

## Performance of Small and Medium Sized Enterprises: Insights from Social Media Usage in Juba City, South Sudan



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**ABSTRACT:** Small and Medium Enterprises are the main forces behind economic growth, social progress, and job creation in South Sudan. Business and customers benefit from using social platform on increasing their daily business operations. However, enterprises in South Sudan are performing poorly since there was a reduction in businesses output from 58% in 2017 to 30% in 2021. Thus, the study looked into how social media usage affected the performance of small and medium-sized businesses in Juba City, South Sudan. The specific objectives were to assess how small and medium-sized firms' performance was affected by their use of social media for marketing, customer relations, social media interactions, and information search. The study also examined the moderating effect of government regulations on the relationship between social media usage and the performance of small and medium-sized enterprises. The study was anchored on Resource- Based View, media richness theory and regulatory capture theory. The study employed an explanatory research design and target population was 252 small and medium-sized enterprises in Juba City; 154 firms were selected using simple random sampling. Structured questionnaire was employed to collect data. Data was analyzed using descriptive and inferential statistics. The study found that the performance was positively and significantly affected by the use of social media for information search, social media interactions, social media usage and customer relations, and social media marketing. The study also established that social media usage and firm performance were affected by government regulations. The study concluded that social media usage contributes significantly to enhanced performance of small and medium enterprises. The researcher recommends that small and medium enterprises management should ensure they integrate the social media applications in their management systems. The researcher also recommends that in order to improve their performance on social media, small and medium enterprises identify their areas of strength and weakness. The management should employ modern technology in order to gain from data transfer, emailing, and texting while implementing a social media workforce. The government of South Sudan should ensure that suitable information technology training is offered to small and medium enterprises' owners for the adoption of social media and other technological innovations.

**KEYWORDS:** Social media usage, performance, small and medium enterprises

### 1. INTRODUCTION

It's critical for firms to achieve peak performance levels. According to Krizanova, Gajanova, and Nadanyiova (2018), improving the business capacity and performance of SMEs is crucial for boosting national, regional, and urban productivity, creating jobs, reducing inequality, and fostering more sustainable and sustainable growth. SMEs have a significant impact on the Gross Domestic Product (GDP) and unemployment. Globally, SMEs are responsible for a significant contribution to GDP and reduced unemployment (Ayyagari, Demirgüç-Kunt, & Maksimovic, 2017). Second, because SMEs are able to adapt to the challenges of a constantly changing world, their importance in the current context of rapid change in the global economy has significantly increased as a result of the interdependence of economies and the difficulty of recovering from the global economic crisis (Cowling, Liu, & Zhang, 2018). Third, SMEs embody the spirit of entrepreneurship and free enterprise, which is a key component of a competitive economy (Tomovska Misoska, Dimitrova & Mrsik, 2016). SMEs have been shown to play a significant part in advancing technical advancement in society and innovation in activities, despite the fact that the intensity varies (Aksoy, 2017).

SMEs are the cause of the transition to a market economy and play an important role in innovation, increasing income, as well as economic dynamics and employment (Mahmudova & Kovács, 2018). The growing small and medium enterprise sector consists of suppliers to a prosperous and strong economy. SMEs significantly influence a nation's economic development. Small and medium-sized enterprises support crucial innovation and sustainability, produce goods and services for the entire economy, and create jobs in both urban and rural locations. SMEs are essential to the majority of people. According to Qamariah and Muchtar (2019),

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SMEs are regarded as a key player in eradicating poverty, enhancing lifestyles, and empowering low-income groups.

SMEs represent the most widespread business model in Africa and drive the economies of most emerging and developing countries around the world. In Kenya they are seen as engines of economic growth as they create more than 80% of jobs. The growth of SMEs is caused by several factors, including the use of social media (Gekombe, Tumsifu, & Jani, 2019).

Data suggests that small- to medium-sized enterprises must embrace social platform to achieve a competitive advantage. In past years, social platform has quickly and actively developed into a new commercial communications platform. An increasing number of businesses are conducting their advertising strategies via social platform and other digital platforms, giving academics studying digital advertising the chance to advance their research in this area. Although there are challenges in implementation, SMEs that adopt social platform marketing can not only open up many opportunities but also change the nature and global structure of their business (Baird & Parasnis, 2011).

