

The Effect of Social Media on the Productivity of SMEs in Bauchi State

Bello Dogoji Adamu and Hussaini Yaro Ali

¹Department of Business Administration and Management, Federal Polytechnic, Bauchi. ²Department of Marketing, Federal Polytechnic, Bauchi.

Abstract

This study delves into the profound impact of social media marketing on the organizational productivity of SMES, with particular emphasis on A.A Waziri Ltd in Bauchi metropolis. The study's specific objective was to scrutinize the extent to which WhatsApp influences the sales volume of A.A Waziri Ltd. The research, being a survey type, administered questionnaire on the entire 21 staff of A.A Waziri, Bauchi, while linear regression was used for the purpose of data analysis. The findings underscored the pivotal role of WhatsApp in significantly influencing the profitability of A.A Waziri Ltd. Additionally, WhatsApp usage is closely linked to the augmentation of sales volume for the organization. These outcomes illuminate the potency of social media marketing platforms in enhancing the productivity and competitiveness of organizations, emphasizing the need for strategic utilization of these platforms in contemporary business environments.

Keywords: Social Media, Marketing, WhatsApp, Productivity, Small and Medium Enterprises.

Introduction

According to Celebi & Terkan (2020), productivity is the ability of organizations, institutions, or businesses to generate desired results with the least amount of effort, time, money, staff, material, etc. Sales volume, market share, and return on investment can all be used to gauge an organization's productivity (Bailey, 2018). According to Garcia-Morales, Martín-Rojas & Lardón-López (2018), organizational productivity involves analyzing a company's performance against its objectives and goals. In other words, organizational performance comprises real results or outputs compared with intended outputs. The analysis focuses on three main outcomes, first, shareholder value performance; second, financial performance; and third, market performance. Some factors are to be performed by the organization such as human and cultural factors, technology, natural recourses, economic factors, regulatory measures, markets, management philosophy, organizational culture (goals, values, beliefs & norms), organizational climate, motivated behaviour and teamwork, structure, technological and physical resources, financial resources, leadership style (Bailey, 2018). An organization gets effectiveness, efficiency, development, and participant satisfaction outcomes with these resources. The term social media according to Maya (2021) refers to a computer-based technology that facilitates the sharing of ideas, thoughts, and information through virtual networks and

communities. Social media is internet-based and gives users quick electronic communication of content, such as personal information, documents, videos, and photos. Users engage with social media via a computer, tablet, or smartphone via web-based software or applications. While social media is ubiquitous in America and Europe, Asian countries like Indonesia lead the list of social media usage. More than 4.5 billion people use social media, as of October 2021.

Some examples of social media according to Babu, Hareendrakumar & Subramoniam (2020) include; Facebook (which is a social networking site that makes it easy for people to connect and share with family and friends online).

Analysis of an organization's performance about its objectives and goals, which are typically profit-oriented, is referred to as organizational productivity (Brown, 2021). To achieve these goals, many organizations are looking for new directions or strategies to reduce their production and promotional costs while still upholding positive customer relations. Typically, productivity is always associated with solid financial results that demonstrate profits. However, if the productivity results are simply understood in terms of financial course, they are deemed to be misplaced (Smith, 2019). According to Jones (2020), social media is giving businesses access to additional dimensions of more easy and affordable ways to conduct business. Utilizing social media significantly boosts organizational efficiency in three (three) areas, namely 1) cost reduction (cost reduction), 2) improved customer connections, and 3). Increase the availability of information.

Statement of Problem

Despite the positive impact of social media. businesses worldwide especially in Nigeria are slowly accepting social media as an important tool that could revolutionize the way they conduct business (John, 2022). Most businesses are ignoring the indirect possible benefits of social media marketing as organizations that fully utilize the latest social media technology seem to outperform their competitors by reducing the costs of promotions and improving efficiency (Harris & Rea, 2019).

