

BERNICE ZAGLAGO

**THE ADOPTION OF DIGITAL MARKETING AMONG SMES IN  
GHANA:  
Increasing Profitability and Bridging the Digital Divide Using Social  
Media.**

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Master's Programme Supervisor: Anna Sell  
Faculty of Social Sciences, Business and Economics  
Åbo Akademi University  
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Author:  
Bernice Zaglago

BERNICE ZAGLAGO

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<b>Author</b>	Bernice Zaglago	
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<b>supervisor</b>	Anna Sell	
<b>ABSTRACT</b>		
<p>The purpose of this thesis is to explore the current trends of the adoption and usage of social media among SMEs (small and medium enterprises) in Ghana as a marketing tool. The study aims at determining how valuable the adoption and usage of social media is to SMEs in terms of increasing value for them, how they measure value or define value and how they measure the effectiveness of their social media campaigns to know if it is worth the investment. Furthermore, the study aims to find out how responsive customers are to SMEs on various social media platforms, the advantages and disadvantages of the use of social media as a marketing tool and how these advantages and disadvantages impacts the operations of SMEs and decision making in regard to the use of social media as a main channel of marketing. In addition, the study also aims at how the adoption of social media helps in bridging the digital divide that exist between smaller enterprises and the larger enterprises.</p> <p>The thesis provides an overview of the definition of digital marketing and social media marketing, their benefits, advantages and disadvantages of digital and social media marketing as a result of their adoption by SMEs. Also, an overview of digital bridge is defined and discussed in this thesis, its existence in Ghana and how it is affecting the economic growth of the Ghanaian market; especially SMEs and the factors of digital divide that compels SMEs to adopt and use social media as a marketing tool.</p>		
<b>Keywords</b>	e-business solutions, digital marketing, social media, digital divide, SMEs	
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## CHAPTER 1

### INTRODUCTION

With globalization making the world much smaller, Web 2.0 has had its role well played in making global markets much smaller enabling businesses to have reach to places and markets where they could not in the past. In the light of this, large scale businesses have taken the opportunity to expand their businesses and operations globally to provide services and to increase their profitability with regards to the use of e-business solutions and digitalization. E-business solutions or e-commerce in the context of this thesis is the buying and selling of products and services online or the internet, with the provision of technical or customer support through the Internet. Unlike large scale enterprises using Web 2.0 and e-business solutions to expand their operations, small and medium-size enterprises (SMEs) have not exploited the benefits of ICT and e-business solutions limiting their efforts to expand, thereby making their businesses vulnerable to economic crises. As most SMEs lack information and skills in the utilization of ICT and e-business solutions, most SMEs are compelled to do business the traditional way with less or no attempt of digitalizing or inculcating e-business solutions in transforming their operations. It has been acknowledged that small and medium-sized enterprises contribute hugely to economic growth in every country (Bahaddad et al., 2012), yet there have been lot of other factors limiting their operations to enlarge their businesses especially in the African continent. In some researches undertaken by the EU (2010) showed that, SMEs do not make good use of e-business solutions making them less competitive which has brought about “a digital divide” between large scale enterprises and small and medium scale enterprises and making these SMEs more vulnerable whenever there is an economic crisis. The low use of e-business solutions and digital marketing renders SMEs less competitive in the market, which in effect lower their profitability.

In the African continent, some constraints as to the result of the digital divide and the low adoption of e-commerce among most SMEs on the continent can be said to be the limited or no use of the internet, internet privacy and security, fear of the use credit and debit cards as a result of poor banking systems in most African countries, poor logistic and infrastructures and the lack

of law and regulations to govern e-business activities making it much difficult to access potential markets, information and the creation of business networks. In most developing countries, SMEs have not been able to compete with large organisations as a result of their inability to incorporate IT into their business strategies or the adoption and use of ICT or e-business solutions. In addition, poor business networking and capital resources could be said to be other factors why most SMEs in developing countries are not able to compete with larger enterprises. Therefore, for SMEs to be able to overcome the many challenges they face daily in their business operations and to become stable, competitive and innovative, the use of social media marketing tools should be used or considered if the adoption and use of e-business solutions is expensive. Regardless of the low adoption rate of e-commerce in the African continent, it is evident that, the adoption and use and penetration of the internet and social media platforms among Africans has increased over the years according to the Africa Internet Users, 2019 Population and Facebook Statistics, which has brought about new opportunities and an avenue for SMEs to transact. In recent studies, researchers (Rathore et al., 2016; Coelho et al., 2016) have found that many businesses globally have taken advantage of social media as a marketing tool, where some businesses are strategizing and incorporating social media as a marketing tool into the business strategies. With this evolution, most start-ups, micro and SMEs in Ghana have also adopted this strategy, where social media is no more used for connecting with friends and family alone but as a channel of reaching customers and an alternative for e-business solutions.

### 1.1.1 SCOPE AND CONTEXT OF THE STUDY

The study of this research is based on SMEs in Ghana who have adopted and are using social media as their marketing tools and an alternative for e-business solutions to increase value. It is therefore important to provide a background for this study in terms of its location and the type of businesses involved.

#### 1.1.1.1 GHANA

Ghana is located in the West of Africa along the Gulf of Guinea: north easternmost part of the tropical Atlantic Ocean, with a population of almost 30 million citizens excluding immigrants.

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The country is divided into sixteen regions with 275 constituencies each having a member of parliament representing a specific constituency in the parliament of Ghana (ICT Dept. Office of Parliament, 2019). In the Ghanaian economy, there are two sectors of which the Ghanaian economy evolves around; the public sector and the private sector. The public sector basically consists of all institutions managed and controlled by the government of Ghana whereas private sector consists of organisations owned and managed by private individuals. The private sector of the Ghanaian economy is made up of large, micro and small-medium enterprises (SMEs) in the country of which majority are within the service industry. According to the International Trade Center (2016), the private sector of the Ghanaian economy contributed 53% of GDP and has an employment rate of 60% of the labour in the country (Ghana Statistical Service (2015). Even though the country was among the first African countries to establish a widespread Internet infrastructure (Dholakia et al 2014), there remains some connectivity gaps that disconnect others from the use of the internet (International Telecommunications Union, 2016). Aside the gap being created, the literacy level in ICT and the use of Web 2.0 is relatively low which has contributed to the low use of e-business solutions among majority of SMEs in the country. According to the *2015 SME Competitiveness Outlook* report by International Trade Centre (2015), the largest gap that exist between SMEs and large firms in sub-Saharan Africa was in ICT competences. This means that even though SMEs have access to ICT and Web 2.0, most people lack the basic and technical know-how in using Web 2.0 and ICT rendering it to be difficult to compete with larger organisations who are endowed to use the internet. With the adoption of a strategic digital marketing practice, SMEs could benefit from digital marketing as to the immense opportunities that digital marketing may impact on their business operations, in regard to their performances, revenues, efficiency, connection and engagement with customers and the ability to compete with large scale firms.

### 1.1.2. SMALL AND MEDIUM-SIZED ENTERPRISES (SMES)

According to OECD (2005), small and medium-sized enterprises (SMEs) “are non-subsidary, independent firms which employ fewer than a given number of employees”. In the European Union, the definition is determined by three criteria as to whether an organisation or business is micro, small, medium or large. These criteria are staff head counts; which consist of the total number of employees, the turnover and the balance sheet of a business is used to defined what an

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SME is. According to the European Commission (2003), SMEs' are the enterprises that meet the definition of staff headcount and either the turnover or balance sheet total definitions:

<b>Company category</b>	<b>Employees</b>	<b>Turnover</b>	<b>Balance sheet total</b>
Medium-sized	< 250	≤ € 50 m	≤ € 43 m
Small	< 50	≤ € 10 m	≤ € 10 m
Micro	< 10	≤ € 2 m	≤ € 2 m

*Table 1: European Commission statistical definition of SMEs*

It is observed from the Table 1 that, the definition or categorisation of businesses as either large or small in the European Union is based on three criteria; the total number of employees or staff, the business turnover and the balance sheet total. An enterprise with more than 50 employees but less than 250 employees is categorised as a medium-sized while a turnover of less than equal to €50 million and a balance sheet total with less than equal to €43 million is considered a medium-sized business. Likewise, a business with more than 11 staffs but less than 50 staffs or employees is considered a small enterprise or business. From the perspective of both turnovers and balance sheet totals, businesses with less than equal to €10 million is considered as a small sized enterprise.

In Ghana, there are many definitions of what an SME should be. From different perspectives of various organisations, the definition varies but with a common characteristic of the total number of employees within an enterprise. According to the Ghana Statistical Service, a business is considered as small when its employees are less than 10, while a business with more than 10 employees is considered as a medium and large-scale enterprise. On the other hand, the National Board for Small Scale Industries (NBSSI) in Ghana included fixed asset in addition to the number of employees within an enterprise. For NBSSI definition, a business with not more than 9 employees with plant and machinery excluding fixed assets (land, buildings, etc.) with GHC10 million (US\$9506, using the exchange rate at 1994) is considered a small-scale enterprise. The addition of fixed assets and the depreciation of the Cedi makes the definition confusing and outdated. In using Osei et al (1993) definition, an SME is an enterprise with not more than 50 employees. Table 2 gives a detailed definition of SMEs' by Osei et al (1993).



<b>Business Category</b>	<b>Number of employees</b>
Medium	29 – 50
Small	10 - 29
Very small	6 - 9
Micro	< 6

*Table 2: Osei et al (1993) definition for SMEs in Ghana*

## 1.2 OBJECTIVE OF THE THESIS

The digital revolution has caused changes by which organizations interact with their customers rendering marketing (especially advertising and customer relationship) to be digitalised, which in a way has been cost efficient for majority of most firms since the total cost for customer relationship and traditional advertisement has been reduced significantly (Ryan & Jones, 2012). The thesis seeks to explore how social media is being used as a tool or platform to reach both actual and potential customers, as a marketing platform and how social media is serving as a means of bridging the digital divide between SMEs' and larger enterprises in Ghana and how the adoption of digital marketing among SMEs helps increase value. This study aims to analyse how SME's in Ghana can use social media as a marketing tool, how the use of social media increases value for SME's and how social media can be used in place of e-business solutions to bridge the digital divide that exist between SME's and large enterprises. The objective of the study aims to provide conclusions on the use of social media in increasing value and bridging the digital divide among SMEs in Ghana.

### 1.3 MOTIVATION, RESEARCH QUESTIONS

My motivation for this research topic is as a result of the increasing number of advertisements of growing SMEs in Ghana on various social media platforms and the various online services they offer amidst the poor distribution and delivery sector in the economy and how social media has become a trend among Ghanaians even though digital divide exist in almost every part (geographical) and sector (industrial) in Ghana. Even though a higher percentage of SMEs are not undertaking digital marketing, the few on social media platforms are gaining much attention from prospective customers, with different content created aiming at increasing value for these businesses (Dzisi and Ofosu, 2014). With this, I would like to know why these SMEs sorted to digital marketing and if so, how does digital marketing increases value for them.

The main purpose of the thesis is to explore the adoption of digital marketing through the use of social media as a marketing platform among SMEs in Ghana. More specific; the thesis would seek answers to the following research questions:

- Does the adoption of digital marketing among SMEs increase value?
- Does the adoption of social media bridge the digital divide between SMEs and larger enterprises?

### 1.4 STRUCTURE OF THE THESIS

Following this introduction, Chapter 2 focuses on the theoretical definitions and concepts of digital marketing and social media and digital divide. The theoretical background of these concept is to provide an understanding of what they are and how they have affected the lives and processes globally. The chapter also provides suggestions to why digital marketing is important and why businesses should adopt digital marketing. In addition, some advantages and disadvantages of the adoption and use of social media and why businesses that cannot afford and use e-business solutions should adopt and use social media as an alternative. Furthermore, the chapter discusses what digital divide is and how it has affected lives in various society with much focus on the Ghanaian economy. Factors contributing to the widening of the digital gap were identified and possible or suggested solutions from theoretical perspective were identified as to how to minimize the digital gap.

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Chapter 3 focuses on the research questions and suggested solutions from theoretical perspectives. Chapter 4 presents the research methodology and data collection procedures used in the empirical aspect of the research. Chapter 5 focuses on the empirical aspect of the research based on the qualitative approach used for the research and mainly presents the findings, and results of the research questions. Chapter 6 presents the discussion of the thesis while Chapter 7 focuses on the conclusion of the thesis.

## CHAPTER 2

### 2.1 WHAT IS DIGITAL MARKETING?

With the rate at which ICT has evolved has brought about the Internet or Web 2.0, which has continually defined and changed how people undertake activities in recent times. The Internet has connected the world and has contributed to much change to how things are done including marketing, of which many have adopted the digital approach as compared to the conventional way of marketing. The use of online platforms has changed how most businesses relate and interact with both actual and potential customers. In today's world, the Internet has provided substantial businesses and marketing opportunities to businesses using e-business solutions. With this solution, businesses are able to present their offerings, appeal to customers, increase their customer base and readily provide information to customers through the use of the internet, digitalising all activities especially administrative activities that would have been done through the conventional method. According to the American Marketing Association's definition, digital marketing may be seen as activities, institutions, and processes facilitated by digital technologies for creating, communicating and delivering value for customers and other stake-holders. Chaffey & Smith (2013), defined digital marketing as the use of technologies to help marketing activities in order to improve customer knowledge by matching their needs. In addition to Chaffey & Smith's (2013) definition, Yasmin, Tasneem, & Fatima (2015), solidifies their assertion that, digital marketing is a form of communication which aims at establishing a direct relationship between marketers and customers through the use of digital transmission by the help of technology. Most researchers have agreed that digital marketing is a method or process by which businesses adapt technological-enabled processes to create virtual relationships with customers and partners in creating, producing and delivering value to stakeholders by communicating these values through various digital platforms. The evolution of technology and the proliferation of digital marketing has brought about the concept of customisation and mass distribution (Piñeiro-Otero & Martínez-Rolán, 2016) whereas these two concepts were practiced separately by firms to target different market segments when the conventional method was used. Digital marketing, also known as e-marketing, online or web marketing have been possible as the evolvement of technology which have reshaped communication media by enabling it to have peculiar abilities in interacting, measuring, accessing various sources of information, engaging customers and

personalising consumer wants and needs to their preference on various platforms with the availability of internet (Edelman & Heller, 2015). According to Lipiäinen (2014), an important aspect that influence the use of e-business solutions is the size of the firm that wants to utilize digital tools. Large firms according to Lipiäinen (2014) uses more digital tools than SMEs and micro-enterprises. In addition, an EU report (2010), it states that the adoption of e-businesses or digital technologies among EU firms varies strongly with company size, stating that: larger enterprises have both scale and competitive advantages over SMEs and micro-enterprises and have more capacity to employ some IT/ICT specialists in their firms who manages the digital related aspects of these firms. Even though both SMEs and micro-enterprises are of crucial importance to economic growth (European Commission, 2010), less research has been undertaken to focus on the adoption of digitalisation among both SMEs and micro-enterprises as compared to large scale enterprises (Donnelly et al. 2015).

