

Information Sharing and Market Performance of Micro, Small and Medium Enterprises in Wakiso District, Uganda

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Abstract

Purpose: The study examined the influence of information sharing on the market performance of selected manufacturing SMEs in Wakiso district.

Research Methodology: The study used a cross-sectional design with a convergent/concurrent mixed-methods approach for efficient data collection. A sample of 340 respondents was selected from 2,279 employees and proprietors using Yamane. Key informants were purposively chosen, while employees were randomly selected. Data was collected through interviews and questionnaires, with a pilot test conducted in Wakiso town council (10% sample size) showing reliability ($\alpha = 0.801$) and validity (0.714). SPSS v.16.0, JASP, and NVivo were used for data analysis.

Results: Information sharing had a positive but non-significant effect on the market performance of manufacturing SMEs in Wakiso District ($\beta = 0.679$; $p > 0.565$). Qualitatively, results revealed that information sharing plays a central role in influencing market performance.

Conclusions: It is hard for the SMEs to rely on INS to improve market performance. So, SMEs must ensure that the information they provide to their customers is reliable, accurate, timely and accessible.

Limitations: The study was limited to MSMEs under carpentry, metal fabrication, and concrete block in Naberu, Kyengera, and Kasangati, which limits the representation of the entire sector, especially in other districts in Uganda.

Contributions: The need for MSMEs to equip managers and employees with competences in information preparation and sharing in a timely and appropriate manner customers, and results reinforce the central role of information sharing on market performance.

Keywords: *Employee Training, Information Sharing, Market Performance, Reliable Networks*

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1. Introduction

Market performance is traced back to the Sixth Century BC – Babylonian economy that is, Neo-Babylonian Empire (612–539 BC) and early Achaemenid empire (539–331). But also, extended into the empire of Alexander the Great and Seleucid Empire (331–141) and the Parthian or Arsacid Empire (141–61 BC) reveal that in Babylonian times, market performance was measured by price, productivity, location, storage, consumption diversification, technology and institutions. Thus, market performance was defined as the appraisal of the interactions between buyers and sellers in a market supported by the set rules and institutions to improve business performance.

In the contemporary times, market performance is defined as the ability for the market to distribute its desired products at prices that the community can afford ([Khantimirov, 2017](#)). This enables the company to have a competitive advantage over its competitors, a key measure of market performance. Additionally, market performance measures the markets' capability to adapt to unexpected events. For example, weather, wars, diseases, and price fluctuation, had adverse effects on the market performance. Notably, market performance reflected among consumer markets, measured by comparability, trust, extent of complaint, and consumer satisfaction in Europe ([Repo & Timonen, 2017](#); [Sundram, Chhetri, & Bahrin, 2020](#)). Similarly, UK, Germany, and France, increased social media interactions stimulated customer buying decisions and online shopping of products, which helped the fashion and entertainment firms to earn more quick sales ([Varini & Sirsi, 2012](#)). MSMEs that employed social media in their day-to-day business operations greatly improved customer retention and customer satisfaction ([Rootman & Nicole, 2016](#)). ([Siraj, Vajra, & Pretheeba, 2021](#)) indicated that in Sri Lanka, social media usage equipped marketers with information paramount for sales projections. ([Siraj et al., 2021](#)) stipulate that sales volume was gained from social media through consumers' comments, likes, and opinions hence improved sales volumes of the Lolita fashion brand.

Notably, market performance reflected among consumer markets, measured by comparability, trust, extent of complaint and consumer satisfaction in Europe ([Repo & Timonen, 2017](#)). Similarly, the UK, Germany and France increased social media interactions, stimulated customer buying decisions and online shopping of products, which helped the fashion and entertainment firms to earn more quick sales ([Varini & Sirsi, 2012](#)). SMEs that employ social media in their day-to-day business operations greatly improve customer retention and customer satisfaction ([Rootman & Nicole, 2016](#)). ([Siraj et al., 2021](#)) indicated that in Sri Lanka, social media usage equipped marketers with information paramount for sales projections. ([Siraj et al., 2021](#)) stipulate that sales volume was gained from social media through consumers' comments, likes and opinions hence improved sales volumes of the Lolita fashion brand.

