

EFFECT OF ORGANIZATIONAL INNOVATIVENESS IN THE RELATIONSHIP BETWEEN SOCIAL MEDIA MARKETING STRATEGY ADOPTION AND SMES PERFORMANCE IN KATSINA METROPOLIS.

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Abstract

Performance of Small and Medium Enterprises is a major driver and indices for the level of industrialization of a nation. Despite all the efforts advanced in improving SMEs sector in Nigeria, SMEs have not been able to harness the abundant and huge market potentials in the country. However, formulating workable marketing strategies that ensures sustainable business growth is expected to mitigate such challenges. This study examined the effect of organizational innovativeness in the relationship between social media marketing strategy adoption and SME performance in Katsina Metropolis. Using a sample of 293 SME respondents, the study used survey questionnaire to obtain the data. Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to analysed the data. The findings reveal that Perceived Ease of Use, Perceived Benefit, and Organizational Readiness significantly and positively affect SME performance, while Organizational Innovativeness did not moderate these relationships, suggesting that while innovation is valuable, it may not always enhance the impact of social media marketing on performance. The study recommended that SMEs should ensure full utilization of user-friendly marketing tools, resource readiness, and strategic innovation alignment in the face of their routine operations. Similarly, future research should explore additional moderating factors, such as market conditions and competition intensity, to better understand SMEs' marketing strategy effectiveness for performance enhancement.

Keywords: Organizational innovativeness, social media marketing, SME performance.

1.1 Background to the study

Performance of Small and Medium Enterprises (SMEs) has reaped significant global attention due to their pivotal role in economic development, serving as key indicators of national economic health and growth (OECD, 2022). SMEs contribute substantially to social welfare and improved living standards. They have been largely recognized as engines of job creation, poverty reduction, and income generation in a country (World Bank, 2023). Recent studies emphasize that SME sustainability and efficiency are critical for long-term economic

resilience, particularly in developing economies (Agyapong et al., 2022; Beck & Demirgüç-Kunt, 2021). A crucial aspect in SME success is the adoption of innovative and sustainable marketing strategies, which enhance competitive advantage and operational performance (Aminu & Shariff, 2023; Porter & Kramer, 2019).

In Nigeria, SMEs constitute a vital sector of Nigeria's economy, serving as key drivers of employment, technological advancement, and industrial diversification while fostering linkages with large-scale industries (CBN, 2022). Recent data indicates SMEs contribute approximately 50% of Nigeria's GDP and employ over 80% of the workforce, representing about 90% of manufacturing enterprises (NBS, 2023; World Bank, 2023). Their role in job creation and economic inclusion has become increasingly significant in Nigeria's post-pandemic recovery, with over 39 million SMEs currently operating nationwide (SMEDAN, 2023). Studies confirm that enhanced SME productivity directly correlates with poverty reduction and GDP growth, particularly through youth employment and women's economic empowerment (Adeoye et al., 2023; OECD, 2022). However, persistent challenges like limited access to finance and infrastructure continue to constrain their full potential (IMF, 2023).

Despite their importance to the economic growth, SMEs in Nigeria often face some challenges which hinder their performance. Oboko and Goldman (2021) revealed that low-capacity utilization, inadequate business strategies, and stiff competition from larger companies were part of the challenges faced by SMEs in Nigeria. Additionally, other critical areas of challenges affecting SMEs have been largely attributed to their lack of know-how in formulating workable strategies to grow the business (Anastasia et al, 2020). This is evident as Small and Medium Enterprises Development Agency of Nigeria reports the failure and poor performance of the SMEs as 80% within the first five years of inception (Agwu, 2020).

Although the application of social media has appeared to be a standardized norm (NCC, 2019), businesses have found social media platforms as one of the most powerful communication tools for engaging the public, marketing, sales, brand recognition, and innovations, which offers greater competitive advantage. Social media has become a fateful and intangible tool for businesses because it perceives ease of use and benefit, which allows them to reach customers globally without recourse to geographical location (Seo et al, 2020). Therefore, as social media offers diverse opportunities for businesses to thrive and gain quick and expedited acceptance, its acceptability in SMEs sector is anticipated to cater to most of the challenges affecting SMEs in reaching a wide array of customers, which has resulted in the dwindling nature of their performance.

Even though, empirical evidences, have indicated that scholars have long believed that SMEs performance is closely associated with the nation's performance, as they (SMEs) are business enterprises owned by individuals to create values, including economic, social, and environmental values (James, et al, 2020). Several studies on the various aspects related to SMEs performance were conducted with sound theoretical antecedents. Among others, Angusitine, et al (20120), studied forecasting, planning, controlling, learning, IT usage, age, experience and education of the key person as a factor influencing SMEs performance. Arore (2020) and Khan and Iqbal (2020) studied the impact of strategic planning on the performance of SMEs in Nigeria. Alqasim & Mujitaba (2021), revealed that innovation capability significantly affects the performance of manufacturing-based SMEs. Ngala & Sharon (2019), further reported that a strong and positive relationship exists between marketing strategy and the SMEs performance. A number of these researchers has suggested that a positive correlation

exists between SMEs' application of innovation capability, marketing strategies and SMEs performance (Hussain & Al-shammari, 2020; Wilson & Eilertsen, 2020).

