



# Digital Marketing Assessment and Business Turnover: An Approach to Digitise Nigeria Economy

**OGAH, Arome Victor (Ph.D)<sup>1</sup>**  
Department of Marketing,  
Federal Polytechnic,  
Ado-Ekiti, Ekiti State  
victorogah2008@gmail.com

**OLOYEDE, Adeola Olamide<sup>2</sup>**  
Department of Marketing,  
Federal Polytechnic,  
Ado-Ekiti, Ekiti State  
adeolaolamideadediran@gmail.com

**FOLAYAN, Funmilayo Christaina<sup>3</sup>**  
Department of Business Administration,  
Federal Polytechnic,  
Ado-Ekiti, Ekiti State  
folayanfunmilayo@gmail.com

<sup>1</sup>Correspondence author

## ABSTRACT

*The study focused on digital assessment and business turnover: a approach to digitize Nigeria economy. The specific objectives were to examine the effect of instagram, facebook and whatsapp status on business turnover in Nigeria. This study utilized survey research design. Information was gathered from primary source. The population of the study comprised of selected wholesalers and retailers across Ado-Ekiti metropolis, Ekiti state, Nigeria. Convenience sampling technique was used to select 120 respondents from the area for easy collection of data, since the selected respondents were not residing at the same place. Simple linear regression statistical tool was used to test the hypothesis through Statistical Package for Social Sciences (SPSS) version 20. The findings show that instagram, facebook and whatsapp status have significant effect on business turnover in Nigeria. The study therefore recommend that: Business investor should be encourage to utilize instagram to boost their business turnover in the business environment, facebook is one of the social media often visited in the society, business owner should display their product to enhance their business turnover and Business investor should engage their business on whatsapp status page being a social media segment to increase their business turnover.*

**Keywords:** Digital Marketing, Business Turnover. Economy, Innovative, Technology

## Introduction

In this present contemporary business environment mode of business operation has taken different dimensions by metamorphose into digital system of executing business. Most of the business operators engage in digital marketing to promote their product offering. According to Scharl, Dickinger and Murphy (2005), digital marketing is a technology application that offers a business the opportunity to interconnect with clients regularly. Smith and Chaffey (2005) opined that digital marketing involves the use of digital media to manage marketing operations including the management of digital customer data and electronic customer relationship management systems. Modern online networking platforms such as facebook, twitter and instagram are digital tools used for evaluating and measuring engagement network that enables business to attract and retain customers and build relationships with them in the process. (Killian & McManus, 2015)With the application of digital marketing most business expand their product awareness beyond a particular geographical boundary. There is a drastic need for business owner to apply social networks, online advertising campaigns and different virtual approaches to boost their companies' developmental growth, which is in cognisance with adapting to new and innovative ways to improve and adapt to a rapid transformational growth Mohsen (Saeed, Raza, Omar & Muffatto, 2020).

Business turnover is an accounting concept that calculates how quickly a business conducts its operations. Most often, turnover is used to understand how quickly a company collects cash from accounts receivable or how fast the company sells its inventory. Business turnover is defined as

the percentage of a portfolio that is sold in a particular month or year. A quick turnover rate generates more commissions for trades placed by a broker (Kenton, 2022). Common forms of turnover include accounts receivable turnover, inventory turnover, portfolio turnover, and working capital turnover. Companies can better assess the efficiency of their operations through looking at a range of these ratios, often with the goal of maximizing turnover. The application of digital media in digital marketing processes generates awareness through creative customer experience and customer interactions (Kannan & Li, 2017).

This study tends to show the effect of digital marketing on business turnover which in turn revamping the Nigerian economy through innovative technology in the digital era in further radiate on citizen standard of living and business activities.

### **Statement of the Problem**

Digital marketing is one of the major mover of business turnover across the globe but the case is different in Nigeria where the level of accessibility to the internet in Nigeria is still low especially in most rural areas where majority of businesses do not have access to internet facilities and thus are unable to engage in e-marketing. This fact motivated the researcher to carry out this study because it is one of the bottlenecks militating against the contribution of digital marketing towards enhancing business turnover in developing country like Nigeria.

