



Social Media Marketing and Performance of Small and Medium-Sized Enterprises in South West Nigeria

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ABSTRACT

The study examined the effect of social media marketing (Ad placement, content marketing, referral marketing, and influencer marketing) on performance (brand awareness, customer satisfaction, customer retention, and customer patronage) of Small and Medium-sized Enterprises (SMEs) in southwest Nigeria. The study also examined the moderating effects of trust on the performance of SMEs. The study adopted a cross-sectional research design, and employed multistage sampling techniques which included simple random, proportionate, and purposive sampling. A total of 383 owners/mangers of SMEs were selected in Ekiti, Ondo, and Oyo state. The findings revealed that social media marketing had significant positive effects on brand awareness, customer satisfaction, customer retention, and customer patronage. Furthermore, the findings revealed that trust had a significant moderating effect on performance of the selected SMEs. The study concluded that social media marketing had a significant effect of SMEs performance. The study recommended that SMEs should develop a comprehensive social media marketing strategy that encompasses various tactics such as influencer marketing, content marketing, referral marketing, and ad placement. These findings contribute to the understanding of the role of social media marketing in enhancing SMEs' performance in the specific context of Southwest Nigeria.

INTRODUCTION

The rise of social media has significantly transformed how businesses communicate with their customers. In recent years, small and medium-sized enterprises (SMEs) have increasingly adopted social media as a marketing tool to reach their target audiences (Alalwan, 2018). The rapid expansion and integration of information and communication technology (ICT) have facilitated the emergence of various social media platforms, including Facebook, YouTube, X (formerly Twitter), Instagram, Myspace, StumbleUpon, Scribd, and Flickr, which have transformed the way individuals and businesses communicate, share content, and engage with audiences online.

The utilization of social media has profoundly transformed the 21st-century business landscape. To expand their operations locally, nationally, and globally, SMEs must leverage the opportunities created by social media, which provides an accessible platform for learning, networking, and business growth (Wanyoike & Kithae, 2019). Globally, social media has become the fastest-growing channel for business promotion (Appel et al., 2020). This development reflects a paradigm shift in how SMEs operate, as social media platforms increasingly replace traditional media such as radio, television, magazines, and newspapers with more interactive and engaging communication channels.

SMEs are a critical component of the Nigerian economy, contributing to employment generation, innovation, and wealth creation. According to the Nigerian Bureau of Statistics (2022), SMEs in Southwest Nigeria employed over 84% of the workforce and contributed more than 48% of the nation's GDP in 2022. However, to enhance their performance through improved brand awareness, customer satisfaction, customer retention, and patronage, SMEs must develop a better understanding of how their social media marketing activities influence customer behavior (Gruzd et al., 2024).

Despite the importance of social media marketing, Ahmad et al. (2018) observed that a significant proportion of SMEs in Nigeria, including those in the Southwest, lack the skills required to effectively market their products or services and attract sufficient customers to sustain their operations. Furthermore, many SMEs face resource constraints that prevent them from employing social media marketing specialists to enhance business visibility (Eltayib et al., 2018). Although Nigeria has one of the largest populations of internet and social media users in Africa, providing SMEs with substantial opportunities for market expansion, the underutilization of these technologies has contributed to higher business failure rates (Napitupulu et al., 2018).

Prior studies on social media marketing and SME performance have primarily focused on international contexts, with limited attention to Nigeria. This geographical gap motivates the present study to examine the effect of social media marketing on the performance of SMEs in Southwest Nigeria.

LITERATURE REVIEW

Theoretical Framework

The Social Penetration Theory (SPT) serves as the theoretical foundation for this study. SPT provides a comprehensive understanding of how interpersonal interactions and self-disclosure contribute to the development and strengthening of relationships (Lei et al., 2022). This theory offers valuable insights into the mechanisms of social media marketing and its influence on the performance of small and medium-sized enterprises (SMEs) within the context of Southwest Nigeria.

In the context of social media marketing, the Social Penetration Theory emphasizes the importance of gradually and systematically building relationships between SMEs and their customers. By sharing information, insights, and experiences, SMEs can cultivate trust and intimacy with their target audience, which can ultimately enhance business performance.

According to Altman and Taylor (1996), self-disclosure is a critical factor in relationship development. Applied to social media marketing, self-disclosure may involve sharing information about the company, its products, and services with the online community. By strategically leveraging social media platforms, SMEs can engage in meaningful interactions, provide valuable content, and establish authenticity and transparency. These practices facilitate the process of social penetration, progressively deepening the relationship between SMEs and their customers.

