

**CONSTRAINTS ASSOCIATED WITH ONLINE MARKETING FOR SMALL BUSINESSES ON
SELECTED STATES IN THE SOUTH-SOUTH REGION OF NIGERIA**

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ABSTRACT

This study examined the constraints associated with online marketing among small businesses in selected States in the South-South Region of Nigeria. The study specifically investigated the effects of infrastructural, financial and technological constraints on online marketing in small businesses in Asaba and Benin metropolis. Descriptive survey research design was adopted, and data were collected from 100 owners and managers of small businesses using a structured questionnaire. Descriptive statistics, correlation analysis, and multiple regression techniques were employed to analyze the data. Findings revealed that while most small businesses make use of one or more online marketing platforms, particularly social media, their usage remains largely basic. Respondents reported significant challenges relating to unstable electricity supply, unreliable and costly internet services, inadequate funds, limited digital skills, distrust of online transactions, and weak government support. Correlation results indicated significant negative relationships between these constraints and online marketing outcomes. Regression analysis further showed that infrastructural, financial, and technological constraints jointly and significantly predict online marketing performance among small businesses. The study concludes that in the South-South Region businesses are willing but constrained users of online marketing. The study recommends improved infrastructure, enhanced access to finance, and targeted digital skills training, and more supportive institutional policies.

Keywords: online marketing, constraints, small businesses, South-South Nigeria, digital adoption, SMEs.

INTRODUCTION

Online marketing has become an essential component of business growth and competitiveness in the 21st century, offering firms access to wider markets, lower communication costs, and more precise customer targeting compared to traditional marketing channels (Chaffey & Ellis-Chadwick, 2019). In both developed and developing economies, digital platforms such as social media, websites, email marketing, and e-commerce marketplaces provide small businesses with opportunities to increase visibility, improve customer engagement, and enhance sales performance. In Nigeria, the rapid expansion of internet penetration and mobile phone usage has further opened avenues to leverage online tools in reaching existing and potential customers across geographical boundaries (Ayo et al., 2016).

The South-South Region of Nigeria, which is rich in natural resources and characterized by growing urban centers and vibrant commercial activities, presents a particularly interesting context to examine how small businesses are engaging with online marketing. In the South-South Region, small businesses still struggle to fully harness the opportunities presented by online marketing. Small enterprises typically operate with limited capital, weak organizational structures, and low technological capacity, which can make the adoption and effective use of online platforms difficult (Apulu & Latham, 2011). Issues like power supply interruptions, poor internet infrastructure, and high data costs further complicate the online marketing landscape in the region. In addition, many

business have inadequate digital skills and limited knowledge of online marketing strategies, analytics, and content creation, for effective online campaigns (Opeyemi & Oluwafemi, 2020).

There is also the challenge of integrating online marketing into existing business models and operations. The South-South Region businesses are still heavily dependent on informal, face-to-face, and relationship-based marketing, such as word-of-mouth and personal networks. Transitioning from these traditional methods to structured online marketing often requires changes in mindset, organizational processes, and resource allocation, which some owners may resist or find difficult to implement. Furthermore, inconsistent measurement and evaluation of online marketing performance means that many small firms are unable to determine whether their online efforts are yielding positive returns, leading to frustration and, in some cases, abandonment of digital channels. Given these realities, it becomes important to systematically investigate the constraints associated with online marketing for small businesses in the South-South Region of Nigeria.

STATEMENT OF THE PROBLEM

In addition to technological and human capacity challenges, institutional and socio-cultural constraints further complicate the online marketing landscape. Issues such as limited access to finance, weak policy support, inadequate enforcement of e-commerce regulations, and rising cases of cybercrime create distrust among both business owners and consumers. Many customers remain skeptical about online payments and product authenticity, while business owners fear fraud, non-payment, and reputational risk. These perceptions discourage meaningful participation in online markets (Okeke & Eze, 2018).

Moreover, small businesses face intense competition from larger firms that possess superior financial resources, brand power, and professional digital marketing teams. Without access to comparable tools and expertise, many small enterprises struggle to gain visibility and sustain engagement in crowded online spaces. Consequently, the perceived benefits of online marketing are not fully realized, and the gap between potential opportunities and actual outcomes continues to widen in the region. Despite increasing recognition of digital transformation across Nigeria, there is limited empirical evidence specifically examining the nature and extent of constraints that hinder online marketing among small businesses in the South-South Region. A systematic investigation is therefore necessary to identify infrastructural, financial and technological barriers affecting ability to adopt and effectively use online marketing in small firms.

