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ORGANIZATION-BASED STRATEGIES FOR IMPROVING THE UTILIZATION OF E-MARKETING OPERATIONS IN SMALL AND MEDIUM ENTERPRISES IN SOUTH-EAST, NIGERIA

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ABSTRACT

This study focused on the strategies for improving the utilization of e-marketing operations in small and medium scale enterprises in South-East, Nigeria. One research question was used for the study, and two null hypotheses were tested at 0.05 level of significance. Descriptive survey research design was adopted. The study was carried out in the five states in South-East, Nigeria. The population of the study comprised 13,035 registered small and medium scale enterprises in the South-East. A 9-item questionnaire was used for data collection. The questionnaire was subjected to face validity, while Cronbach Alpha method was used to test the reliability of the instrument resulting in 0.67 reliability coefficient. The data generated from the study were analyzed using descriptive statistics of mean and standard deviation. The mean ratings were used to answer the one research question while standard deviation was used to determine the closeness of the respondents' mean ratings. t-test statistics was used to test the null hypotheses at 0.05 level of significance. The findings revealed that organization-based strategies are effective for improving the utilization of e-marketing operations in small and medium scale enterprises in South-East, Nigeria. Consequently, it was concluded that SMEs can adopt organization-based strategies to improve the utilization of e-marketing operations in South-East, Nigeria. It was therefore recommended that SME operators should contract the services of ICT experts who would help them in implementing e-marketing in their business organizations. Also, SME operators, through the National Association of Small and Medium Enterprises (NASME), can go into collaboration with IT companies that will provide subsidized e-marketing services for SMEs with limited funds.

Keywords: *Organization-based strategies, E-marketing, SMEs*

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Introduction

Small and Medium Enterprises (SMEs) are globally acknowledged as crucial and significant contributors to economic development through their role in providing job opportunities, reducing poverty level, nurturing the culture of entrepreneurship, and enhancing the general standard of living of the individuals and society. Muogbo (2013) opined that SMEs are very important because they are the key drivers of employment and economic growth. Thus, SMEs are seen as the building blocks of the economy and the backbone of all developed and developing nations including Nigeria (Bandara & Rathnasiri, 2016). In Nigeria, business enterprises like most other developing countries consist of small and medium enterprises which account for about 90 per cent in the manufacturing/industrial sector and employing about 70 per cent of the Nigerian working population (Afolabi, 2015; Oyeyinka, 2014). SMEs offer a platform not only for the survival of the poor and unemployed but also contributing significantly to the nation's Gross Domestic Product (GDP). The characteristics of SMEs are not only reflected in the economic patterns of a country but also the social and cultural dimensions (Eniola, 2014). However, it is imperative to note that most SMEs in Nigeria, especially in the south-east face numerous problems

Aremu and Adeyemi in Agwu and Emeti (2014), linked the premature death of SMEs to insufficient capital, irregular power supply, infrastructural inadequacies (water, roads), lack of focus, inadequate market research, slow in Information and Communication Technology (ICT) adoption, over-concentration on one or two markets for finished products, lack of succession plan, inexperience, lack of proper book-keeping, lack of business strategy, cut-throat competition, among others. E-marketing has been identified as one of the panaceas to these numerous problems. E-marketing refers to electronic representation of business activities designed to plan, price, promote and distribute wants-satisfying (valuable) goods and services to potential customers. It aims at increasing sales, reducing costs, and making SMEs business more competitive. According to Jobber & Ellis-Chadwick (2013), e-marketing aids the performance of small and medium enterprises. Internet facilities enable e-marketing to be fast and far-reaching. E-marketing facilitates communications because of the high level of connectivity and promotes products or services in a timely, relevant, more personal, and cost-effective manner (Baines, Fill & Page, 2013). Through e-marketing, sales are increased because the internet facilitates globalization and allows SMEs access large number of targeted customers distributed throughout the world. Costs are also reduced since electronic communications are inexpensive compared to the traditional marketing, as well as faster in dissemination of information electronically to the targeted customers. Electronic marketing is facilitated by various channels such as websites, search engine optimization (SEO), search engine marketing (SEM), email marketing, social

media marketing (SMM), content creation, digital advertising, mobile marketing, viral marketing, affiliate marketing, online public relations (Online PR), digital media, and web analytics (Bala & Verma, 2018; Chaffey, et al., 2019).