Evidences from most studies suggested that the use of innovation capability and marketing strategies enhance SMEs performance (Yusuf, 2020). Therefore, looking at the evidence from past studies focusing on the performance of SMEs using different variables, little empirical evidences were reported by past literature on the combined effect of innovation capability, marketing strategy and SMEs performance in the context of developing economies most especially in the areas of their perceive ease of use, perceive benefits, and organizational readiness to adopt such strategies. The need to hypothesize the combined effect of these strategies will give a clear picture on the nature and extent of the relationship marketing strategies and SMEs' performance. This study examined the effect of innovation capability in the relationship between social media marketing strategy adoption and SMEs performance in Katsina metropolis.

2.0 Literature Review And Theoretical Framework

Concept of SMEs Performance

SME performance can be defined as measurable outcomes of strategic decision-making that balances traditional metrics (ROA, market share) with emerging success factors like supply chain agility and ESG compliance (Del Giudice et al., 2025; Mbanyele & Muchenje, 2023). According to Chen & Lin (2024) and García-Pérez et al., (2024), it can be seen as the holistic integration of digital capabilities, human capital development, and sustainable practices to create competitive advantage and long-term value. Similarly, OECD (2023) defined SMEs performance as a multidimensional construct measuring an enterprise's ability to achieve financial viability (e.g., profitability, growth) while maintaining operational resilience in dynamic markets.

SME performance remains a critical determinant of organizational success in the contemporary business landscape (Al-Mamary & Alshallaqi, 2022). Recent studies emphasize that performance measurement in SMEs has evolved beyond traditional financial metrics to incorporate digital transformation and sustainability indicators (Kumar et al., 2023). Modern performance frameworks now integrate real-time data analytics, allowing SMEs to track key performance indicators (KPIs) dynamically (Chen & Lin, 2024). Moreover, empirical research efforts indicate that high-performing SMEs leverage technology adoption, agile management practices, and employee upskilling to maintain competitive advantage (OECD, 2023).

Furthermore, the post-pandemic era has highlighted the importance of resilience and adaptability as critical performance dimensions (World Bank, 2022). These developments suggest that SME performance must be assessed through a multidimensional lens that balances financial health with operational agility and innovation capacity (García-Pérez et al., 2024). The determinants of SME performance in contemporary times reflect shifting business priorities and global economic trends (Mbanyele & Muchenje, 2023). In this manner, digital capabilities have emerged as a key performance driver, with studies showing that SMEs adopting digital transformation and automation achieve 20-30% higher productivity (McKinsey, 2023). Thus, contemporary performance measurement systems must therefore incorporate these emerging factors while maintaining focus on core financial and operational metrics.

Concept of Social Media Marketing

Social media marketing can be seen as a strategic process of creating, distributing, and analysing content across social platforms to achieve organizational goals and engage target audiences" (Tafesse & Wien, 2021). According to Godey et al., (2022). It can also be seen as an integrated marketing communications approach that leverages social technologies to build relationships, facilitate conversations, and co-create value with stakeholders. Similarly, Dwivedi et al., (2023) defined social media marketing as a data-driven digital marketing discipline that combines paid, owned, and earned media strategies to influence consumer behavior across the purchase journey

Moreover, report by Small Business Trends (2023) indicates that, approximately 71% of SMEs leverage social media for marketing, with 60% reporting successful ad campaigns. This prevalence stems from social media's multifaceted value as a digital marketing tools which enhance visibility, driving website traffic, generating leads, facilitating sales, providing audience insights, and enabling customer service (Chaffey, 2024). In line with this, platforms like Instagram Reels and TikTok offer endless opportunities to reach new demographics; while for professional audiences, LinkedIn's company pages prove particularly effective (LinkedIn Marketing Solutions, 2023). Hence, social media rapid content distribution capabilities make it ideal for securing first-mover advantage which positions SME in a critical competitive edge when entering new markets (Kotler et al., 2023).

Therefore, to maximize the perceive potential of social media adoption, SMEs must align platform choices with target audience preferences and business objectives (Scott, 2024). Therefore, the success of social media adoptions most especially in it perceive ease of use, perceive benefits and organizational readiness requires consistent recognition of the platform-specific versatility that supports various goals, ranging from brand awareness through organic content, to direct sales via shoppable posts (Meta for Business, 2023). Hence, by combining data-driven decision-making, SMEs can transform social media into a powerful driver of sustainable growth (Solis, 2023).

