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IMPACT OF SOCIAL MEDIA PLATFORMS ON GROWTH OF SMALL SCALE ENTERPRISES IN GOMBE STATE

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Abstract

This study examines the impact of social media platforms, specifically Facebook and WhatsApp, on the growth of small scale enterprises (SSEs) in Gombe State, Nigeria. The study is conceptual in nature and is based on an extensive review of relevant literature on social media adoption and business growth. It synthesizes existing empirical findings to establish the relationship between Facebook and WhatsApp usage and key indicators of business growth, including customer satisfaction, sales growth, and market share. The study draws on previous research that highlights the role of Facebook in enhancing business visibility, brand awareness, and customer engagement, while WhatsApp is noted for facilitating direct communication, customer relationship management, and improved service delivery. Findings from the reviewed literature suggested that both Facebook and WhatsApp have a positive influence on the performance of SSEs, although their effectiveness depends on the level of digital literacy, strategic usage, and business environment. Facebook is largely effective for market reach and promotion, while WhatsApp strengthens customer interaction and conversion. The combined use of both platforms provides a complementary advantage that enhances overall business growth and sustainability. The study concludes that social media platforms are critical tools for improving the performance of SSEs in Gombe State. It recommended that small business owners adopt and effectively utilize Facebook and WhatsApp as part of their marketing strategies to enhance competitiveness and sustainability. The study also suggested the need for improved digital skills and supportive policies to maximize the benefits of social media adoption among small businesses.

Keywords: *Social media, Facebook, WhatsApp, Small Scale Enterprises, Business Growth, Gombe State.*

1.0 Introduction

Small Scale Enterprises (SSEs) are widely recognized as key drivers of economic growth, employment generation, and poverty reduction across both developed and developing economies. Globally, they account for approximately 90% of businesses and contribute significantly to job creation and economic activities (World Bank, 2021). In developing economies, SSEs contribute between 60–70% of GDP, highlighting their importance in national development

(International Finance Corporation, 2022). In Nigeria, the sector remains a backbone of the economy, with over 41 million micro, small, and medium enterprises contributing substantially to GDP, employment, and export activities (SMEDAN, 2024).

Despite their economic significance, SSEs in Nigeria face numerous challenges that hinder their growth and sustainability. These include limited access to finance, poor infrastructure, regulatory constraints, and weak marketing capabilities. A significant number of small businesses struggle to survive beyond their early years, largely due to their inability to adapt to changing market conditions and effectively reach and retain customers. This underscores the importance of adopting efficient and innovative marketing strategies to enhance business performance and competitiveness.

In recent years, the rapid advancement of digital technology has transformed the business environment, creating new opportunities for small enterprises to expand their operations and improve performance. Digital tools, particularly social media platforms such as Facebook, WhatsApp, Instagram, and Telegram, have become powerful channels for marketing, communication, and customer engagement. These platforms enable businesses to reach a wider audience at relatively low cost, improve brand visibility, and foster stronger relationships with customers. With over 4.6 billion users globally, social media has become an indispensable tool for modern business operations (Statista, 2022).

Empirical evidence suggests that the effective use of social media can positively influence key indicators of business performance, including customer satisfaction, market share, sales growth, and overall profitability. It also enhances customer interaction, feedback mechanisms, and service delivery, which are essential for sustaining competitive advantage. However, despite these benefits, many small scale enterprises in developing regions, including Gombe State, Nigeria, have not fully harnessed the potential of social media platforms. Factors such as lack of digital literacy, inadequate technological infrastructure, and limited awareness continue to hinder effective utilization.

Furthermore, while existing studies have examined the relationship between social media usage and business performance, there remains a gap in context-specific research, particularly in less urbanized regions like Gombe State. The unique socio-economic

and business environment of the state necessitates a focused investigation into how social media platforms influence the growth of SSEs within this context.

Therefore, this study seeks to examine the impact of social media platforms on the growth of small scale enterprises in Gombe State, Nigeria. By doing so, it aims to provide empirical insights that can guide small business owners, policymakers, and stakeholders in leveraging social media as a strategic tool for enhancing business growth, competitiveness, and sustainability.