Despite these numerous benefits of e-marketing, there is still low utilization of e-marketing in SMEs in Nigeria, especially in the South-East region. Agwu and Murray (2015) assert that e-marketing utilization among Nigerian SMEs seems to be low and mainly at the basic non-interactive level. According to the authors, functioning at the basic level implied that many of the SMEs' websites could not support full commercial transactions. This means that SMEs will continue to face problem of remaining competitive, in a world of intense competition. To guide against this requires change in marketing orientation and strategies. The traditional marketing approaches which is off-line, has inherent limitations arising from its very nature as empirical studies revealed. These include but not limited to - physical contact between buyers and sellers, limited customers, and potential customers to serve, impracticable to provide goods and services to large members of customers and customer relationship maintenance (Obi, 2019). It is, therefore, compelling that SMEs adopt effective organization-based strategies for improving the utilization of e-marketing to increase market competition, attract and retain customers with a view to raising the sales and remaining on profitable path.

Strategies are plans of action designed to achieve a specific goal or series of goals within an organizational framework. Freedman (2013) defined strategy as a high-level plan to achieve one or more goals under conditions of certainty. One of such strategies that SMEs can employ is the organization-based strategy. Organization-based strategy represents the sum of the actions an SME intends to take to achieve its objective of e-marketing utilization based on the nature of the enterprise. According to Tan, Tyler, and Manica, (2007), organisation-based strategy is key for addressing the utilization of e-marketing by SMEs. The strategy deals with factors inherent in the nature and characteristic of the firm. Under organisational strategy, several factors are cited that improve the utilization of e-marketing approach within the boundary of the organisation. These include security, trust, and privacy concerns, financial ability and cost implications, size of the organisation, perceived benefits of ICTs and organisational culture (Montazemi in Kren-Ikidi 2017). Moreover, gender and education could be factors influencing the utilization of e-marketing operations by SMEs in South-East, Nigeria. Gender is one of such factors also mentioned in literature to have considerable effects on the utilization of e-marketing. Also, education attained by small and medium enterprises' operators can have a significant role in the extent of utilization of e-marketing (Kren-Ikidi, 2017).

Notwithstanding the existence of many SMEs in the study area, there is a scanty literature on the utilization of e-

marketing operations in SMEs in South-East, Nigeria. This reason impelled the researchers to commence this study to determine organization-based strategies considered effective for improving the utilization of e-marketing operations in SMEs in South-East, Nigeria.

Statement of the Problem

The low utilization of e-marketing operations in South-East, Nigeria, is negatively affecting some SME operators, often resulting in business failure and unemployment arising from collapse of small and medium scale enterprises. This was established through a pilot visit to some selected SMEs in the study areas. Some factors such as lack of resources to purchase computers and necessary broadband internet connectivity equipment, maintenance, electricity, poor technical know-how, and so on, affect SMEs' utilization of e-marketing (Agwu. et al., 2015). These factors make developing countries such as Nigeria relatively slow in using online platforms, thereby creating a huge e-marketing operation gap.

South-East SMEs seem to be slow in the utilization of e-marketing for their trade and similar marketing activities. SMEs that use e-marketing for business transactions, according to Abebe (2014), may achieve higher sales growth than their competitors utilizing only the traditional marketing. To help small and medium scale enterprises in Nigeria utilize e-marketing, certain strategies must be employed. To address these challenges therefore, these researchers set out to identify effective organization-based strategies for the utilization of e-marketing operations in small and medium scale enterprises in South-East, Nigeria.

Research Question

One research question guided this study:

1. To what extent are organisation-based strategies considered effective for improving the utilization of e-marketing operations in small and medium scale enterprises?

Hypotheses

Two null hypotheses were tested at 0.05 level of significance:

1. There is no significant difference in the mean ratings of SME operators in South-East on organisation-based strategies considered effective for improving the utilization of e-marketing operations in small and medium scale enterprises based on gender.
2. There is no significant difference in the mean ratings of SME operators in South-East on organisation-based strategies considered effective for improving the utilization of e-marketing operations in small and medium scale enterprises based on level of education.