A new channel of communication that allows for direct engagement between companies and customers is social media (Wardati & Mahendrawathi, 2019). Finding reliable and current information is made easier by using social media. Furthermore, social media promotes open communication, which can assist companies in better understanding their clientele and inspire them to provide prompt and efficient customer service. Small and medium-sized businesses (SMEs) now have more opportunities than ever to sell their products, brands, or services to a wider audience (Crammond et al., 2018).

In addition to being crucial for big corporations, social media is also becoming more and more significant for SMEs. While the ratio is slightly higher for medium-sized enterprises, 24% of small businesses use social media in an organized fashion, and another 20% do so informally, according to a study by marketer Constant Contact in the US (Shaltoni, 2017). According to Johann, Wolf, and Godulla (2021) of all enterprises in Germany, 47% use social media. Easy to use and execute social interaction programs are very beneficial for SMEs. Additionally, implementing social media applications is much easier and cost-effective due to their widespread use and technological advancements. In order to increase their efficiency, it is further stated that SMEs should proactively integrate social media technology and (re)design their key business processes. A "level playing field" with major corporations can be achieved because to the extensive usage of social media by SMEs (Olayiwola & Jegede, 2020).

### 1.1 Statement of the Problem

Small and Medium Enterprises are critical in South Sudan's economy, accounting for approximately 93% of all registered businesses. This can be a driver of job creation, economic growth and poverty alleviation (International Trade Center, 2022). One strategy used by companies in South Sudan to increase market share and encourage ongoing development is the use of particular social media platforms (Adam et al., 2020). Fast embracing of new technologies results in information generation that can boost the competitiveness of SMEs (Garang, 2014). However, the ITC SME Competitiveness Survey shows that most companies in South Sudan have limited internal capacity and face high operational costs.

The success rate of SMEs continues to decline (Garang, 2014). According to data given by the South Sudanese Ministry of Trade and Industry, the average profits of SMEs fell from 77% in 2008 to 55% in 2018. SMEs established in Juba City, South Sudan, face limited earnings, which affects their net profit and the overall success of their company. The output of SMEs decreased from 58% in 2017 to 30% in 2020 (Sheikh, 2018). These data demonstrate how SMEs in South Sudan are growing more slowly and stagnantly, which reflects the insecure and poor performance of businesses owned by entrepreneurs.

Therefore, business collapse is a wide-spread phenomenon in the city. For example, in 2018, most SMEs in Juba Town recorded a decline in performance of more than 5% from the previous year. In the year 2021, more than 200 SMEs in Juba Town closed down. This is a clear indication of poor performance of the SMEs in Juba Town, South Sudan. When businesses die off, the economy shrinks; and has disastrous consequences on human survival (Arok, 2019).

The South Sudanese Ministry of Finance and Economic Planning in Juba provided data showing that just fifteen of the 23 businesses that were registered as new ventures at the end of 2012 remained in operation. As of 2022, just sixteen of the fifty-two new businesses are still operating. This is caused by decreasing profitability, decreasing net profit, decreasing number of employees and decreasing sustainability, thus causing a higher unemployment rate. The study focused on the characteristics of Facebook, YouTube, and the use of the Instagram platform in Juba while evaluating the reasons that have impeded the performance of SMEs, however it was not exhaustive (World Bank, 2016).

Consequently, a great deal of research has been done to ascertain the significance of social media platforms, especially for companies owned by entrepreneurs. The effect of social media marketing on SMEs' capacity to boost sales was investigated in a Wakonyo study from 2019. The emphasis of the study was sales growth, which exposed a conceptual gap. The effects of social media usage on small and medium-sized enterprises' performance were examined by Candra and Susanto (2020), with a focus on topics such as customer service and relations. The study was conducted in Indonesia. This presented a contextual gap. Qalati, et al (2022) investigated the effects of the technological-organizational environment elements on SMEs' engagement performance and social media adoption. The study adopted the use of path analysis. This illustrated a methodological gap. Despite the above stated

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problem, there remained scarcity of literature on social media usage and performances of SMEs in Juba Town, South Sudan. Therefore, this study sought to answer the question; how does social media usage affect performance of SMEs in Juba Town, South Sudan?

### 1.2 Research Hypotheses

**HO1:** There is no significant effect of social media usage for information search on the SMEs performance.

**HO2:** There is no significant effect of social media interactions on the SMEs performance.

**HO3:** There is no significant effect of social media usage in customer relations on the SMEs performance.

**HO4:** There is no significant effect of social media marketing on the SMEs performance.

**HO5:** Government regulations have no substantial moderating role on the connection between social media usage and the SMEs performance.