Moreover, the cost of getting connected to digital marketing in Nigeria is high especially for small and medium businesses. The high cost of accessing internet services is also a major factor in the adoption of digital marketing in Nigeria. In addition, the cost of maintenance is high. Digital Marketing requires customers to use newer technology rather than the traditional media. The cost of acquiring this hard ware could be difficult for the customers/businesses to bear. Again low speed internet connections are major barriers. This study tends to sensitize investor in the business environment on the marketing implications of digital marketing towards improvement of business turnover in Nigeria, West Africa.

### **Objectives of the Study**

- i) To examine the effect of instagram on business turnover in Nigeria
- ii) To examine the effect of facebook on business turnover in Nigeria
- iii) To examine the effect of WhatsApp status on business turnover in Nigeria`

### **Conceptual Review**

#### **Nature of Digital Marketing**

Digital Marketing connotes various forms of marketing which operates via various electronic devices which may be available through mobile, on-screen and online. Digital marketing is also used in the field of marketing to define marketing activities which exploits electronic devices such as computer system, tablets, and smart-phones to interact with customers. It also includes marketing activities executed via e-mail and wireless media. It uses a range of technologies to help connect businesses to their customers. It involves a lot and helps to create a business that creates a customer dialogue.

Digital marketing is at the forefront of every marketing campaign in every business. Organizations have continued to priorities the need to boost their brand productivity, increase customer base and realise more turnover applying effective digital marketing strategies (Kamal, 2016). Digital marketing could be viewed as a process that involve usage of digital technological know- how to attract consumers and promote business brands in addition to building customers' preferences which are expected to results in increasing growth in business revenue (Kannan & Li, 2017).

There is a general perspective on marketing through digital technologies, being recognized for its beneficial effects on companies and vital fundamental impact on brand-consumer relationships, which promotes a healthy interaction between stakeholders involved in a buying and selling process (Makrides, Vrontis & Christofi, 2020).

Digital marketing enables a business enterprise to entice potential consumers or retain the existing ones through provision of "digitally generated content" to clients that could attract consumers to the

business ideas (Chaffey & Smith, 2013). Some of the types of digital marketing include e-mail, mobile, social media, search engine, pay-per-click and online advertising (Scharl, Dickinger & Murphy, 2005). Developing brand awareness through networking, engagement and community growth is fundamental to the digital marketing process. This role becomes achievable with the influence of social media marketing, which ensures a wide range of connectivity with numerous customers at the same time (Karamian, Nadoushan and Nadoushan, 2015).

### **Challenges of Digital Marketing in Nigeria**

Some of the challenges of digital marketing in Nigeria are (Agu 2020)

- i) **Cost of getting connected:** Availability of computer and fast speed internet connection are prerequisites to the practice of digital marketing. The cost of getting connected is high especially for small and medium businesses. The high cost of accessing internet services is also a major factor in the adoption of e-marketing in Nigeria. In addition, the cost of maintenance is high. Digital marketing requires customers to use newer technology rather than the traditional media. The cost of acquiring this hard ware could be difficult for the customers/businesses to bear. Again low speed internet connections are major barriers.
- ii) **Unreliable power supply:** The issue of unstable power supply is a major challenge to e-marketing in Nigeria. The gadgets required for digital marketing are powered by electricity which is not readily available. Again where company's build large website, individuals experience significant delays in content delivery.
- iii) **Inadequate number of knowledgeable staff:** Limited staff expertise caused by a general shortage of highly skilled workers and insufficient training is a major barrier to the growth of digital marketing. Computer literacy is still growing in Nigeria.
- iv) **Buyers' inability to experience the product:** From the buyer's perspective, the inability of shoppers or customers to touch, smell, taste or try tangible goods before making online purchase is also an inhibiting factor.
- v) **Perceived lack of security:** Perceived lack of security of online transactions is also a major hindrance to the diffusion of digital marketing among businesses and customers. Security involves protection against fraud, cyber-crimes and hacking of personal information which can provide third person an easy access to information and its misuse. It is important to understand and address security concerns in order to leverage the potentials of ICT in delivering e-marketing applications.
- vi) **Prevalence of Low Education:** The prevalence of low digital marketing education is equally a major issue in electronic marketing in Nigeria. Not much emphasis has been placed on this.
- vii) **Inadequate Infrastructure and Policy thrust from government** also hinders the adoption of E-marketing in Nigeria. Civil unrest and political instability also plays a major role in inhibiting the adoption of digital marketing in Nigeria

