

REVIEW ARTICLE

EFFECT OF DIGITAL MARKETING ADOPTION ON THE SUSTAINABLE GROWTH OF SMALL AND MEDIUM ENTERPRISES (SMEs): EVIDENCE FROM NIGERIA

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ABSTRACT

Many large businesses have deployed digital marketing strategies, while SMEs, especially in Nigeria, appear to be lagging in this aspect. Hence, this study aims to examine the effect of digital marketing adoption on the sustainable growth of SMEs in Nigeria, with a broad objective. A survey research design was adopted for the study, with a population of 12,301 SMEs across the five South-Eastern states of Nigeria, and a sample size of 372, arrived at after applying Krejcie and Morgan's 1970 sample size determination formula. A self-structured questionnaire was used for data collection, and it was subjected to both validity and reliability tests. The analysis of data was done using a combination of descriptive statistics inferential statistics, and the hypothesis was tested at a 5% significance level. The findings revealed that the most significant barriers to DM adoption by SMEs are electricity challenge, lack of knowledge on how DM works. The least challenges are lack of believe in online stuff and not having knowledge about the existence of online marketing. The result of the hypothesis test showed that DM has a statistically significant relationship with the business expansion of SMEs ($R = 0.952$; indicating a very strong positive relationship between digital marketing and business expansion. R Square = 0.906; F -statistic = 3066.902; t -value = 55.380, $p < 0.001$). Going by this, the study concluded that a strong and statistically significant relationship exists between DM and business expansion of SMEs. Sequel to this, among others, the study recommended that government agencies, SME associations, and private stakeholders need organize regular training workshops and digital literacy programs to equip SME operators with the knowledge and skills necessary to effectively use DM tools.

KEYWORDS

Online Adverts, Digital marketing, Sustainable growth, Business expansion, SMEs, Nigeria

1. INTRODUCTION

The role of Small and Medium Enterprises (SMEs) in economic growth and development is no longer hidden, as captured by the extant literature. They have a significant impact on the economy of nations such as Bangladesh, making substantial contributions to the Gross Domestic Product (GDP), employment, and innovation (Fuad, Natha, Siddiquea and Chowdhury, 2024; Arachie, et al., 2020; Umetiti, Nwafor, Arachie and Ifeme, 2025; Arachie, Emmanuel and Idigo, 2023). This form of business most times finds it hard to compete with bigger and more established firms. This is even more so with the advent of technology, where bigger firms have the capacity to deploy high-end technological systems. Authors aver that in recent years, technological advancements have made it difficult for SMEs to compete especially in the marketing aspects, with digital marketing becoming the primary means for expanding growth and enhancing performance (Sharabati, et al., 2024).

Making profit is one of the major aims of SMEs, as captured who argue that businesses of whatever form exist mainly to make profits through service offerings, product sales, manufacturing or both by (Nnabuife, et al., 2018). To achieve this, marketing plays a major role as more sales are made when more persons purchase or patronize the business. By providing value to people in the forms of goods or services. Marketing has become crucial for businesses, especially in today's globalized markets (Payares, et al., 2023). Marketing has become increasingly digital in today's world with improvements in technology and internet penetration across the globe,

and Nigeria is catching up. Businesses have also gained massively in different ways such as digital marketing, using technologies (Arachie, et al., 2020).

Business growth of SMEs can be guaranteed through the deployment of digital marketing (DM) tools. The emergence of DM has given businesses, including SMEs unparalleled chances to expand their market presence, optimize their operations, and compete more evenly with bigger firms (Fuad, et al., 2024). DM involves using digital media such as search engines, social media networks, emails, and websites to advertise goods, services, and viewpoints; interact with consumers; etc. (Sharabati, et al., 2024). DM confer a lot of advantages to firms who adopt them. It allows SMEs to focus on particular demographic groups, assess the effectiveness of their campaigns in real-time, and modify their approaches based on data-driven observations (Fuad, et al., 2024). By utilizing analytics tools and implementing data tracking systems, firms can acquire a more comprehensive comprehension of their clients, encompassing their purchasing behaviours, preferences, and feedback (Fuad, et al., 2024).

