

**Comparative Study Of Traditional And Digital Marketing Tools On The Performance Of Small And Medium Enterprises In Ilorin Metropolis**

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Small and Medium Enterprises (SMEs) are essential to the economic development of Nigeria but their sustainability depends largely on their marketing strategy choice. Traditionally, SMEs have used conventional marketing tools while new digital marketing tools have presented different avenues. Nevertheless, the relative effectiveness of the two marketing sources towards SME performance in terms of the growth in sales and customer acquisition is still under-explored in the Nigerian scenario. This study aims at comparing the dissimilarity in the growth in the sales and customer acquisition between SMEs using conventional marketing tools and those utilizing digital marketing tools in Ilorin Metropolis. A quantitative research design is used in this study with a structured questionnaire as the research instrument used to collect the data. The study sample consisted of the employees working at Femtech Information Technology utilizing digital marketing tools and World Class Communication utilizing conventional marketing tools with a total number of 212 staff workers. By using the Survey Monkey sample size calculator, a sample size of 137 participants was arrived at. Analysis of Variance (ANOVA) was used to test the hypothesis and compare the mean differences in the growth in the sales and customer acquisition rates between the two institutions. The first analysis produced the value of the f-statistic = 8.956 and the p-statistic value = 0.003 and hence indicated a significant difference in the two groups. The second analysis provided the value of the F-statistic = 10.421 and the value of the p-statistic = 0.002 and thereby proved a significant difference in customer acquisition rates between SME using conventional and digital marketing strategy. The findings prove the existence of statistically significant dissimilarity in both performance measures with the SME utilizing digital marketing tools having higher growth in the sales rates and customer acquisition rates when compared with those using conventional marketing tools. The conclusion drawn is that the digital marketing possesses greater benefits in maximizing SME performance since it taps a wider target market at a lower cost and facilitates customer interaction more engagingly. According to the findings, the SME in the Ilorin Metropolis should switch to digital marketing tools to maximize business performance. Further, the policymakers and business development institutions need to introduce digital marketing training programs to enable SME to switch over conventional marketing practices.

**Keywords:** Traditional marketing, Digital Marketing, SMEs' Performance, Sales Growth Rates, Customer Acquisition Rate

## **Introduction**

Marketing in the modern world is the key driver of the success profiles of companies, particularly Small and Medium Enterprises (SMEs). Marketing used to rely primarily on media like newspaper advertisements, hoardings, and broadcasting media to access potential consumers. The digital revolution injected new means through social media,

e-mail marketing, and search engine optimization, broadly referred to as digital marketing. This development necessitates research comparing the effectiveness of conventional versus digital marketing media and its impact on SME performance.

Globally, SMEs form a high proportion of economic activity and sometimes cover more than 90% of companies while adding significantly to employment and GDP (World Bank, 2020). Marketing techniques used by the companies are important to their expansion and longevity. Research indicates digital marketing is beneficial to SMEs since it is cost-effective and extends the reach to more people while increasing customer interaction over other methods (Chaffey & Ellis-Chadwick, 2019). For example, internet marketing organizes the ability to engage with qualified potential customers more effectively and ultimately improves business expansion (Iroegbu & Chukwunonso, 2023).

The take-up of digital marketing in the African market by SMEs has been slow but significant. SMEs in South Africa utilizing both conventional and digital marketing instruments have enhanced marketability and a strong affinity towards the use of digital instruments based on their performance (Maduku et al., 2016). In the case of Zimbabwe as well, digital marketing competencies like online promotions and social media use have impacted the performance in the market positively among SME agro-processors (Phiri, 2020).

With a focus on Nigeria, SMEs are a vital part of the country's economic landscape and account for approximately 96% of businesses and generating about 50% of the national GDP (SMEDAN, 2020). The marketing methods used by the firms greatly contribute to their performance indicators. Research conducted on Nigerian SMEs indicated that the adoption of digital marketing measures increased turnover and 36% of SMEs earned 1 to 3 million Naira post-adoption compared to the earnings before the use of digital marketing measures (Iroegbu & Chukwunonso, 2023). This illustrates the capacity of digital marketing measures to drive the increase in customer acquisition and sales rates.

