

TWITTER USAGE ON SME PERFORMANCE IN BULOBA TOWN, WAKISO, UGANDA

Mugarura Richard¹, Olutayo K. Osunsan², Renson Mwawasi Kaluma³;
Christine Kabasinguzi⁴

^{1,2,3} Lecturer, Africa Renewal University, Uganda

⁴Lecturer, College of Economics and Management, Kampala International University, Uganda.

ABSTRACT: This study investigates the impact of Twitter adoption on Small and Medium-sized Enterprises (SMEs) performance in Buloba, Uganda. Despite the economic significance of the SME sector in Uganda, concerns persist about the high rate of start-up failures. This impedes the attainment of several SDG 17 goals, including 8 and 9. The study explores the link between Twitter usage and SME performance, aiming to fill gaps in the existing literature, particularly within the Ugandan context. The research utilizes a descriptive quantitative survey approach with a sample of 120 SMEs in Buloba. The findings reveal moderate mean scores across various dimensions of Twitter adoption, suggesting a balanced yet not exceptionally high proficiency among SMEs. Positive correlations between SMEs performance and different aspects of Twitter adoption indicate that a well-rounded approach is associated with improved performance. The regression model, while modest, suggests a significant impact. Recommendations include strategies to enhance proficiency in product marketing and customer ordering and a strategic focus on developing Twitter usage skills for impactful customer engagement. Future research is encouraged to delve deeper into the qualitative aspects of Twitter adoption for SME performance.

KEYWORD: SME Performance, Twitter, Uganda, SGD

I. INTRODUCTION

The Sustainable Development Goals (SDGs) 8, 9 and 17 emphasise the importance of economic development, Small and Medium-sized Enterprises (SMEs), and their performance. In spite of the economic significance of the Small and Medium-sized Enterprise (SME) sector within Uganda's national economy and similar emerging economies, there persists a significant worry among policymakers and international development partners regarding the prevalent rate of failure among start-up businesses (Kato & Tsoka, 2020). Scholarly discourse by Igwe, Onjewu and Nwibo (2018) indicates a disconcerting mortality rate of SMEs in African nations, exemplified by a ratio of five out of seven (5/7) new businesses failing in their first year. The need for SMEs to be profitable and perform well is a matter of national interest in every nation, Uganda not excluded (Kakeeto, et al 2017). While it has been documented that corporations and big businesses actively embrace Twitter for diverse functions such as marketing, promotion, product development, and customer relationship management, there exists a shortage of comprehensive research linking social media utilization to the generation of market value (Kato & Tsoka, 2020). Preceding scholarly inquiries have suggested the proposition that the adoption of social media stimulates the establishment of valuable networks interconnecting businesses, customers, and suppliers (Siamangka et al., 2015).

Larger enterprises have adeptly leveraged these networking capabilities to derive substantial value. Furthermore, it has been documented that the utilization of social media by corporations and big businesses augments brand and product visibility among their clientele, facilitating the acquisition of customer feedback to address a spectrum of their concerns. This positive brand perception causes an improvement in the performance of the firm (Yang & Kankanhalli, 2014). Offering additional substantiation of the influence of social media on business performance, others researchers postulate that consumers and investors exposed to product-related information through social media platforms like Twitter has a proclivity to cultivate a more favourable disposition toward the business (Rishika et al., 2013). The utilization of social media is posited to yield varied benefits across diverse business dimensions, thereby fostering an encompassing value proposition for the firm which can enhance performance. The purpose of this study is therefore to determine how Twitter usage affects the performance of SMEs. The specific impact of Twitter on the performance indicators of SMEs has not been sufficiently studied in the literature (Majumdar & Bose, 2019), despite the fact that it has become a widely used medium for communication and engagement.

In light of the increasing importance of social media in modern corporate environments, we concentrate on SMEs to identify the complex links between Twitter usage and performance. We seek to contribute to the knowledge of how SMEs use Twitter and get value from it, providing light on the consequences for their overall performance through empirical research and a focused investigation of real-world data.