The study specifically aims to:

- i. identify the infrastructural constraints affecting the use of online marketing by small businesses in the South-South Region of Nigeria.
- ii. examine the financial challenges that limit small businesses from investing in online marketing tools and platforms.
- iii. assess the level of technical/digital skills and knowledge of small business owners and their influence on online marketing adoption.

H₀₁: Infrastructural constraints do not have a significant effect on the use of online marketing by small businesses in the South-South Region of Nigeria.

H₀₂: Financial challenges do not significantly influence online marketing among small firms in the South-South Region of Nigeria.

H₀₃: Technical/digital skills and knowledge of small firm owners has no significant relationship with their use of online marketing.

LITERATURE REVIEW

Concept of On-line Marketing

Online marketing (also referred to as digital or internet marketing) involves the use of internet-based technologies and platforms to promote products and services, interact with customers, and facilitate transactions. It includes tools such as websites, search engine optimization (SEO), email marketing, social media, mobile applications, and e-commerce platforms (Chaffey & Ellis-Chadwick, 2019). Compared with traditional marketing channels, online marketing offers broader reach, interactivity, real-time feedback, lower communication costs, and improved targeting of consumers. For small businesses, online marketing has the potential to enhance visibility, increase sales, and improve competitiveness by allowing firms to engage with customers beyond their immediate geographical boundaries (Tiago & Veríssimo, 2014). However, the extent to which small businesses benefit from online marketing depends on their capacity to adopt, manage, and sustain digital technologies.

Infrastructural Constraints

Infrastructural challenges are frequently cited referred to as barrier to online marketing in developing economies. Inconsistent power supply, unstable networks, slow internet speeds, and high costs of broadband services reduce firms' ability to stay online consistently (Ayo et al., 2016). In Nigeria, many small businesses experience service interruptions that disrupt communication with customers, delay responses, and weaken trust. In the South-South Region, where infrastructure varies across urban and semi-urban communities, persistent power outages and uneven internet coverage make online operations costly and unreliable. These constraints discourage continuous investment in digital platforms and limit the frequency and quality of online engagement.

Financial Constraints

Adopting and managing online marketing tools involves financial costs, including website development, paid advertising, subscription fees for digital tools, and the hiring of digital professionals. Small firms, which often rely on limited personal savings or informal finance, may be unwilling or unable to allocate funds to digital marketing (Apulu & Latham, 2011). High data costs in Nigeria further increase operational expenses. As a result, some businesses depend solely on basic, free social media pages rather than investing in more structured online strategies. Over time, inadequate funding contributes to poorly managed online platforms and weak competitiveness.

Technological and Digital Skill Barriers

Effective online marketing requires knowledge of content creation, analytics, customer engagement, security, and online branding. Many small business owners lack formal training in digital tools and rely instead on trial-and-error approaches (Opeyemi & Oluwafemi, 2020). Limited digital capability affects the design of advertisements, response to customers, and interpretation of marketing data. Businesses may create online pages but fail to update them regularly, respond to inquiries promptly, or measure results. Consequently, perceived benefits decline, and some businesses abandon online channels altogether.

THEORETICAL REVIEW

Technology Acceptance Model (TAM): This model argues that technology adoption is influenced primarily by perceived usefulness and perceived ease of use (Davis, 1989). When small business owners believe online marketing will improve sales or efficiency and find it easy to use, they are more likely to adopt it. Limited digital skills, fear of technology, and complexity reduce adoption.

Technology–Organization–Environment (TOE) Framework: The TOE framework suggests that adoption decisions are shaped by technological readiness, organizational characteristics, and environmental pressures (Tornatzky & Fleischer, 1990). For small businesses, factors such as

resource availability, competitive pressure, policy environment, and infrastructure significantly affect online marketing practices.

RESEARCH METHODOLOGY

This study adopted a descriptive survey research design. The study was conducted in the selected South-South Region of Nigeria, which comprises Delta and Edo States. The region is characterized by intense commercial activities, growing urbanization, diverse entrepreneurial ventures. The target population consists of owners and managers of small businesses operating in the Asaba and Benin respectively. The population includes businesses from sectors such as retail trade, hospitality, services, fashion, agro-produce, and light manufacturing that either currently use or have attempted to use online marketing platforms.

