NEXUS PRESS

ARTICLE

Impact of Digital Marketing on the Performance of Smes (A Case Study of Selected Smes in Ikeja, Lagos State)

Linus Izediuno, Okafor [1], Ikenna Theodore, Nnoli [2*], Oladoyin Aderoju, Kiladejo [3] , Oluwaseun Deborah, Olawunmi [4], Balikis Ayomide, Adeyemi [5], Zachariah Millenvodjo, Godonu [6]

[1,3,4,5] *Department of Business Administration, Bells University of Technology, Ota, Nigeria*

[2] *Department of Economics, Accounting and Finance, Bells University of Technology, Ota, Nigeria*

[6] *Department of Business Administration, Distance Learning Institute, University of Lagos, Nigeria*

[*]Corresponding author. Email: itnnoli@bellsuniversity.edu.ng; nnolis22@yahoo.com

Abstract

The study examined the effect of digital marketing on the performance of SMES (a case study of selected SMES in Ikeja, Lagos State). The study adopted a descriptive research design. The population of the study included all employees of SMES at Ikeja, Lagos State. A total of 158 respondents were selected using the Quota sampling technique. Hypotheses were tested using the Pearson correlation coefficient to determine whether to accept or reject the null hypothesis. For the first hypothesis, the correlation between Social Media Marketing and Performance of SMES is 0.617, which shows a strong positive correlation. The p-value (0.000) is less than 0.01, confirming this correlation is statistically significant. Also, for hypothesis two, the correlation between Email Marketing and the SME performance is 0.815, showing a very strong positive correlation. The p-value (0.000) is less than 0.01, indicating that this correlation is statistically significant as well. The study recommends that businesses should leverage digital marketing strategies to enhance their performance by creating a well-defined digital marketing strategy that aligns with their business goals and target audience, and establish a strong presence on relevant social media platforms where their target audience is active.

Keywords: Social Media Marketing; Email Marketing; Small and Medium Scale Enterprise (SMES); Digital Marketing.

1. INTRODUCTION

Digital marketing strategically promotes products and services through digital channels and technologies to engage and interact with consumers. According to Chaffey and Smith [1], digital marketing encompasses a wide range of strategies such as search engine optimization (SEO), pay-per-click (PPC) advertising, social media marketing, email marketing, and content marketing [2]. In today's highly competitive environment, organizations strive to optimize marketing processes to distribute products and services, attract consumers, and maximize profits. To enhance the effectiveness of these processes, the fundamental marketing mix (product, price, promotion, and place) remains central, yet the medium of delivery has rapidly evolved. Consequently, many businesses have transitioned from conventional marketing to digital approaches to remain competitive [3,4]. Utilizing digital marketing to enhance branding has been a longstanding strategy adapted by businesses [4-7].

Over the last two decades, business interactions have shifted from traditional face-to-face dealings to technologically driven engagements via computers, mobile devices, and the internet. This digital revolution has redefined marketing practices, replacing posters, flyers, and newspaper advertisements with online channels, including social networks and mobile applications [4,8]. Digitalization has therefore become a central aspect of daily life, influencing not only how customers and businesses

communicate but also how firms strategize and compete [9]. These changes provide businesses with innovative, direct, and cost-effective tools to connect with consumers and explore new growth opportunities [10].

Empirical studies reinforce this transformation. Ajede et al. [11] found that social media marketing strongly and positively influences SME performance in Kwara State, explaining 66.6% of performance variance. Similarly, Nwoko and Obi [12] discovered that social media marketing, content marketing, search engine marketing, and email marketing significantly enhance SMEs' performance in Anambra State. Etim et al.[13] also confirmed that social media, online advertising, and email marketing positively impact SME performance in the post-pandemic era. Conversely, Ashafa et al. [14] revealed nuanced results in Kebbi State, where email marketing had a positive impact, but social media marketing had negative effects, while content marketing and SEO were insignificant. These findings suggest that although digital marketing is beneficial, SMEs must adopt strategic approaches tailored to their unique contexts.

Other studies highlight digital marketing as a driver of organizational transformation and competitiveness. Sharabati et al. [15] emphasized its role in enhancing performance through digital transformation, while Ojelade, Ishola, and Ajayi [16] demonstrated that platforms such as Facebook, YouTube, and Instagram significantly boost SMEs' performance, though LinkedIn exhibited mixed effects. In Saudi Arabia, Algumzi [17] reported that SMEs preferred low-cost tools like email and social media, which improved customer and employee satisfaction more than profitability. Similarly, Daramola [18], studying SMEs in Ikeja, Lagos, found that digital marketing positively influenced customer satisfaction, particularly among mobile phone dealers.

Globally, evidence underscores the value of digital marketing adoption for SMEs. Nuseir and Aljumah [19] in the UAE and Omar et al. [20] in Malaysia reported that digital marketing strategies, including online advertising, affiliate marketing, and product reputation management, significantly improve business performance. Kimathi et al. [21] in Kenya and Gimba [22] in Nigeria's agricultural sector confirmed that social media platforms such as Facebook, Instagram, and Twitter enhance sales, brand visibility, and customer interaction. Khairuddin and Olowosuyi [23] further stressed that digital adoption through e-commerce, mobile commerce, and websites fosters SME growth in Lagos State.