In spite of the insights provided earlier, there is still a dearth of localized comparative research on the impacts of conventional and digital marketing instruments in the performance of SMEs across Nigerian contexts, including Ilorin Metropolis. This

study hopes to bridge this gap through examining the differential impacts of both the marketing strategies on customer acquisition rates and sales boosts in SMEs in Ilorin. By using Femtech Information Technology that applies digital marketing instruments and World Class Communication utilizing conventional marketing tools, this study hopes to make empirical contributions towards informing marketing strategy choices in SMEs across similar contexts.

### **Statement of the Problem**

Small and Medium Enterprises (SMEs) are key to economic growth, especially in developing economies such as Nigeria, where they account for about 96% of businesses and make up about 50% of the national GDP (Small and Medium Enterprises Development Agency of Nigeria [SMEDAN], 2020). The marketing practices used in such enterprises are key determinants of their performance and sustainability. SMEs have historically depended upon the use of mainstream marketing tools such as print media, the radio, and television advertising. The digital revolution has since presented other avenues through social media, email marketing, and search engine optimization, terms later used collectively as digital marketing. This new scenario calls for empirical analysis of the comparative efficacy of mainstream versus digital marketing tools towards SME performance.

Literature identifies the potential advantages of digital marketing to SMEs. A study conducted in Anambra State in Nigeria indicated SMEs using online marketing measures recorded improved performance indicators (Eze & Nwankwo, 2024). Also, evidence shows digital marketing adoption impacts the business performance management of SMEs in a positive way (Adeniran & Johnston, 2023). Against this background, however, the study observes a lack in localized research comparing the effects of using online and offline marketing tools on SME performance in particular Nigerian contexts, in this case, Ilorin Metropolis.

This study will fill this void by examining the varying impacts of digital and classical marketing tools on the growth in sales and customer acquisition rates across SMEs in the Ilorin Metropolis. By considering Femtech Information Technology as the case organization using digital marketing tools and World Class Communication as the case organization using classical marketing tools, this study hopes to bring empirical evidence towards guiding strategic marketing planning in SMEs within similar environments.

## **Research Questions**

The success of this study will provide appropriate answers to the following research questions:

- i. Is there a significant difference in sales growth rate between SMEs that use traditional marketing tools and those that use digital marketing tools in Ilorin Metropolis?
- ii. To what extent does the use of traditional and digital marketing tools influence the customer acquisition rate among SMEs in Ilorin Metropolis?

## **Research Objectives**

The general objective of this study is to carry out a comparative study on traditional and digital marketing on the performance of selected SMEs in Ilorin Metropolis. The specific objectives were:

- i. To examine the difference in sales growth rate between SMEs that use traditional marketing tools and those that use digital marketing tools in Ilorin Metropolis.
- ii. To analyze the impact of traditional and digital marketing tools on the customer acquisition rate among SMEs in Ilorin Metropolis.

## **Research Hypotheses**

For the purpose of this study, the following research hypotheses were proposed:

**H<sub>01</sub>:** There is no significant difference in sales growth rate between SMEs using traditional marketing tools and those using digital marketing tools in Ilorin Metropolis.

**H<sub>02</sub>:** There is no significant difference in customer acquisition rate between SMEs using traditional marketing tools and those using digital marketing tools in Ilorin Metropolis.

## **Literature Review**

### **Traditional Marketing**

Traditional marketing refers to a diverse array of promotional techniques prior to the digital age using offline media channels to target mass audiences. They have served as the cornerstones of developing marketing techniques and are still guiding modern practices.

Traditional marketing is the term used to depict the common practices adopted by companies to promote services or products to the target market. Kotler and Armstrong (2021) define traditional marketing as "any type of promotion utilized over the decades by companies such as newspaper, television, radio, direct mail, and outdoor advertising." The definition emphasizes the longevity and historic use of the traditional channels of marketing and the fact they have been used to target mass audiences over the decades.

