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Online Technology and Business Performance of SMEs In Osun State

Ibrahim, Kayode Muhammed [1†]; Hassan, Abidemi[2];
Carim, Abiola Abass[3]; Oni, Moses Taye[4]

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Abstract

Businesses are shifting from conventional methods of purchasing and selling to adopting online technology platforms due to advancements that enhance business performance. Despite the significant advantages of Internet technology in business, trade, industry, and commerce, many small and medium-sized business owners in Nigeria have yet to fully embrace the Internet's limitless benefits in their operations. This research, therefore, investigates the influence of online payment integration on SMEs' performance and examines the role of social media in enhancing the business performance of SMEs in the Osogbo Metropolis. Questionnaires were distributed to SMEs in Osogbo, with a sample size of 250. The descriptive statistical method employed included a frequency distribution table and simple percentages, while the stated hypothesis was tested using multiple linear regression. The findings indicate that the adoption of online technology has effectively improved SMEs' operations and performance, enhanced their methods of operation, and enabled them to expand across markets. Social media and online payment integration continue to play a crucial role in the performance of many SMEs' online technology strategies. Additional data analysis reveals that business performance increases by 0.394 and 0.295 for every unit increase in social media and online payment integration, respectively. Furthermore, online marketing has significantly improved SMEs' performance through enhanced social media platform marketing. It is recommended that SMEs utilize service providers offering bundled packages that include internet access, software, and support services at a reduced cost.

Introduction

Every activity and area require performance but comparing the performance of one activity to another can be challenging. SME performance refers to an organization's ability to achieve its objectives optimally and effectively, with the primary goal of providing clients and consumers with goods or services. Factors that may enhance or detract from a company's success through technology solutions have transcended

affiliation: [1,4] Department of Business and Entrepreneurship, Kwara State University, Malete, Ilorin;
[2,]School of Social Statistics and Demography, University of Southampton;
[3]Department of Marketing, Adeseun Ogundoyin Polytechnic, Oyo State, Nigeria

email: Ibrahim.kama93@gmail.com; hh3n23@soton.ac.uk; Lawaladams89@gmail.com; Onitaye96@gmail.com

† *corresponding author*

traditional marketing and sales tactics (Bendle et al., 2020). The definition of a small-scale firm has been shaped by the varying arrangements of ownership, control, management, and resource availability that SMEs have embraced in today's world. In developing economies like Nigeria, small and medium-scale enterprises (SMEs) are crucial for achieving national economic goals as they help to attain these objectives (Adanlawo et al., 2021). Empirical research has provided evidence supporting this assertion (Omotosho, 2020; Ahmad et al., 2018; Ladokun, 2019).

Due to technological advancements, companies are shifting away from traditional means of selling and buying towards online platforms to improve corporate operations. In recent years, the use of the Internet and cyberspace has become commonplace across all sectors of the economy. Businesses can reach customers online anytime and anywhere (Infante & Mardikaningsih, 2022). Both large and small SMEs operate in an intensely competitive global environment characterized by rapid technological advancement and change. According to Omotosho (2020), SMEs operating in this context must exercise initiative, embrace risk, promote creativity, and manage the uncertainty arising from external business factors such as technological advancements and market shifts. One aspect of this change is the current trend toward adopting internet technology as a new approach to consumer marketing communications. Thus, it is accurate to say that the concept of internet technology is not particularly novel (Selase et al., 2019). Social media technology has advanced in recent years to achieve various corporate goals (Akman & Mishra, 2017). However, due to their small size, which often leads to underperformance in the marketplace, small and medium-sized enterprises (SMEs) in Nigeria face challenges when competing with large-scale industries. Several factors adversely affect the growth of small businesses or SME subsectors, and small-scale organizations are particularly vulnerable due to their limited resources (Rosenstock et al., 2023).