Despite these benefits, SMEs in Nigeria face multiple challenges in fully harnessing digital marketing. Many SMEs lack the knowledge, skills, and resources required to navigate complex digital platforms [4,24]. Budgetary constraints make digital marketing investment a perceived risk, especially without tangible evidence of its performance impact. Additionally, infrastructural limitations such as poor internet access and low digital literacy further constrain adoption [25]. This emphasises the need for context-specific research on how digital marketing (particularly social media and email marketing) affects SME performance in Nigeria.

Given SMEs' critical role in employment generation and economic growth, understanding the potential of digital marketing in enhancing their competitiveness is essential. This study therefore seeks to examine the impact of digital marketing on the performance of SMEs in Ikeja, Lagos State, with specific focus on the relationship between social media marketing, email marketing, and SME performance. By providing empirical evidence, this research will not only address existing gaps but also equip SMEs with actionable insights to leverage digital marketing for sustainable growth and competitiveness in an increasingly digital economy.

2. LITERATURE REVIEW

An ample amount of research relevant to the current study has been conducted, some of which will be discussed in this section. Ajede et al. [11] investigated the influence of online marketing, particularly social media marketing, on SME performance in Kwara State, Nigeria. Surveying 343 SME owners registered with the state's Board of Internal Revenue, and analysing data via multiple regression, the findings showed a strong positive relationship ($R^2 = 0.666$) between social media marketing and business performance. It is recommended that SMES intensify their use of online marketing platforms like Facebook, WhatsApp, Google Ads, and email to expand visibility and customer base.

Ashafa et al. [14] examined SMES in Birnin Kebbi, Kebbi State, Nigeria, This study analysed how social media marketing dimensions (email marketing, content marketing, and SEO) affect business

performance. Using a sample of 242 SMES and applying PLS-SEM, findings revealed that email marketing positively influenced performance, while social media marketing negatively affected it. Content marketing and SEO showed no significant effects. The study suggested prioritising strategic email marketing and refining social media approaches to enhance SME success.

In Anambra State, Nigeria, Nwoko and Obi (2024) evaluated the impact of online marketing on the performance of small and medium-sized businesses (SMES). The study's goals were to ascertain the impact of social media, content, search engine, and email marketing on the performance of SMES in Anambra State. To achieve these goals, research questions and hypotheses were developed, and pertinent conceptual, theoretical, and empirical literature were reviewed. The study was based on persuasion theory, and a survey research design was used. The study's population consisted of SME owners in Anambra State. Using the Cochran formula, a sample size of 384 was determined. A survey was utilised as the tool for gathering data. The hypotheses were examined using the multiple regression technique, and the research questions were analysed using percentages. The performance of small and medium-sized businesses (SMES) in Anambra State is significantly impacted by social media marketing, content marketing, search engine marketing, and email marketing, according to the study. The study suggested, among other things, that marketers investigate further methods for putting personalised product adverts on social media platforms that are tailored to the viewer's needs.

Sharabati et al. [15] evaluated the impact of technological advancements, particularly digital marketing, on the performance of SMES. Drawing data from 190 marketing companies through surveys of their managers, the study explored the influence of digital strategies such as online advertising, social media marketing, SEO, and customer engagement. It also assessed the mediating role of digital transformation, underpinned by the Technology Acceptance Model (TAM). Findings revealed that digital marketing significantly enhances SME performance by driving digital transformation, improving economic outcomes, and expanding market reach. The study recommended strategic digital adoption for SMES and policy support to foster innovation and financial assistance.

Ilesanmi and Oyedepo [26] explored the collective impact of various digital marketing tools—social media marketing, email marketing, search engine marketing, mobile marketing, and internet marketing on SME performance in Nigeria. Using a descriptive survey of 397 SMES, analysed with inferential statistics, results indicated a significant positive influence of all digital marketing strategies on SME performance. The study recommended adopting integrated digital marketing strategies to achieve synergy and enhance business outcomes.

The study conducted by Ojelade et al. [16] examined how digital transformation influences the performance of SMEs in a developing economy. The research design used was a survey research design and was focused on 291 registered SME operators who were active in the usage of social media. Data was gathered using structured questionnaires and analysed using the multiple regression analysis. The findings revealed that both Facebook, YouTube, Instagram and LinkedIn were statistically significant predictors of the performance of SMEs at the level of 5% significance. But, although Facebook, YouTube, and Instagram showed positive effects, LinkedIn had a negative impact on the performance of SMEs. In accordance with these findings, the study suggested that operators of SMEs should constantly upgrade their social media platforms according to the new technological advancements, and should invest significant financial resources to gain better returns on investment.

A study conducted in Anambra State, Nigeria, by Njelita et al. [27] examined the effect of internet marketing on the performance of SMES. In particular, the study examined how social media marketing affects market share, consumer happiness, and loyalty. The study was carried out in Onitsha, Anambra State, using a survey design, with a population of 50,213 workers and operators from 2,233 SMES that were registered. Using the technique developed by Alien Taro Yamane (1967), a sample size of 397 respondents was calculated at a 95% confidence level. Primary data were collected through questionnaires and analysed using simple percentages and regression analysis. The results revealed that social media marketing significantly influences both customer satisfaction/loyalty and market share. Based on these findings, it is recommended that SMES develop comprehensive marketing strategies and allocate adequate budgetary resources toward online marketing initiatives to enhance business performance.

