



Entrepreneurship Social Networks on Small and Medium Enterprises success in Delta state, Nigeria

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Abstract

The aim of the study is to ascertain how using social networks in entrepreneurship relates with Small and Medium Enterprises (SMEs) success in Delta State, Nigeria. A cross-sectional research approach was adopted in this study. Four hundred and fifty (450) selected entrepreneurs made up the sample. The basic random sampling technique was used. With the help of "Survey Monkey," a total of 300 sets were used for analysis. The instrument was subjected to face and content validity checks before its reliability was evaluated using the Cronbach alpha test. Since the focus of the study involves measuring effects, the statistical tools employed in the data analysis included OLS multiple regression, correlation, the Jacque Bera normalcy test, and descriptive statistics. Stata version 13.0 was the statistical software utilized in the study to analyse the data. The findings indicate that the dimensions of entrepreneurship using social networks such as opportunity recognition, resource acquisition, market entry and growth affect significantly with SMEs success. It was concluded that entrepreneurship is inherently a social endeavour, with success often hinging on the quality and extent of an entrepreneur's social networks; this led to the recommendation that government and non-governmental organizations should fund digital literacy and entrepreneurship programs focused on social media to affect the success of SMEs across the state and the nation at large.

Keywords: Entrepreneurship, Social Networks, Small and Medium Enterprise

Introduction

The advent of social networks has ushered in a transformative era for entrepreneurship, providing Small and Medium-sized Enterprises (SMEs) with unprecedented avenues for growth, innovation, and competitive advantage (Dwumah et al., 2024; Qalati et al., 2021; Kaplan & Haenlein, 2010). Social media platforms have evolved beyond mere communication tools to become integral ecosystems that entrepreneurs can strategically leverage throughout the lifecycle of their ventures, from initial opportunity recognition to sustained high performance (Abidin, 2016). This comprehensive analysis explores the multifaceted ways in which social networks are being utilized in entrepreneurship and critically examines

their profound impact on the performance of SMEs, drawing upon recent empirical studies and established theoretical frameworks.

Entrepreneurship through social networks plays a critical role in the performance of Small and Medium Enterprises (SMEs) by facilitating access to resources, knowledge, and markets. Social networks—both formal (professional platforms like LinkedIn) and informal (personal and community ties)—enhance SME growth, innovation, and resilience (Stam et al., 2014). This paper integrates recent research to explore how entrepreneurial networking influences SME performance. Entrepreneurship, at its core, is a dynamic process involving the identification, evaluation, and exploitation of opportunities to introduce new goods,



services, organizational methods, markets, and input supplies through organizing efforts (Omotosho, 2020; Shane & Venkataraman, 2000). However, in today's interconnected world, this process is increasingly embedded within and shaped by the entrepreneur's social network. This paper aims to conceptualize entrepreneurship through the lens of social networks, exploring how these networks influence various stages of the entrepreneurial journey and ultimately impact the success of Small and Medium-sized Enterprises (SMEs).

Entrepreneurship is a dynamic process that thrives on innovation, resource mobilization, and strategic networking. In the contemporary business landscape, social networks—both offline and online—have emerged as pivotal tools for entrepreneurs, particularly within Small and Medium-sized Enterprises (SMEs). These networks facilitate access to resources, knowledge, and markets, thereby influencing the success trajectories of SMEs. This delves into the conceptualization of entrepreneurship through social networks and examines their impact on SME success, drawing insights from recent empirical studies (Omotosho, 2020).

The concept of social networks in entrepreneurship refers to the web of relationships that an entrepreneur or a firm maintains with various actors, including family, friends, former colleagues, suppliers, customers, competitors, and institutional actors (Dwumah et al., 2024; Qalati et al., 2021). These relationships are characterized by varying degrees of strength, frequency of interaction, and the type of resources exchanged. Understanding the structure of these networks, including their size, density, and heterogeneity, is crucial for comprehending their influence on entrepreneurial activities. For instance, a dense network, characterized by numerous strong ties among interconnected actors,

can foster trust and facilitate the flow of tacit knowledge. Conversely, a network with structural holes, where an entrepreneur bridge disconnected clusters of actors, can provide access to novel information and resources (Qalati et al., 2021).

The content of entrepreneurial social networks, referring to the types of resources embedded within these relationships, plays a pivotal role in the entrepreneurial process. These resources can be tangible, such as financial capital, equipment, and raw materials, or intangible, including information, advice, legitimacy, and social capital. Entrepreneurs often leverage their networks to overcome resource constraints, particularly crucial for nascent SMEs with limited access to traditional markets (Partanen, Koivisto & Hyytinen, 2020). For example, strong ties with family and friends can provide initial seed funding, while weak ties with industry experts can offer valuable market insights (Partanen et al., 2020). The ability to mobilize and leverage these diverse resources through network connections is a significant determinant of entrepreneurial success (Shane & Stuart, 2002).

Small and Medium Enterprises (SMEs) in Nigeria are defined by SMEDAN (2013) as businesses employing between 10 to 199 persons with asset values ranging from ₦5 million to less than ₦500 million, excluding land and buildings. Despite their pivotal role in economic growth, SMEs face challenges such as limited access to finance and poor infrastructure (Ariyo, 2005).