II. LITERATURE REVIEW

Twitter is a platform for social networking and microblogging that lets people and groups stay connected by exchanging brief status updates (with a 140-character limit). From a strategic standpoint, businesses that use Twitter have been able to position their brands and also gather business insight through feedback to boost their market intelligence in order to accurately target customers with relevant services and products or enhance business relationships. Businesses now use Twitter to share information or news with a large online audience that follows them. By reaching out directly to the engaged audience on the platform, Twitter has helped lift brands, improved customer relationship marketing, and improved direct sales (Saura, Palacios-Marqués & Ribeiro-Soriano, 2023). According to Hampton and Wellman (2018), social media tools like Twitter is now the center of the business marketing scene. Businesses are able to remain up to date on market interest and trends by making use of key Twitter tools and functionality. No business is complete unless it has its own YouTube, WhatsApp, Facebook and Twitter pages. Utilizing key tools and functionality built into Twitter allows businesses to stay on top of their game and up to date with what the market is interested in.

After conducting a thorough market analysis, businesses can launch full-fledged Twitter marketing campaigns that reach a large number of people. To launch these campaigns, Twitter can be used to communicate with specific influencers who will spread a word-of-mouth campaign and serve as brand advocates (Dollwet, 2020). Etter (2014) stated that Twitter is just as useful as a broadcasting tool for communication. The email trends for example or website attempts to convey content directly to the crowd in order to communicate something specific is believed not to be as effective. Twitter gives and empowers correspondence between numerous gatherings in a public discussion, permitting the entrepreneur to get moment criticism from clients and likely clients. Twitter encourages openness and accountability in communications because it allows anyone to follow conversations. Customers will have more faith in the brand of businesses that consistently exhibit these characteristics. Additionally, tweets quickly reach a large community. As a result, a company that knows how to use Twitter can quickly gauge how people are reacting and provide excellent customer service by promptly responding to any questions, comments, or complaints from customers (Einwiller & Steilen, 2015).

As indicated by Hennig (2019), Twitter is a new way for organizations to promote their items and administrations. More than 93% of advertisers utilize online entertainment for business. It permits organizations to seem popular and cutting-edge and arrive at the people who are keen on their item. A business or its product can gain instant exposure when a well-known person or influential person tweets or hash tags it, which can result in more sales. According to Hennig (2019), using Twitter in the digital age is a good business practice that should be implemented by every company. Twitter is becoming a more and more significant online communication tool and when utilized well it will yield profits for small SMEs. This is qualified according to Vigna-Gómez, et al (2023), millions of messages are posted each day and Twitter receives millions of unique visitors per month.

Entrepreneurs can use Twitter to share company or product news or updates (Drummond, O'Toole & McGrath, 2020). Malhotra and Malhotra (2016) explored the use of twitter for CEOs and found that Twitter facilitates a direct and personal connection between a CEO and a network of followers. Stakeholders, by choosing to follow a CEO on Twitter, convey their allegiance to both the executive and the company. The quantity of one's Twitter followers serves as an indicator of the degree of interest. It is however cautioned that it is better to refrain from using twitter for advertisement until the handler is comfortable with its format procedures, the most effective method is to post a link to the full news or update. Consider what is important to the consumers and allow them to find out about it first on Twitter. On Twitter, businesses frequently advertise sales, promotions, or specials (Donthu, et al 2021). Twitter is an excellent tool for giving the brand a personality and voice. To be successful on Twitter, one must demonstrate their individuality and personality. That's what sets Twitter apart and can help it become a successful marketing tool for businesses (Chiang, Vartabedian & Spiegel, 2016). Illia, Colleoni and Meggiorin (2021) discovered that a tweet influences a bank's performance outcome. Ravaonorohanta and Sayumwe (2020) examined the correlation between corporate performance and a company's engagement on Twitter. Their findings indicate that companies may attain a competitive edge through a robust presence on social media. Specifically, companies exhibiting active participation on Twitter distinguish themselves in terms of performance, whether measured by stock market indicators or return on assets (ROA). Similarly, Kim and

Chae (2018) found that there is a positive association between a hotel's resources and Twitter use and the positive outcomes in terms of performance. A significant body of literature has documented the positive effect of twitter adoption in areas of marketing and communication among corporations and big business, some literatures have also documented a similar effect in SMEs with regards to the use of social media general (Di Virgilio, 2022; Wanyoike & Kithae, 2019; Odoom, Anning-Dorson & Acheampong, 2017) and twitter (Ghanem & Hamid, 2020; Wamba & Carter, 2013) in particular.

