
**IMPACT OF SOCIAL MEDIA MARKETING ON THE BUSINESS PERFORMANCE A CASE
STUDY OF RESTAURANT AND HOTEL BUSINESSES IN NAMUNGOONA.**

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ABSTRACT

This research report study aimed to investigate the “Impact of social media marketing on the business performance; a case study of restaurant and hotel businesses in Namungoona”. Questionnaires were used to collect data under a case study research design. Qualitative and quantitative means were used to analyze the data. The objectives of the study used were; to assess the impact of Facebook on increased business sales of a business, to assess the effect of twitter on increased business profits for the business, to evaluate the relationship between Instagram and increased business branches for the business. From the findings, 42% of participants agreed and 58% of participants strongly agreed that Instagram had assisted them in growing their company's sales. None of the participants were in agreement or disagreement with the assertion. 42% of the survey participants strongly concurred that Instagram draws in-depth users who develop loyal communities. 25% strongly disapproved, 17% disagreed, and 17% agreed with the statement. 50% of the participants strongly agreed that content marketing should be increased. 33% of respondents agreed with the assertion; 17% disapproved, and none completely disagreed or said they were unsure. The purpose of this study was to evaluate how social media advertising affected the profitability of small enterprises, but the investigator was also able to profile how these companies used social media and the difficulties they had with advertising on social media. The results have demonstrated the importance of advertising efforts, even for small businesses, since productivity following the use of social media advertising was superior to that before to its use.

Key words: *social media, marketing, business and performance*

Background to the study

Marketing of goods and services has remained one of the fields that calls for

daily development on a global scale. More specifically, digital advertising, which is defined as the use of electronic media by marketers to market goods or services with the primary goal of luring clients and enabling them to interact with the brand by means of digital media (Oscar et al., 2023), has emerged as a crucial marketing tool in recent years.

Digital marketing positively impacted corporate success, according to several research. For instance, a study by Popov et al. (2020) discovered a strong positive correlation between increasing firm sales and digital marketing components like social media and internet advertising. Internet advertising is a means of long-term business success in Africa, where 80% of adults own smartphones (The Global Digital Report, 2019). This study is designed to evaluate the impact of digital marketing on the profitability of SMEs in Uganda given its significance and relevance in the current environment (Lydia et al., 2023).

Problem statement

In Uganda, people keep spending the majority of their spare time on web pages and blogs, much like in other nations around the world. Nearly 4 in 5 active Internet users in the US use social media platforms more frequently than any other American website, making up nearly a quarter of all online time in the country (Phelan, 2013). 13 million people use the internet in Uganda, according to Ssempe (2017). The nation is also one of those with one of the quickest rates of growth on Facebook, the biggest communication site in the globe (Suzan & Kazaara, 2023). Although the majority of companies and top executives acknowledge the rise and quick adoption of social media as a platform for interpersonal interaction and digital discussions, there is the customary reluctance to test new ideas or comprehend the impact of these channels on advertisement and business performance in general (Musaibah et al., 2023). In terms of sales turnover, this study aims to evaluate the effect of social media advertising on the success of businesses. For executives and business owners in Uganda, the outcomes will be crucial, particularly in light of the markets' fierce competition and rising unreliability.

Specific objectives

- 1) *To assess the impact of Facebook on increased business sales of a business*
- 2) *To assess the effect of twitter on increased business profits for the business*
- 3) *To evaluate the relationship between Instagram and increased business branches for the business*

Research questions

- 1) *What is the impact of Facebook on increased business sales of a business?*
- 2) *What is the effect of twitter on increased business profits for the business?*
- 3) *What is the relationship between Instagram and increased business branches for the business?*

Methodology

Study design

In order to collect data for this study, a single episode of time was chosen. A cross sectional design was advantageous since it was less expensive, took less time, and allowed for the collection of data from multiple participants or groups of participants all at once while still yielding a wealth of information.

Research strategy

Both a qualitative and quantitative method of investigation were used in the study. The investigator employed a questionnaire that was given to farmers to get information about the social media platforms used, the enterprises' sales turnover, their geography, their demographics, and other topics.

Sample size determination.

