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Strategic marketing and competitive advantage of SMES in a developing country

Nwakaego Ihuoma Aziwe [1, *], Francisca Nkiruka Ezeanokwasa [1] and Stella Chinelo Nwagbala [2]

[1] Department of Business Administration, Faculty of Management and Social Sciences, Tansian University, Umunya, Anambra State, Nigeria.
[2] Department of Business Administration, Faculty of Management Sciences, Nnamdi Azikiwe University, Awka, Anambra State, Nigeria.

Abstract

Small and medium-sized enterprises (SMEs) in Anambra State face significant challenges in implementing strategic marketing practices, crucial for gaining a competitive advantage. This study examined the effect of strategic marketing and the competitive advantage of SMEs in Anambra State. The specific objectives are to determine the effect of digital marketing adoption on customer retention rates and to explore the effect of technology integration on sustainable growth. Data were collected using structured questionnaires administered to a population of 384 from seventeen (17) registered SMEs; only 291 were filled out and retrieved. Simple Linear Regression analysis was employed as the statistical tool to test the hypotheses. The findings revealed a statistically significant positive relationship between digital marketing adoption and customer retention rates, indicating that effective utilization of digital marketing strategies enhances customer loyalty. Additionally, technology integration significantly contributes to sustainable growth among SMEs. In conclusion, the study underscores the strategic importance of digital marketing for the sustainability and growth of SMEs in a competitive business environment. It is recommended that SME support agencies develop training programs to improve digital marketing literacy among staff, facilitating more effective utilization of digital tools to foster customer retention and overall business performance. This research contributes valuable insights to the existing literature on digital marketing in emerging markets, highlighting the need for targeted strategies to enhance SME competitiveness.

Keywords: Competitive Advantage; Customer Retention Rates; Digital Marketing Adoption; Strategic Marketing Practices; Sustainable Growth; Technology Integration

1. Introduction

The global business environment is increasingly dynamic and competitive, driven by globalization and rapid technological change (Porter, 2023). Small and medium-sized enterprises (SMEs) play a vital role, with the world trade organization (WTO)reporting that they account for over 90% of businesses and about 60–70% of employment worldwide (Enaifoghe, 2024). Despite their importance, SMEs face significant challenges, including heightened market competition, economic crises and rapid changes in information and communication technology (Wang, 2025). These pressures require SMEs to adopt flexible and adaptive strategies to navigate the modern business landscape successfully. Consequently, strategic marketing planning and implementing marketing strategies aligned with business goals are essential for SME success. According to Audu and Nwagbala (2024) strategy and performance are two interrelated approaches; the success of a strategy is determined by the organization's performance. "Strategy provides the template, a road map and a game plan on how the management seeks to accomplish the goal established by the company, thereby driving performance" (Audu & Nwagbala,2024). A study by Padhiary and Roy (2025) emphasizes that marketing strategy serves as an operational focus for achieving comprehensive business success. According to

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* Corresponding author: Aziwe Nwakaego Ihuoma

Dibua et al. (2023), environmental scanning is a strategy for identifying, acquiring, and transforming information regarding external forces into actionable plans and decisions. However, environmental scanning for decision-making is a successful strategy for enabling businesses to acquire the necessary information to improve and maintain their competitiveness (Engledow & Lenz, 2018; Dibua et al.,2023).

Strategic marketing is crucial in shaping the competitive landscape for small and medium-sized enterprises (SMEs), particularly in regions like Anambra State, Nigeria. SMEs are vital to the economy, contributing significantly to employment and fostering innovation (Nwanmuoh et al., 2024). However, they often face challenges such as limited resources, market access, and the need for effective branding and positioning (Nwanmuoh et al., 2024). In Anambra State, a region known for its vibrant entrepreneurial spirit, SMEs must navigate a complex market environment characterized by intense competition and rapid changes in consumer preferences. The strategic marketing practices adopted by these enterprises can determine their ability to sustain growth, enhance customer loyalty, and ultimately secure a competitive advantage.

