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DIGITAL RELATIONSHIP MARKETING AND CUSTOMER LOYALTY AMONG SMES IN NIGERIA: THE MODERATING ROLE OF SOCIAL MEDIA ENGAGEMENT

OGUNWOLE, Gabriel Taiwo

Department of Marketing, Federal College of Education (Technical) Akoka, Yaba, Lagos State.

Corresponding E-mail; taiwoife2007@gmail.com

ABSTRACT

The shift to a more digital approach to business has changed the way Small and Medium Enterprises (SMEs) build and maintain customer relationships in today's very competitive business landscape. The study explored the effect of Digital Relationship Marketing on Customer Loyalty of Small and Medium Scale Enterprises (SMEs) in Nigeria with a specific focus on the moderating effect of Social Media Engagement. The descriptive survey research design was used and primary data from 250 customers of the SMEs operating in Lagos State, Nigeria were obtained through a structured questionnaire. The instrument was validated in the following ways: expert review and Exploratory Factor Analysis, the reliability analysis was confirmed using Cronbach's Alpha coefficients ranging from 0.81 – 0.88. The data were analyzed by descriptive statistics, Pearson Product Moment Correlation, Multiple Regression Analysis and Hierarchical Regression Analysis. The results revealed that there is a positive and significant effect of Digital Relationship Marketing towards Customer Loyalty ($\beta = 0.371$, $p < 0.05$). The study also revealed a positive and significant correlation between Social Media Engagement and Customer Loyalty ($r = 0.536$, $p < 0.05$). In addition, Digital Relationship Marketing had significant interaction with Social Media Engagement ($\beta = 0.244$, $p < 0.05$) on the influence on Customer Loyalty. In Digital Relationship Marketing, the dimensions of Digital Communication Quality, Personalization and Online Trust were the best predictors of Customer Loyalty. Based on the findings, the study concludes that good digital relationship marketing and social media activity have a significant positive impact on customer loyalty and competitive advantage in the case of SMEs in Nigeria.

Keywords: *Digital Relationship Marketing, Customer Loyalty, Social Media Engagement, SMEs, Online Trust, Personalisation, Nigeria.*

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INTRODUCTION

Digital technologies have had a profound impact on the world of business and how organisations interact with their customers, communicate and engage. The digital economy has created a shift in how businesses are engaging with their customers, with a growing emphasis on digital platforms like social media, mobile apps, email marketing systems, customer relationship management (CRM) technologies, and interactive online communities to foster stronger connections and maintain a competitive edge (Rather, Hollebeek, & Rasoolimanesh, 2022; Odoom, Mensah, & Damoah, 2023). For Small and Medium Enterprises (SMEs), this transformation has taken on even more critical a role due to their financial and operational challenges which restrict them from competing with larger organisations by conventional marketing methods (Tajvidi & Karami, 2021).

In today's market, digital relationship marketing has become a strategic answer to these new market shifts. Digital relationship marketing is different from transactional marketing, as it focuses on ongoing engagement of customers, personalisation of communication, building relationships and interactions in a digital way, responsiveness and creating long-term value via digital relationships (Trainor et al., 2014). As digital marketing tools grow in use, SMEs can begin to engage customers in ways more clearly geared toward what they want, enhance customers' experiences and improve relational exchanges in very competitive business contexts.

SMEs continue to be vital in developing economies like Nigeria in driving job creation, poverty alleviation, innovation and economic growth. Many of the Nigerian SMEs are still facing huge issues with customer retention, loss of customer trust, low digital literacy and high competition in the market. These issues have been compounded by the digitalisation of consumer behaviour, particularly by the demand for businesses to engage with customers in real-time, communicate in a personalised way and provide seamless digital experiences (Odoom, Mensah, & Damoah, 2023). If this isn't done, however, then SMEs may find themselves losing customers to more digitally savvy competitors.

The empirical research made in recent years showed that digital relationship marketing has a positive impact on customer satisfaction, trust and emotional attachment as well as customer loyalty (Rather, Hollebeek, & Rasoolimanesh, 2022). Customer loyalty is especially significant for SMEs as they are more likely to make repeat transactions, give positive word-of-mouth referrals, and form long-term relationships with companies. In a similar study, Mohammad (2022) concluded that digital marketing has a significant impact on customer loyalty as it facilitates customers' interaction and engagement. More recent research also indicates that the use of digital communication approaches, like personalised messages, social media responses, and online customer engagement, can notably enhance relational quality and customer retention results (Gargun, 2025).

Of the many components of digital relationship marketing, social media engagement has emerged as one of the strongest contributors to customer loyalty. Social media engagement is the level of interaction that customers have with the business via likes, comments, shares, reviews, direct messages, and user-generated content on digital platforms. This interaction can foster emotional bonds, enhance communication effectiveness, and deepen the customer-brand relationship, providing significant opportunities for businesses (Al-Hujri et al., 2025). Research also shows that companies that have better social media engagement skills are more likely to enhance their customer loyalty and competitiveness (Tajvidi & Karami, 2021).