## 2. LITERATURE REVIEW

### 2.1 Theoretical Review

#### 2.1.1 Resource-Based View

Penrose's 1959 RBV holds that a company's distinct assets and proficiencies are sources of long-term competitive advantage. This idea states that SMEs should focus on developing and using their internal resources, which include human capital, technology, innovation, and relationships with stakeholders, in order to outcompete larger enterprises in the market. The concept of core competencies that are deliberately placed on an important resource class was acknowledged by Prahalad and Hamel (1990). According to Barney (1991), an organization's assets serve as the primary basis for its competitive advantage over rivals.

Utilizing the valuable assets at its disposal is one of the company's key resource-based strategies for gaining a competitive advantage over rivals in the market. This turns into valuable assets that are difficult to fully replicate or replace (Hoopes, 2003). The company's resource bundle can assist an organization in achieving a very good return on investment if certain requirements are met. Real competitive advantage and increased efficiency are primarily derived from an organization's resources, according to the RBV theory (Peteraf & Barney, 2003).

RBV theory affects SMEs performance since it directs their operations and decision-making procedures. SMEs can improve their performance, competitiveness, and sustainability in the fast-paced business world of today by implementing this principle into their company strategy. Thus, the performance of SMEs in this study is supported by the RBV theory.

#### 2.1.2 Media Richness Theory

In the 1980s, Daft, Lengel, and Trevino introduced the media richness theory. According to the theory, communication media's foundation is the idea of resolving ambiguity, providing the best possible interpretation, and facilitating comprehension in discourse. Media richness theory states that choosing the appropriate communication medium for each type of activity requires an understanding of ambiguity. As a result, in order for the most opaque communications to be effective, stronger communication channels must be used. There is also a degree of doubt (mistrust) in communication messages. Generally speaking, uncertainty relates to the message's absence of information (Shannon & Weaver, 1949). As a result, in order to promote the exchange of information and expertise, companies should set up task teams and formal information systems. The degree of ambiguity and uncertainty in the message determines which communication channel is best.

The fundamental tenet of media richness theory is that an individual's communication performance results from suitable conformance between task qualities and communication media features. Put differently, those who utilize appropriate channels for communication are more productive than those who do not (Straub & Karahana, 1998). The ability of the communication media to transfer and replicate the conveyed information is how the media richness theory characterizes a communication model. It is essential that we comprehend this idea in order to improve our knowledge of information processing, media skills, and e-mail processing abilities (Daft, Lengel & Trevino, 1987). Put another way, this theory measures situational needs related to the volume and kind of messages, participants, target audience, and limitations imposed on a potential user's use of a particular medium (Koo, Wati & Jung, 2011).

According to the Media Richness Theory, user communication quality is affected by the amount of engagement present on various social media platforms. Through comprehension of this theory, business owners may more successfully customize their social media tactics to interact with their target market and establish significant connections with consumers through similar identities and requirements. Thus, the study's independent variable- social media usage is anchored by the theory.

#### 2.1.3 Regulatory Capture Theory

According to the regulatory capture argument, regulations are in the best interests of the industries they govern. The hypothesis posits that the regulated effectively capture the regulator, with the public who should typically gain from regulation losing out. George Stigler (1975) is credited with the theory of regulatory capture. Duncan Black (1948), James Buchanan, and Gordon Tullock

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(1962) are among the other academics who have expanded the boundaries of the theory.

There are various iterations of the regulatory capture theory. All regulatory agencies eventually become dominated by the companies or sectors they are tasked with overseeing, though, as regulation is a process that unites them all. Stated differently, it's a method through which interest groups look to further their own interests. This hypothesis has its roots in political science, specifically in the writings of Bentley (1908) and Truman (1951), who highlight the influence of interest groups on public policy. The fundamental goals of a regulatory process are eroded by interest group lobbying, and in this analysis, it is anticipated that a particular interest group, "the regulated firms," will win the fight and have an impact on the legislation. Regulated businesses progressively take command of the organizations that oversee them over time.

Theoretically, regulatory capture occurs when organizations or businesses that have an interest in the outcomes of regulatory policy decisions concentrate their efforts and resources on ensuring that these policies achieve the intended outcomes. However, regular people don't seem to care all that much about trying to sway these policies because they simply have a passing interest in them. The idea of "regulatory capture," which refers to the ability to successfully influence or capture regulatory authorities in order to have laws and policies that the corporation wants adopted into effect, can be defined more clearly in this context. The purpose of this study was to evaluate how government laws affected the relationship between social media usage and the performance of SMEs by moderating it. Therefore, the moderator (government regulations) is anchored by the regulatory capture theory.