Daramola [18] performed a study to examine the impact of digital marketing on customer satisfaction among small and medium-scale enterprises (SMES), specifically mobile phone business

dealers in Ikeja, Lagos State, Nigeria. The study aimed to assess how the application of e-marketing enhances customer convenience and satisfaction, ultimately increasing the customer base. Data were collected through questionnaires distributed to 146 mobile phone dealers in Ikeja. The responses were analysed using Pearson's Product-Moment Correlation Matrix via SPSS. The results showed a positive impact of digital marketing on customer satisfaction, confirming that online sales strategies adopted by the dealers significantly improved customer satisfaction. The study concludes by encouraging other business owners to adopt online sales to boost performance.

The effect of digital management on organisational productivity was examined by Okafor et al. [4] in the Eti-Osa local government region of Lagos state. 150 copies of the questionnaire, which served as the study tool, were distributed to MTN employees in the region. Tables, percentages, and Chi-square tests were used to analyse the data and assess the hypotheses. Big data management significantly increased company productivity, according to the findings. To introduce employees to big data management techniques, the study suggested that companies offer in-service training.

Algumzi [17] carried out a study on the impact of digital marketing on SMES performance in Saudi Arabia: Implications on building NEOM. An online survey questionnaire was used to collect data from 358 entrepreneurs and business owners categorised under SMES. The study found that a Low-cost marketing mix with techniques such as email marketing, social media marketing is preferred by SMES. Furthermore, cultural, economic, and technological factors were identified as the major indicators influencing the adoption of digital marketing by SMES. Digital marketing reflected a more positive impact on strategic performance (customers and employees' satisfaction) than financial performance (profitability and sustainability) of Saudi Arabian SMES.

The impact of e-marketing tactics on small and medium-sized enterprises' (SMES') performance in the new-normal period was investigated by Etim et al. [13]. A cross-sectional survey research design was used in the study, and 295 SME operators provided primary data using a standardised questionnaire. A statistical test of the hypotheses was conducted using multiple linear regression analysis. The results showed that email marketing, social media marketing, and internet advertising significantly improved SMES' performance. According to these findings, the study advises SMEs to improve their sales and marketing performance by utilizing social media sites (like Facebook, Instagram, and WhatsApp), online advertising tools (like search engine, display, and website advertising), and email marketing techniques (like welcome emails, email newsletters, and targeted promotions).

Gimba [22] evaluated the role of social media marketing on the business performance of agricultural small and medium enterprises (SMES) in Southwest Nigeria. Focusing on four agricultural SMES, the study employed a survey research design using semi-structured interview questions. To ensure data credibility, the study used data triangulation for analysis. Findings revealed that the adoption of social media platforms, particularly Facebook, Instagram, and Twitter, significantly enhanced the business performance of agricultural SMES, notably in areas such as sales turnover, brand visibility, customer interaction, promotion, and advertisement.

Nuseir and Aljumah [19] studied in the UAE and examined the role of digital marketing in business performance among SMES, considering environmental factors as moderators. Surveying marketing and IT managers and analysing data using SMART-PLS, findings showed that digital marketing applications (such as online advertising, affiliate marketing, email marketing, and social media marketing) significantly improved business performance. However, environmental factors did not moderate this relationship.

Khairuddin and Olowosuyi [22] assessed the relationship between digital adoption (cloud computing, e-commerce, mobile commerce, microblogging, and websites) and SME performance in Lagos, Nigeria. Based on a survey of 248 entrepreneurs, the study found a significant positive relationship between digital adoption and business growth, emphasising the importance of integrating digital strategies for SME sustainability.

Omar et al. [20], focusing on SMES in Klang Valley, Malaysia, this study assessed how digital media usage influences business performance. Using a cross-sectional survey design and a sample of 300 SME entrepreneurs, analysed through SPSS and Smartpls, the study found that business purpose, product advertising, marketing benefits, and product reputation through digital media significantly improved SME performance. The structural equation modelling confirmed that powerful digital marketing strategies positively impact entrepreneurial success.

Kimathi et al. [21] examined the effects of digital marketing on the performance of MSMES in Tharaka-Nithi County, Kenya. Using a descriptive survey design and data from 8,526 licensed MSMES, the study applied both descriptive and inferential statistical methods, including regression analysis. Findings revealed that digital marketing accounted for 38.8% of the performance variance in MSMES, showing a strong positive relationship. The study recommended that MSME owners embrace digital marketing to capitalise on Kenya's high mobile phone penetration and internet connectivity for better business outcomes.

Owoseni [28] investigated the enhancement of small businesses through mobile applications in Lagos, Nigeria, using a mixed-methods research approach. The study consisted of two phases: the first phase utilised qualitative methods with a sample of 20 small and medium enterprises (SMES) to identify their absorptive, adaptive, and innovative capabilities. The findings revealed 15 dynamic capability constructs that mobile apps could enhance. The second phase involved a quantitative survey of 1,162 SMES to validate these constructs. Data analysis was conducted using descriptive statistics, covariance-based structural equation modelling (SEM), and confirmatory factor analysis (CFA). The results indicated that mobile app usage significantly increases the adaptive, absorptive, and innovative capabilities of SMES, while no direct relationships were established between mobile app usage and opportunity-related abilities.

