Youtube Adoption on the Performance of Small and Medium Enterprises (SMES) In Buloba Town, Wakiso, Uganda

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Abstract
This study investigates the effect of YouTube adoption on Small and Medium-sized Enterprises (SMEs) performance in Buloba, Uganda, within the framework of the Sustainable Development Goals (SDGs). SMEs play a crucial role in Uganda's economic landscape, contributing significantly to employment and GDP. Despite their importance, SMEs face challenges linked to operational deficiencies. The study, employing a descriptive quantitative survey method, reveals that SMEs in Buloba exhibit high overall performance (mean = 3.51), but their adoption of YouTube for marketing purposes is moderate (mean = 2.92). Significant positive correlations are identified between SME performance and specific aspects of YouTube adoption, emphasizing the strategic importance of maintaining an active online presence and engaging with customers. The regression analysis further highlights the substantial contribution of product marketing to SME performance (Beta = 0.255, p = 0.046). Other factors like skilled usage, platform following, customer engagement, and customer ordering do not show statistically significant effects in the model ($R^2 = 0.28$; F=10.395; p < 0.001). The findings suggest opportunities for improvement in SMEs' YouTube adoption strategies, particularly in product marketing, to enhance overall performance and competitiveness. The study underscores the transformative potential of YouTube for SMEs, emphasizing the need for targeted initiatives to fortify their competitive standing and contribute to sustainable development goals.

Keywords: *SDGs, SME Performance, YouTube, Uganda*

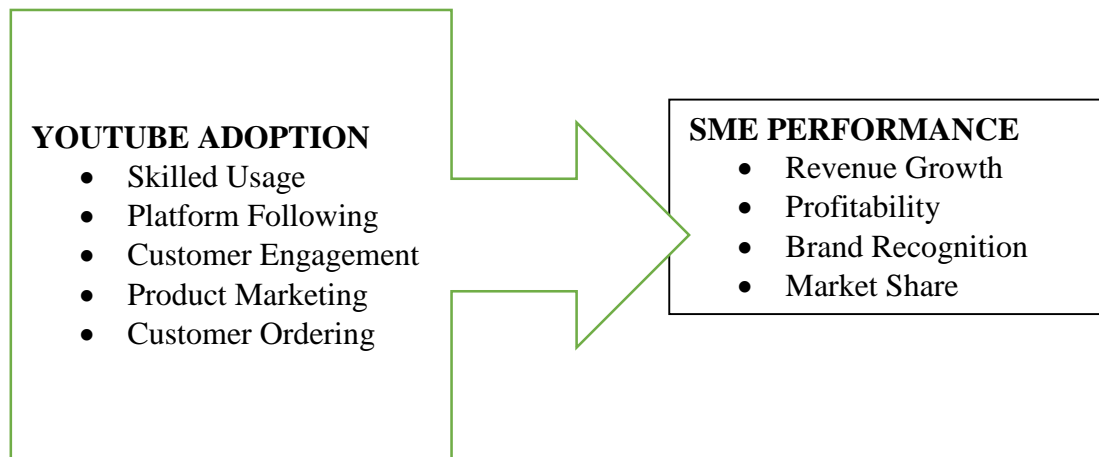
I.   INTRODUCTION

The Sustainable Development Goals (SDGs) emphasize the importance of economic growth, job creation, innovation, and the role of SMEs in achieving sustainable development (Šebestová, 2017). This is more specific to goals 8 and 9 which are related to 'Decent Work and Economic Growth' and 'Industry, Innovation, and Infrastructure' respectively. Small and Medium-sized Enterprises (SMEs) have assumed a progressively pivotal role within the economic landscape of Uganda like many other developing nations. SMEs have emerged as a substantial source of employment, employing over 2.5 million individuals, accounting for, approximately 90 percent, of the private sector's labour force (Jonathan et al 2022). This employment contribution underscores the profound socioeconomic significance of SMEs within the Ugandan context as hinted by the SDGs.

According to data furnished by the Uganda Revenue Authority (URA), SMEs have further demonstrated their economic relevance by contributing significantly to the overall Gross Domestic Product (GDP) of Uganda (Ebong, 2021). This quantifiable economic input supports the argument that SMEs occupy a critical position in the country's economic tapestry and underscoring their salience. Despite their acknowledged significance, it is imperative to acknowledge that SMEs face formidable challenges pertaining to their sustainability and competitive viability. These challenges are linked to deficiencies in their operational governance structures which is a matter of growing concern. These deficiencies impeded the performance trajectories of SMEs, endangering not only their own sustenance but also the livelihoods of the substantial workforce they employ.