III. METHODOLOGY

To assess the effectiveness of SMEs in Buloba, this study used a descriptive quantitative survey technique. 170 SMEs are included in the population under study in Buloba. The Slovin's formula was used to determine a sample size of 120 (and saturation). A straightforward random procedure was used for the sample process, but 150 questionnaires were also given out to account for any non-respondents. Data was gathered using questionnaires that were designed in accordance with study results about the performance of SME's in Buloba and the use of technology. Mugenda and Mugenda (2003) advocate validity alignment. Content Valid Index (CVI), evaluated by SME owners and experts, validates the questionnaire. A CVI ≥ 0.7 confirms instrument credibility; this study achieves 0.76. Reliability. The test-retest technique yields a coefficient ≥ 0.7 . Spearman's Brown Prophecy formula computes a correlation coefficient of 0.81, indicating strong research tools. The data was analysed at a using descriptive and inferential statistics at a univariate, bivariate and multivariate levels.

IV. RESULTS

Demographic Characteristics : The data reveals a male majority (50.8%) in Buloba's SMEs, reflecting a trend of predominantly male-run businesses, likely due to the town's growing entrepreneurial landscape. Youthful participation is evident, with 38.3% of respondents under 25 years old, driven by Uganda's youthful population. Moreover, the dominance of Bachelor's degree holders (28.2%) suggests that youth, facing unemployment, opt for entrepreneurship, leveraging their tech-savvy nature. Marital status data (51.7% single, 30.8% married) indicates that SME ownership appeals to the youth who view business as a viable alternative to limited job opportunities. The majority having 5 or fewer years of work experience (45.8%) signals a dynamic job market, possibly prompting youth to explore various opportunities, including SMEs.

Descriptive Statistics : This section presented the impact of Twitter adoption on SMES performance in terms of Skilled Usage, Platform Following, Customer Engagement, Product Marketing and customer ordering in Buloba, Wakiso district. Table 1 below includes the statistical tabulation of the seven items along with mean, standard deviation, and explanations.

Table 1 Levels of Twitter adoption and SMEs Performance

Items	Mean	Std. Deviation	Interpretation
SMEs Performance	3.38	1.138	Moderate
Twitter Adoption	2.733	1.19	Moderate
Skilled Usage	2.74	1.226	Moderate
Platform Following	2.65	1.171	Moderate
Customer Engagement	2.68	1.216	Moderate
Product marketing	2.49	1.181	Low
Customer ordering	2.46	1.208	Low

Table 1 shows the levels of Twitter adoption and their relationship to the success of Small and Medium-sized Enterprises (SMEs), as determined by several indicators. With a modest standard deviation of 1.138 and a mean SMEs Performance score of 3.38, the surveyed SMEs appear to be performing moderately and consistently. Following suit, skilled usage, platform adoption, and customer engagement all recorded mean scores in the middle of the pack, showing a balanced but not very high level of expertise in these areas. Product Marketing and Customer Ordering have lower mean ratings (2.49 and 2.46, respectively), indicating that these components of Twitter adoption are given less attention overall. The accompanying standard deviations show significant variation, pointing to different approaches used by SMEs to use Twitter for product promotion and consumer ordering. The overall level of Twitter Adoption of 2.733 and the standard deviation of 1.19 support the general theme of moderation levels. The middle-ground adoption of Twitter by SMEs is highlighted by this composite score, with differences in focus across performance parameters. These results reveal complex patterns in the use

of social media by SMEs, highlighting potential areas for development in the use of Twitter for enhanced performance, notably in the areas of product marketing and client ordering.