South Africa's usage of social networks has tremendously improved and many users have increased not only for political but also for business purposes ([Matikiti, Kruger, & Saayman, 2016](#)). ([Matikiti et al., 2016](#)) add that social media space on Facebook, Twitter and Myspace ensure information sharing and business connection with customers improve brand awareness and feedback. With social media usage, Nigeria's businesses improved their customer satisfaction, brand awareness, brand loyalty and increased sales volume ([Adoyi, Nnabuko, Uduji, Okoro, & Iloka, 2022](#)). Uzonna, Steve and Chibuike (2018) report that social media usage, such as information sharing and advertising, is crucial for improved firms' market performance.

Further, market performance is paramount as it measures repeated purchases, information feedback, customer loyalty, resource optimisation, sales volume, and brand royalty. Thus, market performance highlights the ability of the firms to withstand external pressure and deliver its intended outcomes. Market performance shows avenues through which MSMEs perform beyond internal and external pressures to achieve the set goals. The key constructs included sales volume, market share, and customer retention. This affirms competitive advantages, customer satisfaction, and loyalty, which accelerate market performance ([Berhanu & Raj, 2024](#)) ascertain that information sharing facilitates purchase intention, promotion and customer relationship management. Further, digital utilization is capable for market performance including market share, potential customer relationships and physical facilities as well as profitability, customer retention and sales volume ([Romain, 2020](#)).

On the other hand, explains that marketing strategies promote market performance of the M-Sente mobile money product of Uganda Telecom Limited [UTL]. Asserted that market performance relates to sales volume, market share, market expansion, customer satisfaction, repeated purchases and business growth. Despite the usefulness of social media usage, limited access to ICT infrastructures, inaccessibility to the internet, unreliable power supply and internet signals and high data taxes inhibit social media usage and business performance in Uganda (Kihingi & Rwashana, 2020). Therefore, the study established the influence of information sharing on the market performance of manufacturing Small and Medium Enterprises in Wakiso district. Regrettably, MSMEs in Wakiso district continue to operate below 54% capacity due to declining sales and low demand for the locally produced products

([Birungi, Mbidde, Mutunzi, & Kiwaala, 2024](#)). This continued decline in market performance was evident in increased data costs, limited accessibility, and incompetence ([Mbowa, Marus, & Tushabe, 2025](#)). But also, low levels of adoption of social media, and unclear guidelines. Thus, such setbacks resulted into low sales volume, weak market share, and the inability of the MSMEs to retain their customer ([Birungi et al., 2024](#)). With such declining market performance, MSMEs find it hard to operate sustainably.

The objective of the study was to establish the influence of information sharing on market performance of Micro, Small and Medium Enterprises in Wakiso district. And, the hypothesis was H0: Information sharing has no influence on Market Performance of Micro, Small and Media Enterprises

2. Literature Review and Hypotheses Development

2.1. Concept of Market Performance

Market performance is defined as the firm's ability to operate profitably and sustainably in a changing business environment, as indicated by factors such as customer base, sales volume, profits, and market share. This ascertains that production and distribution efficiencies, fair prices, technological progressiveness, and product performance are vital to market performance. Market performance relates to sales growth, market share, customer acquisition and returns ([Bandara et al., 2020](#)). However while defining SMEs, both financial (profitability, sales, market value) and non-financial (employee satisfaction, customer satisfaction, environmental and social performance) are expressed as indicators ([Bandara et al., 2020](#)). This implies that the financial dimension which is measured by market share, levels of debtors and return on assets explicitly aligned with market performance ([Bamfo & Kraa, 2019](#)). Thus, SMEs performance is measured by production, market and innovative performance ([Bandara et al., 2020](#)). Therefore, this study focused on market performance, one of the measures of SMEs performance and, its constructs including market share, sales volume and customer retention as detailed defined herein.

2.1.1 Customer Retention

Customer retention is defined as the proportion of customers who remain loyal and profitable to the business from the beginning to the end ([Gengewari, Padmashantini, & Sharmeela-Banu, 2013](#)). Customer retention advances from two concepts namely; customer and retention where customer refers to a person who transacts business with the firm whereas retention refers to several customers who remain devoted to the business for a given period of time ([Gengewari et al., 2013](#)); ([Nuseir & Aljumah, 2020](#)). Customer retention also influence customer base, a large group of people who repetitively purchase products and services of a company signifying their loyalty ([YachouAityassine & Al-Ajlouni, 2022](#)); ([Jawaid & Rajadurai, 2021](#)).

