World Journal of Applied Research
worldappliedjournal.com
Online ISSN: 3107-8885
Received: 18-07-2026, Accepted: 17-08-2026, Published: 02-09-2026
Volume 2, Issue 3, 2026, Page No. 41-49

Online marketing and its effects on profitability of small and medium-sized enterprises in Enugu State, Nigeria

Dr. Olachi Chuks Ronnie[1], Dr. Onyeledo Ijeoma Peace[2], Dr. Igatta Evangeline Amaka[1], Dr. Onodugo Chinwe Felicia[3]
[1] Department of Business Administration and Management Charisma University, Montana State, USA
[2] Department of Human Resource Management Charisma University, Montana State, USA
[3] Charisma University, Montana State, USA

Abstract
The increasing penetration of digital technologies has transformed the marketing environment of small and medium-sized enterprises (SMEs), creating opportunities for firms to reach customers, strengthen brand visibility, improve customer acquisition, and enhance profitability at comparatively lower costs than conventional marketing channels. This study examined the effect of online marketing on the profitability of SMEs in Enugu State, Nigeria, with particular attention to the mediating role of marketing effectiveness. Specifically, the study investigated the effects of social media marketing, search engine marketing, and email/content marketing on SME profitability. The Technology-Organization-Environment (TOE) framework provided the conceptual foundation for explaining variations in the adoption and utilization of online marketing technologies. A quantitative cross-sectional research design was adopted. The study covered 550 registered SMEs operating predominantly in trade, services, and manufacturing across Enugu North, Enugu South, Nsukka, Udi, Ezeagu, and other local government areas of Enugu State. Online marketing was operationalized through social media marketing, search engine marketing, and email/content marketing, while marketing effectiveness was assessed using customer acquisition and brand visibility. Profitability was measured through monthly sales, net profit margin, return on investment from online marketing, and a composite Business Profitability Index. Descriptive statistics, Pearson correlation, multiple regression, and mediation analysis using PROCESS Model 4 with 5,000 bootstrap samples were specified for data analysis. The reported analytical results indicate that overall online marketing has a positive and statistically significant relationship with business profitability ($r = .52$, $p < .01$), while marketing effectiveness demonstrates an even stronger positive association with profitability ($r = .68$, $p < .01$). SMEs that utilized an integrated combination of social media, search engine, and email/content marketing also recorded approximately 35% higher net profit margins than firms with less diversified online marketing practices. The mediation model further supports the proposition that online marketing enhances profitability partly by increasing customer acquisition and improving brand visibility. The study concludes that online marketing constitutes an important strategic capability for improving the financial performance and competitiveness of SMEs in Enugu State. It recommends that SME owners adopt integrated digital marketing strategies, strengthen digital skills, consistently measure online marketing returns, and utilize customer and platform analytics to improve marketing effectiveness and long-term profitability.

Keywords: Online marketing, SME profitability, social media marketing, search engine marketing, content marketing, marketing effectiveness, customer acquisition, brand visibility, Enugu State, Nigeria

Introduction

1. Background to the Study

The rapid diffusion of digital technologies has fundamentally transformed the contemporary business and marketing environment. Advances in internet connectivity, smartphones, social networking platforms, search engines, electronic commerce, mobile applications, data analytics, and digital payment systems have changed how businesses communicate with customers, promote products and services, develop brands, generate sales leads, and compete in increasingly interconnected markets. Marketing activities that were traditionally dependent on physical stores, printed materials, radio, television, billboards, and face-to-face interactions are increasingly complemented or replaced by digitally enabled communication. For small and medium-sized enterprises (SMEs), this transformation is particularly significant because online marketing can reduce some of the cost and geographical constraints associated with conventional marketing while enabling businesses to communicate directly with existing and prospective customers.

Online marketing broadly encompasses the application of internet-based technologies and platforms to communicate value, attract customers, stimulate purchasing behaviour, manage customer relationships, and achieve organizational marketing objectives. It includes social media marketing, search engine marketing, email marketing, content marketing, mobile marketing, online advertising, influencer marketing, and other internet-enabled promotional activities. Within SMEs, online marketing is increasingly important because smaller firms typically operate with more constrained financial, human, and technological resources than large organizations. Digital channels can therefore provide relatively scalable mechanisms through which SMEs increase market reach, interact with customers and monitor the effectiveness of promotional activities. Recent Nigerian evidence indicates that social media, email, content, search engine and other digital marketing strategies collectively contribute positively to SME performance (Ilesanmi & Oyedepo, 2023) [11].

The strategic significance of online marketing is closely related to the growing digitalization of consumer behaviour.

Contemporary customers increasingly obtain product information, compare alternatives, communicate with sellers, read reviews, make enquiries and purchase goods through internet-enabled channels. Consequently, the ability of an enterprise to maintain an effective online presence has increasingly become an element of competitive positioning rather than merely an optional promotional activity. This transition is especially relevant for SMEs because digital platforms can facilitate direct access to customers without requiring extensive investments in physical distribution networks. Through online marketing, SMEs can target particular customer segments, customize messages, respond quickly to enquiries and obtain feedback that can inform subsequent marketing decisions.

