

Research Article

E-Marketing Model For A Globally Competitive Micro, Small And Medium-Sized Enterprise Sector: Insights From Nigeria

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Abstract

Nigeria, particularly its southeastern region, is home to numerous micro, small, and medium enterprises (MSMEs) that contribute significantly to the nation's economy. Despite facing various challenges, MSMEs account for 84% of total employment and contribute 48.47% to Nigeria's GDP, according to the Small and Medium Enterprises Development Agency of Nigeria and the National Bureau of Statistics (2013). However, these enterprises struggle with limited patronage and low global competitiveness, largely due to restricted access to modern technology. This study emphasizes the urgent need for a strategic, modern marketing approach to boost the visibility and acceptance of made-in-Nigeria products. It proposes a 5Ps marketing model product, price, place, promotion, and people integrated within a modified Technology Acceptance Model (TAM). The study explores MSMEs' awareness, drivers, and intentions to adopt e-marketing strategies. Using SmartPLS structural equation modeling on data from 181 respondents, the research confirms that the 5Ps, along with perceived usefulness, perceived ease of use, and attitude, significantly influence the intention to adopt e-marketing. The study offers both theoretical insights and practical recommendations to enhance MSMEs' marketing capabilities, increase customer engagement, and improve the adoption of digital strategies necessary for global competitiveness.

Keywords: E-marketing, Buy Naija, grow the Naira, MSMEs, 5Ps, TAM

JEL Classification: M31, L26, O14

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1. Introduction

For the past three decades or more, the buy-Nigeria Campaign, an initiative that tries to promote the patronage, consumption and use of made-in-Nigeria brands, has been promoted in one form or the other by different administrations in the country. Before now, different products such as Ankara Fabrics, Peugeot Motors, Aba-made shoes and Innoson Vehicles had received government support and backups for their patronage by Nigerians. More recently, the Public Procurement Act 2007 (amended bill 2016) passed into Law, made it mandatory for government agencies to patronize goods made in Nigeria.

Again, known national personalities in the country, such as politicians, sportsmen and women, religious leaders, and military authorities, among others, have demonstrated publicly the need for and benefits of patronizing made-in-Nigeria brands. This campaign and advocacy for home-made brands will not only restore national pride but also drive economic growth and development (Vanguard Editorial, March 2, 2017).

The over-riding aims of such campaigns and advocacies are to revamp, reverberate and resuscitate ailing firms, industries and sectors that are going extinct as a result of poor patronage and intense competition from foreign brands (Maritz & Peters, 2022). In an attempt to drive the gains of buying made in Nigerian brands, some Nigerian government officials, such as governors and ministers, constantly engage in activities in the national and international arena to promote Nigerian brands. Several slogans, such as the 'Buy Naija to grow the Naira campaign,' which many Nigerians commend, had been launched. The campaign has gone to African countries, China and other parts of the world. As noted by Alaribe (2017), the campaign has started yielding tremendous positive results in terms of improved demand for the brands and enhanced quality consciousness and ingenuity of the local producers.

The focus of this study is the huge industrial and productive efforts of entrepreneurs in Aba, Abia State., Nigeria. The city has been described as an entrepreneurial center and African commercial hub (Agu et al., 2021). Aba has gained recognition as a burgeoning center for entrepreneurship, particularly noted for its vibrant manufacturing and small business landscape. The city, with the Ariaria International Market at its core, is celebrated for its wide array of products, such as textiles, leather items, and footwear, which has led to its designation as the "China of Africa." The entrepreneurial drive in Aba, along with its significance as a key commercial hub in Abia State, has firmly established its status as a focal point for both domestic and international enterprises. Indeed, given the high level of ingenuity, innovativeness, determination and entrepreneurial talents in Nigeria, the country can meet the demands of buyers from national and international markets. Given the current population of micro, small and medium enterprises that are ready to get deeply involved in the production and marketing of various made-in-Nigeria products, there is the need to enhance the "marketability, market reach and marketing strategy " as well as operational efficiency of the firms. These can be actualized by the adoption of a more globally recognized marketing model.

