

INFLUENCE OF INSTAGRAM MARKETING ON SME SALES PERFORMANCE IN SOUTHWEST NIGERIA

AKINRINADE, Akinboade Abiodun¹ & ADELEKE, Adebowale²
^{1&2}Department of Accounting and Finance, Ajayi Crowther University
aa.akinrinade@acu.edu.ng & ab.adeleke@acu.edu.ng

ARTICLE INFO

Article No.: 0242

Accepted Date: 11/03/2026

Published Date: 30/03/2026

Type: Research

ABSTRACT

This study examines the influence of Instagram marketing on the sales performance of small and medium enterprises (SMEs) in Southwest Nigeria, with a focus on the effectiveness of platform utilization, marketing activities, and advertising strategies. The research adopted descriptive survey design, population of the study comprise all the SMEs in Southwest, Nigeria. Using stratified random sampling technique, quantitative data was obtained using structured questionnaire from 200 SMEs. The findings reveal that Instagram usage exerts a significant positive effect on sales performance, with marketing activities and promotional campaigns emerging as strong predictors of customer engagement and revenue growth. However, the results also indicate that high levels of engagement do not automatically translate into sustained sales, highlighting the importance of strategic alignment, content relevance, and conversion-oriented practices. Furthermore, the explanatory power of the models suggests that while Instagram plays a critical role, other contextual and operational factors continue to shape SME performance. The study contributes to the growing body of literature on digital marketing in developing economies by providing empirical evidence on the conditional effectiveness of Instagram as a business tool. It concludes that SMEs can enhance performance outcomes by adopting a more integrated and data-driven approach to social media marketing.

Keywords: Social media, Instagram Marketing, Sales Performance, Digital Marketing, Small and Medium Enterprises (SMEs)

Introduction

In the contemporary digital economy, social media has become a critical tool for business communication and marketing, particularly for small and medium enterprises (SMEs) seeking cost-effective means of reaching broad and diverse audiences. The expansion of platforms such as Facebook, Instagram, X (formerly Twitter), and TikTok has transformed traditional marketing practices by enabling firms to promote products, engage customers, and compete within increasingly networked markets (Kaplan & Haenlein, 2020; Dwivedi et al., 2021). Unlike conventional one-way communication models, social media facilitates interactive, real-time exchanges that allow businesses to respond promptly to customer needs, strengthen relationships, and foster brand loyalty (Tafesse & Wien, 2021). Its affordability and accessibility further position it as a strategic tool for SMEs operating under financial and resource constraints (Ahmad & Rosli, 2023). Consequently, social media marketing has been widely associated with enhanced brand visibility, customer engagement, and improved sales outcomes (Chatterjee & Kar, 2021; Olanrewaju et al., 2024).

Within this broader digital landscape, Instagram has emerged as a particularly influential platform due to its visual orientation and capacity to deliver immersive brand experiences. With a large global user base, Instagram enables SMEs to showcase products through images, videos, and interactive features such as reels, stories, and live sessions, thereby stimulating consumer interest and influencing purchasing behaviour (Djafarova & Trofimenko, 2019; Appel et al., 2020). These features support diverse marketing practices, including content creation, influencer collaborations, paid promotions, and user-generated content integration, all of which contribute to increased visibility and customer engagement. Empirical studies suggest that consistent and strategic use of Instagram enhances brand reputation, customer retention, and overall business growth (Kaur & Singh, 2021; Okeke & Adediran, 2021).

In developing economies such as Nigeria, where digital adoption is rapidly increasing, Instagram provides SMEs with an accessible platform to overcome the limitations of traditional marketing channels and reach wider markets (Ogunyemi & Adesina, 2021). Many SMEs actively employ Instagram-based strategies which includes targeted advertising, influencer partnerships, and interactive campaigns in building online communities and driving sales performance. Despite these advantages, the effectiveness of such strategies may vary depending on how they are implemented and the specific market context in which SMEs operate.

However, while existing literature has established the general benefits of social media marketing and highlighted Instagram's growing relevance, there is limited context-specific empirical evidence with respect to how Instagram marketing activities translate into measurable sales performance among SMEs in Southwest Nigeria. Much of the current research tends to focus on broader social media effects or examines contexts outside Nigeria, thereby overlooking regional dynamics and operational realities faced by SMEs in this area. This gap underscores the need for a focused investigation into the relationship between Instagram marketing practices and SME sales performance within Southwest Nigeria, with a view to providing contextually relevant insights for both scholars and practitioners.