The functions of entrepreneurial social networks encompass the various ways in which these relationships support the entrepreneurial endeavor. One critical function is opportunity recognition. Entrepreneurs embedded in diverse networks are exposed to a wider range of information and perspectives, increasing their likelihood of identifying and



evaluating novel opportunities (Ainin et al., 2015; Sosa & Arenius, 2017). Interactions with individuals from different backgrounds and industries can spark new ideas and provide insights into unmet market needs (Ozgen & Baron, 2007). Furthermore, network ties can facilitate the validation of potential opportunities through discussions and feedback from trusted contacts (Hsu & Sorenson, 2013).

Statement of the Problem

In the evolving digital economy, social networks have emerged as powerful tools for entrepreneurship, offering new avenues for communication, marketing, networking, and customer engagement. Small and Medium-sized Enterprises (SMEs), which play a vital role in economic development and employment generation, increasingly rely on these platforms to overcome traditional barriers to growth, such as limited resources, market reach, and brand visibility. Despite the growing use of social networks, there remains a lack of comprehensive understanding of how entrepreneurial activities conducted through these platforms contribute to the success of SMEs.

Existing literature has often focused on large enterprises or general marketing strategies, leaving a gap in the analysis of the specific ways in which social networks facilitate entrepreneurial growth and innovation in the SME sector. Moreover, the degree to which social network-based entrepreneurship influences critical success factors such as customer acquisition, brand development, and competitive advantage in SMEs remains underexplored. This research seeks to address this gap by investigating the role of entrepreneurship through social networks and its effect on the overall success and sustainability of SMEs.

Objectives of the Study

The main objective of the study is to examine the effect of entrepreneurship

social networks on SMEs success. The specific objectives are;

- i. To examine the effect of opportunity recognition on SMEs success in Delta State.
- ii. To ascertain the effect of resource acquisition on SMEs success in Delta State.
- iii. To assess the effect of market entry and growth on SMEs success in Delta State.

Research Hypotheses

In order to achieve the objective of this study, the following hypotheses were formulated to help guide the study:

H01: There is no significant relationship between opportunity recognition and SMEs success

H02: There is no significant relationship between resource acquisition and SMEs success

H03: There is no significant relationship between market entry and growth and SMEs success

2. Review of Related Literature

2.1 Conceptual Review

Entrepreneurship through social networks

Entrepreneurship is inherently a social endeavour, with success often hinging on the quality and extent of an entrepreneur's social networks. For small and medium-sized enterprises (SMEs), these networks can provide critical resources, knowledge, and support that drive business growth and sustainability. This paper explores the conceptualization of entrepreneurship through social networks and examines their impact on SME success, drawing on recent studies and theoretical frameworks.

Entrepreneurship using Social Networks and SMEs Success

Social networks have become an indispensable element in the contemporary entrepreneurial landscape, significantly shaping the trajectory and success of Small and Medium-sized Enterprises (SMEs). This paper aims to comprehensively



explore the intricate relationship between social networks and SME success, drawing upon recent in-text citations to provide a current and detailed understanding of this dynamic. We will delve into how entrepreneurs leverage their social connections for crucial activities such as opportunity recognition, resource acquisition, market entry, and overall business growth. Furthermore, we will examine the different types of social ties, the structure of entrepreneurial networks, and the challenges and opportunities associated with harnessing social capital for SME advancement (Dwumah et al., 2024; Qalati et al., 2021).

The concept of social networks in entrepreneurship extends beyond mere acquaintances; it encompasses the web of relationships an entrepreneur or SME maintains with various stakeholders, including customers, suppliers, competitors, mentors, investors, industry peers, and even casual contacts (Bilgin, 2018). These networks are characterized by varying degrees of tie strength, ranging from strong ties with close confidantes to weak ties with more distant acquaintances (Ladokun, 2019). Both types of ties play distinct yet crucial roles in the entrepreneurial journey.

Opportunity Recognition and SMEs Success

Social networks serve as vital conduits for information, exposing entrepreneurs to diverse perspectives and novel ideas that can spark the recognition of entrepreneurial opportunities (Burt, 2004; Sosa & Arenius, 2017). Weak ties, in particular, are often highlighted for their ability to bridge structural holes, connecting entrepreneurs to disparate clusters of individuals and information they might not otherwise access (Ladokun, 2019).

Opportunity recognition has emerged as a pivotal construct in understanding the success and sustainability of Small and Medium-sized Enterprises (SMEs). In

today's dynamic and competitive business environment, SMEs are required to be more agile and proactive in identifying and exploiting new business opportunities. Opportunity recognition refers to the cognitive process through which entrepreneurs and business owners identify a potential business idea or market need that can be developed into a viable enterprise or product offering (Ardichvili et al., 2003; Davidsson, 2021). For SMEs, this process plays a crucial role in fostering innovation, securing competitive advantage, and ensuring long-term survival and profitability.

