in Nigeria and this has been adopted to capture the non-financial performance of MSMEs.

$$IMBR = f(MREF, ONLD, MINV, PHYCUS, SMV, SKSTF, STFTR, ONLREQ) \dots \dots \text{Eqn iii}$$

Where

IMBR= Improved Branding

Thus, the econometric equation follows:

$$IMBR = \beta_0 + \beta_1 MREF + \beta_2 ONLD + \beta_3 MINV + \beta_4 PHYCUS + \beta_5 SMV + \beta_6 SKSTF + \beta_7 STFTR + \beta_8 ONLREQ + \mu \dots \dots \dots \text{Eqn iv}$$

The descriptive statistics was used to analyse the socioeconomic characteristics of the respondents while the logistic regression analysis was adopted in understanding the impact of social media on financial and non-financial performance of the firms.

4. Presentation of Results and Discussions

The socioeconomic information of the respondents is displayed in Table 2. The distribution across the gender reveals that more females participated in the survey with a total percentage of 54. A larger proportion of the respondents were also aged between 21 and 30. This means that most of the respondents are young and would be familiar with the use of social media handles. Notably, 33 percent of the respondents have an Ordinary National Diploma (OND) while very few have above a tertiary degree. Small businesses usually require a minimal amount to set up and this is revealed in this study. A majority (44 percent) of respondents started up the business with capital lower than N50,000. The staff strength is also low, with a majority of businesses having 1-5 workers. Only 4 percent have more than 15 workers in the business. A large proportion of respondents manage their own businesses while few are sales representatives for the business. This distribution shows that the responses to questions would be reliable to a large extent as they are replied by mostly owners of the businesses. The majority of the business has been established for between 1-5 years while very few have been operating for over 17 years. This range is also consistent with the number of years small and medium scale enterprises operate in Nigeria (Onugu, 2005).

Table 2: Socio economic characteristics of respondents

Variable	Description	Frequency	Percentage
Gender	Female	152	54
	Male	128	46
	Total	280	100
Age	21-30	102	36
	31-40	94	34
	41-50	60	21
	51 and above	24	9
	Total	280	100
Educational Qualification	Secondary School Certificate	62	22
	OND	92	33
	HND/B.Sc	76	27
	Above HND/B.Sc	50	18
	Total	280	100
Start-up Capital:	Below N50,000	122	44
	N50,000-N100,000	88	31
	N101,000-N200,000	30	11
	Above N200,000	40	14
	Total	280	100

Staff Capacity	1-5.	152	54
	6-10.	92	33
	11-15.	24	9
	Above 15.	12	4
	Total	280	100
Number of years of establishment	Less than one year	58	20.8
	1-5 years	114	40.7
	6-10 years	74	26.4
	Above 10years	34	12.1
	Total	280	100
Position in Business	Owner	240	86
	Sales Representative	40	14
	Total	280	100
Estimated Monthly Revenue	Less than N100,000	176	63
	N100,000-N500,000	62	22
	N501,000-N1,000,000	32	11
	N1,000,001-N2,000,000	10	4
	Total	280	100
Type of Business	Foods	72	26
	Fashion and fashion accessories	96	34
	Business Centres	36	13
	Bookshop	16	6
	ICT	22	8
	Hair Salon	16	6
	Others	22	8
	Total	280	100

Source: Authors' Computation

The turnover of the businesses shows a similar trend with start-up capital of about N50,000. 63 percent of the businesses have a monthly revenue of less than N100,000. Only 4 percent noted a monthly revenue of between N1,000,001 and N2,000,000. The nature of businesses sampled in this study is also revealed in the Table. The fashion and fashion accessories business took the lead with a percentage of 34. This was followed by businesses involved in food. Business centres had a percentage of 13. Very few of the businesses sampled were into sales of books. Other categories of businesses observed were printing press, and carpentry, amongst others.

Table 3: Is the business visible on any social media platform?

Response	Frequency	Percent	Mean	Std Dev
Yes	190	67.9	3.01	1.904
No	90	32.1	2.21	1.707
Total	280	100.0		

Source: Authors' Computation

Table 3 presents the proportion of businesses that use social media to promote their businesses and those that do not use it. It is impressive to realize that over 65 percent (with a mean of 3.01) of the SMEs are currently visible on a social media handle. This shows a significant number of the respondents currently have their businesses on a social media handle. However, 32 percent (with a mean of 2.21) of the businesses sampled do not still use a social media handle.

Table 4: Which social media handle is prominently used?

Social Media Handle Used	Frequency	Percent
Facebook	208	74.3
Instagram	50	17.9
LinkedIn	12	4.3
Telegram	4	1.4
Others	6	2.1
Total	280	100.0

Source: Authors' Computation

Table 4 shows that Facebook is one social media handle many SMEs use to promote their businesses with about 74 percent of SMEs using it. A significant percent (18) also use Instagram. Very few businesses use LinkedIn and Telegram to promote their businesses and this may be as a result of these latter handles having fewer users compared to Facebook and Instagram (see Statista, 2021). Other social media handles recorded being used are Whatsapp, and Tiktok amongst others. The findings from Tables 3 and 4 thus show that majority of the respondents have adopted the use of social media in promoting their businesses with a large number of them using Facebook.