Increased access to the internet across the globe, where 4.1 billion have access to the internet is one of the major contributing factors to the increasing adoption of DM technologies (Nejadirani, et al., 2011). The democratization of internet access and the proliferation of mobile devices in Nigeria have created a new digital ecosystem, where platforms like Instagram, Facebook, Twitter, and TikTok dominate consumer attention and drive purchasing decisions (Fuad, et al., 2024). However, while some SMEs use DM, the majority cannot harness all its benefits, resulting in

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varying impacts on their performance (Jadhav et al., 2023; Pandey et al., 2020). It is against this backdrop that this study was necessitated to examine the effect of digital marketing adoption on the sustainable growth of SMEs in Nigeria. Specifically, this study seeks to:

- Identify the benefits of DM deployment to SMEs
- Examine the barriers to the adoption of DM by SMEs
- Determine the relationship between DM and business expansion of SMEs

2. REVIEW OF RELATED LITERATURE

2.1 Digital Marketing

When the internet plays a role in the marketing activities of companies, then it is said to be digital marketing (DM). When the traditional ways of marketing including television, radio and print media take a backseat for the internet and various online platforms to take the driving seat of the marketing strategies of companies, DM is said to be at play. DM is understood as an online activity which aims to market products and services to the target customers (Kumar, et al., 2021). Digital marketing institute define it as the “use of digital technology to create integrated, targeted and measurable communications that help to obtain and retain customers while building deeper relationships with customers” (Chaffey and Ellis-Chadwick, 2016).

Digital marketing refers to the utilization of the Internet and other interactive technologies to establish and facilitate communication between businesses and targeted consumers (Udayana, et al., 2023). Various strategies, techniques and tools are deployed to actualize the DM targets. It encompasses branding activities, including brand recognition, via multiple online platforms such as blogs, websites, email, AdWords, and other social networks. The online medium can include different methods such as email marketing, content marketing, social media marketing etc (Algumzi, 2022). It comprises various channels and approaches, such as social media marketing, search engine optimization (SEO), content marketing, email marketing, and pay-per-click (PPC) advertising (Manoharan and Narayanan, 2021).

Digital marketing harnesses the capabilities of digital technologies and data to engage potential customers instantaneously, encompassing a diverse array of strategies and tactics including Search Engine Optimization (SEO), Content Marketing, Social Media Marketing, Email Marketing, Affiliate Marketing, Influencer Marketing, Mobile Marketing, Data Analytics, Video Marketing, Advergaming, Pay-per-click Advertising, Chatbots, and Messaging Applications (Evans et al., 2011; DeMers, 2017; Zahay and Roberts, 2019; Holliman et al., 2019). It leverages digital platforms and channels to promote products or services, engage with audiences, and enhance brand presence and image online (Desai, 2019; Purnomo, 2023).

2.2 Benefits of Digital Marketing

Deployment of DM in the marketing activities of SMEs portends various advantages to the businesses. Digital marketing has become essential for SMEs looking to compete in today's fast-paced business landscape (Ijomah, et al., 2024). With the majority of consumers turning to the Internet to research products and services, having a strong online presence is critical for SMEs to attract and engage with their target audience (Atadoga, et al., 2024, WebHorse Marketing, 2024, World Bank, 2021). By utilising digital platforms, SMEs can benefit from marketing options that are more scalable, affordable, and can be tailored to target markets more specifically (Ausat and Suherlan, 2021; Suherlan and Okombo, 2023). Aver that DM has become indispensable for organizations aiming to remain competitive in contemporary markets for various reasons (Zook and Graham, 2007). Firstly, DM possesses extensive reach, enabling organizations to engage a global audience and a substantial number of consumers irrespective of their geographical location, thereby transcending spatial constraints. It also provides the capability to target specific audience segments utilizing demographic data, interests, and behaviours, hence augmenting marketing efficacy (Hollensen, 2019). DM offers comprehensive measurements and analysis that enable firms to assess performance and make data-informed decisions (Ryan, 2016). All of this is due to the fact that DM efforts affect consumers' purchase intentions (Dunakhe and Panse, 2022), and it is important to note that during periods of crisis and uncertainty, such as the pandemic, DM material can assist both enterprises and society in navigating these issues (Yaghtin et al., 2022).