Regardless of whether the populace consists of a nation or an assortment of

people who share a certain trait, it is a distinct set of humans. A population sample is a subset of the general population that has the traits of the complete population. It is chosen at random from the population. To prevent bias in the results, an uncontrolled population was used.

The total number of micro-SMEs in Namungoona was challenging to determine from the available secondary data, so the sample size was approximated using a general rule. The sample size was then assessed by the investigator to be ninety participants with a confidence level of 90% and a margin of error of 8% for a sample of 500 micro-SMEs operating in Namungoona.

The variance in the general population that may be deduced from the variation in the sample is known as the standard deviation. The formula Total population / Land area can be used to determine population density.

The required sample size was determined using an equation for sample size determination. The sample size was 60 with a level of confidence of 95% and a 5% margin of error. The straightforward random design technique was used to determine the study's sample size.

$$N = \frac{Z_{\alpha/2}^2 \cdot PQ}{e^2} \dots\dots\dots 1$$

Where N is the sample size of population, Z is the statistics for normal distribution that is ($Z_{\alpha/2}$

=1.96), e is the error term

P is the probability of finding a restaurant of hotel business in the study area (P=0.97) E is the accepted error e=0.05

$$N = \frac{1.96^2 \cdot 0.97 \cdot 0.03}{0.05^2} = 44 \text{ respondents}$$

Data analysis***Univariate analysis***

This was used at the first level of analysis where independent variables was analyzed and presented in form of frequencies and percentages describing selected socio-demographic and socio-economic characteristics of the respondents and their influence on social media usage

Multivariate analysis

Analysis of the independent variables against the dependent variable was done using appropriate tools of multivariate analysis using SPSS (Nelson et al., 2022). Dummy variables were generated for all Categorical variables and the logistic regression was used.

RESULT***Mostly Used Social Media Platform by Micro Businesses in Namungoona***

Table 1: Mostly Used Social Media Platform by Micro Businesses in Namungoona

<i>Platform</i>	<i>F</i>	<i>%</i>
<i>Facebook</i>	<i>35</i>	<i>58.3</i>
<i>Instagram</i>	<i>15</i>	<i>25</i>
<i>Twitter</i>	<i>10</i>	<i>16.6</i>
<i>Total</i>	<i>60</i>	<i>100</i>

Source: Research Field Data (2022)

According to table 1 above when respondents were asked about the most used social media platforms, 58.3% indicated that Facebook is the most used social media platform, 25% used Instagram while 16.6 used twitter.

Table 2: How long have you been using social media for marketing purposes?

<i>Duration</i>	<i>< 6 months</i>	<i>6 - 12 months</i>	<i>12 - 24</i>	<i>24 - 36</i>	<i>> 36 months</i>	<i>Total</i>
<i>F</i>	6	9	15	5	25	60
<i>%</i>	10	15	25	8.3	41.6	100

Source: Research Field Data (2022)

According to the table 2 above majority of the respondents 41.6% indicated that they have been using social media for more than 36 months, 10% less than 6 months, 15% 6-12 months, 25%

12-24 months, while 8.3% for 24-36 months for marketing purposes, which indicated that many people have been using social media platforms for marketing purposes instead of personal purpose.

Table 3: The effect of twitter on increased business profits for the business

	<i>Before Adoption of SM</i>		<i>After Adoption of SM</i>	
	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>
<i>Increase sales</i>	4.20	0.56	3.42	0.72
<i>Increase profits</i>	4.48	0.71	4.55	0.50
<i>Increase revenue</i>	4.35	0.95	3.93	1.03
<i>Customer satisfaction</i>	3.93	1.04	2.34	0.64
<i>Increase number of customers</i>	4.42	0.51	4.35	0.57

<i>Increase market share</i>	4.34	0.56	4.43	0.51
<i>Increase productivity</i>	3.09	1.25	2.97	0.81
<i>Improve product quality</i>	4.33	0.72	3.32	1.02
<i>Improve employee skills</i>	4.51	0.88	4.40	0.96

Source: Research Field Data (2022)

Sales growth: Prior to the implementation of Twitter, the average score for sales growth was 4.20, with a standard deviation of 0.56. The mean score dropped to 3.42 after Twitter adoption, with a somewhat higher standard deviation of 0.72. This shows that, following its implementation, Twitter's alleged capacity to boost sales decreased.