Inferential Statistics

Table 2 Correlation between Twitter adoption and SMEs performance

		SMEs Performance	1	2	3	4	5
Pearson Correlation	SMEs Performance (1)	1.000	.251	.327	.273	.342	.256
	Skilled Usage (2)	.251	1.000	.481	.638	.529	.562
	Platform Following (3)	.327	.481	1.000	.553	.654	.459
	Customer Engagement (4)	.273	.638	.553	1.000	.689	.671
	Product marketing (5)	.342	.529	.654	.689	1.000	.512
	customer ordering (6)	.256	.562	.459	.671	.512	1.000

Table 2 presents Pearson correlation coefficients assessing the relationships between Twitter adoption and SME performance. The positive correlation coefficients between SMEs Performance and Skilled Usage (0.251), Platform Following (0.327), Customer Engagement (0.273), Product Marketing (0.342), and Customer Ordering (0.256) indicate generally positive associations. More specifically there are strong correlation between Skilled Usage and Customer Engagement (0.638), emphasizing the role of adept Twitter utilization in fostering customer interactions. The correlations between SMEs Performance and each adoption metric suggest that a balanced and skillful approach to Twitter, encompassing platform following, customer engagement, product marketing, and customer ordering, can contribute to improved SME performance. On the down side, the moderate correlation between Product Marketing and Customer Ordering (0.512) suggests a more nuanced relationship between these specific aspects of Twitter adoption. Overall, these findings provide valuable insights for SMEs aiming to strategically leverage Twitter for enhanced overall performance.

Table 3 Twitter adoption on SME Performance.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
	(Constant)	2.279	.285		7.996	.000
1	Skilled Usage	.045	.109	.048	.410	.683
	Platform Following	.154	.115	.158	1.337	.184
	Customer Engagement	-.030	.137	-.032	-.216	.830
	Product marketing	.188	.130	.195	1.447	.151
	Customer ordering	.074	.114	.078	.646	.519
	R	.377				
	R Square	.142				
	Adjusted R Square	.104				
	F Statistic	3.772				
	Sig.	.003				

Table 3 outlines the regression model examining the impact of Twitter adoption on Small and Medium-sized Enterprises (SMEs) performance. The unstandardized coefficients reveal the magnitude and direction of the relationship between each predictor variable and SMEs performance. The constant term, at 2.279 with a significance of 0.000, represents the predicted SME performance when all predictor variables are zero. The standardized coefficients (Beta) for Skilled Usage, Platform Following, Customer Engagement, Product Marketing, and Customer Ordering are 0.048, 0.158, -0.032, 0.195, and 0.078, respectively. Though none was

significant at the conventional levels The R Square value of 0.142 indicates that the model accounts for 14.2% ($R^2=0.142$, $P<0.003$) of the variance in SMEs performance, signifying a modest explanatory power. The adjusted R Square (0.104) suggests a more conservative estimate, considering the number of predictors in the model. The F Statistic (3.772) with a significance of 0.003 implies that the model is statistically significant.

V. DISCUSSION AND CONCLUSION

In this study the moderate mean scores across various Twitter adoption dimensions indicate a balanced yet not exceptionally high level of proficiency among SMEs in Buloba. The lower scores in Product Marketing and Customer Ordering highlight potential areas for improvement in leveraging Twitter for enhanced performance. Positive correlations between SMEs Performance and various aspects of Twitter adoption suggest that a well-rounded approach to Twitter, encompassing skilled usage, platform following, customer engagement, product marketing, and customer ordering, is associated with improved SME performance. The strong correlation between Skilled Usage and Customer Engagement highlights the significance of adept Twitter utilization in fostering customer interactions. The regression model provides insights into the effect of Twitter adoption on SME performance. While no predictor variables reach conventional significance levels, the model, with an R Square of 0.142, indicates a modest explanatory power. The need for further exploration and deeper understanding of the relationships is evident.

