

LEVERAGING SOCIAL MEDIA FOR ENHANCED PROFITABILITY AND GROWTH: EVIDENCE FROM SMALL AND MEDIUM SCALE ENTERPRISES (SMES) IN GHANA

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ABSTRACT

Background: Social media usage in Ghana is experiencing rapid growth. Leveraging social media can empower SMEs to overcome their challenges and enhance their visibility and profitability in the competitive business landscape.

Purpose: This research investigated the utilization of social media tools in the marketing communication strategies of Small and Medium-scale Enterprises (SMEs) and explored their adoption. Additionally, the study examined the impact of social media usage on the profitability and growth of SMEs.

Design/methodology/approach: The research aimed to survey 387 SMEs, with 200 providing fully completed questionnaires for analysis, resulting in a 52% response rate a notably reasonable figure compared to prior studies with smaller sample sizes.

Findings/Result: The findings revealed that Facebook was the predominant social media platform employed by SMEs in Ghana, followed by Instagram, Twitter (X), TikTok, and LinkedIn. Notably, SMEs continued to heavily rely on their corporate websites for marketing communication. The study demonstrated a positive correlation between SMEs' use of social media and their profitability, indicating that social media usage enhances their financial performance. Furthermore, a positive and significant relationship was identified between SMEs' utilization of social media tools and their growth in Ghana. These results suggest that SMEs can leverage social media in their marketing communication efforts to drive sales and enhance overall growth prospects.

Conclusion: The study indicated a positive association between social media usage and SMEs' profitability, suggesting enhanced performance in terms of profits. Moreover, leveraging social media can drive sales and improve growth prospects. Overall, the study provides empirical evidence of the profound impact of social media tools on SMEs in Ghana which is consistent with the expectations of diffusion of innovation theory and technology acceptance theory.

Originality/value (State of the art): The study contributes a notable gap by delving into the adoption and impact of social media on Small and Medium-sized Enterprises (SMEs) in both developing and developed countries. In addition, this study offers valuable insights for SMEs seeking to leverage social media for expansion, growth, and improved performance.

Keywords: social media, SMEs, marketing communication, growth prospects, Ghana

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INTRODUCTION

Small and medium-scale enterprises (SMEs) hold immense significance globally, particularly in developing economies, as they drive job creation and economic growth (Musah et al. 2022; Eggers et al. 2017; Musah, 2017; Bahaddad et al. 2012; Fong, 2011). In Ghana, SMEs contribute to over 50% of private sector jobs and wield substantial influence on the country's economic trajectory (Musah et al. 2018; Musah, 2017; Apenteng & Doe, 2014). With more than half of private sector businesses in Ghana categorized as SMEs, they play a pivotal role in the economy (Musah et al. 2018; Apenteng & Doe, 2014). Amid Ghana's pressing unemployment concerns, SMEs are vital for generating stable employment opportunities (Musah et al. 2018; Apenteng & Doe, 2014). They serve as the backbone of Ghana's economy, as emphasized in previous research (Awiagah et al. 2016; Abor & Quartey, 2010). Approximately 90% of Ghanaian businesses fall within the SME category, indicating their dominance in the business landscape (Siebu, 2019). SMEs also employ around 85% of manufacturing jobs in Ghana, further highlighting their significance (Musah et al. 2018; Odoom et al. 2017). Given their pivotal role in driving economic growth and job creation, fostering SME growth through modern technology becomes imperative (Musah et al. 2018; Abor & Quartey, 2010).

Despite playing a vital role in Ghana's economy by providing employment opportunities for the youth and contributing to poverty reduction and economic growth (Musah et al. 2018), Small and Medium-scale Enterprises (SMEs) are perceived as weak contributors due to financial challenges and persistent managerial issues (Musah et al. 2022; Musah et al. 2018; Siebu, 2019; Odoom et al. 2017). These challenges hinder SMEs from expanding sustainably and improving profitability (Siebu, 2019; Odoom et al. 2017). The advent of social media presents an opportunity for SMEs to compete on both local and international levels. A survey by CliqAfrica and Avance Media in 2017 highlighted over 3.4 billion global internet users, with a 46% global internet penetration rate that has consistently grown over the past decade (Siebu, 2019). Facebook, the largest social media platform, boasts an estimated monthly user base of 1.7 billion and a significant presence on mobile devices (Amoah, 2020). With the increasing number of global and Ghanaian Facebook users, businesses have the opportunity to connect with potential customers (Odoom et al.