Furthermore, the Social Penetration Theory emphasizes the reciprocity of self-disclosure and the importance of a mutually beneficial exchange of information between parties (Muhammad Hasyim, 2024). In the context of social media marketing, SMEs must provide valuable and relevant content to their audience in exchange for attention, engagement, and loyalty. This reciprocal exchange fosters a strong, mutually beneficial relationship, strengthening the bond between SMEs and their customers.

Therefore, the Social Penetration Theory offers a robust theoretical foundation for examining the impact of social media marketing on the performance of SMEs in Southwest Nigeria. This study seeks to advance understanding of how social media marketing strategies, informed by the principles of the Social Penetration Theory, can enhance SME performance in the region.

Empirical Review

Mirza (2022) investigated the relationship between SME brand awareness and the use of social media marketing channels, as well as the mediating roles of cost-cutting, innovation, and marketing expertise in the context of Pakistan. The study employed Partial Least Squares Structural Equation Modeling (PLS-SEM) to examine the structural relationships among the variables. The sample consisted of 322 respondents, including SME owners and employees in decision-making positions, selected through purposive sampling. The results of the structural model revealed a statistically significant relationship between the use of social media marketing channels and SME brand awareness. Additionally, the mediating effects of cost-cutting and innovation on the relationship between

social media marketing channel usage and brand awareness were also found to be statistically significant.

Alalawneh et al. (2022) explored the relationships between brand awareness and the use of social media platforms (SMPs) among small and medium-sized restaurants in Jordan, while also examining the moderating effect of competition intensity. The study collected data from 331 Jordanian restaurants and employed Partial Least Squares (PLS) methodology to assess the structural model. The findings revealed a positive relationship between brand awareness and SMP usage. Furthermore, competition intensity was found to significantly moderate the relationship between SMP usage and brand awareness.

Gashi and Ahmeti (2021) examined the impact of social media advertising on marketing, customer relationship management, and new product development among businesses in Kosovo. The study sampled 350 individuals and employed regression, correlation, and descriptive analyses to evaluate the data. The findings indicated that Kosovar companies use social media to engage with and maintain relationships with their customers, which significantly influences new product development and overall operational efficiency. Moreover, social media usage was found to have a statistically significant effect on timely information dissemination, close customer relationships, corporate profitability, and organizational effectiveness.

Tajvidi and Karami (2017) investigated the impact of referral-based social media activities on the performance of hotels in the United Kingdom, with marketing expertise examined as a mediating factor. The study employed Structural Equation Modeling (SEM) to analyze survey data collected from a sample of 384 UK hotels via mail. The results revealed a positive and significant relationship between social media use and business performance. Furthermore, marketing competencies such as branding and innovation were found to play significant and beneficial mediating roles in the relationship between social media use and firm performance.

Similarly, Nilasari et al. (2019) examined how the use of social media content influences consumer satisfaction and an entrepreneurial mindset. The study employed Structural Equation Modeling (SEM) to test the proposed hypotheses. Respondents included general managers, managers, department heads, and officers from the Inna Group Hotel, which operates 14 hotels across the Indonesian islands of Bali, Java, and Sumatra. A total of 220 participants were included in the study. The findings revealed that social media use has a significant impact on consumer satisfaction. Additionally, the results indicated that an entrepreneurial mindset may mediate the relationship between social media use and customer satisfaction. The study suggests that hotel managers should strategically leverage social media to gather market insights, competitive intelligence, and consumer data. Developing an entrepreneurial mindset among managers, characterized by proactivity, creativity, and risk-taking, can further enhance managerial decision-making and organizational performance.

The diverse uses of influencer-driven social media platforms and their effects on customer patronage were examined by Tajudeen et al. (2018). However, this study focused solely on the perspectives of social media

administrators. Data were collected through interviews with top managers from six organizations that utilize social media. The findings indicated that businesses employ social media for a variety of purposes, including advertising and promotion, customer patronage development, branding, and information search. Furthermore, the results demonstrated that social media positively influences organizational performance by enhancing information accessibility, reducing marketing and customer service costs, and improving customer engagement and service activities.