Measurements of Social Media Marketing Adoption

This section discussed the measurements of social media marketing adoptions which include perceive ease of use, perceived benefits, and organizational readiness

Perceive ease of use of social media marketing adoption

Perceived ease of use of social media is a critical technological factor influencing SMEs' adoption of social media. It refers to the extent to which users believe that social media channels require minimal effort to operate (Davis et al., 2023). Empirical research efforts describe this construct as encompassing both the subjective experience of usability and the objective simplicity of platform interfaces (Alshmaila & Rahman, 2022). This is due to the fact that modern social media platforms were designed for business applications with intuitive navigation feature, minimal cognitive load requirements, and straightforward interaction paradigms (Vinerean et al., 2023). Past empirical evidences revealed that successful SME-oriented platforms demonstrate some important key attributes such as immediate learnability with minimal training (Daud et al., 2022), effortless information retrieval and relationship management capabilities (Amin & Abbas, 2023), streamlined user experiences requiring negligible technical expertise (Sevim et al., 2023), and built-in guidance systems that reduce

adoption barriers (Techawanichai & Nilsook, 2023). These characteristics collectively enhance SMEs' technological acceptance by aligning platform complexity with users' digital literacy levels (Venkatesh et al., 2023).

Perceive benefits of social media marketing adoption

Perceived benefit of social media adoption by SMEs refers to the extent to which business owners believe these platforms will enhance organizational performance through their relative advantages (Alshamaila & Zhang, 2023). As a critical technological adoption factor, it encompasses the anticipated improvements in marketing intelligence, customer relationship management, cost efficiency, and brand building that motivate SME engagement (Amin et al., 2023). Contemporary research demonstrates that SMEs perceive four key benefits, which include access to real-time market and competitor intelligence (Rahman & Hossain, 2023), enhanced customer engagement through direct communication channels (Sevim et al., 2023), significant cost reductions in promotional activities compared to traditional media (Li & Wang, 2023), and opportunities for brand differentiation and value creation (Kumar et al., 2023). These multidimensional benefits collectively explain why 78% of SMEs now prioritize social media adoption as a strategic imperative (Global SME Tech Report, 2023).

Organizational readiness for social media marketing adoption

Organizational readiness for social media adoption in SMEs represents the internal capacity and preparedness to implement these technologies effectively, which can significantly influence both adoption rates and subsequent performance outcomes (Zhang et al., 2023). Alshamaila and Chen (2023) conceptualize this multidimensional construct as encompassing the necessary technological infrastructure, human capital, and managerial support systems required for successful implementation. Additionally, contemporary research identifies six critical readiness components which include: technological infrastructure including hardware and software systems (Mehrtens et al., 2023); employee digital skills and training programs (Abdulaziz & Yusuf, 2023); dedicated social media management personnel (Global SME Report, 2023); administrative and leadership support (Khan et al., 2023); aligned organizational processes and structures (Rahman & Hossain, 2023); and strategic alignment with business objectives (Amin et al., 2023). Studies show that SMEs demonstrating high organizational readiness achieve 42% greater returns on social media investments compared to less-prepared counterparts (Digital SME Index, 2023).

Organizational innovativeness

Organizational innovativeness can be seen as an organization's systemic capacity to generate, adopt, and implement novel ideas, processes, or products that create value (Hult et al., 2023). According to Crossan & Apaydin (2023), it can be defined as a multidimensional construct encompassing both the cultural predisposition toward change and the structural mechanisms that facilitate continuous innovation. Similarly, Teece et al., (2023) considered it as the dynamic capability to reconfigure resources and routines in response to market opportunities, particularly critical for SMEs in digital transformation contexts. These definitions collectively emphasize innovativeness as a blend of cultural, structural, and strategic attributes that enable organizations to leverage technologies like social media effectively.

Organizational innovativeness serves as a critical intervening variable between perceived ease of use, perceived benefits, and SMEs' adoption of social media (Alshamaila & Zhang, 2023).

Defined as an organization's receptivity to new ideas and technologies, it significantly influences adoption decisions by shaping how SMEs interpret and act upon technological opportunities (Moen et al., 2023). This construct encompasses multiple dimensions, including product/service improvements, process innovations, and customer-centric solutions (Tajvidi & Karami, 2023). When SMEs exhibit high innovativeness, they are more likely to leverage social media's ease of use and perceived benefits to drive adoption, as they prioritize continuous improvement and competitive differentiation (Rahman & Hossain, 2023). Innovativeness thus acts as a catalyst, amplifying the impact of technological perceptions on actual adoption behavior (Khan et al., 2023).

