

Social Media and the Viability of Online Firms in the South West Nigeria

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ABSTRACT: The study examined social media and the viability of online firms in the South West, Nigeria. Specifically, the study looks at the influence of social media platforms on cost reduction and innovation. Social media platforms such as Facebook, Instagram, YouTube, WhatsApp are most used social media in Nigeria. Using the survey design, the study targeted 40 managers and supervisors of selected online firms operational in Lagos. Using a simple regression model, findings show that social media platforms have positive and significant effect on cost reduction and innovation. It was concluded that marketing and promotions are being done through social media based on its cheap cost and ability to reach different places at the same time regardless of the geographical place. Accordingly, the usage of social media can grant the company a competitive advantage edge.

KEYWORD: Online Firms, Nigeria.

1.1. Background of the Study

Social media platforms and tools are gaining popularity and are increasingly used in regular operations of many companies, ranging from start-ups and small and medium enterprises to large corporations. Growing and engaging customers are one of the primary drivers for the adoption of social media platforms. Social media has been seen as an effective billboard for a firm's commercial goals and better business performance as most firms are using social media to increase business brand image and brand awareness.

Today, there is no business organization especially online firm that does not have account with Facebook, Twitter, LinkedIn, Instagram, YouTube, Snapchat and Pinterest among others. To tell how strategic is social media platforms to business in Nigeria especially online firms like Jumia, Konga, Rajab, and more is the infinite suspension of Twitter in Nigeria. Small- and medium-sized Nigerian businesses have been particularly affected, as they rely on Twitter and other social media platforms to raise awareness of their brands and for customer service and other engagement. Report from Telecompaper revealed that Nigeria's e-commerce sector has lost over 2 billion naira (\$4.86 million) daily since the ban, as business have had to severely cut their operations or stop them completely, otherwise risking potential fines and arrest.

In Nigeria, online firms in different sectors of the economy relies on the social media to create brand awareness thus enabling businesses to become Omni-present, and generate more loyal customers through

creating their own pages on one or more social medial platforms and encourage interaction with customers. This supports the assertion made by Harris and Rea (2009) and Eisenfeld and Fluss (2009) that networked companies that took advantage of the latest social media technologies seem to outperform their competitors and report benefits like lower costs and improved efficiencies. Report from www.statista.com/statistics reveals that the most popular used social medias in Nigeria as at 2020 include; WhatsApp (93%), Facebook (86.2%), YouTube (81.6%), Instagram (73.1%), Facebook Messenger (67.2%), Twitter (61.4%), Telegram (56.3%), LinkedIn (32.8%), TikTok (31.9%), and others. The above implies that online businesses can utilize these mediums in growing their customer based, engage customer, and improve their sales.

1.2. Statement of the Problem

There have been extensive uses of social media across the globe however, little is known on the specific impact these social media platforms, tools and technologies have on business process performance (Denyer et al, 2011). Empirically, there seem to be dearth of literature on the effect of social media on online firms in the Nigerian context. Few empirical studies have been carried out across sectors in different countries. The study of Ardam & Mohammad (2019) was on the Jordanian Dead Sea Cosmetic Sector, Tajvidi & Karami (2021) was carried out in the hotel industry of UK and Martin & Serban (2018) was in Netherland. The above prompted this study to be investigated in the South West Nigeria using online firms.

1.3. Objective of the Study

The general objective of the study is to examine the influence of social medial on the viability of online firms in South West Nigeria. Specifically, the study will;

- a) Investigate the influence the most popular social media platforms have on cost reduction of online firms.
- b) Assessing the impact of social media platforms has on the innovative capabilities of online firms.

1.4. Research Question

- a) What influence does social media platforms have on cost reduction of online firms?
- b) What is the impact of social medial platforms on the innovative capabilities of online firms?

1.5 Statement of Hypothesis

H0₁: Social media platforms do not have significant influence on the cost reduction of online firms.

H0₂: Social medial platforms do not have significant impact on the innovative capabilities of online firms

2. Review of Related Literature

2.1. Concept of Social Media

Merriam Webster Dictionary defines social media as forms of electronic communication (such as websites for social networking and micro-blogging) through which users create online communities to share information, ideas, personal messages, and other content (such as videos).