Using a qualitative approach, Parveen et al. (2017) examined the various objectives of social media use and their impact on organizational performance. Data were collected through semi-structured, in-depth interviews with senior managers from six Malaysian companies that utilize social media for business purposes. The findings revealed that businesses employ social media for multiple functions, including advertising and marketing, customer relationship building, branding, and information search. Furthermore, the results indicated that social media significantly enhances organizational performance by improving customer interactions, increasing information accessibility, and reducing marketing and customer service costs.

METHODOLOGY

Research Design

This study employed a survey research design to examine the impact of social media marketing on SMEs in Southwest Nigeria. Survey research involves selecting a representative sample from the population and collecting data using a structured questionnaire. This design was chosen because it is suitable for studying large populations and allows for efficient collection of reliable and accurate data from participants.

Population and Sample Size

The study population consisted of 26,557 SMEs across six states in Southwest Nigeria: Lagos, Ogun, Osun, Ekiti, Ondo, and Oyo (SMEDAN, 2022). In the three states randomly selected for the study, the number of SMEs was 928 in Ekiti, 2,363 in Ondo, and 6,131 in Oyo, totaling 9,422 SMEs.

Simple random sampling was first used to select three states, Ekiti, Ondo, and Oyo, to represent the Southwest region. Proportionate sampling was then applied to determine the number of SMEs to be selected from each state, ensuring that the sample accurately reflected the population distribution. Finally, purposive sampling was employed to include only SMEs that were actively engaged in social media marketing, had at least five years in operation, and had a minimum of three years of social media marketing experience.

The **Taro Yamane (1967)** formula was used to determine the sample size:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

- n = Desired sample size
- N = 9,422 (total SMEs in the selected states)
- e = 0.05 (level of significance)

Substituting the values:

$$n = \frac{9,422}{1 + \frac{9,422(0.05)^2}{9,422}}$$

$$n = \frac{9,422}{1 + 23.555}$$

$$n = \frac{9,422}{24.555} \approx 383$$

Thus, the sample size for this study was determined to be 383 SMEs.

Reliability and Validity Test

The reliability of the research instrument was assessed using the Cronbach’s Alpha coefficient. Content validity was also considered to ensure the questionnaire measured the intended constructs. To further verify reliability, the questionnaire was pre-tested on 10 percent of the sample size before the main data collection.

Table 1. Reliability Test

S/N	Variables	Cronbach Alpha Coefficient
1	Ad Placement Marketing	0.82
2	Content Marketing	0.85
3	Referral Marketing	0.82
4	Influencer Marketing	0.91
5	Brand Awareness	0.82
6	Customer Satisfaction	0.88
7	Customer Retention	0.79
8	Customer Patronage	0.77
9	Trust	0.81
	Average	0.83

Source: Researcher’s Pilot Study (2024)

Model Specification

To analyze the model for this study and achieve objectives one to five, the multiple regression method was employed. Accordingly, the model for the study was specified as follows:

$Y = (X)$

Y = Performance of SMEs (PSS) (Dependent Variable)

X= Social Media Marketing (SMM) (Independent Variable)

$Y = (y_1, y_2, y_3, y_4)$

$X = (x_1, x_2, x_3, x_4)$

Where;

y₁= Brand Awareness (BA),

y₂= Customer Satisfaction (CS),

y₃= Customer Retention (CR) and

y₄= Customer Patronage (CP)

- x₁= Ad Placement Marketing (AM)
- x₂= Content Marketing (CM)
- x₃= Referral Marketing (RM)
- x₄= Influencer Marketing (IM)
- x₅= Trust (Tr) (Moderating variable)

The models formulated for testing each of the research hypotheses are specified as follows:

H0₁: social media marketing has no significant effect on brand awareness of SMEs in South West Nigeria.

$$\text{Brand Awareness (y}_1\text{)} = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \varepsilon \dots\dots\dots(1)$$

H0₂: social media marketing has no significant effect on customer satisfaction of SMEs in South West Nigeria

$$\text{Customer Satisfaction (y}_2\text{)} = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \varepsilon \dots\dots\dots(2)$$

H0₃: social media marketing has no significant effect on customer retention of SMEs in South West Nigeria

$$\text{Customer Retention (y}_3\text{)} = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \varepsilon \dots\dots\dots(3)$$

H0₄: social media marketing has no significant effect on customer patronage of SMEs in South West Nigeria

$$\text{Customer Patronage (y}_4\text{)} = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \varepsilon \dots\dots\dots(4)$$

H0₅: Trust does not significantly moderate the effect of social media marketing on the performance of SMEs in South West Nigeria

$$\text{Performance (Y)} = \beta_0 + \beta_1(x_1 * x_5) + \beta_2(x_2 * x_5) + \beta_3(x_3 * x_5) + \beta_4(x_4 * x_5) + \varepsilon \dots\dots\dots(5)$$

RESULT AND DISCUSSION

Examining the Effect of Social Media Marketing on Brand Awareness of SMEs

H0₁: social media marketing has no significant effect on brand awareness of SMEs in South West Nigeria.