Small businesses often struggle to acquire clients due to their lack of technological know-how and marketing experience. They face substantial challenges when navigating the complex landscape of digital marketing platforms and strategies. This complexity often results in limited online visibility and reach, impeding their ability to connect with potential customers and expand their market presence. The rapidly evolving nature of digital marketing, characterized by the constant introduction of new tools, algorithms, and best practices, can be particularly daunting for small business owners who may lack specialized knowledge or dedicated marketing personnel. Furthermore, the financial constraints typical of small businesses often preclude investments in professional marketing services or advanced tools that could significantly enhance their ability to attract and retain customers. These resources, readily available to larger companies, include advanced analytics software, customer relationship management (CRM) systems, and experienced marketing consultants. Without these assets, small businesses struggle to effectively target their audience, personalize their marketing efforts, or measure the efficacy of their campaigns. The combination of limited digital marketing expertise and constrained resources creates challenges for small businesses (Omotosho, 2020). They encounter difficulties in creating compelling content that resonates with their target audience, maintaining a consistent presence across various social media platforms, and optimizing their websites for search engines. This results in reduced online traffic, lower conversion rates, and missed opportunities for growth and expansion.

The cumulative effect of these challenges often manifests as slower growth trajectories for small businesses. Without effectively reaching and engaging potential customers online, they struggle to expand their customer base, increase sales, or penetrate new markets. Despite the substantial advantages of Internet technology in business, trade, industry, and commerce, many small and medium-sized business owners in Nigeria have not fully embraced the Internet's limitless benefits in their operations. This research holds significant value for stakeholders, particularly small and medium-sized enterprises (SMEs), policymakers, and researchers. By examining the influence of online payment integration and social media technology on the performance of SMEs in Osogbo Metropolis, the study aims to shed light on the potential of digital tools to transform small businesses in Nigeria. For SMEs, the study will provide practical insights into how digital platforms enhance market access, improve customer engagement, and boost sales. Understanding the role of online payment systems and social media in business performance will enable SMEs to make informed decisions regarding the adoption of these technologies, thereby helping them overcome resource constraints and compete more effectively in the marketplace.

Furthermore, this study will contribute to the academic discourse on digital transformation in developing economies and serve as a reference point for future research on the impact of technology on SMEs, highlighting gaps and opportunities for further exploration. Therefore, this research investigates the influence of online payment integration on SMEs' performance and examines the role of social media in enhancing SMEs' performance within Osogbo Metropolis. The study aims to answer the following questions: (1) To what extent does online payment integration influence SMEs' performance? and (2) How does social media affect SMEs' performance?

Literature Review

Conceptual Review

Online Payment Integration

In addition to facilitating communication, content creation, and information exchange in virtual communities, online payment integration by businesses represents a significant advancement within the broader spectrum of online technology. Online payment systems such as those offered by PayPal and Stripe or mobile banking apps such as OPay, Palmpay, Kuda, etc, enable businesses to conduct transactions seamlessly and securely across digital platforms. This integration not only expands the scope of online technology but also enhances the convenience and accessibility of e-commerce for both businesses and customers. Viral (2019) noted that online technology, encompassing various Internet-based applications, empowers users to engage with content more meaningfully. In this context, including online payment systems adds a new layer of functionality, allowing users to transition from simply interacting with content to making direct purchases or financial transactions within the same digital ecosystem. Omothoso (2020) highlighted the growing importance of electronic media in online communities. The rise of online payment integration further complements this trend by streamlining the purchasing process. This technology fosters trust and reliability, essential components in virtual communities, by ensuring that transactions are secure, efficient, and easy to complete.

Furthermore, Geelan (2021) emphasised the role of internet technology in connecting people globally through social media platforms. Online payment integration transforms these platforms from communication tools into influential commercial hubs. Businesses can leverage these platforms for marketing, conducting sales, and enhancing their reach and performance. Ladokun (2019) also pointed out that these platforms allow for user profiles that facilitate networking; similarly, online payment systems allow users to manage their financial transactions, contributing to a more comprehensive online experience. Online payment integration is a crucial aspect of online technology that enhances business performance by enabling seamless transactions within virtual communities. This development aligns with the broader trend of Internet technology evolving from communication-based tools to multifunctional platforms that support commerce, networking, and user interaction on a global scale.