Social media is an internet-based form of communication. Social media platforms allow users to have conversations, share information and create web content. There are many forms of social media, including blogs, micro-blogs, wikis, social networking sites, photo-sharing sites, instant messaging, video-sharing sites, podcasts, widgets, virtual worlds, and more. Social media consists of a collection of internet-based tools work on web technology and ideological basis which help users to create content and share it with other users (Kaplan and Haenlein, 2010).

Social media have several forms and types like; blogs, micro-blogs, social networks, media-sharing sites, social bookmarking and voting sites, evaluation sites, forums, and virtual worlds (Zarella, 2010). Social

media are characterized by user generated content, which has been found to be more effective than traditional marketing communications in influencing the attitudes and behaviors of other users (Thackeray et al., 2008). The use of social media in businesses was considered a failure, but this changed quickly as the rapid increase trend of social media. For instance, over 4 billion internet users exist today of which more than 3 billion users are active in social media (Chaffey, 2018). Therefore, organizations must know how to make use of social media sites to force traffic to their business sites (Weinberg, 2009).

Social media first started with LinkedIn in (2003), taken after by MySpace and Facebook in (2004), YouTube in (2005), and Twitter in (2006) (Martin & Serban, 2018). In less than ten years, it has achieved billions of users around the world (Barker, 2016). People used tools like Facebook and blogs long before organizations became aware of social media and grasped the potential they held (Gonzalez et al., 2015). Accordingly, using online networking widely spread to organizations and firms as a feature of their systems. For example, Facebook’s vice president of small business stated that paid advertisement of Facebook has become effective and companies should put their efforts to their Facebook page for growing their business and boost the marketing (Loten et al., 2014). Also, 86% of 100 biggest organizations on the Fortune 500 rundown use at least one of the online networking platforms, and 28% of them utilize every online networking platform available (Tsitsi et al., 2013). Accordingly, companies are using social media to promote their products in a new way, and each social media has its distinct purpose that the other media may not have.

2.1.2: Scope of Social Media in terms of Usage

A. The use of Social Media for Customer Relations and Services

By establishing and facilitating two-way communication, social media has improved customer-organization relationship (Hoyer and MacInnis, 2010). Furthermore, social media websites give businesses the ability to interact with new and current customers, enhancing the sense of closeness in the customer connection. As a result, social media has changed not just the way businesses and their brands engage with customers, but it has also revolutionized the way business is conducted in various ways (LeeFlang et al., 2014; Patino et al., 2012; Schulz and Peltier, 2013). Actively advertising the organization through popular methods such as hash-tags on Facebook and Twitter, for example, helps to increase brand awareness and reliability (Caruso, 2016). "The Internet's power makes it easier for consumers to support a business." In the eyes of customers, social media sites are a service channel via which they can interact with businesses in real time.

Customers frequently check social media sites to stay up with a brand's products and promotional campaigns (Mangold and Foulds, 2009). As a result, today's consumers are more inelegant, knowledgeable, and demanding; as a result, businesses must be reachable and available at all times using social media communication channels such as Facebook, Twitter, and blogs (Gordhamer, 2009).Some businesses confirmed that by immediately reacting to customers' complaints, they could easily modify their negative feelings (Bughin, 2015). As a result, delivering comprehensive information and improved customer service as rapidly as possible helps to enhance annual sales and financial gain, connect businesses with customers, establish relationships, and nurture those ties (Kaplan and Haenlein, 2010).

B. The use of Social Media for Marketing

Using social media as a marketing technique can be beneficial since it can reach a focused audience at a low cost, reach interested individuals regardless of their geographic location, and help in the development of future customers (Pradiptarini, 2011). Many techniques for customers to interact with businesses and their brands are explained in research, such as consumer involvement with brand Facebook pages, brand content creation on YouTube or Twitter, and other social media platforms (Girona and Korgaonkar, 2014; Kim et al., 2014; Muk and Chung, 2014). According to a survey by Stelzner (2016) on the usage of social media in

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marketing, approximately 60% of marketers utilize video tools supported by social media for marketing objectives, and more marketers are increasingly adopting the new hot tool of live video streaming.