Digital marketing enhances corporate competitiveness via efficient online marketing and sales (Omar, Ramayah, Lin, Mohamad, and Marimuthu, 2011). It provides marketing opportunities at a reduced cost, including

free options; yet, numerous organizations neglect to capitalize on this (Payares, et al., 2023). It is essential for firms as it facilitates client engagement, enhances understanding, and addresses their demands (Araque, 2021). As assert that DM is becoming progressively prevalent as enterprises acknowledge the need for a robust online presence (Bâra et al., 2023). Utilizing digital technology for product or service promotion enables firms to engage a broader audience, communicate with customers instantaneously, and achieve this in a cost-efficient manner (Alwan et al., 2022).

Digital marketing through digital technologies and social media has improved connectivity and collaboration between companies and customers across all sectors (Arrigo, 2018). They are used to engage stakeholders, policymakers, and multi-level partners as part of behaviour change interventions (Flaherty and Domegan, 2021). In addition, digital marketing facilitates immediate interaction and involvement with clients, cultivating a sense of community and trust between the firm and its audience (Fuad, et al., 2024). By implementing efficient SEO tactics and creating engaging content, even small enterprises may attain prominent positions on search engine result pages, thereby enhancing their online presence and drawing in prospective clientele (Fuad, et al., 2024).

Small and medium-sized firms (SMEs) employing DM to advance their sustainability initiatives experience heightened consumer loyalty and brand trust (Khann and Emon, 2023; Fuad, et al., 2024). SMEs utilizing digital marketing analytics attain enhanced outcomes in sales and client retention (Olusegun et al., 2020). Furthermore, DM analytics provide SMEs with critical insights into consumer behaviour, preferences, and trends. This allows them to tailor their marketing strategies with exceptional efficacy (Khann and Emon, 2023). SMEs may now assess the efficacy of their marketing strategies in real time and make data-driven decisions (Fuad, et al., 2024).

2.3 Barriers to Digital Marketing Adoption

Digital marketing can help small and medium-sized businesses (SMEs) in Nigeria become more visible and thrive, but many of these organizations still have trouble using and integrating it properly. One of the biggest problems is that business owners and employees lack the skills to properly capitalize on the opportunities inherent found that even in Lagos, where digital infrastructure is rather advanced, many SME managers could not implement simple digital marketing campaigns, even though they had access to internet platforms in (DM. Adeniyi et al., 2024). Because of this skills gap, businesses miss chances to connect with customers and grow their markets. SMEs also have trouble using digital tools because of financial challenges. They usually have tight budgets, and many of them have trouble finding money for building websites, running digital ads, or hiring marketing experts. To this end, aver that many small firms in Lagos could not afford to keep investing in digital infrastructure, which made it much harder for them to reach customers through marketing (Adeyemi, 2020).

Another challenge bedeviling SMEs in DM adoption is infrastructure. SMEs have a hard time staying online since the electricity is unreliable, the internet is expensive, and the connection is bad, especially in rural or semi-urban locations. It say that these problems are common in northern Nigeria and are a big reason why many SMEs stop or do not use online marketing at all (Ifeoluwa, et al., 2022). These problems make it hard for people to engage with their brand online in a consistent way, which hurts its credibility and trust. There is also resistance to change; reluctance by small businesses to change from what they already know. A lot of small business owners, especially older ones or those who are not very tech-savvy, think that DM is hard or not needed. It posits that generational disparities and fear of technology change were two of the main reasons why decision-makers did not want to move their marketing online (Nnajiubah, 2024).