Social media marketing represents one of the most visible dimensions of this transformation. Platforms such as Facebook, Instagram, TikTok and related digital communities enable enterprises to present products, demonstrate their use, communicate prices, announce promotions, receive customer feedback and encourage electronic word-of-mouth. Unlike conventional advertising, social media communication is interactive. Customers can respond immediately to marketing messages through comments, likes, shares, reviews and direct messages. Such interaction can strengthen customer engagement and generate information that entrepreneurs can use to understand consumer preferences. Evidence from Nigerian SMEs increasingly supports the performance relevance of these digital channels (Ayokunmi *et al*., 2024; Iherobiem & Kalejaiye, 2025) [2, 5].

Search engine marketing is another important component of online marketing. It involves strategies designed to improve the visibility of a business and its products when prospective customers search for relevant information online. It includes search engine optimization (SEO), paid search advertisements and related mechanisms for increasing the probability that potential customers encounter a firm's offerings. Search-based marketing is strategically important because it connects businesses with consumers who may already possess an identifiable purchase intention. Recent Nigerian evidence indicates that social media marketing and search engine optimization positively influence SME performance and customer-base expansion (Ibikunle, 2025; Ekpenyong *et al*., 2025) [7].

Email and content marketing provide additional mechanisms through which SMEs can cultivate customer relationships. Email marketing enables businesses to communicate offers, product information, reminders and personalized messages directly to customers, while content marketing involves creating and distributing useful or persuasive information intended to attract and retain clearly defined audiences. In the Nigerian environment, messaging applications such as WhatsApp have also become important channels through which SMEs communicate product information, catalogues, photographs, videos, prices and promotional offers to customers. These platforms may be particularly valuable to small businesses because communication can occur quickly and with relatively modest financial requirements (Abdullahi *et al*., 2024; Ilesanmi & Oyedepo, 2023) [1, 11].

The importance of improving SME performance through such mechanisms becomes clearer when the economic position of Nigerian MSMEs is considered. SMEs and microenterprises constitute the overwhelming majority of Nigerian businesses and provide a substantial proportion of employment. According to PwC Nigeria (2024) [14], drawing on the NBS/SMEDAN MSME survey, MSMEs account for approximately 96.9% of businesses in Nigeria, 87.9% of employment, 46.32% of gross domestic product and 6.21% of exports. These figures demonstrate that improvements in the competitiveness, productivity and profitability of SMEs have implications beyond individual enterprises and can contribute to employment generation, household incomes, innovation and national economic development.

Despite their economic significance, Nigerian SMEs operate within a challenging environment characterized by limited financing, infrastructure deficiencies, rising operating costs, competitive pressures, regulatory burdens and technological constraints. These challenges increase the importance of identifying marketing strategies capable of generating measurable commercial outcomes without imposing unsustainable costs on smaller enterprises (PwC Nigeria, 2024) [13]. Nigeria's broader digital infrastructure simultaneously creates opportunities and constraints for SME online marketing. Connectivity gaps, internet quality, affordability and digital skills continue to influence the extent to which businesses and consumers can participate effectively in the digital economy.

Nigerian evidence nevertheless suggests that businesses capable of strategically utilizing digital marketing can realize significant commercial benefits. George *et al*. (2025) [7], studying SMEs in Port Harcourt, reported that digital marketing contributed to customer engagement and brand awareness, although infrastructure deficiencies, affordability concerns and inadequate digital literacy constrained adoption. Similarly, other recent studies have reported positive effects of social media, email, content and search marketing on SME performance (Ekpenyong *et al*., 2025; Akisanmi *et al*., 2025) [7]. These findings indicate that the important issue may no longer be simply whether SMEs have access to digital platforms but how effectively they convert such access into customer acquisition, brand visibility, sales and ultimately profitability.

This distinction is fundamental to the present study. Much of the discourse on digital marketing adoption tends to assume a relatively direct relationship between online marketing and organizational performance. However, the mechanisms through which marketing activities translate into financial outcomes deserve closer examination. Online marketing expenditure does not automatically produce profitability. A firm may maintain multiple social media accounts, advertise through search engines or distribute marketing content without generating sufficient customer response to justify the investment. Online marketing is more likely to influence profitability when it improves intermediate marketing outcomes such as customer acquisition and brand visibility. Accordingly, the present study conceptualizes marketing effectiveness as a mediating mechanism connecting online marketing activities to SME profitability.

Customer acquisition represents a particularly important intermediate outcome. SMEs require a continuous flow of customers to sustain revenue and maintain business operations. Online channels can potentially increase the number of prospective customers exposed to an enterprise's offerings and can facilitate conversion through direct communication, targeted advertising and digital referrals. When online marketing produces more qualified leads and converts these leads into paying customers at sustainable acquisition costs, increased sales and profitability may follow. Recent Nigerian research on digital marketing return on investment similarly reports that strategic investments in digital marketing are associated with improvements in customer acquisition, market share and profitability (Akisanmi *et al*., 2025) [2].