Additionally, activities such as engaging customers by publishing relevant material on social media, gathering feedback and responding appropriately, and eventually altering the firm’s strategy based on feedback enhance site traffic, allowing the business to rank higher in search engine optimization (Dane, 2016). Furthermore, using social media to track rival activity and analyzing the results for use in business helps to update the business, which is followed by upgrading plans such as offering discounts and other offers to attract more clients (Caruso, 2016).

C. Social Media for Information Accessibility

By assisting firms in obtaining more information about the market, new trends, industrial information, feedback on goods, competitors and their methods, and customers and their demands, social media can improve information accessibility (Parveen et al., 2013). As a result, corporations can use social media to efficiently disseminate organizational information to the public (Parveen et al., 2016). As a result, social media can generate a word-of-mouth recommendation, and word-of-mouth marketing has a significant impact, especially in online environments (Evans and Erkan, 2014).As a result, before purchasing a product, potential customers use social networking sites to see what other customers have said about it (Caruso, 2016). Furthermore, components such as emoticons, movies, and photographs can be used to access and enrich information in the electronic word of mouth (Velazquez et al., 2015).

2.1.3: Social Media and Firms Viability

The benefits of corporate adoption of social media are numerous, and various studies have found a link between social media adoption and corporate viability (Ainin et al., 2015; Paniagua and Sapena, 2014; Parveen et al., 2013; Rodriguez et al., 2015). Rodriguez et al. (2015) discovered that using social media had a beneficial impact on customer-facing activities and, as a result, sales performance. Similarly, Kwok and Yu (2013) discovered that Facebook usage improved the sales performance of SMEs. Furthermore, it has been discovered that using social media improves organizational social capital, which in turn improves performance (Ferrer et al., 2013). Hassan et al. (2015) also stated that social media can have a big impact on company through influencing purchase decisions.

These findings are in line with prior research on technology adoption, which revealed that it had a favorable influence on both financial and non-financial performance (Parveen et al., 2013; Thong, 2001). Organizations must respond to change and must have people who can deal with the challenges that come with it on a regular basis, and feedback from social media sites can be used to improve business plans and make changes that satisfy loyal customers' desires (Dane, 2016). Furthermore, using social media to track rival activity and analyzing the results for use in business helps to update the business, which is followed by upgrading plans such as offering discounts and other offers to attract more clients (Caruso, 2016). Accordingly, by implementing social media within the marketing strategy, organizations can acquire additional information about the market, competitors, and primarily their customers and their requirements which will improve the information accessibility of the organizations and their ability to adapt to sudden changes (Parveen et al., 2013).

Organizations that use and implement the latest social media technologies seem to outperform their competitors with additional benefits such as lower costs and better efficiencies (Kim and Ko, 2012), and organizations that use and implement the newest social media technologies seem to outperform their competitors with additional benefits such as lower costs and better efficiencies (Harris and Rea, 2009). As a result, according to Parveen et al. (2016), social media usage has a beneficial impact on businesses' performance in terms of cost savings, improved customer interactions, and increased information

accessibility. Furthermore, social media can have a huge impact on businesses in terms of digital advertising and marketing, customer service concerns, innovation, and consumer relations (Solis, 2010).

One of the important elements that are associated to social media usage in companies is the cost-effectiveness of social media (Kaplan and Haenlein, 2010). Because of its low cost and low technological requirements, social media may be used by small and medium-sized businesses (SMEs) (Solis, 2010). As a result, business use of social media continues to rise (Harris and Rea, 2009), and it is soon becoming a critical business management phenomena (Trainor et al., 2014). In comparison to traditional communication tools, firms can engage in timely and direct end-consumer contact through social media at a relatively low cost and higher level of efficiency (Parveen et al., 2016). This cost effective nature of social media attracts large multinational corporations, SMEs, non-profit organizations, and government agencies (Kaplan and Haenlein, 2010).

2.2. Theoretical Framework

The resource-based view theory developed by Wernerfelt in 1984 is being used a supporting theory for the study. The key theme of the resource-based view is the exploration of a firm's resources geared towards gaining sustainable competitive advantage over other competing firms in the industry. Thus the philosophical ideology of the theory suggests that competitive advantage can only be achieved by the effective and efficient employment of all resources available to a firm.