2.1.2 Sales volume

Sales volume (SVO) is defined as unit quantity of sales a firm makes in a period of time and it can be recorded daily, weekly, monthly or annually as per firm's strategy ([Uwasomba, 2023](#)). It is expressed as total sales X prices of the goods sold within a specified period of time. This means that as firms want to achieve more sales volume, they should devise means to create and capture sales vis-à-vis beating their competitors in the market ([Uwasomba, 2023](#)). Further, persuasive adverts, aggressive selling and cost minimization help the firms to improve market share and profit maximization.

2.1.3 Market Share

According to ([Nakanishi & Cooper, 1988](#)), market share is commanded by the firm's brand, or share of the potential consumers that is consumer shares or buyer shares. Also, market share is expressed as sales divided by total sales made by a firm in a specified period, comparable to the competitors ([Nakanishi & Cooper, 1988](#)); ([Ajang & Njofor, 2007](#)); ([T. Hsu, 2022](#)). In their book, sales are synonymously used as quantity sold or dollar volume of the firm, expressed in monetary value ([Nakanishi & Cooper, 1988](#)). Market share measures a firm's market penetration in the marketplace and its units sold or market share is a fraction of the total market as per the product sold ([Kabuoh, Akintaro, Owolabi, & Olaide, 2020](#)).

2.2. Concept of Information Sharing

According to ([K. Hsu, Kannan, Tan, & Keong Leong, 2008](#)), information sharing refers to the integration of information systems, decision systems and business processes, which is vital for searching information, management of business operations and monitoring business performance. It also related to the extent to which essential information is availed to the partners and/or supply chain partners ([K. Hsu et al., 2008](#)). Thus, the information should be timely, accurate, adequate, complete and credible to benefit both buyer-seller relationships. The information sharing may be tactical or strategic which is searched, communicated and managed to improve visibility and diminish uncertainty. Thus, information sharing enables firms to access data, collaborate in sales, production and logistics activities, hence helping the firms to remove inefficiencies in the supply chain ([K. Hsu et al., 2008](#)).

Additionally, information sharing is explained as the extent to which user-generated content is sent and accessed between people and/or groups for mutual benefit ([Chinje & Chinomona, 2015](#)). Such information is in form of photos, text, audio recording and videos is disseminated through digital natives to the audience. To deliver its purpose including sending and receiving information, the information shared should be adequate to enable firms leverage the fundamental competencies of relationship management for improved product/service delivery among the customers ([Chinje & Chinomona, 2015](#)); ([Savolainen, 2017](#)). And, information sharing should address the 5W+H to lower information sharing costs and deficiencies for a firm's productivity through gained competitive advantage (Omar et al., 2010). It is worth noting that information sharing encompasses sociocultural beliefs/norms that online users employ to share valuable information ([Wang, Riaz, Haider, Alam, & Yang, 2021](#)). Such norms enable the firms to gather, analyze, interpret, discuss and disseminate the information through medium such as social media platforms.

Notably, information sharing in most cases it is voluntary and when shared, it quickens organizations' decision-making ([Masele, 2021](#)). Thus, when the information is shared regularly it enables business to interact, build and maintain relationships with its customers. For example, potential and future customers seek for friendly requests on social media, which is accompanied by like, follow, view and comment on the online posted content. So, information sharing allows content developer (business/marketer) organize clear messages – understood by the receiver (customer/client). This enables the users to connect, engage and exchange user-generated content between themselves in distant locations at any time cheaply ([Masele, 2021](#)). The interaction with customers online promotes bonding with customers and improves product and service needs among the customers.