This understanding is crucial for developing strategies to enhance and promote local brands in Nigeria, particularly those from Aba, on an international scale. Some scholars have argued that MSMEs specializing in manufacturing products are less likely to adopt Internet technologies as compared with knowledge-intensive service organizations such as consultancies. This assertion is true in developing countries where information technology infrastructure remains low, leading to limited adoption of e-marketing by MSMEs. Global market-conscious MSMEs have recorded tremendous success in their marketing performance for adopting e-marketing. Compared with MSMEs in developed nations and large enterprises, MSMEs in Nigeria tend to be more traditional marketing-oriented (non-internet marketing firms) than e-marketing-oriented. This condition no doubt limits the expected level of awareness and exposure envisaged by the government's campaign for made-in-Nigeria brands. This scenario, therefore, calls for an empirical investigation of the e-marketing adoption status, barriers and readiness in the firms and an attempt to present e- e-marketing model to guide their activities towards actualizing set goals.

To explore the willingness of entrepreneurs to adopt e-marketing models, several models and theories have been proposed by scholars. However, this study adopts the Davis (1989) Technology Acceptance Model (TAM), which stands out as the widely used model in the study of acceptance/adoption of new technologies, such as e-marketing processes (Agu & Margaca, 2024). While attempts have been made to study e-marketing adoption among entrepreneurs, even in the Nigerian context, this study is unique since it is likely to be the first to explore the e-marketing awareness and adoption readiness of Aba-based MSMEs pursuing business growth and internationalization that aim to achieve the buy Nigerian made brands campaign in the post

COVID-19 era. Therefore, this study aims to contribute to the global understanding of the awareness, drivers and barriers to e-marketing adoption from the context of an emerging African entrepreneurial city, Aba, Nigeria. Specific objectives are: Evaluate the e-marketing awareness level of the firms and the extent to which it impacts e-marketing adoption intention/behavior using the TAM model, Explore the drivers of e-marketing adoption intention/behavior among the Aba MSMEs, Identify the challenges faced by the MSMEs in their e-marketing efforts Propose an e-marketing-centered model that can make the MSMEs globally competitive and also meet the goal of the 'Buy Naija, to grow the Naira' campaign.

This study will contribute to practice, theory and policy formulations. First, it exposes the inevitability of e-marketing in accelerating the global competitiveness of Aba MSMEs and reveals the readiness of the firms to embrace e-marketing. Beyond this, the study identifies the factor driving the intention to adopt marketing and therefore, suggests ways to craft policies that will support the firms. Theoretically, this study extends the application of TAM in the context of Aba MSMEs and e-marketing awareness and adoption intention. It adds the 5Ps marketing strategy to the TAM model to explore their influence on the intention to adopt e-marketing.

2. Literature Review and Hypothesis

Theoretical Framework

Numerous theories exist concerning technology adoption; however, the most commonly utilized frameworks include the Technology Acceptance Model (TAM) developed by Davis (1989), the Innovation Diffusion Theory (IDT) proposed and the Decomposed Theory of Planned Behaviour Model (DTPB). This research will focus on the Technology Acceptance Model (TAM) due to its relevance to e-marketing adoption behaviors. According to Davis (1989, 1993), TAM serves as a model of attitude (see Figure 1), where the intention to utilize a technology is shaped by one's attitude towards it and the perceived usefulness of the technology. Attitude is further influenced by an individual's beliefs regarding the technology's utility and ease of use. In this framework, both ease of use and perceived usefulness play critical roles in shaping attitude. The perception of ease of use is assessed by how effortless it is to use the technology. In contrast, the perception of usefulness is evaluated based on the extent to which the technology enhances task performance (Djamasbi et al., 2009).

Conceptual Framework

A conceptualized 5Ps of the marketing model, which involves the product, price, place, promotion and people, will be extensively discussed, given their roles in modern marketing activities, especially in globally competitive MSMEs. Providing useful evidence to ascertain respondents' (entrepreneurs) views and perceptions of our conceptual framework is the thrust of this paper. Our framework will indicate the central position of the internet (e-marketing) in the marketing strategy of MSMEs. Furthermore, the structural model of the study introduced the Five Ps of marketing to the TAM model. Thus, the Five Ps will serve as external variables used to extend the model in this study. See Figure 2.