The resource-based view states that organizations obtain a set of certain resources (like human resources, IT infrastructure, and social media) that are specific to the firm, rare and not capable of easy imitation by rivals. The particular combination of resources forms the basis for firm competitiveness and performance. A distinction can be made between resources and capabilities. While resources serve as basic units of analyses, capabilities are repeatable patterns of action in the use of resources to create, produce, or offer value to a market (Barney 1991). Note that resources (like Web 2.0 tools) may be obtained easily, but that it is not easy to develop business-wide capabilities to use the resources to enhance business performance. So, while resources can be imitated easily, capabilities embedded in business practice are not. We focus on Web 2.0 based capabilities (Martin & Serban, 2018).

Following the resource based view, social media platforms and tools in this study regarded as resources that are used by an organization in particular combinations with other resources, thus forming the resources with specific functions that enable the development of certain capabilities, processes, and strategies.

2.3. Empirical Review

Ardam & Mohammad (2019) investigated the impact of Social Media Usage on Organizational Performance in the Jordanian Dead Sea Cosmetic Sector. Specifically, the study extended previous research on social media use comprising three variables: social media for marketing, social media for customer's relations and services, and social media for information accessibility and its impact on organizational performance in terms of rapid adaptation, time to market, cost reduction, and innovation in Jordan. The paper analyzed data obtained from a sample of 169 managers working at 23 different organizations in Dead Sea cosmetic sector in Jordan using a quantitative approach. Structural equation modeling was used to test the hypotheses. Results show that there is a strong positive impact of implementing and using social media on organizational performance in terms of rapid adaptation, cost reduction, and innovation. Also, social media usage is different among the companies' characteristics in terms of type, age, and size.

Tajvidi & Karami (2021) investigated the effect of social media on firm performance. The study provides a new perspective on the effect of social media use in SMEs. Specifically, the study investigated the influence of social media on firm performance with mediating role of marketing capabilities in the UK, hotel industry.

A structural equation modeling method was employed for data analysis. The survey data was collected by mail survey from a sample of 384 hotels in the UK. Results from the data analysis demonstrate the positive and significant relationship between social media use and firm performance. However, the findings highlighted that marketing capabilities namely branding and innovation, positively and significantly mediate the association between social media use and firm performance.

Similarly, Asia (2013) examined the influence of Online Marketing Strategies for Increasing Sales Revenues of Small Retail. Specifically, the purpose of the qualitative multiple case study was to explore the strategies some small retail business leaders use to implement online marketing to increase sales. Data were collected from 4 small retail business owners who successfully used strategies to implement online marketing in California. Data collection techniques and sources were semi-structured, face-to-face interviews, and review of public business documents, company websites, social media websites, and analytical tools.

A thematic analysis of the data yielded 4 themes: social media platforms and strategies, online marketing strategies and challenges, online content strategies, and follow-up strategies. Business leaders of small retail organizations who want to increase revenue, remain competitive, overcome challenges associated with online marketing, and increase communication by implementing new technology might elect to align with the strategies identified in this study. The implications for positive social change include the opportunity for small retail business leaders to increase revenue while providing more job opportunities to benefit employees, employees’ families, and the community.

Martin & Serban (2018) examined the impact of social media on business performance in Netherland. The study specifically explored the impact of social media and analyzed the extent social media have impact on organizational capabilities and business performance. The study developed a research model and two simple propositions based on the resource based view of the firm. The study analyzed the impact of six social media applications on six business capabilities and on business performance in Sponsor Pay, a start-up company since 2009 in the on-line game advertising industry. A mixed research method including qualitative analysis based on interviews and quantitative analysis based on a survey among 60 employees was employed. Findings revealed that the use of social media enhances business capabilities and business performance. The impact is not due to one (out of six) social media tools only, but due to successfully combining the six social media tools into one effective social media ecosystem that enables coordination between internal and external business processes.