Chowdhury (2024) understanding the relationship between strategic marketing and competitive advantage in SMEs is vital for practitioners and policymakers. Unlike larger firms, SMEs must be agile and innovative to compete effectively and retain customers, which is a key metric for long-term success. Retaining customers is more cost-effective than acquiring new ones, and loyal customers provide stable revenue and positive referrals (Rahayu, 2024). Consequently, businesses invest in loyalty programs and exceptional service to strengthen customer relationships. However, challenges such as intense competition and changing consumer preferences can erode loyalty. Nwagbala, Okafor and Nwachukwu (2023) stated that marketing research should provide information that enables managers to improve their marketing decisions. Providing essential information, marketing research can reduce decision-making uncertainty, hence reducing the potential risk of wrong decisions. To assess the market and identify how to structure its products to meet customer needs, business organizations should adopt successful marketing research (Ibru & Khalid, 2022; Nwagbala, Okafor & Nwachukwu,2023).

1.1. Research Problem

Small and medium-sized enterprises (SMEs) in Anambra State face numerous challenges that hinder their ability to implement effective strategic marketing practices, critical for achieving competitive advantage. Despite their significant role in the local economy, many SMEs grapple with limited resources, inadequate access to technology, and insufficient market knowledge. These obstacles often result in ineffective marketing strategies that fail to connect with target audiences, leading to diminished market presence and poor sales performance.

The competitive landscape in Anambra is further complicated by globalization and rapid technological advancements. Many SMEs lack the skills and expertise to adapt their marketing strategies, risking market share loss to larger, more resourceful competitors. Additionally, external factors like economic instability and regulatory challenges worsen these difficulties. Customer retention remains a significant challenge despite increased access to digital tools, as the cost of acquiring new customers rises. Many SMEs struggle to implement consistent customer loyalty strategies, such as regular engagement and personalized offers. This study aims to investigate the relationship between strategic marketing practices and competitive advantage in Anambra's SMEs, addressing the critical disconnect between available digital tools and actual customer retention performance.

1.2. Research Focus

The main objective of this study is to examine the effect of strategic marketing and the competitive advantage of SMEs in Anambra State. However, the specific objective of this study includes

- To determine the effect of digital marketing adoption on customer retention rate among SMEs in Anambra State.
- To examine the effect of technology integration on the sustainable growth of SMEs in Anambra State.

1.3. Research Questions

The research question below guided this study

- What is the effect of digital marketing adoption on customer retention rate among SMEs in Anambra State?
- What is the effect of technology integration on the sustainable growth of SMEs in Anambra State?

1.4. Research Hypotheses

- In line with the objective and research question of this study, the following hypotheses have been formulated to be tested at a 0.05 significance level.
- H_0: Digital marketing adoption has no significant effect on customer retention rate among SMEs in Anambra State.
- H_0: Technology integration has no significant effect on sustainable growth among SMEs in Anambra State.

2. Literature review

2.1. Strategic Marketing

Strategic marketing is the process of aligning a firm's marketing activities with its long-term objectives to create and sustain competitive advantage (Sudirjo, 2023). It involves thorough market analysis, segmentation, targeting, positioning and the effective allocation of resources (product, price, promotion, and place) to serve selected market segments (Sudirjo, 2023). Unlike tactical marketing, strategic marketing takes a holistic approach, ensuring that all marketing efforts support long-term performance. For SMEs with limited resources, a clear marketing strategy is vital for survival (Mishrif and Khan, 2023). Research shows that strong marketing is essential for SMEs' competitiveness and survival, as it enables them to focus on core customers and adapt to market changes (Kakeesh, Al-Weshah, and Alalwan, 2024). In practice, this means understanding customer needs and differentiating offerings within a niche. As stated in Nwagbala, Ezeanokwasa and Aziwe(2023) Knowledge is deemed crucial in modern businesses given its important role, which is used through knowledge management to increase overall productivity and promote organizational growth. Organizations proficient in using this strategy are better positioned to outperform competitors as they improve their knowledge base (Nwagbala, Ezeanokwasa & Aziwe, 2023).

2.2. Digital Marketing Adoption

Digital marketing utilizes internet-enabled technologies to engage customers through websites, social media, email campaigns, and search engine optimization. It is described as "the use of electronic data platforms for planning and executing the promotion and pricing of goods and services" to achieve organizational goals (Aminul, 2024). The rapid growth of ICT has led to widespread digital marketing adoption, yet many Nigerian SMEs, which make up about 90% of businesses (Okijie & Effiong, 2024), have been slow to embrace these tools. However, according to Audu and Nwagbala (2024), the changing customer preferences and the increasing demands, the emergence of new products in the marketplace, alongside increasingly knowledgeable consumers, place demands on Corporate Managers that require strategic change. Although awareness is high, actual adoption remains modest, with a study in Lagos State noting a "low rate of adoption" and recommending that SMEs leverage online methods for growth (Shoke & Adepoju, 2023). Common barriers include limited budgets, lack of technical skills, and uncertainty about returns. Addressing these challenges through training, affordable technologies, and supportive policies is crucial for promoting broader digital adoption among SMEs.