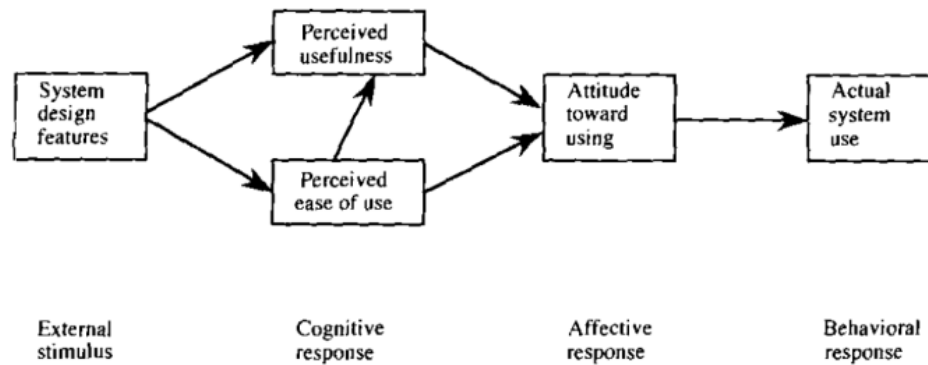


Figure 2. The diagram represents the Technology Acceptance Model (TAM)

The diagram represents the Technology Acceptance Model (TAM), which explains the process through which users adopt and use a system. It begins with system design features as external stimuli that influence users' perceived usefulness and perceived ease of use. These perceptions form the users' cognitive responses, which in turn shape their attitude toward using the system (affective response). This attitude then leads to actual system use, representing the behavioral response. In essence, the model highlights that better system design can enhance perceived value and ease, promoting system acceptance and usage.

5Ps of E-marketing, Perceived usefulness, Perceived ease of use, Attitude, and Intention to use E-marketing

E-marketing, also known as internet or digital marketing, is the use of the internet and digital technologies to promote goods, services, ideas, events etc. Agu et al. (2020) define it as the creation, pricing, promotion, and distribution of want-satisfying products, including goods, services, ideas, events, places and organizations to target customers around the globe via the internet at a profit. To successfully operate in any market, strategic marketing strategies are required, such as the marketing mix. The marketing mix is a combination of product, promotion, price, place, and people that are utilized by e-marketers to address a target market. It includes the tactics and tools used to market the company's offerings and influence customers to take positive action toward the company and its products (Nwodo & Anyaogu, 2024).

Product

The product is a point of focus among the marketing mix elements. It has to fill a need for a certain type of customer and should vary in some ways from what competitors offer. This type could be on how a product is made or how a service is packaged, but it needs to stand out from the rest while offering a solution to a customer's need. Product, according to Agu et al. (2023), is an embodiment of utility offered to a market for attention, acquisition and use/consumption. The quality of a product greatly enhances its perceived utility, as factors such as reliability, durability, and user-friendliness directly influence users' assessment of its value and its ability to satisfy their requirements. When a product meets expectations, has a long lifespan, and is simple to use, consumers are more inclined to regard it as beneficial.

Price

Businesses seek to make their product affordable and accessible to as many people as possible or raise the price and quality as a premium option. The price of a product will influence sales and the overall profit of the firm. This element pertains to the costs incurred by customers to obtain the desired service or product. Pricing plays a crucial role in marketing strategy as it influences a business's capacity to draw in customers and increase sales. Setting prices excessively high may deter customers, whereas setting them too low could result in diminished profits. Consequently, businesses establish their prices at equilibrium levels, considering market dynamics of demand and supply, along with the actions of competitors. To attract a larger customer base and sustain a competitive advantage over rivals, it is essential to take into account seasonal pricing and discounts.

Place

The place determines the distribution model and will play a large role in the marketing mix. The term 'place' refers to the specific location where a product is displayed, sold, or distributed to consumers. This place can include a physical retail establishment or an online. Implementing effective place strategies is crucial for enabling customers to find the business and purchase their desired products easily. A well-chosen business location enhances visibility, resulting in a steady flow of customers. Companies can set themselves apart from their competitors by employing effective visual merchandising techniques and adopting innovative approaches to the design of their retail environments.