1.1 Statement of the problem

Small Scale Enterprises (SSEs) are globally acknowledged as vital contributors to economic development through employment generation, wealth creation, and GDP growth (Aikor et al., 2021; ILO, 2022). Despite their significant contributions, the sustainability and growth of SSEs remain a major concern, particularly in developing countries like Nigeria where competition is intense and business survival is uncertain. Ideally, all business organizations aim to improve performance through increased sales, profitability, and overall growth; however, recent evidence suggests that this objective is increasingly difficult for many SSEs to achieve.

In Gombe State, Nigeria. The performance of SSEs has shown a declining trend in recent years. Reports indicate a significant drop in return on investment (ROI), alongside rising business failure rates despite numerous government interventions and financial support programs. A large proportion of small businesses fail within their first few years of operation, largely due to poor management practices, inadequate marketing strategies, and limited access to critical resources (SMEDAN & NBS, 2023). This persistent decline has resulted in business closures, job losses, and broader economic challenges, thereby threatening the contribution of SSEs to national development.

The situation is particularly evident in Gombe State, where small businesses face additional constraints such as limited market access, weak infrastructure, and increasing competition. Evidence suggests a notable decline in the number and performance of SSEs in the state, with many enterprises experiencing reduced sales, declining profitability, and, in some cases, closure.

These challenges have been largely attributed to weak marketing capabilities and the inability of business owners to adopt modern, technology-driven strategies.

Although social media platforms have emerged as powerful tools for business promotion, customer engagement, and market expansion, many SSEs in Gombe State have not effectively utilized these platforms. This underutilization limits their ability to compete in an increasingly digital business environment and constrains their growth potential. While existing studies have examined social media and business performance, most have focused on SMEs generally, with limited attention to small scale enterprises specifically, and little or no focus on Gombe State.

Furthermore, previous studies have not adequately explored the combined effects of multiple social media platforms on key performance indicators such as customer satisfaction, sales growth, and market share. This creates a conceptual, methodological, and contextual gap in the literature.

Against this backdrop, the rising failure rate and declining performance of SSEs, particularly in Gombe State, necessitate an empirical investigation into the role of social media platforms in enhancing business growth. This study therefore seeks to examine how the effective utilization of social media platforms can improve the performance and sustainability of small scale enterprises in the study area.

1.2 Research questions

1. Does Facebook have significant impact on the business growth of small scale enterprises in Gombe State?
2. Does WhatsApp have significant impact on the business growth of small scale enterprises in Gombe State?

1.3 Research objective

The main objective of this study is to assess the impact of Facebook and Whatsapp on the business growth of small scale enterprises in Gombe State

2.0 Empirical Review

2.1 Facebook and SSE Growth

Facebook is a social networking site that can allow people to connect and chat in the same community. Facebook which is founded by a computer programmer- Mark Zuckerberg while studying at Harward University in February, 2004 (Chheda, 2014). It can

connect individuals, reunite people with old friends, create opportunity for new relationships to be established and generate toast through word of mouth communication (Etuk and Udoh, 2020). In 2015, Facebook site was reported to have 750 million active users and, as at second quarter of 2015, had 1.45 billion active users. Facebook appears to be the largest and among the most powerful social media platforms in the world, with more than 1.55 billion active users as of 2016 (Ladokun, 2019). As at June 2017, Facebook was the largest and most powerful social media platform in the world with over 2 billion monthly active subscribers and the rate of growth continued at 20 million active users per month (Statista, 2019). Facebook site is ranked as the most widely used social network worldwide. Also, on a daily basis, traffic to the network is always on the rise. There are several social media platforms but studies indicate Facebook as the leading site in the world (Kajongwe et al., 2020).