Research Method

Descriptive survey research design is adopted for this study. This study was carried out in the South-East, Nigeria. The population of this study comprise all the 13,035 SMEs drawn across the five states that registered

with the State Ministry of Commerce, Industry and Technology (Anambra State); Ministry of Small and Medium Enterprises and New Business Development (Enugu State); Ministry of Small Medium Enterprise and New Businesses Development (Abia State); Ministry of Trade and Industry (Imo State) and Ministry of Commerce and Industry (Ebonyi State). The sample size for the study is 388 obtained using the Taro Yamane formular. The 388 respondents were selected to take care of equitable distribution of the sample across SMEs in Anambra, Enugu, Abia, Imo, and Ebonyi States. Consequently, SME operators were selected using proportionate stratified random sampling technique. The instrument used for data collection was a structured questionnaire titled, "Strategies for Utilization of E-Marketing Operations Questionnaire (SUE-MOQ)". The instrument was subjected to face validation by three experts. Cronbach Alpha method was used to test the internal consistency of the instrument, resulting in the reliability coefficient of 0.67. The data collected was analysed using mean ratings and standard deviation for the research question and t-test for the hypotheses. The data was analyzed using SPSS Version 23. The decision rule was to accept a null hypothesis where the p-value is greater than or equal to the alpha level of 0.05 ($p > 0.05$). The null hypothesis was rejected where the calculated p-value is less than the alpha level.

Presentation of Results

Research Question 1: To what extent are organisation-based strategies considered effective for improving the utilization of e-marketing operations in small and medium scale enterprises?

Table 1: Respondents Mean Ratings on the Organization-Based Strategies Considered Effective for Improving the Utilization of E-marketing Operations in SMEs. N = 388

S/N	Items	Mean	Std. Deviation	Remarks
12.	Creating awareness about the benefits of e-marketing among employees	4.35	.61	Effective
13.	Organizing retraining programmes regularly for employees	4.52	.61	Effective
14.	Building clients' trust in the organization	4.45	.64	Effective
15.	Ensuring security of organizational e-business transactions	4.35	.67	Effective
16.	Adopting ICT-based organizational culture	4.19	.73	Effective
17.	Making networking less complex in the organization	4.36	.59	Effective
18.	Ensuring you stand out through your USP	4.15	.66	Effective
19.	Creating a stable economic base by government	4.35	.69	Effective
20.	Making the organizational website less cumbersome	4.42	.65	Effective
Cluster mean		**4.35**		**Effective**

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The item-by-item analysis in Table 1 showed that all the nine items achieved mean scores ranging from 4.15 to 4.52, with all the item considered effective as organization-based strategies for improving the utilization of e-marketing operations in SMEs. The cluster mean score of 4.35 indicated that overall, SME operators consider organization-based strategies effective for improving the utilization of e-marketing operations in SMEs in South-East, Nigeria. The standard deviation scores for the items are within the range of 0.59 to 0.73 which shows that the respondents are not wide apart in their mean ratings.

Hypothesis 1: There is no significant difference in the mean ratings of SME operators in South-East on organisation-based strategies considered effective for improving the utilization of e-marketing operations in small and medium scale enterprises based on gender.

Table 2: t-Test analysis of the Mean Ratings to SME operators to the Organization-Based Strategies for Improving the Utilization of E-marketing in SMEs based on gender

Variable	N	Mean	SD	df	*ά*	*p*-value	Decision
Male	216	39.42	2.37	386	0.05	.028	Significant
Female	174	38.81	3.11				

SME operators in South-East, Nigeria, as shown in Table 2, recorded a mean score of 39.42 for male respondents, on organization-based strategies considered effective for improving the utilization of e-marketing operations while female respondents had 38.81. The p-value is 0.028 which is less than 0.05 alpha level at 386 degrees of freedom. The null hypothesis is therefore rejected, meaning that there is a significant difference in the organization-based strategies considered effective for improving the utilization of e-marketing operations in SMEs. Although, the difference can be said to be negligible.

Hypothesis 2: There is no significant difference in the mean ratings of SME operators in South-East on organisation-based strategies considered effective for improving the utilization of e-marketing operations in small and medium scale enterprises based on level of education.