There are also security concerns for SMEs when it comes to DM. Some business owners are afraid of cyber dangers, online scams, or consumer data breaches. This concern is made worse by the lack of clear rules to safeguard them. It point out that many SMEs were hesitant to use e-commerce or do business online because they were worried about safety and the cost and skill limits (Adeniyi et al., 2024). State that organizations encountering constrained resources, financial difficulties, inadequate marketing strategies, and insufficient competencies impede the integration of digital technology as innovative strategic instruments for sustainable growth (Yusendra, et al., 2024). Moreover, experts have highlighted that the incapacity of enterprises in developing nations to compete with larger firms stems from their reluctance to adapt and integrate digital technology into their marketing strategies.

2.4 Sustainability

Sustainability refers to a business system's capacity to uphold its production levels, as determined by natural processes, over an extended duration. Business sustainability refers to an enterprise that integrates social (human) and environmental (ecological) considerations into its activities and manufacturing processes while maintaining profitability (Udayana, et al., 2023). Define sustainable business as one that consistently integrates social, economic, legal, behavioural, and environmental values into its corporate strategy (Amiri et al., 2023). Sustainable growth denotes the pace at which a business surpasses its competitors financially regarding sales and profitability (Nimfa et al., 2021).

Business wants to be sustainable in terms of growth and expansion. To do this, they deploy a lot of techniques through various means. One of such means deployed by small businesses is to ensure that their products and services get to a lot of people through advertorials and promotions. Recently, there has been a craving for digitally driven adverts through what is known as digital marketing and it has been observed to be a means to sustainable performance of businesses. Recent advancements in technology and the Internet have led to the emergence of novel business models that prioritize sustainable tactics in organizational social identity and marketing approaches (Gregori and Holzmann, 2020). It is essential to acknowledge that conventional marketing tactics, such as print media and costly television commercials, may no longer yield optimal outcomes for SMEs in the contemporary landscape (Masocha, 2023). Shifting market dynamics and customer behaviour necessitate enhanced efficacy and sustainability in marketing initiatives (Sudirjo, 2023; Agustian, Hidayat, Zen, Sekarini, and Malik, 2023).

Effective marketing strategies, recognized for their cost-efficiency, may assist SMEs in attaining successful sustainable business growth and development (Al-Kwafi, et al., 2021; Pandey, et al., 2020). Currently, digital marketing serves as the paramount avenue for comprehending customer behaviour and interaction with firms online, making it essential for conveying and supporting organizations' sustainable initiatives (Saura and Palos-Sanchez, 2020). Digital technologies can enhance corporate performance while also promoting entrepreneurial endeavours. Furthermore, they serve as an efficient conduit for idea generation, consequently guiding companies towards sustainability (Gregori and Holzmann, 2020). Assert that the adoption of digital marketing in the Pakistani textile industry has reduced both tangible and intangible communication costs, allowing marketing managers to engage with potential consumers and thereby fostering sustainable performance (Sheikh, et al., 2018). Technological advancements in marketing enable firms to monitor, assess, and tailor strategies with greater accuracy than before; thus, the concept of large-scale partnerships may enhance the sustainability efforts of businesses through increased information sharing (Sivarajah, et al., 2020).

2.5 Business Expansion

Digital marketing has become an important way for businesses to grow, especially for SMEs in Nigeria. As technology-based marketing takes over from traditional marketing, SMEs are using digital tools more and more to reach more customers, make their brands more visible, and make more money. One of the best things about digital marketing is that it lets you reach a lot of people with very few resources. This makes it especially useful for businesses that do not have a lot of resources needed by traditional marketing strategies. According to a study, SMEs in Nigeria saw a huge increase in sales after switching to DM systems by (Bem et al.,

2023). Many businesses reported sales of between 1 and 3 million Naira, which was much higher than before they switched to digital marketing (Bem et al., 2023). Also pointed out that DM has a statistically significant effect on how customers buy things (Adeoye et al., 2022). This shows how important it is for businesses to grow and be seen in the market (Adeoye et al., 2022).

