# DIGITAL TRANSFORMATION AS A TOOL IN MEASURING BUSINESS PERFORMANCE OF SMALL & MEDIUM ENTERPRISES IN OWERRI, IMO STATE.

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***Abstract***
*Digital transformation which is imperative for all businesses, from the small to the big enterprise, is the process of using digital technologies to create new or modify existing business processes, culture, and customer experiences to meet changing business and market requirements. The purpose of this paper is to investigate how digital transformation affects marketing activities in small and medium-sized enterprises (SMEs) in Owerri, Imo State. The primary research question focuses on the current evolution of marketing activities performed by organizations. A descriptive research design was used. The conceptual frame work was developed to identify the variables, dimensions and indicators to prepare effective questionnaire. The primary data are collected through questionnaire which consists of 34 questions to each relevant area. The questionnaire was distributed among 50. The study employed regression technique and based on the hypothesis tested, it was clear that there is strong positive relationship between all independent variables (Compatibility, Cost Effectiveness, Trust and Interactivity) and dependent variable (Business Performance) in the conceptual framework. Hypothesis of all null hypotheses are rejected and alternative hypothesis of all variables have to be accepted. It can be proved on significant test of analysis with evaluating Sig. value less than alpha (0.05) level (0.000< 0.05). It means all independent variables have an impact to the dependent variable. The findings shown that digital technologies are widely used in marketing in the enterprises studied, despite the fact that these technologies are often classified as traditional tools. IT technologies and digital tools also have an impact on marketing, assisting in the development of customer relationships and increasing the value of each organization.*
***Keywords:*** *Digital business performance, cost effectiveness, SMEs, Owerri, Nigeria.*

## Introduction

The potential of digital transformation to drive trade and economic growth, and bridge inequalities between African nations and the rest of the world, is widely recognised (Department of International Relations and Cooperation, 2019). Digital transformation entails the deployment of new technologies to change an organisation's processes, products, services and even their underpinning business model.

Simply put, digital transformation is "the use of technology to radically improve performance or reach of enterprises" (Westerman et al., 2014). However, the United Nations General Secretary, Antonio Guterres, recently concluded that although "digital advances have created enormous wealth in record time", it was "concentrated around a small number of individuals, companies and countries", and that "we must work to close the digital divide, where more than half the world has limited or no access to the Internet" (United Nations, 2019).

In Nigeria, the adoption of mobile phones, social media and internet technologies has reached new levels in recent years, with internet penetration increasing at about 10% every year, and active GSM subscriber lines growing from 145 million in 2017 to 184 million at the end of 2019 (Nigerian Communications Commission, 2020). This increased adoption of digital technologies for personal use has engendered a growing demand for digital services and products in the

commercial arena. The adoption of digital transformation initiatives by Nigerian businesses, however, is generally still in the early stages, with financial institutions, start-ups and small businesses leading the search for creative and innovative approaches to deliver digital products and services to customers.

Digital transformation manifests itself through the incorporation of digital technologies into all operational aspects of an organization's activities. Technology, which was previously used to reduce costs and improve business processes, has revealed its potential to determine the overall direction of change in an organization's functioning. Today, we can see a phenomenon known as the "digital revolution," which denotes fundamental changes in consumer behavior and lifestyle, as well as the organization of economic relations. All of this is due to the growing importance of ICT (information and communication technologies) and the Internet, which have altered how information and data are obtained and processed, as well as transformed how people communicate and establish relationships with one another. Digital marketing is defined as the use of digital technologies and media to achieve marketing goals (Arora, 2013). In organizations that are in the early stages of digital transformation, technology is viewed as a tool that improves organizational performance while leaving the previous operational framework and principles untouched. Technology has greater potential, and in its most advanced form, it has the potential to lead to a complete organizational change based on modern tools (Bakri, 2017).

Digital transformation is primarily concerned with the transformation of an organization and the processes that occur within it in order to introduce a new approach to products, customers, or services. It is not simply a matter of making existing processes more efficient or effective with the aid of modern technologies. A business places the customer, his needs, and preferences, at the center of its operations  He also becomes a value co-creator, emphasizing the importance of marketing in the age of digital transformation. Thus, conducting research on this topic with SMEs would add to our understanding of digital transformation, marketing, and sustainability. The research gap was identified as a lack of research on how SMEs could use ICT tools and techniques to improve digital transformation and achieve long-term development.