3. METHODOLOGY

3.1. Research Design

A descriptive research design was used for the investigation. Another name for descriptive research design is survey research design. According to Walliman [29], research design offers a framework for collecting and evaluating study data. Using a descriptive research design, this study aims to examine the impact of digital marketing on SMEs' performance. Research design, according to Asika's [30] hypothesis, is the arrangement of an investigation to determine variables and their connections. Additionally, according to Kerlinger [31], research design is utilised to gather information that will allow the researcher to test hypotheses or find answers to research questions. The study's population is made up of all Ikeja, Lagos State, SMEs.

3.2. Population of the study

In statistics, the population is the total set of people or things that the researcher is interested in and wants to conclude about. Mugenda & Mugenda [32] state that the target population is a collection of real or hypothetical people, things, or events that the researcher intends to conclude from. The participants in this study are all workers at SMEs in Ikeja, Lagos State.

3.3. Sampling Procedure and Sample Size

This research employed the quota sampling methodology to gather data on the performance of SMEs in Ikeja, Lagos State, and their digital marketing. 158 respondents in all were chosen using the quota sampling technique.

3.4. Data Collection Instrument and Validation

To conduct this study, primary data was employed. The researcher utilised a structured questionnaire to collect primary data, and 158 respondents were given it. The respondents were supposed to read it and provide feedback. Subsequently, the questionnaire was structured to allow the researcher to obtain sufficient information from the participant. Sections A, B, and C are the three sections of the questionnaire.

The respondent's demographic data is asked in section A, whereas the research questions and questions pertaining to the aims of the study are addressed in sections B and C.

Face validity and content validity were used to determine the validity of the constructs in the questionnaire. In the first place, the questions were written so that they were simple to understand and that the responders could understand their meaning and purpose. Distributing copies of the questionnaire to academics and industry professionals allowed for face validity, and their suggestions and comments helped to improve the questionnaire's content.

3.5. Method of Data Analysis

The acquired data were sorted, processed, and analysed using both inferential and descriptive statistics. The analysis is in line with the goals and theories of the research. To illustrate the differences in responses and viewpoints, the descriptive analysis uses descriptive techniques like means and standard deviations in addition to frequencies and percentage denotations. The Pearson correlation coefficient was used to test the hypotheses and decide whether to accept or reject the null hypothesis.

4. DATA PRESENTATION AND ANALYSIS

The presentation and analysis of the data gathered from the study's participants are covered in this section. To answer research questions, data are arranged in tables and displayed as straightforward percentages. The Pearson correlation coefficient is the statistical test used to evaluate the study's hypotheses. To determine whether there was a significant association between the variables, the study used the Pearson correlation coefficient. However, the respondents to the questionnaire were chosen using quota sampling techniques. Using a quota sampling strategy, 158 copies of the questionnaire were given to the chosen respondents. The questionnaires were then successfully collected from the respondents and examined. In addition to testing hypotheses, a statistical analysis of all the data collected during the survey was completed and given in this part.

4.1. Answers to Research Questions

Section A: Demography details of the respondents

Table 4.1 Gender

		Frequency	Percent	Cumulative Percent
Valid	Male	98	62.0	62.0
	Female	60	38.0	100.0
	Total	158	100.0	

Source: self-field survey

In Table 4.1, the data presents the gender distribution of the respondents in the sample. Out of the total 158 participants, 98 (62.0%) identified as male, while 60 (38.0%) identified as female. The cumulative percent shows that 62.0% of the respondents are male, and the remaining 38.0% are female. The data highlights a slightly higher representation of males in the sample compared to females. This information provides insights into the gender composition of the participants and can be relevant for understanding potential gender-related patterns or trends in the study.

Table 4.2 Age Group

		Frequency	Percent	Cumulative Percent
Valid	Below 30 years	16	10.1	10.1
	30-39 years	40	25.3	35.4
	40 - 49 years	73	46.2	81.6
	50 years and above	29	18.4	100.0
	Total	158	100.0	

Source: self-field survey

The data shows the respondents' distribution by age group in Table 4.2. The age distribution of the 158 participants is as follows: 16 (10.1%) are under 30, 40 (25.3%) are between 30 and 39, 73 (46.2%) are between 40 and 49, and 29 (18.4%) are 50 years of age or older. 10.1% of respondents are under 30, 35.4% are between 30 and 39, 81.6% are between 40 and 49, and the remaining 18.4% are 50 years of age or over, according to the cumulative percentage. The information offers insightful information on the

participants' age distribution, which may be useful for examining any possible age-related trends or preferences in the research.

Table 4.3 Marital Status

		Frequency	Percent	Cumulative Percent
	Single	60	38.0	38.0
Valid	Married	87	55.1	93.0
	Divorced	11	7.0	100.0
	Total	158	100.0	

Source: self-field survey

The distribution of respondents' marital status in the sample is shown in Table 4.3. Of the 158 participants in total, 87 (55.1%) are married, 11 (7.0%) are divorced, and 60 (38.0%) are single. 38.0% of the respondents are single, 93.0% are married or single, and the remaining 7.0% are divorced, according to the cumulative percent. The information offers insightful information on the participants' marital status, which may be useful for analysing any variations in replies according to married status or for comprehending the demographic makeup of the study sample.