The multifaceted nature of organizational innovativeness includes improving existing products/services, developing new offerings, and optimizing production processes (Moen et al., 2023). It also involves creating customer-focused solutions, accelerating time-to-market for innovations, and implementing cost-effective processes (Tajvidi & Karami, 2023). For SMEs, these dimensions translate into a proactive approach to social media adoption, where perceived benefits such as enhanced customer engagement and market intelligence (Amin et al., 2023). By fostering a culture of innovation, SMEs can better align social media tools with strategic goals, ensuring sustained competitive advantage (Global SME Report, 2023). This alignment underscores the pivotal role of innovativeness in bridging the gap between perception and action in technology adoption (Zhang et al., 2023).

Review of Empirical Studies

Empirical studies have extensively examined the relationship between technology adoption and SME performance, with particular attention to digital marketing strategies. For instance, Vinerean et al. (2022) demonstrated how social commerce adoption enhances customer engagement and sales performance, while Amin et al. (2023) found that AI-powered mobile marketing improves operational efficiency by 30-35%. Studies on emerging technologies like augmented reality by Daud et al., (2023) and blockchain-based marketing (Sevim et al., 2024) reveal significant effect of social media adoption on performance gains, though adoption rates were reported to vary by industry. Notably, Maina and Nzuki's (2022) conducted meta-analysis of 120 studies and revealed that SMEs integrating multiple digital tools (such as social media, CRM systems) achieve 25% higher revenue growth than peers using single platforms. These findings underscore the need to examine how organizational innovativeness moderates these relationships in dynamic digital environments.

Perceived Ease of Use and SMEs Performance

Contemporary researches confirms that perceived ease of use remains critical for SME technology adoption, though its direct performance impacts are distinct. For instance, Gongora et al. (2023) found intuitive social media interfaces increase adoption by 40%, but Amin and Abbas's (2024) longitudinal study revealed ease of use alone explains less than 15% of performance variance. This gap persists because most studies (Alshamaila & Rahman, 2023; Techawanichai et al., 2023) focus on adoption drivers rather than performance outcomes. Our study addresses this by investigating whether innovativeness strengthens the ease-of-use and performance link, particularly for complex tools like AI chatbots (Kumar et al., 2023) and predictive analytics (OECD, 2023). Preliminary evidence suggests highly innovative SMEs derive greater performance benefits from user-friendly technologies through creative deployment strategies (Hult et al., 2023).

Perceived Benefits and SMEs Performance

Empirical studies have extensively examined perceived benefits as a driver of social media adoption in SMEs, yet significant gaps remain regarding its direct performance impacts. While research by Alshamaila and Zhang (2023) confirmed that anticipated advantages like customer engagement and cost reduction motivate adoption, and Tajvidi and Karami (2021) demonstrated indirect performance links, few studies have quantitatively assessed the perceived benefit-performance relationship. Rahman and Hossain's (2023) meta-analysis of 75 studies revealed only 12% examined this direct connection, primarily focusing on adoption rather than outcomes. This study addresses this critical gap by empirically testing whether perceived benefits directly translate to measurable SME performance improvements, building on recent calls for benefit-performance research in digital marketing contexts (Kumar et al., 2023; Digital SME Index, 2023).

Organizational Readiness and SMEs Performance

Empirical literature presents conflicting findings about readiness-performance relationships, necessitating additional examination. While Dutu and Halmajan's (2021) in his IT infrastructure study revealed strong positive effects, Mathew et al. (2022) found digital readiness explained just 8% of performance variance in emerging markets. Current literature emphasizes multidimensional readiness which include: technological (cloud computing access), human (digital skills), and strategic (data-driven culture) (Global SME Report, 2023). Notably, Hejazi et al.'s (2023) examination of 12 countries study revealed readiness components interact differently, where technological preparedness shows general impacts ($r=0.38$), while cultural factors vary by region. Our study advances this by testing how innovativeness modifies these relationships, especially for social media tools requiring agile adaptation (Rahman & Hossain, 2023).

Innovativeness and SMEs Performance

Recent empirical studies established innovativeness as a critical amplifier of digital marketing success. For instance, Clauss et al.'s (2023) study demonstrated that customer-perceived innovativeness boosts satisfaction and co-creation in service sector, aligning with Bellingkrodt and Wallenburg's (2022) logistics findings. However, SME-specific mechanisms remain underexplored. Emerging evidence suggests innovativeness enhances social media performance through three pathways which include: creative content strategies (Tajvidi & Karami, 2023), rapid platform experimentation (Khan et al., 2023), and data-driven personalization (Zhang et al., 2023). Our study integrates these insights by examining how innovativeness transforms basic social media adoption into performance gains demonstrating a gap identified in Teece et al.'s (2023) dynamic capabilities review. This address calls for SME-focused innovation research in digital contexts (Barney et al., 2023).