Efficient execution of business processes is vital to the success of any business especially in this challenging period posed by the Covid-19 pandemic and global economic challenges. Many businesses in Nigeria are still held back by their traditional ways of engaging business processes in a business world evolving with artificial intelligence. The business leader‘s ways of doing business makes it difficult to grow new business and not effectively managing business process transition. Many businesses are finding it difficult to revamp their business model and redesign their operating model to boost a digital strategy to overcome the present business harsh realities and take advantage of growing consumer demand. Due to the traditional method of engaging business transformation, the businesses have been unable to stay afloat and take advantage of business growth opportunities. Should this trend continue with many businesses not reengineering their business processes, the resultant effect could be crashing of many businesses, loss of jobs, less economic productivity, and lack of competitiveness in the global scale.

The objectives of this study are to investigate the relationship between digital transformation and business performance of small & medium enterprises and to examine the impact of digital compatibility, cost effectiveness, trust and interactivity to business performance.

The following hypotheses was used for testing the relationship between variables to ensure the achievement of research objectives:

Hypotheses 01: Compatibility has an impact to business performance.
Hypotheses 02: Cost effectiveness has an impact to business performance.
Hypotheses 03: Trust has an impact to business performance.
Hypotheses 04: Interactivity has an impact to business performance.

## Review of Related Literature

### Digital Transformation

Digital transformation is the process of adoption and implementation of digital technology by an organization in order to create new or modify existing products, services and operations by the means of translating business processes into a digital format.

According to one definition of digital transformation from **(**Ferrer, 2011). Digital transformation is a change caused or influenced by the use of digital technology in all aspects of human life. In contrast to the definition of (Grandon and Pearson, 2004), digital transformation is defined as the use of technology to generally improve a company's performance or reach.

Another definition comes from (Lumsden, 2015), which states that digital transformation is the third and highest level of digital skills attained. It occurs when digital use facilitates innovation and creativity, as well as encourages significant changes in professional or knowledge fields. Furthermore, digital transformation is defined as "a rapid change in all strategies because demands must change, operations must be digital, and extended supply chain relationships must be extended."

Furthermore, it necessitates the functional use of the internet in design, manufacturing, marketing, sales, and presentation, as part of a data-driven management model".

Security, simulation, the internet, cyber security, and blockchain are also included (Hakala, 2013). Some of these definitions indicate that when using digital transformation, there is a comprehensive motivation, innovation, and consequences. As a result, SMEs can easily carry out digital design of business model choices, information technology and understanding, evaluation, digital value network design, and customer feedback (Hakala, 2013). Furthermore, establishing open lines of communication between entrepreneurs and information technology specialists can help to prevent fraud (Henseler, 2010).

### Small and Medium Enterprises in Nigeria

Nigeria is home to **over** 36.9 million SMEs, comprising 96.7% of all businesses in Nigeria. 67% of these businesses are youth-owned. SMEs contribute over 45% to the country's gross domestic product (GDP), with 98.8% of them in the micro cadre. They account for nearly 90% of the jobs in the country.

Enterprises vary in sizes, structure and complexities, but are generally characterized by the utilization of resources towards the attainment of predetermined ends. Broadly, enterprises are

categorized into micro, small, medium and large organizations. Micro enterprises typically include street vendors, petty/artisanal business etc.

**Table 1: Categorization of SMEs in Nigeria**

| S/N | Size Category | Employment | Assets (=N= Million) (excl. land and buildings) |
|---|---|---|---|
| 1 | Micro enterprises | Less than 10 | Less than 5 |
| 2 | Small enterprises | 10 to 49 | 5 to less than 50 |
| 3 | Medium enterprises | 50 to 199 | 50 to less than 500 |

***Source: SMEDAN (2021).***

Micro enterprises are not expected to fulfill stringent regulatory requirements and largely operate in the informal sector of the economy especially in developing economies. In contrast, small and medium sized enterprises (SMEs) are larger in size, demands relative formal structure, are impacted substantially by business environmental factors and accounts for a considerable percentage of all businesses in the "formal sector" of an economy.