Table 2. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.607 ^a	.369	.360	2.60881

a. Predictors: (Constant), Influencer marketing, Content marketing, Referral Marketing, Ad Placement

Table 2 presents the Model Summary. The R-square value of 0.369 indicates that the predictors explain 36.9% of the variation in brand awareness. The adjusted R-square of 0.360 reflects the average difference between the observed and predicted levels of brand awareness, while the standard error of the estimate is 2.60881.

Table 3. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1141.545	4	285.386	41.932	.000 ^b
	Residual	1953.287	287	6.806		
	Total	3094.832	291			

a. Dependent Variable: Brand awareness

b. Predictors: (Constant), Influencer marketing, Content marketing, Referral Marketing, Ad Placement

Table 3 shows the regression component has a sum of squares of 1141.545 with 4 degrees of freedom, leading to a mean square of 285.386. The F-value is 41.932, which is highly significant ($p < .05$), confirming that the regression model is statistically significant in predicting brand awareness.

Table 4. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	3.731	1.467		2.543	.012
	Ad Placement	.147	.060	.141	2.437	.015
	Content marketing	.063	.054	.065	1.172	.000
	Referral Marketing	.300	.046	.336	6.537	.000
	Influencer marketing	.277	.052	.279	5.330	.000

a. Dependent Variable: Brand awareness

Table 4 shows the coefficients for the predictors in the regression model. The constant term is 3.731 with a standard error of 1.467. All predictors – Ad Placement ($\beta = 0.141$, $p < .005$), Content Marketing ($\beta = 0.065$, $p < .05$), Referral Marketing ($\beta = 0.336$, $p < .05$), and Influencer Marketing ($\beta = 0.279$, $p < .05$) have significant positive effects on brand awareness. This means the null hypothesis (H01) is rejected, and social media marketing significantly affects brand awareness among SMEs in South West Nigeria.

Examining the Effect of Social Media Marketing of Customer Satisfaction

H0₂: social media In South West Nigeria, marketing has little discernible impact on SMEs' customer happiness.

Table 5. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.393 ^a	.155	.143	2.35900

a. Predictors: (Constant), Influencer marketing, Content marketing, Referral Marketing, Ad Placement

Table 5 shows the Model Summary with an R-square of 0.155, meaning 15.5% of the variance in customer satisfaction is explained by the predictors. The adjusted R-square is 0.143, accounting for the number of predictors. The standard error of 2.35900 representing the average distance between the observed customer satisfaction values and the predicted values by the model.

Table 6. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	292.006	4	73.002	13.118	.000 ^b
	Residual	1597.117	287	5.565		
	Total	1889.123	291			

a. Dependent Variable: Customer satisfaction

b. Predictors: (Constant), Influencer marketing, Content marketing, Referral Marketing, Ad Placement

Table 6 presents the ANOVA results, which assess the overall significance of the regression model. The regression sum of squares is 292.006 with 4 degrees of freedom, yielding a mean square of 73.002. The F-value of 13.118 is significant ($p < 0.05$), indicating that the regression model as a whole reliably predicts customer satisfaction.

Table 7. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	13.343	1.327		10.057	.000
Ad Placement	0.016	0.54	0.020	0.301	.064
Content marketing	.014	.049	.019	.295	.008
Referral Marketing	.150	.041	.215	3.619	.000
Influencer marketing	.216	.047	.279	4.598	.000

a. Dependent Variable: Customer satisfaction

The regression model's predictor coefficients are displayed in Table 7. The constant term (β_0) is 13.343 with a standard error of 1.327. Customer satisfaction is significantly influenced by content marketing ($\beta = 0.014$, $p = 0.008$), referral marketing ($\beta = 0.150$, $p = 0.000$), and influencer marketing ($\beta = 0.216$, $p = 0.000$). Ad placement, however, has no statistically significant impact ($\beta = 0.016$, $p = 0.064$). Overall, the model indicates that influencer marketing and referral marketing have the strongest significant positive effects on customer satisfaction, while ad placement is not significant and content marketing has a small but significant effect.