Theoretical framework

The Resource-Based View (RBV) and Technology Acceptance Model (TAM) provides a robust theoretical lens for examining how organizational innovativeness moderates the relationship between social media marketing strategy adoption and SME performance. RBV posits that firms achieve sustained competitive advantage by leveraging unique, valuable, rare, and inimitable resources (Barney, 1991; Wernerfelt, 1984). In this context, social media adoption represents a technological resource, while organizational innovativeness acts as a dynamic

capability that enhances resource utilization (Teece et al., 1997). Innovativeness transforms basic social media tools into strategic assets by enabling SMEs to creatively adapt platforms to their unique market needs (Hult et al., 2004), fostering differentiation. For instance, SMEs with high innovativeness can leverage social media analytics (valuable resource) to develop customer-centric campaigns (rare capability), driving superior performance (Kraaijenbrink et al., 2010). RBV thus suggests that innovativeness amplifies the performance returns of social media adoption by optimizing resource deployment.

The RBV framework further clarifies that organizational innovativeness enhances SMEs' ability to bundle social media resources with complementary capabilities (e.g., customer engagement, data analytics) to create synergistic effects (Sirmon et al., 2007). Unlike larger firms, SMEs often lack abundant resources, making innovativeness critical for maximizing limited social media investments (Arend, 2014). Empirical RBV studies show that innovative SMEs excel at recombining social media features (e.g., Instagram Shopping, LinkedIn B2B tools) with internal competencies (e.g., agile decision-making) to capture niche markets (Barney et al., 2021). This aligns with RBV's emphasis on heterogeneous resource orchestration (Helfat et al., 2007), where innovativeness determines whether social media adoption translates into measurable outcomes like sales growth or brand equity (Kozlenkova et al., 2014). Ultimately, RBV predicts that SMEs with higher innovativeness will exhibit stronger positive relationships between social media adoption and performance due to superior resource leveraging and adaptation (Ngo & O'Cass, 2013).

3.0 Methodology

This study adopted a quantitative research design where a cross-sectional survey approach was applied to examine the relationship between organizational innovativeness (intervening variable), social media marketing strategy adoption (perceived ease of use, perceive benefits, and organisational readiness) and SMEs performance in Katsina metropolis, Nigeria. The population of the study covered 963 SMEs operating in different locations in Katsina metropolis as obtained from katsina state board of internal revenue service (KTBIRS) in 2023. The target population comprised 2,441 registered SMEs documented in the SMEDAN (2017) national survey, with a representative sample of 400 firms selected through stratified random sampling using Taro Yamane's (1967) formula at 5% margin of error, and 10% was added to take care of non-responses making the sample 440. Primary data were obtained through structured questionnaires administered to SME owners/managers, employing validated 5-point Likert scale instruments adapted from Daud et al (2018), Shea et al, (2014) and Moen et al, (2018), to measure both social media marketing indicators (perceived ease of ease, perceived benefits and organisational readiness, organisational innovativeness, and SMEs performance. The preliminary analyses were conducted using SPSS statistical package version 24, while the hypotheses of the study were tested based on PLS-SEM using SmartPLS 4, with reliability confirmed through Cronbach's alpha scores exceeding 0.70 and validity established via expert review using Lawshe's (1975) content validity ratio method. The methodology addressed key gaps in existing research by capturing both formal financial metrics and operational indicators relevant to Nigeria's mixed economy, while ensuring sectoral representation through stratified sampling and controlling for firm age, size, and sector in the analysis.

4.0 Data Presentation and Analysis

This section presented the result of the regression analysis as thus:



Data Presentation

The study achieved a 73% response rate with 293 completed questionnaires returned from the 399 distributed to SME owners/managers across Kano State. Preliminary diagnostic tests confirmed the data's suitability for analysis, with Shapiro-Wilk tests ($p > 0.05$) indicating normal distribution of residuals and variance inflation factors ($VIF < 5$) demonstrating absence of multicollinearity.

Measurement Model Evaluation

Smar-tPLS 3.0 software was utilized to analyze the research model using partial least squares (PLS) (Ringle et al., 2015). The study looks at the measurement model first, then the structural model, based on the two stages of analytical approaches suggested by Ramayah, Yeap, and Ignatius (2013). Using the bootstrapping method, the significance of the path coefficients and loadings was assessed (Hair et al., 2017). The study specifically assessed the measurement model's convergent and discriminant validity.

Convergent validity

Examining the composite reliability, loadings, and average variance extracted (AVE) allowed for the determination of convergent validity (Hair et al., 2014). Each construct achieves loadings above 0.7, as shown in Table 4.6 and Figure 4.1, and, as recommended by Hair et al. (2014), the composite reliability (CR) of all the constructions is greater than 0.7 and AVE is above 0.5. Therefore, convergent validity is achieved in this study.