Brand visibility constitutes the second major component of marketing effectiveness examined in this study. Visibility refers to the extent to which customers can recognize, encounter and recall a firm's brand across relevant markets and communication platforms. SMEs traditionally face visibility disadvantages relative to larger organizations with substantial advertising budgets. Digital platforms can partly reduce this disadvantage by enabling smaller enterprises to repeatedly expose target audiences to their products, identities and value propositions. Enhanced visibility can increase brand awareness, stimulate customer enquiries, encourage referrals and strengthen purchase consideration (George *et al*., 2025) [8].

Profitability remains the critical financial test of these marketing activities. Business growth cannot be adequately evaluated solely through social media followers, online impressions or website visits if such outcomes fail to translate into economic value. Consequently, the present study adopts a multidimensional approach to profitability by considering monthly sales, net profit margin and return on investment from online marketing, subsequently represented through a Business Profitability Index. This approach recognizes that profitability reflects both revenue-generating capacity and the efficiency with which resources devoted to marketing generate financial returns (Akisanmi *et al*., 2025) [2].

The theoretical orientation of the study is reinforced by the Technology-Organization-Environment (TOE) framework. Originally developed by Tornatzky and Fleischer (1990) [16], the TOE framework explains organizational technology adoption through three broad contexts: technological conditions, organizational characteristics and the external environment. Applied to SMEs, technological factors may include perceived usefulness, compatibility, complexity and accessibility of digital marketing technologies; organizational conditions may include firm size, resources, managerial competence and digital capabilities; while environmental factors may encompass competition, customer expectations, infrastructure, government policy and broader market pressures.

The Enugu State business environment provides an important context in which to investigate these relationships. SMEs operating in trade, services and manufacturing increasingly compete not only with businesses within their immediate communities but also with enterprises reaching Enugu consumers through digital platforms from other parts of Nigeria. The expansion of digitally mediated commerce consequently creates both an opportunity and a competitive imperative. An SME capable of using social media, search engines, email, WhatsApp and relevant content strategically may expand beyond traditional geographical limitations. Conversely, firms with weak digital visibility may lose potential customers to more technologically capable competitors.

2. Statement of the Problem

Although online marketing is increasingly utilized by Nigerian SMEs, there remains insufficient clarity regarding the extent to which its use produces measurable improvements in profitability, particularly among SMEs in Enugu State. Existing Nigerian research generally reports positive associations between digital marketing and business performance (Abdullahi *et al*., 2024; Ayokunmi *et al*., 2024; Ekpenyong *et al*., 2025) [1, 7]. However, much of the empirical evidence focuses on broad indicators such as growth, customer satisfaction, market performance or general organizational performance rather than explicitly connecting different online marketing channels with financial outcomes.

Furthermore, online marketing adoption does not necessarily imply effective utilization. Some SMEs maintain social media accounts but post irregularly, lack targeted content, fail to measure conversions or do not integrate their platforms with broader marketing objectives. Others may depend heavily on one platform while neglecting search visibility, customer databases, email communication and content strategies. Infrastructure constraints, limited financial resources and inadequate technical expertise further complicate effective utilization (George *et al*., 2025) [8]. Thus, the strategic issue is not simply whether SMEs use online marketing but whether their combination and intensity of digital marketing practices generate customer acquisition and brand visibility sufficient to improve profitability.

A further empirical gap concerns the mediating role of marketing effectiveness. Previous research frequently estimates a direct digital-marketing-performance relationship, potentially overlooking the process through which online marketing produces financial outcomes. Establishing whether marketing effectiveness—operationalized through customer acquisition and brand visibility—mediates the relationship between online marketing and profitability can provide a more rigorous explanation of how digital marketing creates value for SMEs.

Consequently, this study investigates online marketing and its effects on the profitability of 550 SMEs in Enugu State, Nigeria. It specifically examines social media marketing, search engine marketing, and email/content marketing; assesses their relationship with marketing effectiveness; evaluates their effects on sales, net profit margin, online marketing ROI and overall profitability; and determines whether marketing effectiveness mediates the relationship between online marketing and SME profitability.

Review of Related Literature

1. Concept of Online Marketing

Online marketing refers to the use of internet-enabled technologies, digital platforms and electronic communication channels to identify, reach, communicate with and retain customers while promoting products and services. It encompasses social media marketing, search engine marketing, email marketing, content marketing, online advertising, mobile marketing and other digitally mediated promotional strategies. Unlike conventional marketing, online marketing allows businesses to interact with customers in real time, target specific consumer groups, monitor responses and evaluate campaign performance using measurable digital indicators.

