



## **The Effects of Social Media Marketing on Business Performance of Supermarkets in Tanzania**

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### **Abstract**

The purpose of this study was to examine the effects of social media marketing on business performance of supermarkets. This study was conducted at Kinondoni municipal. The study reveals the effect of social media performance, social media analytics and active presence on the business performance of the supermarkets. The totals of 200 respondents were purposively selected from the supermarkets in Kinondoni municipal. Structured questionnaire and interview were used for collecting primary data whereas secondary data was collected by using documentary review. Descriptive and multiple regression techniques were aided by using SPSS. The results show that social media performance has positive and significant relationship with business performance of the supermarkets (beta value 0.539,  $t=8.925$ ,  $p=0.000$ ). The findings suggest that a unit increases in social media performance will lead to 0.539 increases in the scores of business performance. Moreover, the results show there is positive and significant relationship between social media analytics and the business performance (beta value 0.6202,  $t=7.552$ ,  $p=0.001$ ). The results show that a unit increases in social media analytics will lead to 0.6202 increases in the scores of business performance. Furthermore, the findings show that there is positive and significant relationship between active presence in social media and business performance of the manufacturing companies (beta value 0.919,  $t=8.055$ ,  $p=0.000$ ). The findings suggest that a unit increases in active presence in social media will lead to 0.919 increases in the scores of business performance. The study concludes that social media performance has positive effect on the business performance, also active presence in social media to increase business performance of the supermarkets. The study recommends that supermarkets should make social media become part of the strategies in order to increase business performance.

**Keywords:** Social Media Marketing, Business Performance, Supermarkets and Kinondoni Municipal.

## **1. Background of the Problem**

Social media marketing has become a critical factor affecting the performance of the businesses (Yasa *et al.*, 2020). The impact of social media marketing to the firms and the worldwide economy is becoming a well-recognized phenomenon. The business performance and operations of various companies are influenced by the application of social media in the marketing activities (Wang and Kim, 2017). The major factor behind is that the use of social media for example WhatsApp, Facebook and Instagram provides the view of familiarity among the users of social media, this facilitate communication (Alvarez *et al.*, 2020). This helps the company to interact and exchange of various contents with its customers and suppliers. Thus, companies used social media as a tool of building the relationship with customers and suppliers towards the business (Tarsakoo and Charoensukmongkol, 2019). The application of social media marketing, can take various forms such as social media performance, social media analytics and active presence (Tafesse and Wien, 2018).

Also, social media analytics increase the business performance of the company because it offers techniques which empower company to recognize its potential customers, and identify key competitors for the purpose of making marketing decisions (Adegbuyi *et al.*, 2015; Yasa *et al.*, 2020; Thaker *et al.*, 2020). Social media analytics involves systematic activities of gathering, investigating and understanding the behavior of the customers in the social media in order to facilitate marketing decisions. Tafesse and Wien (2018) believes social media analytics affects the business performance of the supermarkets through social media plan and execution, learn social media customers, measure social media effectiveness and social media tracking and monitoring (Adeola *et al.*, 2020).

Additionally, active presence in social media helps company to reach potential customers and take advantage of various segments in the market (Wang and Kim, 2017). Active presence in social media facilitate interactions between company and customers, this create mutual trust (Tarsakoo and Charoensukmongkol, 2019). To achieve the target business performance, active presence in the social media is important prerequisite as it helps to build strong connection between company and its customers (Wang and Kim, 2017). Through, active presence in social media the company may benefit from online conversations which can be used to collect customer information's and used for the purpose of improving marketing operations (Wang *et al.*, 2016).

In the supermarkets, the performance of supermarkets is affected by various factors (Alvarez *et al.*, 2020). However, the application of social media marketing is one of the essential factors affecting the business performance. Most of the supermarkets admitted that the business performance is affected by internal and external factors (Gonzalez-Lafaysse and Lapassouse-Madrid, 2016). However, internal factors too certainly have an effect on business performance of the supermarkets (Alvarez *et al.*, 2020). Recent, one of the major internal factors affecting the performance of the supermarkets is the degree of using social media marketing (Borg *et al.*, 2020).

Despite various studies have been conducted on social media marketing, few empirical studies are conducted in the area of supermarkets to show the link between the use of social media marketing techniques and business performance of supermarkets (Alvarez *et al.*, 2020; Gonzalez-Lafaysse and Lapassouse-Madrid, 2016), the findings from the earlier studies lack precision in terms conceptual and measurement. Preceding literatures adopted stages of growth to conceptualized social media marketing activities (Wang and Kim, 2017; Wang *et al.*, 2016; Tarsakoo and Charoensukmongkol, 2019; Li *et al.*, 2020; Yasa *et al.*, 2020; Adegbuyi *et al.*, 2015; Kazunguet *et al.*, 2017). According to Borg *et al.*, (2020) believe that, the use of stages of growth in social media marketing is difficult to empirically verify. Therefore, this study intended to assess the effects of

social media marketing on business performance of supermarkets.