Social networking sites, in particular, are now very important for businesses to thrive. A study shows that social media marketing helps small businesses interact with customers, learn new things, and get more involved with their customers (Oyekan's, 2022). These are all important for growing their businesses in both local and worldwide markets. Also said that social media platforms may help businesses grow by making people more aware of their brands (Nwali and Ntegeeh, 2022). This is because they allow for consistent online engagement, community interactions, and customer feedback (Nwali and Ntegeeh, 2022).

Digital marketing offers many options, but using them effectively is not always easy. As observes that many SMEs in Nigeria use social media sites like Facebook and Instagram, but their effects are limited because they do not have the digital skills they need and their SEO techniques are not very good (Gwadabe, 2017). The study further states that hiring or outsourcing to qualified individuals could help the business expand even further (Gwadabe, 2017). It backed this up by saying that SMEs in southeastern Nigeria do not use e-marketing tools enough, which slows down business growth (Eze and Obikeze, 2017). This shows that there is a need for more digital literacy training (Eze and Obikeze, 2017).

New ways of marketing are also linked to better performance of SMEs. As discovered that SMEs in Makurdi, Nigeria, that used new digital strategies such as customized content and customer-focused campaigns were more competitive and reached more customers, making for business expansion (Ajayi, 2024). Also found that organizations that used social media customisation and customer interaction techniques had much better sales, which shows that DM is a direct driver of business expansion (Lawal and Adejuwon, 2023).

3. METHODOLOGY

A survey research design was adopted for this study because it collected data using a questionnaire, from sampled respondents, hence, making the survey research design the most suitable for the study. 12,301 SMEs across the five South-Eastern states of Nigeria made up the population of the study. Sample size determination formula was used to arrive at a sample size of 372 (Krejcie and Morgan's, 1970). To ensure an appropriate proportionate distribution of the questionnaire, Bowley's allocation formula was deployed. A Structured Questionnaire was used for data collection. To ensure that the questionnaire measured what it ought to measure, the questionnaire was subjected to both content and face validity. For consistency, the questionnaire was also subjected to construct validity using Cronbach Alpha, which returned a coefficient of .849. and reliability. The study used a total of 320 copies for the analysis which was done using a combination of descriptive statistics (mean, frequencies and percentages) and inferential statistics, (regression analysis). The hypothesis was tested at a 5% significance level and a 95% confidence level.

3.1 Data Presentation and Analysis

What are the barriers to the adoption of Digital Marketing by SMEs

Table 1: Responses on the barriers to adopting Digital Marketing by SMEs

S/N	Barriers to the adoption of DM by SMEs	SA	A	UD	D	SD	Mean	Ranks	Decision
1	The money involved makes me not to consider digital marketing	100	103	12	65	40	3.49	5 th	Accept
2	Knowledge of how it works hinders my adoption of online marketing.	220	59	29	12	-	4.52	2 nd	Accept
3	I have security concerns about online platforms, so, I have not adopted it yet.	87	119	-	90	24	3.48	6 th	Accept
4	I prefer doing things the old way.	78	122	-	51	69	3.28	7 th	Accept

Table 1 (cont): Responses on the barriers to adopting Digital Marketing by SMEs

5	Light issues make adopting digital marketing difficult for me.	200	107	10	43	-	4.57	1 st	Accept
6	I feel my business is still small for online marketing.	39	70	41	111	59	2.75	9 th	Reject
7	I do not know about online marketing, that is why I have not started using it. awareness	-	45	-	99	176	1.73	11 th	Reject
8	I do not believe in all this online stuff.	45	52	-	121	102	2.43	10 th	Reject
9	Internet connectivity is a problem here, so, online marketing will not give me the desired result.	90	132	-	80	18	3.61	4 th	Accept
10	The people who buy my product can be reached more effectively and efficiently through traditional marketing strategies.	60	89	56	60	55	3.12	8 th	Accept
11	I lack the marketing skills to deploy online means of marketing.	109	127	-	80	4	3.80	3 rd	Accept

Source: Field Survey, 2025

The findings from Table 1 reveal that several key factors hinder SMEs from adopting DM. The most significant barrier, as indicated by the highest mean score of 4.57 and ranked first, is the problem of electricity supply. Respondents strongly agreed that inconsistent power supply negatively affects their ability to embrace digital marketing platforms. Closely following this is the lack of knowledge on how DM works, with a mean score of 4.52, ranked second. This suggests that many SME operators do not possess the technical know-how or training required to navigate digital platforms effectively. Similarly, the lack of specific marketing skills ranked third with a mean of 3.80, pointing to a gap in digital marketing competence among business owners and their employees.