2017). The overall usage of social media tools and platforms has surpassed 2.3 billion, reflecting the widespread reach of these platforms (Ghaisani et al. 2017). Leveraging social media can empower SMEs to overcome their challenges and enhance their visibility and profitability in the competitive business landscape. In Ghana, a surge in social media usage by individuals and businesses has been observed, recognizing the opportunities presented by high social media penetration (Amoah, 2020; Siebu, 2019). The country boasts over 8 million online users, solidifying its position among nations with a substantial internet user base (CliqAfrica & Avance Media, 2017). Social media usage in Ghana is experiencing rapid growth, with an estimated 40% penetration, fueled by increased mobile and internet accessibility (Siebu, 2019). While extensive literature exists on various aspects of Small and Medium-scale Enterprises (SMEs) in Ghana due to their economic significance (Padi & Musah, 2022; Odoom, 2017; Musah et al. 2018; Musah, 2017; Apenteng & Doe, 2014), limited research explores how social media impacts the growth and profitability of SMEs in Ghana. From the perspective of the diffusion of technology theory and technology acceptance theory, businesses including SMEs can leverage social tools to provide value to their stakeholders and enhance their performance. The extent to which SMEs can enjoy this perceived benefit depends on their level of adoption and usage in line with the arguments of technology acceptance theory and diffusion of technology theory (Masele & Rwehikiza, 2024; Lin et al. 2021). Globalization has increased the need for businesses to integrate technology into their operations including social media to improve their competitiveness.

The global literature on the impact of social media has predominantly followed two strands: one concentrating on its influence on individuals (Hu & Wang, 2012; Lin et al. 2012; Humphrey & Wilkins, 2015; Fischer & Reuber, 2011) and the other examining its effects on businesses, often focusing on non-profit organizations and public relations departments (Masele & Rwehikiza, 2024; Lovejoy et al. 2012; Nah & Saxton, 2013). Notably, the majority of studies on social media adoption in business have centered on large organizations, leaving a significant gap regarding Small and Medium-scale Enterprises (SMEs) (Meske & Stieglitz, 2013; Beier & Wagner, 2014). Recognizing this gap, this study aims to empirically investigate the impact of social media on SMEs in Ghana, shedding light on why some SMEs adopt social media while

others do not. Existing evidence suggests that businesses leveraging social media gain business value, achieve competitive advantages, and enhance their international competitiveness (Lin et al. 2021; Stockdale et al. 2012; Kim et al. 2013). Importantly, most research on social media's impact on businesses has predominantly focused on developed economies, with limited attention to SMEs in developing countries like Ghana. Recent literature on small organizations has focused on emerging economies like Malaysia (Durkin et al. 2013; Jones et al. 2015; Ainin et al. 2015). In addressing these discrepancies, this study seeks to contribute to the understanding of how social media affects the growth and profitability of SMEs in Ghana. The study focused on SMEs in the Greater Accra region of Ghana which is considered as the business hub of Ghana accounting for more than half of businesses in the country. The focus of social media usage is limited to social media tools such as Facebook, Twitter (X) (now X), Instagram, YouTube, and LinkedIn. These are the dominant social media tools in Ghana used in marketing communications by credible entities by previous studies on the subject matter in Ghana (Amoah, 2020).

The significance of this study is threefold, encompassing contributions to research literature, practical insights for businesses, and potential impacts on policy-making. In the realm of research and literature, the study addresses a notable gap by delving into the adoption and impact of social media on Small and Medium-sized Enterprises (SMEs) in both developing and developed countries. Previous research predominantly focused on larger corporations and public relations organizations, leaving a limited understanding of how social media influences SMEs. Additionally, the study contributes to the broader literature on the use of Information and Communication Technology (ICT) tools in business, shedding light on their potential benefits. In terms of practical contributions, this study offers valuable insights for SMEs seeking to leverage social media for expansion, growth, and improved performance. While social media is prevalent in the entertainment sector in Ghana, its application in the business sphere remains underexplored. The empirical evidence from this study will raise awareness of how social media can be strategically deployed by businesses, particularly small and micro enterprises, to enhance their development. On the policy-making front, the study provides an opportunity for policymakers, particularly government agencies, to offer crucial support to businesses. By

highlighting the importance of technical support and necessary infrastructure for effective social media utilization in business operations, the study guides policymakers in facilitating an environment conducive to SME growth. The findings can inform initiatives aimed at improving internet connectivity across the country, ensuring that businesses, regardless of their location, can harness the benefits of social media for enhanced growth and performance.