## **2. Literature Review, Hypothesis Statements and Conceptual Framework**

### ***Social Media Performance***

Various scholars have definitions of social media performance, for example Adeola *et al.*, (2020) defines social media performance as positive results obtained from the use of social media strategies in marketing operations. Tarsakoo and Charoensukmongkol (2019) explain social media performance as the results from customer-based social media. These involves; customer engagement and extensive follower's base with the aim of increase business performance. Tafesse and Wien (2018) added that social media performance is originated from favorable perceptions of the customers on the company use of social media. The dimensions of social media performance involve follower base, web traffic, customer engagement metrics and reach customers (Tarsakoo and Charoensukmongkol, 2019; Yasa *et al.*, 2020; Tafesse and Wien, 2018). Thus, the current study defines social media performance as the outcomes of customer-based social media which involves follower base, web traffic, and customer engagement metrics and reach customers for the purpose of increasing the business performance. Therefore, the following hypothesis statement was formulated.

H<sup>1</sup>: *Social media performance has positive effect on business performance of the supermarkets.*

### ***Social Media Analytics***

According to Klietz *et al.*, (2020) social media analytics involves systematic activities of gathering, investigating and understanding the behavior of the customers in the social media in order to facilitate marketing decisions. Wang and Kim (2017) believe that social media analytics facilitate companies to understand customer's and increase business performance. The dimensions of social media analytics involve plan and execute, learn about customers, measure effectiveness and track and monitor (Alvarez *et al.*, 2020; Li *et al.*, 2020 and Adeola *et al.*, 2020). This study defines social media analytics as a range of dimensions which facilitate the company to identify the behavior of the customers, identify competitors and make marketing decisions through the use of social media. Thus, the following hypothesis statement was formulated.

H<sup>2</sup>: *Social media analytics has positive effect on business performance of the supermarkets.*

### ***Active Presence***

This is the situation in which the companies are involved in day to day social media activates (Jung *et al.*, 2020). Moreover, Gonzalez-Lafaysse and Lapassouse-Madrid (2016) describes active presence as the situation in which the company is participate actively in various social media platforms for example Instagram and WhatsApp through creating various content, establish marketing campaign and active communication with customers on daily basis. The dimensions of active presences are sufficient content, frequent posts, regular posting plan and frequent customer interactions (Yasa *et al.*, 2020; and Alvarez *et al.*, 2020). To achieve the target business performance, active presence in the social media is important prerequisite as it helps to build strong connection between company and its customers (Wang and Kim, 2017). In addition, Yasa *et al.*, (2020) affirm that active presence in social media increase business performance because it provides suitable environmental for the company to respond to competitive market. Therefore, the following hypothesis statement was formulated.

H<sup>3</sup>: *Active presence in the social media has positive effect on business performance of the supermarkets.*

### ***Business Performance***

The study by Yasa *et al.*, (2020) described business performance as positive change in marketing

operations. Another study by Wang and Kim (2017) added that business performance involves growth and increases in capability of the company in a certain time. Tarsakoo and Charoensukmongkol (2019) the business performance of the company is measured through growth and responsiveness to change. Therefore, the business performance of the supermarkets will be measured by using business growth and responsiveness. According to Wang and Kim (2017) responsiveness to change is defined as the situation in which the company is able to face variation in market behavior. Tarsakoo and Charoensukmongkol (2019) assert that responsiveness to change involves the level of company's flexibility and ability to operate under uncertainty environment. While, the company's the growth is defined as the situation in which the company observe significant increases in marketing outcomes (Wang and Kim, 2017).

### ***Chaffey's Theory***

The current study used Chaffey's theory of social media. The theory was proposed by Chaffey in 2012, the theory looks at social media marketing as an informal marketing approach (Gonzalez-Lafaysse and Lapassouse-Madrid, 2016). According to the theory, the interaction between company and its customers contributes to human behavior, this form significant contribution to customer behavior. Thus, companies used social media strategy to stimulate purchasing options among customers, lead them into making purchases, and even maintain loyalty to one brand of the product or services (Wang and Kim, 2017). Chaffey theory predicts that by establishing a long-term relation with clients, social media marketing plays significant contribution to increase the business performance (Wang et al., 2016). Preceding studies such as Wang *et al.*, 2016; and Wang and Kim (2017) used Chaffey theory to describe the effect of social media marketing on business performance.

### **2.1. Empirical Evidences**

Various studies have been conducted on social media use and business performance, for example Wang and Kim (2017) aimed to investigate how the use of social media facilitate to create Customer Relationship Management (CRM) which help to foster marketing strategies and improve the business performance. Data from 232 firms were empirically used in this study. Also, data were collected from Facebook and annual databases for the period 2004–2014. The results indicate that the use of social media in marketing activities play important role to increase CRM capability, engagement and performance of the company. The study concludes that companies that emphasis on social media in marketing activities are to create CRM capabilities through customer interactions and increase firm performance.