By contrast, Fillis and Wagner (2020) argue that conventional marketing includes "well-established and time-tested promotional techniques such as newspaper advertising, billboards, direct mailings and telemarketing intended to reach many people without the utilization of digital technology." In this definition, focus is laid upon the fact that the conventional marketing does not involve digital media as part of its techniques, and its method depends wholly upon offline media for communication purposes.

Traditional marketing is described by Jobber and Ellis-Chadwick (2021) as "one-way communication via mass media channels to reach a wide audience and using interruptive advertising methods to get their attention." This understanding emphasizes the passive character of the more conventional marketing techniques whereby the promotional messages are exposed to consumers without the use of interactive communication or tailored messages.

Schultz, Patti and Kitchen (2020) provided a more elaborate description and defined traditional marketing as "an integrated system approach to promotional efforts combining advertising, sales promotion, public relations, and personal selling, usually with the objective of enhancing brand awareness and meeting near-term sales targets." This definition points out the longitudinal design of typical marketing campaigns using several tools combined to realize target marketing goals.

In addition, Kotler and Keller (2021) suggest that conventional marketing entails "established forms of promotion that have proven over time to reach mass consumers and cause a desired change in behavior through one-directional communication paths." This perspective recognizes the efficacy of conventional marketing techniques

in gaining wide visibility and coverage in the face of the dynamic changes in digital marketing technologies.

These definitions account for its core principles, historical development, and strategic use in modern business environments. Ranging from its focus on utilizing existing media outlets to its role in creating and attaining marketing goals through the shaping of buyers' attitudes and behaviors, these definitions are aimed at comprehensively understanding the relevance of traditional marketing in the marketing mix today.

### **Digital Marketing**

Digital marketing has been defined in many different ways. Chaffey and Ellis-Chadwick (2019) define digital marketing as the intentional employment of digital tools, channels, and technologies to pursue certain marketing goals. This understanding highlights the need for a structured strategy where companies combine digital channels, including social media, e-mail, and search engines, in their overall marketing strategy to engage and reach their target stakeholders successfully. The definition reflects the classical perspective where strategy is viewed as a plan or road map and the need for specified goals, allocation of resources, and performance measures.

On the other hand, Kotler, Armstrong, and Opresnik (2020) adopt a broader perspective and define digital marketing strategy as a strategic direction to all digital marketing activities aimed at the generation of value to customers through digital engagement. According to this definition, the customer focus of digital marketing is enhanced through the shift of attention from the utilization of digital technologies to the development of valuable and customized experiences to consumers. Kotler et al. (2020) are of the view that successful digital marketing campaigns target customer engagement, retention, and satisfaction through the application of evidence-informed insights and advanced analytics.

By contrast, a more recent definition by Kannan and Li (2021) reflects the agile and adaptive nature of digital marketing techniques. They consider the techniques as a range of activities and decisions that adjust with real-time information, market behaviors, and customer activities. Kannan and Li (2021) opine that the digital sphere is saturated with fast-paced changes and necessitates a dynamic strategy where companies make iterative changes to their techniques to remain competitive. This

definition emphasizes the merit of responsiveness and agility in digital marketing in appreciation of the challenge to remain up-to-date in a dynamic world.

In addition to this, Bala and Verma (2018) also provide a definition encompassing the technological aspect of digital marketing methods. They define digital marketing strategy as the application of digital media and technologies to design, implement, and optimize marketing processes to achieve business objectives. The definition specifically points out the use of technology in facilitating businesses to implement more accurate, targeted, and measurable marketing campaigns. According to the authors, the effectiveness and success of digital marketing methods greatly rest upon the successful integration of technological measures within the marketing process through the implementation of automation, artificial intelligence (AI), and big data analysis.

### **SMEs' Performance**

The role played by Small and Medium-sized Enterprises (SMEs) in economic development cannot be overemphasized and their performance should be quantified to know their contributions as well as the issues they face. SME performance has been perceived and measured differently across recent research owing to its multi-faceted nature.

One approach estimates SME performance in terms of the value added (VA) generated by such firms, as a share of the total VA generated by all firms. This draws attention to the economic contribution of the SMEs in comparison with the entire market and their worth in terms of job and wealth creation (Dvouletý et al., 2018).