METHODS

The study sampled SMEs from the database obtained from the NBSSI. Previous studies on SMEs in Ghana have relied on the sample from either the Ghana Revenue Authority (Musah et al. 2019) or the National Board for Small Scale Industries (NBSSI) (Musah, 2017; Padi & Musah, 2022) but they do not have a list of registered SMEs. However, the sample size can be estimated using results from previous studies.

In an attempt to reduce sampling error given the difficulty in knowing the exact population size, the study adopted a sample size on SMEs' use of social media in Ghana. On average, about 35.6% of SMEs used social media in their marketing communication based on evidence from previous studies (Odoom et al. 2017; Apenteng & Doe, 2014). Using this information as input, the study adopted the formula by Cochran (1977) as follows;

The sample size is calculated using the formula:

$$N = z^2 P(1-P)/d^2$$

Where P (the percentage of SMEs using social media in their marketing communication = 35.6%); Z² (95% confidence interval which corresponds to a value of 1.96); D² (sample error).

This will therefore = $1.92^2 (1-0.356)/0.05^2 = 387$

The sample frame includes SMEs with formal organizational structures and systems and as such excludes small traders registered as sole proprietorships. The SMEs sampled are registered as limited liability companies not providing financial services and also not listed on the Ghana Stock Exchange or the Ghana Alternative Stock Exchange. In the end, 200 questionnaires were fully completed and retrieved which were used for the analysis.

In terms of the geographical distribution of SMEs, the study relied on SMEs in the Greater Accra region which is not just the nation's capital but also the commercial capital in terms of businesses for the country.

The main instrument for data collection was the questionnaire. The study relied on a five-point scale to measure both the dependent variables (SME profitability and SME growth) and the independent variable (usage of social media tools) (Table 1).

The utilization of social media by Small and Medium Scale Enterprises (SMEs) in Ghana can be examined through the lens of diffusion innovation theory, which posits that the adoption of new technologies follows a predictable pattern within a social system (Masele & Rwehikiza, 2024). In this context, SMEs in Ghana may initially exhibit varying degrees of reluctance or resistance to embracing social media platforms due to factors such as perceived complexity, uncertainty, or inertia. However, as early adopters within the SME sector begin to demonstrate the benefits of social media for business growth, such as increased market reach, customer engagement, and brand visibility, the innovation gradually diffuses throughout the ecosystem, leading to broader acceptance and adoption (Le et al. 2023). Moreover, technology acceptance theory provides insights into the factors influencing the adoption and use of social media technologies by SMEs in Ghana. According to this framework, perceived usefulness and perceived ease of use are key determinants of an individual's intention to adopt a new technology (Barlatier et al.2023). In the context

of leveraging social media for enhanced profitability and growth, SME owners and managers in Ghana are likely to evaluate platforms based on their perceived relevance to business objectives and the ease with which they can integrate social media into existing operations. Additionally, factors such as social influence, organizational readiness, and perceived risks may also influence the adoption process, highlighting the importance of addressing both individual and contextual factors in understanding SMEs' uptake of social media technologies (Lin et al.2021).

Furthermore, empirical research examining the intersection of diffusion innovation theory and technology acceptance theory in the context of SMEs in Ghana reveals several insights (Bianchi & Andrews, 2015; Kumar & Ayedee, 2018). Studies have found that while early adopters of social media among SMEs may experience significant competitive advantages, laggards may face increasing pressure to adopt to remain relevant in the marketplace (Barlatier et al. 2023). Additionally, interventions aimed at enhancing SMEs' awareness, knowledge, and skills related to social media usage have been shown to facilitate adoption and mitigate barriers such as perceived complexity and resource constraints (Amoah, 2020). In effect, integrating insights from diffusion innovation theory and technology acceptance theory provides a comprehensive framework for understanding the dynamics of social media adoption among SMEs in Ghana and its implications for profitability and growth.