SME success is often linked to the entrepreneur's ability to not only recognize opportunities but also to act upon them effectively. This success is generally measured in terms of growth, profitability, market share, and longevity (Mthanti & Urban, 2014; Eggers, 2020). Opportunity recognition acts as the catalyst for entrepreneurial action by enabling the transformation of ideas into tangible outcomes. Recent studies show that firms that are proactive in recognizing emerging trends, shifts in consumer behavior, and technological advancements tend to outperform their competitors (Tang et al., 2023). Bican, Brem, and Voigt (2023), digital technologies not only enhance opportunity recognition but also enable SMEs to scale more rapidly by reaching global markets with minimal resource investment. This suggests that technological adoption is not merely a support function but a strategic enabler for recognizing and exploiting opportunities.

Environmental factors also play a vital role in influencing opportunity recognition. Dynamic environments characterized by technological turbulence, policy changes, and socio-economic shifts create both threats and opportunities for SMEs. Entrepreneurs who possess a high level of environmental scanning and strategic agility are more likely to turn these challenges into opportunities (Kraus et al.,



2022). Furthermore, social capital and networking have been identified as important facilitators of opportunity recognition. Relationships with suppliers, customers, industry peers, and academic institutions can serve as rich sources of information and collaboration that stimulate new business ideas (Mazzei et al., 2022).

However, recognizing an opportunity is only the first step. Execution capability, resource mobilization, and risk management are equally important for converting recognized opportunities into successful ventures. This means that while opportunity recognition is a necessary condition for SME success, it is not sufficient on its own. Strategic alignment, innovation capacity, and entrepreneurial orientation must complement opportunity recognition for holistic business success (Covin & Wales, 2022). In conclusion, opportunity recognition is a foundational element in driving the success of SMEs. It is influenced by cognitive, technological, and environmental factors and is closely linked to entrepreneurial behavior and strategic decision-making. As SMEs navigate an increasingly complex business landscape, fostering a culture that encourages opportunity recognition can significantly enhance their resilience and growth potential.

Resource Acquisition and SMEs Success

SMEs often face resource constraints, making the ability to leverage social networks for resource acquisition paramount. These resources can be tangible, such as funding, equipment, and raw materials, or intangible, including information, advice, and legitimacy (Partanen et al., 2020). Strong ties, characterized by trust and reciprocity, can be a source of initial capital through informal investors or loans from family and friends (Harrison et al., 2010). They can also facilitate access to human capital through referrals and early employee recruitment (Boxman et al., 2005). Weak

ties, while less likely to provide direct financial support, can offer access to a broader range of expertise and knowledge, connecting entrepreneurs with potential mentors, advisors, or business partners. Recent research also highlights the role of online social networks in expanding access to resources and connecting with potential investors beyond geographical limitations (кораблёв et al., 2023).

Resource acquisition is a critical factor influencing the success and sustainability of Small and Medium-sized Enterprises (SMEs). Unlike large corporations with established structures and abundant assets, SMEs often face resource constraints that limit their ability to compete, grow, and innovate. These constraints necessitate strategic approaches to acquiring financial, human, technological, and social resources (Brinckmann & Kim, 2022). As such, understanding the mechanisms through which SMEs acquire and leverage resources is essential to enhancing their performance and long-term viability.

Access to financial capital remains one of the most significant challenges for SMEs, particularly in developing economies. Limited collateral, lack of credit history, and perceived risk often hinder SMEs' access to traditional financing channels such as banks (Songling et al., 2018). In response, many SMEs are turning to alternative sources such as venture capital, crowdfunding, and government grants. A study by Ferreira et al. (2023) found that SMEs engaging in diversified financing strategies, including digital and peer-to-peer platforms, are more resilient and innovative than their counterparts relying solely on traditional finance.

Beyond financial capital, human resources also play a crucial role. Talent acquisition and retention are essential for SMEs to maintain competitiveness, yet they often struggle to attract skilled workers due to limited compensation packages and brand recognition (Mubarik et al., 2022). To counter this, many SMEs adopt flexible



work arrangements, invest in employee development, and build strong organizational cultures to enhance appeal and reduce turnover.

Social capital is another powerful resource for SMEs, particularly when it comes to opportunity access, information flow, and collaboration. Networks with suppliers, customers, and even competitors can provide critical pathways to resource sharing and innovation. According to Eze et al. (2021), SMEs that actively engage in network-based strategies are better positioned to access market information, co-develop products, and expand into new regions. These networks can also serve as trust-based mechanisms for reducing transaction costs and uncertainties.

Technology acquisition, particularly digital tools, has become increasingly central to SME success. With the rapid pace of digital transformation, the ability of SMEs to adopt and integrate new technologies significantly impacts their operational efficiency and market reach. Evidence shows that SMEs leveraging digital ecosystems are not only more productive but also more likely to survive economic shocks (Marques & Ferreira, 2022). Furthermore, technological resources enable data-driven decision-making, customer relationship management, and global market penetration.

Institutional support also influences resource acquisition. Governments and development agencies often provide support to SMEs through policy incentives, infrastructure, and training programs. However, the effectiveness of such support is contingent upon the SME's absorptive capacity—the ability to recognize, assimilate, and apply external knowledge and resources (Zahra & George, 2002).

In conclusion, resource acquisition is a multifaceted process that underpins the success of SMEs. Financial, human, technological, and social resources all contribute to building competitive

advantage, especially when acquired and deployed strategically. For SMEs operating in uncertain and resource-scarce environments, cultivating the capability to acquire and optimize resources is not just beneficial—it is essential for survival, innovation, and growth.