The study by Wang *et al.*, (2016) examine the how the social media marketing affects Business-to-Business communication and foster the business performance in the context of SMEs. The study employed a case study research design. The findings reveal that social media marketing positively affect Business-to-Business communication which facilities to increase the business performance. The study concludes that Social Media Apps (SMA) more common used in SMEs to facilitate individual communications and interactions between business and customers, this play significant contribution to increase the business performance.

Another study by Tarsakoo and Charoensukmongkol (2019) show the relationship between social media capability and business performance of the company. The study collected primary data from business entrepreneurs in Thailand by using questionnaire. A sample of 364 respondents was used. The results indicate that there is positive and significant relationship between the utilization of social media marketing and the financial performance of the company. The study concludes that social media strategy plays significant contribution to improve marketing capabilities and increase financial performance of the companies.

Moreover, the studies by Li *et al.*, (2020) examine the impact of social media strategy on the business performance of SMEs in China. Questionnaires were employed for collecting primary data, a total of 1000 surveys were distributed to small shops. The study found that social media marketing has significant and positive impact on business performance of small enterprises in China. The study concludes that business performance of SMEs depends on the extent of use social media strategy.

In Indonesian, the study by Yasa *et al.*, (2020) establishes the relationship between social media marketing, business value and business performance. The study employed descriptive research design. The findings show that social media facilitate interactions between company and customers, this create mutual trust. For the company to achieve the target business performance, social media is important prerequisite as it helps to build strong connection between company and its customers. The study concludes that effective use of social media marketing and business value help to foster the business performance.

Furthermore, using descriptive research design, the study by Adegbuyi *et al.*, (2015) analyze the relationship between social media use and the business performance. The study employed questionnaire to collect primary data. Data analysis techniques involved descriptive and correlation analysis techniques. The results show that social media marketing and business performance are significant and positively related. Also, the results show that social media is essential tool to any business because of it facilitate business to receive feedbacks, respond to customers' requests, and effective understand of customers behavior with the minimal use of the organizational resources.

In Tanzania, the studies by Kazungu *et al.*, (2015) assess the influence of social media on the performance of Micro Enterprises in Moshi. A sample of 90 micro enterprises was used. Data were collected by using questionnaire. The study found that social media facilitate to increase the business performance. The results indicate that WhatsApp is the most, preferred social media tool in most of the micro enterprises. Social media help company to reach potential customers and take advantage of various segments in the market. Social media facilitate interactions between company and customers, this create mutual trust. The study concludes that that appropriate use of social media improves the performance of the micro enterprises. Social media affects the business performance of the supermarkets through social media plan and execution; learn social media customers, measure social media effectiveness and social media tracking and monitoring.

In the context of supermarkets, the studies by Alvarez *et al.*, (2020) assess the use of social media marketing in the marketing actions of the supermarkets in Riobamba city. The study used a case study research design. Data were collected by using questionnaire. The study found that social media marketing improves marketing activities of the supermarkets. The major factor behind is that the use of social media for example WhatsApp, Facebook and Instagram provides the view of familiarity among the users of social media, this facilitate communication. The study concludes that social media marketing such as creation of info graphics (personalized content) create good relationships with customers, create fans for the supermarkets, allowing traffic and possible conversion of customers to the business website and social networks.

Another study by Gonzalez-Lafaysse and Lapassouse-Madrid (2016) assess the contribution of Facebook to sustainable development. The study is based on a year-long study of one group's official Facebook page. The results indicate that Facebook play essential contribution to the sustainable development. The study concludes that the performance of supermarkets is affected by various factors. The application of social media marketing is one of the essential factors affecting the business performance. Most of the supermarkets admitted that the business performance is affected by internal and external factors.

## **2.2. Synthesis of the Research Gap**

Despite various studies have been conducted on social media marketing, few empirical studies are conducted in the area of supermarkets to show the link between the use of social media marketing techniques and business performance of supermarkets (Alvarez *et al.*, 2020; Gonzalez-Lafaysse and Lapassouse-Madrid, 2016), the findings from the earlier studies lack precision in terms conceptual and measurement. Preceding literatures adopted stages of growth to conceptualized social media marketing activities (Wang and Kim, 2017; Wang *et al.*, 2016; Tarsakoo and Charoensukmongkol, 2019; Li *et al.*, 2020; Yasa *et al.*, 2020; Adegbuyi *et al.*, 2015; Kazunguet *et al.*, 2017). According to Borg *et al.*, (2020) believe that, the use of stages of growth in social media marketing its difficult to empirically verify.