The pervasive nature of SMEs in virtually every sector of the Nigerian economy and their place in national development is well established and documented. These include enhancing diversification and expansion of industrial base, utilization of local materials and skills, increased government revenue, wealth creation, poverty reduction and curbing rural-urban migration etc. The economic imperatives of SMEs are also apparent in the mobilization of idle financial resources, creating competition by offering varieties of products and services, reducing pressure on foreign exchange demand through import substitution, providing intermediate services and supplies to large firms, employment generation, source for innovation etc. (Dimoji & Onwuneme, 2016).

In realization of the centrality of SMEs as drivers of economic growth in Nigeria through ensuring a shift from crude oil export as a major source of government revenue to an industrial and service driven economy, concerted efforts in terms of policy guidelines and interventions have been initiated and implemented by successive governments at all levels to accelerate the growth and viability of the SME sector. Agencies such as Small and Micro Enterprise Development Agency (SMEDAN), and the Bank of industry, for instance, were established to provide technical support and low interest loans, while the Small and Medium Enterprise Industries Equity Investment Scheme (SMIEIS) mandates commercial banks to invest at least 10% of their pre-tax profit in SMEs. In 2014 the Central Bank of Nigeria (CBN) launched 220 Billion naira SMEs intervention fund.

However, despite the quantum of efforts by successive governments and other stakeholders, majority of newly established SMEs fail to survive their first two years, while existing ones are either shutting or operating at sub-optimal levels. This assertion is corroborated by Thompson and MacMillan (2010), who posited that "the failure rate for start-ups is high. And new ventures in emerging economies face such challenges as uncertain prices and cost, non-existent or unreliable infrastructure, and unpredictable competitive response". The high rate of SME mortality calls for scrutiny of internal operational effectiveness and efficiency, as well as an understanding of the intricate web of external environmental factors capable of impeding SMEs ability and flexibility

to take advantage of business opportunities needed for growth and profitability. The vast population of Nigeria offers large market to be exploited by SMEs and the business environment no doubt presents a number of inherent challenges for SMEs to overcome.

**SMEs and Adaptation of Digital Transformation in Nigeria**

The use of internet technology in the work place has become common place (Chen et al., 2008). The internet-enabled communication media enables organizations to conduct business from anywhere at any time (Chen et al., 2008). A number of studies examined the use of Facebook among SMEs and discovered that SMEs used Facebook for a variety of organizational goals such as marketing, communication, sales, advertising, innovation, problem resolution, customer service, human resources, information technology, driving cultural change and advertising on social networks (Udechukwu, 2019). According to Meske and Stieglitz (2013), SMEs use social media technologies such as Facebook to communicate with their customers as well as to support internal communication and collaboration. According to a study conducted among SME managers in the Portharcourt, Rivers State, firm innovativeness, age, and geographic location all have a significant impact on SMEs' adoption of Social media tools (Udechukwu, 2019). SMEs, on the other hand, will use social media if these applications provide a significant amount of relevant and high-quality up-to-date content. According to Zeiller and Schauer (2011) a number of studies has shown that factors such as compatibility (Wang et al., 2010), cost effectiveness (Chong and Chan, 2012), trust (Chai et al., 2011), and interactivity (Lee and Kozar, 2012) influence social media adoption. The relationships are described in the following paragraphs.

***i. Compatibility***

According to the DOI theory, compatibility refers to how well an innovation fits with the potential adopter's existing values, past practices, and current needs (Rogers, 2010). Compatibility has been identified as a critical factor in the adoption of innovation (Wong, 2012). Firms are more likely to consider adopting new technology when it is recognized as compatible with work application systems. Many studies have been conducted to investigate the impact of compatibility on technology adoption, with both positive and negative findings.

According to Derham et al., (2011), embedding digital transformation in businesses would be a good idea because it allows businesses to effectively niche their target customers and share content about their products and services almost instantly. Because the findings are inconclusive, it is worthwhile to investigate the impact of compatibility on digital transformation.

***ii. Cost Effectiveness***

Previous research highlighted the importance of cost in technology adoption and utilization and discovered a direct and significant relationship between cost and technology adoption. According to studies, cost effectiveness is an important factor in the adoption of new technologies (Chong and Chan, 2012). Because of the low cost, low barriers to participation, and low level of IT skills required to use it, digital transformation is appropriate for SMEs (Derham et al., 2011). Dixon et al. (2002) contended that SMEs are less likely to adopt ICT if the initial set-up cost is high. Alam (2009) discovered that the cost of adoption has a significant effect on internet adoption among SMEs in Nigeria. Tan et al. (2009), on the other hand, discovered that cost had no significant effect on ICT adoption. In a similar study, Alam and Noor (2009) discovered that perceived cost had no direct impact on ICT adoption. However, because social media is a low-cost technology,

organizations can have direct communication with customers at a low cost (Kaplan and Haenlein, 2010).