Market Entry and Growth and SMEs Success

The success of Small and Medium-sized Enterprises (SMEs) is closely linked to their ability to enter new markets and achieve sustained growth. In an increasingly competitive global economy, market entry and growth strategies have become critical factors influencing the performance, profitability, and longevity of SMEs (Kraus et al., 2022). Unlike large corporations, SMEs often operate with limited resources and face higher market risks, making the process of market entry and growth both an opportunity and a challenge. Conceptualizing how these firms navigate and succeed in new markets is essential to understanding SME resilience and competitiveness.

Market entry refers to the strategic process through which a business introduces its products or services into a new geographical or sectoral market. For SMEs, this can involve domestic expansion or internationalization. Choosing the right entry mode—such as exporting, franchising, partnerships, or wholly owned subsidiaries—depends on a firm's capabilities, resources, and risk appetite (Hilmersson & Johanson, 2016). SMEs tend to favor less resource-intensive entry modes like exporting or strategic alliances due to cost efficiency and lower risk. However, recent studies indicate that digital technologies have significantly lowered entry barriers, enabling SMEs to enter foreign markets more rapidly and efficiently (Sinkovics et al., 2023).

SMEs' success in market entry is influenced by their market orientation, innovation capacity, and strategic planning. Market-oriented firms are better



at identifying customer needs and adapting their offerings accordingly, which is essential when entering unfamiliar markets (Zhou et al., 2021). Innovation further enhances SMEs' differentiation, helping them create unique value propositions that appeal to target customers. Therefore, SMEs that invest in market research, product development, and customer engagement are more likely to succeed during the market entry phase. Growth, on the other hand, is the expansion of a firm's operations, revenues, market share, or workforce over time. Growth can be organic—through internal improvements and sales—or inorganic—through mergers, acquisitions, or strategic partnerships. For SMEs, growth is often incremental, shaped by financial constraints, operational capacity, and external market conditions. According to Najafi-Tavani et al. (2022), SMEs that achieve sustained growth often exhibit strategic agility, leadership vision, and strong dynamic capabilities, allowing them to respond swiftly to environmental changes.

The relationship between market entry, growth, and SME success is mutually reinforcing. Successful market entry often lays the foundation for growth by opening new revenue streams and increasing brand visibility. In turn, growth enhances economies of scale, innovation potential, and competitiveness—key drivers of long-term SME success (Cenamor et al., 2019). Moreover, SMEs that scale effectively are better positioned to reinvest in capabilities, talent, and technology, creating a virtuous cycle of improvement and expansion.

However, challenges abound. Regulatory barriers, cultural differences, and resource limitations can hinder both market entry and growth, especially for SMEs lacking international experience. To mitigate these challenges, SMEs often rely on support mechanisms such as incubators, government export programs, and international trade networks. These

institutions provide critical market intelligence, funding, and mentorship, which are instrumental for SMEs navigating foreign or competitive markets (Ratten, 2020).

Digitalization has further transformed the landscape for SME market entry and growth. E-commerce platforms, social media, and cloud technologies have made it easier for SMEs to test products in new markets, collect customer feedback, and scale operations at a fraction of the traditional cost. According to Bustinza et al. (2023), digital-born SMEs—those that integrate digital technologies from inception—are especially adept at rapid scaling and internationalization.

SMEs Success

The success of Small and Medium Enterprises (SMEs) is a multifaceted concept influenced by both internal and external factors. At its core, SME success refers to the achievement of strategic goals, sustainability, profitability, and growth in competitive markets. Key indicators often include financial performance, market expansion, innovation, and customer satisfaction (Olanrewaju et al., 2023). Internally, factors such as effective leadership, strategic planning, innovation capacity, and workforce competence significantly contribute to success. Externally, access to finance, government support, market conditions, and technological advancements play pivotal roles (Adomako et al., 2022).

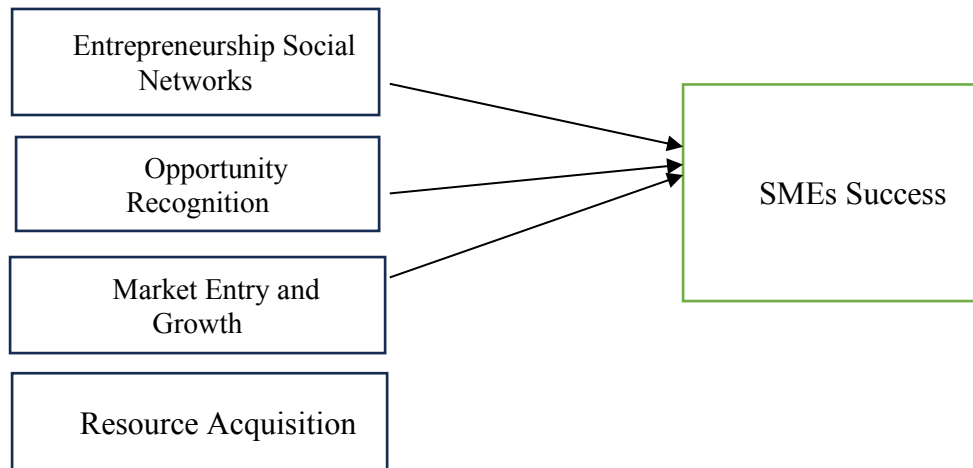
Recent studies emphasize the importance of digital transformation and agility in enhancing SME competitiveness. According to Alford and Page (2023), SMEs that leverage digital tools for marketing, customer engagement, and operational efficiency are more likely to thrive in dynamic environments. Additionally, entrepreneurial orientation and resilience have emerged as critical dimensions, particularly in post-pandemic recovery efforts (Ratten, 2022). Recent studies emphasize the importance of digital