According to Page (2012), Twitter is undoubtedly a successful platform for businesses to sell their goods, with about two million users tweeting out roughly the same amount of microblogs each day. But this social media platform is not just for young people or famous people who use it to tweet about their daily lives. Many SMEs and large company owners have understood the potential of Twitter as an advertising medium, and many are now using it to advance their companies, however this is not as prevalent among SMEs. Businesses utilize Twitter to increase their online marketing efforts because it is quite inexpensive to make a sale there. This study supports the findings from various additional studies such as Chiang, Vartabedian & Spiegel, (2016), Illia, Colleoni and Meggiorin (2021), Ravaonorohanta and Sayumwe (2020) and Kim and Chae (2018) indicating that the utilization of the Twitter platform ensures better performance of SMEs across a variety of organizations. The authors verified that firms may quickly provide information or news to a sizable network of connected computer base through Twitter. The researchers also assert that Twitter can be used to market SMEs products, collect business information via consumer feedback, and enhance market intelligence so they can more precisely have potential consumers with pertinent services and products or strengthen business relationships as also observed by Ghanem and Hamid (2020) and Wamba and Carter (2013). This suggests that by reaching out to the interested audience on the platform when using Twitter as a marketing platform, direct marketing is improved and customer relationships are strengthened. Ghanem and Hamid (2020) assert that business owners should use Twitter primarily to connect with potential customers and also advertise their goods. After setting up a business page, they can use the Twitter account to announce new items that fall under that brand or product category. Through these social networking sites, new products gain more prominence than they would through conventional advertising channels, especially those that customers find interesting.

On the basis of the findings of this study, the following recommendations can be made:

1. Given their lower mean scores and their potential influence on performance, SMEs should consider strategies to strengthen their proficiency in product marketing and customer ordering through Twitter.
2. The strong correlation between Skilled Usage and Customer Engagement suggests a strategic focus on developing proficiency in Twitter usage skills to foster impactful engagement with customers.
3. The regression model, while indicating significance, calls for further exploration and improvement. SMEs are advised to monitor and adapt their Twitter strategies based on ongoing assessments of performance metrics.
4. SMEs in Buloba should adopt a strategic and well-balanced approach to Twitter utilization, considering platform following, customer engagement, product marketing, and customer ordering, for more rounded improvements in performance.

While Twitter adoption appears to be associated with SME performance in this study, an intricate understanding and strategic adaptation of Twitter practices are vital for harnessing optimal benefits. This begs for future research into the area and with a call for a qualitative approach in order to appreciate the gravity and the details of how twitter adoption can enhance SME performance in Buloba and beyond.