### *iii. Trust*

Trust is a multifaceted concept. Mcknight et al. (2002) in their studies looked into various types of trust. The institution-based trust would be a better fit for this study. They distinguished between two types of institutional-based trust: situational normalcy and structural assurance. The belief that success is expected because the situation is normal is referred to as situational normalcy. Whereas structural assurances refer to the belief that positive outcomes are likely as a result of contextual structures such as contracts, regulations, and guarantees. Choudhury and Karahanna (2008) extended McKnight et al (2002).'s framework by proposing the existence of a new type of trust, namely informational trust.

Informational trust is defined as a user's belief in the dependability, credibility, and accuracy of information obtained from Facebook and is a significant factor influencing usage (Chai et al., 2011). The positive customer relationship, which social media facilitates, is a critical success factor for small businesses. Experts within the organization could use social media to share their ideas, opinions, and knowledge in response to customer inquiries (Schaffer, 2013). In the context of SMEs, organizations post a lot of information about their organization, products, services, and other promotional activities, as well as obtain information and knowledge from Facebook. As a result, structural assurance and informational trust may be required in order to use Facebook for work-related purposes.

### *iv. Interactivity*

Previous research has discovered that the successful interaction between humans and technology is a critical factor in the design and implementation of information systems (Lee and Kozar, 2012). Among the various design characteristics, interactivity stands out as a key and distinguishing factor that influences users' reactions to new technologies such as websites (Jiang and Benbasat, 2007). Social media, such as Facebook, is classified as interactive media. It allows for two-way communication rather than one-way transmissions or distributions of information to a target audience (Mayfield, 2008). Handayani and Lisdianingrum (2011) investigated Facebook adoption and use in two Indonesian SMEs and concluded that if properly managed, Facebook can be an effective free online marketing tool. As a result, given Facebook's interactive nature, the interactivity construct may have a significant impact on Facebook usage.

## Impact of Digital Transformation on Business Performance for SMEs in Nigeria

Several studies have demonstrated that technology can improve business processes and performance (Gera and Gu, 2004; Paniagua and Sapena, 2014; Hakala and Kohtamäki, 2011). Some researchers have discovered that corporate adoption of social media has advantages, and several have discovered a positive relationship between social media adoption and corporate performance (Ainin et al., 2015). Rodriguez et al. (2015) discovered that social media use improved customer-facing activities and, as a result, sales performance. According to Ferrer et al. (2013), the use of social media improves organizational social capital, which in turn improves performance. Wong (2012) discovered that Facebook adoption improved the sales performance of SMEs. According to Hassan et al. (2015), social media can have a significant impact on business by influencing purchasing decisions. These findings are consistent with previous research on

technology adoption, which discovered that technology adoption had a positive impact on both financial and non-financial performance.

**Methodology**

The methodology is to develop a conceptual framework and to explain the methodology through which research study has been conducted. In the conceptual framework independent and dependent variables related to the study will be identified. Moreover, by using theoretical perspectives discussed in the previous chapter conceptual framework has been developed. Then the chapter explains how the research has been conducted consisting operationalization, data collection and sampling, data analysis and finally the limitations of the study.

Based on the literature reviewed in the previous chapter, the effectiveness of using digital marketing tools in measuring the performance of small and medium enterprise in Owerri, Imo State can be shown below. According to Ainin (2015), four types of variables in SMEs affect their performance: source compatibility (C), cost effectiveness (CE), trust (T), and interactivity (I).