3. Methodology

The study adopted the survey design through an online questionnaire in soliciting response from the respondents that are part of the study. The study targeted 40 managers of online businesses operating in Lagos State South West Nigeria. The table below shows the summary of the targeted respondents and their respective industries.

Table 3.1: Targeted Population

Business	Description	No of Managers Targeted
Jarmomart	An online marketplace for sellers & buyers.	4
Jumia	Nigerian number one online shopping mall for shopping wider range of products such as fashion, clothing, tablets & phones, home and living among others.	5
Konga	The foremost online shopping mall for selecting wide variety of items ranging from home	6

	appliances & furniture to computer sets & fashion.	
Rajab	An online fashion store where one can buy ladies bags, purses & wallets, belts, hats & hair accessories and lots of other women fashion accessories.	4
Gidimall	An e-commerce platform that offers sales of appliances & electronics, computers & gadgets, printers & scanners, kitchen equipment, laundry and cleaning equipment.	3
MyStore	A well-known online shopping store for electronics, mobiles, shoes, home products, fashion Items etc.	2
Jiji Nigeria	An online platform where you can find products related to vehicles, real estate, mobile phones, fashion, electronics, health or beauty products and more.	5
Channel IT Nigeria Limited	A Lagos based online marketing company offering online order tracking, network optimization and performance management services.	3
Wild Fusion	Digital Marketing	2
Future Software Resources Limited	A Lagos based internet center for online marketing services, computer online services, e-commerce, and social media marketing and digital marketing strategy.	3
Tech O' Clock	Digital Marketing Company in Nigeria	3

Source, Compiled by the Researcher

The study used the purposeful and convenient non-probability sampling techniques in selecting the studied firms. Both the primary and secondary sources of data were utilized. The questionnaire was the major research instrument distributed using email and the social media handles of the selected firms. The instrument was measured in 4 likert scale namely; strong agree (4), agree (3), disagree (2), and strong disagree (1).

Respondents consent was first sought in ensuring confidentiality, before the questionnaire was distributed online to the 40 managers. After reminders were provided, 40 usable responses were received showing a response rate of 100%. The social media channels considered in the study include those that the selected firms operate and adopt in advertising their product/services, customer engagement and information sharing. They include; Facebook, WhatsApp, YouTube, and Instagram. Twitter was excluded because of the recent suspension by the federal government.

The reliability of the research instrument was tested using the Cronbach's alpha via SPSS. As displayed in Table 3.2, the average Cronbach's alpha of the constructs is 86.3% which is above the benchmark of 70% commonly used in social science research. Thus, the constructs are therefore considered reliable.

Table 3.2: Reliability Coefficients for Variables of the Study

Variables	No of Questions	Cronbach Alpha
Social Media Platform/channels		0.89
Cost Reduction		0.87
Innovativeness		0.83
Total/Average		86.3

Source: SPSS output.

Both the descriptive (mean) and inferential statistics (regression) were used in analyzing the data via SPSS. The study’s decision rule is stated below;

Mean Range Response Interpretation Scale

3.50-4.00strongly agree very high 5

2.50-3.49agree high 4

1.50-2.49 disagree low 3

1.00-1.49strongly disagree very low 2

Thus the acceptable minimum mean range is 2.5. For the regression result, if $P \leq 0.05$, then null hypotheses will be rejected and the alternative accepted.

4. Data Analysis, Findings And Interpretations

The researchers recorded a 100% response rate as all the managers in their respective firms filled and returned the questionnaire completely

4.1. Respondents Profile

Table 4.1 Demographic profile of respondents

Respondent age	N	%	Position	N	%	Gender	N	%
25-30	9	22.5	CEO	11	27.5	Male	13	32.5
31-45	13	32.5	Middle manager	17	42.5	Female	27	67.5
46-50	10	25	Supervisor	12	30			
51 or more	8	20						

Source: Field Survey, 2021

The general information about the characteristics of respondents including their age, gender, and organizational position is shown in Table 4.1. In this study, the majority of respondents were female (27) having a CEO position (27.5%) and middle manager’s position (42.5%). Also, the age group falls within the age of 31-45 representing 32.5%.