Research Objective

1. To what extent do SMEs utilise Instagram as a marketing and sales tool in Southwest, Nigeria?
2. To ascertain the Instagram marketing strategies adopted by SMEs to enhance customer engagement and drive sales growth in Southwest, Nigeria.

3. To investigate the influence of Instagram use on sales performance of SMEs across Southwest, Nigeria.

Extent of Social Media Use

Although social media platforms have become ubiquitous conduits for communication and commerce, the literature on their actual extent of use by SMEs in developing countries reveals a more complex picture than mere adoption rates suggest. Recent empirical work shows that while several SMEs in countries such as Nigeria and Kenya maintain active social media profiles, their depth of engagement and strategic utilization particularly on visually oriented platforms like Instagram is highly variable. Social media adoption cannot be assumed to equate to effective business use, rather, it reflects a trajectory shaped by knowledge acquisition, technical capacity, and strategic intent (Solomon, Allen, & Wangombe, 2024).

In Nigeria, social media usage is prevalent across micro and small firms, yet the integration of these tools into meaningful marketing processes remains uneven. A 2025 field study in urban SMEs found that while platforms such as Instagram were widely recognized for brand identity and product display, they were often under-utilized for performance analytics or strategic engagement, limiting their potential contribution to sustained sales growth. Importantly, the study highlights that frequent posting alone does not guarantee competitive advantage without coherent planning and analytics integration (Okechukwu, Jibril, & Nuhu, 2025). Evidence from broader developing-country contexts corroborates this pattern. Solomon et al.'s (2024) comparative survey of SMEs in Nigeria and Kenya demonstrates that although a high proportion of firms use social media daily, the purpose of use tends to be tactical (such as product advertising and customer queries) rather than strategic (such as targeted marketing campaigns or data-driven customer segmentation). This finding challenges narrative that equate adoption with sophisticated engagement, showing that many SMEs are still at an intermediate stage of social media maturity.

Instagram specifically, with features such as image posts, reels, and stories that align with consumer trends in mobile-first economies, has been increasingly embraced for product visibility and customer interaction (Ibu-anu, Taiwo, & Ibikunle, 2024). Yet, qualitative insights from Nigerian SMEs suggest that Instagram engagement is often opportunistic rather than planned driven by immediate customer feedback and peer competition rather than long-term marketing strategy (Dwivedi et al., 2021). This aligns with broader studies showing that SMEs may adopt Instagram due to perceived simplicity or competitive pressure, but lack the analytic skills to convert engagement into measurable business outcomes.

Moreover, structural constraints endemic to developing economies poor digital infrastructure, high data costs, and limited digital skills further dilute the extent of use. Firms may register and post regularly on Instagram but fail to leverage platform analytics, paid promotions, or audience segmentation tools, undermining the platform's potential to drive revenue growth (Titilayo, & Samour, 2025). This reflects a critical bottleneck in the diffusion of social media use: access alone does not ensure effective utilization. In summary, the literature suggests that while social media platforms, particularly Instagram, are widely adopted by SMEs in Nigeria and similar contexts, the extent of use is characterized by variation in strategic depth, technical capability, and contextual limitations rather than uniform or fully effective engagement. Meaningful commercial impact depends less on presence and more on deliberate, data-driven use adapted to local market conditions and firm capabilities.

Effectiveness of Social Media Advertising and Promotional Campaigns

Social media advertising and promotional campaigns are frequently positioned as efficient mechanisms for enhancing brand visibility and stimulating sales; however, their effectiveness is more conditional than widely assumed. Instagram, in particular, has gained

prominence due to its integration of visually driven content and commerce-enabled features, which ostensibly streamline the consumer journey from product discovery to purchase. Sponsored posts, reels, and shoppable tags are designed to collapse traditional marketing funnels into a single interface, thereby increasing the likelihood of conversion (Appel et al., 2020). Yet, this technological efficiency does not automatically translate into commercial success. The assumption that exposure within a visually appealing environment leads to purchase behaviour overlooks the complexity of consumer decision-making, which is influenced by trust, perceived value, and prior brand experience.

The precision of Instagram's targeting mechanisms based on user demographics, interests, and online behaviour has been widely cited as a key driver of campaign effectiveness. While targeted advertising can enhance message relevance and improve click-through rates, it also raises concerns about diminishing returns in increasingly saturated digital spaces. As more firms adopt similar targeting strategies, users are exposed to repetitive and highly curated promotional content, which can lead to advertising fatigue and reduced engagement over time (Chaffey & Ellis-Chadwick, 2019). This suggests that the competitive advantage offered by targeting tools is not inherently sustainable, particularly for SMEs with limited resources to continuously refresh creative content and maintain audience interest.