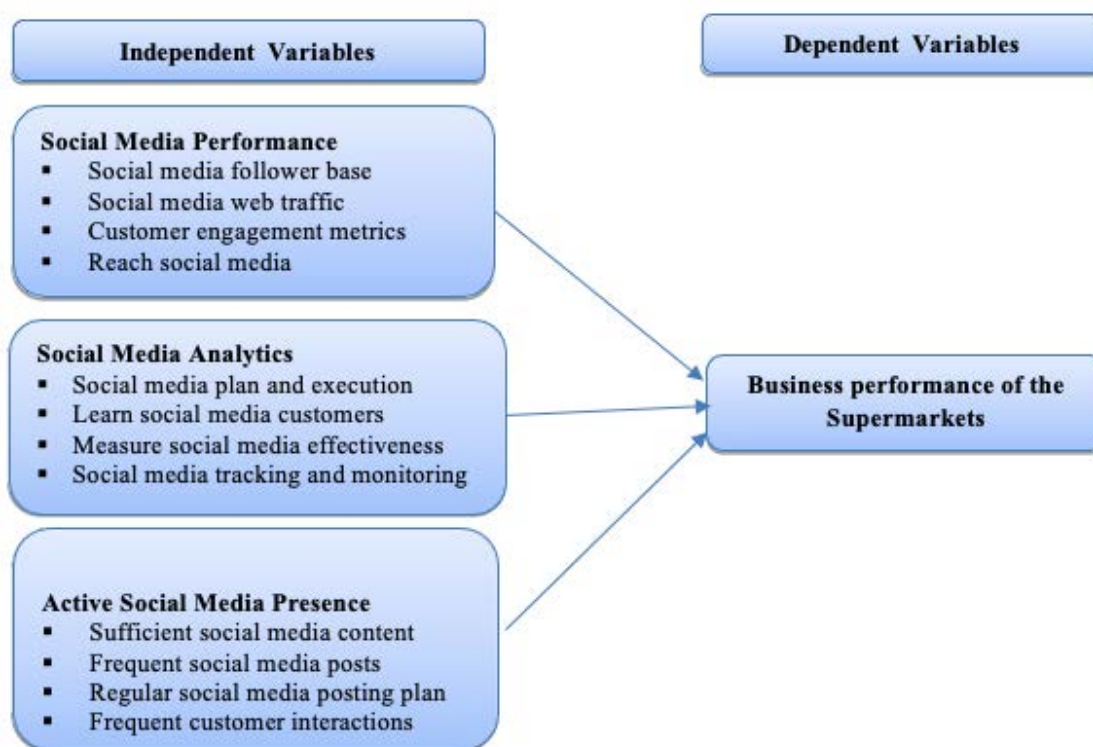
## **2.3. Conceptual Framework**

The three independents variables of the study are; social media performance, social media analytics and active presence in the social media. This study assumes that these independent variables affected the business performance of the supermarkets as the dependent variable.

The study assumes that, social media performance is one of the independent variables of the study. This affect the business performance through social media follower base social media web traffic, customer engagement metrics and reach social media customers as proposed by (Alvarez *et al.*, 2020; Tafesse and Wien, 2018). When, the supermarket has higher social media follower base, social media web traffic, customer engagement metrics and is able to reach customers through social media, this can increase the business performance of the supermarket (Alvarez *et al.*, 2020).

Social media analytics is another variable that affect the business performance of the supermarkets. The study assumes that social media analytics affects the business performance of the supermarkets through social media plan and execution, learn social media customers, measure social media effectiveness and social media tracking and monitoring as suggested by Alvarez *et al.*, 2020; Tafesse and Wien, 2018; Li *et al.*, 2020 and Adeola *et al.*, (2020). The study assumes that when the supermarkets is active involved in these four constructs (social media plan and execution, learn social media customers, measure social media effectiveness and social media tracking and monitoring), the business performance may increase.

Active presence in the social media was the last independent variable that affects the business performance of supermarkets. The business performance of the supermarkets was affected by social media active presence through sufficient social media content, frequent social media posts, regular social media posting plan and frequent customer interactions as proposed by Yasa *et al.*, 2020; Tafesse and Wien, 2018 and Alvarez *et al.*, (2020). The study assumes that, actively practices of these constructs facilitates to increase the business performance of the supermarkets, as illustrated in Figure 1.



**Figure 1: Conceptual Framework**

### 3. Research Methodology

#### 3.1. Research Approach

The study used deductive approach. This approach was used to generate and test hypotheses with reference to present theory (Saunders *et al.*, 2012). Thus, the current study started by establishing theoretical understanding on the link between independent variables namely social media performance, social media analytics, active presence and business performance as dependent variable. This study used this approach because primary data formed bases for establishing hypothesis in relation to theory and clarify relationship between the variables.

#### Research Design and Study Area

This study employed explanatory research design. It involves the study of cause and effect. Normally, explanatory research design is applied when the study plans to use a deductive approach such as testing hypotheses (Hair *et al.*, 2010). Therefore, explanatory research design was used because the study intends to test hypothesis. The study was conducted in Kinondoni Municipal. The area was selected for this study because is one of the leading councils in Tanzania with the largest number of supermarkets.