In the aspect of business perspective, since the emergence of Facebook, business practitioners and managers have adopted it for the promotion of their businesses. Estimates reports that over 90 million businesses have active pages on the platform as a result of the population of users across different platforms through the use of marketing tools (Kateri, 2021). Facebook and Instagram have become the go-to platforms for small businesses to present their content, especially through features like Reels. A notable global trend highlights the significance of Reels, with 47% of consumers utilizing this feature to discover and explore new products (Desalu, 2023). Content disseminated on platforms like Instagram Reels spans various categories, including personal, educational, and business-related updates. It is no gainsay that Facebook is among the leading social media platform for social media marketing and other use. The practice of using Facebook as a social media platform have contributed in generating customer needs and influence sales (Lakshmi et al., 2017). Facebook facilitates users contact and information from businesses through various buttons on Facebook ads. This process is achieved based on their communication preference on conversion goals like send message, shop now, get directions or call now. This allows business owners more opportunities to interact with small business in little time. Similarly, Facebook also developed tools for marketers. The purpose of designing these tools is to target their market, post multimedia content and follow up with their marketing ideologies, these features provide companies

reasons to communicate with new clients, by clicking buttons that allows them shop easily online (Eltayib et al., 2018). Likewise, the introduction of these platforms is also designed to establish viable relationship with their customer base. The simplicity of use of the platform has become a tool for business success especially, for small and medium scale enterprises. This may be a reason why Facebook is the better choice for users. One other reasons why business owners hooked their businesses on Facebook is that, it has large audience. Facebook has over 3.065 billion monthly active users (MAUs) a 2.5% increase from 2024. 2.1 billion Daily active users (DAUs) representing a 2.1% year-over-year growth (Meta Transparency Report, 2025). This is the reason millions of businesses worldwide confirm the effectiveness of Facebook platform. It bears in mind that a single post can communicate with billions of customers and allows for an easily mix and marketing strategies match (Oyewobi et al., 2021).

In Nigeria, as of early 2025, Nigeria had approximately 38.7 million Facebook users, representing about 16.3% of the country's total population (Datareportal, 2025). A research carried out in Nigeria by Morning Consult Brand Intelligence revealed that small and medium enterprises in Nigeria benefit from placing adverts for Facebook users to view. Facebook users claim they visit a page at least once a week. Prospective customers in Nigeria nowadays prefer making purchases via Facebook because they perceived it to be very reliable compared to other social media platform (Osuagwu, 2017).

2.2 What'sApp and SSE Growth

WhatsApp is a free social media app for mobile phones launched in 2009. It is a mobile instant messaging (MIM) application (Balarabe, 2020). It enables smart phone users, with the convenience of a mobile data plan, to send and receive text messages to individuals or groups of people. WhatsApp, simply put, is a free social app used in sharing text, pictures, voice and video using the Internet. It uses the phone’s internet connection to allow chatting as well as sharing of files and images and permits the making of free voice and video calls with other WhatsApp users. Initially, it was for mobile phones only. Later on, the web version of the app was introduced (Mazereeuw, 2018; Dove, 2020). A cell phone might be used to contact 1,000 people if there were four of these kinds of groupings. According to Lawal et al., (2022), the introduction of WhatsApp birthed new

features on social media, especially its effectiveness in commercial activities. Mgbeahurike (2015) asserts that a single concept can approach or reach one million individuals in just a few shares. WhatsApp applications have appealing functions like Share, Tag, Comment, Like, Smiley, and more that appeal to a wide variety of age groups. WhatsApp (a pun on the phrase "what's up"), with 1.5 billion monthly active users around the world, prides itself as the leading social media platform in most parts of the world (Mazereeuw, 2018). The number of WhatsApp users across the world are about 2 billion as of 2020 (Noor et al., 2017). The number has been increasing tremendously every two years. Statista reported that 1.6 billion users access the messaging app each month (Statista 2019) which is 23 percent above its closest competitor.

Small and medium enterprises are beneficiary of WhatsApp especially when it comes to end-to-end posting of products and services to group members. WhatsApp has released the WhatsApp Smartphone application for small, medium, and big businesses across all sectors. Regardless of where users are located, this application lets businesses to keep in contact with clients and increase their market share by efficiently using the program and advertising the company (Dar, et al., 2017). Things changed for WhatsApp when the rate of its users increased drastically over the past years. Business owners and analysts started test running the potential of WhatsApp for business marketing communication in terms of promotions and advertising (Mazereeuw, 2018; Bestor, 2020). In furtherance, Shetty (2020) asserted that the flexibility of WhatsApp in terms of video, voice and photo sharing has helped small and medium enterprises to grow their customer base and increase their profit margin.