According to Akar and Topcu (2011), the dimensions for source compatibility and cost effectiveness are managing blogs, uploading videos or photos, time on site, bounce rate, and reach on site. These variables have been measured by subsequent researchers and can be viewed as major predictors of source business performance. Another significant study that has contributed to the field of digital transformation, findings explain that Trust and Interactivity content must be viewed in a broader context in terms of advertising, official blogging, and newsletter (Kaye, 2014).
Following variables were chosen from the above study of variables identified by different researchers to determine the effectiveness of digital transformation on the business performance of SMEs in Owerri. Due to the availability of a limited time frame, a limited number of variables were chosen based on their importance in previous research findings. In order to provide a 360-degree view, the variables chosen represent personal, social, and psychological areas. Furthermore, because digital transformation is still a new area in Nigeria, and because of differences in local lifestyle and the countries where previous research studies were conducted, some variables were eliminated.

***The Conceptual Framework***

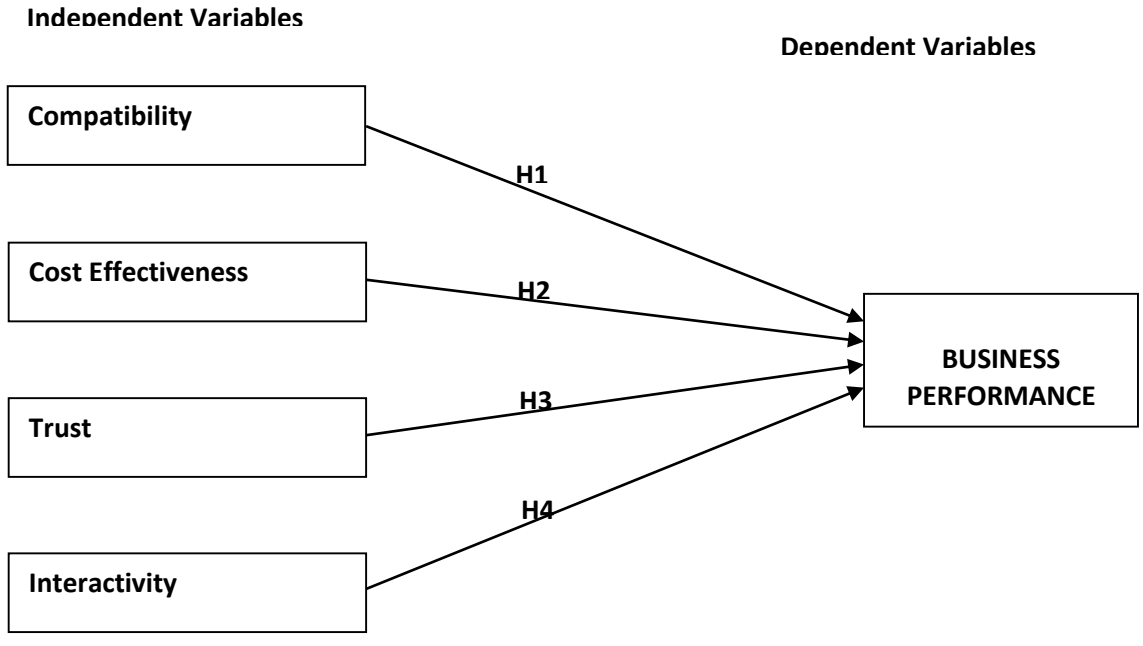

Figure 1: Conceptual framework

**Research Design**

A descriptive research design is used for this study and as a quantitative research using questionnaire to collect primary data on digital transformation as a tool in measuring business performance of small & medium scale businesses using journals, scholar articles and past research studies, the secondary data are collected and by developing literature review, the conceptual frame work is developed to identify the variables, dimensions and indicators to prepare effective questionnaire. The primary data are collected through questionnaire which consists of 34 questions to each relevant area. The questionnaire was distributed among 50 respondents according to the selection of population. To get the right understanding about subject matter multiple choice questions and scaling questions were used in questionnaire.

The questionnaire consists of 34 questions relating to the research study. The questionnaire is divided into 3 parts. First part is to collect the general information relating to digital transformation; to collect information relating to compatibility on Digital transformation as it relates to SMEs', cost effectiveness, trust and interactivity on Digital transformation. Section four includes measure on business performance of SMEs; consists with four questions. First part consist of 5 points likert scaling questions to ask the extent to which they agree on particular statement which is coded as 5 – strongly agree, 4 – agree, 3- neutral, 2- disagree and 1- strongly disagree. The second part includes ten questions relating to the indicators of operationalization table where in fourth part, there are four questions relating to business performance.

Section three consists of questions related to respondent's demographic data. This part includes five questions and was designed to identify respondents' demographic data including Social Media tools, no of years, annual turnover and no of employees.