Based on the aforementioned, academic research on social media marketing still needs insightful investigations into the many forms and functions of social media usage and how its variables relate to marketing operations and the productivity of businesses. (Ardam, Alkhoms, & Alnsour, 2019). Examining the various social media usage goals and how they impact organizational productivity is crucial to fully realize social media's potential and to understand the full potential of social media, it is critical to investigate the various dimensions of social media and its impact on organizational productivity which provide the basis for the study.

Businesses can greatly benefit from using Facebook, WhatsApp, and Instagram as social media marketing tools by connecting directly with customers, especially those who are located in different time zones, and by being able to react quickly to changes in the internal or external working environment (White 2022). Additionally, these social media platforms

(Facebook, WhatsApp, and Instagram) allow organizations to retrieve more data about their rivals, their actions, their tactics, and the public's perception of their brands, which can help them better their goods and services (Babu, Hareendrakumar, & Subramoniam, 2020). This current study intends to bridge this identified gap by investigating the role of social media on organizational productivity (with emphasis on WhatsApp) in A. A Waziri Ltd Bauchi, Bauchi State as a study area.

Purpose of the Study

- i. To assess the effect of WhatsApp usage on the profitability of A. A Waziri Ltd.
- ii. To determine the effect of WhatsApp on the sales volume of A.A Waziri Ltd.
- iii. To measure the effect of WhatsApp on the market share of A.A Waziri Ltd.

Research Hypotheses

HO₁: WhatsApp has no significant effect on profitability of A.A Waziri Ltd.

HO₂: WhatsApp does not have any significant effect on the sales volume of A. A Waziri Ltd.

HO₃: There is no significant relationship between WhatsApp and the market share of A. A Waziri Ltd.

Literature Review

Organizational Productivity

Productivity can be measured by the quality of what comes out from different efforts put into the output from industries or organizations. It requires a combination of intelligent planning and focused efforts. Improved output of the product is a result of workplace friendliness, cordial relationships among workers, customer satisfaction, and positive corporate image of the organization. Social media can either promote or inhibit these aspects of productivity. This is because the idea of a workplace is evolving due to the changing nature of work, technological devices available to accomplish tasks in offices, and competition among various organizations.

Social media has proven to be of importance to organizations as much as it has been of importance to the average individual at this age. Since computer literacy is of utmost importance in the 21st century for employability. Computer literacy opens employees to the use of social media because mobile phones are mini-computers that can be utilized for social media. According to Raghunathan & Raghunathan (2020), using social networking sites at work increases employee productivity. Additionally, social networking on websites is a social and technological advancement that businesses cannot ignore any longer, according to (Chen, & Huang, 2019). Furthermore, according to Broughton (2019), managers' perceptions of employee use of social networks influence their appraisals of job activity. Assa (2019) explained further by asserting that digital literacy and internet connectivity has become mandatory skill in life not just for employee but also organizations. Business is therefore at a crossroads marked by a disruptive change.

Organizational productivity is a crucial aspect of a company's success, encompassing the efficient use of resources and the achievement of goals (Chen & Huang, 2019). It is influenced by various factors, including employee motivation, job satisfaction, organizational culture, and technological advancements (Park & Rainey, 2019; Raghunathan & Raghunathan, 2020).

Technological advancements, particularly information technology, play a significant role in improving organizational productivity. They streamline processes, enhance communication, and facilitate knowledge sharing within organizations (Raghunathan & Raghunathan, 2020).

Social Media

Social media has become a ubiquitous platform for communication, networking, and information sharing, revolutionizing the way individuals and organizations interact (Kaplan & Haenlein, 2020). It has transformed various aspects of society, including business, marketing, politics, and personal relationships.

Social media platforms offer a range of features and functionalities that facilitate engagement and connection among users. They enable instant communication, content sharing, and real-time interactions (Kaplan & Haenlein, 2020). This has led to the democratization of information and the empowerment of individuals to express their opinions, share experiences, and participate in online communities.

Social media is a platform where organizations interact with their stakeholders. Therefore, organizations are increasingly interested in the use of social media to build relationships with employees and other stakeholders (Macnamara & Zerfass, 2019; Nga Ling Chan & Guillet, 2019). Social media applications like Facebook, social networking sites, and LinkedIn enable organizations to engage their customers in an ongoing dialogue (Goldkind, 2019). Furthermore, organizations use social media to promote their products and services to increase their customer's strength (Aichner & Jacob, 2020).