Promotion

Promotion works closely with placement and may emphasize the price point needed to reach a target customer better. Effective promotion requires extensive market research about the best channels and tools that generate a positive response from consumers for each product and service offering. This component pertains to the methods employed to keep customers updated about the product and its advantages. Companies utilize a variety of promotional activities to raise awareness of their goods and services. Such activities encompass advertising, direct marketing, and sales. Research indicates that the implementation of promotional strategies can result in increased customer satisfaction, improved brand reputation, and enhanced sales. The majority of organizations adopt a mix of promotional strategies to draw in customers and enhance their satisfaction.

People

As the point of contact with potential buyers, employee training, behavior and appearance all contribute to brand messaging and marketing consistency. Employees are a key part of the company's public perception, which the marketing mix can reinforce or rebrand. This component pertains to the personnel employed within an organization, encompassing both senior management and sales representatives. Personnel are a crucial factor in effective marketing and, consequently, customer satisfaction. Customer satisfaction is significantly impacted by the individuals representing the business. This is due to the fact that personnel are the sole element in the service market mix capable of direct interaction with customers. In this context, successful organizations achieve competitive advantages by hiring and training the appropriate staff who can assist not only in marketing and selling products but also in fostering and sustaining beneficial relationships with customers. Emphasizes the significance of the people element, as it contributes to delivering exceptional customer service, thereby improving customer satisfaction.

This study argues that a firm's existing marketing strategy will influence its perception of the usefulness, ease of use, attitude and intention to adopt e-marketing. While no specific studies are known to have explored this area, several research affirm that a firm's intention to adopt new technology can be influenced by its existing corporate/marketing strategy (Ogbunamiri & Agu, 2022). Also, perceived usefulness and perceived ease of use influence the intention to adopt e-marketing among MSMEs (Agus & Ascaryan, 2021).

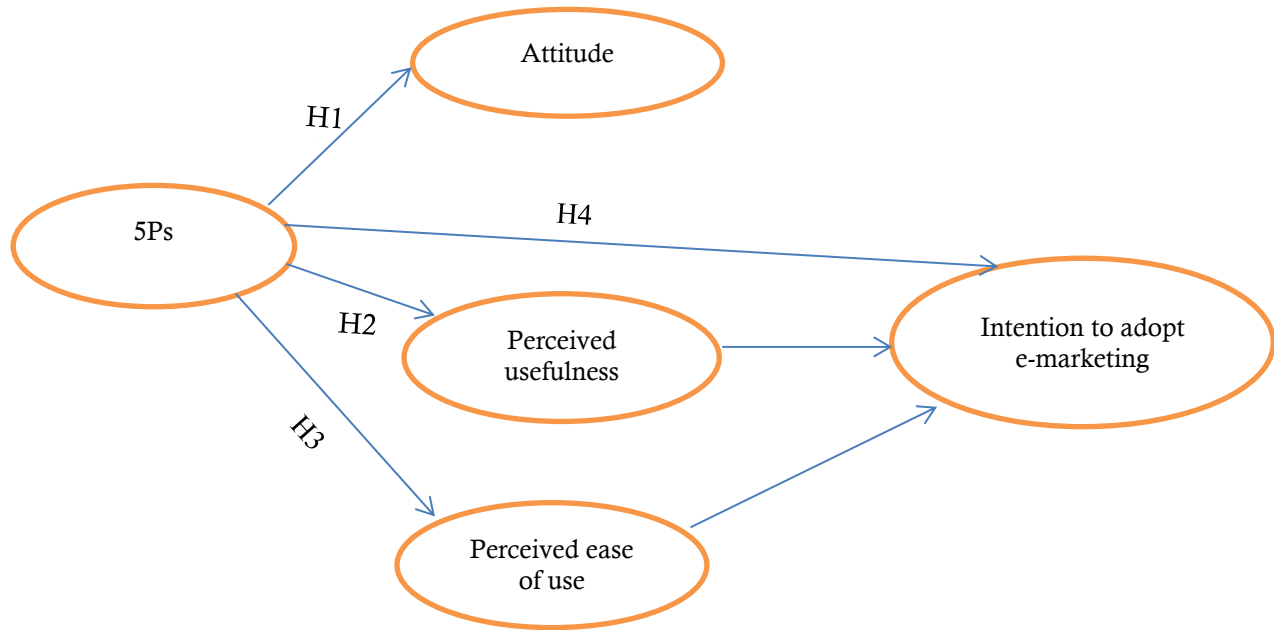


Figure 3. The diagram illustrates a conceptual framework.