Social Media

Social media was characterised as "an arrangement of Internet-based applications that construct on the hypothetical and innovative establishments that encourage the creation and trade of substance" by Kaplan and Haenlein (2010). User-Generated Substance Social media assist firms in improving several trade forms when utilised viably. Clients may hunt for, interface with, and trade data with other clients around anything and everything utilizing the different online stages that make up social media (Alves, et al., 2016).

According to Abidin (2016), the most well-known social media stages nowadays are Facebook, Twitter, YouTube, Instagram, and blogs. Social media's appearance has allowed individuals to democratise all data advertised on social media stages by empowering any client to specify their considerations. This also enables users to engage with one another online (Heinonen, 2011). The main factor that has influenced customers' purchase selections over time is the influence of other groups on social media platforms (Kembau & Mekel, 2014). Customers may now access information, past experiences, and other pertinent material from a person online, enabling them to acquire items more quickly and easily (Kembau & Mekel, 2014). However, certain people have been seen as having a more significant impact than others on social media platforms, and these people are now known as social media influencers (Burgess, 2017). Sites like Facebook, Instagram, Twitter, and LinkedIn are popular social media platforms that help small and medium enterprises survive and compete in the current digital economy. These outlets assist companies in enhancing the extent to which their firms are known and relatable to customers and developing ways of reaching target audiences for marketing and advertising purposes. Facebook and Instagram provide flexible cost structures for advertising since firms may test various advertising strategies and modify their marketing endeavours based on the results. Social media also offers market information and competition intelligence that helps SMEs make the right decisions concerning their marketing approach and products.

Social media increases site traffic and ranking by sharing blog posts, products, and other news on the business's website (Chawla & Chodak, 2021). They are getting social impacts on the SEO process and overall business performance, resulting in more traffic and better ranking on the results pages. Thus, this study concludes that social media is an essential means of increasing the business impact of SMEs. It

allows for multifaceted marketing and sales, developing competitive advantages, and managing a company's image at a relatively low cost and with easy access.

Small-to-medium enterprises (SMEs)

The EC definition, however, is broader and can generate several definitions for some nations. Researchers would have to employ other definitions of small businesses better suited to the specificity of the "target" group (an operational definition). It needs to specify that if performance is not influenced by size, then discursions over definition will be meaningless. For example, when assessing the outcome of a credit program within the target individuals, understanding the correlation between size and productivity is relevant (Omothoso, 2020). As for MSEs, the definition of micro, small, and medium-sized will ultimately vary by country or person giving the words meaning. Micro, Small, and medium-sized enterprises (MSMEs) refer to all business establishments in Nigeria employing less than 250 employees (Etim et al., 2023; Inyang et al., 2022). The micro-enterprise workforce is then defined as one or nine staff members. On an international scale, SMEs employ between 50 and 249 people as workers, while small businesses involve less than 50 employees. According to Etuk et al. (2022), and Awara et al. (2021), the Ministry of Industry, Trade, and Investment further estimates that 37+ per cent of Nigeria's populace is involved in the trading sector. Seven million MSMEs contribute to 84% of Nigeria's employment and 5% of its GDP. As stated by the ministry in its estimates, about 48% of the total business volume is constituted by MSMEs. Overall, GDP and 7% of Nigeria's GDP, on average, was spent on healthcare by all the participants. It explains that about 27% of the commodities and services produced in the nation are exported to other countries. The Micro-firms contribute to the formation of businesses; of them, 36,994,578 are micro-firms. Small-scale enterprises are third at 68, 168 followed by medium-scale enterprises at 4,670 (Etim et al., 2023).

Ladokun (2019) defines SMEs as establishments with less than 100 headcounts and an annual turnover that does not exceed €15 million. Private limited here refers to enterprises with less than 200 employees, as Richard et al. (1999) stated, while López and Aybar (2000) consider small companies with sales revenue below 15 million euros.

The UNIDO also categorises SMEs according to the number of employees in both industrialised and developing nations (Babatunde,2020). The following is the definition of industrialised nations:

- Large - businesses employing 500 or more people.
- Medium-sized businesses have 100–499 employees.
- Small businesses have 99 or fewer employees.

