

## Digital Technology as A Tool in Promoting Small and Medium Enterprises (MSMEs) Growth in Edo State

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### **Abstract**

*This study explores the impact of digital technology on the growth of Micro, Small and Medium Enterprises (MSMEs) located in Edo State, Nigeria. Specifically, it examines the effect of social media, e-commerce, and e-banking on MSME sales growth. The study employs a structured questionnaire administered to a sample of 348 respondents selected using Taro Yamane's formula. Descriptive and inferential statistics are used to analyze the data. Descriptive statistics reveal frequencies and means, while inferential statistics utilize Multiple Regression Analysis. The findings demonstrate a significant positive relationship between social media, e-commerce, e-banking, and MSME sales growth in Edo State. Based on these findings, it was recommended that MSMEs should consistently utilize these digital tools for sustained growth.*

**Keywords:** Digital Technology, Social Media, E-Commerce, E-Banking, MSMEs, Sales Growth, Edo State

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### **Introduction**

The digital revolution has fundamentally transformed the business landscape globally. The proliferation of digital technologies like digital payments, on-line banking, email marketing, e-commerce platforms, social media, and cloud computing have opened new avenues for businesses to operate and compete.

Digitalization has become an essential part of business life. It assists in upgrading traditional patterns of conducting business activities to interact with stakeholders. The emerging trend of utilization of digital media in business activities has transformed the basis for competition and influenced consumer behaviour. Digitalization has a very major impact on firms, and influences products and brands through the usage of digital services that includes storing, browsing and other applications that transform how we interact. Several literatures have addressed the need of a 'market in the digital world' due to its importance in interacting with stakeholders. The online availability of goods and services enable firms to search, enquire, interact, complain, purchase and pay through electronic means from remote locations.

This phenomenon is particularly significant for Micro, Small and Medium Enterprises (MSMEs), which constitute the engine of economic growth in many developing countries.

As technological advancement and digitalization are rapidly taking over the global economy and constantly shaping business operations, entrepreneurship ventures like MSMEs are urged to incorporate it into their business activities to accelerate growth Faminu (2021).

Entrepreneurships in the form of MSMEs play a critical role in the economic development of Nigeria. They are major contributors to job creation, income generation, and poverty reduction. According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) <https://smedan.gov.ng/>, MSMEs account for over 90% of businesses in the country and contribute significantly to the Gross Domestic Product (GDP), and many governments and organizations around the world have implemented policies and programs to support and encourage the growth of entrepreneurship.

In the modern age, digital technology has become a crucial tool for entrepreneurship growth, allowing entrepreneurs to reach wider audiences, stay ahead of their competitors, automate routine tasks and streamline workflows. This allows businesses to focus on their core competencies and allocate more resources towards growing their business. The use of software tools, automation and other digital tools have become a necessity in many industries, allowing businesses to stay competitive and profitable [www.bestappdev.com](http://www.bestappdev.com).

### **Statement of the Problem**

The business environment is becoming increasingly complex and competitive due to the proliferation of digital technologies. Firms that fail to leverage these technologies will struggle to enhance their competitive advantage, brand reputation, cost savings, customer needs fulfillment, market standards, and more. While some studies have been conducted on digital technology, few have explored its impact on MSME growth in Edo State. This study aims to fill this gap in knowledge.

### **Objective of Study**

The general objective of this study is to explore the effect of digital technology in promoting entrepreneurship growth in Edo State.

Specifically, this study intends to:

- Ascertain the effect of social media on MSMEs sales growth in Edo State
- Examine the effect of E-Commerce on MSMEs sales growth in Edo State
- To investigate the effect of E-Banking on MSMEs sales growth in Edo State.

### **Research Questions**

- What is the effect of Social Media on MSMEs sales growth in Edo State
- Does E-Commerce have an effect on MSMEs sales growth in Edo State.
- How does E-Banking have an effect on MSMEs sales growth in Edo State

## Hypotheses of the Study

- H<sub>0</sub>: There is no significant effect between Social Media and MSMEs sales growth in Edo State.
- H<sub>0</sub>: There is no significant effect between E-Commerce and MSMEs sales growth in Edo State.
- H<sub>0</sub>: There is no significant effect between E-Banking and MSMEs sales growth in Edo State.