transformation and agility in enhancing SME competitiveness. According to Alford and Page (2023), SMEs that leverage digital tools for marketing, customer engagement, and operational efficiency are more likely to thrive in

dynamic environments. Additionally, entrepreneurial orientation and resilience have emerged as critical dimensions, particularly in post-pandemic recovery efforts (Ratten, 2022).

Conceptual Framework



Source: Researcher's conceptualization, (2025)

Theoretical Framework: Network Theory and Resource-Based View

Understanding the role of social networks in entrepreneurship necessitates a theoretical foundation. Network theory posits that the relationships and interactions among individuals and organizations are crucial for accessing resources and information. In the entrepreneurial context, these networks enable the flow of knowledge, capital, and opportunities, which are essential for venture creation and growth.

Complementing this is the **Resource-Based View (RBV)**, Resource-Based View (RBV). This perspective suggests that unique resources, including those accessed through social networks, can provide competitive advantages to firms; RBV which emphasizes that a firm's internal resources and capabilities are critical for achieving competitive advantage. Social networks can be considered intangible resources that

provide firms with unique capabilities, such as trust, reputation, and access to information, which are difficult for competitors to replicate.

Social Capital Theory: Proposed by scholars like Bourdieu and Coleman, this theory posits that social networks are valuable assets that can facilitate action and achieve desired outcomes.

Effectuation Theory: Introduced by Saras Sarasvathy, this theory emphasizes the role of existing means, including social connections, in shaping entrepreneurial ventures.

In conclusion, social networks have undeniably become an indispensable and transformative tool for modern entrepreneurship, offering SMEs a powerful suite of opportunities to significantly enhance their overall performance across a multitude of critical dimensions. From effectively facilitating crucial networking and efficient resource



mobilization to strategically driving targeted marketing campaigns and fostering deep customer engagement, the informed and consistent use of social media can lead to substantial increases in market reach, demonstrably improved marketing effectiveness, a significantly strengthened brand image, and ultimately, the achievement of superior financial outcomes and sustainable growth. Recent and compelling empirical evidence consistently and unequivocally underscores the strong positive impact of strategic social media adoption on the performance of SMEs operating in diverse global contexts, including the dynamic and rapidly evolving business environment of Nigeria (Dwumah et al., 2024; Qalati et al., 2021; Rossmann et al., 2017). However, for SMEs in regions like Asaba and across Nigeria to fully realize the immense transformative potential of these powerful digital platforms in today's increasingly interconnected business landscape, they must prioritize the development and implementation of well-defined and strategically aligned social media strategies, allocate adequate and often scarce resources effectively, and proactively address the inherent challenges associated with navigating this dynamic and often complex digital terrain.

3. Methodology

Research Design

This study adopts a descriptive cross-sectional survey design, which is appropriate for examining the relationship between entrepreneurs' use of social networks and the success of small and medium enterprises (SMEs) within Delta State. The design allows for the collection of data at a specific point in time to capture the patterns and effects of social network engagement on entrepreneurial outcomes.

Population of the Study

The target population comprises registered SME owners and managers in Delta State across various sectors including

agriculture, retail, manufacturing, and services. The target population for this study comprises owners and/or managers of registered SMEs operating within Delta State. A comprehensive list of registered SMEs was sourced from relevant government agencies and business associations within the state to establish the sampling frame. According to Small and Medium Enterprises Development Agency of Nigeria, there are 3976 which form the population of the study.

Sample Size and Sampling Technique

A sample of three hundred and sixty-three (363) SME operators was selected using stratified random sampling to ensure representation across business sectors and local government areas. Stratification was based on business type and location to enhance the study's external validity. A stratified random sampling technique was employed to ensure representation across different sectors and sizes of SMEs within Delta State. The SMEs were categorized into strata based on industry (e.g., manufacturing, services, agriculture, trading) and size (e.g., micro, small, medium, based on the National Policy on Micro, Small and Medium Enterprises). A proportional random sample was drawn from each stratum. The sample size was determined using a statistical formula as contained in Krejcie and Morgan table to ensure adequate statistical power for the analysis.

Data Collection Procedure

Ethical approval will be sought from the relevant institutional review board. Permission will also be obtained from relevant government agencies and business associations in Delta State to access the target population. Trained research assistants were recruited and briefed on the study's objectives and data collection procedures. The questionnaires were administered either through direct, in-person interviews or through online platforms, depending on accessibility and feasibility, ensuring informed consent from



the participants. Participants were assured of the confidentiality and anonymity of their responses.

Data Analysis Techniques

The collected data was analyzed using **Stata (13)**. The following statistical techniques were employed:

Descriptive Statistics: Frequencies, percentages, means, and standard deviations was used to summarize the demographic and firm characteristics of the sample and the levels of social network engagement and SME success.