### 2.2 Empirical Review

#### 2.3.1 Social Media Usage for Information Search and Performance of Small and Medium Enterprises

Social media usage impact on organizational performance were examined by Koori, Muriithi, and Mbebe (2018). This study's research methodology is descriptive in nature. Technical experts, especially the CEO and IT staff, were educated to use semi-structured surveys with both closed- and open-ended questions as their main tool. The researcher chooses particular participants/groups or demographic categories to be picked using a straightforward random sampling approach, leading to the selection of 132 respondents for the study. One hundred Saccos in the Nairobi region who are connected to Kuscco make up the target population. Descriptive statistics, tabular, graphical, and numerical representations were all utilised by the researcher. The study's conclusions showed a strong correlation between Saccos' organizational efficacy and their use of social media for information searches.

Hartono and Sheng (2016) use an environmental strategy-performance perspective to examine how companies leverage the capabilities of social interaction sites to deal with environmental turbulence and provide a higher level of knowledge sharing and, moreover, good representation of the company to develop. This study examined these factors using existing theory on social interaction site capabilities, intellectual capital, and innovation capacity. The study found that social interaction site capabilities combined with strong product development capabilities are key to increasing the effectiveness of knowledge sharing.

#### 2.2.2 Social Media Interactions and Performance of Small and Medium Enterprises

Al Halbusi et al. (2022) investigated the variables affecting the performance of SME's using social media technologies. Additionally, this study examines if customer involvement and social media networks might boost the beneficial effects of using social media. Information was gathered from 253 SMEs. However, there is not much of a connection between trust and social media usage. It is critical to remember that there is a favorable correlation between SMEs' success and their use of social media. This correlation was influenced by social media capabilities and consumer interaction.

The performance of SMEs was evaluated by Qalati et al. (2022) in relation to the influence of technological-organizational environment (TOE) elements on social media adoption. By developing an online survey link, data was gathered. For the examination of 381 SMEs' paths, SmartPLS 3.3 was used. The results show that people's decision to use social media is significantly influenced by engagement.

Wakonyo (2019) aimed to comprehend how social media marketing affected sales growth and how it affected SMEs in Nairobi, Kenya. 699 SMEs in Nairobi made up the study's target population, and respondents were chosen using stratified random sampling methods. There were 330 responders in the sample. The findings demonstrate that utilizing social networks to promote a business increases sales growth.

#### 2.2.3 Social Media Usage in Customer Relations and Performance of Small and Medium Enterprises

Parveen, Jaafar, and Ainin (2016) studied how social media usage affected entrepreneurial spirit and organizational performance. In order to collect the data for this study, a cross-sectional sample was used. In total, 174 organizations took part in this survey. The study's findings demonstrate that social media usage can significantly improve customer connections and information accessibility while also increasing organizational effectiveness.

The focus of Candra and Susanto's (2020) research is on understanding how media use affects the success of SMEs, particularly in

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terms of customer interactions and service. It uses a survey methodology in which managers or owners of SMEs fill out questions to provide information. Managers or owners of SMEs in Indonesia's Kerinci-Jambi region are the focus of the analysis. The study used PLS-SEM methodology for data analysis, revealing the positive impact of social media on SMEs' success.

Dogan-Sudas et al. (2022) conducted research on social media performance and customer relationship management. Face-to-face interviews with 152 members of top management teams from randomly chosen businesses in different Turkish industries. The results show that social media engagement marketing (SCRM) activities have a role in moderating this relationship between typical CRM methods and business performance.

### 2.2.4 Social Media Marketing and Performance of Small and Medium Enterprises

Cherotich (2016) looked at how women-owned micro and small businesses in Nairobi County's Kasarani Division performed in relation to social media marketing strategies. This study employed a descriptive survey design. 110 female SME owners from the Kasarani sub-county's Clay City, Njiru, Mwiki, Ruai, and Kasarani regions were chosen via convenient random selection. This study found that social media marketing successfully raised revenue, customer base, and workforce size.

Musa et al. (2016) focused on Malaysian SMEs in an effort to examine the impact of SMM strategies on organizational effectiveness. consumer loyalty, reputation and brand image, and consumer brand attitudes and online SME performance are three forms of relationships that were examined using a quantitative research methodology approach. The research results show that brand reputation, customer involvement and customer attitudes towards the brand are significantly linked to SMEs success.