Digital transformation has made online marketing increasingly important to SMEs. SMEs frequently operate with relatively limited financial and human resources, making large-scale conventional advertising difficult. Online platforms potentially reduce these constraints by providing comparatively affordable channels through which firms can communicate with large audiences, develop customer relationships and extend market coverage beyond their physical locations (Chaffey & Ellis-Chadwick, 2022; Ilesanmi & Oyedepo, 2023) [6, 11].

Online marketing should, however, be distinguished from merely maintaining an internet presence. Effective online marketing requires strategic selection of platforms, development of appropriate content, targeting of customers, responsiveness to enquiries, monitoring of campaign outcomes and integration of various channels into broader organizational objectives. In the present study, online marketing is conceptualized as a multidimensional construct comprising social media marketing, search engine marketing and email/content marketing.

2. Social Media Marketing

Social media marketing involves the use of social networking and content-sharing platforms to promote products and services, communicate with consumers, stimulate engagement and strengthen relationships with existing and potential customers. Common platforms include Facebook, Instagram, TikTok, YouTube, X and WhatsApp. For SMEs, these platforms provide opportunities to publish product information, photographs, promotional videos, customer testimonials, prices and business updates without the substantial expenditure typically associated with conventional mass-media advertising.

The effectiveness of social media marketing derives partly from its interactive characteristics. Consumers can comment, share, recommend, review and directly communicate with businesses. This interaction can provide SMEs with immediate market feedback and facilitate relationship development. Ayokunmi *et al*. (2024) [5], examining SMEs in Ibadan, found that informativeness and interactivity in social media marketing significantly improved SME performance. Oludoyi et al. (2024) [14] similarly examined advertising placement, content marketing, referral marketing and influencer marketing in relation to SME performance in South-West Nigeria.

3. Search Engine Marketing

Search engine marketing refers to techniques used to improve the visibility of a business when potential customers search online for products, services or related information. It incorporates both paid and unpaid strategies, particularly paid search advertisements and search engine optimization. Search marketing is especially valuable because it can reach customers at a point where they demonstrate active interest.

Evidence from Nigerian SMEs supports the performance relevance of search-based strategies. Ibikunle (2025) [8] reported a significant positive relationship between search engine marketing and expansion of the customer base among Nigerian SMEs. Ekpenyong *et al*. (2025) [7], examining SMEs in Effurun, Delta State, similarly found that search engine optimization was among the strongest digital marketing predictors of SME growth.

4. Email and Content Marketing

Email marketing refers to the systematic use of electronic messages to communicate promotional offers, product information, newsletters, reminders and personalized information to existing or prospective customers. Content marketing emphasizes the creation and dissemination of useful, relevant and persuasive information intended to attract audiences, stimulate engagement and influence purchasing behaviour.

In the Nigerian SME environment, content and direct digital communication extend beyond conventional email. WhatsApp broadcasts, status updates, product catalogues, short videos, blog materials and other direct customer communication channels are frequently used. Abdullahi *et al*. (2024) [1] found that both social media and email marketing had positive and statistically significant effects on SME performance in Kogi State, while Ekpenyong *et al*. (2025) [7] found that email marketing contributed significantly to SME growth.

5. Marketing Effectiveness

Marketing effectiveness refers to the extent to which marketing activities achieve desired outcomes such as increased customer awareness, enquiries, acquisition, retention, sales and market presence. The present study conceptualizes marketing effectiveness primarily through customer acquisition and brand visibility.

Online marketing can increase customer acquisition through targeted campaigns, electronic referrals, search visibility and direct customer engagement. It can also strengthen brand visibility by continuously exposing audiences to business names, products, messages and customer experiences. Akisanmi *et al*. (2025) [2] found that Nigerian SMEs making strategic digital marketing investments experienced measurable improvements in customer acquisition, market share and profitability.

6. Concept of SME Profitability

Profitability refers to the capacity of an enterprise to generate financial returns in excess of the costs incurred in producing and marketing its goods or services. It is one of the most important measures of business success because enterprises must ultimately generate sufficient returns to remain operational, reinvest, expand and survive.

SME profitability can be measured through sales revenue, gross profit, net profit, profit margin, return on investment, return on assets and cash-flow performance. Accordingly, this study evaluates profitability through monthly sales, net profit margin and return on investment from online marketing and combines these dimensions into a Business Profitability Index. Akisanmi *et al*. (2025) [2] reported that strategic digital marketing investment produced measurable improvements in profitability, customer acquisition and market share among Nigerian SMEs.

7. Theoretical Framework: Technology-Organization-Environment Framework

This study is anchored primarily on the Technology-Organization-Environment (TOE) framework developed by Tornatzky and Fleischer (1990) [16]. The TOE framework proposes that organizational adoption and utilization of technological innovation are influenced by three broad contexts: technological, organizational and environmental factors.

The technological context concerns the characteristics and availability of relevant technologies. The organizational context refers to internal characteristics such as firm size, managerial orientation, financial capacity, employee competence and technological resources. The environmental context includes competition, customer expectations, government policy, infrastructure, suppliers and wider market conditions.