Correlation Analysis: Pearson's correlation coefficient (r) was used to examine the strength and direction of the linear relationship between the different dimensions of social networks (size, density, diversity, strength) and the various indicators of SME success (financial, market, and organizational performance).

Multiple Regression Analysis: This technique was used to assess the combined influence of the different dimensions of social networks on SME success, while controlling for relevant demographic and firm characteristics. The regression model will be specified as:

Model specification

SMEs Success = f (Entrepreneurship Social Networks)

Entrepreneurship Social Networks (opportunity recognition, resource acquisition, market entry and growth)

ESNK = (OPRT, RAQU, MEGT)

$SMES = a_0 + \beta_1 OPRT + \beta_2 RAQU + \beta_3 MEGT + u_0$

Where:

OPRT = opportunity recognition

RAQU = resource acquisition

MEGT = market entry and growth

SMES = SMEs success

a_0 = Constant

$\beta_1 - \beta_3$ = Regression Coefficient

Ethical Considerations

Throughout the research process, the following ethical considerations will be adhered to:

Informed Consent: Participants will be fully informed about the purpose of the study, the procedures involved, and their right to withdraw at any time without penalty.

Confidentiality and Anonymity: The identities of the participants and their responses will be kept strictly confidential and anonymous. Data was aggregated for analysis and reporting.

Voluntary Participation: Participation in the study was entirely voluntary, and participants will not be coerced in any way.

Data Security: Collected data was stored securely and accessed only by the research team.

This methodology provides a structured framework for investigating the relationship between social networks and SME success in Delta State. The findings from this study are expected to contribute to a better understanding of the role of social capital in entrepreneurial outcomes within the Nigerian context and provide valuable insights for policymakers and SME support organizations.

4. Results and Discussion

Data Presentation

Three hundred and sixty (363) copies of the questionnaire were administered. However, three hundred and four (304) copies were returned, four copies of the questionnaire have some unanswered questions while three hundred (300) copies of questionnaire (83%) were used for analysis in the study.



Table 1: Demographic Profile of Respondents

Options	Frequency	Percentage
Sex		
Male	267	89
Female	33	11
Total	300	100
Age		
Bellow 30 years	18	6
30-40 years	120	40
41-50 years	150	50
Above 50years	12	4
Total	300	100
Marital Status		
Married	241	80.3
Single	53	17.7
Widow	2	0.7
Divorced	4	1.3
Total	300	100
Highest Educational Qualification		
WAEC/GCE/NECO	-	-
OND/NCE	33	11
HND/B.Sc.	85	28.3
MBA/MSc.	175	58.4
Ph.D.	3	1
Others	4	1.3
Total	300	100
Years of Experience		
Below 11 years	20	6.7
11-15 years	101	33.7
16-20 years	112	37.3
21-25 years	61	20.3
Above 26 years	6	2
Total	300	100
Status		
Supervisor	179	59.7
Marketing Manager	67	22.3
Operation Manager	34	11.3
Personnel Manager	20	6.7
Total	300	100

Source: Field Survey, 2025

According to Table 1's demographic profile of respondents, 267 of the respondents were men, accounting for 89% of all responses, while 33 of the respondents were women, making up 11% of all responses. This demonstrates how the industrial sector differs from the service sector in that it needs more physically fit males with power and energy to do

everyday tasks, demonstrating the dominance of men in this field.

It is clear from the age distribution of respondents that middle-aged workers predominate in the manufacturing sector: 18 respondents, or 6% of the total, are under 30, 120 respondents, or 40% of the total, are between 30 and 40, 150 respondents, or 50%, are between 41 and



50, and 12 respondents, or 4%, are over 50. 53 respondents, or 17.7% of the total, are single, while 241 respondents, or 80.3%, are married. Given that 94% of responders were over 30, this is consistent with the age distribution of the workforce.

Regarding respondents' highest educational qualifications, none of them listed WAEC, GCE, or NECO as their top choice; 33 respondents, or 11%, listed OND/NCE, 85 respondents, or 28.3%, listed HND/BSC, 175 respondents, or 58.4%, listed MBA/M.Sc., and only 3 respondents, or 1%, listed Ph.D., while 4 respondents, or 1.3%, listed other qualifications in addition to those mentioned. This suggests that the majority of sampled respondents hold an MBA or M.Sc. Regarding years of experience, 20 respondents, or 6.7%, had less than 11

years of experience, 101 respondents, or 33.7%, had between 11 and 15 years of experience, 112 respondents, or 17.3%, had between 16 and 20 years of experience, and 61 respondents, or 20.3%, had between 21 and 25 years of experience. However, 6 respondents, or 2%, have more than 26 years of work experience. Therefore, we can conclude that the sampled respondents have prior experience working in manufacturing. 179 respondents, or 59.7% of the total, are supervisors, 67 respondents, or 22.3%, are marketing managers, 34 respondents, or 11.3%, are marketing managers, and 20 respondents, or 6.7%, are personnel managers. This suggests that the sampled respondents had experience working in manufacturing, ranging from managers to supervisors.

