

TOPIC: SOCIAL MEDIA AS AN ALTERNATIVE TOOL FOR BUSINESS DEVELOPMENT BY SMES IN GHANA

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INTRODUCTION

Contemporary, the surge in technological advancements and the hype surrounding the use of social media have transformed the digital landscape and how organizations interact with their consumers globally (Hofacker and Belanche, 2016).

However, little research is devoted to the adoption and internal usage of social media in small and medium-sized enterprises (SMEs), which are of high social and economic importance.



PROBLEM STATEMENT

- Limitation and acceptance barriers in adopting new technologies although the revolution of internet and communication channel has changed the way people conduct business today.
- Shift in Ghana's strategic economic focus from macroeconomic stability to private sector development to act as a backbone and the engine for attaining sustained economic growth.
- Scholars identified that SMEs in developing countries are faced with low level of performance due to technological constraint, management systems, the deficiency of available information, inadequate use of IT (M. C. Lo, Y. C. Wang, C. R. J. Wah, and T. Ramayah, 2016).



RATIONALE OF THE STUDY

- The rise of social media has resulted in the primary shift in the way SMEs connect with their clients (Nadeem, 2012).
- Accordingly, they face more challenges to utilize social media and are less probable to use social media than large organizations, which stops them from growing new business, increasing their competence and efficacy, and from getting competitive advantage (Scott-Morton, & Wyman, 2004).



STUDY OBJECTIVES

1. To explore the values that SMEs can derive through the use of Social Media.
2. To investigate the moderating effect of technological, organizational and environmental factors on adoption behaviour and organisational performance in the service and manufacturing industry



LITERATURE REVIEW

Characteristics of SMEs in Ghana

- Heterogenous nature
- Low levels of education and training
- Family owned businesses
- Little separation of the business finances



Internet Use and Social Media in Ghana

- There are currently over 3,424,971,237 internet users globally, with an internet penetration of about 46% of global population, a growth difference of 3% from the previous year. (2016 internet live stats)
- 7,958,675 of the Ghanaian population can be found online (28.4% penetration) ranking the country the 47th highest internet user base closely following that of the United Arab Emirates in the global internet user base rankings (wearesocial report, 2016)
- Almost every online mobile user having a social media account or on a social messaging channel such as WhatsApp.