Although there is a recent increased interest in digital marketing and customer engagement, empirical evidence of digital relationship marketing among the SMEs in Nigeria is limited. Previous Nigerian research has mainly been on traditional relationship marketing, banking institutions, or big organisations, and little emphasis has been placed on the SMEs in the digitally competitive atmosphere. Second, although previous studies have shown the significance of social media engagement, not much effort was directed towards empirical investigation of its moderating effect between digital relationship marketing and customer loyalty among SMEs in Nigeria.

This study thus explores the impact of digital relationship marketing on customer loyalty of small and medium sized enterprises (SMEs) in Nigeria, and specifically examines the moderating effect of social media engagement. The study thus added to the current body of relationship marketing literature with empirical evidence of the effect of digital engagement capabilities on the loyalty outcomes in the Nigerian SME sector.

Statement of the Problem

As business processes become more digital, customer expectations have dramatically changed and so has the way business is done with customers.Customer expectations and customer relationship management have changed dramatically, across industries, due to the growing digitisation of business processes. Yet, a lack of digital relationship marketing skills has led to poor customer loyalty, low retention rates and little customer engagement among many SMEs in Nigeria even when digital engagement is becoming more and more significant. While customer engagement can be achieved through cost-effective digital platforms like Facebook, Instagram, WhatsApp, TikTok, and X (formerly known as Twitter), many SMEs find it difficult to know how to leverage these platforms to maintain long-term customer connections.

Empirical studies have been done and found that digital relationship marketing can enhance customer satisfaction, trust, and customer loyalty (Rather et al., 2022; Nwaka et al., 2025). The present study, however, has largely ignored the study of the interactive effect of social media interactions on customer loyalty outcomes in SMEs in Nigeria, despite the majority of previous studies being restricted to large firms as well as developed economies or digital marketing in general.

This study therefore fills this empirical gap by studying the relationship between digital relationship marketing and customer loyalty and its moderation effect on this relationship between customers and SMEs in Nigeria.

1.3 Research Questions

The following research questions guide the study:

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1. To what extent does digital relationship marketing influence customer loyalty among SMEs in Nigeria?
2. What relationship exists between social media engagement and customer loyalty among SMEs in Nigeria?
3. To what extent does social media engagement moderate the relationship between digital relationship marketing and customer loyalty among SMEs in Nigeria?
4. Which dimensions of digital relationship marketing significantly predict customer loyalty among SMEs in Nigeria?

1.4 Research Hypotheses

The following null hypotheses will be tested at the 0.05 level of significance:

H_{01}: Digital relationship marketing has no significant effect on customer loyalty among SMEs in Nigeria.

H_{02}: Social media engagement has no significant relationship with customer loyalty among SMEs in Nigeria.

H_{03}: Social media engagement does not significantly moderate the relationship between digital relationship marketing and customer loyalty among SMEs in Nigeria.

H_{04}: The dimensions of digital relationship marketing do not significantly predict customer loyalty among SMEs in Nigeria.

LITERATURE REVIEW

Concept of Digital Relationship Marketing

Digital innovation has greatly changed the way organisations build and manage customer relationships. Relationship marketing is no longer limited to the face-to-face, but has expanded into digitally mediated processes of engagement, which involve social media, mobile apps, customer relationship management (CRM) systems, and online communities to build long-term, ongoing relationships with customers. Digital relationship marketing is the application of digital communication technologies in a way that establishes ongoing, customized and value-based relationships between firms and customers (Tajvidi & Karami, 2021).

Digital relationship marketing involves more than just making sales; it leads to customer engagement, customization, building trust, responsiveness, and the creation of relational value for the customer (Rather, Hollebeek, & Rasoolimanesh, 2022). Using these platforms, companies can engage with consumers on the spot, enhancing relational quality and customer experiences.

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Digital relationship marketing has gained significance especially for Small and Medium Enterprises (SMEs) due to their constraints in the financial and operational aspects, which do not allow them to compete with conventional advertising. Thus, digital platforms offer SMEs a more affordable way to enhance their relationship with customers and boost their visibility in the market (Odoom, Mensah, & Damoah, 2023). In the modern era, digital relationship marketing has been defined as a multi-dimensional phenomenon that encompasses the quality of communication, digital responsiveness, personalisation, online trust, and interactive customer engagement (Al-Hujri, Al-Badi, & Khan, 2025).

Internet penetration and social interaction have increased in Nigeria, making the need for digital customer engagement greater within the Nigerian business landscape. Despite these efforts, various obstacles remain in the way of Nigerian SMEs in their digital marketing efforts, including a lack of digital marketing expertise, inconsistent social media engagement strategies, and insufficient integration of digital platforms within their customer relationship management (CRM) systems (Nwaka et al., 2025). However, digital relationship marketing is still a significant tactic for better customer engagement and maintaining competitiveness, despite these restrictions.

Digital Relationship Marketing and Customer Loyalty

Customer loyalty means customers' loyalty to a business that compels them to repeatedly buy from and keep in touch with that business, even if other businesses are available. Repeat customers are more inclined to make repeat purchases, refer positive and maintain long business relationships with the companies (Izogo, 2021). Thus, customer loyalty has emerged as a key factor in business sustainability and competitive edge.

Empirical research in recent years has shown that digital relationship marketing has a significant effect on customer loyalty results. When firms are able to communicate with customers in a personalised manner, to respond to their needs online and to interact with customers constantly, the emotional attachment and relational trust between the parties is reinforced (Rather et al., 2022). Mohammad (2022) discovered that those who have frequent digital interactions with customers are likely to build deeper customer confidence and loyalty toward the brands.