## 2.2 WHY DIGITAL MARKETING

Digital marketing has become a global channel for e-business marketing solution available worldwide. Digital marketing has become a marketing strategy tool used to ensure fast transaction between sellers and buyers without the need to have a face-to-face contact. Businesses are able to reach out to large audience as a result of digital marketing. Digital marketing emerged from a relative obscurity into the mainstream and has really played an important role in today's e-commerce business (Ryan & Jones, 2012). The use of digital marketing as a strategic tool has connected most businesses to customers in informing and creating awareness of their businesses, which in turn has made businesses that adopted digital business stay in business and have become more profitable. Some decades ago, it would have been impossible to use the digital marketing strategy to find and let customers know about business offerings because there was no internet, but with the emergence of Web 2.0 and technology, the revolution of online or digital marketing has empowered businesses that harnessed the opportunity to be able to connect with various stakeholders (partners, consumers and suppliers): stakeholders who have taken technology and integrated it seamlessly into their daily activities in ways which could never have been possible (Ryan & Jones, 2012). Before the conventional (television, email and radio, etc.) and digital marketing; advertising was done

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through word of mouth before written and printed advertisement commenced. The importance of advertising since time immemorial till this day is to influence the behaviours and perceptions of consumers and making known business offerings to consumers and ultimately making profit (Ryan & Jones, 2012).

The insurgencies of technology have impacted businesses in several ways. From the use of printed, house-to-house, phone and mailing advertisement to radio and television advertisement, digital marketing has become the trend being used in today's business. With the acceptance, adoption and adaptation of technology in society, it is paramount that businesses also revolve their activities around technology in order not to be left behind. Various theories and studies have shown that, it is important to evolve with technology when the need be. Theories such as the technology acceptance model (Davis, Bagozzi & Warshaw, 1989) and the innovation adoption life cycle (Rogers, 1962) have proved that, the emergence of new technologies at a point becomes more popular and is adopted, and according to both theories makes life and work much easier due to performance. During the emergence of digital marketing, the innovative marketers who harnessed the opportunity and enjoyed the benefits, explored what it was and how they could reach their target as society began to adopt technology and gained insight in digital marketing (Campbell et al. 2011). This eventually migrated into the mainstream when more people leaned towards this type of marketing due to the ease of its use and its effectiveness. Digital marketing does not focus much on technology rather the people. Digitisation and technology in marketing is seen much more as a perspective due to capability and effectiveness in connecting people and businesses. In actual fact, the digitalisation of marketing offered business diverse ways of communicating to consumers and building relationships to increase sales margin or value depending on what the goal of the business was. The concept underlying digital marketing is about understanding how stakeholders use technology and how marketers can leverage that to engage customers more effectively (Ryan & Jones, 2012). In effectively engaging consumers, businesses need to listen to customers by taking their opinions, ideas and criticism in informing them on business decisions. Rather than creating a special cue for targeted market or niche in order to influence their behaviours in a predetermined manner. It is imperative to involve consumers in creating product and services to meet their needs, since today's consumers are not passive but rather voice what they actually want. With the internet being more interactive and social communities being formed bridging the geographical and cultural

boundaries, online communities such as YouTube have become an important platform for online consumers where they can access various information about various product through the reviews of other users especially “influencers”. Reviews from online societies such as blogs, peer review sites, social media networks and the like are taken seriously by most online consumers since these platforms provides them with actual knowledge on products that they want to purchase before they commit their money to purchase these products (Piñeiro-Otero & Martínez-Rolán, 2016). Why should online reviews be important to digital businesses? Online reviews offer businesses the opportunity to participate and interact on online conversations and importantly listen to the opinions, ideas, concerns and criticism of online users and customers by using this information in decision making and in creating new products and services that would meet the targeted market’s preferences (Ryan & Jones, 2012). In addition, online reviews provide businesses insights as to how online and prospective users perceive their brands, the industries and the world at large. These insights when taken into use, would help in reshaping products and services, enhance communication, increase recognition of products and services thereby increasing customer base and profit margin of the business. Understanding the paradigm of digital marketing with focus on social media and networks puts businesses on the forefront of success in digital marketing. Though this can be disputed, businesses are to know their target market with respect to their age, composition, population density and most importantly if the target market is mostly dependent on online communities for reviews; example, the millennials.

### 2.3 SOCIAL MEDIA MARKETING

According to Kietzmann, Hermkens, McCarthy & Silvestre (2011), social media is an interactive computer-mediated technology that facilitate the creation and sharing of information, ideas, career interests and other forms of expression via virtual communities and networks. Marriam-Webster defined social media ss a form of electronic communication (such as websites for social networking and microblogging) through which users create online communities to share information, ideas, personal messages, and other content (such as videos). Social media can be said to be the composition of various internet-based applications and software that helps in augmenting the foundations of Web 2.0 in enabling online communities share individual content through the presentation of personal identities. (Laroche, Habibi & Richard, 2013). From the

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above definitions, it can be noted that social media is defined as a community, content and Web 2.0 which empowers the concept of social media or digital marketing. The creation of content or information and the sharing of these contents have become much easier and a faster medium where people within these online communities get information (Ahlqvist, Bäck, Halonen & Heinonen, 2008). Web 2.0 has evolved from just information retrieval to be more interoperable, interactive, and collaborative (Campbell et al. 2011) rendering the content shared to change from a rather static webpage of written content to a more dynamic page where visual contents are also shared (Ahlqvist, Bäck, Halonen & Heinonen, 2008). The visual content can be said to be one of the factors that has made social media to be popular due to the fact that the online community can see, feel and be part of what is shared. From the above definition, social media marketing can be defined as businesses or marketers using various social media platforms as a channel to promote and share business offering, building brands and also gaining exposure to new social media users or customers which in turn increases brand recognition hence an increase customer base and sales (Pannunzio, 2008). Social media marketing has become a strategy used by businesses and marketers to sell their offerings. Just as radio and television ads, public relations, direct mailing, Martin (2012) believes that social media marketing is a marketing tool used by businesses to reach targeted markets. The difference between the conventional media and social media marketing is that it is cheap and accessible to all stakeholders to share and access information (Bhanot, 2012). The difficult aspect according to Taylor, Lewin & Strutton, (2011) is that, it becomes relative difficult for customers or users when marketers are offline especially with delivery. According to Cohen (2011), understanding the dynamics and the method of marketing on social is important, when done properly would make one's business successful since it is very different from traditional advertising. The effectiveness of social media marketing is that they do not have to worry much about their corporate messages because when their offerings exceeds the expectations of their consumers, the consumers through e-word of mouth and tagging, would make the business go viral due to their satisfaction (Safko, 2010). For example, a novice traveller would use Expedia, Airbnb, TripAdvisor or any travel website to evaluate which accommodation to choose, where to eat or where to visit. A study undertaken by Trusov, Bucklin & Pauwels (2009) showed that, word of mouth recommendation has strong impacts on new customer acquisition, compared to other means of marketing. By listening and acting on feedbacks received, marketers or businesses are able to further develop their offerings



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to meet the expectations of customers rendering them to achieve a two-way communication with their customer base increasing (Coles, 2014). In addition, it helps in strengthening the brand name in the minds of consumers and inherently becomes aware of the brand (Edosomwan, Prakasan, Kouame, Watson & Seymour 2011). According to Stelzner (2013), some benefits included, increased exposure and traffic on the various social media platform of the business, marketplace insight, loyalty (enlarged loyal fans), improved search rankings, development and growth of business partnerships, lower marketing expenses and improved sales.

With all the positive aspect of social media marketing, it is imperative to consider the downside of social media. Zimmerman & Ng (2013) argued that with the million users on popular social media platforms, new entrants (businesses and marketers) must work harder to create awareness of their existence since major social media platforms are saturated with so much businesses making it difficult to be noticed. This means entrants must work around the clock to provide prompt responds to prospective customers and also providing or creating new contents for their target market. This they believe is quite costly due to the time invested and how consistent and committed they need to be in order to be noticed. This is quite debateable since these are what start-ups do in order to succeed in business other than that businesses resources would go waste if they do not put in hard work. Also, another factor that is quite overlooked is timing. With this, most businesses miss out on the appropriate time in passing important messages especially advertisement (Donnelly, 2010). Since social media platforms are dynamic and the activities undertaken on the platform's changes with time, businesses are to be knowledgeable to identify when there are trends that users or consumers are leaning towards to. For instance, when consumers are raving about some products that may be similar to a new entrant product, the new entrant business should be able to identify those moments and create an awareness of their products by pointing out the benefits of their products and why consumers should purchase theirs. It is important to also note that every business on social media have their target, therefore pricing plays a major role if a business wants to succeed. Most users of social media platforms are millennials, who have a great taste for premium goods but are ready to pay at cheaper price (Taken Smith, 2012). With this, businesses may have to make critical production decision in producing quality but cheap products to be a substitute for high end goods for customers who cannot afford them. A popular example is Zara clothing serving as a good substitute for more higher-end or designer goods which is highly patronised by millennials who are not able to

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afford high end offerings (Hanbury, 2018). In actual fact, it can be said that timing and trends either makes or breaks a business in relation to how quick they respond to these changing factors. In addition, a business benefit from social media marketing only if it understands the dynamics of social media. With knowledgeable understanding of how social media works, in addition to quality content and product targeting the right market, any business can sell on social media. With how fast everything is being digitised, businesses are also evolving around digitalisation and it is essential for business survival to train it personnel in digitisation in order to be able to survive in the digital world. Some CEO's or business owners do not necessarily know much about digitalisation but employ experts or people with knowledgeable idea to be in charge of the ICT and digital or social media platforms. The downside of this is that, poor responses to social media users can cause a viral outrage which could affect the business. Businesses must take extra precaution as to who handles social media platforms to avoid this risk. Businesses who fail to familiarize themselves with digitalisation cannot enjoy the benefit of digital or social media marketing, thereby limiting their chances of reaching a wider audience, creating awareness of their products and brands leading to less sales margin and profit. A study by DEI Worldwide (2008) attest to this fact with the result from their study: 70% of consumers have visited social media sites to get information; 49% of these consumers have made a purchase decision based on the information they found through the social media sites; 60% said they were likely to use social media sites to pass along information to others online; and 45% of those who searched for information via social media sites engaged in word-of-mouth. In DEI Worldwide 2008 report, it stated that companies that are not engaged in social media as part of their online marketing strategy are missing out on an opportunity to reach consumers. With the significant percentage of people passing information to others through social media, the value of one customer is worth far more than what he or she initially spends, and that businesses need to factor in the value of customers and also the influence of social media on them. Benioff (2012), counters this claim that even though word of mouth recommendations may help online businesses, there are repercussions of this act if the wrong information is sent. According to Benioff (2012), when Netflix announced it was changing its pricing structure, its customers revolted by posting 82,000 negative comments across its blogs, Facebook and Twitter. Within months Netflix lost 800,000 customers and two-thirds of its market value. Other risk of social media marketing can be attributed to the security of the firm's social media page. Culan et al.

2010 argues that, social media accounts are prone to security breaches; breaches of client confidentiality, leaks of intellectual property, and violations of the firm's policies or codes of conduct which could cost businesses huge loss.

#### 2.4 DIGITISATION AND SOCIAL MEDIA IN GHANA

Digitisation is not really a new concept in Ghana, yet not all firms (large, SMEs and micro-enterprises) are digitised even though some may have websites and also market their products and services on some social media platforms. The inability of most SMEs and micro-enterprises to digitize their businesses can be contributed to some factors such as; lack of knowledge in ICT and the use of software, expensive internet packages from telecommunications companies in Ghana, the cost involved in aligning or incorporating IT in businesses and the unwillingness to pay high salary to IT personnel who can manage digital platforms of businesses among others. According to *2015 SME Competitiveness Outlook* report by International Trade Centre (2015), most SMEs that have websites and are active on social media platforms are those that have foreign transaction and also attend international trade fairs. In addition, the majority of businesses that have an active business website and social media platforms are media and broadcasting firms and foreign companies in Ghana. Most media and broadcasting houses on social media highly engage their audiences in encouraging them to engage in social and developmental issues of Ghana on various social media platforms by commenting and sharing their opinions on national issues. Also, both large and medium foreign companies have active websites with some active social media platforms depending on the nature of the business. As compared to foreign businesses in Ghana, the number of indigenous businesses either have websites which are mostly not updated or none at all, to talk of social media. Even, most governmental websites are seldomly updated making it difficult to find information pertaining to anything in the country. This could be attributed to the level of ICT education in the country and lack of investment into both ICT infrastructures and education as a whole. This has made most people complacent to not study ICT and how the benefits of ICT could help the country at large. With knowledgeable understanding of ICT, many local businesses in Ghana can incorporate it in their daily lives which could help make both lives and business easy. Even though most indigenous companies have not integrated digital marketing into their business there are few that

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have. Ranging from banks, transport providers (STC & V.I.P) and insurance companies do have digital services. In a research by Dzisi and Ofori (2014), it showed that SMEs in Ghana mostly use the conventional forms of marketing and advertising which consist of television and radio, newspapers and magazines, banners and billboards and branded paraphernalia, with few SMEs using social media (Facebook and Instagram) to advertise their products and services. In their research, it showed that SMEs that used Facebook were able to interact more, and the medium used was user-friendly and cheaper to create and manage as compared to corporate websites. Due to the low level of ICT literacy in the country, businesses; mostly retail businesses with websites rarely use them and focus much on the use of social media platforms.

Social media in Ghana began as a new concept and the initial growth pace was relatively slow but has grown steadily over the past years. Mostly, social media platforms are accessed through mobile phones using mobile data among many youths or users in Ghana. A 2017 report by the Ghana National Communication Authority (GNCA) indicated that, the total mobile subscription for the first quarter of 2017 was 35,780,667. Also, Statista.com indicated an increase from 35,780,667 to 36,750,000 of total mobile subscription at the end 2017. As stated earlier, most internet access are provided by telecommunication companies in Ghana through broadband connectivity, with this, the number of internet users on various telecommunication networks increases as the mobile and data subscription increases. In Ghana, telecommunication companies play an important role in the daily lives of Ghanaians; from the provision of a medium of communication, banking and access to internet connectivity. With the provision of internet connectivity in recent times, most Ghanaians are able to use most social media platforms from Facebook, Instagram, Twitter and YouTube being some of the most popular platforms used by Ghanaians on their mobile phones. In the “Digital in 2018” report released by Kemp (2018), showed that out of a total population of almost 30,000,000, only 10,110,000 Ghanaians use the internet. This means only one third of the total population in Ghana have internet access.