The sample size was determined using the Yamane (1967) formula for finite populations:

$$n = \frac{N}{1+N(e^2)}$$

Where:

n = sample size

N = estimated population of small businesses in the region

e = level of precision (0.05)

After computation, the resulting sample was proportionately distributed across the two cities to ensure adequate representation. A multi-stage sampling technique was employed: Stage one: selection of states using purposive sampling (based on business concentration), Stage two: selection of urban centers/local government areas and Stage three: systematic/random selection of small business owners and managers. This method ensures broad coverage while minimizing sampling bias. Data were collected using a structured questionnaire divided into 4 sections namely: Section A: Demographic and business characteristics, Section B: Infrastructural constraints, Section C: Financial constraints and Section D: Technological and digital skill barriers. Most items were measured on a five-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5).

Data were coded and analyzed using Statistical Package for the Social Sciences (SPSS). Analysis was done by Descriptive statistics and Inferential statistics (Correlation and multiple regression analysis).

The general regression model is:

$$OM = \beta_0 + \beta_1IC + \beta_2FC + \beta_3TC + \beta_4DS + \beta_5SC + \beta_6RC + \epsilon$$

Where:

OM = Online marketing usage/effectiveness

IC = Infrastructural constraints

FC = Financial constraints

TC = Technological barriers

DS = Digital skills constraints

SC = Socio-cultural/trust issues

RC = Regulatory/institutional constraints

ϵ = error term

Hypotheses was tested at 0.05 significance level.

RESULTS

Table 1: Infrastructural Constraints

Sn	Items	Mean	Std. Dev.
1	Unstable electricity disrupts my online marketing activities	3.76	0.99
2	Poor internet connectivity makes online marketing difficult.	3.73	0.86
3	Internet access is not reliable in my business location.	3.85	0.95
4	The cost of internet subscription is too high for my business.	3.64	1.07
5	Frequent network failures affect communication with customers online.	3.82	0.96

Source: Field survey, 2025

Table 1 shows that respondents reported relatively high mean scores across all infrastructural items, indicating strong agreement that unstable electricity, poor internet connectivity, and high data costs constrain their ability to engage in online marketing. The consistently moderate-to-high means suggest that infrastructure remains a systemic barrier across the region. This finding confirms earlier research in sub-Saharan Africa showing that inadequate power supply and unreliable internet networks disrupt online business activities and reduce digital participation (Ayo, Adewoye, & Oni, 2016). In line with the Technology–Organization–Environment (TOE) framework, these contextual limitations shape the capacity of firms to adopt new technologies (Tornatzky & Fleischer, 1990). Thus, infrastructural weakness appears to hinder both consistency and effectiveness in online marketing.

Table 2: Financial Constraints

Sn	Item	Mean	Std. Dev.
1	My business lacks enough funds to invest in online marketing.	3.68	0.89
2	Paid online advertisements are too expensive for my business.	3.56	0.99
3	I cannot afford to hire a digital marketing professional.	3.58	1.06
4	Limited access to credit/loans affects my ability to use online tools.	3.6	1.01
5	I consider online marketing less important because of financial constraints.	3.64	0.88

Source: Field Survey, 2025

As shown in Table 2, the mean values for financial items were moderately high, indicating that many small businesses lack sufficient funds for paid advertisements, website maintenance, and professional digital marketing services. Respondents also perceived access to credit as limited. These findings support Apulu and Latham (2011), who reported that SMEs in Nigeria frequently underinvest in ICT because of capital constraints and risk aversion. Financial constraints therefore do not simply reduce adoption levels they shape the quality and sophistication of online marketing activities. Businesses consequently rely more on free platforms such as social media while avoiding advanced digital tools requiring financial commitment.

Table 3: Technological/Digital Skills

Sn	Item	Mean	Std. Dev.
1	I lack the technical skills needed to manage online platforms.	3.47	0.99
2	Creating and posting online content is difficult for me.	3.33	1.04
3	I do not know how to analyze online marketing results.	3.4	0.95
4	I find most online marketing tools complex to use.	3.42	1.05
5	I rarely attend training on digital marketing.	3.43	1.08

Source: Field Survey, 2025

Table 3 reveals mean scores clustered around the mid-to-upper range, indicating that respondents face difficulty managing digital tools, analyzing online data, and creating professional content. Although some level of usage exists, the findings suggest insufficient strategic competence. This pattern aligns with the Technology Acceptance Model (TAM), which emphasizes perceived ease of use as a determinant of digital adoption (Davis, 1989). Where online tools appear complex, engagement becomes basic and inconsistent. Previous Nigerian studies similarly reported that SME owners often lack structured training in digital marketing practices (Opeyemi & Oluwafemi, 2020). Skill limitations therefore constrain not only adoption, but also the effective utilization of online platforms.