Building trust is one of the primary ways in which digital relationship marketing can contribute to loyalty. Constant communication and timely responses provide businesses with the ability to alleviate customer doubt and build relational trust. Likewise, personalisation can help firms adjust the communication and promotional message to the preferences and behaviors of customers, which can enhance their emotional connection and foster relational closeness (Tajvidi & Karami, 2021).

Digital relationship marketing also encourages customer engagement through interaction. People can send their comments, reviews, opinions and feedback to the businesses online. This forms customers' sense of belonging and relational attachment to companies (Odoom et al., 2023).

But, in certain studies, digital relationship marketing is suggested not to invariably generate high customer loyalty in highly competitive markets where customers are price-sensitive and have low switching costs (Gargun, 2025). This challenge is especially pertinent in the Nigerian Small and

Medium Enterprise (SMEs) environment where economic factors and other market choices can affect purchasing decisions. However, digital relationship marketing is a still powerful tool for enhancing customer retention and long-term customer relationships.

Social Media Engagement and Customer Loyalty

Social media interactions have become one of the most powerful aspects of digital relationship marketing. Social media engagement is defined as how much customers interact with businesses via social media platforms like likes, comments, shares, reviews, messaging, and any partaking in social media online discussions (Tafesse, 2021).

Social media can be interactive, allowing companies to create a greater sense of emotion with customers via live communication and customer engagement. Previous empirical research has proven that social media involvement positively impacts along with customer trust, satisfaction, and loyalty motives (Alalwan et al., 2022). Social media engagement is likely to build relational attachment and customer commitment at businesses that engage in ongoing social media interaction.

Moreover, social media engagement allows for the creation of value through a process of co-creation, as customers can be involved in the brand's conversations, reviews, and user-generated content. This involvement increases customers' psychological ties and improves the relational quality (Rather et al., 2022). Moreover, addressing customer feedback and inquiries swiftly via social media channels enhances the overall customer service journey and builds trust.

Moderating Role of Social Media Engagement

While digital relationship marketing can help to build customer loyalty, the extent of loyalty could be influenced by how much the customers engage on social media. Engagement on social media can thus serve as a moderating factor to enhance the relationship between digital relationship marketing and customer loyalty.

Personalised communication, interactive content and timely responsiveness are key factors in the conversion of relationship marketing to increased levels of customer loyalty (Alalwan et al., 2022). The more customers engage with firms online, the more emotional attachment, relational trust and psychological closeness they build towards brands.

In the SME context, social media engagement is of special significance as SMEs are dependent on direct contact with customers and personalised communication to stay competitive. Thus, SMEs that are more engaged in social media marketing are expected to benefit more from digital relationship marketing in increasing customer loyalty than SMEs not engaged in such marketing.

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Theoretical Framework

Behavioural Reasoning Theory

This study is based on the Behavioural Reasoning Theory (BRT) of James R. Westaby. Behavioural Reasoning Theory is a theory that sees how personal beliefs, motivations and contextual reasoning affect decision making and behavioural outcomes. BRT also adds to the traditional behavioural theories which focus on attitudes and intentions only, by incorporating the notion of "reasons for" and "reasons against" a behaviour as important explanatory variables when considering decision processes (Westaby, 2005). In recent years, the increasing role of BRT in digital marketing behaviour, customer engagement, and organisational decision making in digital competitive settings has been researched extensively (Joshi et al., 2025; Sahu et al., 2020).

BRTs suggest that people consider both the reasons that motivate them and the reasons which do not. Such reasons affect attitudes, intentions, and resulting behavioral outcomes. The use of digital relationship marketing practices is likely to be taken up by SME owners and managers when they have weighed the pros and cons of such practices. Reasons for adopting digital relationship marketing can be better customer engagement, better customer loyalty, better market visibility, better personal interaction with customers, better brand relationship and better competitive advantage in digital markets (Rather et al., 2022). In a similar manner, current empirical research has shown that the technologies of digital marketing can enhance customer satisfaction, relational trust and long-term loyalty when they are properly integrated in a customer relationship management system (Sharabati et al., 2024; Gargun, 2025).

On the other hand, SME managers can also ponder about the "reasons against" digital relationship marketing strategies. This can be a lack of digital skills, financial restraints, technological factors, poor internet infrastructure, time constraints and poor social media management. This is especially prevalent in SMEs in developing economies which may lack access to technological resources and digital expertise (Odoom et al., 2023). In addition, lack of effective digital communication or a lack of response on the internet can undermine customer trust and the success of relationship marketing.

The theory also indicates that there is a possibility of enhancing the effectiveness of digital relationship marketing through social media engagement by boosting customer interaction, emotional attachment and relational closeness. Businesses that are engaging with their customers via interactive content, personalised messaging and quick response are more likely to be successful in driving better customer loyalty as a result of their digital relationship marketing activities (Alalwan et al., 2022). BRT therefore offers a sound theoretical understanding of the reasons behind the adoption of digital relationship marketing practices by SMEs and why the moderating effect of social media is observed between digital relationship marketing and customer loyalty.