Amegbe *et al*. (2023) [3], studying SMEs in Ghana, applied the Technology-Organization-Environment perspective to examine social media adoption and marketing performance. The framework is relevant to the present study because SMEs in Enugu State operate under different technological capabilities, organizational resources and market conditions.

8. Online Marketing and SME Profitability

The central relationship investigated in this study concerns whether stronger online marketing leads to higher SME profitability. The theoretical argument is that digital marketing enables businesses to reach wider audiences, communicate more efficiently and target customers more precisely, which should increase customer acquisition and ultimately sales and profits.

Within Nigeria, evidence increasingly supports this relationship. Ibikunle (2025) [8] reported a significant positive relationship between social media marketing and revenue growth and between search engine marketing and customer-base expansion. Ekpenyong *et al*. (2025) [7] found that email marketing, mobile marketing, social media marketing and SEO exerted significant positive effects on SME growth. These findings support the expectation that overall online marketing has a significant positive effect on SME profitability.

9. Mediating Role of Marketing Effectiveness

A particularly important dimension of the present study is the proposition that online marketing does not influence profitability exclusively through a direct pathway. Rather, online marketing may first increase customer acquisition and brand visibility, which subsequently improve financial performance. This relationship may be represented as: Online Marketing → Marketing Effectiveness → SME Profitability.

The mediation perspective provides a more detailed explanation of how online marketing creates business value. Increasing social media posting frequency may have little financial consequence unless the posts increase consumer awareness or generate customers. Similarly, spending on search advertising cannot improve profitability unless the advertisements attract relevant prospects who eventually purchase products or services. Akisanmi *et al*. (2025) [2] provide empirical support for such a mechanism by demonstrating that strategic digital marketing investment among Nigerian SMEs was associated with improved customer acquisition alongside improved profitability.

10. Empirical Review

Amegbe *et al*. (2023) [3] examined the relationship between social media adoption and marketing performance among SMEs in Ghana and demonstrated the importance of organizational and technological factors in SME marketing performance. Ayokunmi *et al*. (2024) [5] investigated SMEs in Ibadan City, Nigeria, and showed that informativeness and interactivity significantly influenced SME performance.

Abdullahi *et al*. (2024) [1] examined SMEs in Kogi State and found significant positive effects of social media and email marketing on SME performance. Oludoyi *et al*. (2024) [14] investigated social media marketing and performance among SMEs in South-West Nigeria, while Akisanmi *et al*. (2025) [2] found that digital marketing ROI significantly predicted financial performance among Nigerian SMEs.

Ekpenyong *et al*. (2025) [7] studied SME operators in Effurun, Delta State, and found statistically significant positive effects of email marketing, mobile marketing, social media marketing and SEO on SME growth. George *et al*. (2025) [8] reported that digital marketing contributed to customer engagement and brand awareness among SMEs in Port Harcourt, while also identifying infrastructure and digital-literacy constraints.

11. Gap in the Literature

The reviewed literature provides substantial evidence that online and digital marketing positively influence various dimensions of SME performance. Nevertheless, important gaps remain. A considerable proportion of Nigerian studies have examined digital marketing outside Enugu State, while comparatively limited empirical evidence focuses specifically on SMEs in Enugu State.

Previous studies also frequently conceptualize SME performance broadly through customer satisfaction, growth, brand awareness, market share or general organizational performance. Fewer studies employ a multidimensional financial measure integrating monthly sales, net profit margin and online marketing return on investment. In addition, many studies concentrate predominantly on social media marketing and test direct relationships without adequately explaining the mechanism through which online marketing produces financial outcomes.

The present study addresses these gaps by examining 550 SMEs across trade, services and manufacturing in Enugu State and testing an integrated model in which social media marketing, search engine marketing and email/content marketing form overall online marketing, which influences marketing effectiveness and ultimately business profitability.

Methodology

1. Research Design

The study adopted a quantitative cross-sectional survey research design to examine the effect of online marketing on the profitability of SMEs in Enugu State, Nigeria. The design facilitates examination of associations, predictive relationships and the mediating pathway Online Marketing → Marketing Effectiveness → Business Profitability.

2. Area of the Study

The study was conducted in Enugu State, South-East Nigeria. It covered SMEs located in Enugu North, Enugu South, Nsukka, Udi, Ezeagu and other selected LGAs, thereby incorporating major urban commercial centres and less densely urbanized business environments.

3. Population of the Study

The target population consisted of registered SMEs operating in Enugu State, particularly enterprises within the trade, services and manufacturing sectors. The unit of analysis was the individual SME, represented by an owner, manager or knowledgeable senior employee.

4. Sample Size and Sampling Procedure
A sample of 550 SMEs was used. The allocation consisted of approximately 120 SMEs from Enugu North, 110 from Enugu South, 100 from Nsukka, 80 from Udi, 70 from Ezeagu and 70 from other selected LGAs. A multistage sampling procedure was adopted, incorporating purposive selection of relevant commercial LGAs, sectoral stratification and selection of participating registered SMEs.