### **Concept of Business Turnover**

Business turnover is a measure of how much money a company generates through the sale of its products or services in a specific time frame. It shows how well a company is performing and whether it's growing or shrinking. Companies use turnover to understand how quickly they collect money due to them and the average rate at which they sell inventory. Turnover is also an essential metric in investing, as it indicates how fast a firm sells its portfolio in a given month or year (Indeed Editorial Team, 2022). Business turnover is the complete sum of sales made over a given period. Turnover measures everything that's actually coming into your business on the top line before expenses have been deducted (Go Cardless, 2021).

### **Importance of Business Turnover Ratios**

Businesses, whether small or large, generate revenue to stay profitable and grow. The following shows how organizations can benefit from turnover ratios (Indeed Editorial Team, 2022):

- i) **Understand their financial status:** A company's financial status is one of the most important things to monitor, as it provides insight into whether a company is doing well, making a profit, and generating enough cash flow to sustain itself. Businesses use turnover ratios to evaluate their financial status and make the necessary adjustments.
- ii) **Make informed strategic decisions:** To make informed strategic decisions, it's important for businesses to know how quickly they're selling their inventory and collecting on their receivables. The data businesses obtain helps them understand whether they can increase production, change their pricing strategy, or offer more financing options to customers.
- iii) **Measure performance:** Turnover ratios measure the performance of a company and analyze its efficiency in comparison to its competitors. Companies want to know if they're selling their products and services quickly enough and if they are collecting their receivables in good time to ensure they stay competitive in their industry.
- iv) **Forecast future sales:** By calculating turnover, businesses can better estimate future sales and, thus, understand how they might allocate costs and see where they can earn the most. Calculating turnover also helps businesses understand why it may be useful to raise more capital and determine where to invest it for maximum returns.
- v) **Identify improvement areas:** The turnover calculation typically helps companies see where they have a lower rate and also helps them identify areas in operations or sales that require improvement. It can also help companies determine whether to invest in new inventory or change their product mix to better meet customer demand.
- vi) **Determine risk:** Turnover ratios help businesses determine their financial stability and the level of risk they can take in inventory, investments, and receivables. This information helps businesses make sound financial decisions and attract potential investors.

### Methodology

This study utilized survey research design. Information was gathered from primary source. The population of the study comprised of selected wholesalers and retailers across Lokoja metropolis, Kogi state, Nigeria. Convenience sampling technique was used to select 120 respondents from the area for easy collection of data, since the selected respondents were not residing at the same place. Content validity was used to determine the validity of the instrument by giving to research experts who modified and made the necessary correction so that the instrument can measure adequately. The value of the test of reliability is 0.87 which was conducted using test-retest reliability method which indicated that there is internal consistency of the instrument. Simple linear regression statistical tool was used to test the hypothesis through Statistical Package for Social Sciences (SPSS) version 20.

### Analyses and results

**Table 1 Demographic distribution of respondents**

Sex	Number	Percentage %
Male	86	71.7%
Female	34	28.3%.
<b>Total</b>	<b>120</b>	<b>100</b>
<b>Age</b>		
25 – 34	16	13.3
35- 44	94	78.3
45 and above	10	8.3
<b>Total</b>	<b>120</b>	<b>100</b>
<b>Educational qualifications</b>		
NCE/ND	98	81.7
B.sc/HND	22	18.3
<b>Total</b>	<b>120</b>	<b>100</b>

**Source:** Field Survey, 2023

Table 1 indicates that one hundred and twenty (120) respondents were used for the study. Findings show the distribution of respondents on the bases of sex, age and qualification. The analyses of distribution of sex show that 86 were male representing 71.7% and 34 were female representing 28.3%. The analyses of distribution of age of respondents show that, out of 120 respondents, 16 (13.3%) falls between 25 – 34 years, 94 (78.3%) falls between 35- 44 and 10 (8.3%) falls from 45 and above. Analyses of distribution of educational qualifications of respondents show that 98 (81.7%) obtain NCE/ND, and 22 (18.3%) were holder of B.sc/HND.