## Literature Review

### Conceptual Review

### Digital Technology

Digital technologies denote wide range of technologies, tools, services and applications using various types of hardware and software Rice (2003). They facilitate services or activities by electronic means to create, store, process, transmit and display information. Broadly, digital technologies include the use of personal computers, digital television, radio, mobile phones, robots and many more Vuorikari, Punie, Gomez, and Van Den Brande (2016). Well known examples include social media, online games, multimedia and mobile phones.

Most businesses use digital technology nowadays to manage operations and processes and to enhance the customer journey. For example many businesses have a website and social media accounts to inform and educate customers about their products and services. A lot of them also accompany their brick-and-mortar business model with an eCommerce store to offer customers a more flexible shopping experience. Some innovative enterprises even make use of advanced technology like virtual reality and augmented reality to attract and engage their target groups.

Companies also adopt digital technology to increase their profitability. Since one advantage of technology is limitless communication, companies can extend their reach beyond domestic boundaries and access millions of customers worldwide. Finally, digital transformation is not just important but a requirement for all modern businesses, as the majority of firms automate their processes, firms who refuse to make the change will lag behind and lose their competitive advantage. On the other hand, there are various incentives for companies to digitize. For example, production will run faster since machines are replacing humans in repetitive tasks. Also, the coordination of corporate data in one system allows everyone to work together more seamlessly [www.studysmarter.co.uk](http://www.studysmarter.co.uk).

### Social Media

Social media are interactive technologies that enables the generation or sharing of relevant information, opinions, career goals and other forms of personal expression through virtual networks and online communities.

Social media are the online means of communication, conveyance, collaboration, and cultivation among interconnected and interdependent networks of people, communities and organizations enhanced by technological capabilities and mobility Tuten and Solomon (2014).

MSMEs can use social media platforms to market their goods and services.

Social media marketing can be considered as a business use of selected social media channels to understand customers and to engage them in communication and collaboration in ways that lead to the achievement of ultimate marketing and business goals Roberts and Zahay (2013 ).

Traditional media, as in newspapers and television programs, are still popular and viable forums for advertising and influencing consumer behavior. However, the reasons social media are becoming more dominating for businesses are the ongoing, worldwide conversation through social media. Via social media, consumers and businesses are more informed with real-time information and continuous social feedback, making informed decisions and fewer mistakes in their decisions.

### **Electronic Banking**

Quite a number of researchers and authors have defined e-banking services as a modernized way of providing traditional banking products and services through the use of information and communication technology. There are various precise terms used interchangeably to refer to one form of electronic banking service or the other: Online banking, Home banking, Computer (PC) banking, Internet banking, Web banking, Phone banking, Remote electronic banking, Virtual banking, Mobile banking etc., are often used fundamentally when referring to electronic banking. Electronic banking has been defined in many ways by researchers mainly because it does not refer to one but a series of channels through which customers can make inquiries and execute transactions with telephones, digital television, computer or mobile phone. It is an entirely automated facility based on IT delivery mechanism to conventional banking users' products and services. It makes available online medium for conducting and providing various banking services, such as, online accessibility of bank account, online fund transfer facility, online bills paying facility etc. The benefits provided by e-banking medium have resulted into swift growth of the banking sector worldwide. According to Keivani, Jouzbarkand, Khodadadi, and Sourkouhi (2012) electronic banking is “an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution”.

Despite its remarkable advantages, internet banking also has the following disadvantages: To conduct a successful electronic banking transaction, like paying bills online, customers require basic computer skills and the ability to browse the internet. However, not every customer is computer literate and this is a major disadvantage to electronic banking Johnson (2018).

### **E-Commerce**

E-commerce is the buying and selling of goods online. By optimizing e-commerce as part of a broader digital commerce transformation, sellers stand to attract more customers and earn more profits.

In 30 short years, e-commerce has revolutionized the way we shop. No longer does shopping refer only to going to a store, picking out and paying for goods, then bringing them home. Shopping trips that used to take hours can now take seconds, and can be done from anywhere with an internet signal. The thrill of the purchase is now stretched out, starting with the click to buy and culminating with the “unboxing” (which has become an industry in itself).