Another notable barrier is poor internet connectivity, which received a mean score of 3.61 and was ranked fourth. Respondents expressed concerns that unreliable internet makes it difficult to achieve meaningful marketing outcomes online. Financial constraints also play a role, as seen in the fifth-ranked item where the cost involved in digital marketing had a mean score of 3.49, showing that some SMEs perceive the technology as

expensive to implement. Security concerns on online platforms ranked sixth with a mean of 3.48, indicating that fear of cyber risks discourages some businesses from going digital. A preference for traditional methods ranked seventh with a mean of 3.28, suggesting that resistance to change continues to impede digital transformation among SMEs.

Interestingly, some respondents still believe that their customers are better reached through traditional strategies, which received a mean of 3.12 and was ranked eighth. On the other hand, barriers such as the perception that one's business is too small for digital marketing, disbelief in digital systems, and a lack of awareness were all rejected, having mean scores of 2.75, 2.43, and 1.73 respectively, which were lower than the threshold of 3 for acceptance. This implies that while most SMEs are aware of digital marketing, their major limitations are infrastructural, financial, and skill-related, rather than attitudinal or size-related.

What is the nature of the relationship existing between Digital Marketing and the business expansion of SMEs

Table 2: Responses on the nature of the relationship existing between Digital Marketing and business expansion of SMEs

S/N	Items	SA	A	UD	D	SD	Mean	Decision
	Digital Marketing							
1	My business actively uses various online channels such as social media, email, and websites to reach customers.	23	67	-	109	121	2.26	Reject
2	My business regularly updates our digital platforms to engage existing and potential customers.	11	40	-	132	137	1.92	Reject
3	Marketing through online means can improve my business ability to target specific kinds of customers.	40	60	34	100	86	2.59	Reject
4	My marketing strategy is now more digital-focused than traditional.	21	29	-	111	159	1.88	Reject
5	I prefer online means of marketing to traditional ones.	34	21	12	144	105	2.46	Reject
6	My business brand visibility and awareness can improve with digital marketing	56	60	38	100	66	2.81	Reject

Table 2 (cont): Responses on the nature of the relationship existing between Digital Marketing and business expansion of SMEs

	Business Expansion							
7	My business has experienced growth in customer base in recent years due to online marketing strategies.	12	38	-	49	220	1.66	Reject
8	I have expanded my operations into new markets through the help of online marketing.	20	22	-	89	189	1.73	Reject
9	Digital tools have supported my expansion plans effectively.	-	39	-	100	181	1.68	Reject
10	The visibility from digital platforms has attracted new business opportunities for my business.	11	30	40	69	170	1.88	Reject
11	More people now know and patronize my business thanks to online marketing efforts.	10	29	27	110	144	1.91	Reject

Source: Field Survey, 2025

Table 2 presents the responses of SMEs concerning their use of digital marketing and its perceived impact on business expansion. Across all six items measuring the use of DM, the mean scores were below 3.0, indicating widespread rejection. The item with the highest mean, 2.81, related to the belief that digital marketing can improve business brand visibility and awareness. Despite this slightly higher mean, it still falls below the threshold for acceptance, suggesting that SMEs recognize potential benefits but are not actively leveraging them. Similarly, respondents disagreed with the idea that DM helps target specific customer segments more effectively, as reflected by a mean score of 2.59. The majority of respondents also indicated that their businesses do not actively use multiple digital channels such as social media, email, and websites to reach customers, which was evident from a low mean of 2.26.