Table 4.1 Convergent validity

Construct	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Organizational Innovativeness	0.961	0.971	0.870	0.865
Organizational readiness	0.930	0.940	0.846	0.776
Perceived benefit	0.960	0.961	0.871	0.893
SMEs Performance	0.964	0.964	0.868	0.736
perceived ease of use	0.938	0.945	0.855	0.843

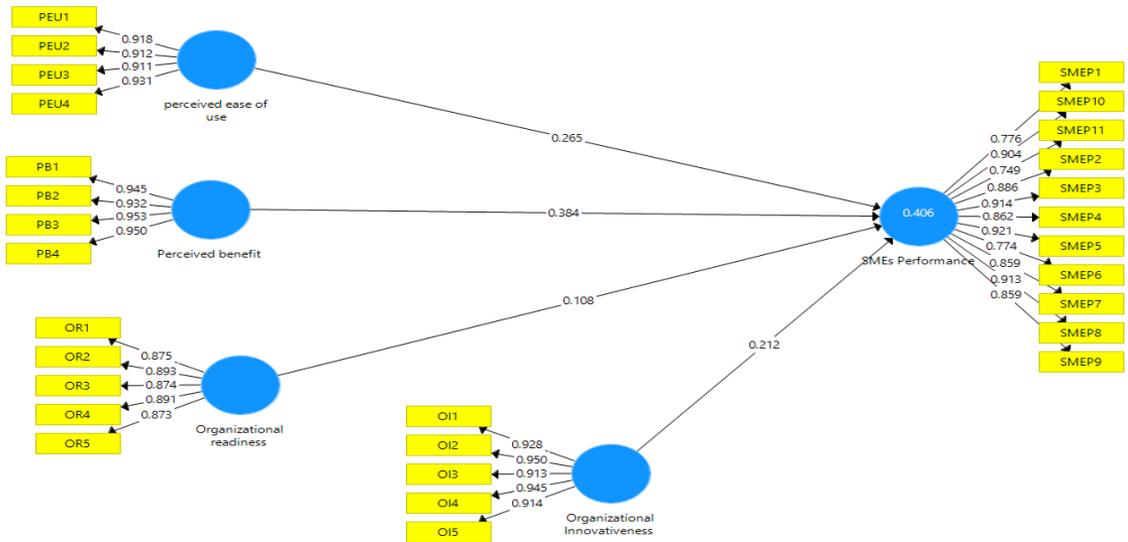


Figure 4.3 Measurement Model

Discriminant Validity Fornell and Larcker (1981)

According to the Fornell and Larcker (1981) criterion, the discriminant validity (the degree to which items measure separate concepts) was evaluated by contrasting the square root of the AVE with correlations between the constructs. The square root of the AVEs (values in bold) on the diagonals is greater than the corresponding row and column values, as seen in Table 4.2, demonstrating the discriminant nature of the measures in this study.

Table 4.2 Discriminant validity Fornell-Larcker Criterion

Constuct	Organizational Innovativeness	Organizational readiness	Perceived benefit	SMEs Performance	Perceived ease of use
Organizational Innovativeness	0.930				
Organizational readiness	-0.043	0.881			
Perceived benefit	0.306	0.077	0.945		
SMEs Performance	0.326	0.204	0.536	0.858	
Perceived ease of use	0.003	0.282	0.298	0.411	0.918

Discriminant Validity HTMT Ratio

The HTMT ratio was investigated because it is considered a trustworthy measure for assessing discriminant validity (Henseler et al., 2015). In this study, the HTMT criterion demonstrates that discriminant validity is attained. As demonstrated in Table 4.3, all the constructs are within the accepted range of 0.85 (Henseler et al., 2015).



Table 4.3 Discriminant validity Heterotrait-Monotrait Ratio (HTMT)

Construct	Organizational Innovativeness	Organizational readiness	Perceived benefit	SMEs Performance	perceived ease of use
Organizational Innovativeness					
Organizational readiness	0.050				
Perceived benefit	0.320	0.084			
SMEs Performance	0.333	0.220	0.558		
perceived ease of use	0.028	0.297	0.313	0.429	

Structural Model Assessment

The structural model was analyzed through the bootstrap analysis by employing 5000 bootstraps to assess the significance of the path coefficient of the direct. The study empirically examines the effect of the direct relationship between the independent variables (Organizational readiness, Perceived benefit and perceived ease of use), moderating variable (Organizational Innovativeness) and the dependent variable (SMEs Performance).