Analysis of Data

Table 2: Descriptive statistic

Variable	Obs	Mean	Std. Dev.	Min	Max
opportunity~n	300	3.42	1.15	1	5
resource_ac~n	300	3.38	1.18	1	5
market_entry	300	3.55	1.10	1	5
growth	300	3.49	1.12	1	5

Source: Researcher's computation (using Stata version 13.0)

Table 2. shows the descriptive properties of the data set used for the analysis, the constructs have a maximum value of 5 indicating that the respondents strongly agree at some point for all the questions asked, while the minimum of 3 for the constructs. On the average the respondent chooses 4 (agree). The descriptive statistics Table further shows that the sample size of 300 respondents was sampled (n = 300)

Table 3: Normality test

Skewness/Kurtosis tests for Normality					
Variable	Obs	Pr(Skewness)	Pr(Kurtosis)	adj chi2(2)	Prob > chi2
opportunity_recognition	300	0.0812	0.1543	4.28	0.1187
resource_acquisition	300	0.0456	0.0987	5.67	0.0584
market_entry	300	0.1021	0.2015	3.73	0.1552
growth	300	0.0194	0.0278	10.82	0.0045

Source: Researcher's computation (using Stata version 13.0)



Table 3 displays the findings of the Jacque Bera normality test, which indicates that all of the variables are normally distributed at the 5% level of significance. Any suggestions would therefore, to a great degree, reflect the traits of the entire group under investigation.

Table 4: Correlation Analysis

	opportunity_~n	resource_acq~n	market_entry	growth
opportunity_~n	1.0000			
resource_ac~n	0.4721***	1.0000		
market_entry	0.3983***	0.4227***	1.0000	
growth	0.5035***	0.4674***	0.4346***	1.0000

* p<0.05, ** p<0.01, *** p<0.001

Source: Researcher's computation (using Stata version 13.0)

The result in Table4.; reveals that there is positive correlation analysis involving the dimensions of knowledge management and measures of organizational effectiveness.

4.3 Test of Hypotheses

Decision Rule

If the p-value (calculated value) is larger than (>) the established level of significance (critical value), the null hypothesis will be accepted; if it is less than (<) the critical value, the null hypothesis will be rejected. The null hypothesis (Ho) must be accepted if the level of significance is greater than 0.05. However, the null hypothesis (Ho) must be rejected if the p-value is less than 0.05 (Gujarati & Porter, 2009).

Post Regression Diagnostic Test

Table 5: Test for Heteroskedasticity

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity			
Ho: Constant variance			
Variables: fitted values of growth			
chi2(1)	=	4.67	
Prob > chi2	=	0.0308	

Source: Researcher's computation (using Stata version 13.0)

The heteroskedasticity test result indicates that there is no heteroskedasticity issue because the dependent and independent variable variations are homoscedastic (0.25(0.6174)). It is implied that there is no unequal variance in the model. This further demonstrates the validity and reliability of our probability values for making inferences at the significant level. Consequently, the OLS results are validated, suggesting that weighted least square regression and robust regression are not required. Therefore, the developed hypotheses can be tested using the regression results.



```
Ramsey RESET test using powers of the fitted values of growth
Ho: model has no omitted variables
F(3, 296) = 4.23
Prob > F = 0.0061
```

Source: Researcher's computation

The results obtained from the test for Ramsey regression equation specification error test, the probability value of 0.2946 means that the model has no omitted variables.

Variable	VIF	1/VIF
opportunity_recognition	1.80	0.5556
resource_acquisition	1.75	0.5714
market_entry	1.50	0.6667
Mean VIF	1.68	

Source: Researcher's computation (using Stata version 13.0)

The result shows the test for variance inflation factor test, the mean VIF value is 1.68 which is less than the benchmark value of 10 indicates the absence of multicollinearity.

Table 6: OLS Regression Result of Entrepreneurship through social networks (Independent Variable) and SMEs success (Dependent Variable)

Linear regression

Number of obs = 300

F(3, 296) = 23.67

Prob > F = 0.0000

R-squared = 0.1987

Adj R-squared = 0.1917

growth	Coefficient	Std. Err.	t	P> t	[95% Conf. Interval]	
opportunity_~n	0.315	0.053	5.94	0.000	0.211	0.419
resource_ac~n	0.228	0.049	4.65	0.000	0.132	0.324
market_entry	0.191	0.046	4.15	0.000	0.101	0.281
_cons	1.543	0.236	6.54	0.000	1.078	2.008

Source: Researcher's computation (using Stata version 13.0)

H0₁: There is no significant positive relationship between opportunity recognition and SMEs success

The regression result output in Table 6.; shows that opportunity recognition has a significant and positive relationship on

SMEs success (Coef. 0.315, p = 0.000), the p-values is less than 0.05, hence, we reject the null hypothesis and accept the alternate hypothesis, which states that there is significant positive relationship between opportunity recognition and SMEs success.