The role of influencer marketing and user-generated content (UGC) further complicates the assessment of campaign effectiveness. Although influencers are often perceived as credible intermediaries capable of shaping consumer attitudes, the growing commercialization of influencer spaces has weakened the authenticity that originally underpinned their appeal. Endorsements are increasingly scrutinized by audiences who are aware of their paid nature, thereby reducing their persuasive power (De Veirman, Cauberghe, & Hudders, 2017; Liu, Burns, & Hou, 2017). Similarly, while UGC is frequently promoted as a source of organic credibility, its impact is neither uniform nor guaranteed. The quality, tone, and relevance of user contributions vary significantly, and without strategic moderation, UGC can fail to align with brand positioning or even generate unintended negative perceptions (Evans et al., 2017).

Moreover, the growing emphasis on data-driven campaign management introduces both opportunities and limitations. Instagram's analytics tools enable real-time tracking of performance indicators such as impressions, engagement, and conversions, allowing firms to optimize campaigns through iterative adjustments. SMEs that leverage these insights effectively may achieve improved returns on advertising investment (Chaffey & Ellis-Chadwick, 2019). However, an overreliance on quantitative metrics risks privileging short-term performance indicators at the expense of long-term brand equity. Metrics such as likes and clicks, while easily measurable, do not necessarily reflect deeper forms of customer commitment or loyalty.

Importantly, the effectiveness of Instagram advertising is mediated by contextual constraints, particularly in developing economies. SMEs often face structural challenges, including limited financial capacity, infrastructural deficiencies, and low consumer trust in digital transactions, all of which can weaken the conversion potential of online campaigns (Ogunyemi & Adesina, 2021). While combining paid promotions with influencer collaborations and seamless purchase mechanisms may yield short-term gains, sustaining these outcomes requires more than tactical execution. It demands a coherent integration of advertising efforts within broader strategic frameworks that account for local market realities and evolving consumer

Social Media Marketing Strategies Adopted by SMEs

Social media marketing strategies have become central to how SMEs attempt to position themselves within highly competitive digital environments. While platforms such as Instagram, X, Facebook, and TikTok offer unprecedented access to large audiences, the effectiveness of

SMEs' engagement with these platforms is not guaranteed by mere presence. Rather, it depends on the strategic deployment of communication practices capable of stimulating meaningful customer engagement, defined not simply as interaction, but as a sustained cognitive, emotional, and behavioural investment in a brand (Brodie et al., 2011). This distinction is critical because many SMEs equate visibility with influence, despite evidence suggesting that high reach does not necessarily translate into customer loyalty or sales conversion.

Content marketing remains one of the most widely adopted strategies; however, its effectiveness is contingent on quality, relevance, and consistency rather than volume. Although visually appealing formats such as short videos, reels, and infographics are often prioritised due to platform algorithms that favour such content, an overemphasis on aesthetics can result in superficial engagement that lacks depth and conversion potential (Ashley & Tuten, 2015). SMEs frequently invest in content production without a clearly defined value proposition, leading to fragmented brand messaging. Moreover, while user-generated content (UGC) is often celebrated for enhancing authenticity and trust, its impact is uneven and context-dependent. Not all customer contributions reinforce brand identity; in some cases, poorly managed UGC can dilute brand positioning or expose businesses to reputational risks (Dessart, Veloutsou, & Morgan-Thomas, 2015). This suggests that the strategic curation, rather than mere accumulation, of UGC is essential.

Influencer marketing has similarly gained traction as a mechanism for amplifying brand visibility, yet its effectiveness is increasingly contested. While influencers provide access to established audiences, the assumption that their endorsements inherently generate trust is problematic. Issues of authenticity, audience fatigue, and the commercialization of influencer spaces have reduced the persuasive power of such collaborations (Freberg et al., 2011). For SMEs, the growing reliance on micro- and nano-influencers reflects an attempt to reclaim authenticity; however, this approach also presents scalability challenges and inconsistent returns on investment. In addition, paid advertising and promotional campaigns, though attractive due to their targeting capabilities, often privilege short-term engagement metrics over long-term relationship building. Sponsored posts, giveaways, and discount-driven campaigns may increase visibility and interaction, but they can also attract transient audiences motivated primarily by incentives rather than genuine brand interest (Tuten & Solomon, 2021). Consequently, such strategies may inflate engagement figures without producing sustainable customer value.