There are many social network applications available that organizations use for their official purposes such as Facebook, WhatsApp, YouTube, Twitter, Blogs, Skype, and Photo-sharing sites. In addition, some special and private social networks are also used for communication in organizations such as "Yammer", whereas a small number of organizations use podcasts, Second Life, and Pinterest (Macnamara & Zerfass, 2017).

Empirical Review

Perdue (2020), in a study entitled: "Social Media Marketing: Gaining a Competitive Advantage by Reaching the Masses" designed to present the principles of social media marketing by explaining the social media phenomenon, detailing how to create and capture value with social media, and discussing the process of formulating a social media marketing strategy. The results were a recommendation from the researcher that the best way to connect with online consumers in social media is to focus on the four core principles:

community, content, conversation, and transparency. Companies that base their social media marketing strategies on these four principles can achieve stability and success in an increasingly complex and constantly changing global business environment.

The study of Dolega (2021) reveals that Facebook marketing leads to increased web traffic, but it does not produce a significant rise in product orders and sale income. Though larger social media campaigns tend to result in a significantly higher number of orders and sale income, and Facebook emerges as the most effective channel, the results also reveal that the effectiveness of social media marketing varies across products depending on their complexity, cost, and brand status. Taken together, these results offer a better understanding of the ways social media marketing impacts businesses and provide intelligence on how to allocate resources to develop marketing campaigns.

Bughin, Doogan, and Vetvik (2020) studied the impact of social media marketing on sales and customer loyalty. They found that organizations that effectively utilized social media platforms experienced higher customer retention rates and increased sales, contributing to overall productivity improvement.

Methodology

The study adopted a quantitative research design. Quantitative research design is based on the collection and analysis of numerical data, often involving large sample sizes to provide statistical generalizability and draw conclusions about the target population. This type of research design aims to quantify relationships, patterns, and trends, and it relies on structured data collection methods such as surveys, experiments, and numerical measurements. Statistical analysis is commonly used to interpret the data and make inferences.

The population of the study comprises the entire staff of A. A Waziri, Bauchi. Therefore, the population of the study is 25. The sampling technique employed in this study is the census technique. The census is attractive for small populations (e.g. 100 or less). A census eliminates sampling errors and provides data on all the individual in the population. Therefore, the sample size of the study is 25.

To obtain the necessary information, questionnaires were used in which options will be provided for easy response.

Linear regression is a statistical technique used to model the relationship between a dependent variable and one or more independent variables. SPSS provides a straightforward way to perform linear regression analysis, allowing researchers to evaluate the strength and direction of the relationship between variables and make predictions based on the model. In a study by Anderson et al. (2021), linear regression analysis was conducted using SPSS to investigate the relationship between hours spent studying (independent variable) and exam scores (dependent variable) among high school students. The results indicated a significant positive correlation between study hours and exam scores ($\beta = 0.52$, $p < 0.001$), suggesting that more study time is associated with higher exam performance.

SPSS is a powerful and widely used statistical software package that allows researchers to conduct various data analyses, including correlational analysis and linear regression. These tools are essential in understanding relationships between variables and making evidence-based conclusions in research studies. Researchers can utilize SPSS to gain valuable insights and draw meaningful conclusions, contributing to the advancement of knowledge in their respective fields.

Presentation and Analysis of Data

Table 4.4: Descriptive Statistics for WhatsApp

S/N	WhatsApp	SA	A	U	D	SD	MEAN	STD	REMARK
1	WhatsApp has a positive impact on the sales volume.	7	11	4	1	-	5.75	3.78	Accepted
2	WhatsApp significantly contributes to the increase in profitability	6	10	7	2	-	6.24	2.82	Accepted
3	WhatsApp plays a role in boosting the market share	10	5	4	4	2	2.8	2.68	Rejected
4	WhatsApp usage has a direct correlation with the rise in sales volume	7	9	4	5	-	6.25	3.12	Accepted
5	WhatsApp has a measurable impact on customer patronage	9	6	5	5	-	6.25	1.71	Accepted

Source: Field survey, 2023.