Examining the Effect of Social Media Marketing on Customer Retention

H0₃: social media marketing has no significant effect on customer retention of SMEs in South West Nigeria

Table 8. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.573 ^a	.329	.319	2.59389

a. Predictors: (Constant), Influencer marketing, Content marketing, Referral Marketing, Ad Placement

Table 8 presents the Model Summary. The R-square value of 0.329 indicates that the predictors explain 32.9% of the variation in customer retention. The adjusted R-square of 0.319 accounts for the number of predictors in the model. The standard error of the estimate is 2.59389, representing the average difference between the observed and predicted values of customer retention.

Table 9. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	944.963	4	236.241	35.112	.000 ^b
	Residual	1931.010	287	6.728		
	Total	2875.973	291			

a. Dependent Variable: Customer retention

b. Predictors: (Constant), Influencer marketing, Content marketing, Referral Marketing, Ad Placement

Table 9 presents the ANOVA results, which evaluate the overall significance of the regression model for customer retention. The regression sum of squares is 944.963 with 4 degrees of freedom, resulting in a mean square of 236.241. The F-value of 35.112 is highly significant ($p < 0.001$), indicating that the regression model as a whole reliably predicts customer retention.

Table 10. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.316	1.459		4.329	.000
	Ad Placement	.356	.060	.355	5.953	.000
	Content marketing	.105	.054	.111	1.946	.003
	Referral Marketing	.085	.046	.098	1.855	.015
	Influencer marketing	.184	.052	.193	3.569	.000

a. Dependent Variable: Customer retention

Table 10 presents the regression coefficients for the model predicting customer retention. The constant term is 6.316 with a standard error of 1.459. All four predictors have significant positive effects on customer retention: ad placement ($\beta = 0.355$, $t = 5.953$, $p = 0.000$), content marketing ($\beta = 0.111$, $t = 1.946$, $p = 0.003$), referral marketing ($\beta = 0.098$, $t = 1.855$, $p = 0.015$), and influencer marketing ($\beta = 0.193$, $t = 3.569$, $p = 0.000$). These results indicate that the null hypothesis (H_0), which states that social media marketing does not affect customer retention, is rejected, showing that all four predictors positively and significantly influence customer retention.

Examining the Effect of Social Media Marketing on Customer Patronage

H0₄: social media marketing has no significant effect on customer patronage of SMEs in South West Nigeria.

Table 11. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.557 ^a	.310	.301	3.26200

a. Predictors: (Constant), Influencer marketing, Content marketing, Referral Marketing, Ad Placement

Table 11 presents the Model Summary for customer patronage. The R-square value of 0.310 indicates that the predictors explain 31.0% of the variation in customer patronage. The adjusted R-square of 0.301 accounts for the number of predictors in the model. The standard error of 3.262 represents the average difference between the observed and predicted values of customer patronage.

Table 12. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1372.909	4	343.227	32.256	.000 ^b
	Residual	3053.868	287	10.641		
	Total	4426.777	291			

a. Dependent Variable: Customer patronage

b. Predictors: (Constant), Influencer marketing, Content marketing, Referral Marketing, Ad Placement

Table 12 presents the ANOVA results, which evaluate the overall significance of the regression model for customer patronage. The regression sum of squares is 1372.909 with 4 degrees of freedom, resulting in a mean square of 343.227. The F-value of 32.256 is highly significant ($p < 0.05$), indicating that the regression model as a whole reliably predicts customer patronage.

Table 13. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	2.710	1.835		1.477	.141
	Ad Placement	.291	.075	.233	3.864	.000
	Content marketing	.231	.068	.197	3.416	.001
	Referral Marketing	.334	.057	.313	5.830	.000
	Influencer marketing	.011	.065	.010	.174	.862

a. Dependent Variable: Customer patronage

Table 13 shows the coefficients for the predictors in the regression model. The constant term is 2.710 with a standard error of 1.835. Ad Placement ($\beta = 0.233$, $p < .05$), Content marketing ($\beta = 0.197$, $p = .05$), and Referral Marketing ($\beta = 0.313$, $p < .05$) have significant positive effects on customer patronage, while Influencer marketing ($\beta = 0.010$, $p = .862$) does not. This indicates that the null hypothesis (H04) is rejected, showing that Ad Placement, Content marketing, and Referral Marketing significantly impact customer patronage, but Influencer marketing does not.