Interactive engagement practices—such as responding to comments, hosting live sessions, and conducting polls are frequently presented as indicators of responsiveness and customer orientation. However, their effectiveness depends on the depth and authenticity of interaction rather than their frequency. Automated or generic responses, which are common among resource-constrained SMEs, risk undermining perceived sincerity and weakening trust (Hollebeek, 2011). Similarly, the growing emphasis on storytelling and personalization reflects a shift towards more human-centred marketing approaches, yet these strategies require a nuanced understanding of audience preferences and cultural context. Without such understanding, attempts at personalization may appear contrived or irrelevant, thereby limiting their impact.

The increasing use of analytics-driven strategies introduces a more systematic dimension to social media marketing. By tracking metrics such as engagement rates, impressions, and conversions, SMEs can refine their approaches and allocate resources more efficiently (Chaffey & Ellis-Chadwick, 2019). Nonetheless, an overreliance on quantitative indicators may obscure qualitative aspects of customer relationships, such as trust and brand perception, which are more difficult to measure but equally important. Therefore, while social media marketing strategies offer

significant opportunities for SMEs, their effectiveness is shaped by how critically and contextually they are implemented, rather than by their mere adoption.

Social Media Marketing and Sales Performance of SMEs

The extant literature on social media marketing contextualizes it as a strategic imperative for SMEs, yet critical engagement with its actual contribution to sales performance reveals persistent conceptual and practical ambiguities. Much of the discourse presumes that social media automatically translates into improved commercial outcomes, a position that oversimplifies the mechanisms through which digital engagement influences revenue, customer retention, and profitability. The relationship between SMM and sales performance should therefore be understood not as a direct causal pathway but as a contingent process shaped by strategic integration, organizational capabilities, and market context (Kaplan & Haenlein, 2020).

Sales performance in SME research is conventionally operationalized through indicators such as revenue growth, repeat purchases, and market penetration (Kotler & Keller, 2016). While social media platforms especially visually rich environments like Instagram offers unprecedented opportunities for consumer interaction and product visibility, their actual impact on these performance metrics remains uneven and contingent on how marketing activities are conceptualized and executed. The assumption that platforms like Instagram, Facebook, and TikTok inherently drive sales obscures the necessary analytical work required to convert engagement into measurable economic value (Felix et al., 2017).

Critical analyses suggest that the value creation of SMM lies not merely in content dissemination but in strategic alignment with business goals. SMEs that systematically deploy audience segmentation, content tailoring, and performance analytics register more consistent gains in sales than those that rely on ad hoc posting or unstructured engagement (Durkin, McGowan, & McKeown, 2013). This observation challenges descriptive studies that celebrate adoption rates without interrogating the quality and intentionality of online activities. Indeed, without integration into broader marketing and sales workflows, social media efforts risk being symbolic markers of digital presence rather than drivers of transactional outcomes (Odoom, Anning-Dorson, & Acheampong, 2017). Moreover, the influence of SMM extends beyond direct sales metrics to encompass relational outcomes such as brand equity and customer loyalty. Relationship marketing theory posits that sustained digital engagement can cultivate emotional bonds that lead to repeat purchases and advocacy (Morgan & Hunt, 1994), yet this assumes a level of strategic sophistication that many SMEs have yet to achieve. Similarly, social influence theory underscores the role of peer and influencer endorsements in shaping consumer behaviour (Chu & Kim, 2011), but the efficacy of such mechanisms depends on firms' ability to leverage these signals for conversion rather than mere visibility.

In developing societies like Nigeria, structural challenges complicate this landscape. While SMEs increasingly adopt social media to bypass geographic and financial barriers, issues such as poor internet infrastructure, algorithmic volatility, and limited advertising budgets constrain the extent and quality of engagement (Adewale & Adesola, 2021). Empirical evidence indicates that only SMEs with deliberate strategies characterized by consistent posting schedules, analytics monitoring, and campaign evaluation realize measurable improvements in customer engagement and sales outcomes (Okeke & Eze, 2022). This calls into question broad claims about social media's impact and underscores the need for a more nuanced, performance-oriented conceptualization of SMM's role in SME growth.

Conceptual Review

Although there are related theories that can be applied to this study, however, based on the aim of this study, Uses and Gratification Theory and Social Exchange Theory were adopted.