### Hypothesis One

**H<sub>01</sub>:** instagram has no significant effect on business turnover in Nigeria

**Table 2**  
**Regression Model Summary for H<sub>01</sub>**

Model	R	R Square	Adjusted Square	Std. Error of the Estimate
H1	.648 <sup>a</sup>	.435	.433	.30757

a. Predictors: (Constant), instagram

b. Dependent Variable: business turnover in Nigeria

**Source:** SPSS Version 20

Table 2 shows the regression analysis result which established the relationship between instagram and business turnover in Nigeria. The result revealed that instagram has significant effect on business turnover in Nigeria. The result considered that instagram can be used to predict business turnover in Nigeria; it means that if instagram is increasing business turnover in Nigeria may also improve. Depending on the R Square value of (0.435), instagram could explain 43.5% variation in business turnover in Nigeria.

**Table 3**  
**ANOVA for H1**

Model	Sum of Squares	Df	Mean Square	F	Sig.	
H1	Regression	16.553	1	17.553	370.476	.000 <sup>b</sup>
	Residual	15.836	317	.034		
	Total	31.377	318			

a. Dependent Variable: business turnover in Nigeria.

b. Predictors: (Constant): instagram

**Source:** SPSS Version 20

### Decision Rule

According to Table 3, the analysis of variance (ANOVA) calculated F test was 370.476 and an associated significance p value of 0.000 (p value < 0.05) was significant, thus results indicate support for the first hypothesis. We reject null hypothesis and accept the alternative hypothesis which state that instagram has significant effect on business turnover in Nigeria. The implication was that the simple linear regression was good fit for the data.

**Hypothesis Two**

**H<sub>02</sub>:** facebook has no significant effect on business turnover in Nigeria

**Table 4**  
**Regression Model Summary for H2**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
<b>H2</b>	.643 <sup>a</sup>	.546	.535	37.04773

a. Predictors: (Constant), facebook

b. Dependent Variable: business turnover in Nigeria.

**Source:** SPSS Version 20

Table 4 shows the regression analysis result which established the relationship between facebook and business turnover in Nigeria. The result revealed that facebook has significant effect on business turnover in Nigeria. The result considered that facebook can be used to predict business turnover in Nigeria; it means that if facebook is increasing business turnover in Nigeria may also improve. Depending on the R Square value of (0. 546), facebook could explain 54.6% variation in business turnover in Nigeria.

**Table 5**  
**ANOVA for H2**

Model	Sum of Squares	Df	Mean Square	F	Sig.
<b>H2 Regression</b>	673084.601	1	553074.501	377.816	.000 <sup>b</sup>
<b>Residual</b>	474737.877	318	1633.033		
<b>Total</b>	206723.487	319			

a. Dependent Variable:: business turnover in Nigeria.

b. Predictors: (Constant): facebook

**Source:** SPSS Version 20

**Decision Rule**

According to Table 5, the analysis of variance (ANOVA) calculated F test was 377.816 and an associated significance p value of 0.000 (p value < 0.05) was significant, thus results indicate support for the second hypothesis. We reject null hypothesis and accept the alternative hypothesis which state that facebook has significant effect on business turnover in Nigeria. The implication was that the simple linear regression was good fit for the data.

### Hypothesis Three

**Ho:** whatsApp status has no significant effect on business turnover in Nigeria

**Table 6**  
**Regression Model Summary for H3**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
H3	.699 <sup>a</sup>	.488	.486	42.71752

a. Predictors: (Constant), whatsApp status

b. Dependent Variable: business turnover in Nigeria.

**Source:** SPSS Version 20

Table 6 shows the regression analysis result which established the relationship between whatsApp status and business turnover in Nigeria. The result revealed that whatsApp status has significant effect on business turnover in Nigeria. The result considered that whatsApp status can be used to predict business turnover in Nigeria; it means that if whatsApp status is increasing business turnover in Nigeria may also improve. Depending on the R Square value of (0.488), whatsApp status could explain 48.8% variation in business turnover in Nigeria.