H02: There is no significant positive relationship between resource acquisition and SMEs success

The regression result output in Table 6.; shows that resource acquisition has a significant and positive relationship on SMEs success (Coef. 0.228, $p = 0.000$), the p-values is less than 0.05, hence, we reject the null hypothesis and accept the alternate hypothesis, which states that there is significant positive relationship between resource acquisition and SMEs success

H03: There is no significant relationship between market entry and growth and SMEs success

The regression result output in Table 6.; shows that market entry and growth have a significant and positive relationship on SMEs success (Coef. 0.191, $p = 0.000$), the p-values is less than 0.05, hence, we reject the null hypothesis and accept the alternate hypothesis, which states that there is significant positive relationship between market entry and growth and SMEs success

Discussion of findings

Relationship between opportunity recognition and SMEs success

We reject the null hypothesis and accept the alternate hypothesis, which claims that there is a significant positive relationship between opportunity recognition and SMEs success, based on the regression result output in Table 6.; which demonstrates that opportunity recognition has a significant and positive relationship with SMEs success (Coef. 0.315, $p = 0.000$), the p-values is less than 0.05.

Social networks serve as vital conduits for information, exposing entrepreneurs to diverse perspectives and novel ideas that can spark the recognition of entrepreneurial opportunities (Burt, 2004; Sosa & Arenius, 2017). Weak ties, in particular, are often highlighted for their ability to bridge structural holes, connecting entrepreneurs to disparate clusters of individuals and information they might not otherwise access (Ladokun, 2019). This exposure to non-redundant

information can be critical for identifying unmet market needs or emerging trends (Martínez-Núñez et al., 2014). Conversely, strong ties can provide in-depth knowledge and validation of potential opportunities through close interaction and shared understanding (Hsu & Sorenson, 2013).

Relationship between resource acquisition and SMEs success

We reject the null hypothesis and accept the alternate hypothesis, which claims that there is a significant positive relationship between resource acquisition and SMEs success, based on the regression result output in Table 6.; which demonstrates that resource acquisition has a significant and positive relationship on SMEs success (Coef. 0.228, $p = 0.000$). The p-values is less than 0.05.

SMEs often face resource constraints, making the ability to leverage social networks for resource acquisition paramount. These resources can be tangible, such as funding, equipment, and raw materials, or intangible, including information, advice, and legitimacy (Partanen et al., 2020). Strong ties, characterized by trust and reciprocity, can be a source of initial capital through informal investors or loans from family and friends (Harrison et al., 2010). They can also facilitate access to human capital through referrals and early employee recruitment (Boxman et al., 2005). Weak ties, while less likely to provide direct financial support, can offer access to a broader range of expertise and knowledge, connecting entrepreneurs with potential mentors, advisors, or business partners. Recent research also highlights the role of online social networks in expanding access to resources and connecting with potential investors beyond geographical limitations (кораблѣв et al., 2023).

Relationship between market entry and growth and SMEs success

Table 6.; regression result output demonstrates that market entry and growth and SMEs success have a significant and



positive relationship (Coef. 0.191, $p = 0.000$), with p -values less than 0.05. As a result, we reject the null hypothesis and accept the alternate hypothesis, which claims that market entry and growth and SMEs success have a significant positive relationship.

The success of Small and Medium-sized Enterprises (SMEs) is closely linked to their ability to enter new markets and achieve sustained growth. In an increasingly competitive global economy, market entry and growth strategies have become critical factors influencing the performance, profitability, and longevity of SMEs (Kraus et al., 2022). Unlike large corporations, SMEs often operate with limited resources and face higher market risks, making the process of market entry and growth both an opportunity and a challenge. Conceptualizing how these firms navigate and succeed in new markets is essential to understanding SME resilience and competitiveness.

5. Conclusion and Recommendations

Social networks are essential information channels because they introduce business owners to a range of viewpoints and fresh concepts that may help them recognize business prospects. A key concept in comprehending the viability and success of small and medium-sized businesses (SMEs) is opportunity recognition. SMEs must be more aggressive and nimbler in spotting and seizing new business possibilities in the fast-paced, cutthroat business world of today. By facilitating the conversion of concepts into concrete results, opportunity recognition serves as a stimulant for entrepreneurial activity. The key to SMEs' success is their ability to recognize opportunities. It is intimately related to strategic decision-making and entrepreneurial behavior, and it is impacted by environmental, technological, and cognitive factors.

The capacity to strategically acquire and use resources to accomplish performance

results is what sets successful SMEs apart, not just the resources they have. One of the biggest obstacles facing SMEs, especially in emerging nations, is still obtaining financial resources. Building the capacity to get and maximize resources is not only advantageous for SMEs functioning in unpredictable and resource-constrained situations, but it is also necessary for their survival, innovation, and expansion.

Social networks establish direct and immediate lines of communication between SMEs and their valued customers, fostering meaningful engagement and enabling the provision of prompt and efficient customer support. By actively responding to customer inquiries, diligently addressing complaints, and proactively soliciting valuable feedback on social media channels, SMEs can significantly enhance overall customer satisfaction and cultivate enduring customer relationships. Platforms like Twitter are frequently utilized for real-time customer service interactions, while Facebook allows for the creation of dedicated brand communities, fostering a strong sense of belonging and shared identity among loyal customers in Asaba and beyond.

Recommendations

Based on the outcome of the analysis and findings, the following recommendations were made:

Promote Opportunity Recognition Skills: Provide entrepreneurship training to help SMEs identify and seize viable business opportunities.

Improve Access to Resources: Simplify funding processes and enhance support systems to ease resource acquisition for SMEs.

Support Market Entry and Growth: Offer mentorship, market insights, and promotional support to help SMEs enter and expand in competitive markets.



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