Due to its vital role, it is incumbent upon the stakeholders within the African and Ugandan economic landscape in particular to recognize the gravity of the issues and undertake targeted initiatives aimed at enhancing the survival prospects of SMEs (Pascal et al 2022; Jonathan et al 2022). Such endeavours are not just crucial for the longevity of these enterprises but are also instrumental in fortifying their competitive standing, both domestically and on the global stage. In response to this effect, this study sought to explore the role of YouTube adoption and SME Performance. The conceptual framework below was adopted:

YOUTUBE ADOPTION
- Skilled Usage
- Platform Following
- Customer Engagement
- Product Marketing
- Customer Ordering

SME PERFORMANCE
- Revenue Growth
- Profitability
- Brand Recognition
- Market Share

II.   LITERATURE REVIEW

The utilization of social media by SMEs has been investigated in several studies, revealing its pivotal role in enhancing business growth and competitiveness. Rodriguez, Ajjan, & Peterson (2016) found that social media technologies, positively impact customer-oriented processes, subsequently influencing sales performance. These processes encompass understanding customer needs, measuring satisfaction, and aligning marketing activities, all contributing to improved sales and marketing alignment, shorter sales cycles, and better customer collaboration. Gekombe, Tumsifu, & Jani (2019) further supported this notion, emphasizing that social media usage enhances business competitiveness, fosters effective client relationships, and increases visibility, thereby facilitating prospects' access to SME products.

Consumers dedicate a significant amount of time engaging with their preferred brands on various social media platforms, including YouTube. With over half of the global population actively participating in social media usage (Kateri, 2021), the incorporation of these platforms into business strategies has transitioned from a choice to a necessity for small and medium enterprises. Countless advertisements in the form of videos, images, and graphics populate diverse social media channels, effectively reaching millions of users. This approach reduces brand promotion costs and fosters heightened interaction between businesses and their customers. Therefore, social media platform like YouTube has emerged as a frontrunner in the realm of digital marketing, evident in its substantial impact on business performance (Mourtada & Alkhatib, 2014), more so in SMEs.

The evaluation of small and medium enterprises (SMEs) performance is gauged through tangible outcomes, encompassing both financial and non-financial aspects, stemming from the integration of social media technologies like YouTube. The infusion of social media into marketing initiatives has yielded positive financial results for SMEs, including heightened sales and revenue, improved profitability, and decreased communication and promotional expenses. On a non-financial level, there's been an upswing in connectivity, an expanded customer base, heightened brand awareness and reputation, and a fortified competitive advantage, as asserted by Tajuddeen, Jaafar, and Ainin (2018). The utilization of social media platforms such as YouTube significantly contributes to the competitive edge of adopting firms, facilitating managerial communication and collaboration with distributors, consumers, suppliers, and consultants. By leveraging interactive social networks like YouTube, SMEs position themselves strategically to formulate and implement effective strategies that confer market advantages, thus navigating the competitive global market landscape, as posited by Peltier and Naidu (2012). Kakumbi and Phiri (2022) underscore the value of social media for marketing, emphasizing its role in enhancing productivity, query management, and customer satisfaction. Additionally, social media technologies augment an organization's social capital, thereby influencing its overall performance (Ferrer et al., 2013). Collectively, these findings emphasize the influential role of social media in SME performance, highlighting its potential to enrich customer relationships, boost sales, and enhance overall business performance.

III.   METHODOLOGY

This research adopted a descriptive quantitative survey method to assess SME performance in Buloba. The population comprises 170 Buloba SME. A sample size of 120 was derived using the Slovins formula. Sampling involves a straightforward random method; however, 150 questionnaires were administered to mitigate for non-respondents. Data collection employs questionnaires. The questionnaire is structured based on findings about technology adoption and SME performance in Buloba.

Validity assessment, following Mugenda and Mugenda's (2003) measure, employs the Content Valid Index (CVI) for the impact of technology adoption on the SME performance questionnaire. The CVI score of 0.76 confirms its legitimacy. Reliability evaluation, per Kasomo's (2012) consistency concept, employs the test-retest method, yielding a coefficient of 0.81, indicating tool consistency. Ethical considerations were met through university approval, participant consent, and data confidentiality. Participants are briefed, and data collection procedures were adhered to, including questionnaire administration and clarification. After data gathering, editing, and cleaning, SPSS software was used for coding quantitative data. Quantitative analysis employs frequencies, percentages, and cross-tabulation, while Spearman rank correlation examines associations. To establish the effect of YouTube Adoption on SME Performance in Buloba Town, we conducted the multiples regression below:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \mu$

Where:

Y = dependent variable,

β_0 = intercept of Y,

β = parameter of the independent variables, and

u = error term.