2.3. Empirical Review

A study by ([Thattapudi et al., 2023](#)) on "Assessment of Social Media Usage for Medical Information Among Medical and Dental Students". The study employed an online survey-based design; data was collected through an online structured questionnaire on a 5-point Likert scale via Google Forms, emailed to 750 students. Data was analyzed through SPSS V023 and results indicated that the observed responses were found to be significant regarding social media usage ($p \leq 0.05$) ([Thattapudi et al., 2023](#)). The study concluded that students use social media for medical information through different websites, for sharing medical information, making learning more interesting and for reading uploaded educational articles and medical communications. Though the study investigated social media usage, it focused on medical students but it did not conceptualize social media usage hence a context and contextual gaps. The current study focused on social media usage and market performance in Uganda. The current study used social identity theory and social media engagement theory to fill the theoretical gap ([Zabartih & Widhiarso, 2025](#)).

Koori, Muriithi & Mbebe (2018) conducted a study on impact of social media usage on organizational performance of SACCOs in Kenya. The study employed social generation and social exchange theories to underpin the study. The study used a descriptive research design, targeting 100 SACCOs and sample size of 132 respondents using simple random sampling to select the participants. The study focused on technical staff including CEO and ICT officers of the selected SACCOs in Kenya. And, data was collection through close-ended and open-ended questionnaire. In the study, social media usage was measured by social media communication usage, knowledge sharing, information search and social

media advertisement. Results revealed that social media communication use was positively significant with organizational performance ($\beta=0.541$, $p=0.041$), knowledge sharing was positively significant with organizational performance ($\beta=0.615$, $p=0.029$), information search was positively insignificant with organizational performance ($\beta=0.082$, $p=0.581$) and social media advertising was positively significant with organizational performance ($\beta=0.993$, $p=0.000$). The study focuses on SACCOs and conducted in Kenya hence the contextual gap for the study in Uganda. Further, it focused on organizational performance ascertained performance measurements like market performance which the current study was addressed. The study did not include customer engagement and networking as key to social media usage for organizations; thus, the current study addressed the conceptual gap.

([Ahmed Al-Doori, 2019](#)) conducted a study on the impact of supply chain collaboration on performance in the automotive industry: Empirical evidence. The study was an empirical study and employed a quantitative survey design. It sampled 232 participants with over 10 years of experience in automotive. Data was collected through questionnaire designed on 5-likert scale. The study employed SPSS v.23 to analyze the data. Results indicated that information sharing and joint decision making had significant effect on performance of the automotive industry. Thus, information sharing promotes competence and firm prosperity through cost cuts, customer relationships and lower bureaucratic communication networks ([Ahmed Al-Doori, 2019](#)). In addition, clear information sharing with suppliers, customers and partners ensures positive market performance. Thus, such information is key for the stakeholders in who interact with SMEs to access the products. This further helps businesses to know in time to whom to supply the goods at the deliverable date to the customers ([Ahmed Al-Doori, 2019](#)). In addition, communication and the information shared allow the firms to reach their market potentials in time. Therefore, the study missed out to include a theory to underpin the study (theoretical gap) which the current overcame. More so, study fails to indicate the location of the study (geographical gap), the study focused on performance of automotive industry. Thus, the current study was carried out in Wakiso district, Uganda and focused on market performance of manufacturing SMEs such as carpentry, concrete blocks and metal fabrication (contextual gap).

Notably, conducted their study in Malaysia, "The Consequences of Information Technology, Information Sharing and Supply Chain Integration, towards Supply Chain Performance and Firm Performance". The study was conducted in Malaysia whereas the current study was carried out in Uganda (Contextual gap). The study did not provide a clear research design and theory to guide the study (methodological and theoretical gaps). Thus, the current study employed a cross-sectional design and SIT and SMET to guide and underpin the study. The study sampled 500 respondents (management and employees) from the manufacturing firms in Malaysia. However, the study did provide the target population and how the sample was determined. Thus, the current study provided the target population and the approach to sample size determination (methodological gap). Data was collected through questionnaire and analyzed using the SMART-PLS. Results confirmed that IT had a significant effect on IS ($\beta = 0.323$ and $t\text{-value} = 3.751$ at $p < 0.001$ significant level (LL: 0.166, UL: 0.499). This implies that information technology usage positively relates with information sharing network for communication flow standards. Therefore, information sharing remains key for informing business partners and stakeholders in time ([Sundram et al., 2020](#)). Suppliers are able to share their information timely and business competences are exchanged with business owners. Thus, such information sharing allows customers and proprietors to keep in touch with one another.