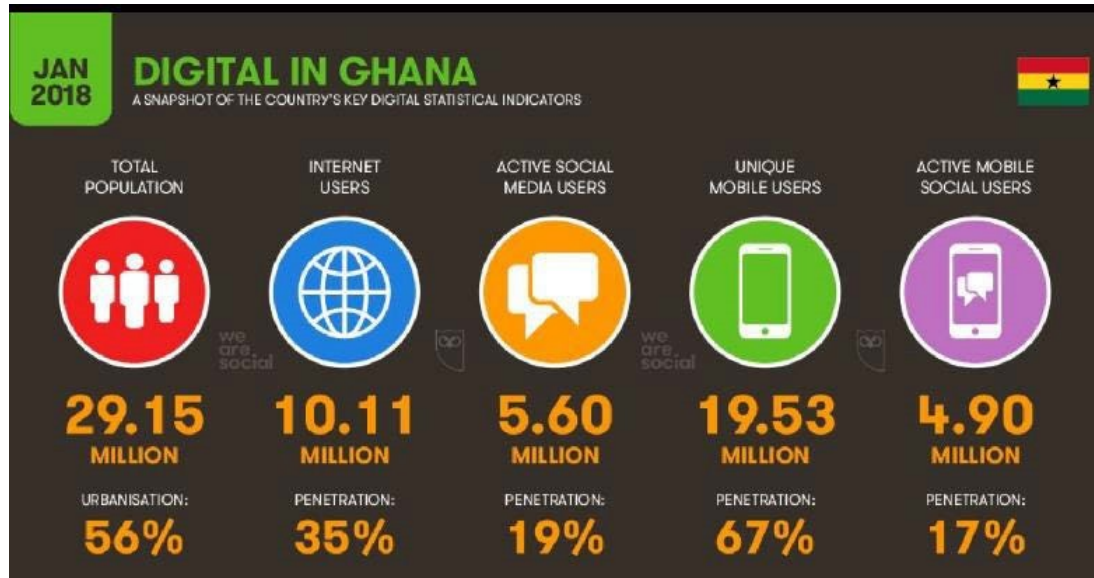


Figure 1: Digital in 2018 in Ghana. Adopted from Kemp (2018)

In addition to Figure 1, Kemp (2018), also showed the active social media platforms used by most Ghanaians in figure 2. In the report, the average number of hours spent on the internet using mobile devices is 3 hours and 46 minutes and the most used social media platform used by Ghanaians can be observed in Figure 2. The low number of hours spent on the internet through mobile devices can be attributed to the exorbitant prices of mobile data sold by telecommunication companies in Ghana rendering most people to spend less time on social media platforms with the fear of running out of data which results in the purchase of a new data package which most people complain to be expensive. The exorbitant prices of data make it difficult for an average Ghanaian to spend quiet long hours on the internet due to the affordability of data packages. Also, it showed that Ghana is amongst the top countries among sub-Saharan countries to access the internet via mobile phone. Due to the inability of most youth to afford personal computers and the fact that it is much easier to access the internet on the go, many Ghanaians use mobile phones to access the internet and also social media platforms.

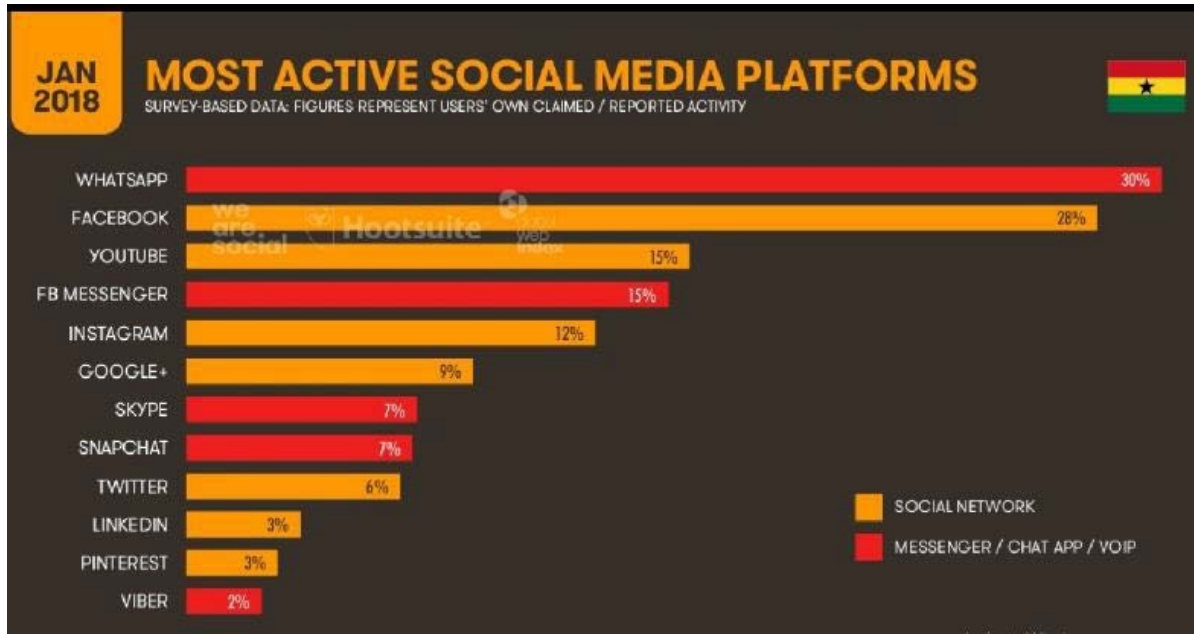


Figure 2: Digital in 2018 in Ghana. Adopted from Kemp (2018)

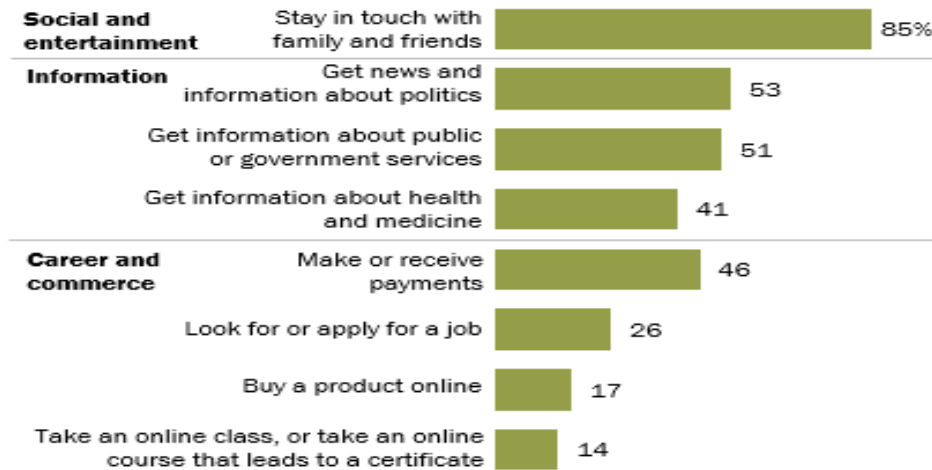
In relation to where businesses can reach more audiences on various social media platforms, a report by StatCounter Global Stats (2019), stated that, 82.57% of the population in Ghana who were active on various social media used Facebook, 6.8% on Twitter, 6.19 on Pinterest, 2.66% on YouTube, 0.99% on Instagram and 0.42% on Reddit. This report confirms the findings of Dzisi and Ofosu (2014), that businesses that were active on Facebook had more interaction with more audience as compared to other social media platforms. From *Figure 1*, it can be observed that one third of Ghana's population have access to the internet and according to the Spring 2017 Global Attitude survey (Pew Research Center, 2018), the low total number of Ghanaian internet users could be attributed to the fact that not every mobile phone user has access to the internet. According to their survey most people own Symbian phones with less Ghanaians having smart phones. The report relates ownership of smart phones and Symbian to the attainment of one's educational level and income. The more educated an individual is with higher income, there is a high probability that, that individual owned a smart phone. Since there is a higher number of Symbian mobile users in Ghana, it also implies that there are low number of internet users rendering just one third of the total population of Ghana to have internet access. This can be further explained that, with a low educational literacy rate in Ghana, most people within the two

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thirds using Symbian phones cannot use smart phones thereby have no use for the internet. From a different perspective, it can be said that, there exist an information and digital bridge as a result of the low literacy rate in Ghana. From the Spring 2017 Global Attitude survey, they pointed out that, less internet users are found in the Sub-Saharan Africa even though most people used phones. From their survey, they found that as people from the region got online, there were new opportunities for education, business and communication via the internet. From their research, majority of Sub-Saharan Africans stayed in touch with friends and families being the one of the popular uses of the internet and also, almost half of the people used the internet to get news and information politics, governmental information and developments and information on health and medicine. 26% of internet users applied for jobs online while 14% took online classes with 17% shopping online. *Figure 3* gives a summary of what the internet is used for in Sub-Saharan Africa from the Spring 2017 Global Attitude survey. With the low number of online shopping, job application and education, it could be attributed to the low internet infrastructure in the country, till recently that the internet has become a widespread concept in the Sub-Saharan Africa. As explained earlier, governmental institutions have made minimal use of the internet because of the low level of ICT literacy in Ghana thereby the citizens have shown less interest till few years ago. Presently, most Ghanaians shop online using Jumia, OXL, Tonaton or sometimes Amazon to buy and sell goods because of the ease of transacting. Also, mobile money has contributed to online shopping which has gained strides in Ghana due to its convenience. According to Chaia et al., (2010) mobile payment solutions are a means of extending financial services to communities known as the "unbanked" or "underbanked" in most developing countries. Since the banking industry in Ghana is still in its growth stage, the concept of mobile money is used by Ghanaians to aide in financial transaction without using the bank as an intermediary. Since this process is fast, almost all Ghanaians use this method especially online businesses due to the lack of use of credit and debit cards business transactions in Ghana.

**For internet users in sub-Saharan Africa, staying in touch with family and friends is most common activity**

Adult internet users who used the internet to \_\_\_ in the past 12 months



Note: Percentages are six-country medians based on internet users in Ghana, Kenya, Nigeria, Senegal, South Africa and Tanzania. Internet users include people who use the internet at least occasionally or who own smartphones.  
Source: Spring 2017 Global Attitudes Survey. Q70a-h.

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Figure 3: How the internet is used in Sub-Saharan Africa. Adopted from the Spring 2017 Global Attitudes Survey

2.5 THE DIGITAL DIVIDE

The world presently finds itself in an age where information and communication technologies (ICT) has impacted the way of life causing changes to the way things are done. From health, social, economic and political perspectives, ICT has had an impact on the way of life in this age. The impact of ICT is evident globally, but ICT has not impacted the total population in the world thereby rendering a gap between those that have access to ICT and those that do not. This gap is widely known as the “digital divide”. According to the Stanford.edu (2019), “digital divide is the gap between the underprivileged members of society; the poor, rural, elderly, and handicapped portion of the population who do not have access to computers or the internet; and the wealthy, middle-class, and young Americans living in urban and suburban areas who have access”. According to Norris (2011), digital divide can be said to be social and economic inequalities that may exist within a country or society hindering the access, use, or impact of information and communication technologies (ICT) and in the knowledge and skills needed to effectively use



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and/or gain from it. To the OECD (2001, p.5), digital divide is “*the gap between individuals, households, businesses and geographical areas at different socio-economic levels with regard to both their opportunities to access ICT and to their use of internet for a variety of activities*”.

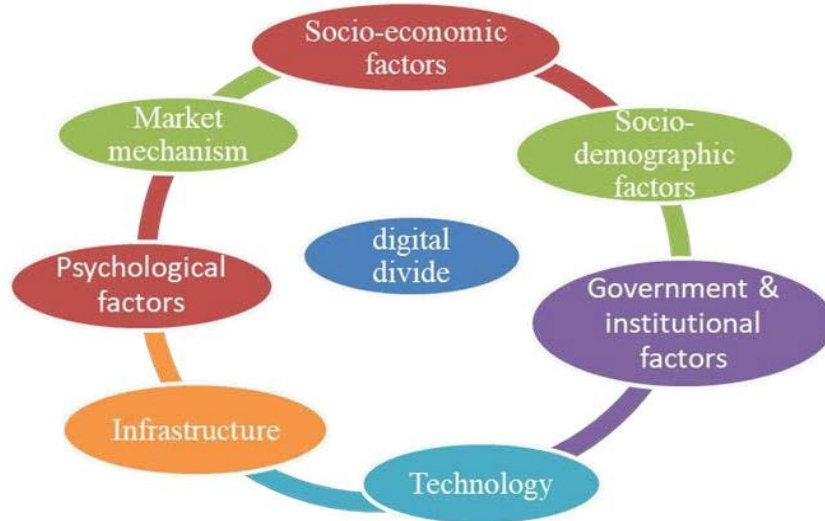
Digital divide is described as a gap that exists as a result of less or no access and usage of ICT among the less privileged in a society. According to Hilbert (2011), the conceptualization of digital divide has been described by many researchers by considering the question of who, with which characteristics and how people connect to what. Hilbert (2011), in his study argued that there is no one fit all definition for digital divide since there are 216 ways for defining digital divide from the definitions above. He further explained that definition of digital divide will be what it is from the view of the researcher as a result of the subject and context of what research is being undertaken to have a specific definition of what digital divide is; that is, different researchers focus on different or specific aspects, resulting to a variety of definitions of the digital divide. According to Rooksby, Weckert & Lucas (2002), digital divide is not only restricted to the access of technical IT infrastructures, but also, social infrastructures that support ICT. In addition, Choudrie et al., (2005) identified some other factors contributing to digital divide as socio-demographic factors. These includes gender, race, education, age and location, ethnicity, institutions and income, as factors contributing to the disparities widening the digital divide. Tichenor, Donohue and Olien (1970), according to their Knowledge Gap Hypothesis expressed that, knowledge or information gap exist in societies and that, it is relevant to close the gap that exist in societies. The importance of bridging the gap was noted by Severin and Tankard (1988) stating that, as mass media information is increasingly assimilated into the social systems of a country’s population, segments with higher socio-economic status would acquire information faster than the segment with lower status which makes the existing gap much wider than before. Severin and Tankard (1988) statement also proves that, digital divide should be analysed from different or broader perspectives in order to find better ways in bridging the digital divide. According to the World Economic Forum (2002), highly industrial countries have had higher ICT and internet penetration as compared to countries that were not and as a result, the social and economic advancement in these countries have become increasingly tied and dependent on ICT, in that, the adoption of ICT, its dissemination, and utilization has become much easier within developed countries (Hill & Dhanda, 2003). As compared to most developing countries that are not industrialized, with their ICT adoption being low, internet usage and

penetration into most developing countries are low thereby resulting in a gap between internet and ICT use among developed countries and developing countries. In bridging the digital divide in most developing countries, assessing the gap from the perspective from its definition of ICT and internet usage as Hilbert (2011) noted, will not help bridge the gap, rather, the concept of digital divide should be analysed from multiple dimensions (Baker 2001), and as Lentz (2000) suggested, the concept of bridging the digital divide should be analysed to the point of community development.