Table 4.4 Educational Qualification

		Frequency	Percent	Cumulative Percent
	SSCE	31	19.6	19.6
	OND/Diploma	16	10.1	29.7
Valid	B.Sc./HND	47	29.7	59.5
	M.Sc./MBA	48	30.4	89.9
	PhD	16	10.1	100.0
	Total	158	100.0	

Source: self-field survey

The distribution of respondents according to their educational background is shown in Table 4.4. 31 (19.6%) of the 158 participants have passed the Senior Secondary Certificate Examination (SSCE), 16 (10.1%) have earned an Ordinary National Diploma or Diploma (OND/Diploma), 47 (29.7%) have earned a Bachelor of Science or Higher National Diploma (B.Sc./HND), 48 (30.4%) have earned a Master of Science or Master of Business Administration (MBA), and 16 (10.1%) have earned a PhD, 59.5% of the respondents have a B.Sc./HND or higher degree, 29.7% have either an OND/Diploma or an SSCE, 19.6% have an SSCE, and 10.1% have earned a PhD, according to the cumulative percent. When analysing any variations in responses according to educational qualifications or comprehending the educational diversity within the study sample, the data offers insightful information on the participants' academic backgrounds.

Table 4.5 Level of Experience

		Frequency	Percent	Cumulative Percent
	Below 10 years	71	44.9	44.9
Valid	11-20 years	87	55.1	100.0
	Total	158	100.0	

Source: self-field survey

The data shows the respondents' distribution according to experience level in Table 4.5. Of the 158 participants, 87 (55.1%) have 11–20 years of experience, while 71 (44.9%) have less than 10 years. The cumulative percent shows that 44.9% of the respondents had below 10 years of experience, while the remaining 55.1% have 11 to 20 years of experience. Understanding the experience diversity within the

study sample or analysing possible variances in answers based on experience can both benefit from the data's insightful information about participants' experience levels.

4.2. Test of Hypotheses

The Pearson Correlation Coefficient was employed in this study for testing hypotheses 1 and 2.
Hypothesis 1
H_0: There is no significant relationship social media marketing and the performance of SMEs
H_i: There is a significant relationship social media marketing and the performance of SMEs.
Hypothesis 2
H_0: There is no significant relationship between email marketing and the performance of SMEs.
H_i: There is a significant relationship between email marketing and the performance of SMEs.

Table 4.6 Correlation Analysis

		Social Media Marketing	Email Marketing	Performance of SMEs
Social Media Marketing	Pearson Correlation	1	0.771*	0.617*
	Sig. (2-tailed)		0.000	0.000
	N	158	158	158
Email Marketing	Pearson Correlation	0.771*	1	0.815*
	Sig. (2-tailed)	0.000		0.000
	N	158	158	158
Performance of SMEs	Pearson Correlation	0.617*	0.815*	1
	Sig. (2-tailed)	0.000	0.000	
	N	158	158	158

*Correlation is significant at the 0.01 level (2-tailed). Source: self-field survey

Table 4.6 presents the correlation analysis between Social Media Marketing, Email Marketing, and the Performance of SMEs based on the Pearson correlation coefficient. The table shows the correlation coefficients and their corresponding p-values (Sig. - 2-tailed) for each pair of variables. The correlation between Social Media Marketing and Email Marketing is 0.771, indicating a strong positive correlation between these two marketing strategies. The p-value (0.000) is less than the significance level of 0.01, indicating that this correlation is statistically significant. Similarly, the correlation between Social Media Marketing and Performance of SMEs is 0.617, which also shows a strong positive correlation. The p-value (0.000) is less than 0.01, confirming that this correlation is statistically significant. Moreover, the correlation between Email Marketing and the Performance of SMES is 0.815, showing a very strong positive correlation. The p-value (0.000) is less than 0.01, indicating that this correlation is statistically significant as well.

Overall, the correlation analysis suggests that both Social Media Marketing and Email Marketing are strongly and positively correlated with each other and with the Performance of SMEs. These findings indicate that higher engagement in social media and email marketing is associated with better SME performance.

4.3. Discussion of Findings

The results of the correlation analysis demonstrate a statistically significant positive relationship between social media marketing, email marketing, and SME performance. The strong correlation coefficients (social media marketing: $r = 0.617$, $p < 0.01$; email marketing: $r = 0.815$, $p < 0.01$) indicate that both digital marketing strategies contribute meaningfully to SME success. These findings align with and reinforce the conclusions of multiple empirical studies conducted across different regions and contexts.

Social media marketing's positive impact on SME performance ($r = 0.617$) is consistent with recent research. Ajede et al. [33] found a strong predictive relationship ($R^2 = 0.666$) between social media adoption and business performance in Kwara State, Nigeria, particularly in enhancing brand visibility

and customer acquisition. Similarly, Nwoko and Obi [12] established that strategic social media use significantly improved SME performance metrics in Anambra State through targeted advertising and customer engagement. The current study's results further validate these findings, suggesting that SMEs in Ikeja similarly benefit from social media's reach and interactivity. The slightly lower correlation coefficient compared to email marketing may reflect varying levels of social media optimisation among the surveyed SMEs, indicating room for improved strategic implementation.