**Sample design**

When analyzed and define the total sample of the research, firstly should be considered the total population regarding Social Media usage of total SMEs in Owerri.

Currently 1,296,386 SMEs are operating their business in Imo State, this includes auxiliary services (SMEDAN, 2021). This study focus on the state capital Owerri because most of the SMEs owners in other rural areas of the state are not conversant with Android phone/Computer usage. The researcher was able to identify 133 SMEs in Owerri that employs Digital transformation in their businesses. The population of the study is 133.

Simple random sampling was used as the sample technique due to the fact that each respondent in the population has known and equal probability of selection and each respondent selected independently; sampling element would be each independent individual selected from target population. Base on simple random sampling, The research is limited to 50 randomly selected SME operators out of a pool of 133 identified SMEs operators that uses Digital transformation in Owerri, Imo State.

**Analysis**

Here the estimation information identified with test profile was analyzed and deciphered.

**Social Media Tool**

Table 3: Social Media Tool

| Social Media Tool | Frequency | Percentage | Valid Percentage | Cumulative Percentage |
|---|---|---|---|---|
| Valid Facebook | 30 | 60.0 | 60.0 | 60.0 |
| Valid You Tube | 10 | 20.0 | 20.0 | 80.0 |
| Valid Instagram | 4 | 8.0 | 8.0 | 88.0 |
| Valid LinkendIn | 6 | 12.0 | 12.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

Most number of SMEs use Facebook as a Social Media platform to promote their brand and marketing activities. It represents 60% of total sample. Secondly SMEs pay their attention to use YouTube. It shows 20%. They pay less attention to Instagram, it shows 8%. Most companies try to increase usage of LinkedIn to get interaction for corporate communication.

**Descriptive Statistics**

With a particular extreme target to gap and hypothesis theory expert have inspected the information amassed through the analysis by methodology for SPSS 25 system and this engages and give the mean estimation of each factor in the sensible structure. Taking after tables will give the mean worth to each factor.

Table 4: Descriptive Statistics Table

| Descriptive Statistics | | | | | | | |
|---|---|---|---|---|---|---|---|
| | N | Minimum | Maximum | Mean | Std. Deviation | Skewness | |
| | Statistic | Statistic | Statistic | Statistic | Statistic | Statistic | Std. Error |
| Compatibility | 50 | 2.40 | 5.00 | 3.9480 | .63092 | -.397 | .337 |
| Cost Effectiveness | 50 | 2.20 | 4.60 | 3.7600 | .54660 | -1.281 | .337 |
| Trust | 50 | 2.60 | 5.00 | 3.9200 | .54361 | -.676 | .337 |
| Interactivity | 50 | 2.20 | 5.00 | 3.6640 | .68505 | -.341 | .337 |
| Business Performance | 50 | 2.10 | 4.50 | 3.7760 | .50368 | -1.301 | .337 |
| Valid N (list wise) | 50 | | | | | | |

Above table presents how respondents have positioned their decision to this survey with Compatibility, Cost Effectiveness, Trust, Interactivity and Business Performance (Dependent variable). Dimensions were checked on the 1 to 5 likert scale and the mean value is more prominent than 3.00 for all pointers of above dimensions. Compatibility demonstrates the highest mean of above analysis. Truly, it could be communicated that majority of the respondent has an average about these independent and dependent variables. All variables shows a negative skewness in the sample. Left tail of the distribution for all dimensions longer than right tail. All data of the sample will be less than medium.

**Regression**

Table 5: Regression Table

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .894[a] | .799 | .781 | .23573 |

a. Predictors: (Constant), Interactivity, Compatibility, Cost Effectiveness, Trust

ANOVA[b]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 9.931 | 4 | 2.483 | 44.677 | .000[a] |
| | Residual | 2.501 | 45 | .056 | | |
| | Total | 12.431 | 49 | | | |

a. Predictors: (Constant), Interactivity, Compatibility, Cost Effectiveness, Trust
b. Dependent Variable: Business Performance

Table 6: Multiple regression analysis between Compatibility, Cost Effectiveness, Trust, Interactivity and Business Performance

Coefficients[a]