To estimate the multiple regression models, it was converted as follows:

$SMEP = \beta_0 + \beta_1 SU + \beta_2 PF + \beta_3 CE + \beta_4 PM + \beta_5 CO + \mu$

Where:

SMEP= SME Performance

β_0 = Constant or Intercept

β_1 = Coefficient of Skilled Usage

β_2 = Coefficient of Platform Following

β_3 = Coefficient of Customer Engagement

β_4 = Coefficient of Product Marketing

β_5 = Coefficient of Customer Ordering

μ = Error term

SL=Skilled Usage

PF=Platform Following

CE=Customer Engagement

PM=Product Marketing

CO=Customer Ordering

The sign of the slope coefficients (β_1 to β_5) was used to establish the effect of the aspects of YouTube adoption on SME Performance. The anticipated expectation of the slope coefficients are as follows: β_1, β_2, β_3, β_4, $\beta_5 > 0$. All the tests were tested at the five percent (5%) significance level.

IV.   RESULTS

4.1   Demographic Characteristics

In Buloba's small and medium-sized enterprises (SMEs), the results show that males make up the majority (50.8%). This suggests that most of the enterprises are run by men, which may be due to the town's growing entrepreneurial environment. The participation of Uganda's youthful population is evident, with 38.3% of respondents under the age of 25. Additionally, the majority of those with a Bachelor's degree (28.2%) are unemployed youths who utilize their tech-savvy skills by turning to entrepreneurship. The statistics on marital status show that 51.7% of individuals are single and 30.8% are married, indicating that young people view SME ownership as a viable alternative to limited career options. The majority (45.8%) have less than five years of work experience, suggesting a dynamic employment landscape that motivates youths to explore various options, including SMEs.

4.2   Descriptive Statistics

Table 1 Levels pf SME Performance and YouTube Adoption

Items	Mean	Std. Deviation	Interpretation
SME Performance	*3.5067*	*.92289*	*High*
YouTube Marketing	*2.916*	*1.174*	*Moderate*
Skilled Usage	2.92	1.274	Moderate
Platform Following	2.84	1.195	Moderate
Customer Engagement	2.83	1.200	Moderate
Product Marketing	2.80	1.234	Moderate
Customer Ordering	2.60	1.219	Moderate

Table 1 presents an analysis of SME performance levels and the adoption of YouTube as a marketing tool. The mean SME performance score is 3.51 with a standard deviation of 0.92, indicating a high level of performance. In contrast, the mean score for YouTube marketing adoption is 2.92 with a higher standard deviation of 1.174, suggesting a moderate level of adoption variability among SMEs. Breaking down YouTube adoption, the subcategories show moderate levels of engagement. Skilled usage (mean = 2.92), platform following (mean = 2.84), customer engagement (mean = 2.83), product marketing (mean = 2.80), and customer ordering (mean = 2.60) all fall within the moderate range. The standard deviations in these categories imply some diversity in SMEs' approaches to YouTube adoption.

4.3   Inferential Statistics

Table 2 Correlation Matrix on aspects of YouTube adoption and SME performance

		SME Performance	1	2	3	4	5
SME Performance	Pearson Correlation 1		.171	.424**	.498**	.528**	.464**
Skilled Usage (1)	Pearson Correlation	.171	1	.251**	.287**	.390**	.303**
Platform Following (2)	Pearson Correlation	.424**	.251**	1	.660**	.611**	.660**
Customer Engagement (3)	Pearson Correlation	.498**	.287**	.660**	1	.748**	.618**
Product Marketing (4)	Pearson Correlation	.528**	.390**	.611**	.748**	1	.639**
Customer Ordering (5)	Pearson Correlation	.464**	.303**	.660**	.618**	.639**	1

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation matrix in Table 2 reveals significant relationships between aspects of YouTube adoption and SME performance. This is especially so with regards to SME performance demonstrating positive correlations with platform following (r = 0.424), customer engagement (r = 0.498), product marketing (r = 0.528), and customer ordering (r = 0.464). All correlations are significant at the 0.01 level, indicating strong associations. The exception is skilled usage (r = 0.171), which was not significant. The table shows that the platform following and customer engagement exhibit notably high correlations with SME performance, suggesting that a robust online presence and engaged customer interactions on YouTube positively influence SME performance. The correlation pattern emphasizes the strategic importance of these YouTube adoption aspects in enhancing SMEs' overall performance. The findings underscore the potential benefits for SMEs in focusing on these specific aspects of YouTube utilization to optimize their performance outcomes.