Table 1. Variable measurement

Variable	Measurement	Source of Measurement
SMEs Profitability	5 statements on increases in revenue, profit, and income	Musah et al.2018; Eggers et al. 2017; Padi & Musah, 2022
SMEs Growth	5 statements of growth in sales, employees, market	Musah, 2017; Eggers et al. 2017
Usage of social media tools	Number of social media tools used frequency of usage and followers	Michaelidou et al.2011; Kaplan & Haenlein, 2012

Social Media use by SMEs and SMEs' profitability

The escalating utilization of social media tools for business promotion has prompted researchers to explore their impact on financial performance, given the ultimate business goal of sustainable profit generation (Apenteng & Doe, 2014; Amoah, 2020; Attai et al. 2015; Bianchi & Andrews, 2015; Kumar & Ayedee, 2018; Odoom et al. 2017). Existing studies generally agree that Small and Medium-sized Enterprises (SMEs) benefit financially from social media use, although methodologies vary. Apenteng & Doe (2014) found that social media tools enable SMEs in Ghana to reach more customers, improving performance through simple descriptive statistics. Amoah's (2020) conceptual model suggests that social media reduces marketing costs, enhancing financial performance, despite lacking empirical testing. This perspective is consistent with the idea behind the diffusion innovation theory when applied to firms' ability to leverage technology to enhance their performance (Lin et al. 2021). When SMEs adopt the rights of social media tools in their operations, they will be able to create value for their customers and other stakeholders which will enhance the performance of their organizations in terms of profits and growth (Masale & Rwehikiza, 2024). Attai et al. (2015) and Bianchi & Andrews (2015) using correlation analysis observed a positive link between SMEs' social media use and financial performance. Kumar & Ayedee (2018) reported in India that social media tools reduce marketing costs, improving SMEs' overall financial performance. Odoom et al. (2017) highlighted Facebook's financial benefits for SMEs, outweighing costs. Despite the assumption in many studies that social media enhances SME financial performance, empirical testing is limited. This study aims to empirically test this assumption, forming the basis for the hypotheses to be examined.

H1: There is a positive and significant relationship between SMEs' use of social media and their financial performance in Ghana.

Social Media Use by SMEs and SMEs Growth

Numerous studies emphasize that the adoption of social media tools by Small and Medium-sized Enterprises (SMEs) facilitates cost-effective customer outreach, contributing to improved market share and growth (McCann & Barlow, 2015; Kumar & Ayedee,

2018; Amoah, 2020). Although empirical testing of the relationship between social media use and business growth is limited, findings from studies such as McCann & Barlow (2015) suggest that social media tools enable SMEs to increase sales volumes. Kumar & Ayedee (2018) support this notion, utilizing market value data from SMEs in India to demonstrate the positive impact of social media on firm value. Similarly, Basri's (2016) study in Arab countries reveals that SMEs leveraging social media experience increased sales volumes and reduced marketing and advertising expenditures. The consensus across these studies is that social media use allows SMEs to effectively connect with customers, resulting in enhanced sales volumes and, consequently, business growth. Building upon this assumption, the present study hypothesizes that social media tools contribute significantly to the growth of SMEs.

H2: There is a positive and significant relationship between SMEs' use of social media and its growth in Ghana.

Based on the hypothesis development which seeks to establish the relationship between SMEs' use of social media tools and performance in terms of profitability and growth, the study presents a conceptual framework that links the dependent and independent variables in this study (Figure 1). As earlier stated, the dependent variable in this study is SME performance which is measured in terms of financial performance (profitability) and growth. The independent variable in this study is social media use by SMEs. The framework shows that SMEs that use social media tools such as Facebook, Twitter (X), LinkedIn, YouTube, Instagram, etc are associated with improved financial performance and growth.

RESULTS

Social Media tools used by SMEs and Reasons for their Usage

The first part of the study was to examine the social media tools adopted by SMEs in the marketing communication mix and how these tools have been used over the years in the business. The results of the social media tools that SMEs in Ghana use for marketing have been summarized in Table 2.

Table 2 reveals that Facebook stands as the primary social media tool adopted by the majority of Small and Medium-sized Enterprises (SMEs) in Ghana for their marketing communication, with 63% utilizing or having a Facebook account. This dominance aligns with Sin et al.'s (2012) findings, indicating businesses' preference for Facebook in marketing communication due to its extensive user base, corroborated by Siebu's (2019) study, reporting a 57% preference for Facebook among Ghanaian SMEs. Apenteng and Doe (2014) similarly noted a 90% preference for Facebook in corporate advertisement, consistent with the prevalent trend.