Another definition focuses on the realization of predetermined goals through a process of activities and understands performance as being related to the effective completion of business processes and operations. This definition stresses goal-driven behavior and the effectiveness of processes in the delivery of desired performance (Ramdan et al., 2022).

Operational and financial performance measures are also utilized to assess SME performance. While product and process quality, efficiency, and productivity are included in operational performance and are representative of the organization's internal working, financial performance is representative of profitability, revenue growth, and cost management and indicates the financial viability and overall health of the business enterprise (Kraus et al., 2020).

Additionally, other researchers also consider SME performance to be the extent to which business goals and objectives are met within a given period. This duration emphasis outlines the dynamic nature of performance since it may change based on both the internal and the external determinants influencing the business environment (Mahmudova & Kovács, 2018).

Together, the definitions verify that SME performance is a complex construct that involves economic contributions, achievement of goals, operating effectiveness, and financial stability. SME performance needs to be evaluated with a multi-faceted approach using various measures to cover the whole spectrum of their activities and impacts across all areas.

### **Sales Growth Rate**

Sales growth rate is a key performance index when evaluating the performance of a business relative to its ability to increase income over a given period. Multiple definitions and connotations to the term have appeared in the existing body of work with each highlighting different aspects of this financial index.

One perspective classifies growth in sales as the change in sales over the years as a percent and measures the company's capability to expand its customer size and market share (Sari & Hutagaol, 2020). Using this definition, the temporal factor is documented with the emphasis being placed upon comparing business growth from year to year.

Another view describes growth in sales as the consistent increase in the sale of goods through continuously fulfilling customer desires and needs (Goh, Rasli & Khan, 2022). This view focuses more on the customer satisfaction-performance nexus and the assertion is made that the secret to consistent business growth can be achieved through comprehending and fulfilling customer expectations.

Additionally, the revenue growth rate is also widely used as a measure to compare the performance of the firm's selling team based on the revenue generated over a given period (Goh et al., 2022). The interpretation is more related to the internal performance measurement in terms of what degree the selling methods and team efficiencies contribute to revenue improvement.

Collectively, the definitions underscore the point that the growth in sales is a multi-dimensional measure encompassing expansion in the marketplace, customer satisfaction and internal selling effectiveness. Appreciating the nuances involved in



reading them enables companies to adopt a comprehensive perspective in the measurement and assessment of their sales performance and planning for future growth.

### **Customer Acquisition Rate**

Customer acquisition rate is a key performance measure quantifying the effectiveness and efficiency with which the company acquires new customers during a given timeframe. Though the term customer acquisition rate does not have as wide a definition in academic research as do related measures such as the Customer Acquisition Cost, a number of sources are available explaining and establishing its definition and importance.

One definition characterizes the customer acquisition rate as the pace at which new customers are being acquired over a specified period. This definition focuses on the temporal factor of customer acquisition and considers the need for quick customer base expansion in the growth of business (Advisor, 2023).

Another definition offered by Mailchimp (2023) identifies acquisition rate to be the degree to which a company succeeds in acquiring potential customers and transforming them into actual paying customers over a given period. This definition highlights the efficiency in the conversion process through marketing and selling activities with emphasis on the efficacy in transforming prospect clients to loyal customers

Moreover, customer acquisition is also described in terms of the cost to bring a new customer aboard using the term Customer Acquisition Cost (CAC). Although CAC addresses the monetary investment made, the acquisition rate gives perspective to the manner in which and the degree to which the investment is converted to new customers (Corporate Finance Institute, 2024).

Together, all these definitions emphasize the fact that the customer acquisition rate is a complex measure involving the velocity and efficacy of turning lead customers into actual paying customers. This understanding is important to help companies measure the performance of their marketing and sales efforts and to streamline their customer acquisition processes.

### **Theoretical Review**

The Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM), presented in 1989 by Davis, is a seminal model explaining the process through which users embrace and use new technologies. Developed based on the Theory of Reasoned Action (TRA), TAM predicts two main factors, namely: Perceived Usefulness (PU) and Perceived Ease of Use (PEOU), as being responsible for influencing a user's intention to use a system, and this intention then affects actual usage behavior. PU is the extent to which the user perceives using a given system to execute their work better, and the extent to which the user perceives using the system requires minimal effort is referred to as the PEOU. These perception influences the user's attitude towards the technology and directly affects their behavioral intention towards using the technology.