#### Population, Sample Size and Sampling Techniques

##### *Survey Population*

The study population involved employees of the supermarkets who were responsible for day to day marketing activities of the supermarket in Kinondoni municipal. Therefore, all employees of the supermarket in Kinondoni municipal formed the study population.

### ***Sample Size***

In order to obtain the sample size, this study considered different suggestions from scholars. Each variable needs a minimum of 10 – 15 respondents (Hair *et al.* 2010). Another study by Yasa *et al.*, (2011) affirms that, the estimation of sample size had to consider the type of research design. Li *et al.*, (2020) proposed that the minimum sample size for correlation research requires 30 cases or more. Hence, sample size was 200 as suggested by preceding researchers (Li *et al.*, 2020; Tarsakoo and Charoensukmongkol, 2019) which line up with that of Yasa *et al.*, (2011).

### ***Sampling Techniques***

Purposive sampling was employed to select respondents from the population. The techniques were employed to select management and senior employees from the supermarkets who are involved in marketing activities. This study used purposive sampling technique because it targeted to obtain knowledgeable participants. Tarsakoo and Charoensukmongkol (2019) proposed that the use of purposive sampling technique helps to obtain knowledgeable participants.

## **3.4. Data Collection Method**

### ***Questionnaires***

This study used structured questionnaire to collect primary data in relation to social media performance, social media analytics, active presence and business performance, as proposed by Yasa *et al.*, (2020). This technique was used because it is suitable for collecting data from the large sample as suggested by Alvarez *et al.*, (2020). Also, it was possible to quantify data that were collected through questionnaire. Since the study intended to use regression analysis, questionnaire is important tool for collecting primary data.

### ***Interview***

Interview is a method of collecting data, which involves presentation of oral-verbal stimuli, and reply in terms of oral- verbal responses (Hair *et al.*, 2010). This method was used to collect qualitative data as suggested by previous studies such as Li *et al.*, 2020 and Adeola *et al.*, (2020). Therefore, interview guide was used to collect data in relations to social media performance, social media analytics, active presence and business performance. The technique was used because, the sample is controlled more effectively, and more information in greater depth was obtained.

### ***Documentary Review***

This study used documentary analysis to collect secondary data in relation to social media performance, social media analytics, active presence and business performance, as proposed by previous studies such as Tafesse and Wien, 2018; Li *et al.*, 2020 and Adeola *et al.*, (2020). Documentary review was used in this study because it helps to collect secondary data that were used to supplement primary data and increase the reliability of the findings.

## **3.5. Measurement of the Variables**

Subjective data were used in this study. Despite some limitations of subjective data in assessing business performance, these data are considered to be more comprehensive and credible in examining the business performance compared to objective data (Wang and Kim, 2017). Prior studies such as Li *et al.*, 2020; Yasa *et al.*, (2020) used subjective data to measure the business performance.

The operationalization of the constructs namely; social media performance, social media analytics, active presence and business performance on the questionnaire employed Likert scales with 5 points. 1 represents strongly disagree to 5 strongly agree.



Social media performance: This study used dimensions for social media performance following the concept developed earlier studies such as Tarsakoo and Charoensukmongkol 2019; Yasa *et al.*, 2020; Tafesse and Wien (2018). These are; follower base, web traffic, customer engagement metrics and reach customers.

Social media analytics: The study measured social media analytics by using four metrics namely; plan and execute, learn about customers, measure effectiveness and track and monitor. These are adopted from Alvarez *et al.*, 2020; Tafesse and Wien, 2018; Li *et al.*, 2020 and Adeola *et al.*, (2020).

Active presence: To measure active presence, the study adapted four metrics from the studies by Yasa *et al.*, 2020; Tafesse and Wien, 2018 and Alvarez *et al.*, (2020). These metrics are; sufficient content, frequent posts, regular posting plan and frequent customer interactions.

Business performance: Following Li *et al.*, 2020; Yasa, *et al.*, (2020), this study measures the business performance of the supermarket by using four metrics, namely; competitiveness, business expansion, flexibility and increased market share.

**3.6. Data Analysis Methods**

The analysis of data was aided by SPSS. The study conducted descriptive and multiple regression analysis as proposed by Charoensukmongkol and Tarsakoo (2019). On the other hand, the study conducted preliminary analysis such as tests for autocorrelation, normality through correlation analysis, multi-collinearity, and homoscedasticity test.