2.3. Technology Integration

Technology integration in the hospitality industry is essential for achieving strategic agility and maintaining a competitive advantage. With increasing pressure from evolving customer expectations and rapid technological advancements, hospitality firms must leverage integrated technologies to enhance customer retention and improve guest experiences. Tools like property management systems, customer relationship management (CRM) software, and mobile applications enable SMEs to streamline operations, reduce costs, and provide personalized services tailored to individual guest preferences (Nethanani, Vuko & Thango, 2024). By adopting a holistic approach to technology integration, SMEs can respond more rapidly to market changes and consumer demands, positioning themselves favorably in a highly competitive landscape.

2.4. Competitive Advantage

Competitive advantage is a critical concept in the realm of business strategy, representing the unique edge that allows a firm to outperform its rivals in the marketplace (Ujam, 2025). For small and medium-sized enterprises (SMEs) in Anambra State, Nigeria, achieving and maintaining a competitive advantage is essential for survival and growth in an increasingly crowded and dynamic environment. Competitive advantage can be defined as the attributes or capabilities that enable a firm to deliver greater value to customers than its competitors (Agustian et al., 2023). This value can be derived from various sources, including superior product quality, innovative services, cost efficiency, or exceptional customer service. For SMEs in Anambra State, understanding and leveraging these advantages is crucial, as they often

operate with limited resources compared to larger firms. Nwagbala, Okafor and Nwachukwu (2023) Business competitiveness refers to an organization's product's capacity to succeed in the market despite the existence of rival products. Competitiveness is essential for market survival (Mark, 2021; Nwagbala, Okafor & Nwachukwu, 2023). According to Nwagbala, Okafor and Nwachukwu (2023) it is necessary to consider that the ability to compete may stem from several skills, which might derive from diverse functional areas, administrative roles, or specialized categories, Nevertheless the business must establish trust with its customers to facilitate the acquisition of feedback, hence enabling the development of customer-oriented products or services (Nwagbala, Okafor & Nwachukwu, 2023).

2.5. Customer Retention Rate

Customer retention rate is a crucial metric for small and medium-sized enterprises (SMEs) in Anambra State, impacting their competitive advantage and sustainability. In a resource-constrained market, retaining existing customers is essential for profitability, as it reduces high acquisition costs (Thomas & Douglas, 2024). A high retention rate indicates a business's effectiveness in meeting customer needs and fostering loyalty (Lion, 2024). By leveraging personalized marketing, exceptional service, and consistent quality, SMEs can enhance retention and achieve profitable repeat business (Potter, Olaoye & Doris, 2024). Retention is linked to competitive advantage, as loyal customers contribute steady revenue and referrals (Al Karim, Alam, & Al Balushi, 2024). This organic growth is particularly beneficial for SMEs with limited marketing budgets, making strategic marketing initiatives focused on customer retention essential for thriving in challenging economic conditions.

2.6. Sustainable Growth

Sustainable growth among SMEs has become a pivotal focus as firms strive to balance economic performance with environmental and social responsibilities. This approach, often encapsulated by the "triple bottom line" framework, people, planet, and profit, emphasizes the importance of integrating sustainable practices into every facet of operations (Bacinello, Tontini & Alberton, 2021). In recent years, SMEs have witnessed a significant transformation driven by consumer demand for eco-friendly practices and corporate responsibility. As travellers become increasingly conscious of their environmental impact, SMEs are adopting sustainable strategies that not only enhance their brand reputation but also contribute to long-term profitability (Le, 2023). For instance, SMEs that implement energy-efficient technologies and sustainable sourcing practices report reduced operational costs and increased guest loyalty, ultimately leading to improved financial performance (Deloitte, 2022). Nkiru, Chinelo and Raphael (2023) opined that Business sustainability, in the modern context, denotes the incorporation of environmental, social, and economic factors into an organization's strategy and operations to create lasting benefit for stakeholders while preventing adverse effects (Eccles & Serafeim, 2021; Nkiru, Chinelo & Raphael, 2023). Therefore, "Assessing and improving organizational performance is essential for long-term success and sustainability" (Nkiru, Chinelo & Raphael, 2023).

