Social Media and Marketing Performance of Small and Medium Enterprises (SMEs) in Harare Metropolitan Province, Zimbabwe

By

1Dr. Collen Kajongwe, PhD, 2Earlmeth, Chinyena, 3Robson, Mugutso & 4Ropafadzo, Mambo
1, 3& 4 Midlands State University, Zimbabwe
2University of Pretoria, Private Bag X20, Harfield, 0028, Republic of South Africa
Email: kajongwec@staff.msu.ac.zw/codzakajongwe@gmail.com:
Phone number: +263 77 4198 231

Abstract
The main purpose of the study was to analyse how social media impact on performance of Small and Medium Enterprises (SMEs) in Zimbabwe. SMEs are facing a number of growth and survival challenges leading to dismal failures and closure because of shrinking sales and low customer base. There is need for SMEs to adopt the use of social media since it is arguably the most trending technology in the 21st century that can help businesses in their market share boosting and customer loyalty. The issue of social media and how it relates to firm’s performance and especially SMEs is therefore yet to be exhaustively explored. Fifty-four (54) respondents in Zimbabwean Harare Metropolitan Province were used as research subjects. The study adopted a quantitative method approach rooted in the positivist paradigm. A cross sectional survey research design was used and the sample was randomly selected from the population. Questionnaires were data collection instrument used in this study. Data was analysed using non parametric Chi-square test of independence through SPSS. Study results indicates that social media has a positive relationship with business strategy of SMEs in Zimbabwe. The study results also show that social media positively improves brand awareness, customer relation and productivity of SMEs in Zimbabwe. However, since there is limited research on how social media impact on SMEs performance especially in developing countries, the present study provides vital evidence. The examination prescribes that the managers and directors in the field of promoting the organizational advancement ought to consider utilizing social media. Scholars ought to likewise consider the investigation results to discover further longitudinal establishment on the linkages between social media displaying and performance in different settings. The implication that can be drawn therefore is that social media adverts, communication and crowd outsourcing promotes SMEs performance in Zimbabwe.

Keywords: Social Media, Performance, Small and Medium Enterprises, Mashonaland West, Zimbabwe
Social Media and Marketing Performance of Small and Medium Enterprises (SMEs) in Harare Metropolitan Province, Zimbabwe

By

Collen, Kajongwe, Earlmeth, Chinyena, Robson, Mugutso & Ropafadzo, Mambo

Introduction

Technology has become a major contributor to the growth of many businesses in both developed and developing countries (United Nations, 2019). Icha & Agwu (2015) posits that one of the most trending technologies is social media, which has contributed to a revolution on how businesses operate. Shabbir, Ghazi, and Mehmood, (2016) alluded that businesses are taking this opportunity to engage with their prospects and existing clients for improved revenue and market share. A significant number of social media platforms has surfaced in the recent years and despite their similarities, they have managed to keep the whole world engaged. A few social media platforms deserve mention such as Facebook, WhatsApp, Twitter, LinkedIn, Instagram, YouTube and Snapchat. This study therefore seeks to address the relevance of this new technology in marketing performance of Small and Medium Enterprises in the context of Zimbabwe.

Small and Medium Enterprises (SMEs) are increasingly seen as veritable engines of economic growth globally contributing more than 60 percent to Gross Domestic Product (GDP) (Lameck, 2014; Kazungu, Ndiege, Mchopa, & Moshi, 2014). Kazungu and Panga (2015) alluded that SMEs significantly contribute to poverty alleviation and economic development and, training ground for the development and upgrading entrepreneurship skills. In East Africa, the sector contributes about 18% of GDP in Kenya (Katua, 2014), 70 % in Uganda (Ankunda, 2010) and 27% in Tanzania (URT, 2012). They contribute to over 60% of the Kenyan population (Katua, 2014) and over 23.4% of the total employment in Tanzania are dependent on SMEs for their survival (URT, 2012). In Zimbabwe, there are 2, 8 million SME owners employing 2, 9 million people (Finscope, 2012). Finscope (2012) revealed that 5, 7 million people in Zimbabwe are dependent on SMEs sector contributing more than 60% to GDP. It is because of these notable impacts they are viewed as the engine of global economic growth. However there are diverse definitions of SMEs globally but in this study the SMEs Act Chapter 24:12 in Zimbabwe defines SMEs as a business entity whether corporate or unincorporated, which together with any of its branches or subsidiaries is managed by one, two or more persons and carries on business predominantly in a sector or subsector of the economy. However, on a global scale (Basri, 2016) observed a growing move from the internet use to use of social media, where businesses are not just using the internet to effect E-Commerce, but also employing social media as a facet or specialty of E-Commerce. It is assumed the use of social media would facilitate marketing strategies to spearhead performance of SMEs measured against productivity, service delivery, quality service and innovation.