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Conceptual Framework

This study is anchored on the conceptual framework below:

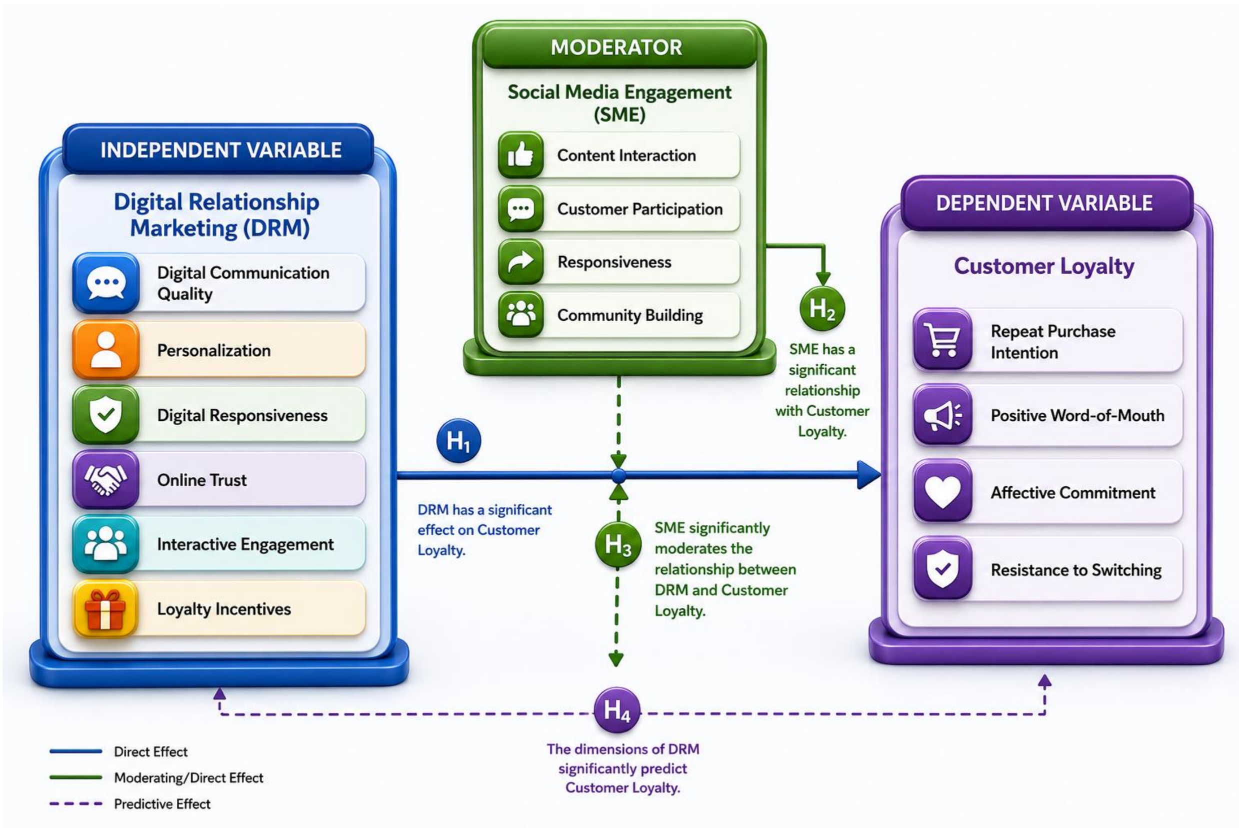

Figure 1: Conceptual framework illustrating the moderating role of social media engagement between digital relationship marketing and customer loyalty among SMES in Nigeria

Source: Author's conceptualization based on **Behavioural Reasoning Theory (BRT;** Westaby, 2005**)**. Visual illustration generated with AI assistance.

The conceptual framework depicts the relationship between Digital Relationship Marketing (DRM), Social Media Engagement (SME) and Customer Loyalty of Small and Medium Enterprises (SMEs) in Nigeria. Digital Relationship Marketing is the independent variable and made up of digital communication quality, personalisation, digital responsiveness, online trust, interactive engagement, and loyalty incentives. These dimensions are expected to positively influence Customer Loyalty which is manifested in repeat purchase intention, positive word of mouth, affective commitment and resistance to switching behaviour.

The framework also proposes that Social Media Engagement is a moderating variable that can enhance the relationship between DRM and Customer Loyalty. Customer involvement, responsiveness, content interaction and community building through social media channels foster relational intimacy and customer loyalty. It concludes that those SMEs that have more advanced digital engagement practices have the potential for better sustainable customer loyalty and competitive advantage.

METHODOLOGY

The research design employed in this study was descriptive survey research to assess the relationship between digital relationship marketing and customer loyalty in Small and Medium Enterprises (SMEs) in Nigeria with Social media engagement as a moderating variable. The descriptive survey design was selected because it is used to gather quantitative data from respondents to describe an existing phenomenon and explore relationships between variables (Saunders, Lewis, & Thornhill, 2019). The design is often used in marketing and SME research because occurring in real business environments it is suitable to investigate behavioral perceptions, customer engagement practices and organisational outcomes.

This study used a cross-sectional design which involved one point in time data collection of the respondents. This method was applicable in this study since the study aimed at examining the practices of digital relationship marketing and its implications on customer loyalty among SMEs in the dynamic environment of digital business operating in Nigeria.