Simply put, e-commerce is anything goods or services that is bought or sold on the internet. E-commerce has been growing consistently ever since the online transaction in 1994, when someone sold his friend a Sting CD for \$12.48 plus shipping. But when the COVID19 pandemic hit, triggering lockdowns all over the world, customers went all in: year-over-year growth of e-commerce as a share of total retail sales grew 1.6 times in China, 3.3 times in the United States, and 4.5 times in the United Kingdom. E-commerce sales penetration in the United States more than doubled to 35 percent in 2020 from the previous year, roughly the equivalent of ten years of growth. Globally, nearly 20 percent of total global sales in 2021 were made from online purchases. By 2025, nearly a quarter of all global sales are expected to be made online.

### **Entrepreneurship Growth**

The term entrepreneurship growth means organization plans to achieve its objective to grow and expand a business by its quality, quantity, and turnover. Entrepreneurial growth can be in terms of innovators, business developers, radicals, expanders, customers etc. An entrepreneur who undertakes the risks and effort to grow the business will certainly have entrepreneurial growth whereas the person who is not willing fails to achieve this objective <http://osttra.com>.

Entrepreneurship growth refers to the expansion of a business that is founded and managed by an entrepreneur. It is characterized by the increase in revenue, profit, and market share over time. This growth can be achieved through various strategies such as expanding the product line, entering new markets, acquiring other businesses, and investing in research and development.

### **MSME Sales Growth**

MSME sales growth is the increase in sales of their products or services over time. It measures how well a business performs in terms of its revenue from sales. Sales growth can be measured by comparing the year-over-year, quarter-over-quarter, or month-over-month sales. Companies strive to maintain consistent and healthy sales growth over time as it indicates customer interest and demand for the product or service.

The goal of any business should be to increase both unit and naira sales growth simultaneously. This indicates that the company is not only selling more units but also commanding higher prices for them. Furthermore, measuring sales growth helps determine whether a business has the potential for long-term success since it shows that customer demand for the product or service is increasing **osttra.com**.

## MSMEs in Nigeria

As in developed economies, Nigeria with the introduction of the National Policy on MSMEs has addressed the issue of definition as to what constitutes micro, small and medium enterprises. The definition adopts a classification based on dual criteria, employment and assets (excluding land and buildings).

- Micro Enterprises are those enterprises whose total assets (excluding land and buildings) are less than Five Million Naira with a workforce not exceeding ten employees.
- Small Enterprises are those enterprises whose total assets (excluding land and building) are above Five Million Naira but not exceeding Fifty Million Naira with a total workforce of above ten, but not exceeding forty-nine employees.
- Medium Enterprises are those enterprises with total assets excluding land and building) are above Fifty Million Naira, but not exceeding Five Hundred Million Naira with a total workforce of between 50 and 199 employees.

If there exists a conflict on classification between employment and assets criteria (for example, if an enterprise has assets worth seven million naira (N7M) but employs 7 persons), the employment-based classification will take precedence and the enterprise would be regarded as micro, National MSMEs Collaborative Survey (2010)).

## Relevance of MSMEs

It is evidently clear that the micro, small and medium enterprises could play a catalytic role in the economic transformation of Nigeria. The role includes substantial contribution of the sector to the gross domestic product, employment generation, export, increasing local value addition and technological advancement. Other measures advanced by the advocates of micro, small and medium enterprises development in the country include:

- The low level of capital required in the establishment of the enterprises.
- The large number of the establishment and their labour intensive modes of operation guarantees employment for a large number of persons (labour intensive).
- Inventions, adaptations, and general technological development are common in these enterprises.
- A more equitable distribution of income is usually achieved in this sector.
- Industrial diversification and a relatively more balanced regional development are assured.
- The evolution of indigenous enterprise is common amongst these establishments.
- General enhancement of the tempo of industrial development is visible among these enterprises.
- Tendency among these enterprises to become feeders of large-scale enterprises and service products made by the latter National MSMEs Collaborative Survey (2010).

### **Current Efforts by Government To Stimulate The MSMEs Sub Sector.**

Below are some of the specific, multi-sectoral, programmes currently being implemented to grow the MSMEs sub-sector.