5. Sources and Method of Data Collection
The study relied principally on primary data obtained from SME owners and managers using a structured research instrument. Information collected covered enterprise characteristics, adoption and intensity of online marketing practices, customer acquisition, brand visibility, sales, profit margins and returns from online marketing.

6. Measurement and Operationalization of Variables
The independent variable, Online Marketing, was measured through Social Media Marketing, Search Engine Marketing and Email/Content Marketing on five-point scales. The Overall Online Marketing Index was calculated as the average of these three dimensions. Marketing Effectiveness was operationalized through customer acquisition and brand visibility. Profitability was assessed using monthly sales, net profit margin, ROI from online marketing and a standardized Business Profitability Index. Control variables included sector, years of operation and number of employees.

7. Reliability and Validity of the Instrument
Internal consistency reliability was assessed using Cronbach's alpha. Social Media Marketing recorded $\alpha = .89$, Search Engine Marketing $\alpha = .86$, and Email/Content Marketing $\alpha = .84$. These coefficients exceed the conventional .70 threshold and indicate satisfactory internal consistency.

8. Model Specification
The principal model specified Business Profitability Index as a function of Overall Online Marketing and control variables. A second model estimated the individual contributions of Social Media Marketing, Search Engine Marketing and Email/Content Marketing. Mediation analysis estimated the a-path from online marketing to marketing effectiveness, the b-path from marketing effectiveness to profitability, the direct effect c', and the indirect effect a×b.

9. Method of Data Analysis
Data were analyzed using SPSS and/or Stata. Descriptive statistics summarized the data; Pearson correlation assessed bivariate relationships; multiple regression estimated effects while controlling for enterprise characteristics; and Hayes' PROCESS Model 4 with 5,000 bootstrap resamples and 95% confidence intervals was specified for mediation analysis. Statistical significance was evaluated at $\alpha = .05$.

10. Diagnostic Tests
Linearity, multicollinearity, residual normality and homoscedasticity were evaluated using appropriate diagnostics. Variance Inflation Factor values substantially below 10 were interpreted as indicating absence of problematic multicollinearity. Heteroskedasticity-robust standard errors were considered where necessary.

11. Ethical Considerations
Participation was voluntary and respondents were informed of the academic purpose of the research. Confidentiality and anonymity were maintained through numerical SME identification codes, and financial information was reported only in aggregate form.

12. Decision Rule for Hypotheses
Null hypotheses were rejected where $p < .05$. For mediation, the indirect effect was considered statistically significant where its 95% bootstrap confidence interval excluded zero.

Results and Discussion
1. Introduction
This section presents and interprets the findings on the relationship between online marketing and the profitability of SMEs in Enugu State, Nigeria. The results reported are based on the supplied summary statistical outcomes, particularly $r = .52$ between overall online marketing and profitability, $r = .68$ between marketing effectiveness and profitability, and the reported 35% higher net profit margin among SMEs using all three online-marketing channels. Full regression and bootstrap coefficients should be generated from the complete 550-case dataset before journal submission rather than inferred from incomplete rows.

2. Characteristics of the SMEs
The study covered 550 SMEs in Enugu State drawn primarily from the trade, services and manufacturing sectors. The sampling structure included 120 SMEs from Enugu North, 110 from Enugu South, 100 from Nsukka, 80 from Udi, 70 from Ezeagu and 70 from other selected areas.

Location	Number of SMEs	Percentage
Enugu North	120	21.8
Enugu South	110	20.0
Nsukka	100	18.2
Udi	80	14.5
Ezeagu	70	12.7
Other LGAs	70	12.7
Total	550	100.0

3. Online Marketing Practices Among the SMEs
The study examined social media marketing, search engine marketing and email/content marketing. Inspection of the supplied observations indicates that social media marketing generally recorded higher scores than search engine marketing and email/content marketing, suggesting that SMEs may find social media platforms relatively easier and more accessible than more technically demanding digital promotion. This pattern is consistent with recent Nigerian studies emphasizing the importance of social media interactivity and informativeness to SME performance (Ayokunmi *et al*., 2024; Oludoyi *et al*., 2024) [5, 14].

4. Relationship Between Overall Online Marketing and Profitability

Variables	r	p	Decision
Overall Online Marketing and Business Profitability	.52	< .01	Significant positive relationship

The result indicates a moderate-to-strong positive correlation between overall online marketing and business profitability ($r = .52$, $p < .01$). Squaring the correlation yields approximately .270, indicating about 27% shared bivariate variance. This should not be interpreted as proof that online marketing alone causes 27% of profitability, but it provides evidence of a meaningful association. The finding supports recent Nigerian evidence linking digital marketing with SME growth and financial performance (Akisanmi *et al*., 2025; Ekpenyong *et al*., 2025) [2, 7].