This study used multiple regression analysis to assess the relative predictive power of social media performance, social media analytics and active presence on the business performance of the supermarkets as suggested by Wang and Kim (2017). Therefore, the study used the following multiple regression equation.

$$BP = f(SP, SA, AP) \dots\dots\dots (i)$$

Where:

BP is Business Performance, SP = Social Media Performance SA = Social Media Analytics, and AP = Active Presence

The regression equation (i) can be presented in the following empirical equation

$$BP = \beta_0 + \beta_1 SP + \beta_2 SA + \beta_3 AP + \epsilon_i \dots\dots\dots (ii)$$

The independents variables of the study are composites. Therefore, further analysis is presented in the following equation

$$BP = \beta_0 + \beta_1 Fb + \beta_2 Wt + \beta_3 Cem + \beta_4 Rc + \beta_5 Pe + \beta_6 Lc + \beta_7 Me + \beta_8 Tm + \beta_9 Sc + \beta_{10} Fp + \beta_{11} Rpp + \beta_{12} Fci + \epsilon_i \dots\dots (iii)$$

Whereby; independent variables are represented as:

|     |                              |     |                                 |
|-----|------------------------------|-----|---------------------------------|
| Fb  | -Follower base               | Me  | - Measure effectiveness         |
| Wt  | -Web traffic                 | Tm  | -Track and monitor              |
| Cem | -Customer engagement metrics | Sc  | -Sufficient content             |
| Rc  | -Reach customers             | Fp  | -Frequent posts                 |
| Pe  | - Plan and execute           | Rpp | -Regular posting plan           |
| Lc  | -Learn about customers       | Fci | -Frequent customer interactions |

#### 4. Findings and Discussion

##### 4.1. Response Rate

A total of 200 questionnaires were administered to the respondents in the study area. However, a total of 9 questionnaires (4.5%) were missing, 15 questionnaires (7.5%) were not usable and 176 questionnaires (88.0%) were usable. Therefore, the response rate of the study was 88.0%. According to study by Hair *et al.*, (2015), the threshold value for response rate should be higher than 50%. Therefore, the response rate of the study (88.0%) was considered to be good for analysis.

**Table 1: Response Rate**

|                        | Frequency | Percent |
|------------------------|-----------|---------|
| Missing Questionnaire  | 9         | 4.5     |
| Unusable Questionnaire | 15        | 7.5     |
| Usable Questionnaire   | 176       | 88.0    |
| Total                  | 200       | 100.0   |

Source: Researcher, 2021.

##### 4.2. Tests for Regression Assumptions

This study used multiple regression analysis to examine the relationship between business performance of the supermarkets and three independent variables namely; social media performance, social media analytics and active presence as suggested by Wang and Kim (2017). According to Thaker *et al.*, (2020), it is necessary to test for assumptions of regression analysis before conducting multiple regression analysis. According to Adeola *et al.*, (2020) the assumptions for regression analysis are autocorrelation, multivariate normality, multicollinearity assumption, and linearity.

##### *Test for Autocorrelation Assumption*

The study by Alvarez *et al.*, (2020); Yasa *et al.*, (2020); and Gonzalez-Lafaysse and Lapassouse-Madrid (2016) recommended the use of Durbin-Watson Statistic for estimating Autocorrelation Assumption. Findings in Table 2 shows the model summary for Durbin-Watson, the results

indicate that Durbin-Watson is 2.124. According to Yasa *et al.*, (2020), if Durbin-Watson is approximated or equal to 2, indicates absence of significant autocorrelation problem in the data set. Therefore, the results show that autocorrelation assumption was not violated in this study.

**Table 2: Model Summary for Durbin-Watson**

| Model | R     | R Square | Adjusted R Square | . Error of the Estimate | Durbin-Watson |
|-------|-------|----------|-------------------|-------------------------|---------------|
| 1     | .931a | .866     | .813              | 2.74983                 | 2.124         |

a. Predictors: (Constant), Active Social Media Presence, Social Media Analytics, Social Media Performance

b. Dependent Variable: Business Performance.

**Source:** Estimates from SPSS.

**Multivariate Normality Test**

The used of kurtosis and skewness statistics is suggested by Borg *et al.*, (2020). Moreover, Klietz *et al.*, (2020) suggested that kurtosis and skewness statistics are important for estimating multivariate normality assumption. According to Borg *et al.*, (2020) Skewness and Kurtosis value should be  $\pm 2$  for normality assumption to be met. Moreover, Klietz *et al.*, (2020) revealed that the general rule requires that Skewness and Kurtosis to be  $\pm 7$ . Therefore, this study accepted the threshold value of  $\pm 7$ . The results in Table 3 indicate that the statistics for Skewness and Kurtosis are within the acceptable range of  $\pm 7$  as suggested by Klietz *et al.*, (2020). Therefore, normality assumption was met.