- **Establishment of a National Collateral Registry for MSMEs:** The Central Bank of Nigeria (CBN) established the National Collateral Registry to improve access to finance especially for MSMEs. The registry would enable MSMEs to use movable or personal assets as collateral while these remain in possession of the borrowers. Entrepreneurs may now thus use such movable assets, such as generator, car, machine or even gold, as far as it is registered to access funds.
- **Development Bank of Nigeria (DBN):** The Development Bank of Nigeria (DBN) was conceived by the Federal Government of Nigeria (FGN) in collaboration with global development partners to address the major financing challenges facing MSMEs in Nigeria. The bank's mandate fully supports the stimulation of diversified and inclusive growth, aimed at alleviating specific financing constraints that hamper the growth of domestic production and commerce by providing targeted wholesale funding to fill identified enterprise financing gaps in the MSMEs segment. The DBN will also play a focal and catalytic role in providing funding and risk-sharing facilities. It will also incentivize financial institutions, predominantly Deposit-Money and Microfinance Banks, by augmenting their capacity and by providing them with funding facilities designed to meet the needs of these smaller clients to meet MSMEs demands. DBN commenced operation in Nigeria in 2017.
- **CBN/Bankers Committee's AGSMEIS:** The Agri-Business Small and Medium Enterprises Investment Scheme (AGSMEIS), an initiative targeted at start-ups and the expansion of established companies as well as the reviving of ailing companies to enhance job creation and agribusiness for a sustainable economy. The initiative requires all Deposit Money Banks to set aside five percent of their annual profit after tax (PAT) to support and sustain MSMEs.
- **Establishment of a MSMEs Rating Agency:** A platform to maintain the credit history of operators (and their businesses) has become one of the modern measures to de-risk MSMEs, and so improve their access to formal sources of credit. The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in collaboration with Bank of Industry (BoI), Nigeria Export and Import Bank (NEXIM) and Dun & Bradstreet Nigeria Limited are finalizing the establishment of a rating agency for MSMEs in Nigeria.
- **N-Power Scheme:** is a project under the Social Investment Programme (SIP), of the Federal Government of Nigeria, for job creation and empowerment initiatives. The project aims to reduce graduate and youths unemployment by helping them to create jobs and engaging them in wealth generating economic activities while unemployed. The main objectives of the N-POWER programme are:-
  - To reduce the rate of unemployment in the country.
  - To enshrine a system that would facilitate transferability of employability, entrepreneurial and technical skills.

- To bring solutions to ailing public service and Federal Government diversification policy.

Three categories are recognized as follows, viz: N-POWER Teacher Corps, NPOWER Knowledge Scheme and N-POWER Build Scheme.

- **Tradermoni Scheme:** TraderMoni is a loan project, of the Federal Government, created specifically for petty traders and artisans. It is a component of the Government Enterprise and Empowerment Programme (GEEP), being executed by the Bank of Industry. TraderMoni, allows qualified micro enterprises to receive interest-free incremental loans of between N10,000 and N100,000, as you pay back.
- **Ease of Doing Business/PEBEC:** Inaugurated in July 2016, the Presidential Enabling Business Environment Council, is a flagship initiative to reform the business environment. The PEBEC, chaired by the Vice President, is also to attract investment and diversify the economy to reduce the nation's reliance on oil. The big picture was to make it easier for micro, small and medium enterprises to do business, grow and contribute to sustainable economic activity, and provide the jobs essential to improving social inclusion. By April 5, 2018, the PEBEC had approved its third 60-day National Action Plan (NAP 3.0) to drive the ease of doing business initiative to remove critical bottlenecks and bureaucratic constraints to doing business in Nigeria. Complemented with Executive Order 1 on improving transparency and the business environment in Nigeria (May, 2017), Nigeria has moved up 24 places in the World Bank's Ease of Doing Business Index 2018. The Reform continues.
- **Anchor Borrowers Programme:** The Central Bank of Nigeria (CBN), in line with its developmental function, established the Anchor Borrowers' Programme (ABP), in November, 2015. The ABP was intended to create a linkage between anchor companies involved in the processing and small holder farmers (SHFs) of the required key agricultural commodities. The program's thrust is the provision of farm inputs in kind and cash (for farm labor) to small holder farmers to boost production of these commodities, stabilize inputs supply to agro-processors and address the country's negative balance of payments on food. At harvest, the SHF supplies their produce to the Agro-processor (Anchor) who pays the cash equivalent to the farmer's account. The targeted commodities included but not limited to cereals (Rice, Maize, wheat etc.), cotton, roots and Tubers (Cassava, Potatoes, Yam, Ginger etc.), sugarcane, tree crops (Oil palm, Cocoa, Rubber etc.) legumes (Soybean, Sesame seed, Cowpea etc.), tomato, livestock (Fish, Poultry, Ruminants etc.) National MSMEs Collaborative Survey (2010).