Table 3 Effect of YouTube adoption and SME performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.918	.283		6.778	.000
	Skilled Usage	-.026	.076	-.029	-.336	.738
	Platform Following	.124	.110	.132	1.130	.261
	Customer Engagement	.159	.129	.165	1.228	.222
	Product Marketing	.230	.114	.255	2.021	.046
	Customer Ordering	.093	.105	.101	.886	.378

R	0.560
R^2	0.313
Adjusted R^2	0.283
F	10.395
Sig.	0.000

The regression analysis in Table 3 explores the effect of YouTube adoption on SME performance. The model's overall significance is evident with an F-value of 10.395 (p < 0.001), indicating that at least one of the predictors significantly contributes to explaining the variance in SME performance. The model's R-squared value of 0.313 implies that approximately 31.3% of the variability in SME performance can be accounted for by the included predictors. The adjusted R-squared value of 0.283 indicates that the model adjusts for the number of predictors and retains about 28.3% of the variability in SME performance. A closer examination of the individual predictors confirms that, product marketing stands out as a significant contributor with a positive standardized coefficient (Beta = 0.255, p = 0.046). This suggests that as SMEs increase their efforts in product marketing on YouTube, their overall performance tends to improve. Skilled usage, platform following, customer engagement, and customer ordering, however, do not exhibit statistically significant effects on SME performance in this model.

V.   DISCUSSION AND CONCLUSION

According to the key findings of this study, which center on SME performance levels and YouTube usage, SMEs often display a high level of overall performance, as seen by a mean score of 3.51 for this category. The mean score is lower, 2.92, when it comes to SMEs' adoption of YouTube marketing, indicating a modest amount of adoption variability. Moderate levels of engagement are found across skilled usage, platform following, customer engagement, product marketing, and customer ordering, according to the breakdown of YouTube adoption components. This variation in SMEs' YouTube adoption strategies reveals possible areas for development and efficiency. The second key finding with regarding the correlation matrix indicates significant positive relationships between certain aspects of YouTube adoption and SME performance. There was a strong correlation between SME performance and platform following, customer engagement, product marketing, and customer ordering. These associations emphasize the strategic potency of maintaining a consistent online presence and actively engaging with customers on YouTube, since positively influences SME performance. The third key finding was from the regression analysis which further supports the correlation finding. The regression model's overall significance and the significant positive coefficient for product marketing highlight the influence of effective product promotion on YouTube in improving SME performance. However, skilled usage, platform following, customer engagement, and customer ordering do not show statistically significant effects on SME performance in this model.

Arthurs, Drakopoulou and Gandini (2013) suggest that YouTube is one of the most popular websites on the planet with over two billion visitors each day, which might be highly helpful in promoting commodities. This is because small video clips could be shared on YouTube at its inception. Yet it has developed into a very powerful instrument over time. It is a crucial tool for any company or anyone wishing to connect with a sizable audience. Its attractiveness is increased by the fact that it is very simple to use and offers an excellent forum (Lee, et al 2015). So, beginning a company and ensuring that it grows into something successful requires a lot of work to ensure that customers see your brand or product. YouTube is one of the top resources for this task in this regard. The findings of this study are consistent with those of many authors including Raikos, (2014) and Kavada, (2012) who also came to similar conclusions. The authors discovered that the YouTube platform makes it simple to upload and browse for content online and video, dominates lead generation data for sales and marketing, and provides a better understanding of client needs. Jamleh, et al (2022), discovered, for instance, that utilizing YouTube in terms of skills, platform following, customer engagement, product marketing and customer ordering might be a useful method for determining customer-based brand image and fostering direct discussion that fosters trust and ultimately results in brand awareness. This suggests that any business may be able to profit from YouTube in terms of establishing an image for their brand and enabling quicker audience reach cost-effectively. Furthermore, Mohammadian et al (2012) study found out that elements such as interaction, reputation, attractive content and communication had an SME performance impact on marketing effectiveness on the YouTube platform.

The findings of this study suggest that while SMEs generally perform well in Buloba, there is room for improvement in the adoption and utilization of YouTube for marketing purposes. Specifically, focusing on product marketing and enhancing platform following and customer engagement can potentially lead to improved SME performance. Further research and strategic modifications in these areas may contribute to unlocking the full potential of YouTube as a valuable marketing tool for SMEs.

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