4.2. Social Media Uses

Table 4.2: Descriptive statistics on the Uses of Social Media Channels (N = 40)

Statement	Mean	SD	Remark
Use of Social Media for Marketing Purposes			
Your firm uses social media to advertise its products and reach new customers.	3.550	0.987	Accept
Social media handles are utilized in promoting company’s brand	3.400	1.115	Accept
	2.920	1.330	

Feedbacks through Likes, shares and follow-up of Instagram, Facebook, YouTube and others are used in evaluating the marketing performance of your firm.			Accept
Use of Social Media for Customer’s Relations and Services			
Your firm do collect feedback from customer on social media sites.	3.70	0.53	Accept
Your firm develops its relationship with customers through constant communication with them through the means of social media	2.88	0.95	Accept
The company improved the quality of their products through the study of customer feedback on social media.	3.93	0.69	Accept
Use of Social Media for Information Accessibility			
Your firm operates through the means of social media in the search for general information about the target market.	3.32	0.71	Accept
Your firm uses social media to search for competitors' information.	3.81	0.59	Accept
Your firm provides through the means of social media full information about the cost and the expected date of delivery.	3.89	0.61	Accept

Source: Field Survey, 2021

As revealed in Table 4.4, social medial channels such as Facebook, WhasApp, Instagram, YouTube, and others are being employed by online firms for marketing, customer relation and information purposes. The use of social media for marketing purposes was revealed to have enabled the firms to advertise their products and reach new customers (Mean = 3.5). A mean of 3.4 implies that social media channels have helped online firms in promoting the company’s brand. Equally, social media has helped the firms to evaluate their marketing efforts through feedbacks from likes, shares, and follow-up (Mean = 2.9).

On the area of using social media channels in building and improving customer relations and services, respondents agreed that their firms uses social media in collecting feedback from customers (Mean = 3.70). Findings also revealed that the online firms have been able to develop strong relationship with customers through constant communication using social media (Mean = 2.88). Imperatively, it was gathered that online firms have been able to improve the quality of their products and services through the study of customer feedback on social media (Mean = 3.9).

Finally, respondents agreed that social media is being employed and utilized in order to access information regarding the target market (Mean = 3.3), competitors (Mean = 3.8), and provide information to customers about delivery cost and expected date (Mean = 3.8).

Table 4.3: Descriptive statistics on Cost Reduction due to the adoption of Social Media (N = 40)

How Social Media has resulted to Cost Reduction	Mean	SD	Remark
Using social media reduce the cost of communication with customers	3.42	1.05	Accept
Using social media reduce the cost of advertising and promotion.	3.05	1.25	Accept
Using social media reduce the cost of customer service and support.	3.89	1.08	Accept

Source: Field Survey, 2021

Findings in Table 4.3 revealed that online firms have been able to achieved cost advantage in the area of communication with customers (Mean = 3.4), advertising and promotion (Mean = 3.0) and customer service and support (Mean = 3.89).

Table 4.4: Descriptive statistics on Innovation due to the adoption of Social Media (N = 40)

How Social Media has improved Innovation	Mean	SD	Remark
New innovative methods in advertising company’s products and services have been adopted.	3.77	0.61	Accept
Your firm always looking for new innovative ways to deliver their products/services to customers.	3.46	0.60	Accept
Customer support and service delivery improved	3.93	0.69	Accept

Source: Field Survey, 2021

Table 4.4 indicated that online firms have achieved innovativeness which is a source of competitive advantage. As gathered, new innovative methods in advertising company’s products/services have been adopted (Mean = 3.77). Also, respondents agreed that their firms always look for new ways of delivering their products and services to customers (Mean = 3.46). Finally, it was gathered that online firms have been used to improve their customer support system and service delivery (Mean = 3.9).

4.3. Test of Hypotheses

To test for the effect social media channels have on the viability of online firm, a simple regression analysis was carried out. The results are shown in the Tables below.

H0₁: Social media platforms will not have significant influence on the cost reduction of online firms.

The model (Table 4.5) which highlighted the effect of social media platforms (Facebook, Instagram, and YouTube, WhatsApp) on cost reduction has a good fit and significantly high values of R (0.608) as well as R² (0.369) and a significant F-Value of 22.72. The model exhibits a significant F value.