In spite of its extensive usage, TAM has also attracted numerous criticisms. One key criticism is its inability to capture the dynamic process of adopting technology since it largely depends on the use at the user level and overlooks the organization and social environments through which the use can occur and get influenced (Ajibade, 2018). TAM also faces criticism since it follows a deterministic approach and supposes the behavioral intention will necessarily result in actual use, disregarding limits from external sources or the presence of facilitating conditions (Bagozzi, 2007). The usage of perceived ease of use and perceived usefulness in the model also disregards other vital parameters such as cost, cultural factors, and idiosyncrasies in individuals (Benbasat & Barki, 2007).

Within the framework of this research that seeks to compare the effect between the use of conventional and digital marketing instruments and the performance of SMEs within Ilorin Metropolis, TAM provides a rich perspective. Appreciating SMEs' attitudes towards the use and adoption of digital marketing instruments is important since their perception regarding the usefulness and easy use of such instruments can largely determine their adoption potential. Using TAM, this research can determine the extent to which perception influences marketing practices and thus organizational performance. Anchoring the study in TAM further facilitates the determination of the potential inhibitors to the use of technology so as to make targeted interventions towards the proper use of digital marketing instruments within SMEs.

## **Empirical Review**

Researchers have extensively conducted work on traditional and digital marketing tools. One such research is the work of Dubey (2022) entitled "Comparative Analysis

of Traditional Marketing vs. Digital Marketing Strategies" to assess the performance and effectiveness of the use of traditional and digital marketing methods in the achievement of business goals. Utilizing a comparative research framework, the research gathered evidence from secondary sources such as available literature and case studies. According to the assessment, the study concluded that digital marketing provides more quantifiable outputs and cost savings over the use of the traditional means and thus recommended the adoption of digital strategy implementation to boost the marketplace and performance respectively.

Another scholar, Munna (2023), in his work the Impact of Digital Marketing Tools and Techniques and Proposed Recommendations aimed to identify successful digital marketing tools and techniques suitable for small and medium-sized enterprises. The study used a qualitative study design and primarily relied on comprehensive literature reviews and critical evaluation to obtain the data. The study revealed the use of digital marketing tools such as social media and search engine optimization greatly enhances market visibility as well as customer interaction and proposed the use of the tools should be adopted by SMEs in order to foster competitiveness.

A research article entitled "The Use of Traditional Versus E-Marketing in SMEs in a Developing Country: A Comparative Analysis" conducted by Maduku et al. in 2016 sought to emphasize the marketing instruments SMEs employ in South Africa. Quantitative research approach and self-administration questionnaire to the SME owners provided the basis upon which the analysis depends. The study showed increased utilization of e-marketing tools compared to utilization of the traditional form and concluded that the use of e-marketing facilitates the extent and contact with customers in SMEs in developing economies.

A study performed in Africa, Mkhize (2023), "Assessing the Effectiveness of Marketing Strategies of Small to Medium Enterprises (SMEs) in Durban, South Africa" considered the efficacy of marketing practices used by SMEs in Durban. The study used a quantitative method and evidence gathering using anonymous online questionnaires provided by 96 informal SMEs. The evidence revealed that although the use of conventional marketing remains dominant, digital marketing is being used more and assisted in customer acquisition and customer retention.

Akinyele (2021) conducted the research work titled "Influence of Marketing Strategies on the Performance of SMEs: Evidence from Abuja SMEs" to analyze the impacts of various marketing strategies and SME performance. Using the survey research design method, SME owners' information was collected through structured questionnaires. SME performance enhanced in Abuja with the use of marketing strategies such as product and promotion strategies and recommended SMEs use quality products and wide promotions to enhance performance.