REFERENCES

1. Chiang, A. L., Vartabedian, B., & Spiegel, B. (2016). Harnessing the hashtag: a standard approach to GI dialogue on social media. *Official journal of the American College of Gastroenterology| ACG*, 111(8), 1082-1084.
2. Di Virgilio, F. (2022). The Social Media Usage and Impact on Performance of SMEs A New Entrepreneur Behavior on Policy Implementation. *Innovations and Social Media Analytics in a Digital Society*, 248-265.
3. Dollwet, S. (2020). *Social Media Marketing 2019: How to Reach Millions of Customers Without Wasting Your Time and Money-Proven Ways to Grow Your Business on Instagram, YouTube, Twitter, and Facebook*. Alakai Publishing LLC.
4. Donthu, N., Kumar, S., Pandey, N., Pandey, N., & Mishra, A. (2021). Mapping the electronic word-of-mouth (eWOM) research: A systematic review and bibliometric analysis. *Journal of Business Research*, 135, 758-773.
5. Drummond, C., O'Toole, T., & McGrath, H. (2020). Digital engagement strategies and tactics in social media marketing. *European Journal of Marketing*, 54(6), 1247-1280.
6. Einwiller, S. A., & Steilen, S. (2015). Handling complaints on social network sites—An analysis of complaints and complaint responses on Facebook and Twitter pages of large US companies. *Public relations review*, 41(2), 195-204.
7. Etter, M. (2014). Broadcasting, reacting, engaging—three strategies for CSR communication in Twitter. *Journal of communication management*, 18(4), 322-342.
8. Ghanem, S. K. R., & Hamid, N. A. B. A. (2020). The effect of Facebook, WhatsApp, Twitter and email on SMEs performance: empirical evidence from United Arab Emirates. *Journal of Internet Social Networking and Virtual Communities*, 2020, 1-17.
9. Hampton, K. N., & Wellman, B. (2018). Lost and saved... again: The moral panic about the loss of community takes hold of social media. *Contemporary Sociology*, 47(6), 643-651.
10. Hennig, B. D. (2021). In Focus: Trump Tweets: Power and the Global Politics of Social Media. *Political Insight*, 12(1), 20-21.
11. Igwe, P. A., Onjewu, A. E., & Nwibo, S. U. (2018). Entrepreneurship and SMEs' productivity challenges in sub-Saharan Africa. *African entrepreneurship: challenges and opportunities for doing business*, 189-221.
12. Illia, L., Colleoni, E., & Meggiorin, K. (2021). How infomediaries on Twitter influence business outcomes of a bank. *International Journal of Bank Marketing*, 39(5), 709-724.
13. Kakeeto, F., Timbirimu, M., Kiizah, P., & Osunsan, K. O. (2017). Cash management and organizational profitability in Gumutindo Coffee Cooperative Enterprise Limited (GCCE), Mbale District Uganda. *Journal of Research in Business and Management*, 5 (5), pp.33-40.
14. Kato, A. I., & Tsoka, G. E. (2020). Impact of venture capital financing on small-and medium-sized enterprises' performance in Uganda. *The Southern African Journal of Entrepreneurship and Small Business Management*, 12(1), 11.
15. Kim, W. H., & Chae, B. (2018). Understanding the relationship among resources, social media use and hotel performance: The case of Twitter use by hotels. *International Journal of Contemporary Hospitality Management*, 30(9), 2888-2907.
16. Majumdar, A., & Bose, I. (2019). Do tweets create value? A multi-period analysis of Twitter use and content of tweets for manufacturing firms. *International Journal of Production Economics*, 216, 1-11.
17. Malhotra, C. K., & Malhotra, A. (2016). How CEOs can leverage twitter. *MIT Sloan Management Review*, 57(2), 73.
18. Mugenda, O. M., & Mugenda, A. G. (2003). *Research methods: Quantitative & qualitative approaches* (Vol. 2, No. 2). Nairobi: Acts press.
19. Odoom, R., Anning-Dorson, T., & Acheampong, G. (2017). Antecedents of social media usage and performance benefits in small-and medium-sized enterprises (SMEs). *Journal of enterprise information management*, 30(3), 383-399.
20. Page, R. (2012). The linguistics of self-branding and micro-celebrity in Twitter: The role of hashtags. *Discourse & communication*, 6(2), 181-201.
21. Ravaonorohanta, N., & Sayumwe, M. (2020). Social media presence and organizational performance: An empirical study on companies' presence on Twitter. *Contemporary Management Research*, 16(2), 123-144.
22. Rishika, R., Kumar, A., Janakiraman, R., & Bezawada, R. (2013). The effect of customers' social media participation on customer visit frequency and profitability: an empirical investigation. *Information systems research*, 24(1), 108-127.
23. Saura, J. R., Palacios-Marqués, D., & Ribeiro-Soriano, D. (2023). Leveraging SMEs technologies adoption in the Covid-19 pandemic: a case study on Twitter-based user-generated content. *The Journal of Technology Transfer*, 1-27.

24. Siamagka, N. T., Christodoulides, G., Michaelidou, N., & Valvi, A. (2015). Determinants of social media adoption by B2B organizations. *Industrial Marketing Management*, 51, 89-99.
25. Stockdale, R., Ahmed, A., & Scheepers, H. (2012). Identifying business value from the use of social media: an SME perspective.
26. Vigna-Gómez, A., Murillo, J., Ramirez, M., Borbolla, A., Márquez, I., & Ray, P. K. (2023). Design and analysis of tweet-based election models for the 2021 Mexican legislative election. arXiv preprint arXiv:2301.00626.
27. Wamba, S. F., & Carter, L. (2013, January). Twitter adoption and use by SMEs: An empirical study. In 2013 46th Hawaii International Conference on System Sciences (pp. 2042-2049). IEEE.
28. Wanyoike, J., & Kithae, P. P. (2019). Social media networks and SME performance in the international arena: A case of SMEs operating in Kamukunji area of Nairobi County, Kenya. *European Journal of business and management research*, 4(5).
29. World Bank Report, 2016, Doing business 2016: Measuring regulatory quality and efficiency, World Bank Group, Washington, DC.
30. Yang, Y., & Kankanhalli, A. (2014). The impact of social media marketing on online small business performance. *PACIS 2014 Proceedings*. 63.