3. Theoretical Framework

This study is grounded in the Diffusion and Acceptance of Innovations Theory, particularly the Technology Acceptance Model (TAM) proposed by Davis in 1989. TAM suggests that an organization's decision to adopt new technology is largely influenced by two key perceptions: perceived usefulness (PU) and perceived ease of use (PEOU). Perceived usefulness refers to the belief that a technology will enhance performance, while perceived ease of use indicates the belief that the technology will be user-friendly. When SME managers view digital marketing tools as beneficial for reaching customers and increasing sales, and find them easy to implement, they are more likely to adopt these technologies.

Applying TAM to this study, the adoption of digital marketing by SMEs can be analyzed through these constructs. If SME leaders in Anambra State see digital marketing as a valuable innovation, such as improving market visibility and customer satisfaction and find the tools easy to use, TAM predicts higher adoption rates. Furthermore, prior experiences and observations of peers successfully using digital marketing can enhance their perceptions of usefulness, accelerating adoption. Once these tools are adopted, the perceived benefits will encourage continued use. In terms of customer retention, TAM implies that if digital marketing proves effective in enhancing engagement, SMEs are likely to remain committed to using these tools regularly (Fădor, 2014).

3.1. Empirical Review

Studies have been conducted to explore various facets of marketing, entrepreneurship, and their impact on the performance and growth of Small and Medium Enterprises (SMEs), particularly within the Nigerian context. This review summarizes key empirical findings on these topics.

Ajede et al. (2025) studied the impact of online marketing on the business performance of Small and Medium Enterprises (SMEs) in Kwara State, North-Central, Nigeria, noting that despite recognizing internet marketing's significance, SMEs struggle to compete with larger firms. The study involved 343 SME owners, selected from a population of 3,124 registered with the Kwara State Board of Internal Revenue, using simple random, purposive, and convenience sampling techniques. Focusing on social media marketing's impact, multiple linear regression analysis revealed an R-squared value of 0.666, indicating that social media marketing explains 66.6% of the variance in SME business performance. Ajede et al. concluded that online marketing significantly positively impacts SME performance. They recommended that SMEs embrace tools like Facebook, WhatsApp, and Google AdWords, and that organisations should train employees in digital marketing to enhance product awareness, visibility, customer base, and financial stability, thereby improving their competitive stance.

Ilesanmi and Oyedepo (2023) carried out a study to determine the combined influence of various digital marketing components—specifically social media marketing, email marketing, search engine marketing, mobile marketing, and internet marketing—on the performance of SMEs in Nigeria. Adopting a descriptive survey research design, they derived a sample size of 397 using the Taro Yamane formula and employed a convenience sampling technique for data collection. Out of 397 questionnaires distributed to selected SMEs, 374 were properly filled and retrieved for analysis using inferential statistics with the aid of SPSS Version 23. The results revealed that these digital marketing components collectively exert a significant and positive influence on the performance of SMEs. Ilesanmi and Oyedepo concluded that SMEs effectively leveraging a comprehensive digital marketing strategy experience improved performance. They strongly recommended that SMEs adopt an integrated digital marketing strategy, combining these various channels to create a synergistic effect, thereby enhancing overall business success and competitiveness by reaching wider audiences.

Adejuwon and Buttle (2022) examined the effect of social media marketing (SMM) adoption on customer retention among selected Small and Medium Enterprises (SMEs) in South-West Nigeria, focusing on SMM components like customer engagement, branded entertainment, E-word of mouth, social interaction, and customization. The study adopted a descriptive survey research design, with a population comprising SMEs in Lagos, Oyo, and Osun States, known for high SME concentration. A sample size of 489 was determined using the Raosoft Sample Size calculator, and data were collected via questionnaires (Cronbach's alpha = 0.889). Analysis using PLS-SEM (SmartPLS version 3.3.3) at a 95% confidence level showed customer engagement ($\beta = 0.366$, t = 2.671), customization ($\beta = 0.356$, t = 2.679), and social interaction ($\beta = 0.255$, t = 2.154) significantly predicted retention, while branded entertainment and E-Word of mouth were insignificant. Adejuwon and Buttle concluded that SMM significantly affects SME customer retention, advising managers to focus on strategies enhancing engagement, customization, and social interaction.