In this context, retailing SMEs are typically defined as businesses that sell goods directly to consumers and focus on local or niche markets. These enterprises often employ fewer than 50 employees and operate with limited financial resources. This definition of retailing SMEs emphasises the importance of customer engagement, inventory management, and adaptability in a rapidly changing market environment. In this sector, performance is often measured by factors such as customer satisfaction, sales growth, and the ability to maintain a competitive edge through efficient supply chain management and the adoption of digital technologies. The

unique dynamics of the retail sector, including fluctuating consumer demand and the need for quick response to market trends, require a tailored approach to defining and supporting these enterprises. This research focuses on this sector's unique characteristics, such as the need for strong customer relationships and effective operations.

Business Performance

Three distinct aspects of business outcomes make up business performance, according to Babatunde (2020): financial performance (profits, return on investment, return on assets, etc.); shareholder return (total shareholder return, economic value added, etc.); and market performance (sales, market share, etc.). Effective collaboration between owners and employees to accomplish tasks and goals in a coordinated manner is another aspect that influences how successfully manufacturing businesses function, in addition to strong economic performance. Morrison (2021) asserts that the entrepreneur is the development lever that decides the success or failure of a company's endeavour. Past, present, and future events are all included in the term "organisational performance". A task that has been finished, a continuing event, or preparations prepared for needs in the future are some more meanings of performance. For instance, while profitability is sometimes seen as the best performance indicator, it is not an accurate reflection of performance. A company's efficacy, efficiency, and environmental responsibility can be evaluated using a variety of standard or regulated metrics, such as cycle time, productivity, waste reduction, and regulatory compliance. Metrics assess the management of a specific request or the act of performing, like completing a task successfully or using knowledge instead of just knowing it, and they are also included in the performance category. It results from all organisational initiatives and strategies (Omothoso, 2020). Performance evaluation is essential since it allows one to ascertain an organisation's strategic status or whether or not it is accomplishing its goals (Makanga & Paul, 2017).

Use of Social Media by SMEs and Strategic Positioning

Technological advancements have made the digital economy's emergence easier (Makanga & Paul, 2017). These kinds of digital economies rely on the global communications network. Social media and other technologies that promote human connection and dependency have become vital tools for surviving in the business environment (Akman & Mishra, 2017). Businesses need to modify their approach to capitalise on the digital economy's opportunities. To attain excellent strategic positioning, companies must be flexible, quick to market, engaged in, and focused on their niche as technology continues to disrupt the business landscape. Much research has been done on the impact of social media on SMEs in developing countries, especially in Africa, despite the abundance of literature on the subject. Research on social media in Africa has not focused enough on how SMEs have used the internet as a tactical instrument (Viral, 2019).

Placing a company in a future-focused position while considering the ever-changing environment is known as strategic positioning (Kornberger, 2017). Maintaining the company's viability is the goal of this posture. Using social media technology as a lens, SMEs may better understand their surroundings and position themselves to capitalise on many market opportunities. By helping SMEs identify their unique niche inside their area of influence, positioning will help them maintain their place in the market.

Various studies have shown that consumers prefer businesses with active social media presence because they actively participate in conversations with them, discover more about their products and services, and often become brand advocates (Akman & Mishra, 2017). Most social media sites let users communicate in two ways: synchronously, when everyone interacts simultaneously, and asynchronously, when everyone interacts at various times. This dramatically improves the user experience across the groups and allows sharing of other material forms, such as photos and videos. There are certain disadvantages to using social media in addition to its many benefits. Companies may also find it difficult to control how content is distributed on their pages. This is because social media posts are often brief and use language that may be difficult for users to understand. For instance, a company may quickly lose market share and reputation if unfavourable information about it spreads via phoney accounts or on the platform. Additionally, companies cannot control how the content on their pages is distributed (Viral, 2019). Social media also assumes that you can access IT infrastructure, which can be challenging in some underdeveloped countries.

Several studies have been carried out to understand how social media impacts SMEs, and the results indicate that SMEs use social media more frequently (Viral, 2019). Because most of these studies were conducted in more developed countries, the results cannot be extended to emerging countries where small and medium-sized enterprises (SMEs) operate under specific governmental, legal, cultural, and socioeconomic contexts.