**Table 3: Skewness and Kurtosis Statistics**

|                              | Skewness  |            | Kurtosis  |            |
|------------------------------|-----------|------------|-----------|------------|
|                              | Statistic | Std. Error | Statistic | Std. Error |
| Social Media Performance     | .497      | .183       | .444      | .364       |
| Social Media Analytics       | .529      | .183       | .466      | .364       |
| Active Social Media Presence | .454      | .183       | .455      | .364       |
| Business Performance         | .536      | .183       | .673      | .364       |
| Valid N (listwise)           |           |            |           |            |

**Source:** Estimates from SPSS

**Multicollinearity Assumption**

According to Gonzalez-Lafayesse and Lapassouse-Madrid (2016); Borg *et al.*, (2020); Wang and Kim (2017) the appropriate test for multicollinearity assumption is Variance Inflation Factor (VIF) and Tolerance. Therefore, this study used VIF and Tolerance value for estimating Multicollinearity

of data. The study by Gonzalez-Lafaysse and Lapassouse-Madrid (2016) proposed that in order to comply with multicollinearity assumption, tolerance value should be less than 0.2 or VIF should be less than 10.0. The findings in Table 4 indicate that all tolerance values and VIF are within the acceptable range. This indicates that multicollinearity assumption was met in this study. Therefore, the study is free from multicollinearity problems.

**Table 4: Tests of Multicollinearity**

| Model                        | Collinearity Statistics |       |
|------------------------------|-------------------------|-------|
|                              | Tolerance               | VIF   |
| Social Media Performance     | .789                    | 1.516 |
| Social Media Analytics       | .756                    | 1.681 |
| Active Social Media Presence | .410                    | 1.822 |

a. Dependent Variable: Business Performance

**Source:** Estimates from SPSS

**Test for Linearity Assumption**

The study by Wang and Kim (2017), recommended the use of Pearson Correlation for testing linearity assumption. Therefore, this study used Pearson Correlation for testing linearity assumption. The results in Table 5 show there is strong correlation between social media performance of the business performance of the supermarkets ( $r = 0.709$ ,  $p < 0.000$ ), and social media analytics ( $r = 0.710$ ,  $p < 0.000$ ), and active social media presence ( $r = 0.762$ ,  $p < 0.000$ ). The results imply that linearity assumption was not violated

**Table 5: Correlations Coefficients**

|                              |                     | Social Media Performance | Social Media Analytics | Active Social Media Presence | Business Performance |
|------------------------------|---------------------|--------------------------|------------------------|------------------------------|----------------------|
| Social Media Performance     | Pearson Correlation | 1                        | .868*                  | .790                         | .709                 |
|                              | Sig. (2-tailed)     |                          | .625                   | .633                         | .905                 |
|                              | N                   | 176                      | 176                    | 176                          | 176                  |
| Social Media Analytics       | Pearson Correlation | .868*                    | 1                      | .752                         | .710                 |
|                              | Sig. (2-tailed)     | .625                     |                        | .495                         | .890                 |
|                              | N                   | 176                      | 176                    | 176                          | 176                  |
| Active Social Media Presence | Pearson Correlation | .790                     | .752                   | 1                            | .762                 |
|                              | Sig. (2-tailed)     | .633                     | .495                   |                              | .411                 |
|                              | N                   | 176                      | 176                    | 176                          | 176                  |
| Business Performance         | Pearson Correlation | .709                     | .710                   | .762                         | 1                    |
|                              | Sig. (2-tailed)     | .905                     | .890                   | .411                         |                      |
|                              | N                   | 176                      | 176                    | 176                          | 176                  |

\*. Correlation is significant at the 0.05 level (2-tailed).

**Source:** Estimates from SPSS

**4.3. Descriptive Statistics**

The findings in Table 6 presents the descriptive analysis results for social media performance social media analytics, active social media presence, business performance in terms of number of observations, minimum value, maximum, value, mean and standard deviation.

**Table 6: Descriptive Statistics**

|                              | N   | Minimum | Maximum | Mean   | Std. Deviation |
|------------------------------|-----|---------|---------|--------|----------------|
| Social Media Performance     | 176 | 4.00    | 17.00   | 8.7670 | 2.69544        |
| Social Media Analytics       | 176 | 5.00    | 16.00   | 9.1364 | 2.64762        |
| Active Social Media Presence | 176 | 4.00    | 16.00   | 8.9034 | 2.53136        |
| Business performance         | 176 | 3.00    | 15.00   | 6.7386 | 2.73180        |
| Valid N (listwise)           | 176 |         |         |        |                |

**Source:** Estimation Using SPSS.

The results show that all variable have a total of 176 observations. Also, the findings shows that the minimum value for social media performance 4.0, maximum value is 17.00, mean is 8.7670 and standard deviation is 2.69544. Also the findings indicate that social media analytics has minimum value of 5, maximum value is 16.00, mean value is 9.1364 and standard deviation 2.64762. Moreover, active social media presence has minimum value of 4, maximum value is 16.00, mean value is 8.9034 and standard deviation 2.53136. Furthermore, the maximum and minimum values for business performance are 3.0 and 15.00 respectively, mean value is 6.7386 and standard deviation 2.73180.

#### **4.4. Findings from Multiple Regression Analysis**

The results from Table 7 show a coefficient of determination which is denoted as ( $R^2$ ) is equal to 0.866. The results suggested that 86.6% of business performance of the supermarkets is explained by three independent variables namely; social media performance, social media analytics and active social media presence.