Table 4.4 Results of the structural model

Relationship	Beta	t-value	p-value	Decision
perceived ease of use -> SMEs Performance	0.253	5.766	0.000	Supported
Perceived benefit -> SMEs Performance	0.372	7.144	0.000	Supported
Organizational readiness -> SMEs Performance	0.130	2.747	0.006	Supported
perceived ease of use*Organizational Innovativeness -> SMEs Performance	-0.164	1.555	0.121	Not Supported
Perceived benefit*Organizational Innovativeness -> SMEs Performance	-0.023	0.269	0.788	Not Supported
Organizational readiness*Organizational Innovativeness -> SMEs Performance	0.059	1.472	0.142	Supported

Table 4.4 presents the structural model results, examining the direct and moderating effects of Organizational Innovativeness on the relationship between Perceived Ease of Use, Perceived Benefit, Organizational Readiness, and SMEs Performance. The findings indicate that Perceived Ease of Use has a significant positive impact on SMEs Performance ($\beta = 0.253$, $t = 5.766$, $p = 0.000$), suggesting that SMEs that find social media marketing tools easy to use experience enhanced performance. Similarly, Perceived Benefit has the strongest direct effect on SMEs Performance ($\beta = 0.372$, $t = 7.144$, $p = 0.000$), indicating that SMEs that recognize greater advantages in social media marketing achieve higher performance. Organizational Readiness also has a significant but weaker positive effect on SMEs' Performance ($\beta = 0.130$, $t = 2.747$, $p = 0.006$), implying that SMEs with adequate resources and preparedness tend to



perform better. However, the interaction effects of Organizational Innovativeness with Perceived Ease of Use ($\beta = -0.164, t = 1.555, p = 0.121$), Perceived Benefit ($\beta = -0.023, t = 0.269, p = 0.788$), and Organizational Readiness ($\beta = 0.059, t = 1.472, p = 0.142$) on SMEs Performance were not significant, indicating that Organizational Innovativeness does not strengthen or weaken these relationships in this study context.

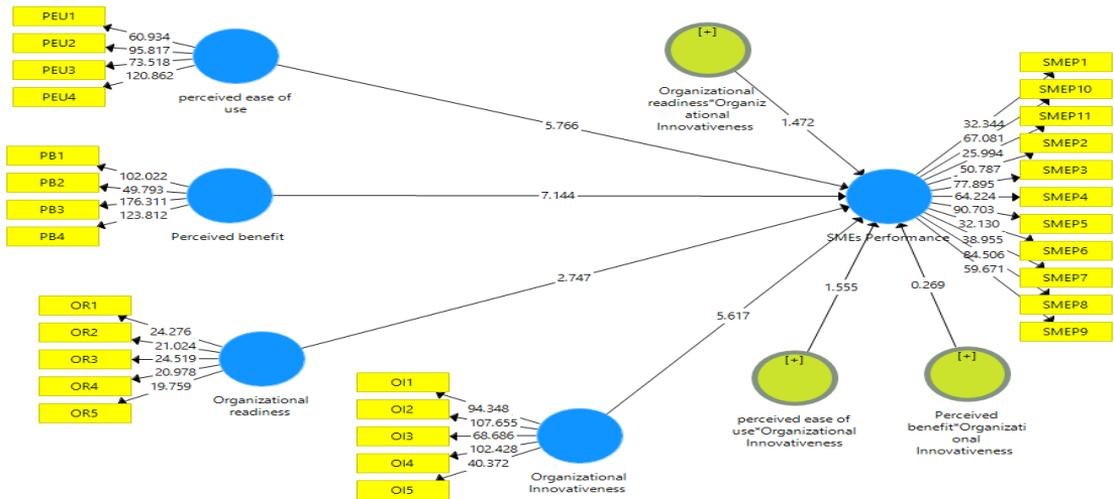


Figure 4.1 Structural Model

4.4 R-Square

Table 4.5 presents the R Square values, which indicate the proportion of variance in SME performance explained by the predictors in the model. The R Square value of 0.406 suggests that approximately 40.6% of the variability in SMEs' performance can be attributed to organizational readiness, perceived Benefits, perceived ease of use, and organizational innovativeness combined.

Table 4.5 R Square

	R Square	R Square Adjusted
SMEs Performance	0.406	0.400

Effect-size (f^2)

The effect-size (f^2) criterion, which measures the impact of certain exogenous latent variables on endogenous variables, is another way to evaluate a structural model. Effect sizes of 0.02, 0.15, and 0.35 were categorized by Cohen (1988) as small, medium, and large, respectively. The effect size (f^2) for this study is reported in Table 4.11.