Kwabena et al. (2020) looked into the impact of social media on customer relationships and business performance in Ghana. Using a standardized questionnaire, we collected data from 390 respondents who we then evaluated using the SPSS. The findings indicate that firms in Ghana are becoming more aware of and using social media. However, customers' desires for a product can be influenced by company promotions through social media posts.

### 2.2.5 Social Media Usage, Government Regulations and Performance of SMEs

This holds not only at the governmental level but also at the state and local level because each municipality and state has its own set of laws. Trade bilateral agreements may influence how businesses operate. To provide financial benefits and foster the commercial atmosphere as a welcoming and modern setting that welcomes both domestic and international enterprises, as part of a larger reform strategy, the South Sudanese government makes a concerted effort to increase population size. It greatly decreased exploitation and promoted commercial insertion by pushing residents to take on a business attitude and move labor from the region's large, enjoyable sector to formal enterprises (Chok, 2022).

The research by Mwaniki *et al.* (2022), Due to several regulatory advancements, the government today surpasses that of typical low- and middle-income countries. As a result, the republic of South Sudan, which for a long time suffered from recurrent wars and insecurity, embraced business policies and created the finest climate for doing business globally, and is now ranked second in Sub-Saharan Africa for cross-border trade.

Zindiye *et al.* (2012) studied business laws and the establishment of new businesses in 39 EU members. The findings demonstrate that SMEs can benefit from government assistance and run more efficiently. Countries offer a plethora of initiatives in place to help businesses get off the ground and flourish, and to make people happier, they must foster these attributes. Furthermore, the help offered by the government-affiliated bank addresses the needs of businesses while also improving the way they work and perform. This research has taken place in 39 EU nations, whereas the present research took place in South Sudan, creating a contextual gap that this study must solve.

## 3. RESEARCH METHODOLOGY

According to Leitch *et al.* (2010), the research philosophy enables the researcher to describe the research approach used, assess various procedures, and use creativity in choosing techniques that have already been employed by other researchers. This study was anchored on positivism philosophy. Chenhall (2005) states that in order to prove a correlational fixed positive between the study's variables explanatory research design is appropriate. The study employed an explanatory research design. According to (Tansey, 2009), the group of individuals having the crucial data the researcher is seeking is the target population. From the target demographic of 252 small and medium-sized enterprises in Juba City. In order to sample, a researcher must choose individuals from the specified target population and employ them to gather the necessary data (Taherdoost, 2016). In this case, 154 firms were sampled using simple random sampling. This study used Yamane's (1967) Formula since it is straightforward to comprehend and offers a sizeable sample that was fairly representative of the 252 small and medium enterprises that make up the target population. This formula was utilized by other researchers to compute several reported tables at a confidence level of 95 percent and  $P = 5$  (Peffer *et al.*, 2007).

Structured questionnaire was employed to collect data. A questionnaire is a list of inquiries created to elicit answers from respondents (Drennan, 2003). To evaluate the significance, inferential statistics employed a multiple linear regression model of

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social media usage in terms of information search, interactions, customer relations, and marketing used by SMEs in Juba Town, South Sudan. Regression was implemented to establish how the predictor variable affected the outcome variable (Tonidandel *et al.*, 2016). The researcher used this information to assess the effects of changes and estimate how much the dependent variable changed when the independent variable changed.

### Multiple Regression Model

$$Y = \beta_0 + \beta_1X_1+ \beta_2X_2+ \beta_3X_3+\beta_4X_4 + e$$

Where:

**Y = Dependent variable (Performance of small and medium enterprises)**

**X<sub>1</sub> = Social media usage in information search**

**X<sub>2</sub>= Social media interactions**

**X<sub>3</sub> = Social media usage in customer relations**

**X<sub>4</sub>= Social media marketing**

$\beta_0$ = Constant

e=Error term

$\beta$  = Coefficient of independent variables

### Testing the Moderating Effect of Government Regulations

The two steps suggested by Babalola (2012) was used by the researcher to examine the moderating effect. This test established if the co-efficient of the interaction term (social media usage and governmental regulations) was statistically significantly different from zero. This coefficient helped to support and guide the moderator. When a third variable influenced the bivariate relationship between the independent and dependent variables, then the moderation model showed whether the relationship was linear. However, moderating variables alter the predictors' strength, either increasing or decreasing, hence altering the direction and intensity of the connection between the variables.