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Table 3: t-Test analysis of the Mean Ratings to SME operators to the Organization-Based Strategies for Improving the Utilization of E-marketing in SMEs based on level of education

Variable	N	Mean	SD	df	*ά*	*p*-value	Decision
O'Level	90	38.99	2.03	386	0.05	.526	Not Significant
Degree	298	39.20	2.92				

Data in Table 3 show that the p-value of 0.526 at 386 degrees of freedom is greater than 0.05 alpha level. This shows that level of education did not significantly influence the opinion of respondents on organization-based strategies considered effective for improving the utilization of e-marketing in SMEs in South-East, Nigeria. The analysis also shows mean scores of 38.99 and 39.20 for o'level and degree holders respectively. Therefore, the null hypothesis of no significant difference between the two groups is accepted.

Discussion of Findings

Findings showed that organization-based strategies are considered effective for improving the utilization of e-marketing operations in small and medium scale enterprises in South-East. The study revealed that creating awareness about the benefits of e-marketing among employees, organizing retraining programmes regularly for employees, building clients' trust in the organisation, ensuring security of organizational e-business transactions, adopting ICT-based organizational culture, making networking less complex in the organization, ensuring you stand out through your Unique Selling Proposition (USP), government creating a stable economic base and making the organizational website less cumbersome, were effective organization-based strategies for improving the utilization of e-marketing operations in small and medium scale enterprises in South-East.

Bharat and Abhijit (2010) study corroborated the above finding having posited that issues of trust, security and privacy are amongst the most critical determinants to the success of e-marketing for online consumers. Therefore, improving security of transaction details of parties involved in a commercial activity is a motivating strategy that can enhance e-marketing utilization by SMEs (Tan, et al., 2007). With the proliferation of more online interactions through platforms such as Facebook, Twitter, WhatsApp, LinkedIn, Instagram, and others, individuals' privacy concerns have become more critical over the years. Hence, Bharat & Abhijit (2010) submitted that there exist two main strategies to protect the customer's privacy: one relies on building customer's trust that the network will conform to his/her privacy policy, the other ensures customer's anonymity. Furthermore, the finding agrees with the

report of Choudhury and Choudhury (2010) who reported that organisation-based strategies are those approaches that are related to improving the security, trust, and privacy concerns of organisations, financial ability, cost of e-commerce, size of the organisation, perceived benefits of ICTs and positive organisational culture to innovations in operations. Hu and Smith (2008) found that organizational-related strategies for improved ICT adoption include help build trust, ensuring security of organisational, creation of stable economic base, making networking less complex for organisations, adoption of ICT-based organisational culture and creating awareness about the benefits of e-marketing.

The t-test of the first hypothesis revealed that there is a significant difference in the mean ratings of SME operators in South-East on organization-based strategies considered effective for improving the utilization of e-marketing operations based on gender. This could be due to social orientation and other personality compositions/characteristics of the respondents. This implies that the personal characteristics and behavior of SME operators are integral to SMEs utilization of e-marketing in South-East, Nigeria. Conversely, the t-test of the second hypothesis showed that there is no significant difference in the mean ratings of SME operators in South-East on organization-based strategies considered effective for improving the utilization of e-marketing operations based on level of education. This implies that educational attainment of SME operator does not necessarily affect their opinions on the organization-based strategies for improving the utilization of e-marketing operations. In contrast, Taylor and Owusu, posited that educational qualification of managers of SMEs affected their appreciation and application of e-marketing services or tools in their business operations.

Conclusion

Based on the findings of this study, it was concluded that organization-based strategies are considered effective for improving the utilization of e-marketing operations in small and medium scale enterprises in South-East, Nigeria. These strategies are found to be effective in improving sales, profitability, and sustainability of SMEs. As business competition continues to grow unabated, it is imperative that SMEs adopt these organization-based strategies for improving the utilization of e-marketing operations in South-East, Nigeria, to be at par with other competitors the world over. In addition, gender has a little influence on the organization-based strategies considered effective for improving the utilization of e-marketing operations. Similarly, level of education does not have a significant influence on the organization-based strategies considered effective for the utilization of e-marketing operations in SMEs in South-East, Nigeria.

Recommendation

This study recommends that SME operators can improve level of utilization of e-marketing operations by contracting the services of ICT experts who would help them to implement e-marketing in their business organizations. The SME operators, through the National Association of Small and Medium Enterprises (NASME), can also go into collaboration with IT companies that will provide subsidized e-marketing services for SMEs with limited funds.

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