4.1 Empirical findings

Table 5: Descriptive Statistics of variables

Variables	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Mean	Std Dev
MREF	32	47	13	9	0	1.99	0.898
ONLD	34	47	13	7	0	1.93	0.855
MINV	24	53	11	10	1	2.1	0.972
PHYCUS	28	44	19	5	3	2.0	0.901
SMV	28	49	19	3	1	1.97	0.775
SKSTF	21	51	21	7	1	1.99	0.898
STFTR	16	50	27	5	1	2.24	0.812
ONLREQ	21	45	28	5	1	2.18	0.821

Source: Authors' Computation

Table 5 presents the descriptive statistics of variables measured. In order to understand the level of referrals that have been gotten as a result of using social media, majority (47 percent) of respondents asserted that the use of social media had led to increased referrals for the business. 32 percent of respondents also “strongly agreed” with this statement while very few (9%) of respondents did not agree with this statement. The mean score of 1.99 shows that the

rate of referrals is high. A similar trend was also observed in the response on online delivery of services to customers. The mean score of 1.93 also shows that online delivery of services is significantly high. Responses on MINV and PSYCUS show majority of respondents “agree” that social media usage has improved investment in business and the presence of physical customers who patronize the business. However, the mean scores around the borderline of “2” show a higher tendency toward being “undecided” about the response or disagreeing with the statements. Similarly, STFTR and ONLREQ have a similar trend in responses with mean scores of 2.24 and 2.18 respectively. Responses on social media visibility (SMV) and digitally skilled staff (SKSTF) show a significant proportion of respondents strongly agreed or agreed that social media use had improved these two variables.

Table 6: Impact of social media on financial performance

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.074	.202		.368	.713
MREF	.539	.085	.550	6.361	.000
ONLD	.122	.088	.117	1.394	.166
MINV	.270	.071	.275	3.791	.000
PHYCUS	-.011	.050	-.013	-.232	.817
SMV	-.069	.067	-.061	-1.042	.300
SKSTF	.152	.060	.147	2.539	.012
STFTR	.041	.067	.037	.612	.542
ONLREQ	-.154	.066	-.147	-2.348	.021

a. Dependent Variable: TRN

R square 0.679 Adj R Square 0.658

Source: Authors' Computation

Table 6 shows the analysis of social media usage factors that impacts the financial performance of the business. The financial performance is represented as the monthly turnover of the businesses. Of the eight (8) variables examined, four (4) variables impacted financial performance viz: more referrals, increased investment, skilled staff, and online requests. The use of social media has influenced the rate at which the businesses were referred and this further increased productivity, thus, the positive relationship between the referrals and productivity. There is also a positive relationship between more investment in the business due to the use of social media and productivity. A unit increase in investment increased turnover by 0.3 units. Skilled staff members with respect to being social media savvy also have positive relationship with productivity (0.152, p-value<0.05). Thus, the more skilled staff members are to use social media, the higher the productivity. The study by Ainin *et al.* (2015) and Tajvidi and Karami (2017) also revealed a positive relationship between social media adoption and the financial performance of SMEs.

Online requests by customers show a negative relationship with productivity. The more the online requests gotten, the lower the turnover. Online requests may not be unconnected with dissatisfaction from customers. This is contrary to findings by Nyambu (2013). The analysis

found a positive relationship between ONLD, STFTR, and TRN; however, this relationship is not significant.

The R-square result reveals that 68 percent of variations in the model is explained by the independent variables while the remaining 32 percent are a result of variables not stated in the model.

Table 7: Impact of social media on non-financial performance

	Unstandardized Coefficients		Standardized Coefficients		
Variable	B	Std. Error	Beta	t	Sig.
(Constant)	.275	.252		1.092	.277
MREF	-.072	.106	-.076	-.686	.494
ONLD	.107	.110	.105	.976	.331
MINV	.180	.089	.188	2.024	.045
PHYCUS	-.082	.062	-.095	-1.324	.188
SMV	.202	.083	.183	2.429	.017
SKSTF	.494	.074	.492	6.638	.000
STFTR	-.036	.084	-.033	-.428	.669
ONLREQ	.123	.081	.121	1.512	.133

a. Dependent Variable: IMPBR

R square 0.467 Adj R Square 0.431

Source: Authors' Computation

The impact of social media usage on the branding (non-financial performance) of the SMEs was also analysed and the results are presented in Table 7. MINV, SMV, and SKSTF are significant variables that impacted non-financial performance at 5 percent. The extent to which each business has improved in its overall business brand was used to capture the non-financial performance.

The more investment is made into the business, the better the non-financial performance. This shows that increased investment does not just impact the financial performance of a business, other areas of the business can also be impacted by investing in the business. A positive and significant relationship was observed between social media visibility and branding (0.202, p-value<0.05). Being visible on social media enhances the brand of SMEs as it creates awareness about the services rendered to many people the business wouldn't be able to reach. This is also consistent with findings by Ladokun (2019) and Ainin *et al.* (2015).