Theoretical Framework

Technology Acceptance Model (TAM)

TAM stands for Technology Acceptance Model. The Davis (1989) research methodology is widely recognised for its ability to forecast people's use and adoption of information systems and technology. Numerous studies that examine how individuals adopt new technologies in diverse information system topologies have been conducted, providing substantial research and support for TAM. In the TAM model, there are two variables. Perceived utility and ease of use are significant factors in computer use behaviours. According to Kamis et al., (2008), the subjective probability that using a specific application system will enhance a potential user's performance at work or on a personal level is known as perceived utility. Osun State's SMEs increasingly adopt online technology to improve their business performance. This technology, particularly e-commerce platforms and digital marketing tools, helps reach a broader market and improve operational efficiency. It also streamlines operations, reduces errors, and reaches potential customers more effectively than traditional methods, offering competitive advantages in the local context. Perceived ease of use (EOU) refers to how little a potential user expects to use the target system (Davis, 1989). Osun State's SMEs are increasingly adopting online technology due to its ease of use. The simplicity and user-friendliness of these technologies are crucial for their adoption, especially for those with limited technical expertise. Integrating these technologies with existing operations and intuitive interfaces makes them more receptive to these technologies, thereby boosting their adoption. According to TAM, the primary determinants of actual system utilisation are perceived utility and simplicity. These components are affected by forces beyond the organisation's immediate control. Some of the main outside influences that usually emerge are social, cultural, and political ones. Aptitude and language fall under social variables. At the same time, enabling conditions are another category of these variables. The two essential aspects of politics in this list of topics are the influence of technology on

politics and the sources of political conflicts. The disposition to use includes the appraisal of the gains from using a particular information system programme. It is agreed that the level of behavioural intention is an effective means of estimating the probability that a person will employ an application.

TAM emphasises the importance of addressing perceived usefulness and ease of use in Osun State for successful online technology adoption. By demonstrating tangible benefits like increased sales, better customer management, and operational efficiency, policymakers and technology providers should provide adequate support and training to overcome barriers to adoption, leading to improved business performance and growth. By focusing on perceived usefulness and ease of use, stakeholders will tailor their efforts to encourage the successful integration of online technologies, ultimately contributing to the development and competitiveness of SMEs in Osun State.

Empirical Review

Etim et al., (2023) explored the connection between the use of ICT and MSMEs' success in Nigeria. A cross-sectional study design was used. 337 MSME operators provided us with primary data through a standardised questionnaire. The study employed regression analysis to test its hypotheses, and descriptive analysis was utilised to examine and interpret the data gathered. The study's results showed that the use of ICT tools by MSMEs in Nigeria might significantly impact MSMEs' performance.

Technological competency has been identified as a critical factor in enhancing the business performance of organisations; thus, Olubiyi (2022) examined the relationship between technological competency and the business performance of small and medium-sized enterprises in Lagos State. Consequently, this research employed a survey research technique, and the targeted population was 742 owner-managers of selected SMEs in Lagos State. Information for the study was obtained from the respondents through a validated and standardised questionnaire. Data utilised the collected data through descriptive and inferential statistic techniques such as regression analysis and Pearson product-moment correlation test. In light of these, the study recommended that the implication for businesses, both theoretically and practically, is that Technological competence is a strength that enhances small enterprises' success. The researcher suggested that Lagos State SME managers adopt technology as a business resource to assist the organisations they manage in developing or getting new ideas to enhance the existing products. Igwe et al., (2020) identified and examined the impact of technology adoption on the total sales of manufacturing SMEs dealing in Port Harcourt. In an attempt to address the research questions, the study administered a methodical questionnaire to elicit primary data from a sample of 34 manufacturing SMEs in Port Harcourt, and such respondent categories included marketing managers, sales representatives and top managers. The study used simple regression analysis to analyse the research hypotheses, and the data collected was analysed descriptively. Thus, the findings showed that ICT usage significantly positively impacted the sales performance of SMEs within the manufacturing industry in Port Harcourt, Nigeria.