Furthermore, the data show a lack of commitment to maintaining an online presence, as the statement about regularly updating digital platforms received an even lower mean of 1.92. Respondents also disagreed with the notion that their marketing strategies are more digital-focused than traditional, scoring a mean of 1.88. Preference for online marketing over traditional means was not supported either, with a mean

of 2.46. These figures indicate that SMEs have not significantly embraced digital marketing in practice, despite recognizing some of its potential advantages.

With respect to business expansion, responses also showed very low mean scores across all five items. The statement about business growth in customer base due to online marketing scored a mean of 1.66, and expansion into new markets through digital platforms had a mean of 1.73. Further supporting this trend, the belief that digital tools have effectively supported business expansion plans had a mean of 1.68. Additionally, the statement that visibility from digital platforms has attracted new opportunities was rated at 1.88, and the idea that more people now patronize their business due to online marketing efforts had a mean score of 1.91. Overall, these results indicate that SMEs have not experienced significant business expansion as a result of DM activities, largely because of low adoption and engagement with digital strategies.

3.2 Test of Hypothesis

Digital Marketing has a statistically significant relationship with the business expansion of SMEs.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	t	Sig.
1	.952 ^a	.906	.906	1.653	3066.902	55.380	.000 ^b
a. Predictors: (Constant), DM							
b. Dependent Variable: BUSEXP							

Source: Field Survey, 2025

The hypothesis tested in this study is that Digital Marketing has a statistically significant relationship with the business expansion of SMEs. Table 3 presents the model summary of the regression analysis conducted to examine this relationship. The results show a correlation coefficient (R) of 0.952, indicating a very strong positive relationship between digital marketing and business expansion. This means that as SMEs increase their use or engagement in digital marketing, there is a corresponding and substantial increase in business expansion indicators. The R Square value is 0.906, which means that approximately 90.6% of the variation in business expansion among SMEs can be explained by their digital marketing practices. This is a very high explanatory power and suggests that digital marketing is a major contributing factor to the growth and expansion of SMEs. The Adjusted R Square, which adjusts for the number of predictors in the model, remains at 0.906, confirming the robustness of the model. The F-statistic value of 3066.902 with a significance level (p-value) of 0.000 indicates that the regression model is statistically significant overall. This means that the independent variable (Digital Marketing) reliably predicts the dependent variable (Business Expansion). Furthermore, the t-value of 55.380, also significant at $p < 0.001$, shows that the regression coefficient for digital marketing is statistically different from zero, thus confirming the strength and significance of the relationship. Therefore, the alternate hypothesis is accepted.

4. CONCLUSION

This study examined the effect of digital marketing (DM) adoption on the sustainable growth of SMEs in Nigeria. The findings revealed that although DM holds significant potential for expanding business visibility, customer base, and operational efficiency, most SMEs have not fully embraced its use. Key barriers include inadequate electricity supply, limited knowledge of DM tools, and insufficient digital marketing skills. Despite the low practical engagement, the regression analysis confirmed a strong and statistically significant relationship between diDM and business expansion of SMEs. This implies that businesses that effectively adopt digital marketing strategies are more likely to experience significant growth. However, the disconnection between the statistical potential and practical application suggests a gap in awareness, capacity, or resources, which needs to be tackled for the statistical significance to have real world effect on SMEs in the studied areas.

RECOMMENDATIONS

Following the findings, the study recommends that:

- Government agencies, SME associations, and private stakeholders need organize regular training workshops and digital literacy programs to equip SME operators with the knowledge and skills necessary to effectively use DM tools as this will lead to increase capacity for sustainability for the businesses.

- There is a critical need for improved electricity supply and internet connectivity, particularly in semi-urban and rural areas, to support seamless DM operations, so as to encourage SMEs to key into the DM strategies available to them.
- Financial institutions and Financial Technology (FinTech) firms need to develop affordable DM packages and financing options tailored to the needs of SMEs, enabling them to build and sustain an online presence.
- There is also a need to increase awareness campaigns to educate SMEs on the benefits of DM, especially its impact on business expansion, customer engagement, and competitiveness.

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