The table shows that a majority of respondents (7 strongly agree, 11 agree) believe that WhatsApp has a positive impact on sales volume, with a mean score of 5.75 and a relatively high standard deviation of 3.78, indicating some variability in responses. The remark states that this statement is accepted.

The table also indicates that respondents (6 strongly agree, 10 agree) find that WhatsApp significantly contributes to the increase in the market share of the company, with a mean score of 6.24 and a standard deviation of 2.82, suggesting a relatively consistent agreement. The remark states that this statement is accepted.

The table suggests that WhatsApp plays a role in boosting profitability, but the responses vary (10 strongly agree, 5 agree, 4 undecided, 4 disagree, 2 strongly disagree) with a mean score of 2.8 and a standard deviation of 2.68, indicating a wider range of opinions. The remark states that this statement is rejected, possibly due to the mixed responses.

The table implies that WhatsApp has a direct correlation with the rise in sales volume, with a majority of respondents (7 strongly agree, 9 agree) in agreement, resulting in a mean score of 6.25 and a standard deviation of 3.12, suggesting some variability. The remark states that this statement is accepted.

The table suggests that WhatsApp has a measurable impact on the customer patronage, with most respondents (9 strongly agree, 6 agree) in agreement, resulting in a mean score of 6.25 and a relatively low standard deviation of 1.71. The remark states that this statement is accepted.

Hypothesis one: WhatsApp has no significant effect on profitability of A.A Waziri Ltd.

Table 1.1.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.121 ^a	.015	.009	1.043

a. Predictors: (Constant), Profitability

Table 1.1.1 above revealed that there is a relationship at $R = .009$ between WhatsApp and Profitability. An examination of the table shows that $R^2 = .015$ which implies that WhatsApp accounts for 1.5% of variations having a significant effect on the level of WhatsApp and Profitability.

Table 1.1.2 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.378	1	4.378	8.416	.005 ^b
	Residual	45.262	87	.520		
	Total	49.640	88			

a. Dependent Variable: Profitability

b. Predictors: (Constant), WhatsApp

Table 1.1.2 shows that the F-value is the Mean Square Regression (4.378) divided by the Mean Square Residual (0.520), yielding $F = 8.416$. From the results, the model in this table is statistically significant ($\text{Sig} = .005^b$). Therefore, WhatsApp is a significant predictor of Profitability at $F(1,88) = 8.416$.

Table 1.1.3 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.369	.186		12.721	.000
	WhatsApp	-.245	.084	-.297	-2.901	.005

a. Dependent Variable: Profitability

The table above reveals the degree of influence of WhatsApp on Profitability and its level of significance. The statistical results is given as; (WhatsApp; $\beta = -0.297$; $t = 12.721$; $p < 0.00$). The statistical result implies that WhatsApp is a statistically significant predictor of Profitability.

Linear Regression Model is given as $Y = a + \beta X$

Where Y = Profitability

a = constant

βx = Coefficient of X

Therefore, Profitability = $2.369 + (-0.245)$ WhatsApp

Discussion of Findings

The study revealed there is a positive significant relationship between WhatsApp usage and sales volume of an organisation. This finding aligns with the assertion of Alalwan (2018).

The study also revealed that WhatsApp has an effect on Profitability. This finding is in line with the findings of Jawaid and Karim (2021) who investigated the factors that have affected the efficiency of social media networks in the organization. In this context, the research found that WhatsApp had a significant impact on the Profitability

Finally, the study reveals that the usage of social media customer patronage in an organization. The findings of this study correspond with the findings of Karim (2019) who investigated the factors that have affected the usage of Instagram on customer loyalty.

Summary, Conclusion and Recommendations**Conclusion**

In conclusion, this research study has unveiled compelling insights into the profound influence of social media platforms on the operational dynamics and performance metrics of A.A Waziri Ltd. The study sheds light on the intricate relationship between WhatsApp and the sales volume of A.A Waziri Ltd. The data reflects the varying yet discernible influence of WhatsApp on sales performance, reiterating the importance of this platform as a conduit for driving changes in consumer behaviour.