Olusegun et al., (2020) studied the relationship between online marketing and the performance of small and medium-sized businesses in Lagos State. The study utilised a survey research approach, gathering data by administering a structured

questionnaire from 142 respondents (sample size) out of the 221 SMEs in the study area. Using the relevant statistical functions of the SPSS software, their answers were examined using regression, correlation, and ANOVA. The findings indicated that online marketing favours the performance of small and medium-sized enterprises (SMEs), facilitating young self-employment and fostering regional development and economic progress. To meet market demands, customer expectations and preferences, and consumer demands, the researchers recommended by this research that businesses develop their technology, create new products or processes based on innovations and seek out, commercialise, or exploit new technology ideas. Tajvidi and Karami (2017) examined how social media impacts business performance in the UK. The researchers employed structural equation modelling (SEM) in conjunction with primary data to assess the impact of social media on corporate performance. SMEs perform better when they use social media. Their study found that small and medium-sized firms in the UK's hotel industry prefer to engage with clients and possible business partners online by utilising social networking sites like Facebook and Twitter rather than depending on offline networks.

Ioanid et al. (2018) investigated social networks' impact on Romanian SMEs' capacity for innovation. The researcher utilised primary data by administering questionnaires to 37 SMEs. The findings indicated that Romanian businesses profit from various social media activities, particularly those related to marketing strategies. Shettima and Sharma (2020) conducted a recent study in which they assessed the influence of digitalisation on small and medium-sized businesses in Nigeria. One hundred ninety-six managers and employees of SMEs in Nigeria provided primary data for the survey research technique, which used a structured questionnaire. While the Chi-square test was utilised to test hypotheses, descriptive statistics were employed in the data analysis process. The investigation yields the following conclusions: ICT, a subset of digitisation, impacts how well SMEs in Nigeria operate since it automates processes and products, improving quality and productivity.

Oyewobi et al. (2023) examined the impact of social media use on the performance of small—to medium-sized construction enterprises (SMEs) in Nigeria. The information was gathered by distributing questionnaires to the managers and owners of SMEs engaged in construction in Nigeria. Some variables used to create the conclusion included theoretical paths, and PLS-SEM was used to calculate the measurement validity and reliability. Another moderator that has arisen to explain the relationship between social media and SMEs' success is learning capacity. Ladokun (2019) investigated social media as a strategy for Small and Medium Enterprises (SMEs) Performance in Oyo State, Nigeria, and adopted the descriptive and inferential type of research. Facebook, Twitter and LinkedIn emerged as the most frequently adopted social media sites through which SMEs get competitive information. It also appears that enhancing brand recognition, marketing goods and services, and customer engagement can be regarded as the primary drivers making SMEs implement a social media strategy.

Methodology

The research design employed is a descriptive analysis and inferential analysis method. The study area was Osogbo, Osun State, Nigeria. Osogbo was chosen because a bulk of SMEs centred in this area are easily accessible; Osogbo is the

state's commercial capital, which is why this study area was determined. This study used a survey design to measure Online technology and SME business performance. A closed structured questionnaire was used to collect standardised data from respondents. The population of this study was 3,223 Osogbo-registered SMEs, as provided by Osun State Internal Revenue. However, the study used a simple random technique to select the respondents. To achieve the minimum sample size for this study, data was obtained from SMEs in Osogbo because the whole population cannot be understudied. The sample size was 250 at a 90% confidence level using the Raosoft formula. Self-structured questionnaires were administered and typically included items reflecting the research aims. The questionnaire was divided into two sections. The first section collected respondents' demographic information, while the second section assessed online technology and its effect on SMEs' performance in Osun State. The Cronbach Alpha based on standardised items of the questionnaire survey indicated a magnitude of 0.791, indicating that the reliability condition is satisfactory for the research study. The respondents were politely approached to fill out the questionnaire, and the purpose of the study was explained to them. The questionnaire was collected physically. The frequency distribution table and simple percentages formed the descriptive statistical method. The stated hypothesis was tested using a multiple linear regression.