A study conducted in Slovakia focused on, "How to increase production performance of Slovak agricultural companies: The key task of supporting innovative work behaviour and information sharing ([Jankelová & Joniaková, 2021](#)). The study was carried out in Slovakia and the current study was conducted in Uganda to fill the contextual gap. The study also focused agricultural companies but the current study centered on manufacturing firms in carpentry, metal fabrication and concrete blocks. Further, in their study they did not employ any theory, but also no research design to guide the study (theoretical and methodological gaps) which the current study addressed. Their study was moderated by information sharing. The study targeted 1,266 companies in agricultural production and 175 were sampled and included in the study, but the authors fail to show how 175 was reached. Data collected through the questionnaire measured on 5-likert scale and analyzed using SPSS V.22.0 software to

generate descriptive and inferential statistics. Results confirmed that 91.6% of the overall effect is mediated through information sharing. Thus, information sharing and communication are tools of innovation for sustainable business performance. This allows proprietors, managers and customers to keep good relationship supported by communication. Notably, it is recommended that when the firm shares with their suppliers, it stimulates proper planning, decision making, inventory analysis and optimal costs ([Hu, Han, Li, & Jiang, 2025](#)).

([Kiprotich, Gachunga, & Bonuke, 2022](#)) conducted a study in Kenya, focusing on influence of information sharing on performance of manufacturing firms in Kenya. So, the study was conducted in Kenya but the current study was conducted in Uganda to fill the contextual gap. The study did not specify the category of manufacturing firms studied while the current studied carpentry, metal fabrication and concrete blocks to fill the content gap. Further, even though, the study focused at performance but it was broad, thus the current study focused on market performance which is one of the measures of firm performance hence closing the conceptual gap. The study was guided by the stakeholder theory and systems theory and employed explanatory research design. The theories employed do not critically explained the link between information sharing and business performance as the theories the current study employed SIT and SMET (addressed theoretical gap). His study targeted 766 population from which 264 procurement managers were selected through stratified, random and purposive sampling techniques. The researcher collected data through interviews and analyzed through descriptive and inferential analysis employing SPSS. Results indicated that information sharing ($\beta=0.417$, $P=0.000$) had positive and significant effect on performance of manufacturing firms. This implies that under manufacturing firms' performance, communication and information sharing are useful for sustainable performance. The information is communicated and shared through point-of-sale terminals, electronic data exchange, internet and wireless communication ([Kiprotich et al., 2022](#)); ([Wei, O'Neill, Lee, & Zhou, 2013](#)). Note, such information is shared and it should be timely, accurate, relevant, complete and reliable to benefit the usage by the firm (...p.2925). This calls for firms to invest in communication and information sharing technologies, train their managers and employees on their usage to achieve the set goals including market performance, profitability and return on investment. Therefore, the discussion above helped the researcher to develop this hypothesis; H0: Information sharing has no significant effect on Market Performance of SMEs ([Boangmanalu & Indrawati, 2025](#)).

3.Methodology

3.1 Design

The study employed a cross-section survey design because it enabled the researchers to gather much data in a little time as well generalizing the results to a larger population ([Mbowa et al., 2025](#)). In addition, mixed methods through convergent/concurrent mixed methods approach to was employed elicit qualitative and quantitative data from the respondents.

3.2 Population and Sample size

A population of 2,279 SMEs was referred to determine 340 participants using Yamane formula. Thus, researchers selected 322 participants through simple random sampling whereas purposive sampling aided the selection of 18 Key Informants (proprietors/managers) from MSMEs in Nabweru, Kyengera and Kasangati ([Mbowa et al., 2025](#)). In qualitative studies, 12-35 Key Informants (KIIs) are enough to lead to data saturation thus, 18 KIIs fall in the range and they were suitable for reach insights in the current study ([Vasileiou, Barnett, Thorpe, & Young, 2018](#)).

3.3 Data collection

Quantitative data was elicited through administering questionnaires (open and close ended questions) to employees from manufacturing SMEs. The questionnaire was ranked on a Likert of 5 including 1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly Agree. Similarly, qualitative data was elicited through interviews with Key Informants (proprietors/managers) from MSMEs and they were referred based on their competences in sector. To achieve this, researchers sought for consent from the interviewees to record the interview process to capture quality reliable data.