Contrary to McCann & Barlow's (2015) assertion that Twitter (X) dominates with 81%, our results show that 49% of SMEs in Ghana employ Twitter (X) for product and service communication. This suggests a diversification of social media usage by SMEs, reflecting a departure from the previous norm. Instagram emerges as the second most utilized social media tool, with 55% of SMEs incorporating it into their marketing strategies. The platform's significant growth, particularly in catering to businesses targeting the youth, aligns with McCann & Barlow's (2015) observation of Instagram's rising popularity among

small businesses. The emergence of TikTok as a noteworthy platform for SMEs is evident, with 39% employing it for product advertisement. This finding reflects the platform's growing popularity among businesses, especially in the retail sector. The inclusion of TikTok in SME marketing strategies indicates a departure from previous studies that did not consider it due to its recent emergence.

LinkedIn, though less utilized at 32%, still holds a notable position in corporate marketing communication for Ghanaian SMEs, contrary to Siebu's (2019) findings. This usage rate, while lower than in Europe and Australia, corresponds with Apenteng & Doe's (2014) findings of 67% of SMEs using LinkedIn in Ghana. The study also highlights that 61% of SMEs continue to leverage their corporate websites as a significant marketing platform, consistent with Siebu's (2019) observations. In summary, the results demonstrate the evolving landscape of SMEs' social media usage in Ghana, with a shift towards diversified platforms. The findings present a nuanced understanding of the social media tools preferred by Ghanaian SMEs, showcasing a departure from traditional platforms and an inclination towards emerging ones like TikTok.

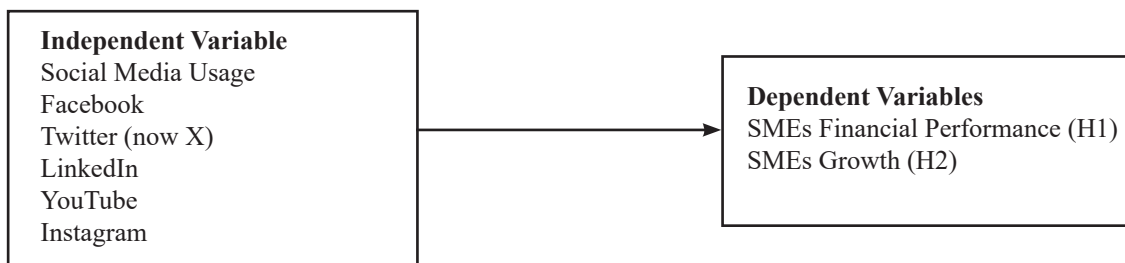


Figure 1. Research framework on the Impact of social media use and SMEs performance

Table 2. Social media tools used by SMEs

Item	Frequency	Percent
Facebook	126	63%
Twitter (X)	98	49%
Instagram	110	55%
Tik Tok	78	39%
LinkedIn	64	32%
Corporate Websites	122	61%

Objectives of SMEs use social media

The study further asked respondents what motivated them to adopt these social media platforms discussed above. These factors are also drivers for social media use by SMEs in Ghana which has been summarized to answer the last aspect of the first objective of the study. Some of the major reasons or objectives for using social media have been summarized in Table 3.

The results from Table 3 show that the major driver or reason why SMEs use social media tools for their marketing communication is that they want to experiment to see the potential of this tool. The result for this variable had the support of 64% of the SMEs sampled for the study. The second reason for the adoption of social media tools by SMEs as contained in Table 3 above is employee knowledge of social as well as their desire to use them. This result suggests that SMEs were compelled to use social media because they had employees who were fanatics of social media and that influenced management's decision to use the social media tools as part of their marketing communication tools. The next important variable is the mimicking of competitors and 39% of SMEs indicated that they adopted social media tools for marketing because their competitors were using social media for marketing communication. Some of the other reasons that were given are staff awareness of the potential of social media tools in marketing communication through a training or workshop session they attended which saw 23% of SMEs agreeing to this

reason. On the other hand, 43% of SMEs use social media because their customers use social media which provides an opportunity for them to interact and take feedback. McCann & Barlow (2015) argue that the reason why many businesses prefer social marketing to traditional marketing channels like television, newspaper, etc is the fact that social media platforms allow for direct feedback from customers which allows businesses to understand areas of their operations that need improvement. This result is consistent with the expectations of diffusion of innovation theory posits that perceived usefulness and benefits and usefulness drive the adoption and usage of technologies such as social media tools.