The usage of social media platforms such as Twitter (for blogging services), Facebook (for online social networking), LinkedIn (for professional networking), Google Plus (for social networking) have embraced a new wave of marketing strategies among SMEs (Kazungu, Ndiege, Muchopa &Moshi, 2014). Accordingly, Ashraf (2014) asserted that online marketing has proven to be cost effective and the returns seem to be sustainable since the target market is readily accessible since information and ideas are easily relayed on the different social media platforms where the whole engagement and interaction is based. Constantine, (2013) argue that social media marketing as a strategy has key concepts, which are meant to build and maintain an interested online community of engaged followers and supporters. Curtis (2011) avers that if effectively
implemented, social media marketing will enhance product awareness and encourage the market to identify, purchase, consume and repurchase the product being marketed online thus cultivating brand loyalty. Others such as (Heinze, 2016) and (Hobson, 2017) determined that people have captured the opportunity to use their mobile devices to relay information online, making social marketing such a powerful tool of technological advancement and popularity.

One study by Sadi and Iftikhar, (2011) emerged as important to illustrate the nature of SME marketing, and how social media has helped redefine and conduct marketing. Researching the factors critical to the success of small-medium sized business marketing, they conducted a case study of the tourism industry in Saudi Arabia. Notably, their findings suggested that, customer orientation is considered the single most important factor in successful marketing, which contemporary social media enable. Sadi and Iftikhar (2011) concluded that the use of the internet and having social networks had effect on the success of tourism SMEs in Saudi Arabia. Bhanot (2009) examined the impact of social media on Indian organizations performance in terms of customer base and brand awareness, Constantine (2013) looked at how social media and organizational performance in form of efficiency and effectiveness, and Smits and Magos (2009) investigated on social media and business capabilities and performance. However, there is dearth of information on the effects of social media on marketing performance in developing countries like Zimbabwe which this study seeks to address.

Statement of the Problem
SMEs have grown to be veritable engines of economic growth globally (United Nations Development Programme, 2015). Accordingly, there have been growing intellectual interest on marketing strategies by SMEs to uptake their performance. This is especially because compared to larger organisations SMEs are less resource-endowed and ought to be more innovative in their business orientation including marketing management. Some studies have yielded divergent results, others focused on large entities based on conceptual reviews. This presents conceptual, contextual and methodological gaps respectively. It is assumed if social media is embraced and taken aboard effectively positive performance of SMEs will be realized. However, there is dearth of information on how social media impact on marketing performance of SMEs in the context of Zimbabwe which this study seeks to establish.

Objectives
1. To analyse the efficacy of social media on marketing performance of SMEs in Zimbabwe

Hypotheses
H1: Social media positively improves business strategy of SMEs in Zimbabwe.
H2: Social media positively improves brand awareness of SMEs in Zimbabwe.
H3: Social media positively improves customer relations of SMEs in Zimbabwe.
H4: Social media positively improves productivity of SMEs in Zimbabwe.
Conceptual Framework

Figure 1: Conceptual Framework
Source: Survey, (2020)

Methods
The study was guided by the positivism research philosophy, which embraces the adoption of pluralistic approaches in research (Cresswell et al., 2003). The cross-sectional survey research design was adopted. Therefore, this study adopted quantitative research method. The study’s population was made up of all registered SMEs in Harare Metropolitan Province targeting owners. There are 1000 registered SMEs in Harare Metropolitan Province (Finscope, 2015). Convenient sampling techniques were used to select 100 SMEs owners. This sample size is calculated from the 10% of the population basing on the rule of the thump (Heilbron, 2016). A structured questionnaire was used to collect quantitative data. Data was analysed using descriptive statistics and correlations.