The diagram illustrates a conceptual framework for understanding the intention to adopt e-marketing based on the 5Ps (Product, Price, Place, Promotion, and People). The 5Ps influence perceived usefulness, perceived ease of use, and user attitude. These three constructs then contribute to the intention to adopt e-marketing, with perceived usefulness and perceived ease of use also directly affecting the adoption intention. This model integrates marketing mix elements with the Technology Acceptance Model (TAM) to explain user behavior in adopting e-marketing solutions.

3. Data and Method

Research Methodology

This study is a survey, via questionnaire, of registered MSMEs in different segments of the manufacturing industry in Aba, Nigeria. This scope is relevant because the city has a large number of MSMEs in different segments of the manufacturing industry. Aba is listed as one of the five most important commercial cities in Nigeria, hence its selection by the federal government as the regional hub for the MSMEs clinic. Data from the National Bureau of Statistics survey of MSMEs in 2017 indicates that 2342 registered MSMEs and the majority are domiciled in Aba. Specifically, the Taro Yaman formula was applied to arrive at a sample size of 384. After several weeks of data solicitation, a total of 187 samples were generated, and 181 were found useful for data analysis. This represents a 47% response rate.

Measurement Instrument

The five-point likert scale measurement was adopted in designing the research instrument. Scales for the awareness of the 5Ps of online marketing strategy were adapted from Ogbunamiri and Agu (2022) and made up of 10 items, while the scales for TAM were adapted from (Agu and Margaca 2024). In all, 27 items were captured as follows: 4 items for perceived usefulness (PU), 4 for perceived ease of use (PE), 3 for attitude towards e-marketing use, and 4 for intention to use e-marketing. Additional demographic information on gender, marital status, and age of the firm was captured, including questions on the challenges faced in the adoption of e-marketing and the most used e-marketing channels.

Demographic characteristics data analysis

The key demographics of respondents indicate that there were more males (84%) than females.

Also, more than 98% of the respondents are aged 30 years and above, and over 66% are married. The majority of the respondents, 48%, have been in the business for more than ten years. Also, social media (100%), email (100%) and website (53%) are the three most used e-marketing channels by the MSMEs. This is followed by online advertising, content marketing and search engine optimization, which have less than 30% each.

Measurement tool reliability

In evaluating the reliability of the measuring instrument, the item loadings associated with the construct intended for measurement must be analyzed. A loading of 0.70 or greater is required. However, loadings below 0.70 (e.g., 0.60) can be retained if they add to the overall validity and reliability of the model, especially if they meet the criteria for Average Variance Extracted (AVE) and Composite Reliability (CR). Out of the 27 initial items, 22 met the requirement, with five items being slightly below 0.70. The findings indicate that the lowest loading value on the relevant factor was 0.794, which meets the minimum threshold.

Next, we assessed the instrument's reliability by utilizing composite reliability (CR) and Cronbach's alpha. In line with previous research, the minimum acceptable threshold for CR ranges from 0.60 to 0.70, while Cronbach's alpha should be at least 0.70. The findings demonstrate that the CR and Cronbach's alpha values for each variable significantly exceed the acceptable minimum, thereby indicating a strong internal consistency within the measurement instrument.

Measurement tool validity

Convergent validity was examined through the average variance extracted (AVE), with an acceptable threshold set at 0.50 or higher. The findings presented in Table 2 indicate that the AVE values exceed this minimum acceptable level. To assess discriminant validity, the square root of the AVE values must be significantly greater than the highest correlation coefficient between this variable and any other variables, in line with the Fornell and Lacker criterion. Findings presented in Table 4 indicate that the square root of the Average Variance Extracted (AVE), represented along the diagonal, exceeds the correlation coefficients of this variable with all other variables. These suggest that the measurement tool demonstrates strong discriminant and convergent validity. Variance inflation factor (VIF) was used to evaluate multicollinearity, and the values are expected to be less than 5 to indicate the absence of multicollinearity. The VIF values are reasonably below 5.