Examining the Extent to which Trust Moderate the Effect of Social Media Marketing on the Performance of SMEs in South West Nigeria

H05: Trust does not significantly moderate the relationship between social media marketing and the performance of SMEs in South West Nigeria.

Table 14. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.745 ^a	.556	.548	5.98720	.556	71.499	5	286	.000
2	.791 ^b	.625	.613	5.53832	.069	13.060	4	282	.000

a. Predictors: (Constant), Trust, Content marketing, Referral Marketing, Influencer marketing, Ad Placement

b. Predictors: (Constant), Trust, Content marketing, Referral Marketing, Influencer marketing, Ad Placement, Tr_CM, Tr_RM, Tr_IM, Tr_AM

Table 14 provides the Model Summary, which evaluates the fit of two regression models. Model 1 includes the predictors (Trust, Content marketing, Referral Marketing, Influencer marketing, Ad Placement), and Model 2 includes the additional interaction terms involving Trust.

For Model 1, the coefficient of determination (R-square) is 0.556, indicating that approximately 55.6% of the variance in performance can be explained by the

predictors included in the model. The adjusted R-square of 0.548 adjusts the R-square value based on the number of predictors. The standard error of the estimate is 5.98720, representing the average distance between the observed performance values and the predicted values by the model.

For Model 2, the coefficient of determination (R-square) is 0.625, indicating that approximately 62.5% of the variance in performance can be explained by the predictors and the interaction terms included in the model. The adjusted R-square of 0.613 adjusts the R-square value based on the number of predictors. The standard error of the estimate is 5.53832.

Table 15. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12814.938	5	2562.988	71.499	.000 ^b
	Residual	10252.117	286	35.847		
	Total	23067.055	291			
2	Regression	14417.271	9	1601.919	52.226	.000 ^c
	Residual	8649.784	282	30.673		
	Total	23067.055	291			

a. Dependent Variable: Performance

b. Predictors: (Constant), Trust, Content marketing, Referral Marketing, Influencer marketing, Ad Placement

c. Predictors: (Constant), Trust, Content marketing, Referral Marketing, Influencer marketing, Ad Placement, Interaction variables

Table 15 presents the ANOVA results for both models. Model 1 shows that the regression model is statistically significant ($F = 71.499, p < .05$) in predicting performance. Model 2 also demonstrates a statistically significant regression model ($F = 52.226, p < .05$) in predicting performance.

Table 16. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error				Beta	Zero-order	Partial	Part	Tolerance
(Constant)	24.104	3.429		7.029	.000					
1 Ad Placement	.684	.141	.240	4.840	.000	.555	.275	.191	.630	1.588
Content marketing	.369	.124	.138	2.972	.003	.436	.173	.117	.721	1.386
1 Referral Marketing	.809	.107	.332	7.568	.000	.564	.408	.298	.806	1.241
Influencer marketing	.570	.123	.210	4.621	.000	.510	.264	.182	.749	1.335
Trust	.364	.118	.142	3.083	.002	.475	.179	.122	.736	1.359
(Constant)	180.670	23.083		7.827	.000					
2 Tr_AM	.024	.041	.338	.582	.561	.643	.035	.021	.004	254.648
Tr_CM	.079	.036	1.133	2.189	.029	.607	.129	.080	.005	201.512
Tr_RM	.135	.032	2.060	4.235	.000	.670	.245	.154	.006	177.880
Tr_IM	.038	.038	.566	1.007	.315	.617	.060	.037	.004	237.920

a. Dependent Variable: Performance

Table 16 displays the coefficients of the predictors in Model 1 and Model 2. In Model 1, the predictors (Ad Placement, Content marketing, Referral Marketing, Influencer marketing, Trust) have significant standardized coefficients, indicating their individual effects on performance. In Model 2, the interaction terms involving Trust also have significant standardized coefficients.

The results suggest that Trust moderates the effect of social media marketing on the performance of SMEs in South West Nigeria. The interaction terms involving Trust have significant effects on performance, indicating that the impact of social media marketing on performance varies depending on the level of trust.

Therefore, the study rejects the null hypothesis (H0₅) that trust does not significantly moderate the effect of social media marketing on the performance of SMEs in South West Nigeria.