Theoretical Framework
Various theoretical lenses were used to analyse social media and marketing performance of SMEs, but Chaffey (2012) application of digital marketing theory strategy was used to underpin this study. The theory looks at social media marketing as an informal marketing approach. According to this theory communication and human networking are at the core of human behavior and ultimately customer behaviour. Social media marketing therefore utilizes these platforms to influence opinions on different products and services and ultimately lead them into making purchases and maintain loyalty of one brand. This theory focuses on social media as a meaningful relationship building tool. Through such interactions a meaningful relationship between the business and its clients are created. The significance of this theory to the study is that it brings in a new angle of viewing the impact of social media marketing on performance of SMEs. By establishing a long-term relationship with clients, not only does it cause an immediate impact but also secures the performance of the business in the long term (Heinz et al., 2016). It therefore calls for an evaluation in short term and critically overseeing the long-term benefits of social media marketing on performance of the organisation. The theory however does not specify the conditions under which its postulations would be valid. Previous studies such as Kimaru (2011) have for example determined that haphazardly implemented communication and networks can be actually be counterproductive.
2. The efficacy of social media on marketing performance of SMEs

Cesaroni and Consoli, (2015) asserted that the use of social media has recently gained rapid prominence among SMEs in many areas. Shabbir, Ghazi and Mehmood, (2016) avers that social media uses have been considered useful as it helps to increase SMEs customer base, enhancing efficiency, effectiveness and helping in partnership building with other organizations. Moreover, according to Carter (2014) social media increases SMEs exposure and it is a very effective mobilization tool. There are several social media platforms, but studies indicate Facebook as the leading in the World. Abed, Dwivedi and Williams, (2015) argue that in 2016, for example, Facebook had more than 1.59 billion monthly active users, and it was estimated that more than 1 million Small and Medium Enterprises used Facebook to advertise their business. Other popular social media platforms being used by SMEs are YouTube, Twitter, WhatsApp, LinkedIn, Instagram, Google+ and Tumblr. In Tanzania Facebook was also leading in 2016 with 3,700,000 subscribers (InternetWordStats, 2016). Many global corporate companies are increasingly using social media especially Facebook and Twitter to markets their products to their customers (Burford, 2011). In Tanzania, SMEs are using social media to promote dialogue and meaning interactions between organizations and their stakeholders (Kazungu, Ndiege, Mchopa, & Moshi, 2014).

Sarprasatha (2015) found that SMEs in Oman have embraced a new wave of marketing strategies. Sarprastha (2015) further asserted that SMEs are tuned to the economical and beneficial marketing tool, which is ideal for organisations without a high marketing budget. Aral, Dellarocas and Godes, (2013) alluded that SMEs are employing the social media directly by selling their wares online to social media users, by initiating marketing campaigns tailored for specific social groupings. It is assumed if SMEs in Zimbabwe adopt and embrace the use of social media, they will positively improve their marketing performance which this study seeks to address.

In most commercial hotspots and urban regions of the Middle East, social media has provided novel drivers of retail success for fashion marketing of SMEs, as is typical of other industries therein (Aral, Dellarocas and Godes, 2013). It is against this background that Carter (2014) argues that one of the most significant impacts of social media, within and without the Arab world, has been giving SMEs an unprecedented level of access to a global market, and reducing their operating costs while optimizing profitability simultaneously.

Kilonzo (2012) pointed out that more than a billion numbers of people can be seen on one or more social media sites in an hour and SMEs can therefore take advantage of the social media buzz to grow their businesses at lower costs yet attain a greater market reach. Aral, Dellarocas and Godes (2013) concurred with Kilonzo (2012) and asserted that unlike newspaper, magazine, TV, and radio adverts, social media enables adverts to reach a global clientele base directly and simultaneously, regardless of geographical time zone. This is indicative of not only the national marketing strategy, but also the international marketing strategy adopted by some of these SMEs.

In the words of Gundala, Jack and Khawaja (2014) social media is exacerbating SMEs to increase revenue, reducing cost and adoption of Ecommerce as their business strategy for the 21st century. Omer (2015) alluded that this, as recently established in Saudi Arabia, is the new edge of modern marketing for SMEs, where advertising has gained a personalized approach in the social media platforms resulting in most SMEs realizing productivity.

Another important social media application, which has been adopted by SMEs are enterprise weblogs. Kalonzo (2012) pointed that enterprise weblogs are often used as project logs or for communication between management or head of marketing and the company’s customers. Shabbir, Ghazi, Mehmood, (2016) examined the role of network externalities on the use of blogs in SMEs and showed that such usage within an individual’s network is associated with an increase in
one’s own usage. Recent literature has also paid attention to enterprise wikis, which can be used by employees to create a shared knowledge base of common terms. Recent empirical studies show that wiki technology is being used by SMEs to support a wide range of work activities within a corporation, including project team collaboration, information dissemination within communities of practice, idea generation, e-learning, technical support, customer relationship management, and resource management (Kazungu, Ndiege, Mchopa & Moshi, 2014). SMEs use social media as a tool for public relations, largely as a strategy to create and sustain an attractive image in the eyes of customers (Samuel and Sarprasatha, 2016).