Population of the Study

The population from which the sample was drawn consisted of customers of the registered Small and Medium Enterprises (SMEs) in Lagos State, Nigeria. Lagos State was chosen as it is the largest commercial hub in Nigeria, with a significant number of SMEs engaging with digital platforms as a means of interacting with their customers and promoting their businesses. The research was specific to SMEs in the service; retail; fashion; hospitality; beauty; food and online trading industries where social media engagement and digital customer interaction are commonplace.

The unit of analysis was the SMEs' customers who actively use businesses on digital platforms like Facebook, Instagram, WhatsApp, TikTok, and X (formerly Twitter). The customers were deemed as appropriate respondents since a customer-centered construct such as customer loyalty and social media engagement can be best assessed from the customer's perspective.

Sample Size and Sampling Technique

For the study, a sample size of 250 respondents was taken, with a combination of purposive and convenience sampling techniques. Purposive sampling was used to select customers who interact with SMEs actively through digital platforms and convenience sampling facilitated the selection of the customers in the online and offline business environment.

The sample size was deemed sufficient, following recommendations in regression and moderation analysis of behavioral and marketing research. Hair et al. (2022) suggested that a sample size of n

= 200 or more was adequate for multiple regression analysis with moderating variables and behavioral constructs.

Power Analysis Justification

An a priori power analysis was performed with G*Power statistical software in order to obtain statistical adequacy. It was assumed that:

- Effect size (f^2) = 0.15 (medium effect size)
- Significance level (α) = 0.05
- Statistical power ($1 - \beta$) = 0.80
- Number of predictors = 3

The analysis showed that the sample size of N = 119 was necessary to find the statistically significant effects in the regression model. Thus, the number of respondents in the selected sample was larger than the minimum number of respondents required, and was adequate for the moderation analysis and hypothesis testing.

Data Collection Instrument

The primary data was gathered through a structured questionnaire that was adapted from the scales previously validated in digital marketing, relationship marketing, customer loyalty and social media engagement literature (Rather et al., 2022; Tajvidi & Karami, 2021). The questionnaire was divided into four sections:

The data collection questionnaire consisted of four parts. Information was elicited in Section A regarding the demographic characteristics of the respondents such as their age, gender, educational qualification, frequency of using social media and their preferred digital platform. Digital Relationship Marketing (DRM) was measured in five components in Section B: digital communication quality, personalization, internet trust, digital responsiveness, interactive engagement, and loyalty incentives. Section C dealt with Social Media Engagement variables including content interaction, customer participation, responsiveness and online community engagement. Section D measured the Customer Loyalty indicators, such as the intention to make repeat purchases, word-of-mouth, affective commitment and resistance to switching behavior.

The items on the questionnaires were all scored on a 5-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The five-point Likert scale was used because it offers more response variability and more sensitivity of measurement in behavioral and marketing research.

Validity of the Instrument

The items on the questionnaire were formulated based on the theoretical frameworks and empirical researches in the literature on digital relationship marketing, with the aim of achieving content and construct validity. The instrument was also checked by experts from the fields of marketing,

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business management and research methodology to determine the appropriateness, clarity and completeness of items.

Exploratory Factor Analysis (EFA) with Principal Component Analysis (PCA) and varimax rotation was also conducted to determine the construct validity. To assess the appropriateness of the data for the factor analysis, the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's test of sphericity were completed.

Table 1: KMO and Bartlett's Test

Test	Value
KMO Measure of Sampling Adequacy	0.83
Bartlett's Test of Sphericity	$\chi^2 = 436.21$
Significance	$p < 0.001$

The results of the KMO value were 0.83, which also provided very good sampling adequacy, and the Bartlett's Test was significant, which also confirmed data suitability for factor analysis.

All the items which were measured had factor loadings above the recommended level of 0.60, which meant that the items measured were found to have satisfactory construct validity.

Reliability Analysis

To evaluate the reliability of the instrument, the internal consistency of the measurement items was analysed using the Cronbach's Alpha coefficient (Hair et al., 2022).

Table 2: Reliability Statistics

Variable	Number of Items	Cronbach Alpha
Digital Relationship Marketing	6	0.88
Social Media Engagement	4	0.84
Customer Loyalty	4	0.81

The internal consistency and reliability of the measurement scales were sufficiently high ($r > 0.70$).

Data Collection Procedure

The questionnaires were sent to customers of SMEs in Lagos State both physically and electronically. Google Forms were used to distribute online questionnaires via social media in different sectors that host SMEs' customers. Physical copies were also sent to selected SME business locations to increase the diversity and response rates.

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The participants were told about the study and that their anonymity and confidentiality would be assured before they were asked to fill out the questionnaire.

Data Analysis Techniques

The collected data were coded and analyzed by the use of the Statistical Package for Social Sciences (SPSS) version 23. Descriptive and inferential statistical methods were used.

Demographic characteristics of the respondents and their perceptions on the practices of digital relationship marketing were presented in descriptive statistics in terms of frequency distribution, percentage, mean and standard deviation. Inferential statistics involved Simple Regression Analysis; Pearson Product Moment Correlation; Hierarchical regression Analysis; and Multiple Regression Analysis.