Although the variables were connected linearly, a third variable also had an impact on them. The independent variables' effects were changed, amplified, or diminished by the moderating variable, which in turn influenced the strength and direction of the relationship between the variables (Jiatong *et al.*, 2021).

Equation 1 of the analysis was a direct effect model that was regressed first; next, the moderator variable was added and regressed as well, as indicated in equation 2. Equation 2 was used to demonstrate the influence of moderation between the variables, with the predictor's influence being influenced by the moderating variable's strength.

$$Y = \beta_0 + \beta_1X_i + \epsilon \dots \dots \dots (1)$$

$$Y = \beta_0 + \beta_1X_i + \beta_{12}Z + \beta_{13}XZ + \epsilon_i \dots \dots \dots (2)$$

Where;

**Y = Performance of small and medium enterprises (Dependent variable)**

**Z = Government Regulations (Moderator)**

**X<sub>i</sub> = Social media usage (Independent variable)**

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$\beta_0 = \text{Constant}$

$\varepsilon = \text{the error term}$

$\beta_1 = \text{the coefficient that connects the independent variable, } X_i \text{ to } Y, \text{ when } Z = 0,$

$\beta_{12} = \text{coefficient that connects the moderator variable, } Z, \text{ to } Y, \text{ when } X = 0,$

$\beta_{13} = \text{the interaction coefficient (XZ) between the moderator and the independent variable.}$

### 4. FINDINGS AND DISCUSSION

#### 4.1 Correlation Analysis

Table 1 shows the correlation analysis results.

**Table 1: Correlation Results**

	SMEs performance	social usage	Mediasocial interactions	Medisocial media relations	customersocial Marketing	media
performance	1					
Social Media usage	.717** 0.000	1				
social Media interactions	.664** 0.000	.525**	1			
social media customer relations	.771** 0.000	.654**	.614**	1		
social media Marketing	.710** 0.000	.639**	.464**	.654**	1	

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source: Research data, 2024

Based on Table 1, performance of SMEs had a substantial and positive connection ( $r=0.717$ ,  $p=0.000$ ) with social media utilization for information search. This implies that SMEs' performance could be improved by using social media more frequently to find information. The study's findings concurred with those of Koori, Muriithi, and Mbebe (2018), who found a strong and favorable correlation between the Saccos organization's effectiveness and its usage of social media for information searches.

Studies of correlation revealed a strong positive association ( $r=0.664$ ,  $p=0.000$ ) between social media interactions and the performance of SMEs. This means that social media would boost SMEs' effectiveness. The study supported Al Halbusi et al. (2022), who found a strong link between social media usage and activity.

In addition, social media usage and customer relations had a substantial and positive association on SMEs performance ( $r=0.771$ ,  $p=0.000$ ). As such, SMEs' performance would increase with enhanced customer connections and social media usage. The study findings agreed with Parveen, Jaafar, and Ainin (2016) whose findings demonstrated that social media usage can significantly improve customer connections and information accessibility while also increasing organizational effectiveness.

SME performance and social media marketing were positively connected ( $r=0.710$ ,  $p=0.000$ ). This implies that enhancing social media marketing and customer relationships would improve SMEs' performance. The study's conclusions concurred with those of Dogan-Sudas et al. (2022), who demonstrated that the association between standard CRM approaches and business performance is moderated in part by social media engagement marketing (SCRM) efforts.

#### 4.2 Regression Analysis

Regression analysis was used in the study to look into how the dependent variable was affected by the independent variables.

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**Table 2: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.860a	0.739	0.729	0.53824

Source: Researcher (2024)

Table 2 indicates that R value was found to be 0.860. This suggests a significant relationship between SMEs' performance and their use of social media. Furthermore, the R square adjustment was 0.729. This indicates that social media activity can account for 72.9% of the variability in the dependent variable, which is the performance of SMEs. The study's findings corroborated those of Al Halbusi et al. (2022), established a link between action and social media usage. The success of SMEs is positively correlated with their social media usage.

**Table 3: Analysis of Variance**

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	88.644	4	22.161	76.495	.000b
Residual	31.288	108	0.29		
Total	119.931	112			

Source: Research data, 2024

According to Table 3, social media usage was a strong determinant of SMEs' performance, as evidenced by the F statistic of 76.495 and  $p=0.000 < 0.05$ . This suggests that, with a 95% confidence level, social media usage has a statistically significant impact on the performance of micro and small businesses.