Table 4.5: Regression Summary

Model	Dependent Variable	R	R ² Adjusted R ²	Std Error (SE)	F	Sig	
1	Cost Reduction	0.608	0.3069	0.353	0.809	22.72	0.001

SPSS, Output

The model suggested that social media platforms was able to explain almost 36.9% of the variation in the dependent variable (cost reduction).

Table 4.6: Influence of Social Media Platforms on Cost Reduction

Model	Coefficients	Unstandardized Coefficients	Standardized B	Std. Error	Beta	TSig.
(Constant)		3.304	.57		13.45	.000
Social Media Platforms		.274	.057	.274	4.797	.001

a. Dependent Variable: Cost Reduction

The result in Table 4.6 indicates that the regression coefficient of social media channels have significantly influenced cost reduction of online firms. From the above result, the coefficient of determination reveals that social media platforms such as Facebook, YouTube, Instagram, and WhatsApp makes a good positive contribution ($\beta = .274, p < .05$) and is significant. The above implies that these firms have used various social media handles in reducing advertising and promotional costs thus, enabling them to remain viable and competitive.

H0₂: Social medial platforms do not have significant impact on the innovative capabilities of online firms

From Table 4.7, social media platforms contribute to 39.4% of organizational innovation as represented by the R².

Table 4.7: Model Summary of Regression result

Model	R	R Square	Adjusted	Std. Error of	F	Sign
R Square		the Estimate				
1	.628a	.394	.390	.24282	85.274	.000

SPSS Output

The regression coefficient in Table 4.8 revealed that social media platforms have significant effect on firm’s innovation ($\beta = .293, p < .002$). The result indicated that social media has provided new methods in advertising company’s products and services.

Table 4.8: Coefficient Results

Unstandardized		Standardized		Model	Coefficients	Coefficients
B	Std. Error	B	T			Sig
1	(Constant)	2.379	.166			14.335.000
	Social media Platform	.293	.057	.293		5.136 .002

a. Dependent Variable: Firm’s Innovation

4.4. Discussion

The result of the study shows that there is a robust, direct and positive impact of social media usage on the viability of online firms in South West, Nigeria. The study found that social media platforms such as Facebook, Instagram, TouTube, WhatsApp are all in effective use for marketing, customer relation, and information purposes. Finding shows that social media is in effective use for advertising company’s products and in reaching new customers. Also, the firms have used social media platforms in developing deep relationship with customers through constant communication and engagement.

It was gathered that using social media by the firms have reduced the cost of communication with customers and cost of advertising and promotion. Judging from the firm’s ability to innovate, it was gathered that new innovative methods in advertising company’s products and services have been adopted.

The tested hypotheses revealed that social media platforms have significant influence on cost reduction of firms ($\beta = .274, p < .05$). The above implies that these firms have used various social media handles in reducing advertising and promotional costs thus, enabling them to remain viable and competitive. Thus, the null hypothesis was rejected and alternative accepted meaning that social media has significant influence on cost reduction of online firms. Also, from the second tested hypothesis, social medial channels was found having significant effect on the innovativeness of online firms ($\beta = .293, p < .05$). The findings imply that social media has ushered in new ways of customer engagement, advertising of company’s products/services.

5. Conclusion and Recommendation

This study investigated social media and the viability of online firms in the South West, Nigeria. Based on the findings, it is concluded that social media platforms have significant influence on cost reduction. Marketing and promotions are being done through social media based on its cheap cost and ability to reach different places at the same time regardless of the geographical place. Accordingly, the usage of social media can grant the company a competitive advantage edge upon.

Social media platforms have also improved the innovativeness of firms. Social media is being used to track the activities of competitors, offer discounts to attract more customers. Also, social media supports to retrieve additional information about the organization’s competitors, their actions, their strategies, and their brand public views, which can help them improve their products and services.

Thus, using social media provide rich information with better customer support as quickly as possible which helps firms to increase the annual sales and financial gain, helps connect businesses to customers, build up relationships and cultivate those relationship.

It is therefore recommended that firms should know that the essential uses of social media is that innovation can be encouraged by observing customer communications, feedback, and opinions.

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