The digital relationship marketing on customer loyalty was analyzed with multiple regression analysis and moderating effect of social media engagement was analyzed with hierarchical regression analysis.

The regression model was set up as follows:

$$CL = \beta_0 + \beta_1 DRM + \beta_2 SME + \beta_3 (DRM \times SME) + \varepsilon$$

Where:

CL = Customer Loyalty
DRM = Digital Relationship Marketing
SME = Social Media Engagement
DRM × SME = Interaction Effect
β_0 = Intercept
β_1–β_3 = Regression Coefficients
ε = Error Term

Ethical Considerations

The ethical principles were adhered to during the study. The respondents were voluntary and well informed about the purpose of the study prior to filling out the questionnaire. Participants were assured of confidentiality and anonymity, and that the data they gave would be used only for academic research. All participants gave informed consent before the data was collected.

RESULTS AND DISCUSSIONS

Descriptive Statistics

Demographic Profile of Respondents

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The demographic profile of the respondents gives background context to the characteristics of customers of SMEs and their digital engagement in Nigeria. Gender, age, education, frequency of social media usage and preferred social media platforms are all variables that were examined. These attributes are significant as they affect customers' online interaction patterns, responsiveness to digital relationship marketing strategies and loyalty behavior.

Table 3: Demographic Characteristics of Respondents

Variable	Frequency	Percentage
Gender		
Male	118	47.2
Female	132	52.8
Age		
18–25 years	64	25.6
26–35 years	103	41.2
36–45 years	58	23.2
Above 45 years	25	10.0
Educational Qualification		
Secondary School	39	15.6
Diploma/NCE	56	22.4
Bachelor’s Degree	121	48.4
Postgraduate Degree	34	13.6
Frequency of Social Media Usage		
Occasionally	29	11.6
Frequently	92	36.8
Very Frequently	129	51.6

Preferred Digital Platform		
WhatsApp	89	35.6
Instagram	71	28.4
Facebook	48	19.2
TikTok	27	10.8
X (Twitter)	15	6.0

The results show that there were more females (52.8%) than males (47.2%). The age distribution also shows that a majority of respondents are within the economically active age range of 26-35 (41.2%) implying that the digitally active consumers are young.

According to the educational profile, the majority of the participants have bachelor's degrees (48.4%), which gives a fairly high level of literacy and digital awareness on the part of the students. In addition, more than half of the respondents (51.6%) said they use social media very often, underscoring the role of digital platforms in the interactions between customers and businesses. Mobile-based digital platforms were the most popular platforms for SMEs' customer engagement in Nigeria, with WhatsApp being the most preferred (35.6%), followed by Instagram (28.4%).

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Digital Relationship Marketing Practices among SMEs

Table 4: Digital Relationship Marketing Practices

S/N	Item	`	Std. Dev.	Decision
1	SMEs maintain regular digital communication with customers	4.12	0.81	Agree
2	Businesses personalize online interactions based on customer preferences	4.06	0.76	Agree
3	SMEs respond promptly to customer inquiries on digital platforms	3.98	0.84	Agree
4	Businesses build trust through transparent online communication	4.10	0.72	Agree
5	SMEs provide loyalty incentives through digital platforms	3.89	0.91	Agree
6	Businesses encourage interactive online engagement with customers	4.02	0.79	Agree
	Overall Mean	**4.03**	**0.81**	**Agree**

From the results, it was observed that SMEs in Nigeria have a high level of adoption of digital relationship marketing with mean score of 4.03 (SD = 0.81) across all the items. For the regular use of digital communication, the mean score was highest (M = 4.12), indicating that SMEs are increasingly using digital channels for customer communication. Likewise, online trust-building and personal communication were also highly highlighted by the respondents, where SMEs understand the need of having customers-centric digital communication in maintaining customer relations.

The results also indicate that SMEs are proactively leveraging digital responsiveness and loyalty programs to enhance customer engagement. This means that companies are increasingly seeing digital relationship marketing as a strategic approach to enhance customer experiences and relational attachment.

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Social Media Engagement among SME Customers

Table 5: Social Media Engagement

S/N	Item	Mean	Std. Dev.	Decision
1	I frequently interact with SME content on social media	4.08	0.77	Agree
2	SMEs respond actively to customer comments and messages	3.94	0.83	Agree
3	I participate in online discussions about SME products and services	3.88	0.91	Agree
4	Social media interactions strengthen my relationship with SMEs	4.01	0.75	Agree
Overall Mean		**3.98**	**0.82**	**Agree**

The overall mean score of 3.98 (SD = 0.82) suggests that social media involvement with the customers of SME is high. Consumers were largely classed as ‘frequently engaging with SME content online' and their engagement with it ‘enhances their interactions with businesses'. All this indicates that social media networks are crucial to engaging customers, promoting relational closeness, and encouraging interactive engagement.

Customer Loyalty among SME Customers

Table 6: Customer Loyalty

S/N	Item	Mean	Std. Dev.	Decision
1	I frequently purchase products from the same SME	4.02	0.81	Agree
2	I would recommend my preferred SME to others	4.11	0.74	Agree
3	I remain loyal even when competitors exist	3.79	0.92	Agree
4	I feel emotionally attached to my preferred SME	3.87	0.88	Agree
Overall Mean		**3.95**	**0.84**	**Agree**

The results show that the overall mean score for customer loyalty of customers of SMEs is 3.95 (SD = 0.84), which indicates that customers have a relatively high level of loyalty towards the business. When customers are satisfied with the SME, they are willing to recommend it to their

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friends and relatives, as was reflected in the highest mean score (M = 4.11) for positive word-of-mouth recommendation. Loyalty despite competition, however, had the lowest mean score (M = 3.79), indicating a possibility that despite loyalty, competing market alternatives and price sensitivity still could play a role in the customer's loyalty.