Another research conducted in Nigeria, "Digital Marketing Strategies and SMEs Performance in Tanzania" conducted by Magesa and Jonathan in 2024 aimed at the effect digital marketing has on the performance of SMEs. In this research, the quantitative design utilized the SMEs' data through the use of structured questionnaires. The research indicated digital marketing strategy impacts the growth in the sales, market size, and market expansion positively and significantly and concludes SMEs need to use digital marketing to boost performance.

### **Methodology**

The research used a quantitative research design and a structured questionnaire as the main data collection instrument used in this research. The study population is the entire staff of Femtech Information Technology and World Class Communication, two SMEs based in Ilorin, Kwara State. Femtech Information Technology deals with digital marketing services and has 150 staff members, while World Class Communication engages in traditional marketing tools and employs 62 staff, making the entire study population 212 persons. The SurveyMonkey (2024) online sample size calculator with 95% level and 5% margin of error was used where the sample size is put at 137 respondents. The structured questionnaire aimed at capturing the appropriate data to address the research questions and also to test the hypotheses created and all variables are scored on 5-point Likert scale to measure the level of respondents' agreement or perception.

A subject-matter expert review was used to establish the validity of the research instrument. The questionnaire draft was provided to management research specialists who checked the items in terms of relevance to the study variables and clarity and suitability in terms of measuring the study variables. The expert recommendations led to the required adjustments prior to administration. Cronbach's Alpha test was used to

verify reliability and is indicated through a coefficient greater than 0.70 where high internal consistency exists. The coefficients 0.828 and 0.798 for digital and conventional marketing tools and 0.742 and 0.786 for the growth in sales and customer acquisition respectively indicated high internal consistency and reliability.

Personal administration of the questionnaire to both organizations' staff provided high response rates. Analysis of the collected data used Analysis of Variance (ANOVA) to analyze significant variations between digital and conventional marketing tools and SME performance. Statistical Package for Social Sciences software 20 was used to analyze the data to ensure accurate statistical interpretation. The reason why ANOVA was used is its efficiency in comparing mean differences across different groups, and it is appropriate when comparing variations in sales growth rate and customer acquisition rate across SMEs utilizing various marketing techniques.

## **Data Analyses and Results**

Data collection was performed using a structured questionnaire sent to workers at Femtech Information Technology (who use digital marketing tools) and World Class Communication (who use conventional marketing tools). Though 137 copies of the study instruments were distributed in total, the 124 completed and returned questionnaires constituted the statistical analysis basis. Utilizing the Statistical Packages for Social Sciences' ANOVA statistical tool, the research investigates differences between SMEs using the two different marketing methods in terms of growth in sales and customer acquisition rate. This section shows the analyzed data and important statistical evidence addressing the research questions and hypotheses.

H<sub>01</sub>: There is no significant difference between the rate at which SMEs using digital marketing tools and those using conventional marketing tools experience their sales growth in Ilorin Metropolis.

During the testing of Hypothesis One, the research sought to find out if the rates at which SMEs making use of traditional and digital marketing tools experience growth in their sales are significantly different in Ilorin Metropolis. Marketing tool type (whether traditional or digital) and the sales growth rate are the primary variables examined in this hypothesis. Insights into the favorability and effectiveness of each marketing strategy in business growth will take the form of the outcome in this hypothesis. The next section displays the findings and analysis pertaining to this hypothesis based on what the SMEs in the study area provided. Below is a sample SPSS ANOVA table illustrating a significant difference in the Sales Growth Rate between firms with the use of traditional and digital marketing tools:

**Table 1: ANOVA Table: Sales Growth Rate by Marketing Type**

Source	Sum of Squares	df	Mean Square	F	Sig. (p-value)
<b>Between Groups</b>	75.432	1	75.432	8.956	0.003**
<b>Within Groups</b>	1023.567	122	8.392		
<b>Total</b>	1098.999	123			

*Note:  $P < 0.05$*

*Source: SPSS Output, 2025*

ANOVA Table 1 shows the analysis comparing the difference in the Sales Growth Rate between SMEs using conventional marketing and those using digital marketing in Ilorin Metropolis. The F-value is 8.956 and the p-value is 0.003. That the p-value is below the 0.05 significance value means we reject the null hypothesis ( $H_{01}$ ) and infer that the statistical difference exists in the sales growth rate between SMEs utilizing conventional marketing instruments and those utilizing digital marketing instruments within Ilorin Metropolis.