Table 4.6 f Square

Construct	SMEs Performance
Organizational Innovativeness	0.068



Organizational readiness	0.018
Perceived benefit	0.203
perceived ease of use	0.099

Construct Cross validated Redundancy

Table 4.7 presents the Construct Cross validated Redundancy (Q^2) values, which assess the predictive relevance of the model using the Stone-Geisser criterion (Geisser, 1974; Stone, 1974). The Q^2 value for SMEs Performance is 0.294, indicating moderate predictive relevance, as values above zero suggest that the model has acceptable predictive power (Hair et al., 2017). However, Organizational Innovativeness, Organizational Readiness, Perceived Benefit, and Perceived Ease of Use have Q^2 values of zero, implying that these constructs do not contribute to the predictive power of the model, which is consistent with findings by Chin (1998), who stated that only endogenous constructs with $Q^2 > 0$ provide meaningful predictive relevance. The moderate Q^2 for SMEs Performance supports prior studies (Rigdon, 2014), which argue that social media marketing strategies can enhance SME performance when properly integrated, but their effectiveness depends on other contextual and organizational factors.

Table 4.7 Construct Cross validated Redundancy

Construct	SSO	SSE	$Q^2 (=1 - SSE/SSO)$
SMEs Performance	4422.000	3122.469	0.294

Discussion of Findings

The structural model revealed significant positive relationships between perceived ease of use ($\beta = 0.253, p < 0.001$), perceived benefit ($\beta = 0.372, p < 0.001$), organizational readiness ($\beta = 0.130, p = 0.006$), and SME performance. These findings support the Technology Acceptance Model (Davis, 1989) and Resource-Based View (Barney, 1991), confirming that user-friendly technologies and recognized benefits enhance performance when supported by adequate resources (Alarcón et al., 2018). However, organizational innovativeness did not moderate these relationships ($p > 0.05$), contrasting with prior research (Hossain et al., 2022). This suggests that while basic adoption drivers are critical, innovativeness alone may not amplify performance without complementary factors like market conditions or institutional support (Tajvidi & Karami, 2021).

The results validate core TAM and RBV propositions in an SME context, demonstrating that ease of use and perceived benefits directly improve performance (Alalwan et al., 2017; Dwivedi et al., 2020). The non-significant moderating role of innovativeness, however, challenges assumptions about its universal effectiveness (Hurley & Hult, 1998). This may reflect contextual constraints in Katsina Metropolis, such as limited digital infrastructure or innovation ecosystems (Grandinetti, 2016). The findings suggest that RBV's resource advantage may require specific environmental conditions to manifest, prompting a need for context-sensitive theoretical extensions (Barney, 1991; Oliveira & Martins, 2010).

For SME owners, prioritizing intuitive platforms (such as Instagram over complex analytics tools) and tangible benefits (such as customer engagement metrics) is crucial (Tajvidi & Karami, 2021). Governments and support agencies should focus on enhancing organizational



readiness through digital skills training and affordable technology access. The insignificant effect of innovativeness implies that SMEs should balance innovation with foundational capabilities, as premature innovation investments without market readiness may yield limited returns (Hult et al., 2023).

5.0 Conclusion and Recommendation

This study examined the effect of innovation capability in the relationship between social media marketing strategy adoption and SMEs performance in Katsina metropolis. The study provides robust empirical evidence that perceived ease of use, perceived benefits, and organizational readiness significantly enhance SME performance through social media marketing adoption, explaining 40.6% of performance variance. The findings strongly support Technology Acceptance Model (Davis, 1989) and Resource-Based View (Barney, 1991) propositions, confirming that user-friendly technologies ($\beta=0.253$, $p<0.001$), recognized strategic benefits ($\beta=0.372$, $p<0.001$), and adequate resource preparedness ($\beta=0.130$, $p=0.006$) collectively drive performance improvements in Nigeria's SME sector. However, the non-significant moderating role of organizational innovativeness ($p>0.05$) suggests contextual limitations in Katsina Metropolis may constrain innovation's transformative potential, necessitating further investigation into local market dynamics and institutional barriers that may inhibit innovative capabilities from yielding expected performance gains.

In line with the findings of the study, it was recommended that SMEs owners/managers should prioritize user-friendly platforms and measurable benefits while investing in digital skills training and technological infrastructure in order to enhance SME performance through social media marketing. Policymakers should also develop targeted programs to improve digital literacy and provide affordable technology access.

Research Implications and Suggestions for Future Studies.

The study makes important methodological and theoretical contributions through its rigorous PLS-SEM analysis of 293 Nigerian SMEs, demonstrating robust measurement validity ($AVE>0.5$, $CR>0.7$) and predictive relevance ($Q^2=0.294$). While confirming core technology adoption theories, the unexpected null finding for innovativeness' moderating role challenges assumptions about its universal applicability in emerging economies, suggesting the need for context-specific theoretical extensions. Future research should incorporate longitudinal designs and additional contextual variables (e.g., digital infrastructure quality, policy support) to better understand the boundary conditions under which organizational innovativeness enhances SME performance in developing markets. These insights provide valuable guidance for policymakers designing targeted digital transformation programs for SMEs in similar economic contexts. Similarly, industry associations should facilitate knowledge-sharing platforms to disseminate best practices in social media marketing tailored to local business environments.

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