Inferential Statistics

Diagnostic Tests and Assumption Checks

Multicollinearity Test

Variance Inflation Factor (VIF) and tolerance values were used to assess multicollinearity.

Table 7: Multicollinearity Diagnostics

Variable	Tolerance	VIF
Digital Relationship Marketing	0.76	1.32
Social Media Engagement	0.81	1.24

The VIF values were below the threshold of 10, indicating the absence of multicollinearity.

Normality Test

Kolmogorov–Smirnov statistics indicated that residuals were normally distributed.

Table 8: Kolmogorov–Smirnov Test

Test	Value
Kolmogorov–Smirnov	0.074
Significance	$p > 0.05$

The insignificant p-value confirms normal distribution of residuals.

Test of Hypotheses

Hypothesis One

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Digital relationship marketing has no significant effect on customer loyalty among SMEs in Nigeria.
Simple multiple regression analysis was used to test the effects of Digital Relationship Marketing (DRM) on Customer Loyalty (CL). The study investigated the influence of Drm on customer loyalty for SME customers in Nigeria.

Table 9: Regression Analysis for the Effect of Digital Relationship Marketing on Customer Loyalty

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.842	.231		7.974	.000
Digital Relationship Marketing	.371	.072	.471	5.148	.000
$R = 0.471$, $R^2 = 0.222$, Adjusted $R^2 = 0.214$, Durbin Watson = 1.984 F-value = 26.500 (p-value = $0.000 < 0.05$)					

a. Predictor: (Constant), Digital Relationship Marketing
b. Dependent Variable: Customer Loyalty

The regression result in table 9 shows that Digital Relationship Marketing has a positive and statistically significant impact on the Customer Loyalty of SMEs in Nigeria. The regression coefficient ($\beta = 0.471$, $p < 0.05$) indicates that the improvement in the digital relationship marketing practices significantly contributes to the increase in customer loyalty. The coefficient of determination ($R^2 = 0.222$) suggests that the Digital Relationship Marketing accounts to 22.2% of the variation in customer loyalty. The value of adjusted R^2 is 0.214 which confirms the stability of the model, and Durbin-Watson statistic value is 1.984, which shows no problem of the autocorrelation. Moreover, the F-value of 26.500 is statistically significant at 0.000 level, which indicates that the overall regression model is statistically significant.

Hypothesis Two

Social media engagement has no significant relationship with customer loyalty among SMEs in Nigeria.
To find relationship between Social Media Engagement (SME) and Customer Loyalty (CL), Pearson Product Moment Correlation analysis was performed.

Table 10: Pearson Correlation Analysis between Social Media Engagement and Customer Loyalty

Variables	Mean	Std. Dev.	r	Sig.
Social Media Engagement	3.98	0.82	0.536	0.000

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Customer Loyalty	3.95	0.84

Based on the correlation analysis, there is a moderate positive correlation between Social Media Engagement and Customer Loyalty ($r = 0.536$, $p<0.05$). The result shows that there is a positive relationship between the level of interaction and participation with customers, responsiveness and engagement with customers on social media platforms and customer loyalty of SMEs in Nigeria.

The significance value < 0.05 means that the null hypothesis (H02) is rejected. The result thus indicates that there is a strong correlation between Social Media Engagement with Customer Loyalty among the SME customers. This is a very significant observation and highlights the importance of social media sites as critical customer relationship management and loyalty building tools in the digital competitive world of business.

Hypothesis Three

Social media engagement does not significantly moderate the relationship between digital relationship marketing and customer loyalty among SMEs in Nigeria.
To see if there is a moderating effect between Digital Relationship Marketing and Customer Loyalty in terms of Social Media Engagement, hierarchical regression analysis was conducted.

Table 11: Hierarchical Regression Analysis Showing the Moderating Role of Social Media Engagement

Model	Predictor	Beta (β)	t-value	Sig.	R^2	ΔR^2	F
Model 1	Digital Relationship Marketing	0.371	5.148	0.000	0.222		26.50
Model 2	Social Media Engagement	0.289	4.683	0.000	0.347	0.125	31.84
Model 3	DRM × SME Interaction	0.244	4.117	0.000	0.420	0.073	36.91

The hierarchical regression analysis shows that the addition of Social Media Engagement greatly increases the explanatory power of the model. Digital Relationship Marketing accounted for 22.2% of the variance in Customer Loyalty in Model 1. Finally, adding Social Media Engagement to Model 2 resulted in an increase in the explained variance to 34.7%, which is an additional 12.5% variance explained.

In particular, the interaction term (DRM × SME) was statistically significant ($\beta = 0.244$, $t = 4.117$, $p < 0.05$) in Model 3. The interaction effect resulted in 42.0% of the total explained variance, which suggests that Digital Relationship Marketing and Social Media Engagement had a significant interaction effect on Customer Loyalty.