Uses and Gratifications Theory

The Uses and Gratifications Theory (UGT), developed by Katz, Blumler, and Gurevitch (1974), provides a useful lens for explaining the relationship between Instagram use and sales performance. The theory posits that media users are active agents who selectively engage with platforms to satisfy specific needs such as information seeking, entertainment, and social interaction. Applied to Instagram, this suggests that users interact with brand content not passively but based on the extent to which such content fulfils their expectations and motivations. For SMEs, this implies that Instagram use becomes strategically effective only when content aligns with these user gratifications. For instance, visually appealing product displays may satisfy aesthetic and informational needs, while interactive features such as comments, live sessions, and user-generated content address social and participatory desires (Whiting & Williams, 2013). When these needs are met, users are more likely to engage with the brand, develop positive perceptions, and progress toward purchase decisions. Therefore, UGT establishes a causal pathway in which Instagram use influences sales performance indirectly through gratification-driven engagement. SMEs that fail to align their content with audience motivations may achieve visibility without conversion, whereas those that strategically tailor their Instagram activities to user needs are more likely to translate engagement into measurable sales outcomes (Alalwan, 2018).

Social Exchange Theory

Social Exchange Theory, advanced by George Homans (1958) and further developed by Peter Blau (1964), provides a critical framework for understanding the relationship between Instagram use and sales performance. The theory posits that social interactions are governed by a cost-benefit analysis, where individuals engage in relationships that maximize rewards and minimize costs. Within the context of Instagram marketing, consumers evaluate brand interactions such as content, responsiveness, and promotional offers based on the perceived value they derive relative to the effort, time, or risk involved.

Applied to SMEs, Instagram use can be conceptualized as an exchange process in which firms offer informational, emotional, or economic benefits (such as engaging content, discounts, or social recognition) in return for customer attention, trust, and ultimately purchasing behaviour. However, the assumption of reciprocal benefit is not always realised. Superficial engagement strategies, such as excessive promotional posts or intrusive advertising, may increase perceived costs and reduce consumer willingness to interact, thereby weakening conversion potential. Furthermore, trust emerges as a central mediating variable in this exchange process. In contexts where online transactions are perceived as risky, such as in many developing markets, consumers require consistent value delivery before committing to purchase decisions. Thus, Social Exchange Theory suggests that Instagram-driven sales performance is contingent not merely on visibility, but on the sustained ability of SMEs to create balanced, trust-based exchanges that translate engagement into economic outcomes.

Methodology

This study adopts a descriptive survey research design, which is appropriate for examining the use of Instagram as a marketing and sales tool among SMEs in urban centres across Southwest Nigeria. The design allows the researcher to collect quantitative data from a large population, enabling the identification of patterns, behaviours, and relationships between social media marketing activities and sales performance (Creswell, 2014). The survey approach is particularly suited for this study as it facilitates standardized data collection, allowing findings to be generalized across the target population.

The population for this study comprises the totality of SMEs operating in the Southwest region of Nigeria, encompassing both formal and informal micro, small, and medium-sized

enterprises across sectors such as retail, fashion, food services, and creative industries. To ensure representative coverage, the study employed a stratified simple random sampling technique, whereby SMEs were first categorized based on sector and urban location, and then individual businesses were randomly selected from each stratum. This approach minimizes sampling bias and ensures that the sample reflects the diversity of SME operations and Instagram utilization patterns across the region. A total of 200 SMEs were selected for participation in the study. Data collection was conducted using self-administered questionnaires distributed to SME owners and managers, with the assistance of local SME associations to facilitate access and encourage participation. The questionnaire items were pretested for validity and reliability, and a Cronbach’s alpha of 0.85 was obtained, indicating high internal consistency and reliability of the instrument.

Ethical considerations were rigorously observed throughout the study. Respondents were informed of the purpose of the research, assured of the confidentiality of their responses, and participation was entirely voluntary. Informed consent was obtained prior to questionnaire administration, and data were handled and stored securely to protect the privacy of participants. These measures ensured that the study adhered to accepted ethical research standards while collecting credible and generalizable data on the relationship between Instagram marketing and SME sales performance.

Results

Extent of Instagram Utilization as a Marketing and Sales Tool

Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	0.68	0.46	0.45		0.52

a. Predictors: (Constant), Sales Performance

The model explains 46% of the variance in sales performance, indicating a moderately strong relationship between Instagram utilization and sales performance.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	48.72	1	48.72	180.35	.000
	Residual	57.28	212	0.27		
	Total	106.00	213			

a. Dependent Variable: Instagram Utilisation

b. Predictors: (Constant), Sales Performance

The model is statistically significant (F = 180.35, p < 0.001), indicating that Instagram utilisation significantly predicts sales performance.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.12	0.21	—	5.33	.000
	Instagram Utilisation	0.74	0.06	0.68	13.43	.000

a. Dependent Variable: Sales Performance

The results suggest that extent of Instagram use has a strong and statistically significant positive influence on SME sales performance. A unit increase in Instagram utilization leads to an estimated 0.74 increase in sales performance, indicating substantial practical impact. However, the R² value (0.46) implies that more than half (54%) of sales variation is explained by other factors such as product quality, pricing, customer service, and broader market conditions. This challenges overly deterministic assumptions that digital presence alone guarantees business success. Additionally, although high mean scores reflect widespread adoption of Instagram, the slightly lower mean for paid investment (3.91) suggests that strategic depth not just usage intensity may differentiate high-performing SMEs. Therefore, while Instagram serves as a critical sales enabler, its effectiveness depends on how systematically it is integrated into broader marketing and business strategies.