The WhatsApp Business app has also been made available globally for small, medium, and big organizations. The WhatsApp business application introduce specifically to help SMEs, some of its features includes- business profile, quick replies, automatic greeting message, automatic away message, contacts labels, message statistics, catalogues, interactive business message, list messages and reply buttons, Facebook shops integration and WhatsApp payments (Kartal, 2019). The use of WhatsApp in advertising of organizational products paves way for SMEs and individuals to sells, promote, advertise and patronize variety of goods and services from different and far geographical area to the convenient destinations of the potential

buyers within a short period of time (Balarabe, 2020).

By effectively utilizing the app and marketing the business, this application allows enterprises to remain connected with customers and expand their customer base regardless of where consumers are situated (Susanto, et al., 2021). The messaging capabilities of WhatsApp business subjects it to one of the most important aspects that connects a brand to its audience and customer base. The messaging options provides a company with unlimited free message in multiple formats and timely responses (Ukpere et al., 2014). Desk (2021) opine that small and medium enterprises attract more customers when they make use of WhatsApp as a medium for advertising their goods and services.

Research has shown that small business growth in the era of digital revolution is made possible by WhatsApp. This is the reason Bhat (2021) added that accessibility to company's product is no longer an issue due to the support of social media platforms such as WhatsApp. In furtherance, Shetty (2020) asserted that the flexibility of WhatsApp in terms of video and voice. Several studies (Ghanem & Hamid, 2020; Syaifullah, et al., 2021; Atah & Abang, 2022) have showed that social media (including WhatsApp) not only has a positive impact on business performance but also enhance the prospects go transforming the business model. Businesses receive location information, images and audio visual materials (Oji, 2016), at little or no cost.

2.3 Theoretical Review

Many theories have been propounded to understand essential concepts related to Social Media advertisement. This study is anchored with two theories namely: Task Technology Fit Theory (TTF) and Social Exchange Theory (SET).

2.3.1 Task Technology Fit Theory (TTF) (Underpinning Theory)

To aid in the analysis of whether the social media platforms is suitable and effective on the growth of small businesses, the Task Technology Fit Theory (TTF) application will be use to underpin this study. Various scholars concluded in their empirical research that there is a positive relationship between social media adoption and overall performance (Hachimi, Lhassan and Belamhitou (2021), MAAN, and RANIA (2021), Lateefat and Joshua (2023), Retno, Sulastri, Muchsin, and Isni (2024)). It is suggested that the more fit the technology is in meeting the objectives, the more positive

impact it will have on performance. This reflects the theory of Task Technology Fit (TTF) introduced by Goodhue and Thompson in 1995, which later became an established theory in IT research (Rai and Selnes, 2019). Within the context of social media Fu et al (2020) examined the extent to which social media is chosen based on the fit of its technology characteristics to the required task. The system characteristic must match the user's task needs (Goodhue and Thompson, 1995) to achieve high efficiency and better performance. As proposed by Goodhue and Thompson (1995), TTF is "the degree to which a technology assists an individual in performing his or her portfolio of tasks". When the tasks are rather straightforward and the technology used to deal with them is advanced, TTF will increase, but on the other hand, when the tasks become more challenging and the technology can no longer handle them, TTF will decrease. Therefore, the TTF presents an adequate theoretical framework to be used in examining the effect of the social media use on various aspects of performance of the businesses. In the context of social media and performance of small scale businesses (SSEs) in Gombe State TTF serves as a critical Underpinning theory by emphasizing how SSEs leverage social media platforms such as Facebook, WhatsApp, Instagram, YouTube and TikTok (core dimensions of SM) to achieve superior performance in a competitive and resource-constrained environment.

TTF fits this study because it align closely with the core problem my study seek to explain. The theory provide a coherent lens for understanding the key constructs and their relationships within the context of my research. Rather than forcing the data to fit the theory, the theory naturally explains the phenomenon under investigation.