The interaction effect is statistically significant, therefore the null hypothesis (H03) is rejected. The results indicate that SMEs with higher levels of social media engagement practices are likely to achieve better customer loyalty outcomes from their digital relationship marketing activities.

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Hypothesis Four

The dimensions of digital relationship marketing do not significantly predict customer loyalty among SMEs in Nigeria.
This study used Multiple Regression Analysis to find out the predictive influence of Digital Relationship Marketing Dimensions on Customer Loyalty.

Table 12: Multiple Regression Analysis for the Dimensions of Digital Relationship Marketing and Customer Loyalty

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.214	.186		1.151	.251
Digital Communication Quality	.221	.063	.214	3.508	.001
Personalization	.248	.060	.241	4.155	.000
Online Trust	.276	.065	.268	4.254	.000
Digital Responsiveness	.184	.070	.176	2.627	.009
Interactive Engagement	.201	.068	.193	2.969	.003
Loyalty Incentives	.157	.062	.149	2.525	.012
$R = 0.684$, $R^2 = 0.468$, Adjusted $R^2 = 0.452$, Durbin Watson = 2.031					
F-value = 28.760 (p-value = 0.000 < 0.05)					

a. Predictors: (Constant), Digital Communication Quality, Personalization, Online Trust, Digital Responsiveness, Interactive Engagement, Loyalty Incentives
b. Dependent Variable: Customer Loyalty

Table 12 shows the multiple regression results that found that the dimensions of Digital Relationship Marketing significantly affects Customer Loyalty among the SMEs in Nigeria. The overall regression model was statistically significant as shown by the F-value of 28.760 with a corresponding p-value of 0.000, which is lesser than 0.05 level of significance. The total of these dimensions well account for customer loyalty among SME customers, which points towards the fact that digital relationship marketing is found to be significantly predicting the customer loyalty among SME customers.

The coefficient of determination ($R^2 = 0.468$) shows that about 46.8% of customer loyalty variation can be accounted for by the predictor variables that were used in the model. The adjusted R^2 value is 0.452, which further indicates the stability and explanatory power of the regression model. The

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Durbin-Watson statistic is also 2.031, suggesting that there are no autocorrelation issues with the regression residuals.

Based on the predictor variables, online trust ($\beta = 0.268$, $p < 0.05$), personalization ($\beta = 0.241$, $p < 0.05$) and digital communication quality ($\beta = 0.214$, $p < 0.05$) were found to be the strongest predictors of customer loyalty. The interactive engagement, digital responsiveness and loyalty incentives also had positive and statistically significant impacts on customer loyalty. The results suggest that SMEs with good practices in online interactions, personalized communication and responsive digital interactions stand a greater chance of building customer loyalty and customer relationships.

CONCLUSIONS

The study investigated the effect of Digital Relationship Marketing (DRM) on Customer Loyalty of SMEs in Nigeria with the mediating role of Social Media Engagement. The results showed that Digital Relationship Marketing was significant and positively related to Customer Loyalty, suggesting that SMEs which are able to leverage on personalized communication, building trust via online platform, digital responsiveness and interactive communication are more likely to maintain a loyal customer base. This discovery aligns with the research conducted by Rather, Hollebeek, and Rasoolimanesh (2022) and Tajvidi and Karami (2021), which suggests that the use of digital relationship strategies has a significant positive impact on customer engagement and customer loyalty in a digitally competitive environment.

The study also found a statistically significant positive relationship between Social Media Engagement and Customer Loyalty, indicating that customer involvement and interaction on social media platforms enhances emotional bonding and commitment towards the SMEs. This result is consistent with the results of Alalwan et al. (2022) and Tafesse (2021) who noted that having social media interaction is very strategic in building customer trust and loyalty.

Moreover, the hierarchical regression analysis results showed that Social Media Engagement significantly moderates the relationship between Digital Relationship Marketing and Customer Loyalty. This means that those SMEs with better customer interaction and engagement within social media platforms can more effectively convert their digital relationship marketing into ongoing loyalty results. The results also showed that the dimensions Online Trust, Personalization and Digital Communication Quality, had the highest predictive value for Customer Loyalty within Digital Relationship Marketing. The study is conclusive that good digital relationship marketing and active social media interaction are important factors that are essential to customer loyalty and long-life cycle competitiveness of SMEs in Nigeria.

RECOMMENDATIONS

The study, therefore, recommends that SMEs in Nigeria should make efforts to enhance their Digital Relationship Marketing approaches, focusing on personalized communication, building trust online and engaging with customers in a responsive manner on digital platforms. To foster relational trust and loyalty, SMEs should continuously interact with customers through customized messages, timely communication and feedback and open communication online.

The study also suggests that SME owners and managers must greatly engage customers via social media platforms like WhatsApp, Instagram, Facebook and TikTok using engaging content, online interactive discussions, customer feedbacks and quick responses. This would enhance customer engagement and emotional connection with companies.

Additionally, SMEs should consider investing in digital marketing education and customer relationship management technologies that will enhance their digital engagement skills. Government agencies and SME support organizations should also develop digital capacity building programmes to enable SMEs to leverage on digital relationship marketing tools in order to sustain their businesses and increase their competitiveness.

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