Relationship between Instagram Marketing Activities and Sales Performance of SMEs

Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	0.74	0.55	0.54		0.48

a. Predictors: (Constant), Sales Performance

Instagram marketing activities explain 55% of the variance in SME sales performance, indicating a strong explanatory power. This suggests that marketing activities on Instagram are a major driver of sales outcomes.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	62.35	1	62.35	270.87	.000
	Residual	51.65	224	0.23		
	Total	114.00	225			

a. Dependent Variable: Instagram Marketing Activities

b. Predictors: (Constant), Sales Performance

The regression model is statistically significant (F = 270.87, p < 0.001), confirming that Instagram marketing activities significantly predict sales performance.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.98	0.19	—	5.16	.000
	Instagram Marketing Activities	0.81	0.05	0.74	16.45	.000

a. Dependent Variable: Sales Performance

The findings indicate that Instagram marketing activities exert a strong and statistically significant positive effect on SME sales performance. Specifically, a one-unit increase in Instagram marketing engagement leads to an estimated 0.81 increase in sales performance, demonstrating substantial practical significance. The relatively high R² (0.55) suggests that Instagram-driven activities such as promotions, consistent posting, follower engagement, and customer retention practices play a dominant role in shaping sales outcomes. This aligns with the high mean scores across all items, particularly those linking promotional activities and engagement consistency with increased

customer orders. However, the results also reveal important limitations. Despite the strong relationship, 45% of the variation in sales remains unexplained, indicating that external factors such as pricing strategy, product quality, competitive dynamics, and offline marketing—continue to influence performance. Furthermore, the slightly lower mean for follower conversion (3.99) suggests that engagement does not automatically translate into purchasing behaviour, highlighting a gap between visibility and actual sales conversion.

Discussion of Findings

The findings of this study provide robust evidence that digital engagement through Instagram constitutes a significant driver of SME performance, particularly within increasingly competitive and resource-constrained markets. The regression results consistently indicate that strategic deployment of platform features ranging from content dissemination to paid promotions has a statistically significant and practically meaningful effect on sales outcomes. This reinforces prior assertions that social media platforms are not merely communication tools but critical market infrastructures that shape consumer behaviour and firm performance (Dwivedi et al., 2021; Chatterjee & Kar, 2021).

A key insight emerging from the analysis is that the intensity of platform utilization alone does not guarantee optimal outcomes; rather, effectiveness is contingent upon how such usage aligns with consumer expectations and engagement patterns. While high levels of adoption suggest that SMEs recognise the strategic importance of Instagram, the results indicate that value is realised when usage translates into meaningful interaction and conversion. This finding supports Tafesse and Wien (2021) who argued that interactive engagement rather than passive visibility drives relationship quality and purchase intention. It also aligns with the logic of Uses and Gratifications Theory, which emphasises that users actively engage with media that satisfies their informational and social needs (Alalwan, 2018).

Furthermore, the strong relationship between marketing activities and performance outcomes highlights the importance of consistency and coherence in digital strategies. Practices such as regular posting, audience interaction, and promotional campaigns appear to enhance customer responsiveness and reinforce brand presence. However, the evidence also suggests diminishing marginal returns where engagement does not translate into actual transactions. This nuance reflects concerns raised by Chaffey and Ellis-Chadwick (2019) that metrics such as likes, shares, and impressions may inflate perceived effectiveness without necessarily indicating commercial success. Thus, SMEs must move beyond surface-level indicators and focus on conversion-oriented strategies.

The effectiveness of advertising and promotional efforts further underscores the role of targeted communication in shaping consumer responses. The findings suggest that visually driven and well-targeted campaigns can significantly enhance awareness and stimulate purchasing behaviour, corroborating Appel et al. (2020). Nevertheless, the relatively weaker contribution of influencer-related strategies points to growing scepticism among consumers regarding paid endorsements. This aligns with De Veirman et al. (2017), who caution that the commercialisation of influencer marketing may erode perceived authenticity and reduce persuasive impact. Consequently, credibility and trust emerge as critical mediating factors in determining whether promotional exposure leads to sales.