4. Results

Summary of Findings

Findings indicate that:

1. The MSMEs have a high level of awareness of internet marketing but mainly adopt social, emailing and website options. They use these channels to display and disseminate information about their brands and marketing mix elements, such as price and information about ordering and distribution, among others.
2. The TAM variables (perceived usefulness, perceived ease of use, and attitude) are significantly influenced by the marketing strategies of the 5Ps, which in turn influences the intention of the MSMEs to adopt e-marketing.
3. The three highest challenges faced by MSMEs in their internet marketing efforts are internet failure, online fraud, and the high cost of online infrastructure and facilities. Others have poor access to trained internet experts and the high cost of engaging them.

Our model, which proposes including the 5Ps in the TAM model of drivers of new technology adoption, was verified with an acceptable R² value.

5. Discussion

Project Impact

This study is expected to positively impact the Nigerian manufacturing and industrial sector, especially the MSMEs, in their attempts to market made-in-Nigeria products. The study will stimulate the urge for e-marketing adoption and create more awareness of its gains for MSMEs.

The marketing performance of MSMEs in terms of sales, profitability, contribution to GDP, and global competitiveness will be enhanced, and new entrants will be encouraged to adopt more radical, innovative approaches that are anchored in our new model and e-marketing. The reach in terms of market size for the home-made products would be expanded nationally and internationally.

The outcome of this research is expected to enhance customer satisfaction since our proposed model is consumer-oriented, and e-marketing emphasizes convenience in transactions and better firm-customer relationships. The government at all levels would be made more aware of their roles in enabling e-marketing transactions in the country, especially for MSMEs in the manufacturing sector.

Theoretical and Practical Contributions

First, it exposes the inevitability of e-marketing in accelerating the global competitiveness of Aba MSMEs and reveals the firms' readiness to embrace e-marketing. Beyond this, the study identifies the factors driving the intention to adopt marketing and, therefore, suggests ways to craft policies that will support the firms. Theoretically, this study extends the application of TAM in the context of Aba MSMEs and e-marketing awareness and adoption intention. It adds the 5Ps marketing strategy to the TAM model to explore their influence on the intention to adopt e-marketing.

Practically, the study provides a roadmap to policymakers and other stakeholders on the need to address the challenges confronting MSMEs in adopting e-marketing. Internet failure, online fraud, the high cost of online infrastructure and facilities, poor access to trained internet experts and the high cost of engaging them were identified. Thus, efforts should be made to support the MSMEs in overcoming these barriers. By proving that the 5Ps, perceived usefulness, perceived ease of use and attitude are significant drivers of intention to adopt e-marketing, this study provides direction to intending firms and others that wish to transition from traditional to digital marketing.

6. Conclusion

Based on the findings of this study, the integration of the modified 5Ps marketing model within the Technology Acceptance Model (TAM) plays a significant role in influencing the adoption of e-marketing among MSMEs in Nigeria, especially in the Northeast region. The results specifically show that perceived usefulness, perceived ease of use, and attitude shaped by the 5Ps are key determinants of MSMEs' intention to adopt e-marketing. This adoption can help overcome barriers related to limited technology access and support MSMEs in improving their market reach and competitiveness. Consequently, by embracing e-marketing strategies, Nigerian MSMEs have the potential to strengthen their position both domestically and globally, thereby contributing more robustly to national economic growth.

Recommendation

To enhance the competitiveness and recognition of MSMEs products in Nigeria, it is recommended that the government and relevant agencies provide easier and more affordable access to modern technology. MSMEs should also be encouraged to adopt digital marketing models with a focus on the implementation of the 5Ps (product, price, place, promotion and people) in an effort to attract and retain customers. In addition, it is important to continue to raise awareness of the importance of e-marketing and provide training to small and medium business owners on the use of digital marketing tools to expand their market reach, both domestically and internationally.

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