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .435 | .266 | | 1.634 | .109 |
| | Compatibility | .337 | .075 | .422 | 4.496 | .000 |
| | Cost Effectiveness | -.026 | .099 | -.027 | -.266 | .042 |
| | Trust | .478 | .104 | .504 | 4.597 | .000 |
| | Interactivity | .074 | .066 | .101 | 1.123 | .047 |

a. Dependent Variable: Business Performance

When it comes to multiple regression models, R value can be identified as 0.894. The strengthh between independent variables and dependent variable is strongly positive related with 0.894 value. If researcher tests of hypothesis of above case, he will evaluate statistical manner. According to multiple regressions analysis in above tables, partial regression coefficient for Compatibility (C) is 0.337, which is different from the bivariate analysis. The corresponding beta coefficient is 0.422. The partial regression coefficient for Cost Effectiveness (CE) is -0.026 whereas corresponding beta value is -0.027. The partial regression coefficient for Trust (T) is 0.478 whereas corresponding beta value is 0.504. The partial regression coefficient for Interactivity (I) is 0.74 whereas corresponding beta value is 0.101.

The important part in the table is that R square which indicates that all independent variables have 0.799 or 79.9% of variation in Business Performance and other 20.1% of variation in Business Performance is explained by other factors related to Business Performance. The researcher can construct linier regression function based on above results

$$Y = 0.435 + 0.422C - 0.027CE + 0.504T + 0.101I + 0.201\hat{e}$$

0.201ê is forecasted error in this model according to this multiple regression model.

**Key Findings and Discussion**

According to the study's findings, digital transformation is significantly related to interactivity, compatibility, trust, and cost effectiveness. The findings also revealed that digital media usage had a positive impact on the business performance of SMEs in Owerri, Imo State.

Based on the hypothesis tested above it is clear that there is strong positive relationship between all independent variables (Compatibility, Cost Effectiveness, Trust and Interactivity) and dependent variable (Business Performance) in the conceptual framework. Hypothesis of all null hypotheses are rejected and alternative hypothesis of all variables have to be accepted. It can be proved on significant test of analysis with evaluating Sig. value less than alpha (0.05) level (0.000< 0.05). It means all independent variables have an impact to the dependent variable of purchase intention.

This study provides numerous insights for SMEs considering digital transformation for business performance. The findings should inform respondents on how to approach different situations in the best way possible, as well as demonstrate how nuanced educated and uneducated people must be when attempting to gain digital transformation insights from SMEs. First, the findings inform respondents on how to best utilize digital resources and improve business performance. Results have repeatedly demonstrated how changing or adding a single unit statistic can have a significant impact on overall volume numbers, a metric that has traditionally been used to speak to digital transformation. These results demonstrate how, in a universe of divided respondents, this Marco economic approach to measuring compatibility, cost effectiveness, trust, and interactivity. As a result, SMEs may need to incorporate a digital transformation plan by utilizing a long-term digital business development or bottom-up approach. Measurements should begin with the objective respondents' feedback designs as a foundation and then measure relating movement in light of the digital transformation strategy. This will assist SMEs who are attempting to gauge and reap the benefits of digital transformation. It will also allow those conducting predictive research to better gauge separate connections between Security and Image for potential respondents' awareness and knowledge sharing behavior.

**Conclusion**

Dimensions of digital transformation are growing at a rapid rate in SMEs in Owerri, Imo State. Four dimensions have been identified as digital transformation for Business Performance such as Compatibility, Cost Effectiveness, Trust and Interactivity. According to findings of the study, it can be identified that there is a positive impact on Business Performance in SMEs in Owerri, Imo State. The all proven hypotheses are the main evidence for that.

When researcher evaluates the objectives of research, explaining and determining the Compatibility and Trust factors that contributes for Business Performance can be seen as strong positive relationship between Business Performance. It can be identified that moderate positive relationship between Connecting to Business Performance. Then dimension of Cost effectiveness and Interactivity showed moderate positive relationship with Business Performance The final

objectives of the research is providing recommendation to promote Digital transformation at Small and Medium enterprises in Owerri, Imo State. It generates strong recommendation using these variables. When developing Business Performance activities or projects to enhance the future challenges of SMEs in Owerri, Imo State as better technique, the managers need to use above contents rather than using traditional marketing methods to have better digital transformation relating Business Performance in Small and Medium Enterprises (SMEs) in Owerri, Imo State.

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