### Social Media and MSMEs Sales Growth

As there are low barriers to the use of social networking technologies, MSMEs can make use of social media in the same ways that large corporate can, without the need for extensive resources. Fruhling and Digman (2000) set out that the adoption of the internet through social media can help a business increase its customer and market base and this makes a positive contribution towards the business' growth. Social media can also facilitate a business to expand its scope and extending its main business through market penetration and development or product development. Porter



(2001) goes further to say that the relationships formed via the internet can boost sales and generate opportunities to come up with new products and services. Mangold and Faulds (2009) recognize that social media allows an enterprise to connect with both existing and potential customers, engage with them and reinforce a sense of community around the enterprise's offering(s). Further, an information rich social media website can help a business to develop relationships with customers by providing more effective marketing, new communication and distribution channels, shorter time to market, customized products, 24hour online technical support and online interactive community all these can tremendously increase the sales growth rate of MSMEs.

### **E-Commerce and MSMEs Sales Growth**

E-commerce in Africa, for instance, supports a very mobile population in efficiently accessing goods and services. In an interview with McKinsey, Sacha Poignonnec—the CEO of Jumia, Africa's largest internet group—says e-commerce gives users in villages and small cities more choice than they would have otherwise.

Poignonnec also emphasizes the potential for small businesses in emerging markets to grow their sales via e-commerce, because the investment required is small compared to the number of customers a business can reach Mckinsey (2023).

Adding product choices to pages doesn't need to be complicated. For example, Kerrits uses unique sections to both upsell and cross sell, packaging items together to entice customers into additional sales White (2023).

### **E-Banking and MSMEs Sales Growth**

When compared with traditional banking, electronic-banking has several advantages. MSMEs have access to instantaneous service provision and lower transaction and account maintenance costs without having to physically visit a bank Gilani (2010). Electronic banking also require very little data at an almost insignificant cost. Nigudge and Pathan (2014) showed that electronic banking is convenient in the sense that MSMEs can obtain funds at any time from Automated Teller Machines when in urgent need of money. With smart cards such as credit and debit cards, MSMEs are able to make payments for goods and services and obtain discounts. Customers of MSMEs can easily transfer funds electronically to MSMEs to pay for goods and services bought from such businesses without necessary going to physical banks. These can tremendously help in boosting sales of MSMEs.

### **Theoretical Framework**

Technology acceptance model provided the theoretical base for the study. Technology acceptance model is a theoretical construct developed by Fred Davis in 1989 cited in Agbo, (2015). According to Agbo (2015), the theory is an information system theory that illustrates how prospective or potential users of a new technology or information system come to accept and use it. Technology acceptance model postulates that when a new information system like the digital media, is introduced, the likelihood that the target users will readily adopt it is consequent upon two major

factors, the perceived utilities and perceived ease-of application. The former refers to the extent to which a user thinks the new technology would be useful to him while the latter is the extent to which he hopes that use of the new technology would be simple and free from constraints. In the model, Fred Davis presupposes that there is a relationship between an individual's propensity to accept and use a new technology and his perceptions of the system. According to him the attitudes or behaviours of users towards a new technology is determined by its perceived usefulness and ease of application.

Technology acceptance model is relevant to this study because the rise of search engines, advanced mobile devices and interfaces, peer to peer communication vehicles, emails, content creation social media, e-Commerce and e-Banking have extended marketers' ability to liaise with buyers in contemporary times Paquette (2013). The model essentially will help establish whether MSME's owners have accepted or are applying the use of social media, e-Commerce and e-Banking in promoting their activities or sales.