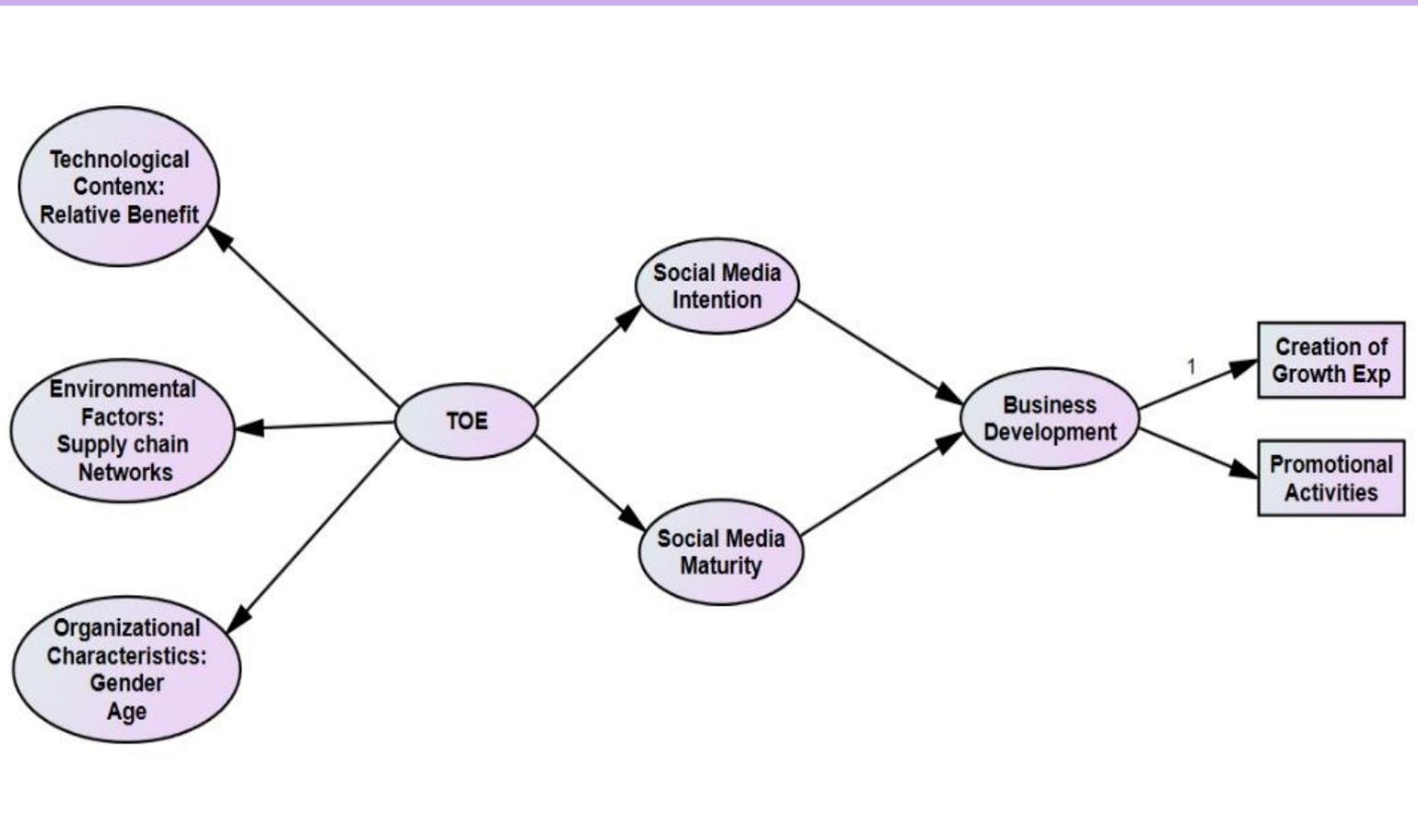


Theoretical Framework

- **IDT:** A theory which is one of the most popular theories for studying adoption of information technologies (IT) and understanding how IT innovations spread within and between communities by Rogers (2003).
- **TAM:** Based on the theory of reasoned Action, Davis (1986) developed the Technology Acceptance Model which deals more specifically with the prediction of the acceptability of an information system.
- **RBV** analyzes and interprets resources of the organizations to understand how organizations achieve sustainable competitive advantage. The proposed resource in the study is social media. (Barney, 1986; Hamel and Prahalad, 1996).



- *Research Model*



RESEARCH METHODOLOGY

- In testing the hypothesized relationships, a quantitative approach was employed using self-administered questionnaires to collect data from the SMEs
- Data obtained from the National Board for Small Scale Industries (NBSSI) indicates one-thousand, eight hundred and twenty-eight (1828) SMEs in Greater-Accra. Out of this number that five-hundred questionnaires were distributed to selected Small and Medium Enterprises (SMEs) in Greater Accra and three hundred and twenty-three (323) of them were fully completed for further analysis.
- Structural Equation Modelling (SEM) supported by Analysis of Moment of Structures (AMOS 23.0) with maximum likelihood estimation to examine the test of formulated hypotheses.



ANALYSIS OF RESULTS

Summary of Path estimates for structural equation model

				Estimate(β)	S.E.	C.R.	p	Label
H1	Intention	<---	TOE	-0.850	0.494	-4.513	0.000	Support
H2	Maturity	<---	TOE	-0.531	0.200	-4.609	0.000	Support
H3	Business Development	<---	Intention	0.027	0.030	0.476	0.634	Not Support
H4	Business Development	<---	Maturity	0.837	0.074	9.287	0.000	Support

Note: β = standardised beta coefficients; S.E. = standard error; C.R. = critical ratio; * $p < 0.05$



MAJOR OUTCOMES

- 75% males found in SME adoption of use social media more than females
- The amount of impact explained by TOE on intention and Maturity was estimated to be approximately 68% and 56% respectively.
- Also, the amount of impact that intention and maturity have on business development is estimated to be approximately 72%. This may have been experienced probably because of the nature of the business of the SMEs that were studied.
- 204 SMEs representing 54% of SMEs in the manufacturing companies in Ghana use social media
- The SMEs which have adapted social media as an alternate for business development are strongly in a better position compared those which are still lagging in this regard
- The reason of lower adaption is lack of skills and lesser readiness of SMEs to adapt this rapidly growing innovation because they neither have trained staff and skills nor the zeal for this adaptation because many SMEs are still not convinced and motivated.



CONCLUSION AND POLICY IMPLICATIONS

- Though past research suggests SMEs in emerging markets seldom utilize Internet-based technologies in their commercial activities (Abou- Shouk et al., 2013), these results depict social media resources are used to supplement marketing activities of these firms.
- This study recommends that the policy makers who include the Ghana government and agencies such as the MoT, MoF, MoIC, NCA to come up with favorable internet surfing rates and e-business policies to encourage the technological adoption that would grow the SME industry.
- It is further recommended that the Government of Ghana offer funding to enable SMEs adopt the necessary technology to advance this sector that makes a substantial contribution to the GDP of Ghana annually.



THANK YOU!