The impact of social media on SMEs profitability

The next section focused on the impact of SMEs' use of social media on their profitability. Previous studies have revealed that one of the major benefits of social media marketing is the fact that it increases financial performance in terms of profits for SMEs.

To realize the second objective which examines the impact of social media usage on the profitability of SMEs in Ghana, the study adopted regression analysis to achieve the above objective. The use of the regression analysis allowed the researcher to test whether social media usage predicts SMEs' profits. The summary of the regression analysis for the second objective is summarized in Table 4.

Table 3. Use of social media by SMEs

Item	Frequency	Percent
Because competitors are using social media	78	39%
Our company wanted to experiment with it to see its potential	128	64%
Our customers are using social media	86	43%
Training and awareness sessions for staff	46	23%
Employee's knowledge and desire to use social media	102	51%

Table 4. Regression coefficients of social media use as predictor of SMEs profitability

Variable	B	Std. Error	F	β
(Constant)	10.278	4.983	404.098	.828**
SMEs profitability	1.075	.053		

R²= .685, **p<0.01

The results of the regression analysis show that there is a positive association between social media usage by SMEs and SMEs' profits. The results show that SMEs' usage of social media tools is a significant predictor of their performance in terms of profitability. The R-squared for the regression analysis was 0.685 which suggests that social media usage by SMEs accounts for 68.5% of the variations in SMEs' profitability. The result is consistent with the general prediction that social media has become more popular with businesses in terms of their marketing communication because it improves their performance in terms of profit. The result is consistent with some studies on the effect of social media on firm performance. For instance, Appenteng & Doe (2014) in their study found empirical evidence to the effect that SMEs' use of social media tools influences the financial performance of the entities. The result is also similar to the findings of McCann & Barlow (2015) where it was found that the use of social media tools adds value to the entity through improved financial performance. The finding is also consistent with that of Attai et al. (2015), and Bianchi & Andrews (2015) who all reported a positive association between business use of social media tools and improvement in their financial performance. Amoah (2020) in a review of literature on social media use by SMEs and firm performance argued that even though previous studies had not used advanced statistical tools to establish this relationship, there is enough evidence to support the argument that social media positively influences profits. The result is also consistent with the first hypothesis of the study (H1) which predicts a positive and statistically significant relationship between SMEs' use of social media and their profits. The results align with the expectations of the diffusion of innovation theory. The theory argues that in the case of social media usage by SMEs, those who are early adopters and effectively integrate social media into their business strategies are likely to gain a competitive advantage over their peers. These SMEs may experience higher profitability due

to factors such as increased brand visibility, customer engagement, and sales generated through social media channels. This is also consistent with the technology acceptance model to the extent that firms that accept the usage of social media tools can leverage it to build improved profit. The model by Amoah (2020) seems to suggest that cost reduction moderates or mediates the relationship between social media use by SMEs and profitability even though the study did not test the relationship empirically. Similarly, Attai et al. (2015) and Bianchi & Andrews (2015) in their studies using correlation analysis reported a positive association between SMEs' use of social media tools and their financial performance. Furthermore, Kumar & Ayedee (2018) reported that the use of social media tools in India reduces SMEs' cost of marketing and advertising thereby enhancing their overall financial performance. Odoo et al. (2017) in their study found that SMEs' use of social media especially Facebook has more financial benefits which outweigh its cost thereby making their use of Facebook more profitable. In effect, there is no denying the fact that SMEs' use of social media affects their financial performance

SMEs' social media use and SMEs' growth

The third and final objective of the study examined the impact of social media use by SMEs in Ghana and its impact on the growth of the business. Previous studies have shown that social media tools allow SMEs to expand their customer base thereby allowing them to grow their firm (Hinson & Sorensen, 2006; Appenteng and Doe, 2014). To achieve this objective, the study used regression analysis to establish the relationship between social media usage by SMEs (the independent variable or predictor variable) and SMEs growth (the dependent variable). The results of the regression analysis between the two variables are summarized in Table 5.