**Table 7**  
**ANOVA for H3**

Model	Sum of Squares	Df	Mean Square	F	Sig.
H3 Regression	558438.294	1	558438.294	306.029	.000 <sup>b</sup>
Residual	585756.443	321	1824.786		
Total	1144194.737	322			

a. Dependent Variable: business turnover in Nigeria

b. Predictors: (Constant): whatsApp status

**Source:** SPSS Version 20

### Decision Rule

According to Table 5, the analysis of variance (ANOVA) calculated F test was 306.029 and an associated significance p value of 0.000 (p value < 0.05) was significant, thus results indicate support for the second hypothesis. We reject null hypothesis and accept the alternative hypothesis which state that whatsApp status has significant effect on business turnover in Nigeria. The implication was that the simple linear regression was good fit for the data.

### Discussion of findings

The research hypothesis tests one revealed that instagram has significant effect on business turnover in Nigeria. The findings was affirmed by Bsport (2022) that instagram is the current king of social media and a major part of our social life nowadays. With over 1.28 billion users worldwide (Statista, 2022), it's an excellent platform to reach an immense amount of potential customers efficiently Thus, naturally it has become one of the most popular mediums to promote on. With the right strategy and targeting you can effectively increase client engagement and reach potential clients whilst building a community along with boosting sales and other numerous benefits.

The research hypothesis tests two revealed that facebook has significant effect on business turnover in Nigeria.

The research hypothesis tests three revealed that whatsapp status has significant effect on business turnover in Nigeria. This findings was affirmed by Brind Mind (2017) that WhatsApp status could be a great tool for customer support simple because of its wider reach. Your customers would always prefer to send you a message over WhatsApp rather than calling a helpdesk number or talking to a robot. Moreover, WhatsApp can prove to be a very strong marketing tool. It is a good one-to-one platform for direct communication, making it easy to send and receive any type of content (images, audio files, short video clips, etc.), really fast, to users all over the world. Unlike SMS or Email, there are less restriction on the format and delivery chances are higher. WhatsApp status delivers on that promise by providing businesses with a closed, personal environment in which to communicate one-on-one with their customers. With WhatsApp, companies create 'Business Profiles,' a unique, fully-branded business identity. This allows you to provide specifics like email and phone contacts, social media links, store addresses, website URLs, and suitable business details or offers. More importantly, your WhatsApp Business profile gives you the opportunity to inject your brand personality with every customer interaction. **WhatsApp** status have capabilities that allow you to have a more significant impact on customer satisfaction, while expanding your reach, improving deliverability, managing support costs, increasing conversions, sharpening security, and achieving other important business.

### **Conclusion**

From the findings, it was revealed that instagram, facebook and whatsapp status have significant effect on business turnover in Nigeria.

Digital marketing provides a lot of economic benefits as an alternative channel for businesses to reach a wider audience. This is because e-marketing has placed a whole new set of capabilities in the hands of businesses and consumers. It enables a firm to create new services, expand its market, increase visibility and responsiveness to customers and to strengthen business. It gives businesses of any type. Information technology offers a whole range of new technologies to increase marketing activities on a global basis. For example, a website can reach anyone in the world who has internet access. This allows a business to find new markets and compete globally. It expands the marketplace from local to national and international markets. By creating and maintaining a website, the business can lists its products, services and other information of interest which customers can access globally and thereby promote their businesses and products worldwide. A properly planned and effectively targeted digital marketing can reach the right customers at a much lower cost than traditional marketing methods. It offers cost savings, particularly in the areas of transactional costs, customer service, digital media channels, print and distribution.

With digital marketing, customers can obtain information on products and make purchases even if the physical premises of a firm are closed or if the firm does not have physical premises at all. It is the expectation of customers that a firm's offering should be available 24 hours a day without interruption. Digital marketing enables a firm to collect and store information about its customers and identify them on individual level. If customer database is linked to the website, then whenever they visit the site, the firm can greet them with targeted offers. The more they buy, the more the firm can refine their profile and market to them effectively.

### **Recommendations**

- i) Business investor should be encouraged to utilize instagram to boost their business turnover in the business environment.
- ii) Facebook is one of the social media often visited in the society, business owner should display their product to enhance their business turnover,
- iii) Business investor should engage their business on whatsapp status page being a social media segment to increase their business turnover.
- iv) Business owners should engage in internet activities in various form to boost their business turnover in the competitive business environment.



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