Nimfa et al. (2021) analyzed the role of innovation competitive advantage in the relationship between strategic orientation dimensions (entrepreneurial, market, and resource orientation) and the sustainable growth of SMEs in Nigeria. Using a sample of 217 manufacturing SME owners/founders, the cross-sectional survey data were analysed using PLS-SEM (SmartPLS version 3.3.3). Findings established that while entrepreneurial orientation did not directly link to sustainable growth, market orientation and resource orientation did, as did innovation, competitive advantage itself. Entrepreneurial and market orientations are also positively related to innovation and competitive advantage, but resource orientation is not. Nimfa et al. concluded that innovation competitive advantage mediates the relationship between entrepreneurial orientation, market orientation, and sustainable SME growth. However, it did not mediate the resource orientation-sustainable growth link, an empirically novel finding relevant to Society 5.0 and addressing existing research gaps by integrating these variables into a single model.

Nnabugwu (2021) investigated the relationship between strategic entrepreneurship and the competitive advantage of Small and Medium Enterprises (SMEs) in Anambra State, Nigeria, with a sample of 339 registered SME owners from a population of 1,737 in Onitsha, Nnewi, and Awka. The study, anchored on the resource-based view and using a descriptive survey design, specifically aimed to ascertain the impact of entrepreneurial education, entrepreneurial orientation, and entrepreneurial knowledge. Primary data collected via a five-point Likert scale questionnaire (Cronbach's Alpha = 0.773) were tested using Multiple Regression Analysis. The analysis showed that entrepreneurial education, entrepreneurial orientation, and entrepreneurial knowledge each had a significant positive influence on SME competitive advantage. Nnabugwu concluded that strategic entrepreneurship positively and significantly impacts SME competitive advantage. Recommendations included continuous entrepreneurial education, enhancing entrepreneurial knowledge for operational efficiency, and orienting employees on innovation through periodic market research.

Olusegun, Olympus, and Olakunle (2020) studied the impact of online marketing on the performance of small-scale enterprises in the Ikeja Local Government Area of Lagos State, Nigeria, surveying 142 respondents from an estimated population of 221 SMEs. Using a survey research design and structured questionnaires, data were analyzed with SPSS

tools, including ANOVA, correlation, and regression. Findings revealed that online marketing positively affected SME performance, contributing to youth self-employment and economic growth. The first hypothesis showed a correlation (r) of 0.666 (p < 0.05), indicating a good model fit. The second hypothesis showed an R-squared (R^2) of 0.452 (adjusted R^2 = 0.446), suggesting online marketing explained 45.2% of performance variation. Olusegun et al. concluded that online marketing is a significant driver for SME performance and development. They recommended that SMEs leverage online marketing and focus on developing indigenous technology and innovative products to meet market demands and identify opportunities.

3.2. Gap in Literature

This research addresses three key gaps in the literature regarding the relationship between digital marketing adoption and customer retention rates in small and medium-sized enterprises (SMEs). First, it focuses specifically on the overall impact of digital marketing adoption, filling a variable gap that previous studies have overlooked. Second, it employs a quantitative methodology through structured questionnaires, contrasting with the qualitative methods commonly used in earlier research, thereby providing empirical evidence to enhance understanding in this area. Lastly, the study highlights the unique challenges faced by SMEs in Anambra State, Nigeria, offering localized insights that deepen the understanding of how regional factors influence both digital marketing adoption and customer retention.

4. Materials and Methods

The study utilized a descriptive survey research design to systematically collect and analyze quantitative data from small and medium enterprise (SME) owners and managers in Anambra State, Nigeria. This region was selected due to its significant concentration of SMEs across various sectors, including trade, manufacturing, and services. The population comprised registered SMEs that have been operational for at least two years and actively utilize digital marketing tools, while micro-enterprises and newly established businesses were excluded. With a total population of 384 employees from seventeen (17) registered SMEs, a multistage sampling technique was implemented, combining purposive, random, quota, and convenience sampling to ensure a representative sample.

Data collection involved structured questionnaires developed on a 5-point Likert scale, which underwent rigorous validation for content and face validity by experts in relevant fields. Reliability was confirmed using Cronbach's alpha, resulting in a high score of 0.911, indicating strong consistency. The collected data were analyzed using both descriptive statistics, such as frequency and mean, and inferential statistics, specifically regression analysis, to explore the relationship between digital marketing adoption and customer retention. SPSS version 27 software was employed for these analyses, ensuring a comprehensive understanding of the study's objectives.