Table 5. Regression coefficients of social media use as predictor of SMEs growth

Variable	B	Std. Error	F	β
(Constant)	09.813	5.193	17.142	.290**
SMEs profitability	.532	.128		

R²= .784, **p<0.01

The result in the table shows that the R-squared is 0.784 which suggests that the independent variable (social media usage by SMEs) predicts or accounts for 78% of the variations in the dependent variable. The F-statistic was also statistically significant at a 1% significance level which suggests that the model is well fit. In terms of the results of the regression analysis, the results showed a positive coefficient between SMEs' use of social media and SMEs' growth in Ghana. The result was also statistically significant at a 5% significance level which means that social media use by SMEs is a significant determinant of SMEs' profitability. The results show that SMEs that use social media can enhance their growth prospect through an increase in market share, increase in sales growth, and increase in the number of branches among others. The result is consistent with the prediction of literature and also consistent with the findings of some studies both in Ghana and other parts of the world as well as the technology acceptance theory and diffusion of innovation theory. First of all, the result is similar to the findings of Appenteng & Doe (2014) who found that SMEs' use of social media tools helps to increase their sales and also increase the customer base of the company. The result is also consistent with the findings of McCann & Barlow (2015) where it was reported that SMEs' use of social media increases the level of sales and customer base of the company. Furthermore, Siebu (2019) reported that social media helps SMEs increase the volume of sales and promote the growth of the firm. Overall, the findings suggest that the use of SMEs is a significant determinant of growth for SMEs in Ghana. The result is consistent with the prediction of the second hypothesis of the study which predicts a positive and significant association between SMEs' use of social media and their growth. Kumar & Ayedee (2018) also used data on the market value of SMEs in India over some time to establish the fact that SMEs' use of social media enhances the firm value of SMEs in India. Basri (2016) in a related study in the Arab countries reported that SMEs' use of social media increased their sales volumes as well as reduced expenditure on marketing and advertising. The major conclusion from the review of previous studies in this section is that researchers agree that social media use allows SMEs to reach out to many customers, increase sales volumes and thereby result in the growth of SMEs.

Managerial Implications

This study holds significant implications for SMEs in Ghana. It emphasizes the value of leveraging social media as a cost-effective tool for promoting products and services to a broad audience. With widespread smartphone and social media usage in Ghana, SMEs can capitalize on platforms like Facebook, Instagram, Twitter, TikTok, and LinkedIn to reach potential customers effectively. Despite SMEs' reliance on corporate websites, the study reveals that social media adoption is driven by factors like competitive pressure and employee advocacy. Importantly, the research establishes a positive correlation between social media usage and both profitability and growth, indicating its potential for enhancing financial performance and expanding business prospects. Thus, SMEs can utilize social media to drive sales, boost brand awareness, and improve their growth trajectory in the Ghanaian market, highlighting the transformative impact of these platforms on SMEs' competitiveness and sustainability.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Social media tools offer cost-effective avenues for small and medium-scale enterprises (SMEs) in Ghana to showcase their products and services to a wide audience. With the pervasive use of smartphones and social media platforms among Ghanaians, SMEs have an opportunity to tap into this growing consumer base. A study examined the adoption and usage of social media tools in SMEs' marketing strategies, along with their impact on profitability and growth. Findings from a survey of 200 SMEs revealed Facebook as the primary platform utilized, followed by Instagram, Twitter, TikTok, and LinkedIn. While SMEs still rely on corporate websites for marketing, they increasingly embrace social media due to various factors like competitive pressure and reaching potential customers. The study indicated a positive association between social media usage and SMEs' profitability, suggesting enhanced performance in terms of profits. Additionally, there was a significant positive relationship between social media usage and SMEs' growth, implying that leveraging social media can drive sales and improve growth prospects. Overall, the study provides empirical evidence of the profound impact of social media

tools on SMEs in Ghana which is consistent with the expectations of diffusion of innovation theory and technology acceptance theory.

Recommendations

First, the deployment of social media by small and medium enterprises has significant benefits for SMEs in terms of improving their profits and enhancing their growth. SMEs in Ghana should focus on developing an effective social media communication strategy that will allow them to take advantage of the growing use of social media and the benefits associated with it. Secondly, SMEs must begin to take steps to measure the full benefits of using social media for their marketing communication so that they can compare that to traditional media advertisement. The study observed that even though respondents agree social media advertisement improve their growth and profitability, they have not developed any mechanism to measure the exact effect. Third, the study provides an opportunity for future studies to expand the scope of social media marketing research in Ghana to focus on which social media platform provides the maximum benefits and to which industries in Ghana. The result of such a study will help to improve the social media strategies of firms to allow them to maximize the benefit of the platform.

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