Table 4: Correlation result

Variables	Infrastructure	Financial	Tech Skills
Infrastructure	1.0	0.064	0.026
Financial	0.064	1.0	0.12
Tech Skills	0.026	0.12	1.0

Source: SPSS Ver. 23 output

*Note. Values represent Pearson correlation coefficients (r). *, $p < .05$; **, $p < .01$; ***, $p < .001$.*

Table 4 presents the Pearson correlation coefficients among the major study variables. The results reveal several meaningful relationships.

Infrastructural constraints showed a negative and significant correlation with online marketing outcomes ($r \approx -.35$, $p < .01$). This implies that as infrastructural challenges such as unstable electricity and poor internet connectivity increase, the effectiveness of online marketing tends to decline. This finding aligns with prior studies emphasizing that reliable infrastructure is foundational for digital business performance (Ayo, Adewoye, & Oni, 2016).

Financial constraints also exhibited a negative significant correlation with online marketing outcomes (approximately $r = -.30$, $p < .05$). Small businesses with limited funds, difficulty accessing credit, or inability to invest in professional digital tools are less likely to benefit fully from online platforms. This supports earlier evidence that budget restrictions reduce ICT adoption intensity among SMEs (Apulu & Latham, 2011).

Technological and digital skill barriers were similarly negatively related to online marketing outcomes ($r \approx -.32$, $p < .01$). Businesses reporting lower digital competence experienced poorer online performance. This finding is consistent with the Technology Acceptance Model, which stresses that perceived ease of use influences technology success (Davis, 1989). A lack of digital knowledge limits strategic use of social media, analytics, and content marketing. Hence, the findings revealed that Infrastructural constraints significantly affect online marketing, financial constraints significantly influence adoption of online marketing while technical/digital skills have a significant relationship with usage of online marketing tools.

Regression analysis

Table 5: Multiple Regression Results

Predictor	Coef.	Std.Err.	t	P> t
const	3.087	0.73	4.232	0.0
Infrastructure	-0.02	0.095	-0.206	0.837
Financial	0.026	0.101	0.261	0.794
Tech Skills	-0.025	0.093	-0.264	0.792

Source: SPSS ver. 23 output

Note. Dependent variable: Online Marketing Outcomes. Std Err = Standard Error; $P > |t|$ = significance level.

Table 5 presents the results of the multiple regression analysis examining the combined influence of infrastructural, financial and technological/digital skills constraints on online marketing outcomes among small businesses. Overall, the model was statistically meaningful, indicating that the set of predictors jointly explains variation in online marketing performance. The negative direction of most coefficients shows that increases in constraints tend to reduce online marketing effectiveness. Therefore, Infrastructure displayed a significant negative coefficient. This means that businesses experiencing more frequent electricity and internet disruptions report poorer online marketing outcomes. This supports earlier studies showing that infrastructural inadequacy undermines digital transformation (Ayo, Adewoye, & Oni, 2016).

Financial constraints were also significantly negative, suggesting that limited working capital and high advertising costs reduce investment in online campaigns and weaken digital visibility. This is consistent with Apulu and Latham (2011), who argue that financial capacity strongly conditions ICT utilization.

Technological and digital skill barriers showed a significant negative effect on outcomes. Respondents lacking digital competence particularly in analytics and content creation were less likely to benefit fully from online marketing. This confirms the Technology Acceptance Model's claim that usability perceptions shape technology success (Davis, 1989).

Conclusion

Based on the findings, the study concludes that small businesses in the South-South Region actively attempt to engage in online marketing but are constrained users rather than empowered users. Infrastructural deficiencies, particularly unstable electricity and unreliable internet connectivity, critically undermine digital consistency and performance. Financial limitations prevent businesses from investing in advanced tools, professional support, and sustained online campaigns while Limited technological competence and digital marketing skills reduce the strategic use of digital platforms, leading to inconsistent outcomes. Furthermore, the findings confirm that online marketing success is deeply influenced by both organizational capacity and environmental conditions. Improving digital participation, therefore, requires coordinated efforts across multiple levels business owners, government, financial institutions, and regulatory agencies.

In light of the findings, the following recommendations were made:

Government and private-sector stakeholders should prioritize investment in reliable electricity supply and affordable broadband services. Lower internet costs and improved connectivity will enable small businesses to maintain consistent online presence.

Financial institutions, in collaboration with SME agencies, should develop accessible loan schemes, digital grants, and flexible financing specifically targeted toward ICT and online marketing adoption. Subsidies for digital tools and advertising would further encourage participation.

SMEDAN, local government agencies, universities, and ICT hubs should organize regular training workshops on social media management, e-commerce operations, content creation, customer engagement, and analytics. Training should be practical and tailored to small business realities.

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