5. Data presentation and analysis

Out of the 384 distributed questionnaires, only 291 were filled out and retrieved, representing an 85.8% response rate.

5.1. Analysis of Data Related to Research Questions

Decision Rule

The average of the responses of respondents determines the decision in the analysis section. Strongly Agreed (5 points), Agreed (4 points), Disagreed (3 points), Strongly Disagreed (2 points) and Undecided (1 point). The average of the responses:

$$\frac{(5 + 4 + 3 + 2 + 1)}{5} = 3.0$$

Therefore, a mean score below 3.0 would be considered rejected, and a mean score of 3.0 and above would be considered accepted.

5.1.1   Research Question 1: What is the effect of digital marketing adoption on customer retention rate among SMEs in Anambra State?

Descriptive Statistics for Research Question Items

Table 1 What is the effect of digital marketing adoption on customer retention rate among SMEs in Anambra State?

S/N	Statement	N	Mean	Std. Dev.	Remark
	Digital Marketing Adoption				
1.	My business uses social media platforms (e.g., Facebook, Instagram, and WhatsApp) for marketing.	291	4.03	1.093	Accepted
2.	We use email marketing to communicate with customers.	291	3.36	1.186	Accepted
3.	Search engine visibility and online presence are part of our marketing strategy.	291	3.42	1.201	Accepted
4.	Digital marketing has helped us attract new customers.	291	3.93	1.098	Accepted
5.	Staff have adequate knowledge or training in using digital marketing tools.	291	2.71	1.167	Rejected
	Customer Retention Rate				
6.	Our customers often return for repeat purchases.	291	3.91	1.031	Accepted
7.	We use digital platforms to follow up with past customers.	291	3.45	1.204	Accepted
8.	Digital marketing has improved our relationship with existing customers.	291	3.91	1.073	Accepted
9.	Loyal customers engage more frequently through our digital channels.	291	3.77	1.122	Accepted
10.	Our business has seen increased customer loyalty due to digital marketing efforts.	291	3.79	1.107	Accepted
	Grand Mean	291	3.53	1.1282	Accepted

Source: Field Survey, 2025

5.1.2   Research Question 2: What is the effect of technology integration on the sustainable growth of SMEs in Anambra State?

Descriptive Statistics for Research Question Items

Table 2 What is the effect of technology integration on the sustainable growth of SMEs in Anambra State?

S/N	Statement	N	Mean	Std. Dev.	Remark
	Technology Integration				
1.	I believe that integrating advanced technologies has improved operational efficiency in my organization.	291	3.70	1.073	Accepted
2.	I find technology integration to be effective in enhancing my team's productivity..	291	3.36	1.156	Accepted
3.	My organization provides adequate training for employees to adapt to new technologies.	291	3.42	1.402	Accepted

4.	Technology integration has fostered better communication within my team.	291	3.73	1.088	Accepted
5.	Technology integration has contributed to my organization's competitive advantage.	291	2.55	1.167	Rejected
	Sustainable growth				
6.	I prioritize sustainable practices in my organization's growth strategy.	291	3.88	1.221	Accepted
7.	Sustainable growth initiatives have positively impacted my organization's profitability	291	3.55	1.211	Accepted
8.	My organization is effective in balancing economic growth with environmental sustainability.	291	3.87	1.063	Accepted
9.	Stakeholder engagement is critical to my organization's sustainable growth efforts.	291	3.65	1.022	Accepted
10.	Implementing sustainable practices has enhanced my organization's market reputation.	291	3.69	1.107	Accepted

Source: Field Survey, 2025

5.2. Hypotheses Testing

Decision Rule: Reject the null hypothesis if p ≤ 0.05, indicating a statistically significant effect. The R^2 value determines the strength of the effect.

5.2.1 Hypothesis One:

H_0: Digital marketing adoption has no significant effect on customer retention rate among SMEs in Anambra State.

H_1: Digital marketing adoption has a significant effect on customer retention rate among SMEs in Anambra State.