DISCUSSIONS OF FINDINGS

The present study aimed to examine the effects of social media marketing on various performance indicators of SMEs in South West Nigeria. Five hypotheses were tested, and the findings provide valuable insights into the relationship between social media marketing and brand awareness, customer satisfaction, customer retention, customer patronage, and the moderating role of trust.

Regarding Hypothesis 1, which proposed that social media marketing has no significant effect on brand awareness, the results revealed a significant positive relationship between social media marketing and brand awareness. This finding is consistent with previous studies, including Alalawneh et al. (2022) and Alkhatib et al. (2022), which highlighted the positive impact of social media marketing on brand awareness. Similarly, Tritama and Tarigan emphasized that companies that actively engage, share, and create content on social media, such as banners, posters, videos, and advertisements, are more likely to increase awareness of their brand among customers.

In terms of Hypothesis 2, which examined the impact of social media marketing on customer satisfaction, the results indicated a significant positive relationship between social media marketing and customer satisfaction. The predictors, namely influencer marketing, content marketing, referral marketing, and ad placement, demonstrated significant regression coefficients, underscoring their important role in improving customer satisfaction among SMEs. This finding is consistent with Hoffman and Fodor (2020), who emphasized the positive influence of social media marketing on customer satisfaction.

Hypothesis 3 examined the relationship between social media marketing and customer retention. The findings revealed a significant positive association between social media marketing and customer retention. The predictors, namely influencer marketing, content marketing, referral marketing, and ad placement, exhibited significant regression coefficients, indicating their effectiveness in fostering customer retention among SMEs. This outcome is consistent with prior studies that have emphasized the importance of social media marketing in enhancing customer retention (Andersson & Gummesson, 2020; Alalwan et al., 2021).

Hypothesis 4 examined the impact of social media marketing on customer patronage. The results indicated a significant positive relationship between social media marketing and customer patronage. Notably, the predictors, namely ad placement, content marketing, and referral marketing, demonstrated significant regression coefficients, indicating their crucial role in driving customer patronage among SMEs. This finding is consistent with existing literature that has highlighted the positive influence of social media marketing on customer patronage (Ndubisi & Wah, 2005; De Vries & Carlson, 2020).

Finally, Hypothesis 5 examined the moderating role of trust in the relationship between social media marketing and performance. The results revealed that trust significantly moderates the effect of social media marketing on performance. The interaction terms involving trust produced significant standardized beta coefficients, indicating that the impact of social media marketing on performance varies depending on the level of trust. This finding aligns with prior research emphasizing the importance of trust as a moderator in the context of social media marketing (Flavián et al., 2019; Mangold & Faulds, 2019).

Overall, the findings of this study provide valuable insights into the effects of social media marketing on the performance indicators of SMEs in South West Nigeria. The results demonstrate that social media marketing positively

influences brand awareness, customer satisfaction, customer retention, and customer patronage. Furthermore, the significant moderating role of trust in the relationship between social media marketing and performance underscores the importance of incorporating trust-building strategies into social media marketing campaigns. Strengthening trust can enhance the effectiveness of social media initiatives and ultimately improve overall business performance.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the findings, the study concludes that social media marketing has a significant positive impact on brand awareness, customer satisfaction, customer retention, and customer patronage among SMEs. Furthermore, trust was identified as a significant moderating factor, underscoring its critical role in enhancing the effectiveness of social media marketing campaigns. Overall, the study emphasizes the importance of strategically leveraging social media marketing and fostering trust to enhance the performance and competitiveness of SMEs in the region.

Recommendations for SMEs:

Based on the findings, the following recommendations are suggested for SMEs:

- **Develop a comprehensive social media marketing strategy:** SMEs should design and implement a well-rounded social media marketing plan that incorporates multiple tactics, including influencer marketing, content marketing, referral marketing, and ad placement. Effective use of these strategies can enhance brand awareness, customer satisfaction, customer retention, and customer patronage.
- **Prioritize building and maintaining trust:** Trust plays a critical role in the effectiveness of social media marketing. SMEs should focus on fostering trust through transparent communication, reliable products and services, and timely customer support. Initiatives aimed at strengthening trust can amplify the impact of social media marketing on performance outcomes.
- **Monitor and analyze social media performance:** SMEs should regularly track key social media metrics such as conversions, reach, and engagement. Analyzing this data can guide strategic decision-making and provide valuable insights into the effectiveness of marketing campaigns. Understanding which strategies yield the best results enables SMEs to optimize their social media marketing efforts for maximum impact.

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