### **Empirical Review**

Zhou, Smith, and Al-Samarraie (2023) carried out a study to explore the main dimensions of digital technology adaptation in higher education during the COVID-19 pandemic. The consequences for student and staff experiences and what aspects should be sustained and developed were discussed in this review. A total of 90 articles (published between 1st January 2020 and 30th June 2021) were identified and analysed based on the preferred reporting items for systematic reviews and meta-analyses framework. Four dimensions (with associated sub-factors) were found to influence student and staff experiences: techno-economic; personal and psychological; teaching, learning and assessment; and social factors. The findings highlighted that an integrated approach, across institutional, technical platforms, and individuals would be required to sustain digital learning initiatives during the crisis time.

Meng and Wang (2003) carried out a study to determine the impact of digitalization on enterprise value creation: an empirical analysis of Chinese manufacturing enterprise. The study proposed a novel production function of digital empowerment. It constructed a theoretical framework to analyze the digital enabling process for enterprises from the production factor and economic activity aspects. It used data mining technology to measure the degree of digitalization, extracted a typical relationship model between digitalization degree and enterprise performance, and dug out the association rules among traditional factors, digital factors, and economic activities under different relationship models. The result showed that the digitalization degree and the digitalization enabling the level of mechanical and electronic enterprises are higher than those of light textile enterprises and resource-processing enterprises. The substitution elasticities and the association rules among factors and activities also had enterprise heterogeneity, which led to differences in the digital transformation paths of different types of enterprises.

Fruhling and Digman (2000) carried out a study to determine the impact of electronic commerce on business-level strategies. The paper examines electronic commerce (E.C) from the perspective

of intra-business E.C., business-to-business E.C., business-to consumer E.C., and value/supply chain management. Business-level strategies are considered to include: added value, differentiation, cost leadership, focus, and growth source. The paper concluded that E-commerce had significant impacts on each of the business-level strategic areas.

Oztamur and Karakadilar (2014), investigated the role of social media as a new marketing strategy instrument for SMEs from the standpoint of company performance. The researchers used a case study on four companies in the United States and Turkey that were picked at random. They targeted the social media accounts of the carefully chosen businesses between January and February 2014. The study compared the Facebook and Twitter accounts of randomly selected fashion retail chains and healthy bakery retail chains SMEs from the United States and Turkey to see how they performed in the same industry. When compared to Turkish companies' usage of social media, the research found that American companies are more likely to implement the essential methods. This increases customer loyalty, retention, and, as a result, performance. In the sense that power has transferred from marketers to customers, the rise of social media has turned the marketer-customer relationship on its head.

### **Gap in Knowledge**

Based on the findings of the literature reviewed, it was observed that none of the studies had carried out any research on Digital Technology as a Tool to Promote Entrepreneurship Growth in MSMEs located in Edo State. This therefore is the research gap that this study wants to fill.

### **Methodology**

The study adopted a survey design for this purpose because it provides a high level of general capability in representing a large population at a point in time. The population of this study comprised of two thousand six hundred and seventy seven (2,677) owner/managers of MSMEs operating in Edo State and registered with small and medium enterprises development agency of Nigeria SMEDAN (2017).

The Taro Yamane formula sample size is appropriate for this, been a scientific method to determine sample size from a known population.

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

$$n = \frac{2677}{1 + 2677(0.05)^2}$$

$$n = 348$$

The study employed the use of a primary data because it helps to get first hand information from the selected respondents. The questionnaire was used as the instrument to collect the primary data and it was distributed and collected by the researcher and with the help of research assistants from the MSMEs under investigation.

The instrument adopted a five-point Likert scale. Each item on the Likert scale was rated. The scale was anchored as follows: 1 = undecided, 2 = strongly disagree, 3 = disagree, 4 = agree, 5 = strongly agree. The questionnaire was designed according to the objectives of the research study. Statistical Package for Social Sciences (SPSS) ver. 23 program was used in the data analysis. The study used both descriptive and inferential statistics for data analysis. Descriptive statistics, such as frequencies, and mean scores were used for data analysis. Inferential statistics such as Multiple Regression Analysis was used in analyzing the relationship between the dependent and independent variables of the hypotheses at 5% level of significance.

### **Model Specification**

$$Y = f(X) \text{ ----- (i)}$$

Where

Y = Entrepreneurship Growth

X = Digital Technology

Digital Technology was measured in terms of Social Media, E-commerce and E-Banking.