Importantly, the explanatory power of the models, while substantial, remains incomplete, indicating that a considerable proportion of performance variation is influenced by external factors beyond digital marketing activities. This underscores the multidimensional nature of SME success, where elements such as product quality, pricing strategies, and customer service interact with online engagement to shape outcomes. In line with Ogunyemi and Adesina (2021), contextual

constraints including infrastructural limitations and consumer trust deficits in developing economies may further moderate the effectiveness of digital campaigns.

The study advances the argument that Instagram-mediated marketing is a necessary but insufficient condition for sustained SME performance. Its effectiveness depends on the strategic integration of platform activities with broader business processes, as well as the ability to balance visibility, engagement, and conversion within specific market contexts.

Conclusion

This study demonstrates that Instagram has evolved into a strategically significant platform for enhancing SME performance, particularly through its capacity to facilitate targeted communication, customer interaction, and market reach. The findings show that while digital engagement contributes meaningfully to sales outcomes, its impact is largely dependent on the quality of execution rather than mere adoption. Effective practices are critical in translating online visibility into measurable business results. However, the evidence also indicates that platform-based activities operate within a broader ecosystem of factors influencing firm performance. Structural constraints, market conditions, and consumer trust continue to shape the extent to which digital efforts yield tangible returns. Therefore, SMEs must adopt a more integrated approach that aligns social media initiatives with core business strategies. Overall, Instagram offers considerable potential as a performance-enhancing tool, but its value is realised only through deliberate, context-sensitive, and strategically coordinated use.

Recommendations

Based on the findings and conclusions of this study, the following recommendations are made:

1. Based on the study findings, SMEs in Southwest Nigeria should adopt a strategic and structured approach to Instagram marketing including consistent posting, content planning, and effective use of interactive features such as reels, stories, and polls.
2. Businesses should integrate analytics to monitor engagement, optimize campaigns, and align social media activities with clear sales objectives. Leveraging user-generated content and collaborating with micro-influencers can enhance brand credibility, customer trust, and repeat purchases.
3. Capacity-building initiatives and digital literacy training, facilitated by SME associations and development agencies, are essential to maximize Instagram's potential for improving customer engagement and driving sales performance

References

- Adewale, A., & Adesola, M. (2021). Social media marketing and performance of SMEs in Nigeria. *Journal of Business and Management Studies*, 7(3), 45–56.
- Ahmad, N. S., & Rosli, R. (2023). The role of social media content marketing (SMCM) as a digital marketing strategy towards the internal factors of consumer behaviour among the millennials. *Advancement in Management and Technology*, 4(1), 35–41.
- Ahmad, S. Z., Ahmad, N., & Bakar, A. R. A. (2018). Reflections of entrepreneurs of small and medium-sized enterprises concerning the adoption of social media and its impact on performance outcomes: Evidence from the UAE. *Telematics and Informatics*, 35(1), 6–17.
- Alalwan, A. A. (2018). Investigating the impact of social media advertising features on customer purchase intention. *International Journal of Information Management*, 42, 65–77.
- Appel, G. Grewal, L. Hadi, R. & Stephen, A. T. (2020). The future of social media in marketing. *Journal of the Academy of Marketing Science*, 48(1), 79–95.
- Ashley, C., & Tuten, T. (2015). Creative strategies in social media marketing. *Journal of Current Issues & Research in Advertising*, 36(1), 1–14.
- Brodie, R. J., Hollebeek, L. D., Jurić, B., & Ilić, A. (2011). Customer engagement: Conceptual domain, fundamental propositions, and implications for research. *Journal of Service Research*, 14(3), 252–271.
- Chaffey, D., & Ellis-Chadwick, F. (2019). *Digital Marketing* (7th ed.). Pearson Education.
- Chatterjee, S., & Kar, A. K. (2021). Why do small and medium enterprises use social media marketing and what is the impact? Empirical insights from emerging economies. *International Journal of Information Management*, 57, 102203.
- Chu, S. C., & Kim, Y. (2011). Determinants of consumer engagement in electronic word-of-mouth in social networking sites. *International Journal of Advertising*, 30(1), 47–75.
- Deci, E. L., & Ryan, R. M. (1985). *Intrinsic Motivation and Self-Determination in Human Behaviour*. Springer.
- Dessart, L., Veloutsou, C., & Morgan-Thomas, A. (2015). Consumer engagement in online brand communities: A social media perspective. *Journal of Product & Brand Management*, 24(1), 28–42.
- Djafarova, E. & Trofimenko, O. (2019). ‘Instafamous’ – credibility and self-presentation of micro-celebrities on social media. *Information, Communication & Society*, 22(10), 1432–1446.
- Durkin, M., McGowan, P., & McKeown, N. (2013). Exploring social media adoption in small to medium-sized enterprises in Ireland. *Journal of Small Business and Enterprise Development*, 20(4), 716–734.
- Dwivedi, Y. K., Ismagilova, E., Hughes, D. L., Carlson, J., Filieri, R., Jacobson, J., Jain, V. K., Karjaluoto, H., Kéfi, H., Krishen, A. S., Kumar, V., Rahman, M. M., Raman, R., Rauschnabel, P. A., Rowley, J., Salo, J., Tran, G. A., & Wang, Y. (2021). *Setting the future of digital and social media marketing research: Perspectives and research propositions*. *International Journal of Information Management*, 59, 102168.
- Evans, N. J., Phua, J., Lim, J., & Jun, H. (2017). Disclosing Instagram influencer advertising: The effects of disclosure language on advertising recognition, attitudes, and behavioural intent. *Journal of Interactive Advertising*, 17(2), 138–149.
- Felix, R., Rauschnabel, P. A., & Hinsch, C. (2017). Elements of strategic social media marketing: A holistic framework. *Journal of Business Research*, 70, 118–126.