5. Marketing Effectiveness and SME Profitability

Variables	r	p	Decision
Marketing Effectiveness and Business Profitability	.68	< .01	Significant positive relationship

The correlation coefficient of $r = .68$, $p < .01$ indicates a strong positive relationship between marketing effectiveness and SME profitability. The squared correlation is approximately .462, showing about 46.2% shared bivariate variance. The stronger relationship suggests that the commercial value of online marketing depends substantially on whether it generates customer acquisition and brand visibility.

6. Integrated Online Marketing and Net Profit Margin

Online Marketing Approach	Relative Net Profit Margin
Limited/non-integrated online marketing	Baseline
Integrated use of all three online channels	Approximately 35% higher

The reported result indicates that SMEs utilizing social media marketing, search engine marketing and email/content marketing together recorded approximately 35% higher net profit margins than SMEs with less integrated approaches. This suggests complementarity across channels: social media can create awareness, search marketing can improve discoverability, and direct content communication can support follow-up and retention.

7. Effects of the Dimensions of Online Marketing

The supplied observations show positive patterns between social media marketing, search engine marketing, email/content marketing and profitability. However, exact standardized regression coefficients and significance levels for the three dimensions require the complete 550-case dataset. Consequently, hypotheses concerning the individual dimensions should be regarded as pending full regression confirmation rather than assigned invented coefficients.

8. Mediation Analysis

The central mediation model is Overall Online Marketing → Marketing Effectiveness → Business Profitability. The observed correlation structure provides preliminary support for this mechanism because overall online marketing is significantly associated with profitability while marketing effectiveness demonstrates an even stronger association with profitability. Formal confirmation requires the PROCESS Model 4 indirect effect and its 95% bootstrap confidence interval. The mediation hypothesis is supported only if that interval excludes zero.

9. Discussion of Major Findings

The principal finding is that online marketing is positively associated with SME profitability in Enugu State. Digital channels expand geographic reach, facilitate direct interaction, improve targeting and generate measurable performance information. The stronger relationship between marketing effectiveness and profitability emphasizes the distinction between digital activity and digital effectiveness. Frequent online posting has limited business value unless it produces enquiries, customers, brand recognition, conversions and sales.

10. Findings in Relation to the TOE Framework

The results are consistent with the Technology-Organization-Environment framework. Technological availability provides digital tools; organizational resources and skills determine effective utilization; and environmental pressures from customers and competitors encourage digital adoption. Profitability therefore depends on the interaction between technology, organizational capability and the external competitive environment.

11. Summary of Hypothesis Outcomes

Hypothesis	Available Result	Decision
H1: Overall online marketing significantly affects SME profitability	$r = .52$, $p < .01$	Supported at bivariate level
H2: Social media marketing significantly affects SME profitability	Positive pattern; complete regression needed	Pending full regression confirmation
H3: Search engine marketing significantly affects SME profitability	Positive pattern; complete regression needed	Pending full regression confirmation
H4: Email/content marketing significantly affects SME profitability	Positive pattern; complete regression needed	Pending full regression confirmation
H5: Marketing effectiveness mediates online marketing and profitability	R (ME, profitability) = .68, $p < .01$; bootstrap indirect effect required	Preliminary support; PROCESS confirmation required

Conclusion and Recommendations

1. Conclusion

This study examined the effects of online marketing on the profitability of SMEs in Enugu State, Nigeria, with particular emphasis on the mediating role of marketing effectiveness. Online marketing was operationalized through social media marketing, search engine marketing, and email/content marketing, while marketing effectiveness was represented by customer acquisition and brand visibility.

The findings indicate that overall online marketing has a positive and statistically significant relationship with profitability ($r = .52$, $p < .01$). Marketing effectiveness was even more strongly associated with profitability ($r = .68$, $p < .01$), underscoring the importance of converting digital activities into customer acquisition and brand visibility.

SMEs utilizing an integrated combination of social media, search engine, and email/content marketing reportedly achieved approximately 35% higher net profit margins than firms relying on less diversified approaches. The result suggests that the different digital channels can complement one another across the customer journey.

The study concludes that online marketing can contribute significantly to the profitability and sustainability of SMEs in Enugu State when strategically planned, integrated and evaluated on the basis of measurable business outcomes. Marketing effectiveness represents an important explanatory pathway through which digital marketing can translate into financial performance.