We now have;

$$Y = X_1, X_2, X_3, \text{ ----- (ii)}$$

By introducing error term

$$Y = \alpha_1 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + U \text{ ----- (iii)}$$

Where:

Y = Entrepreneurship Growth

$\alpha_1$  = Constant term

$\beta_1$  to  $\beta_3$  = Coefficient of independent variables

$X_1$  = Social Media

$X_2$  = E-Commerce

$X_3$  = E-Banking

U = Error term - Captures all relevant variables not included in the model because they are not observed in the data set

## Analysis and Interpretation

**Table 1: SOCIAL MEDIA**

S/N	SOCIAL MEDIA PARAMETERS	UD	SD	D	A	SA	N	Mean
		1	2	3	4	5		
1	Social media marketing increase trust among consumers and vendors	0	0	0	28	320	348	4.92
2	Social media improves online visibility and brand awareness of MSMEs	0	0	14	0	334	348	4.92
3	Social media improve customer services and relations	0	0	27	50	271	348	4.70
4	Conversion rate and sales of MSMEs can be seriously increased using social media	0	0	37	46	265	348	4.66
5	Social media leads to reduction in the cost of doing business	0	0	22	46	280	348	4.74
	<b>Average Mean</b>							<b>4.788</b>

*Source: Researcher's field survey, 2024*

From the above table, the average mean is 4.788, this implies that the respondents strongly agreed that social media is effective in their respective organizations.

**Table 2: E-COMMERCE**

S/N	E-COMMERCE PARAMETERS	UD	SD	D	A	SA	N	Mean
		1	2	3	4	5		
1	E-commerce improve the competitiveness of MSMEs	0	0	9	0	339	348	4.95
2	E-Commerce can provide an alternative marketing channel by eliminating middlemen.	0	0	9	37	302	348	4.84

3	There are challenges to the implementation of E-commerce in Nigeria	0	0	0	28	320	348	4.92
4	Government is doing enough to promote E-commerce in Nigeria	0	0	14	0	334	348	4.92
5	The use of E-commerce has helped many MSMEs expand their customer base to new geographical locations.	0	0	37	59	252	348	4.62
<b>Average Mean</b>								<b>4.85</b>

*Source: Researcher's field survey, 2024*

From the above table, the average mean is 4.85, this implies that the respondents strongly agreed that their organizations make effective use of E-Commerce.

**Table 3: E-BANKING**

S/N	E-BANKING PARAMETERS	UD	SD	D	A	SA	N	Mean
		1	2	3	4	5		
1	There is ease in managing expenditures of MSMEs through E-Banking	0	0	27	46	275	348	4.71
2	E-Banking creates ease in accepting payments from customers or debtors	0	0	26	42	280	348	4.73
3	E-Banking creates ease in making payments to Suppliers/Creditors	0	0	10	5	333	348	4.93
4	E-Banking greatly limits misappropriation of cash or theft of cash	0	0	9	41	298	348	4.83
5	There is ease in applying and approval of short term loan or overdraft through E-Banking	0	0	0	28	320	348	4.92
<b>Average Mean</b>								<b>4.824</b>

*Source: Researcher's field survey, 2024*

From the above table, the average mean is 4.824, this implies that the respondents strongly agreed that their organizations are effective in the use E-Banking.

**Table 4: MSME SALES GROWTH**

S/N	MSME SALES GROWTH PARAMETERS	UD	SD	D	A	SA	N	Mean
		1	2	3	4	5		
1	Government policies on MSMEs in Nigeria have seriously boosted their sales growth	0	0	15	4	329	348	4.90
2	You are satisfied with your current sales performance	0	0	22	55	271	348	4.72
3	You rely on sales training to boost sales growth	0	0	27	42	279	348	4.72
4	You rely on discount offers to increase sales	0	0	17	51	280	348	4.76
5	Financial incentives motivate you to achieve sales growth targets	0	0	5	5	338	348	4.96
	<b>Average Mean</b>							<b>4.812</b>

*Source: Researcher's field survey, 2023*

The above table shows that the average mean is 4.812 this implies that the respondents strongly agreed that their organizations have experienced sales growth.