The even stronger correlation between email marketing and SME performance (r = 0.815) underscores its effectiveness as a digital marketing tool. This finding echoes Algumzi's [17] research in Saudi Arabia, where email marketing emerged as a preferred low-cost strategy with measurable performance impacts. Ashafa et al. [14] also identified email marketing as the only digital strategy with a consistently positive effect on small business performance in Birnin Kebbi, attributing its success to personalised communication and direct customer relationships. The high correlation in the current study suggests that Ikeja-based SMES may be leveraging email marketing's strengths in segmentation and measurability more effectively than social media, possibly due to its lower dependency on algorithm changes or platform competition.

The significant intercorrelation between social media and email marketing (r = 0.771) suggests that SMEs employing both strategies synergistically achieve better performance outcomes. This aligns with Ilesanmi and Oyedepo's [26] recommendation for integrated digital marketing approaches, where combined strategies create complementary effects. The current findings imply that while each strategy independently enhances performance, their coordinated use, such as social media driving email list growth, or email campaigns amplifying social content, may yield multiplicative benefits. This integration addresses potential limitations of single-channel approaches, such as social media's algorithm dependency or email's reach constraints.

These results collectively emphasise digital marketing's transformative role in SME competitiveness, particularly in urban commercial hubs like Ikeja. The strength of the relationships supports extant literature positioning digital adoption as critical for market expansion, customer retention, and operational efficiency in SME sectors [22,34]. However, the variation in correlation strengths between strategies suggests that SMEs may need tailored approaches based on their resources, target markets, and digital literacy levels. Future research could explore optimal strategy combinations and implementation frameworks for different SME segments.

To sum up, the differences in literature findings are addressed in this paper through accentuating contextual and implementation variation between SMEs. Although previous research has indicated that social media marketing has a mixed impact on SME performance, we find that social media and email marketing are significant in promoting the performance of the SMEs in Ikeja, Lagos, with email marketing having a more positive association. The nature of the research context can explain this more powerful effect: SMEs in Ikeja are functioning in a highly competitive and urban environment, where email marketing provides an opportunity to communicate with the existing customers in a more targeted, customized, and measurable way. In comparison with social media, where algorithms and changes in the quality of engagement are subject to change, and content saturation is evident, email marketing offers more direct access to customers, superior segmentation, and clearer performance monitoring, thus offering more consistent performance results in such an environment.

5. CONCLUSION AND RECOMMENDATION

This study examined how digital marketing influences the performance of SMEs in Ikeja, Lagos State. Using quota sampling, 158 questionnaires were distributed and successfully retrieved, after which the responses were analysed with SPSS. The findings revealed that both email marketing and social media marketing have a strong positive effect on SME performance.

Based on these results, the following recommendations are made for SMEs aiming to improve their performance through digital marketing:

i.   According to the findings, SMEs with fewer resources are encouraged to focus on email marketing when the goal is the immediate improvement in performance, retaining customers, and cost efficiency because it is strongly associated with performance, which is very high. Email marketing is especially appropriate when it comes to maintenance of current customers with tailor-made offers and

frequent communication at the comparatively inexpensive cost. Though equally helpful, social media marketing will have to be approached in a more strategic way so that it could be used to create brand awareness, attract new clients, and make them visit the place. In the case of SMEs that can combine the two, the best would be to use social media channels to draw and talk with prospects and translate these contacts into email subscriptions to manage the relationship over time. Such a combined approach enables SMEs to reach the highest number of people whilst enjoying better performance effect due to email marketing in a cost effective way.

ii. Develop a clear digital marketing strategy: SMEs should create a well-structured plan that aligns with their business goals and customer needs. This may involve combining different tools such as social media, email, SEO, content marketing, and paid ads to better engage with customers.

iii. Optimise business websites: A functional website that is mobile-friendly, easy to navigate, and search-engine optimised can improve online visibility, attract more visitors, and boost sales.

iv. Strengthen social media presence: Businesses should maintain active pages on platforms where their customers are most engaged. Social media can be used to interact with customers, promote products, share useful content, and build lasting relationships.

6. SUGGESTION FOR FURTHER STUDIES

This study relied on Pearson correlation analysis because its primary objective was to establish the existence, direction, and strength of the relationships between social media marketing, email marketing, and SME performance, rather than to predict outcomes or estimate causal effects. Pearson correlation was considered appropriate given the descriptive research design, sample size, and the study's focus on bivariate associations. However, this approach does not isolate the unique contribution of each digital marketing strategy nor control for firm- or respondent-specific characteristics such as age, education, or experience. Therefore, future studies are recommended to adopt multiple regression or structural equation modelling techniques, which would allow researchers to control for relevant demographic and firm-level variables and more precisely estimate the independent effect of social media marketing and email marketing on SME performance. Such advanced analytical approaches would strengthen causal inference, improve model robustness, and provide deeper insights into the relative and combined effectiveness of digital marketing strategies across different SME contexts.

REFERENCE

1. Chaffey, D., & Smith, P. R. (2017). *Digital marketing excellence: Planning, optimizing and integrating online marketing (5th ed.).* Milton Park, Abingdon: https://doi.org/10.4324/9781003009498

2. Content Marketing Institute. (2021). *B2B content marketing 2021: Benchmarks, budgets, and trends*. Retrieved from Content Marketing Institute: https://contentmarketinginstitute.com/research/b2b-content-marketing-2021-benchmarks-budgets-trends-north-america/.