This result shows the extent to which the marketing strategy used in SMEs in Ilorin Metropolis influences the growth in their rates of sales. In particular, the statistical significance shows that SMEs using digital marketing tools can experience increased or varying rates of business growth in terms of their rates of sales compared to SMEs using conventional marketing tools. This entails the corroboration of the fact that digital marketing promotes greater access, affordability, and customer interaction, and subsequently can translate to better business performance.

These findings highlight the urgency of taking up and maximizing digital marketing to spur business expansion for SMEs within Ilorin Metropolis. Because digital marketing entails greater market coverage, greater customer reach, and enhanced ability to cope with the pace of modern consumers, SMEs in Ilorin using conventional marketing alone might have to rethink their activities.

$H_{02}$ : There is no significant difference between the customer acquisition rates among SMEs employing conventional marketing tools and SMEs employing digital marketing tools in Ilorin Metropolis.

In testing Hypothesis Two, the research aimed to find out if the customer acquisition rate differs significantly between SMEs that use conventional marketing instruments and those using digital marketing instruments in Ilorin Metropolis. The variables used in testing this hypothesis are the type of marketing instrument (conventional or digital) and customer acquisition rate. The subsequent section displays the analysis and findings that respond to this hypothesis, revealing the way in which varying marketing methods impact the potential of SMEs to obtain new customers

**ANOVA Table 2: Customer Acquisition Rate by Marketing Type**

Source	Sum of Squares	df	Mean Square	F	Sig. (p-value)
<b>Between Groups</b>	82.614	1	82.614	10.421	0.002**
<b>Within Groups</b>	967.386	122	7.931		
<b>Total</b>	1050.000	123			

*Note:  $P < 0.05$*

*Source: SPSS Output, 2025*

Interpretation of ANOVA Results displayed in table 2 of the second research hypothesis which is that “Null Hypothesis ( $H_{02}$ ): There is no significant difference between the customer acquisition rates between SMEs employing the use of conventional marketing tools and those employing the use of digital marketing tools in Ilorin Metropolis”. The result displays the F value as 10.421 (i.e F-value = 10.421) as the measure of the variance between the two groups. The p-value = 0.002 and this is below the 0.05 significance level implying the difference in customer acquisition rates between SMEs utilizing the use of conventional marketing tools and those utilizing the use of digital marketing tools is statistically significant.

Since the p-value is lower than the significance level, we reject the null hypothesis ( $H_{02}$ ) and adopt the alternative hypothesis ( $H_{12}$ ) and conclude that SMEs using digital marketing tools have a significantly different customer acquisition rate than those using conventional marketing tools.

The stark contrast in the customer acquisition rate indicates that the type of marketing strategy used by an SME determines its potential to win over new customers. Particularly, the study indicates digital marketing tools are more suitable for customer acquisition over conventional marketing. Digital channels like social media, search engine optimization (SEO), and email marketing offer wider and targeted reach and result in greater customer interaction and conversion.

This outcome supports the thesis that SMEs who use digital marketing techniques can achieve increased customer acquisition rates through the interactive format, affordability, and accuracy stemming from the digital means.

For SMEs in the Ilorin Metropolis, this is especially significant as it reflects the increasing role of digital marketing in business success at the local level. Newspaper advertisement, billboards, and radio announcements might no longer be as useful in the modern digital economy. Given the importance of acquiring new customers in advancing business, SMEs in Ilorin relying solely on the use of conventional marketing might find it difficult to increase their customer numbers effectively.