Profit growth: Prior to the implementation of Twitter, the median rating for improving earnings was 4.48, with a standard deviation of 0.71. Following acceptance, the mean score climbed significantly to 4.55 and the standard deviation decreased to 0.50. These results show that Twitter increased revenues in a positive way, and that this effect was significantly more stable after adoption.

Revenue growth: Prior to the implementation of Twitter, the average score for revenue growth was 4.35, with a higher standard deviation of 0.95. The mean score dropped to 3.93 after implementation, with a greater standard deviation of 1.03. This implies that while Twitter still had a favorable impact on revenue, people's perceptions of it changed as it became more widely used.

Satisfaction with clients: Prior to the implementation of Twitter, the mean score for client fulfillment was 3.93, with a standard deviation of 1.04. Following acceptance, the average score fell noticeably to 2.34 and had a smaller standard deviation of 0.64. This suggests that the implementation of Twitter had a

detrimental impact on consumer happiness, as evidenced by the subsequent decline in average ratings.

Gain more clients: Prior to implementing Twitter, the mean score for gaining more clients was 4.42 with a negligible standard deviation of 0.51 points. The average score after adoption was 4.35, with a correspondingly low standard deviation of 0.57. These results imply that Twitter has a constant and advantageous effect on luring and keeping clients.

Market share growth: Prior to the implementation of Twitter, the mean score for market share growth was 4.34, with a standard deviation of 0.56. Following acceptance, the mean score climbed slightly to 4.43 and the average deviation remained at 0.51. This indicates that Twitter's contribution to growing market share was advantageous and continuous.

Boost productivity: Prior to the adoption of Twitter, the mean score for boosting efficiency was 3.09, with a high standard deviation of 1.25. Following adoption, the mean score declined significantly to 2.97 and the standard deviation shrank to 0.81. According to these results, Twitter had a somewhat detrimental effect on perceived profitability, but this effect was less variable after acceptance.

Enhance the quality of the business: Prior to the adoption of Twitter, the mean score for enhancing the quality of the product was 4.33, with a standard deviation of 0.72. The mean score dropped to 3.32 after implementation, with a greater standard deviation of 1.02. This shows that following its acceptance, Twitter's impact on raising the quality of products began to wane.

Improve employee skills: The mean score for improving employee skills was 4.51 before adopting Twitter, with a standard deviation of 0.88. After adoption, the mean score decreased slightly to 4.40, with a similar standard deviation of 0.96. These findings suggest that Twitter had a positive impact on improving employee skills, with a consistent effect post-adoption.

Relationship between Instagram and increased business branches for the business

Table 4: Relationship between Instagram and increased business branches

for the business

Effect of Instagram on increased business branches for the business	Response											
	SA		A		NS		D		SD		T.T	
	F	%	F	%	F	%	F	%	F	%	F	%

Attract engaged traffic that is build	20	33	25	42	6	10	3	5	6	10	60
Increases sales	35	58	25	42	0	0	0	0	0	0	60
Boosts content marketing	30	50	20	33	0	0	10	17	0	0	60

Source: Research Field Data (2022)

According to the table above, 42% of participants agreed and 58% of participants strongly agreed that Instagram had assisted them in growing their company's sales. None of the participants were in agreement or disagreement with the assertion. 42% of the survey participants strongly concurred that Instagram draws in-depth users who develop loyal communities. 25% strongly disapproved, 17% disagreed, and 17% agreed with the statement. 50% of the participants strongly agreed that content marketing should be increased. 33% of respondents agreed with the assertion; 17% disapproved, and none completely disagreed or said they were unsure.

Conclusion

The study concludes that the ubiquity of mobile devices coupled with the usage of social media trends provide an unprecedented avenue for producers of goods and services to reach out and create new markets and therefore will definitely

has a positive impact on the performance of business.

Recommendations

The purpose of this study was to evaluate how social media advertising affected the profitability of small enterprises, but the investigator was also able to profile how these companies used social media and the difficulties they had with advertising on social media. The results have demonstrated the importance of advertising efforts, even for small businesses, since productivity following the use of social media advertising was superior to that before to its use.

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