3. Mobydeen, W. A. (2021). *Impact of Digital Marketing Practices on the Organizational Performance in Mobile Companies.* Jordan: Near-East University.

4. Okafor, L. I., Nnoli, I. T., Bello, B. A., & Oke, B. (2023). Impact of digital management on organization productivity in Eti- Osa local government area of Lagos state. *Innovations*, 72, 521–529. https://doi.org/10.5281/zenodo.10202202

5. L. I., Okafor; N. E., Ifekwem; B. A., Bello; M. A., Ajayi; B. Omotola; O. O., Adebiyi; U. A., Modibbo; & I. T., Nnoli (2024a). Integration Strategies and Competitive Advantage in Manufacturing Sector: Evidence from Ogun State, Nigeria. *International Review of Management and Marketing*, 2024, 14(4), 1-10. https://doi.org/10.32479/irmm.16205

6. Okafor L. I., Sokeye A. O., Nnoli I. T., and Ajayi M. A., (2024b). Strategic Management and Competitive Advantage in the Hospitality Industry in Ogun State, Nigeria. *African Journal of Business and Economic Research*, 19(3) 435-356. https://hdl.handle.net/10520/ejc-aa_ajber_v19_n3_a20

7. Salih Nader, A., Jameel Sadiq, G., Jalal Ahmed Nanekeli, R., Fattah Sulayman, S., & Sadeq Kanabi, I. (2025). The Role of Strategic Marketing in Enhancing Customer Loyalty. *OTS Canadian Journal*, *4*(2), 1-13. https://eprints.cihanuniversity.edu.iq/id/eprint/4649/

8. Bughin, J., & Zeebroeck, N. V. (2017). *New evidence for the power of digital platforms.* Brussels: Universite Libre de Bruxelles. https://search.proquest.com/openview/3fce0bfc22c1e4f21275af0fd46ad325/1?pq-origsite=gscholar&cbl=30375

9. Shankavaram, V. (2016). *Traveling to the Future with Digital Platforms.* Bangaluru.:Capgemini.

10. Wang, V. L., Lou, H., Wang, Y., & Guo, C. (2015). Differences in organizational website design across cultures a comparative study of US and Chinese industrial SMEs. *Asia Pacific Journal of Marketing and Logistics*, 5-20. https://www.emerald.com/insight/content/doi/10.1108/apjml-07-2014-0116/full/html

11. Ajede, S. A., Ibrahim, K. M., Bakare, A. H., & Abdulwahab, A. D. (2025). THE IMPACT OF ONLINE MARKETING ON SMEs' PERFORMANCE IN KWARA STATE, NORTH-CENTRAL, NIGERIA. *African Journal of Social and Behavioural Sciences*, *15*(1). Retrieved from https://journals.aphriapub.com/index.php/AJSBS/article/view/3034

12. Nwoko, E. G., & Obi, C. V. (2024). Effect Of Online Marketing On The Performance Of Small And Medium Scale Enterprises (SMES) In Anambra State Nigeria. https://www.seahipublications.org/wp-content/uploads/2024/07/IJISSHR-S-25-2024.pdf

13. Etim, G. S., James, E. E., Nnana, A. N., & Okeowo, V. O. (2021). E-marketing strategies and performance of small and medium-sized enterprises: A new-normal agenda. *Journal of Business and Management Studies*, *3*(2), 162-172. https://search.proquest.com/openview/148e7b2d735662391ef9ab8757526755/1?pq-origsite=gscholar&cbl=7226559

14. Ashafa, M. N., Usman, U., & Ibrahom, S. (2025). Evaluating the Influence of Social Media Marketing on the Performance of Small Businesses in Birin Kebbi, Kebbi State, Nigeria: Influence of Social Media Marketing on the Performance of Small Businesses in Birin Kebbi, Kebbi State, Nigeria. *UMYU Journal of Accounting and Finance Research*, *7*(1), 98–109. https://doi.org/10.61143/umyu-jafr.7(1)2024.007

15. Sharabati, A.-A.A.; Ali, A.A.A.; Allahham, M.I.; Hussein, A.A.; Alheet, A.F.; Mohammad, A.S. (2024). The Impact of Digital Marketing on the Performance of SMEs: An Analytical Study in Light of Modern Digital Transformations. Sustainability 2024, 16, 8667. https://doi.org/ 10.3390/su16198667

16. Ojelade, M. O., Ishola, J. A., & Ajayi, J. K. (2023). Impact of Digital Transformation on SMEs Performance in a Developing Economy: A Study of some Selected Infant Firms in Lagos State, Nigeria. *KOJAMS*, 67. https://www.researchgate.net/profile/Mathew-Ojelade/publication/382149593_DOC-20231204-WA0028_1/links/668fa1feb15ba559074f9aa4/DOC-20231204-WA0028-1.pdf#page=75

17. Algumzi, A. (2022). Impact of digital marketing on SMEs performance in Saudi Arabia: Implications on building NEOM. *Transnational Marketing Journal (TMJ)*, *10*(1), 27-38. DOI: https://doi.org/10.33182/tmj.v10i1.1414

18. Daramola, G. C. (2023). Digital Marketing for Customer Satisfaction among the Small and Medium Scale Enterprises (Mobile Phone Business Dealers) in Ikeja, Lagos State,Nigeria. *Entrepreneurship and sustainable development in the 21st century*, 280.