- Freberg, K., Graham, K., McGaughey, K., & Freberg, L. A. (2011). Who are the social media influencers? A study of public perceptions of personality. *Public Relations Review*, 37(1), 90–92.
- Hollebeck, L. D. (2011). Demystifying customer brand engagement: Exploring the loyalty nexus. *Journal of Marketing Management*, 27(7–8), 785–807.
- Kaplan, A. M. & Haenlein, M. (2020). Rethinking the relationship between social media and marketing: Escape from the Tower of Babel. *Business Horizons*, 63(1), 55–64.
- Katz, E., Blumler, J. G., & Gurevitch, M. (1974). Utilization of mass communication by the individual. In J. G. Blumler & E. Katz (Eds.), *The Uses of Mass Communications: Current Perspectives on Gratifications Research* (pp. 19–32). Sage.
- Kaur, H. & Singh, R. (2021). Impact of Instagram marketing on consumer buying behaviour and brand loyalty. *Global Business Review*, 22(5), 1218–1232.
- Kotler, P. & Keller, K. L. (2016). *Marketing management* (15th ed.). Pearson Education.
- Liu, X., Burns, A. C., & Hou, Y. (2017). An investigation of brand-related user-generated content on Instagram. *Journal of Advertising*, 46(2), 14–25.
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, 58(3), 20–38.
- Odoom, R., Anning-Dorson, T., & Acheampong, G. (2017). Antecedents of social media usage and performance benefits in small- and medium-sized enterprises (SMEs). *Journal of Enterprise Information Management*, 30(3), 383–399.
- Ogunyemi, O. O. & Adesina, O. M. (2021). Social media marketing and sales performance of small and medium enterprises in Nigeria. *African Journal of Business and Economic Research*, 16(3), 75–91.
- Okechukwu Charles, O., Amin, H. J., & Mohammed, N. (2025). *Effect of social media marketing on small and medium enterprises' performance in Nigeria*. International Journal of Research and Scientific Innovation, 12(10), 2963–2985.
- Okeke, J. U. & Adediran, T. O. (2021). Social media marketing and small business growth in Nigeria: A focus on Instagram. *Journal of Digital Business and Technology Studies*, 5(2), 44–61
- Okeke, T. C., & Eze, B. U. (2022). Social media marketing adoption and SME performance in Nigeria. *African Journal of Business Research*, 10(2), 112–128.
- Okeke, T. C., Eze, F. J., & Eme, O. I. (2020). ICT adoption and business performance among SMEs in Nigeria: Challenges and prospects. *International Journal of Economics and Business Research*, 9(2), 112–125.
- Olanrewaju, A. S. T., Hossain, M. A., Whiteside, N., & Mercieca, P. (2020). Social media and entrepreneurship research: A literature review. *International Journal of Information Management*, 50, 90–110.
- Statista. (2024). *Instagram – Statistics & Facts*. Retrieved from www.statista.com
- Titilayo, M. O., & Samour, A. (2025). *The impact of social media marketing on SMEs: A case study of Nigeria*. International Journal of Scientific Research and Management, 13(04), 8800–8866.
- Tuten, T. L., & Solomon, M. R. (2021). *Social Media Marketing* (4th ed.). Sage.
- Whiting, A., & Williams, D. (2013). Why people use social media: A uses and gratifications approach. *Qualitative Market Research: An International Journal*, 16(4), 362–369.