**Table 4: Coefficient**

Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
B	Std. Error	Beta			
(Constant)	-0.257	0.252	-1.019	0.31	
Social Media usage	0.246	0.076	0.23	3.242	0.002
Social Media interactions	0.275	0.074	0.236	3.697	0.000
Social media customer relations	0.295	0.072	0.313	4.071	0.000
Social media Marketing	0.271	0.076	0.248	3.548	0.001

Source: Research data, 2024

According to Table 4, social media usage for information search has a favorable and significant impact on SMEs' performance, according to a regression analysis of coefficients ( $\beta = 0.246$ ,  $p=0.002$ ). This shows that if SMEs used social media one more unit for information search, their performance would improve by 0.246 units. The study findings agreed with Hartono and Sheng (2016) who found that social interaction capabilities combined with strong product development capabilities are key to increasing the effectiveness of knowledge sharing. Results also concur with those of Koori, Muriithi, and Mbebe (2018), who found a strong and favorable correlation between the organization's effectiveness and its usage of social media for information searches.

Further research showed that social media interactions positively impacted SMEs' performance ( $\beta = 0.236$ ,  $p=0.000$ ). This implies that SMEs' performance improves by 0.236 units every unit of social media involvement. The study validated Qalati et al. (2022)'s claim that social media significantly affected SMEs' performance. The results supported Al Halbusi et al. (2022), who found a link between activity and social media usage.

In addition, social media customer relations had a favorable and substantial effect with performance of SMEs ( $\beta=0.313$ ,  $p=0.000$ ). According to this, SMEs' performance would improve by 0.313 units for every unit that social media customer interactions improved. Al Halbusi et al. (2022) discovered a substantial association between social media usage and activity, which is supported by the study's findings. The results also agree with Parveen, Jaafar, and Ainin (2016) outcome that social media usage can significantly improve customer connections and information accessibility while also increasing organizational effectiveness. Additional findings demonstrated that social media marketing improved SMEs' performance significantly and favorably ( $\beta = 0.248$ ,



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$p=0.001$ ). This suggests that SMEs would perform better by

0.248 units if social media marketing improved by one unit. The study's conclusions concurred with those of Dogan-Sudas et al. (2022), who demonstrated that the association between standard CRM approaches and business performance is moderated in part by social media engagement marketing (SCRM) efforts. The results also agree with Cherotich (2016) findings that social media marketing successfully raised revenue, customer base, and workforce size.

### 4.3 Regression Analysis on Moderation Variable

The fifth objective was to analyze the moderating effect of government regulations on the link between social media usage and SME's performance in Juba city, South Sudan. The study adopted Babalola (2012) moderation model.

**Table 5: Model Fitness**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.924a	0.854	0.85	0.40067

Source: Research data, 2024

Table 5 reveals that R value was found to be 0.924. This suggests that the performance of SMEs present on the moderator (government regulation) was strongly correlated with social media usage. Furthermore, the R squared adjustment was 0.85. This means that when social media usage is moderated with government regulations explain 85% of changes in performance of SMEs.

**Table 6: Analysis of Variance**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	102.433	3	34.144	212.69	.000b
Residual	17.498	109	0.161		
Total	119.931	112			

Source: Research data, 2024

Table 6 indicated that the F statistic was 212.69 and  $p=0.000<0.05$ . This implied that government regulation moderated the link between social media usage and performance of SMEs. The study's conclusions concurred with those of Zindiye et al. (2012), who showed that SMEs can gain from government support and function more effectively.

**Table 7: Coefficient**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.359	0.328		1.094	0.276
Social media usage	0.299	0.128	0.236	2.34	0.021
Social media usage*government regulation	0.086	0.037	0.437	2.316	0.022
government regulation	0.29	0.133	0.282	2.176	0.032

Source: Research data, 2024

Table 7 demonstrated that, in the presence of the moderator (government regulation), social media usage had a favorable and significant impact on SMEs' performance ( $\beta=0.236$ ,  $p=0.021$ ). Government regulation had a significant and beneficial effect on the performance of SMEs when the independent variable (social media usage) was present ( $\beta=0.437$ ,  $p=0.022$ ).

Further research revealed that social media usage and government regulation had a favorable and substantial intervening influence on SMEs' performance ( $\beta =0.282$ ,  $p =0.032$ ). This suggested that social media usage and performance SMEs were tempered by government control. The study's conclusions concurred with those of Zindiye et al. (2012), who showed that SMEs can gain from government support and function more effectively. The outcomes aligned with the findings of Mwaniki et al. (2022), which indicated that appropriate regulatory frameworks foster a conducive environment for conducting business.