Results

Presentation of socio-demographic variable result

This section presents and interprets the demographic profiles of all the respondents.

Table 1: Demographic of Respondents

Characteristics	Total number (250)	Percentage(s) 100%
Sex		
Male	142	56.8
Female	108	43.2
Age group		
18-28	75	30.0
29-39	90	36.0
40 and above	85	34.0
Type of business		
Catering and Food Business	74	29.6
Production/ Making of Fashion Outfits	45	18.0
Trading	117	46.8
Other	14	5.6
Qualification		
School leaving certificate	59	23.6
Diploma	65	26.0
BSC/HND	68	27.2
Postgraduate	58	23.8
Do you use an online technology platform? Yes	250	100.0
The Online Technology Platforms Used		
Instagram, and Facebook	20	8.0
Facebook and Twitter	57	22.8
Facebook, Instagram, and WhatsApp	40	16.0
Facebook, Twitter, Instagram, WhatsApp	37	14.8

Facebook and WhatsApp	37	14.8
Instagram and WhatsApp	15	6.0
Instagram, Twitter	18	7.2
	26	10.4
Yearly Online Technology Usage Cost		
Less than 50,000	75	30.0
50,000 - 100,000	76	30.4
Above 100,000	99	39.6
Total	250	100

Source: Field survey, (2024)

The respondents' socioeconomic and demographic details are shown in Table 4.1 above. According to the table, men and women reacted at different rates: men responded at 56.8%, while women responded at 43.2%. The class group that comprises young individuals (18–28) had a response rate of 30%, followed by middle-aged adults (ages 29–50) with a response rate of 36%, and the elderly group with a response rate of 34%. This implies no age barrier when owning and running a business. The types of business mean that the catering and food business had 29.6%, production had 18, and trading had 46.8%, while 5.6% were others, indicating that most businesses are into retailing. 23.6% had school leaving certificates, 23.8% of respondents were postgraduates, and 26% held a diploma, compared to 27.2% of BSc. /HND graduates. This suggests that the participants possess the necessary knowledge and skills to independently evaluate and comprehend the subject under discussion, with little to no assistance from the researcher. The result also showed that all the respondents use online technology platforms. It could be observed that most respondents use either or the combination of Facebook, Twitter, Instagram, and WhatsApp. Yearly online usage cost showed respondents spend above ₦100,000 mainly on online technology platforms yearly.

Test of Hypotheses

Ho1: Online payment integration has no significant integration's influence on SMEs' performance.

Ho2: Social media has no significant effect on SMEs' performance.

Business performance as the dependent variable and social media and online payment integration as the independent variable appear to have a somewhat mild positive linear relationship, according to the correlation coefficient (R = 0.615) of the model summary shown in Table 2. In addition, when all components are considered at once, the R^2 esteem is 0.378, demonstrating that this foresees 37.8% of SMEs' business performance.

Table 3 shows an importance esteem of 0.000, less than 0.05 in ANOVA. The result above suggests that the demonstration has measurable significance when anticipating how key online technology influences business performance. The complete relapse demonstration is profoundly measurably noteworthy regarding its goodness of fit, as shown by the computed F-value of 81.317, which is higher than the basic F-value at the 5% noteworthiness level of 3.04. The null hypothesis is thus

rejected. According to this investigation, social media, online payment integration, and SMEs' business performance are positively correlated.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.615[a]	.378	.373	.802

a. Predictors: (Constant), online payment integration, social media

Table 3: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	104.616	2	52.308	81.317	.000[b]
	Residual	172.395	268	.643		
	Total	277.011	270			

a. Dependent Variable: Business Performance
b. Predictors: (Constant), online payment integration, social media

Table 4: Coefficients[a]

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.244	.238		5.232	.000
	social media	.394	.071	.377	5.512	.000
	online payment integration	.295	.071	.286	4.177	.000

a. Dependent Variable: Business Performance

A summary of how predictors affect the dependent variable is seen above. Looking at the SME's performance, if continuous improvement is maintained at zero in the regression equation that has been created, it would be 1.244. With a t-value of 5.232, additional data analysis shows that business performance increases by 0.394 and 0.295 for every unit increase in social media and online payment integration. At a 5% confidence level, this contribution is statistically significant for business performance. Therefore, the study rejects the null hypothesis, which demonstrates a highly positive relationship between social media, online payment integration and business performance of SMEs.