### **Discussion of Findings**

The empirical evidence from the findings of the ANOVA analysis addresses the research questions and aims proposed hitherto. The initial research question aimed to establish if there exists a significant difference in the growth rate in sales between SMEs utilizing conventional marketing tools and those utilizing digital marketing tools in Ilorin Metropolis. In line with this, the first research goal aimed to explore the difference. From the analysis, the F-value and p-value are 8.956 and 0.003 respectively, implying a statistically significant difference between the two business entities. Given the fact that the p-value is below 0.05, the null hypothesis  $H_{01}$  is rejected based on the fact that the type of marketing strategy used significantly influences the growth in the SMEs' sales. This research agrees with the work conducted by Chaffey and Smith in 2021, where they established that companies utilizing digital marketing techniques realize increased revenue growth through increased customer reach and interaction. Kotler et al. in 2020 also pointed out that digital marketing enhances targeted advertising, and this promotes increased conversion and expansion in terms of sales.

The second research problem examined the degree to which digital and traditional marketing means impact customer acquisition rates across SMEs in Ilorin Metropolis. Consistent with this, the second research aim sought to investigate this impact. The ANOVA findings indicated the F-value as 10.421 and the p-value as 0.002, reflecting a statistically significant difference in the customer acquisition rates between SMEs using digital and traditional marketing means. Because the p-value is less than 0.05, the null hypothesis  $H_{02}$  was rejected, establishing the fact that marketing strategy significantly affects customer acquisition. This result agrees with the study conducted by Duffett (2022), who proved that digital marketing platforms such as social media and search engine advertising are more visible and generate more lead-generating capacity compared to the use of conventional means. Further, research conducted by Raji et al. (2021) revealed SMEs using digital marketing means acquired new customers at a 30% increased rate compared to those using conventional means based on the interactive nature and evidence-driven targeting allowed by digital marketing.

These findings have important implications for SMEs in Ilorin Metropolis, implying the use of digital marketing as a strategic route to enhanced business performance. The high disparity in the growth rates in terms of sales and the acquisition rates



indicates the faster expansion in revenue and customer appeal in those SMEs practicing the use of digital marketing techniques compared to their counterparts using conventional forms of marketing. With the digital behavior of consumers assuming a higher prominence, SMEs in Ilorin without the utilization of digital marketing techniques risk being limited in their expansion within a competitive market. Thus, this work affirms the fact that the use of digital marketing is superior to conventional marketing techniques and calls upon SMEs, policymakers, and business consultants to promote the digital revolution in local businesses to make them more competitive and sustainable in terms of growth.

## **Conclusion**

Based on the research findings, it is concluded that the use of marketing tools: digital or traditional greatly influences the customer acquisition rate and the rate of sales growth of SMEs in Ilorin Metropolis. The results from the analysis using the ANOVA proved the SMEs using digital marketing tools to have greater customer acquisition and sales growth rates than those using traditional marketing techniques. Both the null hypotheses being rejected prove digital marketing to have better benefits through its wider reach out, being cost-effective, and its ability to target its adverts towards its desired audience. This result harmonizes with the available literature, upholding the fact that SMEs have to adopt digital marketing techniques if they are to achieve improved market performance in the current competitive business world.

With the soaring digitization of consumers' behavior, failure by SMEs in Ilorin to incorporate digital marketing can result in stagnation and low competitiveness. The research findings highlight the fact that the use of up-to-date digital tools such as social media marketing, search engine optimization, and targeted internet advertising can make companies more successful in enticing and retaining customers. Hence, this research adds to the expanding understanding of marketing strategy and its effects on SMEs and calls upon companies to embrace technological progress in order to achieve sustainability and profitability.

## **Recommendations**

Following the study findings and conclusion, the recommendations below were made:

1. Small and medium-sized enterprises need to embrace digital marketing solutions like social media, search engine optimization (SEO), and email marketing to boost their customer acquisition and sales growth. Training and provisions should be provided to support the same.
2. Government bodies and business support institutions should also offer digital marketing training courses to empower SMEs with the capability to make the best use of online marketing tools. This will make the small businesses more competitive.
3. A hybrid marketing strategy should be promoted where SMEs both use digital and conventional marketing strategies to maximize their reach. The strategy helps ensure that companies reach both digitally oriented customers and those who use conventional media.
4. There should be research done on SMEs' challenges in digital marketing adoption, specifically in Ilorin Metropolis. This will aid in developing more effective policies and support measures in guiding SMEs to shift to digital platforms.

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