**Table 7: Coefficients of Determination**

| Model | Unstandardized Coefficients  |            | Standardized Coefficients |      | t     | Sig. |
|-------|------------------------------|------------|---------------------------|------|-------|------|
|       | B                            | Std. Error | Beta                      |      |       |      |
| 1     | (Constant)                   | 1.156      | 2.123                     |      | 7.545 | .001 |
|       | Social Media Performance     | .539       | .582                      | .364 | 8.925 | .000 |
|       | Social Media Analytics       | .620       | .579                      | .214 | 7.552 | .001 |
|       | Active Social Media Presence | .919       | .114                      | .412 | 8.055 | .000 |

a. Dependent Variable: Business performance

$R^2 = .866$

Source: Estimates from SPSS.

Moreover, the results show that beta value for constant is 1.156. Therefore, this shows that business performance will be 1.156, if all independent variables (social media performance, social media analytics and active social media presence) are constant. The findings suggest that a unit increases in social media performance will lead to 0.539 increases in the scores of business performance.

Likewise, the results show that a unit increases in social media analytics will lead to 0.6202 increases in the scores of business performance of the supermarkets. Finally, the findings suggest that a unit increases in active social media presence in social media will lead to 0.919 increases in the scores of business performance.

#### **4.5. Discussion of the Findings**

##### ***Social Media Performance***

The first objective of the study aimed to investigate the effect of social media performance on business performance of the supermarkets. The results from Coefficients of Determination indicates that social media performance has positive and significant relationship with business performance of the supermarkets (beta value 0.539,  $t=8.925$ ,  $p=0.000$ ). The findings suggest that a unit increases in social media performance will lead to 0.539 increases in the scores of business performance. This is consistent to the study by Li *et al.*, (2019) the study affirms that social media performance has positive and significant relationship with business performance. Another study by Adeola *et al.*, (2020) affirms that the major aim of social media performance is to increase business performance through align social media with the company's marketing objectives.

##### ***Social Media Analytics***

The second objective of the study intended to analyses the effect of social media analytics on the business performance of the supermarkets. The findings from Coefficients of Determination shows that there is positive and significant relationship between social media analytics and the business performance (beta value 0.6202,  $t=7.552$ ,  $p=0.001$ ). The results show that a unit increases in social media analytics will lead to 0.6202 increases in the scores of business performance. This is similar to the study by Gunawan and Sulaeman (2020) the study affirms that social media analytics increase the business performance. The business performance and operations of various companies are influenced by the application of social media in the marketing activities (Wang and Kim, 2017). This helps the company to interact and exchange of various contents with its customers and suppliers. Thus, companies used social media as a tool of building the relationship with customers and suppliers towards the business (Tarsakoo and Charoensukmongkol, 2019).

##### ***Active Presence in Social Media***

The third objective aimed to examine the effect of active presence in social media on the business performance of the supermarkets. The results from Coefficients of Determination shows that there is positive and significant relationship between active presence in social media and business performance of the manufacturing companies (beta value 0.919,  $t=8.055$ ,  $p=0.000$ ). The findings suggest that a unit increases in active presence in social media in social media will lead to 0.919 increases in the scores of business performance. This is consistent to the study by Gunawan and Sulaeman (2020) the study revealed that active presence in social media helps to increase business performance. Another study by Galati *et al.*, (2017) the study reveals that there is positive and significant relationship between customer engagement initiatives and marketing performance.

#### **5. Conclusion and Recommendations**

##### **5.1. Conclusions**

The study concludes that social media performance has positive and significant relationship with business performance of the supermarkets. Social media performance facilitates to increase business performance because it helps to establish performance expectations and marketing objectives which reinforce goal commitment and better decision making in the organization.

Moreover, the study concludes that there is positive and significant relationship between social

media analytics and business performance. Social media analytics involves systematic process of collecting, analyzing and interpreting the behavior of the customers in the social media in order to facilitate marketing decisions. Social media analytics facilitate company to develop and track a range of dimensions that quantify customer responses to given marketing actions.

Furthermore, the study concludes that there is positive and significant relationship between active presence in social media and the business performance. To achieve the target business performance, active presence in the social media is important prerequisite as it helps to build strong connection between company and its customers.

## **5.2. Recommendations**

The study proposed the following recommendations:

- i. Management of the supermarkets should use social media strategy effectively. It is important to use social media strategy because it contributes to increase the business performance.
- ii. Management of the supermarkets should make sure the company is actively presence in the social media. This will help the company to increase the marketing performance.
- iii. Management of the supermarkets should expand content management systems and also, they should assist real-time and warm interactions with customers.
- iv. The government through the ministry of trade should develop good policy to encourage companies to use social media platforms. The policy should consider the role of social media strategy on business performance.

## **5.3. Areas for Further Studies**

Future studies on social media application and business performance of should use the large number of companies and come up with large sample size; this will increase the reliability of the findings.

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