## 2.6 DIGITAL DIVIDE IN GHANA AND FACTORS IMPACTING IT.

The increase use of information and communication technologies (ICT) has stimulated productivity and driven economic growth of various countries, who have been able to adopt and use ICT. It is evident that, ICT has diminished the geographic location and distance among various markets by digitalising and globalising markets and economies by using new technologies in linking markets and people all over the globe and also in some cases enhancing short product life cycle a little longer (Pick & Azari, 2008). ICT has thoroughly altered both lives and work of people as new technologies are innovated and used at all times. In the context of this study, the conceptualisation of digital divide would be considered by the question of who, with which characteristics and how people connect to what, would be used in order to have a clear picture or understanding of the situation in Ghana and how other factors impact or widen the digital gap. In looking at digital divide from the Ghanaian perspective, factors contributing to digital divide includes, social inequality, economic inequality, educational inequality, geography, demographics. This is because the issue of digital divide in Ghana is not only a technological determinant, rather, a multifaceted phenomenon as a result of other dimensions of determinant (socio-economic, socio-demographic, psychological factors, language and cultural difference, governmental and institutional factors, infrastructures and market mechanisms) impacting the technological determinants hence widening the digital divide or gap. *Figure 4* gives an idea of how the digital gap in Ghana is not only a technological determinant, rather, a multifaceted phenomenon impacted by other factors in widening the digital divide. According to the Spring 2017 Global Attitude survey (Pew Research Center, 2018), sub-Saharan Africa has the lowest use of internet in Africa and according to the World Economic Forum (2002), countries that have

low internet and ICT penetration are mostly developing countries and less industrialised, making most sub-Saharan countries an example of such. With the high mobile penetration and



*Figure 4: Factors impacting digital divide in Ghana*

mobile data subscription and the availability and access of internet in Ghana, there exist a digital divide since majority of the populace do not use internet and ICT even though they could have access to them. From Kemp's (2018) survey, only one third of total population in Ghana used the internet and from the Spring 2017 Global Attitude survey (Pew Research Center, 2018), it explained that the low number of internet users in Ghana was as a result of not every Ghanaian owning a smart phone since most internet access was done through mobile phone as it is the easiest and cheapest medium to access the internet. In their survey they acknowledged that, most Ghanaian owned basic phones (mostly Symbian phones) with less Ghanaians having smart phones. Their report also related ownership of smart phones and basic phones to one's educational level and income. The more educated an individual is with higher income, there is a high probability that, that individual owned a smart phone and vice versa is true. With a higher percentage (45%) of basic mobile phone users in Ghana, rendering one third of the total Ghanaian population to have internet access. Their claim of relationship between internet use, educational level and income was attested to when Severin and Tankard (1988) acknowledged

that, information reception in the 21<sup>st</sup> century is over smart phones and personal computers and that without knowledge of how these technological gadgets are operated, one cannot receive information. With internet and ICT available in Ghana, there still exist a digital divide which is not as a result of low or no availability or access to ICT in Ghana but factors such as education, infrastructure, income, market mechanisms, governmental and institutional policies, attitudes etc., causing the divide and as observed in Figure 4, these factors intensify the digital divide in Ghana. With the report from Spring 2017 Global Attitude survey, most Ghanaians accessed the internet via mobile phone and by using “one fit all definition” and using the conceptualization of digitalisation, it becomes easier to answer the question of who, with which characteristics and how people connect to what. From the various studies (Kemp, 2011, Pew Research Center, 2018 & GNCA, 2017), it is easy to deduce that most Ghanaians who access the internet are teenagers, both young and old (50 years and above) adults who have the means to afford sophisticated technological innovations to access the internet consisting of the one third that accessed the internet according to Kemp (2011).

## 2.7 HOW OTHER FACTORS IMPACT DIGITAL DIVIDE

From figure 4, it was observed that, infrastructure, socioeconomic, market mechanisms, socio-demographic, governmental and institutional, technological and psychological factors also affect digital divide. In comparing developed countries to developing countries, it is evident that there is a lag with developed countries in terms of healthcare issues, infrastructures, education, ICT and internet connectivity, to name a few. In explaining how these factors widens the digital divide, a general comparison between developing and developed countries would be made, in order to have a foundation for which other factors are built upon.

According to the American Psychological Association (2019) “*Socioeconomic status is the social standing or class of an individual or group. It is often measured as a combination of education, income and occupation.*” From the definition, it can be said that, socioeconomic status is an amalgamation of economic capital and social capital of an individual; where Savage & Devine (2013), defined both concepts as economic capital measuring the income and assets of an individual whereas social capital measured the quantity and social status (educational level) of family, friends and business contacts. In comparing socioeconomic index (gross national income,

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per capita income and human development index) between developing and developed countries, it is mostly observed that, developed countries have higher indexes as compared to developing countries. Some of these could be attributed to better infrastructures, standard of living, industrialization, better healthcare, better distribution of income, where the opposite can be said of developing countries. In its impact to digital divide, variable such as income and occupation can either widen the digital gap or not. Norris et al. (2001) claimed that *“all the selected indicators of economic development, human capital, and democratization proved to be strongly and significantly related to use of the Internet. . . the proportion of the population online in each country [is] significantly related to levels of per capita GDP, R&D spending, literacy and secondary education, and level of democratization, according to the available measures”* (p. 61). According to the World Bank (2017), the annual per capita income for a Ghanaian is \$ 1813.80 as compared to an American with \$ 53128.54. With the low annual household income of a Ghanaian, the thought of purchasing technological products are seen as luxurious products and with such low income, most average households will not be able to afford such luxury rather the rich and affluent in the country would invest in more technological products. In terms of education according to Burton (2018), the literacy rate of Ghanaians is 71%, that is basic education. He defined literacy rate as the ability to sufficiently read and write as compared to the United Kingdom where literacy rate is 99.0%. In comparing digital literacy rate, Kemp;s (2018) survey can be used where only one third of Ghana’s population use the internet. ICT or digitalisation in Ghana is now gaining the attention of many Ghanaians as compared to the past. With low ICT infrastructure in the country, not everybody has access to ICT. As compared to most developing countries where ICT and internet are assessible in private, public schools and libraries, most public schools and libraries can not boast of computers and internet access with less than equal to 50% of private schools have. According to a 2007 report by InfoDev, there has been a tremendous progress in the ICT infrastructure deployment (mostly telecommunication) in Ghana, but the ICT revolution in Ghana has left behind the internet and computing studies in the educational sector. With this, they continued to point out that, there are significant differences in urban and rural access to ICTs where Gracia (2018), pointed that ICT literacy varied by regions, where “urbanised” regions in Ghana had higher ICT literacy rates than other regions. According to Pick & Azari (2008), in low-income countries, with high illiteracy rate and poor population, there are often remote areas where the access to Internet and ICT is difficult and this can be said

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to be the situation in Ghana. The lack of ICT and Internet infrastructures and literacy in the educational sector of most Ghanaian schools contributes to the digital divide as there is no proper ICT training in most public schools. Quibria et al. (2013) in their study showed that, income, education, and infrastructure were the most important variables for per capita usage of ICT, and without it the usage of ICT becomes low in a country. As mentioned earlier, internet is available in Ghana, but only one third of the total population accessed it. This is as a result of the low ICT literacy rate in Ghana, where two thirds of the total population in Ghana cannot afford the luxury of technological products, lack the literacy to use ICT products and the fact that there has been low governmental or national investment into ICT education from the basic school levels to most tertiary levels and as a result majority cannot use computers, the internet and in some cases smart phones. Van Dijk (2006) demonstrated that physical access to computers and the Internet, were important in closing the digital divide. He further stated that without skill access and usage access, the digital divide would be widening and deepened. Van Dijk (2006) argues that information skills; to search, select, and process information in computer and network sources and strategic skills, that is, the capacities to use these sources as the means for specific goals and for the general goal of improving one's position in society are "*extremely unevenly divided among the populations of both developing and developed countries*". Without basic ICT infrastructures in most schools in Ghana, the ICT literacy rate continued to be very low. It is believed that, the early training given to a person stays with them forever. As a result of no basic ICT literacy in the majority of the Ghanaian schools, most people lack the knowledge to practically use technological products in Ghana. In Quibria et al. (2013) study, they emphasized the need for higher education, scientific and technical education, and specialized IS training to equip developing countries in using technological products.

Out of the two thirds who do not use and have access to the internet, some may have perceptions that technological products are luxurious and can only be afforded by the rich and the educated. This psychological perception that some individuals develop towards technology, builds up some kind of lackadaisical attitudes and beliefs towards the use and adoption of technology and innovation as whole. With this developed perception that technological innovations are for the rich, attitude towards learning the subject of ICT and innovation becomes less among the adults because there is no motivation to learn and the fact that they will not have use for it. Children on the other hand are much fascinated about trying and using new inventions. Five to ten years ago,

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there was a perception among parents who did not allow their children go near internet cafes because they feared their children would learn the negative things internet was used for such as scamming and watching of pornography which is against the culture of most societies in Ghana. This perception also caused parents who could afford technological products such as desktop computers not to commit to them because such perceptions affected their purchasing decisions and also the fact that they lacked knowledge of what technological products could do. For example, the use of food blenders by women in rural areas meant that, a woman did not know how to cook because they used technological products rather than using the traditional methods. Even though psychological factors impacted the digital divide, social trends which have become popular among Ghanaian youth and being emulated daily is influencing some of the psychological factors that have been built over the years giving up the opportunities for others to accept and learn to use technological advancements. In recent times, most educated youth in Ghana, see the importance of ICT and the use of social media and the internet which has caused most youth to develop much interest in ICT in order not to be left behind. ICT education has been seen as a luxurious item and in the employment sector many large-scale companies tend to employ much ICT literates who are able to use at least Microsoft Excel. In order to be employed, people take short courses to increase their knowledge to be better candidates for various positions that required knowledge in ICT. Van Dijk (2006) found that, people with higher education and income are able to use database, spreadsheet, bookkeeping, and presentation applications significantly more than people with low levels of education and income. Goldfarb and Prince (2008), attested to this that, high-income and educated people easily adopt to ICT, resulting in a higher possibility of being employed.

Socio-demographic factors has also proven to widen the digital divide, but less research has been done to study the contributing factors of socio-demographic variables impacting digital divide (Choudrie et al., 2005). In Ghana, some socio-demographic factors widening the digital divide are age, gender, ethnicity (race), religious affiliations, marital status, employment and disability. Not all variables may directly impact the digital divide, but it is relevant to acknowledge how they widen the digital divide. According to Friedman (2001), there is a high penetration of internet among the youth of a country than that of the elderly. Mostly, Ghanaian internet users are young adults who have had ITC literacy and can understand digitalisation. With 67% (Indexmundi.com, 2018) of the total population being youth or young adults, not all 67% of this

population are ICT literates as a result of the unequal distribution of resources and access to basic amenities. With the total literacy rate in Ghana, 82% of males can read and write as compared to 71.4% of females. In translating this to ICT literacy, males have a higher education in ICT as compared to females (Indexmundi.com, 2018). According to Primo (2003), UNESCO acknowledges the gender divide as one of the inequalities to be amplified by digital revolution. In addition, Bimber (2000) found that, gender gap in the use and access of the Internet existed because of differences between men and women in socioeconomic status, which, according to Broos and Roe (2006), is that, gender is one of the factors structuring the digital divide. This can be said to be the situation in Ghana where males have greater chance to be educated than females in the past even though it has decreased as the result of the GIRL CHILD EDUCATION initiative by the government and the UN (UNGEI, 2019). Furthermore, other variables of socio-demographic factors widening the digital divide is dependent on employment and education. Ethnicity (race), religious affiliations, marital status and disability on their own do not widen the digital divide but depend on employment and education. If one is educated and has the means to access and use technological products, the digital gap is closed, vice versa is true. In addition, a survey study by Igbaria & Iivari (1999) of end users of microcomputers in Finland, showed that, there is an extent of influence of demographic variables (age, gender, education, and organizational tenure, computer experience, and job training) on microcomputer utilization at the level of the individuals being examined. This proves that with adequate ICT education and training among the youth, they could be equipped with knowledge in using technological innovations.

Guillén (2005) examined the relationship of democracy and the Internet and argued that a democratic country enabled a faster growth of the Internet than authoritarian or totalitarian countries. Most researcher have attested to this that, the political stability and the low control over information dissemination flourished the growth of internet use in a country. Ghana has been known for its peacefulness among many sub-Saharan countries and this has attracted many foreign companies to her due to peacefulness of the country, as this characteristic makes sure that investments thrived in a good environment. In addition, there is national democracy where citizens participate in national affairs creating liberalised country where there is freedom of speech especially with regards to government. The telecommunication in Ghana was first regulated by the government till it was privatised and liberalised. During this period, the



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diffusion of fixed lines was limited, and the use of internet was at its lowest. With failure to properly manage the sector, it was then privatized because the market mechanisms and governmental structures and policies also impacted digital divide thereby rendering the sector to be properly managed by foreign companies. From the 1997 WTO Telecommunications Agreement, it can be said that, the telecommunication sector in Ghana is liberalized and open to foreign investors. Majority of the telecommunication companies providing internet and telecommunication services in Ghana are owned by foreign companies, with less governmental interferences or policies to govern the operations of these telecommunication. The liberalisation of the telecommunication sector in Ghana means that, telecommunication companies have the right to define the market structure of their operations. From the WTO Telecommunications Agreement, the liberalisation of the telecommunication sector in most African countries was to help with the diffusion of ICT and its related services. According to Onyeiwu (2002), the lack of ICT policies to develop and diffuse ICT, deregulation and privatization of the telecommunication sectors, hoping to stimulate and diffuse ICT in most African countries has produced mixed results. Norris et al., (2001) believes that, the less governmental control of the telecommunication sector helps to diffuse the Internet, as are a result of the greater democracy and civil liberties that the country has. To some greater extent, this assertion may have worked one-sided in Ghana where telecommunication strive to provide cellular coverage in Ghana with one company's slogan of "every where you go", to imply that the cellular coverage services is widespread in Ghana even to the most remote parts. With the widespread of cellular coverage to the remote part of Ghana it means anyone with a smart phone can access the internet without using expensive gadgets (computers and tablets). With the low on no interference from the government, telecommunication companies determine the market prices of their services. As Ghana has more than three telecommunication companies, the concept of monopoly would not be considered because, there is some degree of competition among these companies. The prices of the services and products of these telecommunication companies in addition to other discussed factors widens the digital divide in Ghana because two thirds of the Ghanaian population cannot afford data packages to access the internet (Kemp, 2011). A global study undertaken Liu & San (2006), showed that one of the factors associated with the rapid diffusion of the Internet in most developed countries were the lower cost of Internet access. In comparing the internet packages to Ghana, most telecommunication companies in Finland offer relative cheaper and fast data

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packages as compared to telecommunication companies in Ghana. For example, the unlimited data package from DNA in Finland is comprised of unlimited speech, text and mms messages at home and in the EU / EEA area, unlimited 1 Mbit / s 4G net in Finland, no data roof, it also includes 10GB / month EU data package and WiFi call feature, all at the price of 21.90 € / month for 12 months whereas a the cheapest in Ghana, Big time package by AirtelTigo of 10GB cost GHC50 even though the price range may be more or less with other telecommunication companies. A marketing strategy that most telecommunication companies use to make more money is the slow speed of the internet. As the speed is slow, the bytes of the data run off after couple of use rendering the user make another purchase making it more expensive to use. The affordability of these packages is also influenced by other factors such as the per capita income of person, employment and educational level. In conclusion, digital divide in Ghana is not only about the access to ICT or the Internet but other factors impeding the access to ICT and the Internet. From various studies on the subject of global digital divide, most researchers found that, the standard of living, educational and ICT literacy level, affordability of technological products and the stability of a country were some of the major predictors of the use of the internet (Guillen and Suarez, 2001; Maitland and Bauer, 2001; Norris, 2001).