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### 4.4 Hypotheses Testing

The hypotheses were tested using multiple linear regressions in Table 10 (independent variables) and Table 8 (moderator).

**Table 8: Results on Hypotheses Testing**

Hypothesis	Rule	p-value	Results of Hypothesis test
<b>Hypothesis 1</b> Social media usage for information search had no discernible impact on the performance of SMEs in Juba, South Sudan.	Reject $H_0$ if p value $<0.05$	P=0.000	Reject $H_0$
<b>Hypothesis 2</b> Social media interactions have no discernible impact on SMES's performance in Juba, South Sudan.	Reject $H_0$ if p value $<0.05$	P=0.000	Reject $H_0$
<b>Hypothesis 3</b> Social media customer interactions have no discernible impact on the performance of SMEs	Reject $H_0$ if p value $<0.05$	P=0.000	Reject $H_0$
<b>Hypothesis 4</b> There is no substantial effect of social media marketing on performance of SMES.	Reject $H_0$ if p value $<0.05$	P=0.000	Reject $H_0$
<b>Hypothesis 5</b> Government regulations have no substantial moderating role on the connection between social media usage and the performance of a SMES in Juba city, South Sudan.	Reject $H_0$ if p value $<0.05$	P=0.000	Reject $H_0$

Source: Research data, 2024

## 5. CONCLUSIONS

Social media usage for information search had a positive and significant effect on performance of SMES in Juba city, South Sudan. In particular, social media helps the SMEs to identify competitors in their industry. In addition, social media provides necessary customer information to the appropriate staff

The study also concluded that social media interactions had a positive and significant effect on performance of SMES in Juba city, South Sudan. In addition, social media interactions helped the SMEs to receive customers data. In addition, social media helped the SMEs to reach the target market.

The research concluded that social media usage in customer relations had a positive and significant effect on performance of SMES in Juba city, South Sudan. Further, different media platforms enabled the SMEs to regularly communicate with their customers and thus they are able to receive the customers perceptions on the products. As a result, social media helped them get client input on their current products.

The study also found that the performance of SMES in Juba, South Sudan, was positively and significantly impacted by social media marketing. Furthermore, social media, particularly Facebook, is a marketing tool that, when utilized wisely by all types of firms, can enhance SMEs' performance. The majority of SMEs do not worry that utilizing social media to market their products may lead to hackers damaging their company's reputation because social media marketing is also user-friendly.

According to the study's findings, social media usage and SME performance in Juba, South Sudan, were tempered by government regulation. The government is in responsibility of creating regulations that help small and medium-sized businesses (SMEs) adopt technology more easily and affordably. It is also responsible for providing information technology infrastructure. Furthermore, the availability of pertinent digital and technological skills is a prerequisite for the adoption of social media.

## 6. RECOMMENDATIONS

The benefits of social media amongst the SMEs can never be overemphasized; therefore, SMEs management should ensure they

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integrate the social media applications in their management systems. The SMEs owners ought to use social media to look for the marketing strategies used by their competitors. In addition, the SMEs managers should entrust responsible employees to access to the necessary information about customers via social media. This will enhance SMEs of performance.

The researcher also suggests that in order to improve their performance on social media, SMEs identify their areas of strength and weakness. Additionally, company managers should use social media monitoring tools to properly manage social media in order to satisfy social media usage. This will significantly improve clients' access to information, which will eventually improve the performance of SMEs.

SMEs to use modern technology in order to implement a social media workforce through texting, emailing, and data transfer. Additionally, this will enable small and medium-sized businesses (SMEs) to reap the benefits of social media, which include improved customer interaction and the anticipation of a shift toward relationship marketing and customer value.

The study suggests that in order to get the targeted performance levels, SMEs should increase their adoption of the various social media marketing strategies. The report also suggests that business owners utilize other widely accessible social media marketing channels, such YouTube. Because social interaction has a positive impact on the process, the study also recommends incorporating social interaction into SMEs to enhance their commercial performance.

In order to prepare SMEs owners for the adoption of social media and other technical developments, the government of South Sudan through the ministry of ICT should also make sure that appropriate training in information technology is provided. The report also suggests that in order to support entrepreneurs, the government and other relevant parties should facilitate loan availability. This will enable them to grow their companies and leverage contemporary marketing resources, particularly social media.

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