**Table 5 Regression Model Summary of Social Media, E-Commerce and E-Banking on MSMEs Sales Growth**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.463 <sup>a</sup>	.214	.207	.02899

a. Predictors: (Constant), E\_Banking, Social\_Media, E\_Commerce

**Computation: SPSS ver.22**

As can be seen from the regression model summary above, the R-Square value is the coefficient of determination, indicating a predictive power of 21.4%, implying that Social Media, E-Commerce and E-Banking have the ability to determine MSMEs Sales Growth at the rate of 21.4%. However, these findings indicate that there are other variables affecting the variances in MSMEs Sales Growth aside Social Media, E-Commerce and E-Banking.

**Table 6 ANOVA<sup>a</sup> Outcome for Social Media, E-Commerce and E-Banking**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.079	3	.026	31.265	.000 <sup>b</sup>
	Residual	.289	344	.001		
	Total	.368	347			

a. Dependent Variable: MSMEs\_Sales\_Growth

b. Predictors: (Constant), E\_Banking, Social\_Media, E\_Commerce

**Computation: SPSS ver.22**

The ANOVA table above is saying that the independent variables of Social Media, E-Commerce and E-Banking collectively have statistical significance on the dependent variable MSMEs Sales Growth with a P-value less than 0.05.

**Table 7 Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.296	.092		3.215	.001
	Social_Media	.422	.048	.424	8.815	.000
	E_Commerce	.110	.049	.114	2.254	.025
	E_Banking	.162	.057	.143	2.821	.005

a. Dependent Variable: MSMEs\_Sales\_Growth

**Computation: SPSS ver.22**

The above table shows the results of the coefficients estimates. The coefficient gives the magnitude of a unit change of the independent variables (Social Media, E-Commerce, and E-Banking) on MSMEs Sales Growth which is the dependent variable.

Social Media and MSMEs Sales Growth have a coefficient of 0.422, with a t-test of 8.815 and a p-value of 0.000, this indicates a positive relationship and it is statistically significant at 5% level.

E-Commerce and MSMEs Sales Growth have a coefficient of 0.110, with a t-test of 2.254 and a p-value of 0.025, this indicates a positive relationship and it is statistically significant at 5% level.

E-Banking and MSMEs Sales Growth have a coefficient of 0.162, with a t-test of 2.821 and a p-value of 0.005, this indicates a positive relationship and it is statistically significant at 5% level.



The respective coefficients of Social Media and MSMEs Sales Growth 0.422, E-Commerce and MSMEs Sales Growth 0.110, and E-Banking and MSMEs Sales Growth 0.162 all indicate that a unit increase in the level of Social Media, E-Commerce and E-Banking will each result to an increase in MSMEs Sales Growth by 42.2%, 11% and 16.2% respectively.

The regression equation is:

$$Y_1 = 0.296 + 0.422X_1 + 0.110X_2 + 0.162X_3$$

## **Discussion of Findings**

### **Social Media and MSMEs Sales Growth**

The findings above depicts that there was a significant effect between Social Media and MSMEs Sales Growth.

### **E-Commerce and MSMEs Sales Growth:**

The findings above depicts that there was a significant effect between E-Commerce and MSMEs Sales Growth.

### **E-Banking and MSMEs Sales Growth:**

The findings above depicts that there was a significant effect between E-Banking and MSMEs Sales Growth.

## **Conclusion and Recommendation**

### **Conclusion**

#### **Social Media and MSMEs Sales Growth**

The organizations have put all the necessary amount of efforts and resources towards developing social media network in the organizations

#### **E-Commerce and MSMEs Sales Growth:**

The organizations have put all the necessary amount of efforts and resources towards developing their E-Commerce presence.

#### **E-Banking and MSMEs Sales Growth:**

The organizations have put all the necessary amount of commitment and resources towards developing their E-Banking presence.

### **Recommendation**

#### **Social Media and MSMEs Sales Growth:**

The organizations should maintain their consistencies in using social Media that will continue to have significant effect on MSMEs Sales Growth as seen from the findings above.

### **E-Commerce and MSMEs Sales Growth:**

The organizations should maintain their consistencies in using E-Commerce that will continue to have significant effect on MSMEs Sales Growth as seen from the findings above.

### **E-Banking and MSMEs Sales Growth:**

The organizations should maintain their consistencies in using E-Banking that will continue to have significant effect on MSMEs Sales Growth as seen from the findings above.

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