## CHAPTER 3

### 3.1 ENHANCING VALUE THROUGH THE ADOPTION OF SOCIAL MEDIA MARKETING

The popularity of social media marketing was not popular until seven years ago that most businesses started to take advantage of as a result of their understanding of how social media marketing has added value to their operations (Chui et al., 2012). According to Baron (2019), there are about 2.77 billion of people on social networking sites which according to Shirky (2010), many lives have been impacted by the use of social media. From developing cultural, economical and social phenomenon by the use of social media, it is easy to say that, the concept of social media has impacted the lives of many. As social media has proven not to be just a new media for marketing, businesses have realised the value to be gained from effectively using social media as a business tool. With many social media networks, it is easy to find information about consumer insight at a low cost and much faster than the conventional methods (Chui et al., 2012). In deriving value from digital marketing, businesses must have an in-depth understanding of how digital marketing works and also use e-business and social technologies in accessing their performances on various social networking sites. In using e-business technologies in enhancing value, Chaffey & Patron (2012) suggested that, businesses that used digital marketing should understand what value is to them and invest more into analytics in order to have accurate information to the customer journey on the various digital and social platforms businesses used. They believe that, the optimization of digital and social media marketing strategies through the use of web analytics added value to businesses depending on how a business measured its value. Value to some businesses may be increased profits, awareness creation, increased customer base and others depending on what the business sees as value. Chaffey & Patron (2012) suggested that, in increasing organisational values through the use of web analytics, businesses should be able to know how commercial value is attained through the use of web analytics, how it contributed to the performance and the capabilities of the business in order to know the actual value generated. They argued that, most businesses only keep their focus on the number of visitors that visit their digital platforms rather than using these data to delve deeper to understand the customer's journey to find out what they actually want. The accurate conversion of these data can also be used to access the performance, needs, problems and solutions of the business. The

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use of social media analytics helped businesses to understand their audience. As previously discussed, social media marketing helped businesses to engage with their audience to know what they wanted. In the same manner, using the analytics of social media provided businesses an overview of their performance and also measure their engagement with their audience. In using social media analytics, businesses can process these data to find the appropriate time to post on the social media platforms. The value of this would be to engage more audience at the highest level of alertness which according to Ray (2018), helped drive more engagement on the business's social media platforms which in tend increased traffic and sales on business social media platforms. As discussed earlier, it is imperative for businesses to know when to pass vital information to their audiences. As Ray (2018) noted, the identification of the appropriate time when most audiences are alert on social media platforms drives a higher degree of engagement, which increases awareness, sales and traffic on a business's platform. If the value of the business was measured by sales, the communication of vital information becomes crucial because when such information was passed on to audiences at their highest level of alertness, it influenced their purchasing decisions especially if there was a need for the product. For example, an in-built data analytical tool on Facebook helped businesses to know when audiences are mostly online. The use of this data from the analytical tool from Facebook when used properly, would help businesses know when to post information and by so doing value is obtained as a result of using the data from the analytical tool. In value addition and time management, the comparing of social media analytic tools helped to know which platforms engaged more with audiences and helped businesses know how to create and post contents on their social media platforms and manage these platforms in a manner where platforms with more interactions would be prioritize before other platforms (Force, 2016). The use of social media analytics can help businesses create a better strategy. Most businesses in the beginning of using social media marketing according to Ray (2018) noted that, made mistakes in developing better strategies. Strategies that most use do not increase value for them till they begin to consider the use of the social media analytics. Ray (2018) insisted that, the study and use of social media analytics helped business identify mistakes and optimizing the data from the social media analytics helped create a better strategy for one's business on social media platforms. Force (2016), added that, social media listening tools in addition to analytical data helped track the impact of the strategy on a business audience. SentiOne (2019) defined social listening as *"the process of tracking online*

*conversations to learn what people are saying about a specific brand, industry, person, etc. and use the insights as a business leverage*". According to Ray (2019), using such tools helped to know what exactly people wanted, what they said about competitors and using these insights to create better social media strategies helped to drive competition among similar business by constantly staying in touch with both current and prospective customers. In addition, for businesses that measured value in the form of awareness or an increase in followers or potential customers, social media analytics helped businesses or organisations to track the success of a social media campaign that was undertaken. That is, the analytics provided information for businesses or organisations whether they were achieving their goals or not. Analytical data provided data on the number of reach a campaign had made and if the reach was not enough, businesses could modify or rectify campaigns in order to increase the reach.

Chui et al., (2012), also identified that value could be derived from the use of social technologies across four industries (consumer packaged goods, consumer financial services, professional services and advanced manufacturing) up to \$1.3 trillion. In their report, they emphasised that, in order for value creation to be realised using social technologies, businesses should improve communication and collaboration within and across the enterprise. Chui et al., (2012) confirmed the importance of using social media analytics to get consumer insights and stated that, there was an opportunity for value creation when businesses engaged consumers on social media and also monitored their conversations and behaviours to gain market intelligence. From an organisational point of view, Chui et al., (2012) noted that, in order to capture the total value from the use of social technologies, it was equally important for businesses to change their organisational structures, processes and practices as well as be open in sharing of knowledge or information. This, when done with use of the right technological innovations would render businesses to capture the full value from the use of social technologies. In a survey by Bughin.et.al (2011) of 4200 companies, they realised that, 70% of the companies under the survey were using social technologies while 90% of them saw a degree of benefit as a result of using social technologies. Even though various social media platforms are saturated with so many businesses, a report by Network Solutions, LLC and the University of Maryland's Robert H. Smith School of Business, (2011), showed that the penetration and usage of social technologies among SMEs was low. Using Chui et al., (2012) ten ways by which social technologies added value to organisations would be explained using figure 5 below.



Figure 5: Chui et al., (2012) ten ways by which social technologies adds value to organisations. Source: McKinsey Global Institute

From their research, they claimed that, an estimated annual value creation of \$900 to \$1.3 trillion could be realised if social technologies were used by businesses and most businesses improved on the communication, coordination and collaborations. Also, individual firms or SMEs had a higher chance of making more value should they employ more knowledge workers who can rely on brand recognition and consumer perception and use social technologies to build a strong reputation, credibility and trustworthiness across the value chain. Across the four industries, product development businesses according to Chui et al., (2012), when they use social technologies and analytics businesses gained customer insight through co-creating with their targeted market. The value gained for businesses is the customer insight as a result of developing products and services with them. What customers need are brought to light through working

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together with them in designing products and services to meet their need hence increasing the business's profitability, mostly in monetary terms. Even though monetary value was increased, the actual value for product development businesses was the insight gained from the customers. Co-creation could be done in diverse ways where businesses could use social platforms to crowdsource ideas from their customer to develop new products. The insights gained from customers and the inclusion of customers in developing or modifying products according to Chui et al., (2012), was the value gained from using social technologies because customers also derived value from the product developed. An example is the value gained from Nike as a result of co-creating with customers on social media (Ramaswamy, 2008). Secondly, businesses in operations and distribution according Chui et al., could leverage the use of social media analytics to forecast and monitor market trends. The value gained from using social media analytics would be in controlling inventory and directing stocks to segments that had higher demands which enhanced the distribution processes of a business. In addition, for example, TomTom, a Dutch navigation and mapping company used crowdsourcing to provide information about traffic jams and accidents occurrences to its users by gathering information from other users. Such information gave value to businesses with their distribution, road users on their movements and the TomTom itself gained its share from this by as a result of using social media to create knowledge. Social media marketing has impacted the marketing and sales department over the years. Gone were the days that businesses had to undertake costly market research by getting to customers either by visiting them or by post or emails. Social media has made it much easier and at less or no cost, where businesses can get consumer insights about their products, their competitors by using social tools to gain this information. Also, marketing communications and interactions have improved where businesses and customers got quick feedbacks from products and services. Businesses are able to know which marketing communication style works for them and they try to enhance on that to get more audience. Also, social communities that leaves reviews on various products can be an avenue for consumer insight of products and by the reviews of these users, businesses could modify their products to meets the expectations of its users. In addition, some businesses went far to provide customer care solutions for customers on social media platforms. This was mostly done in some cases to impress the customer or to prove to other customers how dedicated they were. The value gained from this were customer loyalty, brand recognition and brand awareness as the business was known for how quick it catered for

the needs and problems of its customers. Example is SouthWest Airlines, they used Twitter to respond to PR issues that quickly diffused before they turn into public relations disasters (Bullas, 2019). Finally, businesses tried to find talents and matched them with roles in companies to find the right person to either employ or collaborate with. For example, Linked In provided businesses with insights about people's interest, skills and qualifications to know if they were the right candidates for a position. With collaboration, an example would be in the beauty industry where major cosmetic businesses collaborated with beauty influencers, majority on YouTube to create products or expand product lines based on the concerns and likes of their followers or subscribers. Collaboration of this sort helped to develop products that are actually needed by consumers because they expressed their expectations to their influencers from these collaborations. The value for businesses was that they got consumer insights of what they wanted and after production, the insight or information translated to money.

The adoption and use of social media generated value and value was be in various terms by the company in question. Social media has taken over business not as a new media for marketing but has built a social and cultural phenomenon around it making it a place where millennials especially, share, create and obtain information about anything or everything. As discussed in previous chapters, the world is in the era of social media, where everything and almost everyone can be found on various social media networks. E-commerce and social commerce are undertaken on various social networks and as Chui et al., (2012) researched, up to \$1.3 trillion was to be realised, when social media and its technologies were fully optimised. SMEs have to tap into the use of these technologies to its optimum and if the need be investing into it to reap the benefits of using social media technologies. Even though the adoption of social media marketing and the use of its social technologies may be difficult for some SMEs seeking professional assistance sometime could be beneficial.

### 3.2 DOES THE ADOPTION OF SOCIAL MEDIA BRIDGE THE DIGITAL DIVIDE?

The digital divide in Ghana, as discussed in Chapter 2, is far from who has access to computer and the Internet and who does not, rather, other factors contributing to widening the digital gap



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between those who can use it and those who cannot. Other factors, aside technological factors, contributes to the widening gap among the rich and poor in most developing countries impacting the digital divide included socioeconomic, sociodemographic, psychological factors, infrastructure, market mechanisms and governmental structures were among some of the many factors contributing to the digital divide in most developing countries especially in Ghana. In bridging the digital divide in Ghana, various solutions from improving ICT infrastructures, intensifying ICT education, quality education in changing perspectives, employment and better wages and salaries, better governmental policies and better market mechanisms could be used in bridging the gap. For the purpose of this thesis, social media marketing would be used to evaluate how the digital divide that exist among SMEs in Ghana could be bridged.

As one third of Ghana's population accessed the internet (Kemp, 2018), using social media in bridging the digital divide alone in Ghana as a whole will be difficult but somewhat may show positive results due to the social trends uprising in Ghana. In bridging the digital divide that exist, solutions to the aforementioned factors contributing to the digital divide must be enacted on to close the gap to some extent since the gap cannot be eliminated immediately or fully. As most SMEs and large enterprises are found in urban areas (cities) in Ghana, it would be easier for SMEs to access "highspeed" internet as compared to the internet speed in most rural areas and the fact that people living in the urban areas use and buy more digitised products and services than those in the rural areas (de Blasio, 2008), as a result of the low innovation culture among the two thirds, making it difficult to use ICT even among those that had basic education without ICT literacy. As large companies made use of ICT and e-business solutions to be more informed, dynamic and competitive in the Ghanaian market, there seems to be a discrepancy in the use of ICT and e-business solutions among SMEs. SMEs have not been able to take advantage of ICT and e-business solutions and this could be attributed to affordability and use of e-business solutions, lack of awareness and knowledge of e-business solutions, cost of implementation and the realisation of benefits with the adoption and use of e-business solutions, bandwidth capacity and infrastructure issues, easy accessibility, independent and in expensive advice and assistance to SMEs among others could be the reasons for the low adoption and implementation of e-business solutions (Crawford 1998). As large businesses took advantage of ICT and e-business solutions, SMEs are made vulnerable because most lack information system management (Ramdani, Kawalek, & Lorenzo, 2009), their financial resources according to Piercy (2010) was

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low and lacked or had low expertise in knowledge management. As a result of this, most SMEs encountered many challenges during global and economic changes. both in consumer and financial markets causing changes in consumer needs which in turns affected the longevity of their product lifecycle and their inabilities to afford new technological innovations to either catch up with the competition or rise above these problems thereby increasing the digital divide that existed between SMEs and large-scale business. In addition, according to Demirbas, Hussain, & Matlay, (2011), for SMEs to rise above these challenges, they also had to be more innovative and dynamic in their operational processes: with planning, production, marketing, finance and with human resource management in order to catch up with the competition to be competitive with large businesses.