2.3.2 Social Exchange Theory (SET)

The present study will also use the Social Exchange Theory (SET) as a supporting theory. The theory was primarily proposed by George C. Homans in 1958. Social exchange hypothesis is a social mental and sociological point of view that clarifies social change and security as a procedure of all tanged trades between parties. The hypotheses expresses that people participate in practices they find fulfilling and keep away from practices that have too surprising expense. It suggests that enterprises will only spend on and engage in social media when they believe that this endeavour is rewarding and worth the time and effort exerted (Webb and Roberts, 2016). SET has the advantage of taking both rewards

and costs into consideration (Matikiti, Roberts-Lombard, and Mpinganjira, 2016). When perceived benefits are greater than perceived costs, individuals (business owners) are more likely to participate in the activity (Matikiti, Roberts-Lombard, and Mpinganjira, 2016; Zhang et al, 2019). Although SET has been previously used to explain the logic behind spending on social media, mainly from the point of view of customers or individuals (Zhang et al,2019), this study examines it from the enterprises' perspectives where owners invest in SM (incurred cost) to achieve rewards in the form of growth (both financial and non-financial).

Hence, the study tends to use Social Exchange Theory. This theory has strong empirical support in prior studies, which strengthens the credibility of the study. It has been applied successfully in similar contexts, demonstrating its explanatory and predictive power. This makes it a reliable foundation for building hypotheses and interpreting findings.

3.1 Methodology

This study adopts a **conceptual research design**, which relies on the systematic review and integration of existing literature to examine the relationship between social media platforms and the growth of small scale enterprises (SSEs). Unlike empirical studies that depend on primary data, this approach utilizes secondary data sources to develop theoretical insights and conceptual linkages between variables.

The study is based on an extensive review of relevant academic literature, including peer-reviewed journal articles, textbooks, conference papers, and credible institutional reports. Sources were carefully selected from recognized databases such as Google Scholar, Scopus-indexed journals, and publications by international organizations. Emphasis was placed on recent studies to ensure that the analysis reflects current trends in digital marketing and small business performance.

The conceptual framework of the study is built around the independent variables which are Facebook and WhatsApp; and their influence on the dependent variable, which is the growth of small scale enterprises. Business growth is examined through key performance indicators such as customer satisfaction, sales growth, and market share. The study integrates insights from existing empirical findings to explain how these social media platforms contribute to enhancing business performance.

3.2 Conclusion

This study concludes that social media platforms, particularly Facebook and WhatsApp, play a significant role in enhancing the growth of small scale enterprises (SSEs). Evidence from the reviewed empirical studies shows that both platforms contribute positively to key indicators of business performance such as customer engagement, sales growth, brand awareness, and overall market expansion. Facebook, in particular, provides SSEs with broader market reach and visibility through advertising and content sharing, while WhatsApp facilitates direct, personalized communication that strengthens customer relationships and improves conversion rates.

However, the study also reveals that the impact of these platforms is not uniform across all contexts. While most studies report positive outcomes, some findings suggest that the effectiveness of Facebook and other social media tools may depend on factors such as digital literacy, strategic usage, and the business environment. This implies that social media alone does not guarantee business success unless it is effectively integrated into a well-planned marketing strategy.

Overall, the study concludes that the combined use of Facebook and WhatsApp offers a complementary advantage for SSEs, where Facebook attracts potential customers and WhatsApp supports sustained engagement and sales conversion. In the context of Gombe State, effective utilization of these platforms has the potential to significantly improve the performance and sustainability of small scale enterprises. However, achieving this requires improved digital skills, awareness, and strategic adoption among business owners.

If properly harnessed, social media platforms can serve as powerful tools for addressing the challenges of low sales, limited market access, and poor business growth currently faced by many SSEs.

3.4 Suggestion for Further Research

Based on the findings of this study, several suggestions are made for future research to further enrich knowledge on the relationship between social media platforms and the growth of small scale enterprises (SSEs).

- First, future studies should consider expanding the scope of social media platforms beyond Facebook and WhatsApp to include emerging platforms such as Instagram, TikTok,

YouTube, and X (Twitter). This will help provide a more comprehensive understanding of how different digital platforms individually and collectively influence business performance.

- Second, subsequent research should adopt an empirical (primary data-based) approach using larger and more diverse samples across multiple states or regions in Nigeria. This will improve the generalizability of findings and allow for comparative analysis between different socio-economic environments.
- Third, future studies could examine moderating variables such as digital literacy, business size, owners' education level, and access to technology to better understand factors that influence the effectiveness of social media usage among SSEs.

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