Discussion

The study investigated online technology and the business performance of SMEs in Osun State. Its findings suggest that social media significantly influences SMEs' business performance, while online payment integration also has a substantial impact. The null hypotheses were rejected, and the alternate hypotheses were accepted for the study. This research aligns with the work of Tajvidi and Karami (2017) on the effect of social media on firm performance, Olusegun et al. (2020) regarding the relationship between online marketing and the performance of small and medium-sized businesses in Lagos State, Shettima and Sharma (2020) on the impact of digitalization on small and medium enterprises in Nigeria, and Oyewobi et

al. (2023) on the effects of social media usage on the performance of small and medium-sized construction businesses.

Social media platforms, such as Facebook and Instagram, significantly impact business performance by enabling SMEs to reach a broader audience, engage with customers, and promote their products effectively. Online payment integration reduces processing time and enhances customer satisfaction. The ease of use of these platforms contributes to increased adoption and behavioral intention to utilize these technologies, further reinforcing their impact on business performance.

The findings of this research align with the Technology Acceptance Model (TAM). When SMEs perceive social media and online payment integration as helpful and easy to use, they are more likely to adopt these technologies, leading to improved business performance. The rejection of the null hypotheses in the study supports the notion that these technologies are not just being adopted but are actively contributing to the success of SMEs. TAM helps explain why social media and online payment integration significantly influence SMEs' performance by enhancing perceived usefulness and ease of use, thus encouraging adoption and contributing to business performance.

In summary, this research investigated the effectiveness of online technology in enhancing SMEs' business performance in Osogbo, Osun State. Data were collected using a questionnaire and analyzed for the stated research purpose. The majority of participants, regardless of the type of business they operated, had a favorable attitude toward the usefulness of various online technologies and used them effectively. The study's key findings indicate that online technology positively impacts the performance of SMEs. It also shows that social media and online payment integration enable SMEs to increase their brand visibility, enhance brand recognition, and improve overall performance.

Conclusion

The conclusion of this research is based on the discoveries made during the investigation. It is evident that online technology significantly impacts the performance of SMEs. Social media platforms, such as Facebook and Instagram, are valuable tools for SMEs to enhance their business operations. These platforms offer cost-effective advertising, allowing SMEs to reach specific demographics and engage with customers without the expenses associated with traditional marketing methods. Social media also helps SMEs establish and reinforce their brand identity, fostering long-term customer loyalty. Additionally, SMEs can integrate online payment systems, such as Paystack, Flutterwave, or mobile money services, to streamline transactions, expand market reach, and improve financial management. By leveraging these tools, SMEs enhance customer experience, broaden their market presence, and make more informed decisions. The study also demonstrated how the effectiveness of online technology affects SMEs' business performance.

Recommendations

The study demonstrated the significant positive impact of internet technology on SMEs' business performance in Osogbo, Osun State. Based on these findings, the researcher offers the following recommendations: First, SMEs should utilize service providers that offer bundled packages including internet, software, and support services at a reduced cost. Second, SMEs should ensure that their online presence

reflects their brand values and professionalism, which includes having a well-designed website, active social media profiles, and consistent branding across all platforms. Third, SMEs should allocate a budget for digital marketing to drive traffic to their online stores. This budget should include running ads on social media, employing search engine optimization (SEO) techniques to improve visibility, and sending email newsletters to engage with existing customers. Finally, SME owners should seek training programs to improve their understanding of online technologies. Platforms like Coursera, Udemy, and LinkedIn Learning offer affordable courses on digital marketing, e-commerce, and online payment systems. Local business incubators or government-sponsored workshops should also provide valuable training.

Suggestions for Further Studies

This study proposes that additional research should focus on specific SME businesses or industries to better understand how online technology affects that sector's positioning and performance. Further research on specific online technology platforms and their efficacy, drawbacks, and benefits compared to competing platforms is also encouraged.

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