Studies have shown many approaches in the analysis of barriers that discouraged SMEs from taking advantage of the use of ICT and e-Business solutions. A study by EU ICT Uptake (2006), categorised the barriers to the adoption of ICT into two: macroeconomic and microeconomic. Macroeconomic barriers included lack of innovation, lack of flexibility, interoperability and network and service investments. Where the lack of innovation was explained to be how welcoming the European market was to innovation. The study could also be applied to the Ghanaian market as it is not welcoming and friendly to innovation. Innovation to the Ghanaian has not been accepted and has caused the market to close its eyes to innovative marketing strategies with the exception of mobile money banking. An example of a failed innovation was the introduction of the e-ZWICH Electronic Payment System in Ghana which failed as a result of the lack innovation attributed to the Ghanaian market (Haruna, 2012). The lack of flexibility as a result of stringent policies affected factors of production and its marketing in the EU as at then made it difficult to adopt ICT as a result of patent and copyright issues. In comparing this to the flexibility of the Ghanaian market, stringent rules and policies are not as intense in Europe as a result of poor governmental structures to regulate policies in the country and in turn affecting interoperability and network where access to information needed to guide businesses in their operations are not available affecting service delivery among SMEs as a result of low investments into ICT infrastructures in the country at national level. Using the study of the OECD (2004), some factors hindering the adoption of ICT amongst SMEs without governmental hinderances could be attributed to

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- unsuitability for the type of business, where some business deemed ICT and e-business solutions irrelevant to the nature of their business thereby having no use for ICT.
- ICT cost and enabling factors, where ICT cost comprises ICT equipment, software networks, and restructuring and alignment cost, as well as maintenance cost; enabling factors included qualified personnel with ICT skills:
- Security, trust factors and the reliability of e-commerce systems

As SMEs usually focused on their day-to-day operations and do not make or have time to consider the benefits gained from the application of ICTs in their operations. Those who decide to implement new technologies need the know-how and require qualified employees but, in most cases, they do not have them as a result increasing their cost on ICT infrastructures and the reliability on e-business solutions and commerce regarding their legality and the uncertainty around their financial management and payment methods (Arendt, 2008). In comparing social media usage to actual e-business solutions, it could be said that, the management and use of the former is easier than the later since it does not require technical knowledge to manage. The simplicity of social media makes it easier for any person with basic education to use. The analytical tools which in some cases may cause difficulty for some could be managed with better explanation as to how social media analytical tools are to be used. The complexity of some e-business solutions which tends to be difficult for some SMEs could be leveraged for the use of social media marketing as it is easy to use and less costly. As some e-business solutions could be technical and complicated for less educated people, using social media could be used as a tool for digitalising and bridging the digital divide that exist between large and SMEs so that, SMEs could reap the benefits of using social media. As Derham, Cragg, & Morrish (2011) noted, using social media has minimal cost and requires low level of IT skills to use which encourages high degree of user participation as compared to using e-business solutions. According to Durkin (2013), most SMEs believe in engaging with social media, as it has potentials to increase brand awareness, developing consumer trust and loyalty and a venue for sourcing market intelligence (Chua, Deans, & Parker, 2009). In addition, a study by Hassounh and Brengman (2008), showed that social media and the virtual worlds offered SMEs opportunities that could be used as a strategic tool to enter into the international market. Hassounh and Brengman (2008), designed a business model for internationalisation using

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the virtual world. It was found that, the digital world offered SMEs opportunities to obtain information or knowledge about the international market which could be used in decision making, branding and strategy development to enter the international or global market.

In conclusion, it could be said that, the use of social media marketing could be leveraged for the use of e-business solutions which provides equal benefits as e-business solutions. As compared to most Western SMEs, where majority of SMEs are capable of affording e-business solutions, the case in Ghana could be said to be vice versa, reason for the consideration for the use of social media marketing as a tool to catch up with large companies and to close the gap of digital divide. The use of social media as a means of closing the digital divide that exist in Ghana as a whole would not be possible due to other factors impacting the gap but as a tool for SMEs in catching up with large enterprises could be possible as a result of what social media offers as tool when used judiciously. Furthermore, the adoption of social media would be use in place of e-business solutions where SMEs are not able to afford and use e-commerce business solutions. As stated in Chapter 2, even though there is access to internet, hardware and software in Ghana, the use and adoption of these technological products is low due to some factors discussed in Chapter 2. Arendt (2008) and Radovanović ( 2012) pointed out that, even though SMEs had access to connectivity, the lack of skills and knowledge in using appropriate tools in steering businesses would not be beneficial which in turns means, social media marketing or tools could be used by SMEs to bridge the digital divide in ascertaining information about both local and global market, using social media in place of e-business solutions, building brands and awareness and establishing customer loyalty among others, but without the knowledge and skills it becomes impossible.

## CHAPTER 4

### 4.1 RESEARCH METHODS

The focus of this chapter is to define the research methods used in this study, which includes the research method, research approach and the data collection and analysis.

Ghuri & Grønhaug (2005) defined research methodology as a systematic way of collecting, analysing and interpreting data to increase knowledge. According to Malhotra and Birks (2007), research methodology is a procedural framework by which a research is conducted in order to ascertain a meaningful conclusion to a research question. From the above definitions, it could be said that research methodology refers to the approach used in conducting or studying a research problem. Research methodology normally includes a research design, data gathering and data analysis which aims at ascertaining the best possible response or solution to a research problem. Research methodologies according to Ghauri & Grønhaug (2005) can be built on existing sources or newly collected data with proper organisation of data sources to derive reliable and valid results in answering research questions. In order to ascertain reliable and valid result, it is imminent that, the research problem is identified and stated clearly to guide in the approach or methods to be used in getting a solution (Collins & Hussey, 2013). A definition of the research problem will set the course for the appropriate selection of the research methodology to be used. In this study, the objective is to find how social media increases value for SMEs and how social media can be used in bridging the digital divide that exist between SMEs and large-scale businesses in Ghana. Per the discussion in Chapter 2 and 3, the theme around which data is collected would include:

- The adoption and use of social media as a marketing tool
  - as a means of connecting with consumers
  - as a means of gaining business value
- The use of social media as means of bridging the digital divide
  - Using social media as an alternative to e-business solutions
  - Using social media to obtain knowledge to effect change in SMEs operation
- The use of social media as a means of internationalising

#### 4.2 RESEARCH DESIGN

According to Creswell (2014), a research design is the set of methods and procedures used in collecting and analysing measures of variables specified in a research problem. Saunders et al. (2012), defined it as the overall plan by which a research intends to find answers to its research questions. In other words, the research design is the blueprint for which data is collected or reviewed in answering a research problem and also by adhering to the research questions and objectives. According to some researchers, a good research design must clearly state the objectives to be attained from the research question, where and how the researcher proposes to gather and collect data for the research and constraints that may hinder the data collection (Creswell (2009), Saunders et al. (2012), Churchill & Iacobucci, (2009)). According to Jalil, (2013), research design can be classified into six different types but according to Saunders et al., (2000, 97) research design is generally classified into three types; exploratory, descriptive, and explanatory research designs. In the context of this study, the research design to be followed would be an exploratory study. This is because, the approach emphasizes on the understanding and importance of what is happening, looking for new insights or cues, asking questions and analysing and assessing occurrences in a thorough manner (Robson, 1993, 42). The use of an exploratory approach is to attempt to provide both theoretical and practical answers to the research question by the answers provided by the SMEs through the questionnaires submitted (Saunders et al, 2000, 97.).

In planning a research design, it is important to acknowledge which research approach would be used in the data collection processes as the research design acts as a link between data collected and the research question in finding solutions to the research question in order to conclude. The research design defines the stages in the research methodology process which includes data collection methods, data analysis, and data interpretation (Saunders et al., 2000, Creswell, 2014, 31). The nature of the research study requires that, the research design follows a qualitative method or approach in order to gain insights to the topic of study through the perspective of the SMEs so as to uncover and identify issues and ideas that was not included in the theoretical review (Yin, 2011, 261). As the objective of this study is to evaluate the impact of the use of social media as a marketing tool, relationship management with customers, bridging the digital divide and measuring the value of social media marketing among SMEs, it is imperative to use this approach. The reason of this choice is to have an in-depth understanding of the experiences

of the various SMEs involved in the study from their perspectives (Semon, 1998). In addition, the qualitative approach enables researchers to address complexities, contexts, relationships and fuzzy phenomena (Gummesson, 2006), where Cassell et al. (2006) pointed that, most researchers have emphasized the immense contribution qualitative research has added to the research field by using qualitative procedures or processes in providing insights into studies that fascinates researchers and management practitioners.

#### 4.3 DATA COLLECTION

In a research study, an important step in the research design is to identify how a research question would be answered either by a qualitative or quantitative approach (Patton & Cochran, 2002). According to Patton & Cochran (2002), the appropriate method in answering a research question with a qualitative attribute is to use the qualitative methods and vice versa for a quantitative question. Qualitative research focuses on collecting and examining data in many forms as possible (Creswell, 2014) and according to Saunders et al. (2000), and Yin (2011), the data collection method is used in collecting primary data; mostly interviews, that are designed either in an unstructured, semi-structured or structured or focused interviews. As indicated, the empirical aspect of this study is hinged on a qualitative research approach where data is collected by sending questionnaire by email and also through WhatsApp, as it is easier and convenient for both the researcher and the respondents. The use of interview questionnaire as a data collection tool is to ensure an in-depth communication between both the interviewer and the interviewee where the interviewee understands the questions also to clarify ambiguities that may be related to the questions. The use of interview is to collect a rich source of information where both the interviewer and interviewee explain themselves better and the interviewer explores the interviewee's opinion, experiences, behaviour and the phenomenon as a whole (Yin, 2011).

Data was collected by sending out questionnaire by email and through WhatsApp to a selection of SMEs in Ghana. Most email addresses and the telephone numbers of these SMEs were obtained from social media platforms (Instagram and Facebook), Ghana Yello (a directory of businesses in Ghana) and Company List. These sources have a database of various businesses from various industries from which the selection was made. A total of 20 SMEs (see Appendix) was selected and used for the questionnaire of which 11 responded to the interview questions. To

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verify the existence of these businesses, their telephone numbers were called to find out if they were still operating or if the business was closed down before the emails were sent. Emails were strictly sent to businesses that are still operating in Ghana and active on social media platforms. The selected SMEs operate across various service industries: Food and Beverage, Retail, Clothing, Beauty, Entertainment and Telecommunications. The selection of the sample was based on two criteria: the industry or economic sector they operated in and their social media presence, thus; SMEs experience in using and managing social media as a marketing tool, numbers of followers on various social media platforms (Facebook, Twitter and Instagram). Also, interview request was sent through email to become part of the data collection process. Interviews were planned over a two-week period which was conducted through a shared link on WhatsApp and the sending of emails. Each interviewee was given a consent form (see Appendix) for which permission was obtained to record the telephone interview if it was necessary to have one. The interview questions were design in a way to get an insight and understanding of the use of social media as a marketing tool by SMEs, how they actually use social media, the advantages and disadvantages of social media and the specific platforms they use, how they measure or rate the effectiveness of social media, how they use social media in place of e-business solutions and from their perspective how social media helps to bridge the digital divide between SMEs and large enterprises.



## CHAPTER 5

### 5.1 INTERVIEW RESULTS

1. Does your business have a special social media marketing platform (s) or does your business conduct marketing activities through the conventional marketing channels (radio, television, posters, etc.)?

From the responses from all 11 respondents, they have social media platform pages for their business. All 11 businesses (100%) use Instagram and Facebook to reach and interact with customers while 5 businesses (45%) also used Twitter. In terms of advertising and marketing using the conventional marketing channels (radio, television, posters, etc.), 54.5% representing 6 of the respondents used the conventional method in advertising and reaching new audiences while 36.4% representing 4 SMEs' did not and 9.1% representing 1 SME only used online marketing.

2. How do you compare the performance of social media as an advertising tool to other traditional mediums of advertising (radio, television, posters, etc.)? And how effective has social media been to your business in terms of marketing and advertising?

All respondents have a social media platform with most using Facebook and Instagram to reach their audience and conduct their social media campaigns. In comparing the performance of social media as an advertising tool with that of the conventional channel, 90% representing 10 SMEs' of the respondents preferred using social media as an advertising tool because it is cheap and fast as compared to the conventional medium. One respondent stated that, *it's cheaper, faster and more measurable* as compared to the conventional medium. As measurability tends to be an element for most businesses to know how far their social media campaigns are doing in terms of reach and awareness, it is important to measure the performance of their contents and campaigns in order to know if there is any value gained from the use of social media platforms. In addition, another respondent stated that, *social really helps with advertising. Almost everybody one way or the other spends At least an hour on his/her phone where as they don't do same with their tv's. Everything has been channelled through social media.* In terms of reach and awareness, it is evident that, this respondent

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heavily depends on social media for advertising and reaching new audience. With the continual up rise use in technological advancement, and in this case social media networks, it is easy to find almost everybody on a social media platform. This has also contributed to the fast and easy dissemination of information over the internet due to its simplicity and accessibility. Another respondent stated that, *we are in a computerised era and anything one post online extend nationwide so social media moves faster than the radio and television and it makes marketing more easier now*. As discussed in Chapter 2, with most Ghanaian youths using social media, businesses are able to reach larger audience using social media platforms as compared to the conventional channels. Social media is able to go beyond geographical restrictions in most cases as compared to television and radio. The only exception in this case would be for the use of national television and radio channels where advertising can reach a larger audience without geographical limitations. Even so, it is arguable that, not everybody watches or listen to television and radio thereby the reach and awareness of businesses could be limited. As one respondent stated, he uses both social media and conventional medium to reach different markets. According to this respondent, *traditional media is great at targeting the older generation. social media works well or targeting those who are younger for us*. As discussed in Chapter 2, age, education and income influence the use of technological innovations in Ghana, and with the majority of the older generation not having adequate knowledge in the use of ICT and its related innovations, most older generation ascertain information from both radio and television, making it the best channel to target the older generation using the conventional media. In its effectiveness, all respondents claimed that, the use of social media as advertising tool and has added value to their business. Value from the respondents included increased sales and revenue, awareness and increased in target market, expansion of business activities and the likes. Others added that, with a good campaign and promotion, with sales increase and customer base increasing, it is also easy and effective to use social media to attain a two-way communication advantage. One respondent stated that, *when customers see what you do, and they love it, they follow up and make a purchase*. Others also claimed that, both customers and prospective customers are able to seek information of their products and services which gives them the opportunity to explain to them their offerings.