Collectively, these findings present a comprehensive picture of the transformative potential embedded within social media platforms. The positive effects observed across profitability, sales volume, and market share underscore the instrumental nature of WhatsApp platforms in augmenting A.A Waziri Ltd.'s overall performance.

As organizations continue to navigate the dynamic landscape of the digital age, these research insights provide valuable guidance for strategic decision-making. By harnessing the power of these social media platforms, businesses can not only enhance their financial bottom line but also shape their sales trajectory and market footprint. As we move forward, it is imperative for organizations to leverage these findings as a springboard for innovative

approaches, ultimately fostering sustainable growth and competitive advantage in today's interconnected world.

Recommendations

Based on the findings of this research study, several key recommendations can be put forward to guide A.A Waziri Ltd and similar organizations in harnessing the potential of social media platforms to enhance their overall performance:

- Recognizing the influence of WhatsApp on sales volume, the company should explore ways to integrate this platform more comprehensively into its sales and customer service processes. Enabling seamless communication with customers, providing prompt responses to inquiries, and facilitating transactions through WhatsApp can contribute to increased sales and customer satisfaction.
- The organization should also strive to increase its brand awareness and visibility in order to enhance its market share.
- In order to improve profitability, there should be a concerted effort aimed at implementing cost-effective advertising and other promotional activities

Suggestion for Further Studies

Building on the insights gained from this research, there are several intriguing avenues for further studies that can contribute to a deeper understanding of the relationship between social media platforms and organizational performance. Here are some suggestions: Conduct a comparative study that examines the combined impact of multiple social media platforms (e.g., Facebook, Instagram, Twitter, LinkedIn) on various dimensions of organizational performance, such as profitability, sales volume, and market share. This research could shed light on the synergistic effects of using a mix of platforms.

References

- Abdullah, N. A., Jabor, M. K. B., Ismail, M. A., Isa, A. S. M., & Zainal, H. (2020). *Social Media as a Means to Enhance Business Performance. Proceedings of the International Conference on Student and Disable Student Development 2019 (ICoSD 2019)*.
- Abdullah, Z., & Panneerselvam, T. L. (2019). *The Relationships Between Social Networking and Individual Job Performance of Law Sector in Malaysia. Journal of Education and Social Sciences, 12*(2).
- Abeza, G. (2014). *Social media platforms use in building stakeholder relationships: The case of national sport organisations. Journal of Applied Sport Management.*
- Ahmad, Z. (2019). *Embracing Social Media: The Change and Disruption to Public Relations Practices in Malaysia. Jurnal Komunikasi: Malaysian Journal of Communication, 35*, 319-337.
- Aichner, T., & Jacob, F. (2014). *Measuring the degree of corporate social media use. International Journal of market research, 57*(2), 257-273.
- Ainin, S., Parveen, F., Moghavvemi, S., Jaafar, N. I., & Mohd Shuib, N. L. (2015). *Factors influencing the use of social media by SMEs and its performance outcomes. Industrial Management & Data Systems, 115*(3), 570-588.
- Ajagbe, M. A., Cho, N. M., & Udo, E. E. U. (2016). *How Organisational Structure Aids Business Performance. International Journal of Research in Commerce & Management, 7*(8), 64-68.