19. Nuseir, M. T., & Aljumah, A. (2020). The role of digital marketing in business performance with the moderating effect of environment factors among SMEs of UAE. *International Journal of Innovation, Creativity and Change*, *11*(3), 310-324. https://www.researchgate.net/profile/Mohammed-Nuseir/publication/340874998_The_role_of_digital_marketing_in_business_performance_with_the_moderating_effect_of_environmental_factors_among_SMEs_of_UAE_International_Journal_of_Innovation_Creativity_and_Change_wwwijiccnet_Volume/links/5eb4716c299bf1287f750cf0/The-role-of-digital-marketing-in-business-performancewith-the-moderating-effect-of-environmental-factors-among-SMEs-of-UAE-International-Journal-of-Innovation-Creativity-and-Change-wwwijiccnet-Volum.pdf

20. Omar, F. I., Zan, U. M. S. M., Hassan, N. A., & Ibrahim, I. (2020). Digital Marketing: An Influence towards Business Performance among Entrepreneurs of Small and Medium Enterprises. International Journal of Academic Research in Business and Social Sciences. 10 (9), 126-141. DOI:10.6007/IJARBSS/v10-i9/7709

21. Kimathi, D. K., Mukulu, E., & Odhiambo, R. (2019). Effect of Digital Marketing on the Performance of MSMES in Kenya. *Journal of Marketing and Communication*, *2*(1), 1-23. https://stratfordjournalpublishers.org/journals/index.php/journal-of-marketing/article/view/258

22. Gimba, F. J. (2021). The role of social media marketing on the business performance of agricultural SMEs-A case study of four agricultural SMEs in Southwest Nigeria (Doctoral dissertation, Dublin, National College of Ireland). https://norma.ncirl.ie/5519/1/faithjemimahgimba.pdf

23. Khairuddin, S. M. H. S., & Olowosuyi, O. S. (2020). Digital adoption of SME in Nigeria: The relationship with business performance. *Journal of Management and Muamalah*, *10*(2), 21-34. https://jmm.uis.edu.my/index.php/jurnal/article/view/2

24. Wymbs, C. (2011). Digital marketing: The time for a new "academic major" has arrived. Journal of Marketing Education, 33(1), 93-106. https://doi.org/10.1177/0273475310392544

25. World Bank. 2018. Information and Communication for Development 2018: Data-Driven Development (English). Washington, DC http://documents.worldbank.org/curated/en/987471542742554246/Information-andCommunication-for-Development-2018-Data-Driven-Development.

26. Ilesanmi, O. A., & Oyedepo, O. H. . (2023). Digital marketing and performance of SMEs in Nigeria. *International Journal of Intellectual Discourse*, *6*(3), 253–264. Retrieved from https://www.ijidjournal.org/index.php/ijid/article/view/438

27. Njelita, C., Onyeagwara, C., & Okafor, E. G. (2023). impact of online marketing on the performance of small and medium scale enterprises in Anambra state. International Journal of Management & Entrepreneurship Research, 5(8), 542-553.

28. Owoseni, A. O. (2018). Enhancing small business through mobile apps: a case study from Lagos, Nigeria (Doctoral dissertation, Doctoral dissertation, Pretoria: University of South Africa).

29. Walliman, N. (2017). Research theory. In Research methods: the basics (pp. 16-30). Routledge. https://www.taylorfrancis.com/chapters/edit/10.4324/9781315529011-4/research-theory-nicholas-walliman

30. Asika, N. (1991). Research methodology in the behavioural sciences. longman Nigeria plc.

31. Kerlinger, E. (1973). Foundations of behavioral research (2nd ed.). New York, NY: Holt, Rinehart and Winston. https://psycnet.apa.org/record/1966-35003-000

32. Mugenda, O. M., & Mugenda, A. G. (2003). Research methods: Quantitative & qualitativ e apporaches (Vol. 2, No. 2). Nairobi: Acts press. https://exampapers.must.ac.ke/wp-content/uploads/2023/03/EEL-3201-READING-AND-WRITING-SKILLS-IN-ENGLISH.docx-1.pdf

33. Ajede, S. A., Ibrahim, K. M., Bakare, A. H., & Abdulwahab, A. D. (2025). THE IMPAC T OF ONLINE MARKETING ON SMEs' PERFORMANCE IN KWARA STATE, NORT H-CENTRAL, NIGERIA. African Journal of Social and Behavioural Sciences, 15(1). Retri eved from https://journals.aphriapub.com/index.php/AJSBS/article/view/3034

34. Nuseir, M. T., & Aljumah, A. (2020). The role of digital marketing in business performa nce with the moderating effect of environment factors among SMEs of UAE. International Journal of Innovation, Creativity and Change, 11(3), 310-324. https://www.researchgate.net/profile/Mohammed-Nuseir/publication/340874998_The_role_of_digital_marketing_in_business_performance_with_the_moderating_effect_of_environmental_factors_among_SMEs_of_UAE_International_Journal_of_Innovation_Creativity_and_Chan