Results and Discussion
Respond rate analysis

Figure 2: Response rate analysis
Source: Survey, (2020)

The study results show that there was a 100% response rate to all questionnaires administered. The high response rate attained in this study concurs with Saunders (2017) that a respond rate over 50% was considered realistic when using a questionnaire. Sarmer (2015) proclaimed that the response rate of below 30% is considered untrustworthy and not valuable. The high success rate was attributed to persistent follow ups by the researcher and the high level of willingness to participate in the research by the respondents. Figure 2 shows gender of respondents in this study.
Demographic characteristics of respondents

Most SMEs owners in this study were males (60%) comparably to female counterparts (40%) (Refer to Figure 3). The reason could be that males advance with education than females because of cultural reasons in Zimbabwe. The study results are in line with national findings by CZI (2014) indicating that there is gender disproportion in Zimbabwean SMEs. The implication in this study indicated that the number of female youth entrepreneurs using social media exceeded that of female in Zimbabwe. This implies that men are much more willing to take risks than their female counterparts which may explain why males dominate SMEs sector in this study. InfERENCE is made to some studies where the growth rate of male owned firms is higher than those of women-owned firms (Du Rietz, Henrekson 2000; Rosa, Carter, Hamilton 1996; Fischer, Reuber, Dyke 1993). Thus, many authors such as Fischer et al (1993), Carter et al (1996), Rosa et al (1996), Watson (2002), Boden and Nucci (2000), Rietz and Henrekson (2000) have shown that company-specific risks illustrate the performance gap between men and women entrepreneurs. Figure 4 shows social media used by SMEs in Zimbabwe in this study.

The study results indicate that (70%) respondents used WhatsApp, (5%) used GooglePlus, (15%) used Facebook and (10%) used Twitter as social media tools for marketing in Zimbabwe.
This implies that most respondents were mostly using WhatsApp social media tool for marketing in their SMEs. This observation is supported by Novelli (2012) that the use of social media in businesses gained popularity among small businesses where by many people started to use social network site which influence most of enterprises to use it in sharing information with their key stakeholders. This is supported by Eltantawy and Wiest (2011) who argue that social media can be powerful casual communication tool, through which more customers can be approached and reached to expand and enhance the performance of businesses. The usage of social media platforms such as Twitter (for blogging services), Facebook (for online social networking), LinkedIn (for professional networking), Google Plus (for social networking) have embraced a new wave of marketing strategies among SMEs (Kazungu, Ndiege, Muchopa & Moshi, 2014). Table 1 shows descriptive statistics for social media influence on SMEs performance in Zimbabwe.

### Social Media Influence on SMEs Marketing Performance in Zimbabwe

The aim was to explore if social media impact on marketing performance of SMEs in Zimbabwe. Descriptive statistics below were based on how data was originally collected with 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4= Agree and 5= Strongly Agree (See Table 1).

#### Table 1: Descriptive Statistics for Social Media Influence on SMEs Performance (1A-1E)

<table>
<thead>
<tr>
<th>Statistic</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Error</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statistic</td>
<td></td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td>Std. Error</td>
<td>Statistic</td>
</tr>
<tr>
<td>1A</td>
<td>54</td>
<td>2</td>
<td>5</td>
<td>4.69</td>
<td>.098</td>
<td>.722</td>
</tr>
<tr>
<td>1B</td>
<td>54</td>
<td>1</td>
<td>5</td>
<td>3.54</td>
<td>.197</td>
<td>1.450</td>
</tr>
<tr>
<td>1C</td>
<td>54</td>
<td>1</td>
<td>5</td>
<td>3.07</td>
<td>.206</td>
<td>1.515</td>
</tr>
<tr>
<td>1D</td>
<td>54</td>
<td>2</td>
<td>5</td>
<td>4.24</td>
<td>.127</td>
<td>.930</td>
</tr>
<tr>
<td>1E</td>
<td>54</td>
<td>3</td>
<td>5</td>
<td>4.63</td>
<td>.085</td>
<td>.623</td>
</tr>
</tbody>
</table>

Valid N (list wise): 54

Source: Survey (2020)

Respondents indicated that they agree that customer’s social media influences their purchase decision. Of the 54 respondents more than 50% of the respondents agreed that social media influence organizational performance with a mean of 4.69, 3.54, 3.07, 4.24 and 4.63, which are all above 3. Table 2 show multiple regression coefficient of results in this study.
As indicated in the study results, the variables of social media are positively correlated to organizational performance (See Table 2). Beta expresses the relative importance of each independent variable in standardized terms. Firstly, customer relations is a significant predictor since it has the second strongest relationship with organizational performance and this is shown by the following figures (beta=.323, b=10.690, p=.002). The next predictor is business strategy with relative importance of beta=.323, b=10.690, with a p value of 0.001 indicating that it is a significant predictor and hence the conclusion is that with communication on social media, the organizations performance increases. Another predictor is brand awareness with a p value of 0.019. The last predictor is productivity with relative importance of .198 with a p value of 0.029, which is significant. Table 3 show multiple regression analysis and correlations of variables in this study.