2. Recommendations

1. SMEs should adopt integrated online marketing strategies combining social media, search engine and email/content marketing rather than relying exclusively on a single platform.
2. SME owners should evaluate digital marketing through measurable indicators such as new customers acquired, conversion rates, online-generated revenue, customer retention, brand reach and return on marketing expenditure.
3. SMEs should strengthen social media marketing competence through consistent, relevant and audience-focused content on appropriate platforms.
4. SMEs should improve search engine visibility through search engine optimization, accurate business profiles, relevant keywords and paid search advertising where financially feasible.
5. Email, WhatsApp and content marketing should be used systematically for customer retention, repeat sales and personalized communication, with appropriate customer consent.
6. SMEs should track online marketing return on investment and compare digital marketing costs with attributable sales and profits.
7. Government agencies, business associations, universities and SME-development organizations should expand practical digital marketing training for SME owners and employees.
8. SME support programmes should incorporate digital capability development alongside access to finance.
9. Government should continue to improve broadband connectivity, electricity supply, internet affordability and digital payment infrastructure.
10. SMEs should adopt data-driven marketing decisions using platform analytics, customer information and conversion data.
11. Businesses should strengthen online credibility through accurate product information, transparent pricing, secure payment practices and responsive customer service.
12. Sector-specific digital marketing strategies should be encouraged because trade, services and manufacturing enterprises have different customer behaviours and marketing requirements.

3. Contribution to Knowledge

The study contributes to SME literature by demonstrating that online marketing and profitability should be understood beyond a simple direct-effect model. By introducing marketing effectiveness as a mediating mechanism, the study highlights customer acquisition and brand visibility as important pathways through which digital marketing activities can translate into financial outcomes. It also integrates three major online marketing dimensions and multiple profitability indicators within a location-specific study of Enugu State.

4. Suggestions for Further Studies

Future studies should employ longitudinal designs, compare SMEs across states or geopolitical zones, examine additional mediators such as customer engagement and loyalty, and incorporate objective platform analytics, verified advertising expenditure, conversion data and audited financial information where available.

References

1. Abdullahi SS, Ogbadu EE, Yunusa A. Digital marketing and the performance of small and medium enterprises in Kogi State. Journal of Business Management, Innovation and Creativity, 2024, 3(2).
2. Akisanmi DO, Ajayi OP, Oyewole JS, Abudu OJ, Faruna HA, Anike ET, *et al*. Digital marketing return on investment (ROI) and financial performance in Nigeria SMEs. Journal of Global Economics, Management and Business Research,2025:17(3):128–142. https://doi.org/10.56557/jgembr/2025/v17i39692
3. Amegbe H, Zungu NP, Asamoah ES. How does SME social media adoption drive marketing performance? African Journal of Inter/Multidisciplinary Studies,2023:5(1):1–17. https://doi.org/10.51415/ajims.v5i1.1174
4. Amegbe H, Zungu NP, Hanu C. SMEs social media adoption and financial and non-financial marketing performance. Management Science Letters,2023:13(3):162–174. https://doi.org/10.5267/j.msl.2023.4.005
5. Ayokunmi LA, Abu Seman NA, Rashid UK. Social media marketing and SME performance in Ibadan City. Selangor Business Review,2024:9(2):62–75.
6. Chaffey D, Ellis-Chadwick F. Digital marketing: Strategy, implementation and practice. 8th ed. Pearson, 2022.
7. Ekpenyong JE, Ebulogu OG, Eke RI. Digital marketing as a catalyst for the growth of small and medium enterprises (SMEs) in Effurun, Delta State, Nigeria. British Journal of Marketing Studies,2025:13(6):72–90. https://doi.org/10.37745/bjms.2013/vol13n67290
8. George E, Oge T, John OC. The role of digital marketing in enhancing the growth of small and medium enterprises in Port Harcourt Metropolis, Rivers State, Nigeria. Àgídìgbo: ABUAD Journal of the Humanities,2025:13(1):174–183. https://doi.org/10.53982/agidigbo.2025.1301.13-j
9. Hair JF, Hult GTM, Ringle CM, Sarstedt M. A primer on partial least squares structural equation modeling (PLS-SEM). 3rd ed. SAGE Publications, 2022.
10. Hayes AF. Introduction to mediation, moderation, and conditional process analysis: A regression-based approach. 3rd ed. Guilford Press, 2022.

11. Ilesanmi OA, Oyedepo OH. Digital marketing and performance of SMEs in Nigeria. International Journal of Intellectual Discourse,2023:6(3):253–264.
12. Kotler P, Keller KL, Chernev A. Marketing management. 16th ed. Pearson, 2022.
13. Nura MA, Usman U, Saidu I. Evaluating the influence of social media marketing on the performance of small businesses in Birnin Kebbi, Kebbi State, Nigeria. UMYU Journal of Accounting and Finance Research,2024:7(1):98–109. https://doi.org/10.61143/umyu-jafr.7(1)2024.007
14. Oludoyi IO, Adesuyi I, Ayo MF, Buloere SM. Social media marketing and performance of small and medium-sized enterprises in South West Nigeria. International Journal of Asian Business and Management,2024:3(5):659–678. https://doi.org/10.55927/ijabm.v3i5.11576
15. PricewaterhouseCoopers Nigeria. PwC MSME survey 2024: Key trends shaping MSMEs in Nigeria. PwC Nigeria, 2024.
16. Tornatzky LG, Fleischer M. The processes of technological innovation. Lexington Books, 1990.