3. What are some of the advantages and disadvantages of using social media as a marketing tool?

Aside the numerous advantages that the use of social media has, there are disadvantages which could affect the lives and businesses of people on social media platforms. As discussed in Chapter 2, some advantages of the use of social media for business purposes includes it being a cheap platform for promoting and sharing business offerings, building brands and also gaining exposure to new social media users or customers which in turn increases brand recognition hence an increase customer base and sales. As most respondents pointed out the simplicity, fastness and the affordability and cost efficiency associated with the use of social media, a respondent explained that, *social media is more of a free platform of advertising and you actually get to the people because everybody is using a smart phone and prior to that, has got all the necessary apps*. The easiness and affordability of the use of social media to reach targeted market and also reach much more audience makes the use of social media among Ghanaian SMEs a preferred choice of advertising and marketing than the conventional way of marketing. Even though Ghanaian businesses and also SMEs still use radio and television for advertising, the heavy dependency to reach new customers on both radio and television has shifted to the use and dependency on social media. One respondent attested to this pointed out that, *social media has the ability to reach a large number of audience and able to target your audience based on demography and also their behaviour*. With businesses having an idea as to how their target market behaves to their campaigns, it easy to know what content to attract them to increase sales. This gives SMEs to further interact with their target market and know their taste and preferences to further adjust their offerings to what their target markets actually wants. With its disadvantages, most respondents pointed the negativity of the use of social media with the spread of false information and how fast rumours are able to spread fast destroying their business. A respondent stated that, *the influence on social media is so high that the little mistake you do, it is going to trend and that will affect your brand*. Another shared that, *negative reviews spread faster through the comments section which affects our businesses*. In addition, others also pointed out the ambiguities that come with the use of social media as people interpret contents shared to their understanding which in some way can be misleading. This respondent shared that; *it is difficult to control the narrative of your content sometimes*.

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*People interpret your content however they can relate to it.* However, it is up to the SMEs to know how best to communicate with their targeted market and not create ambiguities with the information they share. For example, Instagram has some interactive features where social media users use these features to organise polls and make followers take a guess for them to know their perceptions about them or a brand. After gathering responses from these polls, brands, businesses or influencers are able to clear out all ambiguities and wrong information that followers or their target audience has about them or a brand. Aside ambiguities, some respondent out copy right issues and how their work are stolen or modify by businesses or users to attract their target market. This respondent stated that, *people steal your designs, trying to get attention and it doesn't come out exactly like yours.* The issue of copyright with the use of social media can be regulated. According to the Prowse team of Prowse Chowne LLP, businesses can officially register their intellectual property being it name, logos, designs, hashtags, inventions or processes legally and also on social media platforms which helps businesses to file cases on the infringement of their use of their intellectual property. With registration on social media, businesses must be authenticated and approved by the social media network in question to have their intellectual properties protected.

4. In terms of cost and reach, how does your social media marketing efforts compare to the traditional marketing efforts?

Most respondent preferred using social media platforms because of its relative cost advantage and how it can go beyond geographical boundaries to reach more audience. In comparing the cost of advertising both on social media and the conventional television and radio advertising, most businesses pointed out the expensiveness of using the radio and television especially if you want your business to be advertise during prime hours. For social media, it depends on the number of clicks and according to one respondent, *you pay for the cost of advertising in the beginning and as people tend to know more about you through word of mouth and recommendations from friends, family and other users, you really do not have to pay for advertisement every time only when you have an important campaign running.* Another respondent stated that, *we put more into social media advertising as that's where our customers are,* where another respondent do not use the radio and television advertising

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because it does not work for the business. As established in Chapter 2, social media has a better reach than that of television and radio advertising and it is much cheaper than the latter.

5. Does your company have a target market to whom they advertise? Does social media help in reaching to your targeted market?

81.8% representing 9 SME's of the total respondents has target markets whereas 18.2% (2 SMEs') do not. This could be as a result of the type of business and the fact that mass advertising is the appropriate way of reaching more audience and creating an awareness of the existence of the business. In reaching targeted markets, 81.8% of the respondents believe social media helps in reaching their target markets whereas 18.2% are not sure if social media helps or not.

6. What kind of content generate more engagement on your business social media platform? In your opinion, does the content you share on your business platform helps reach larger audience, attract new followers or customers and boost sales?

The content shared on various social media platforms tend to be an integral aspect in reaching targeted market. According to one respondent, *the content we share should be able to appeal to our targeted market in order to drive and increase sales.* Another respondent stated that, *with the results of their services and processes shared on social media platforms, we have likes, comments and followership on our social media pages as a result of campaigns we run. Day in day out, more people make orders through these platforms also.* Based on the various industries that the respondents answered from, it can be said that, the targeted markets are attracted to images and video contents, modernity, exquisite taste of their services and products.

7. In your opinion, does education, training or experience in using social media helps in adding value to businesses? If so, would you employ an expert in handling your business's social media?

Per discussed in Chapter 2, education tends to be an integral part to digital divide. The less educated one is the lesser the chance of using technological developments including social media. From the responses of the respondents, education, training and experience tends to be

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an integral component for a business to have a vibrant and interactive social media platform. Some responses to this question included that *yea .... our expert is able to develop a plan and a content calendar for the brand and also the employment of related marketing tools to improve our presence and also leads generation. Education and experience in social media marketing will definitely add value to the business.* All respondent believes that, education, training and experience in using social media is important in managing a business platform because expertise are able to understand the dynamics of social media, what content to share and how to engage their audience. In employing an expertise to handle their social media platforms, 50% (5 SMEs') of the respondents stated that they do have an expert managing their business social media platform whereas the other 50% (5 SMEs') do not currently have an expert managing their business social media platforms but will consider in the near future. 10% representing 1 SME out of the 50% (5 SMEs') who do not have an expert managing their social media platforms do occasionally consults with professionals on how best to manage the business social media platform. Some respondents see the value of having an expert because aside properly managing the business social platforms, they are able to delegate some responsibilities to these experts. This respondent stated that, *experts help adding value to business and I don't mind employing an expert to handle my business on social media platform because one can't always do everything all by their selves and since it's the person's field, I know the person would do a great job sending information etc across.* This respondent also stated that, they will *employ for better PR purpose and also as a means of delegating.* It is evident, SMEs acknowledges the importance of education, training and experience in better managing business social media platforms and also see the value that expertise bring to the table in properly managing business social media platforms.

8. Do you use the analysis tools of social media platforms to measure the returns on investments on your social media campaigns? Do social media usage provide an insight or knowledge as to how you should operate based on consumer reactions on these platforms?

All respondents claimed they use the social media platform and that it is a more reason they invest into this type of marketing because they are able to measure the returns of their investments, how well they are able to reach new audiences and how they are able to see the

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behaviours of the audience through the content they share. One respondent attested that, *it is measurable because you get to know how well your contents and investments are doing unlike the television and radio advertising*. In provision of insight and knowledge on how best to operate, 90.1% representing 10 businesses of the respondents agreed that, social media provides an insight or knowledge as to how you should operate based on consumer reactions to their campaigns and contents shared. As one respondent shared, *you are able to know their reactions to your contents based on their likes, shares, tags and comment. Since I have been doing this for some time now, I am able to know when my target market does not like my content*. Another added that, *based on reaction to content .am able to access what type of product are audience are interested in. Social media shapes a lot of the decisions we take as a business based on the reactions of our customers*; another customer added. One respondent pointed out the use of the survey features on social media platforms which provides an insight to how the business should operate; *once in a while, a survey is conducted, and it helps to know how we should move forward*. It can be agreed that, from the analytical data of social media networks, businesses are able to customize offerings, content and campaigns to meet their targeted market in order for value to be realized.

9. Do social media platforms serve as an avenue for internationalizing (engaging potential customers from different countries)?

All respondents agreed that social media platforms serve as an avenue for internationalizing as they serve customers who are outside Africa and also within the African continent. One respondent shared that, her business just participated in the just ended Essence festival in New York and since the business depends on social media marketing, she attests to the fact that social media serves as an avenue for internationalization.

10. In your opinion, do you think SMEs in Ghana have fully embraced or adopted the use of social media as a marketing tool? What could be some factors hindering SMEs from fully using social media as marketing tool?

From the responses of the respondents, there seems to be a disagreement on if SMEs in Ghana has fully adopted social marketing. 50% representing 5 businesses, believed that SMEs in Ghana have not really embraced social media marketing whereas the other 40%,

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constituting 4 businesses also believed that they have and 20%: 2 SMEs', were not really sure if SMEs in Ghana have fully embraced social media marketing. Some believe that, with the inexpensiveness of using social media as a marketing tool or platform and the fact that businesses are able to reach more audience, it implies that almost all SMEs in Ghana use social media as a marketing tool whereas one respondent is of a different opinion, that; *Not yet. They still have a long way to go. Out of 100%, 40% are getting use to it whereas the 60% are still struggling to adopt.* As half of the respondents believe that SMEs in Ghana has fully adopted social media marketing, 80% (9 businesses) of the respondents believe that there are factors hindering the use of social media as a marketing tool amongst SMEs in Ghana while 10% (1) do not agree, which is contrary to the 40% (4 businesses) agreeing that social media marketing has been fully embraced by SMEs in Ghana. Some of the factors pointed out to be hindering the use of social media as a tool or marketing platform includes education, internet connectivity and knowledge gap. One respondent replied that, *Illiteracy is a prime factor and in other case, the whole concept behind it isn't understood* while another stated that, *Knowledge Gap. Most business owners are not tech savvy and hence don't fully understand the importance of social media presence*, while another pointed out that, *they are not very educated or opened to the subject.* From one respondent, *target audience isn't the same with every SME reason why not every SME uses social media.* This proves the digital gap that exist in Ghana, resulting in more people not having the competence and skills in using technological innovations.

11. What are some factors that hinders you or other SMEs from accessing the internet in Ghana?

All respondents believe that there is a hinderance to accessing the internet. Most identified the hindrance to be poor internet connectivity, high tariffs on data packages, education, with one respondent stating there is no hinderance hindering businesses.

12. As a SME operating in Ghana, do you think social media provides you with knowledge (information, idea, insight, etc.) which helps you compete with larger organisations?

All respondents claimed social media provides them with knowledge, ideas and insights in competing with larger businesses. Some examples of knowledge (information, idea, insight,



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etc.) included, interest of customers based on their reactions to contents, surveys provides information on new trends and better ways of management to suit customers, analytical data from social media helped in making better decisions were some ways by which respondents pointed out provided knowledge for competing with larger organisations.

13. In the case of affordability and usage, which would you prefer, the use of social media tools or business software? And why?

(Business software is a tool that helps online stores process, manage inventory, add or remove products, process payments, calculate taxes and execute online orders, etc. Example; Amazon Marketplace)

60% of the respondents representing 7 businesses chose social media tools while 30% (3) chose business software while 10% (1 business) chose both business software and social media tools. Most respondents chose social media tools as a result of its affordability and its easiness to use.

## CHAPTER 6

### 6.1 DISCUSSION

The primary objective of this research was to analyse how SME's in Ghana use social media as a marketing tool, how the use of social media increases value for SME's and how social media can be used in place of e-business solutions to bridge the digital divide that exist between SME's and large enterprises. The objective of the study aimed to provide conclusions on the use of social media in increasing value and bridging the digital divide among SMEs in Ghana by first finding answers to the research questions:

- I. Does the adoption of digital marketing among SMEs increases value?
- II. Does the adoption of social media bridge the digital divide?

#### 6.1 DOES THE ADOPTION OF DIGITAL MARKETING AMONG SMES INCREASE VALUE?

Per the results of the research questionnaire, it is plausible to conclude that the adoption of digital marketing, and in this context social media marketing, increases value for SMEs. Value is defined by the SMEs in question and for the majority of the respondents, reach and awareness were the value social media marketing added up to their operations which resulted in increased sales hence increased revenue. Other respondents believe that the use of social media for marketing added value to their business by providing insight and knowledge about their customers, their wants and preference and were able to design offerings that suited their preferences. Another respondent only used social media marketing without using television and radio advertising to substitute its digital marketing; mostly SMEs also used the conventional method to substitute their digital marketing, which is done by most respondents and businesses in Ghana. The value this respondent derived from social media marketing is lower cost, reach and awareness. As it is evident that social media is cheaper to use by the respondents, its performance in comparison to the conventional radio and television is much better only if the targeted market are within a certain category of age and are technological savvy as pointed out by the respondents. The goods and services of a business would also determine whether the adoption of social media marketing would be an ideal choice for a business. As one respondent stated, *traditional media is great at targeting the older generation. social media works well or targeting those who are younger for us.* Aside awareness to customers in Ghana, the online or

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social media presence of these SMEs has also gained attention from most international clients which would not have been possible using the conventional marketing and advertising approaches. As (Smith and Wollan 2011, p. 4) stated, “social media transcends traditional geographic boundaries” which helps business to become internationalised or gaining international awareness without having to pay for internationalization transactional cost or consultation from experts about entering into another country to do business as they may have built a strong consumer base in that country. In addition, communication is enhanced between businesses and their customers. As the respondents pointed out, they are able to know their customers better by way of building a relationship with them in knowing them better through their wants and preferences. In order to be successful, Buhalis and Law (2008) proposed that, businesses swiftness in identifying consumer needs and providing them accordingly through personalising their services or providing detailed services or contemporary services that is aligned with the customers want are able to do better than businesses that do not. For SMEs to be able to do this, they need to develop better relations with the customers for them to know their customer better. Jung et al. (2013) noted that, social media is an important tool for businesses to use in building a better relationship with their customers. As respondents pointed out the ease in communicating with their customers, it is also easy to get to know them through this medium and as Buhalis and Law (2008) noted, the customization of services or products to meet customers expectation increases value or sales through the information or knowledge received from them in the process of developing or building relationships with the customers through communication. With such customization and contemporary services, sales are increased with a high possibility of repeated sales both from Ghana and outside the boundaries of Ghana.

In addition, the use of social media as a marketing tool provides cost-efficient strategies for SMEs by which they are able to strive and compete with larger organisation. SMEs need to formulate a social media strategy plan that would help gain insight into their respective industries as to how best to compete with well established or larger organisations. It is important to have a clear social media plan for SMEs to know what they are about. A well-planned social media strategy gives a pathway or a blueprint to where a business is moving towards and what it wants to achieve. With a well-planned strategy, businesses are able to map out their target market, their competitors and also know how their competitors are performing and how they can strategize to out-do their competitors (Standberry, 2018). As most respondents pointed out, the use of experts

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in managing their social media has been beneficial since their expertise in managing their business's social media page has increased their revenue. According to Standberry (2018), a good social media strategy give business an ever-growing presence, gives it an organic presence and also help businesses maintain their reputations on social media platforms. In addition, with a well-planned strategy, businesses are able to plan their social media contents and properly schedule appropriate time for posting contents based on the urgency or the importance of the content. As stated in Chapter 3, some social media platforms have specialized tools or software which are able to tell when audience are mostly online making it easier to post important contents during these prime time's putting businesses ahead of the competition especially when some businesses could be inconsistent with position relevant or important contents which in the long run could affect the followings of a business page decreasing the reputation, popularity and revenue in the process.