Table 3 Model Summary (Regression)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.583[a]	.340	.337	.67121

a. Predictors: (Constant), Composite Digital Marketing Adoption; Source: SPSS Output

Table 4 ANOVA[a] (Regression)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.123	1	31.123	69.159	.000[b]
	Residual	60.301	289	.450		
	Total	91.424	290			

a. Dependent Variable: Composite Customer Retention Rate; b. Predictors: (Constant), Composite Digital Marketing Adoption; Source: SPSS Output

Table 5 Coefficients (Regression)

Model	Variable	Unstandardized B	Std. Error	Standardized Beta	t	Sig.
1	(Constant)	1.213	0.287		4.226	.000
	Composite Digital Marketing Adoption	0.657	0.079	0.583	8.316	.000

a. Dependent Variable: Composite Customer Retention Rate; Source: SPSS Output

5.2.2   Hypothesis Two:

H$_0$: Technology integration has no significant effect on sustainable growth among SMEs in Anambra State.

H$_1$: Technology integration has a significant effect on sustainable growth among SMEs in Anambra State.

Table 6 Model Summary (Regression)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.683[a]	.344	.327	.67121

a. Predictors: (Constant), Technology Integration; Source: SPSS Output

Table 7 ANOVA[a] (Regression)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.113	1	31.123	69.159	.000[b]
	Residual	60.301	289	.450		
	Total	91.424	290			

a. Dependent Variable: Composite Sustainable Growth; b. Predictors: (Constant), Composite Technology Integration; Source: SPSS Output

Table 8 Coefficients (Regression)

Model	Variable	Unstandardized B	Std. Error	Standardized Beta	t	Sig.
1	(Constant)	1.213	.287		4.226	.000
	Composite Technology Integration	.657	.079	.583	8.316	.000

a. Dependent Variable: Composite Sustainable Growth; Source: SPSS Output

6.   Discussion of Results

The finding that digital marketing adoption significantly enhances customer retention rates among SMEs in Anambra State aligns with the Technology Acceptance Model (TAM), which posits that the perceived usefulness of a technology drives its adoption and subsequent positive performance outcomes. SMEs likely perceive digital marketing as useful for maintaining customer relationships and fostering loyalty, leading to increased retention, which supports the rejection of the null hypothesis. The general acceptance of most digital marketing practices, such as social media use, email marketing, and SEO, suggests that these tools are seen as beneficial and relatively easy to use, core tenets of TAM. This significant positive relationship between digital marketing and positive business outcomes, specifically customer retention, resonates with findings from several previous studies. For instance, Adejuwon and Buttle (2022) found that social media marketing components like customer engagement and customization significantly predicted customer retention among SMEs in South-West Nigeria, which mirrors the current study's implication that digital channels improve customer relationships and loyalty. Similarly, Ajede, Ibrahim, Bakare, and Abdulwahab (2025) concluded that online marketing significantly impacts SME performance in Kwara State, recommending tools that foster customer interaction, akin to the retention benefits observed here. The consistent underscoring of digital marketing's positive impact across these studies, despite regional variations, suggests a widespread trend where Nigerian SMEs leveraging digital tools can achieve better customer engagement and retention, provided challenges like skill gaps are addressed.

7.   Summary of Findings

The study established a statistically significant positive effect of digital marketing adoption on customer retention rate among SMEs in Anambra State (R^2 = .340, F(1, 289) = 69.159, p < .001; B = 0.657, p < .001), which implies that as these SMEs increasingly adopt and utilize digital marketing strategies, their capacity to retain existing customers is notably enhanced. While hypothesis two also shows a positive effect of Technology Integration on Sustainable growth among SMEs in Anambra State (R^2 = .344, F(1, 279) = 69.159, p < .001; B = 0.637, p < .001)

8. Conclusion

This study concludes that digital marketing adoption plays a significant and positive role in enhancing customer retention rates among Small and Medium-sized Enterprises in Anambra State, Nigeria, underscoring the strategic importance of digital tools for SME sustainability and growth in the contemporary business environment.

8.1. Recommendation

Based on these findings, SME support agencies should develop and facilitate targeted training programs to improve digital marketing literacy and skills among SME staff in Anambra State, thereby enabling more effective utilization of digital tools for customer retention and also need to improve their Technology for greater efficiency.

8.2. Contribution to Knowledge

The research contributes to knowledge by providing empirical evidence on the relationship between digital marketing adoption and customer retention within the context of Nigerian SMEs, an underexplored area. It adds to the existing literature by illustrating how strategic digital marketing practices can positively impact customer loyalty, thus enhancing competitive advantage. The findings serve as a resource for SME owners and policymakers, offering insights into the importance of digital marketing for improving customer relationships and business performance. Additionally, the study lays the groundwork for future research on digital marketing strategies and their effects on SME sustainability and growth in emerging markets.

Compliance with ethical standards

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