Skilled staff who are social media savvy positively impact the branding of businesses and also put the business in a good light in the public. This is revealed in the positive impact SKSTF had on IMPBR (0.494, p-value<0.05). This result is quite different from the impact on financial performance as seen in Table 5. The R-square also shows that 47 percent of variations in the model are explained by the independent variables analysed.

5. Conclusion and recommendations

This study examines the impact of social media usage on the financial and non-financial performance of some selected MSMEs in Ogun State, Nigeria. Social media is fast becoming

a viable digital technology used in promoting businesses. While much emphasis has often been placed on its impact on financial performance, this study examines the impact on non-financial performance within the same model. Using a structured questionnaire, 280 valid responses were collated for further analysis. The descriptive and logistic regression analyses were carried out.

The analysis revealed that most of the sampled businesses had a social media account and a large percent of them use Facebook as a platform to promote their businesses. More referrals, investment, and digitally skilled staff all significantly improved the financial performance of the businesses. On the other hand, social media visibility, investment in the business, and skilled staff positively impacted non-financial performance. Out of the variables analysed, only business investment and digitally skilled staff significantly impact both financial and non-financial performance.

From the findings of this study, the following recommendations are made: SMEs that have social media handles should put such handles into good use, this will further create awareness about their brand. Also, more investment with respect to social media needs to be done by businesses; this will not just increase their turnover but also improve the brand of the businesses. Furthermore, staff members should be social media savvy such that they can promote the MSMEs on social media. Online customers' requests need to be proactively addressed as this will improve the turnover of the businesses. In sum, it is high time MSMEs realized the importance of social media on the overall operation of their businesses and aggressively adopt its usage. Relevant stakeholders can provide adequate subventions with respect to data and connectivity to also encourage MSMEs to adopt social media usage.

A major limitation of this study is the inability to delineate businesses that were impacted by the use of social media and the ones that were not. Also, the scope of this study is limited to only selected MSMEs within Ogun State. Ogun State is also largely dominated by farmers, further studies can widen the scope and also examine the impact of technology adoption on agricultural productivity within the state.

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Dear Respondent,

The following questions are needed to conduct a research on “SOCIAL MEDIA BUSINESS NETWORK AND MSMEs PERFORMANCE IN OGUN STATE, NIGERIA.” The purpose of this study is to understand the degree of social media usage and how it impacts on SMEs financial and non-financial performance.

I assure you that your opinions and responses will be strictly confidential and used purely for the research work.

Thanks for your anticipated cooperation.

Yours faithfully,

Researcher

Section A; kindly indicate your most appropriate response by ticking (✓) in the boxes provided

Demographic and Socioeconomic Information

1. Indicate your gender:

Male

Female

2. Indicate your age bracket:

21-30

31-40

41-50

51 and above

3. State your educational qualification

School Leaving Certificate

OND

HND/B.Sc

Above B.Sc

4. Type of SMEs operated:

Foods

Fashion and fashion accessories

Business Centres

Bookshop

ICT

Hair Salon

Others (pls specify) _____

5. Indicate the total number of years of establishment:
 - Less than one year
 - 1-5 years
 - 6-10 years
 - Above 10years
6. Start-up Capital:
 - Below ₦50,000
 - ₦51,000-~~₦~~100,000
 - ₦101,000-~~₦~~200,000
 - Above ₦200,000
7. Staff Capacity:
 - 1-5
 - 6-10
 - 11-15
 - Above 15
8. Position in the business:
 - Owner
 - Sales Representative
 - Others, pls specify _____
9. Estimated monthly revenue
 - Less than N100,000
 - N100,000-N500,000
 - N501,000-N1,000,000
 - N1,100,000-N2,000,000
10. Is your business currently visible on any social media platform?
 - Yes
 - No
11. If yes, which of the following?
 - Facebook
 - Instagram
 - LinkedIn
 - Telegram
 - Others _____

Section B: Impact of social media on financial and non-financial performance of MSMEs

Kindly tick to show the extent to which you agree with the following statements.

Please note:

SA- Strongly Agree A- Agree U- Undecided D- Disagree SD- Strongly Disagree

S/N	Statements	SA	A	U	D	SD
1	My business have made remarkable turnover as a result of advert on social media handle					
2	The brand of the business has greatly improved through social media visibility					
3	I have received more referrals through the use of social					

	media					
4	Customers can place orders via my business page and delivery made to them					
5	The business page has enabled more investment into the business					
6	The cost of maintaining the social media handle impacts productivity					
7	The business provides data allowance to staff in order to keep its page active					
8	The business can still operate optimally without the presence of social media					
9	The business has gotten more physical customers due to online visibility					
10	Network issues does not impact the business' presence on social media					
11	Visibility on more social media handles strongly improves the business' productivity					
12	Staff members are well equipped with the use of digital technology					
13	The social media has helped enhance training of staff members					
14	The business strives to improve product quality to compete favourably with other products online					
15	I deliberately advertise my products using online channels					
16	The social media has improved my inter-personal skill					
17	Requests of customers on social media are proactively responded to					
18	I have better self-esteem because of my business' presence on social media.					

Section C: Please answer appropriately

- What factors should the business consider in improving its online visibility