In addition to having a good and well-planned social media plan or strategy, it is important for businesses to utilize the social media analytics to grow. As all respondents insisted they use the analytical data of social media, they also pointed the relevance of the use of the analytical data as it gave them insight into their performance on these social media pages, lead generation, monitoring the performance of their campaigns, increasing reach and brand awareness, understanding their targeted market and responding to their preferences in a manner suitable for their targeted market amongst others. The use of social media analytical tools cannot be over-emphasized as many have pointed its benefits and relevance to businesses. According to Varone (n.d.), some benefits that the use of social media analytical tools and data provided businesses included business growth and the evaluation of the impact of businesses marketing campaigns, as a result of a well planned strategy, businesses were able to make better decisions, improved customer experiences and satisfaction as a result of a better relationship built to know customers, an increased in brand awareness and reach and also benchmarking competitors, as businesses have been able to gather and learn from their competitors analysis. From the use of social media tools, businesses are able to know who their competitors are, what they are best at and the gaps existing in their social media strategies. This allows a side-by-side comparison of business analysis with a competitor to find out how best to gain a competitive advantage over them.

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As most respondents stated, they gained intelligence or knowledge from the use of social media analytical tool which impacted their operation on social media. One stated that, *social media shapes a lot of the decisions we take as a business*. With social media providing business intelligence to businesses, SMEs are able to better strategized and compete with their competitors and larger organisations. Also, the use of social media analytical tools can be used in place of e-business solutions as one could say, it provides almost the same benefits of e-business solutions with some degree of differences. Beal (2010), explained that e-business solutions are those applications or software used by businesses to help in solving enterprise problems. Some benefits of e-business solutions offered automated billing systems, payment processing, email marketing systems, customer relationship management (CRM), enterprise resource planning (ERP), business intelligence (BI), business continuity planning (BCP), enterprise application integration (EAI), enterprise content management, enterprise search, enterprise messaging systems (EMS), call center and customer support, HR management (Beal, 2010). Whereas social media analytics offered customers competitor analysis, follower analysis, content engagement analysis, influencer identification, attribution, reporting to mention a few, as different companies offered different applications that could be used in addition to the above (G2 Crowd, 2019). In addition, G2 Crowd (2019), mention that, the above was the main analytical tool software associated with social media marketing suites whereas there were others which are not mentioned, but part of the actual marketing suits used as a managerial function. Social media analytical tool created by other companies which could be an alternative to some e-business solutions software are; Oktopost as it *is the first solution to establish the ROI of social media, bridging the gap between social media and lead generation*, Hootsuite, Zoho Socials, Social Reports, Brand watch; a social media intelligence software among others are mostly recommended to be used for businesses on most social media platforms. With the existence of numerous alternatives that could be used in e-business solutions or software, it easy to conclude that, social media analytical tools can be used in place of e-business solutions among SMEs who cannot afford and use e-business solutions to bridle the digital and informational gaps that exist between larger enterprises and SMEs giving them intuitive and analytical data that could be used to compete with larger enterprises.

## 6.2 DOES THE ADOPTION OF SOCIAL MEDIA BRIDGE THE DIGITAL DIVIDE BETWEEN SMES AND LARGER ENTERPRISES?

With the identified values that social media offers to businesses, not all SMEs in Ghana have fully embraced the use of social media. As the respondents stated, some factors as to why most SMEs in Ghana do not use social media marketing included the lack of understanding of the concept of social media, lack of basic education and illiteracy to understand how to use social media and some not open to the subject of social media. Also, some respondents believed that, with different targeted market, not every target market uses social media thereby making some SMEs not to use it since their target markets are not technology savvy and cannot use and be found on various social media platforms. Apart from these inherent factors hindering the use of social media as a marketing tool amongst some SMEs in Ghana, there are also some external factors hindering the use of social media in Ghana. Most respondents associated the hinderance to the poor internet connectivity in Ghana and their related or associated exorbitant prices of data packages. The exorbitant prices of data packages coupled with a slow and unstable network impacts negatively to SMEs, which could or have hindered some SMEs to not use social media as a marketing tool. This increases the digital divide that exist among SMEs and larger enterprises since those who cannot afford the use of social media may not enjoy the benefits stated above making them susceptible to be left behind and not grow as result to no business intelligence, no brand awareness and reach amongst others widening the digital divide. As stated in Chapter 2, the liberalization of the telecommunication sector in Ghana without any governmental interference, has also impacted the telecommunication sector negatively as telecommunication companies charge exorbitant prices without providing better services to the Ghanaian populace as a result of no governmental policies overseeing their activities. As a result of no intervention from the government, telecommunication do as they please and mostly are concerned about how to rake in more profits affecting the Ghanaian populace and especially businesses that are dependent on the internet to operate.

Furthermore, the illiteracy rate among Ghanaians as discussed in Chapter 2 also contributes to the low use of technological advancements in Ghana. Per the responses of the respondents, it is evident that, the major factors impacting the digital divide are education, socioeconomic, sociodemographic, psychological factors, infrastructure, market mechanisms and governmental

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structures, where the severity of one factor triggers another making the factors more interwoven than these factors existing on their own impacting the digital divide that exists in Ghana and among Ghanaians. Social media on the other hand has been beneficial to some SMEs by serving as a means of bridging the digital divide that exists between SMEs and larger enterprises by providing them information, insights and ideas, different perspectives on how best businesses can be done and who competitors are and what they are doing, their strengths and weakness and how businesses can take advantage of these insights and information and how they can turn things around into their advantages through the social media analytical tools used by SMEs or businesses to be able to compete with established businesses as a result of adopting the use of social media analytical tools as an alternative to e-business solutions.

In a nutshell, it can be said that, social media serves as a bridge to digital divide among SMEs and larger enterprises. Social media can be used as an alternative to e-business solution where businesses are not able to afford and use e-business solutions. For the adoption and use of social media to be beneficial to businesses, it is imperative to use the analytical data from social media to be well informed of a business performance in order to plan strategically to meet the goal of the business. As discussed above, the use of these analytical data as report, a guide or a blueprint to direct the activities of businesses on social media platforms. Without the use of social media analytical data, it could be said that, the value that social media could rake in for businesses may be limited thereby not seeing any actual value added to the business. As it could be concluded that the adoption of social media or digital marketing as a marketing tool may bring value to businesses, it is important for businesses to also use the data analytical tools to fully realise the potentials of social media as a means of adding value to their businesses. As some Ghanaian SMEs pointed the relevance of social media and its ability in bridging the digital divide that exists amongst SMEs and larger enterprises, it can also be concluded that social media can be used as a means of bridging the digital divide between Ghanaian SMEs and larger businesses in Ghana as it provides insights, knowledge, connect them to customers, helps build brands and their recognition and awareness, it has for a fact provided them with so much information that has helped them expand, compete and also be known on social media giving them the awareness and existence they need for their businesses.

## CHAPTER 7

### 7.1 CONCLUSION

From the literature reviews and the data received about the opinion and experiences of the Ghanaian SMEs interviewed, it is evident to acknowledge that, social media marketing adds value to the operations of SMEs and social media can be used in place of e-business solutions for SMEs who cannot afford the use of it. As there are factors that may hinder businesses from the use of ICT, it is equally important to consider other alternatives if not using sophisticated software to enhance one's business. Even though there are lots of researches claiming the digital connectivity between SMEs and larger enterprises is gradually diminishing, the case of Ghanaian SMEs cannot be said to be that as there is no significant changes to the use of sophisticated businesses over the years as the adoption, use and implementation of e-business solutions has been low or non-existence in most situation. The lack of education and socio-economic factors has been the main identified cause for the low use of technological advancements among Ghanaians even though it is easy to have access to them especially for those in the urban areas. The lack of education and fund has also contributed to the less use of e-business solutions and social media as a marketing tool among SMEs in Ghana even though there is a rise with the number of businesses beginning to adopt and use social media to add value to their operations. In order to increase the use of social media as a cheaper option for a marketing tool, the factors impacting digital divide as discussed must be eliminated if not in its entirety, but strategic steps can be taken to ensure that its elimination would start from the root. For instance, the government of Ghana must pass a law to ensure every child has an opportunity to be in school in order to be informed from infancy. As the children grow the illiteracy rate in Ghana diminishes as there are no new population increasing the illiteracy level in Ghana. With a good basic education, it is easy to learn as people are able to read and write hence having the ability to learn new things including ICT. With the aim of gradually reducing the rate of illiteracy in Ghana, the digital divide in Ghana could be bridged as respondents identified illiteracy to be the major reason for the low use and adoption of social media as a marketing tool among businesses in Ghana.



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APPENDIX 1: CONSENT FORM

**Informed Consent Form for Master's Thesis Research**

**Title of thesis:** The Adoption of Digital marketing among SMEs in Ghana: Increasing value and bridging the digital divide using social media.

**Researcher:** Bernice Zaglago (student)

Email: [Bernice.zaglago@abo.fi](mailto:Bernice.zaglago@abo.fi)

Abo Akademi University

- 1. Purpose of the Study:** The purpose of this research study is to explore the usage of social media marketing by small and medium enterprises (SMEs) in Ghana and how the use social media adds value to businesses and how it helps in bridging the digital divide.
- 2. Procedures to be followed:** You will be asked to answer 15 questions during this interview.
- 3. Duration:** It will take at most, 30 minutes to complete the interview.
- 4. Statement of Confidentiality:** Your participation in this research is and will remain confidential. The data or information will be used only for the purpose of this research.
- 5. Voluntary Participation:** Your decision to take part in this research is voluntary. You can decide to stop at any time. You do not have to answer any questions you do not want to answer.

BERNICE ZAGLAGO

You must be 18 years of age or older to take part in this research study. If you agree to take part in this research study and the information outlined above, please sign your name and indicate the date below.

You will be given a copy of this form for your records.

---

Participant Signature

---

Date

---

Interviewer

---

Date

BERNICE ZAGLAGO

APPENDIX 2: QUESTIONNAIRE



## Questionnaire on The Adoption and Use of Social Media

Dear Recipient,

I am Bernice Zaglago, MSC student at Abo Akademi University in Turku, Finland. I am undertaking this research on how the adoption and use of social media by small and medium enterprises (SMEs) in Ghana adds value to their businesses and how social media helps to bridge the digital divide between large enterprises and small and medium enterprises. This survey is a part of my master's thesis for which I chose to study how social media adds value to SMEs and how social media can be used to bridge the digital divide that exist between larger enterprises and smaller enterprises.

I would much appreciate it if you could set aside at most 45 minutes of your time to participate in my research by answering or responding to the questionnaires below. This part of my thesis is needed because without it, my thesis would be incomplete without your response.

You are at liberty to go all out on your responses since an in-depth explanation would help in attaining new insight or knowledge with the situation among SMEs in Ghana. Also, it is okay if you do not want to respond to some of the questions which you could leave blank. Results of this study can be sent to you later should you be interested in the study. Your responses are of utmost importance to this study, and your responses to the questionnaire shall remain anonymous.

Thank you for your time and cooperation.

Yours sincerely,

Bernice Zaglago

MDP in Governance of Digitalization (M.Sc.)

Faculty of Social Sciences, Business and Economics

Abo Akademi University

[Bernice.zaglago@abo.fi](mailto:Bernice.zaglago@abo.fi)



1. Does your business have a social media marketing platform (s)?

- Yes
- No
- Other: \_\_\_\_\_

2. What social media platform(s) does your company use?

- Facebook
- Instagram
- Twitter
- Pinterest
- Other: \_\_\_\_\_

3. Does your business conduct marketing activities through the conventional marketing channels (radio, television, posters, etc.)?

- Yes
- No
- Other: \_\_\_\_\_

4. How do you compare the performance of social media as an advertising tool to other traditional mediums of advertising (radio, television, posters, etc.)

Your answer

---

5. How effective has social media been to your business in terms of marketing and advertising?

Your answer

---

6. What are some of the advantages and disadvantages of using social media as a marketing tool?

Your answer

---

7. In terms of cost and reach, how does your social media marketing efforts compare to the traditional marketing efforts?

Your answer

---

8. Does your company have a target market to whom they advertise?

Yes

No

Other: \_\_\_\_\_

9. Does social media help in reaching your targeted market?

- Yes
- No
- Maybe

10. What kind of content generate more engagement on your business social media platform?

Your answer

---

11. In your opinion, do the content you share on your business social media platform helps reach larger audience, attract new followers or customers and boost sales?

- Yes
- No
- Maybe

12. In your opinion, does education, training or experience in using social media helps in adding value to businesses? If so, would you employ an expert in handling your business's social media platform? And why?

Your answer

---

13. Do you use the analysis tools of social media platforms to measure the returns on investments on your social media campaigns?

- Yes
- No

14. Does social media platforms serve as an avenue for internationalizing (engaging potential customers from different countries)?

- Yes
- No
- Maybe

15. Do social media usage provide an insight or knowledge as to how you should operate based on consumer reactions on these platforms?

Your answer

---

16. In your opinion, do you think SMEs in Ghana have fully embraced or adopted the use of social media as a marketing tool?

Your answer

---

17. What could be some factors hindering SMEs from fully using social media as marketing tool?

Your answer

---

18. What are some factors that hinders you or other SMEs from accessing the internet in Ghana?

Your answer

---

19. As an SME operating in Ghana, do you think social media provides you with knowledge (information, idea, insight, etc.) which helps you compete with larger organisations?

- Yes
- No
- Maybe

20. In the case of affordability and usage, which would you prefer, the use of social media tools or business software? And why? (Business software is a tool that helps online stores process, manage inventory, add or remove products, process payments, calculate taxes and execute online orders, etc. Example; Amazon Marketplace)

Your answer

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SUBMIT

APPENDIX 3: LIST OF SMEs' INVITED TO PARTAKE THE INTERVIEW

<i>SMEs that partook in the interview</i>	<i>Industries they operate in</i>
Nyonyo Essential	Food and Beverage
Laser teeth whitening Ghana	Dental
Carpentree Ghana	Furniture and home furnishing
GOBA	Clothing
Hamamat African beauty	Beauty
Dough Man foods	Food and beverage
3003 events	Event planner
Ophelia Crossland	Fashion designer
Melanie Crane	Fashion designer
Kappi Gh	Furniture and home furnishing
R&R luxury	Beauty
Sorce photography	Photography
The memory crew lane	Photography
Ambrosia Foods	Food and beverage
Zen magazine	Magazine
Haizel's Atelier	Events and entertainment
Surflin Ghana	Telecommunication
Kitchen-care Ghana	furniture and home furnishing
Blue skies	Food and beverage
Ahonya Ghana	Online shopping

*Table 3: List of invited SMEs to partake in the research interview*