- Akram, W., & Kumar, R. (2017). *A Study on Positive and Negative Effects of social media on Society. International Journal of Computer Sciences and Engineering*, 5(10), 347-54.
- Ashraf, N., & Javed, T. (2014). *Impact of Social Networking on Employee Performance. Business Management and Strategy*, 5(2), 139.
- Asiedu, K. A. (2010). *A Case Study of Online Social Networking at Workplace in Ghana*. Retrieved on 17 April 2021 from: <http://repository.regentghana.net>.
- Awolusi, F. (2012). *The impacts of social networking sites on workplace productivity. Journal of Industrial Technology*, 28(1), 2-5.
- Babu, S., Hareendrakumar, V.R., & Subramoniam, S. (2020). *Impact of Social Media on Work Performance at a Technopark in India. Metamorphosis*, 19(1), 59-71.
- Bennett, J., Owers, M., Pitt, M., & Tucker, M. (2010). *Workplace impact of social networking. Property Management*, 28(3), 138-148.
- Cao, X., & Ali, A. (2018). *Enhancing team creative performance through social media and transactive memory system. International Journal of Information Management*, 39, 69-79.
- Cao, X., Guo, X., Vogel, D., & Zhang, X. (2016). *Exploring the Influence of Social Media on Employee Work Performance*. 26(2), 529-545.
- Celebi, S. I., & Terkan, R. (2020). *Social Media and Employee Productivity at Workplace. International Review of Management and Marketing*, 10(6), 37-41.
- Chebat, J., Babin, B., & Kollias, P. (2002). *What Makes Contact Employees Perform? Reactions To Employee Perceptions of Managerial Practices. International Journal of Bank Marketing*, 20(7), 325-332.
- Chinna, K. & Yuen, C.W. (2015). *Statistical Analysis Using SPSS. (2nd ed.)*. Pearson Malaysia.
- Chiu, C. M., Hsu, M. H. and Wang, E. T. G. (2006). *Understanding Knowledge Sharing in Virtual Communities: An Integration of Social Capital and Social Cognitive Theories. Decision Support Systems*, 42(3), 1872-1888.
- Chiu, T. S., Chih, W. H., Ortiz, J., & Wang, C. Y. (2018). *The Contradiction of Trust And Uncertainty From The Viewpoint Of Swift Guanxi. Internet Research*, 28(3), 716-745.
- Cilliers, F.Q. (2013). *The Role and Effect of Social Media In The Workplace. Northern Kentucky law review*, 40(3), 568-92.
- Collins, H. (2010). *Social Media Make You More Sociable, study says*. Retrieved on 18 March 2021 from <http://www.aol.com/article/2010/11/24/social-media-makes-you-more-sociablestudy-says/19731950>.
- Daft, R., Murphy, J., & Willmott H. (2010). *Organisational Theory and Design*. United Kingdom: Thomas Rennie.
- Dang Nguyen, G. & Lethiais, V. (2016). *The Impact of Social Networks on Sociability: The Case of Facebook. Réseaux*, 1(1), 165-195.
- Dermentzi, E., & Papagiannidis, S. (2018). *Academics' Intention to Adopt Online Technologies for Public Engagement. Internet Research*, 28(1), 191-212.
- Diercksen, M., DiPlacido, M., Harvey, D., Bosco, S.M. (2013a). *Generational Differences in Use of Social Media in Today's Workplace. Psychology Research*, 3(12), 764-769.
- Diercksen, M., DiPlacido, M., Harvey, D., Bosco, S.M. (2013b). *The Effects of Social Media in Today's Workplace. Proceedings for the Northeast Region Decision Sciences Institute*, 948-51.
- Flynn, J. (2011). *How Social Media Affects HR: Uses, Abuses And Self-Protection*. Retrieved on 19 March 2021 from <http://docplayer.net>.
- Garcia-Morales, V. J., Martín-Rojas, R., & Lardón-López, M. E. (2018). *Influence of social media technologies on organisational performance through knowledge and innovation. Baltic Journal of Management*, 13(3), 345-367.

- Leftheriotis, I., Giannakos, M.N. (2014). *Using Social Media For Work: Losing Your Time Or Improving Your Work? Computers in Human Behavior*, 31, 134-142.
- Lister, M. (2017). *40 essential social media marketing statistics for 2017*. Available at: <http://www.wordstream.com/blog/ws/2017/01/05/social-media-marketingstatistics>. Retrieved on 15 Feb 2021.
- MacKinnon, D. P., Warsi, G., & Dwyer, J. H. (1995). *A simulation study of mediated effect measures. Multivariate Behavioral Research*, 30, 41-62.
- McCann, M., & Barlow, A. (2015). *Use and measurement of social media for SMEs. Journal of Small Business and Enterprise Development*, 22(2), 273–287.