### Multiple regression analysis

Multiple regression analysis was conducted to test the relation between SMEs marketing performance and each driver variable of social media to validate that social media has a positive influence on SMEs performance.
The results show that all the predictors are significant at 0.01 level of significance and improve SMEs marketing performance in Zimbabwe (Refer to Table 3).

**Hypothesis Testing**

**H1: Social media positively improves business strategy of SMEs in Zimbabwe.**
This hypothesis seeks to analyse the relationship between social media and business strategy performance of SMEs in Zimbabwe. From findings, Pearson’s coefficient correlation (r) of 0.791 indicated that there is a strong positive relationship between social media and business strategy performance of SMEs in Zimbabwe. Since the p-value is .000 which is less than .01 (p<.01), then the researcher has evidence of a statistically significant bivariate association between the two ordinal variables. With these results, it can be concluded that social media positively improves business strategy of SMEs in Zimbabwe leading to a positive performance. Hence, we can conclude that H1 hypothesis is accepted at 0.01 significance level. This result is in line with previous research findings that the social media is an important element to influence sales revenue with ability to also stimulate consumer demand (Santino & Esparto, 2010:92).

**H2: Social media positively improves brand awareness of SMEs in Zimbabwe.**
This hypothesis aimed at analyzing the relationship between social media and brand awareness and performance of SMEs in Zimbabwe. Findings indicated that social media has a positive relationship with brand awareness of SMEs in Zimbabwe. This is indicated in the value of Pearson’s correlation coefficient of r= 0.933 which is significant at 0.01. Since Sig (0.000) < 0.01 it implies that the results are statistically significant therefore the hypothesis is accepted.
H_3: Social media positively improves customer relations of SMEs in Zimbabwe.
This hypothesis was meant to understand the relationship between social media and customer relations of SMEs in Zimbabwe. This value of Pearson’s correlation coefficient was found to be significant at the level of significance of 0.01. At this level of significance, the test was a two tailed. The results show that the hypothesis is significant and we can conclude that social media positively improves customer relations of SMEs in Zimbabwe leading to improved performance. Therefore, H_3 should be accepted.

H_4: Social Media positively improves productivity of SMEs in Zimbabwe
A correlation analysis was done to establish the relationship between social media and productivity of SMEs in Zimbabwe. Findings indicated that there is strong positive relationship between social media and productivity of SMEs in Zimbabwe, this was captured by r=0.916 again the results are statistically significant since p value (0.00) is less than 0.01. Therefore, the conclusion is that social media is positively correlated to productivity of SMEs in Zimbabwe. Therefore, H_4 should be accepted.

Conclusions and Recommendations
Based on the objective of the study, the respondents were mentioned to demonstrate their level of concurrence with a lot of proclamations on the utilization of social media to advance SMEs performance. The discoveries uncovered that social media significantly improved SMEs performance measured against productivity, relative improvement in terms of customer base and relations, positively improved brand awareness of SMEs as well as business strategy of SMEs in Zimbabwe. The examination prescribes that the managers and directors in the field of promoting the organizational advancement ought to consider utilizing social media. Scholars ought to likewise consider the investigation results to discover further experimental establishment on the linkages between social media displaying and performance. By so doing, further investigations in different settings, open, private, assembling, and administration will sprout. The investigation further suggests the discoveries for the advancement of approaches that will be outfitted towards expanding the maintainability of the SMEs through social media. The Small and Medium Enterprises (SMEs) ought to apply the use of social media since it would help with growing to move towards the accomplishment of the Vision 2030.

The investigation suggests that the proprietors and owners of the different SMEs in Zimbabwe should utilize the discoveries for direction in rolling out vital improvements in their different firms to empower them contend adequately in the inexorably packed segment just as against the huge companies including worldwide organizations. In particular, on the grounds that the examination discoveries have drawn significant exercises for progress and best practices for the SME development since they involve a critical use of social media.

References
O'Rourke, L. (2010), Tanzania Youth Use of Online ICTs and Famine HIP, Malmo, Sweden, the University of Malmo.