3.4 Pilot Testing

A 10% of 340 sample size was considered for piloting (32 employees) from MSMEs operating in Wakiso town council. The researchers cleaned the data and transferred into SPSS for analysis and results revealed that the statements were reliable as they were above the threshold of 0.7. Similarly, the tool had CVI of 0.714 and reliability coefficient of 0.801 all of which were above 0.7 an indication of valid statement as indicated in Table 1 below.

Table 1: Reliability and Validity Estimates from the Pilot Study

Dimensions/Variables	Cronbach's Alpha			CR	CVI	No. of Items
Information Sharing	.801	.703	.714	7		
Market Performance	.759	.772	.786			

CR- Composite Reliability [$\geq .700$]

CVI- Content Validity Index [$\geq .700$]

3.5 Unit of Inquiry and Unit of Analysis

The unit of inquiry was the proprietors/managers and employees of micro, small and medium enterprises. These were preferred because they possessed knowledge of social media usage and its influence on the market performance of MSEs in Wakiso district. Similarly, carpentry, metal fabrication and concrete blocks were the unit of analysis.

3.6 Data analysis

Quantitative data was analyzed through SPSS for structural path analysis between information sharing and market performance of MSMEs in Wakiso district. Further, through Exploratory Factor Analysis and Confirmatory Factor Analysis before inclusion in the Structural Equation Modeling (SEM). Thus, SEM helped to assess, test and validate measurement model fit hence, the structure model. On the other hand, the researcher employed thematic analysis through NVivo for qualitative data. This aided transcription, coding and development of themes for further interpretation and reporting.

3.7 Unit of Inquiry and Unit of Analysis

The unit of inquiry was the proprietors/managers and employees of MSMEs. These were preferred because they possessed knowledge of social media usage and its influence on the market performance of MSMEs in Wakiso district. Similarly, carpentry, metal fabrication and concrete blocks were the unit of analysis.

3.8 Ethical Considerations

The researchers applied for approval from Kabale Research Ethics Committee (KABREC-2024-121), administrative clearance from the Wakiso District Chief Administration Officer (CAO) and the Uganda National Council of Science and Technology (SS2564ES) approved the study, which gave the leeway to the selected study area. Further, the researchers also ensured consent from the participants before inclusion into the study.

3.9 Ensuring Trustworthiness

The researchers ensured that Key Informants' views are treated with utmost confidentiality, and informed them that all their views were for academic purpose only and to be used by the research team as provided by the law. And their names were assigned with pseudo names as per the guidelines of scientific studies.

4 Results and Discussions

4.1 Response Rate

Out of the 322 questionnaires administered to respondents under carpentry, metal fabrication and concrete blocks, only 291 questionnaires were usable for data analysis. This gave a response rate of 90% and was acceptable. This is supported by Mugenda and Mugenda (2003) who infer that a response rate above 70% is good enough. This is because it indicates higher and strong cooperation of the participants in the study and this helps to give justifiable results. Further, 13 Key Informants accepted the interviews giving a response rate of 72% (See: Table 3).

4.2 Data Screening missing data, outliers and normality

Researchers screened the data to support analysis through SPSS v.16.0 for missing values, outliers and normality as highlighted below:

4.2.1 Missing Data

Under this, researchers used deletion and replacement with probable values for refined dataset to back SEM ([Emmanuel et al., 2021](#)). SPSS was employed to test missing values and results indicated that a few items had less than 0.05 of missing observation which is acceptable for further analysis ([Mbowe et al., 2025](#)).

4.2.2 Testing for Outliers

In the study, the researcher screened the dataset for outliers to have valid and reliable results. This was examined through using SPSS Z-score value for items. Results indicated that none of the Z-score values were above +3 or -3 (± 3.0 Std.Dev). It was found out that the largest Z-score was 2.52374 and the smallest was -1.94996. These extreme Z-score values were within the acceptable range of -3 to +3, an indication of the absence of potential outliers.

4.2.3 Multivariate Normality

Researchers tested normality using SPSS and results showed that a number of points lied along the diagonal line hence, normal distribution of the data. Further, skewness values ranged from -1.055 to -0.773 whereas kurtosis values ranged from -0.351 to 1.059, all implying normality distributed data for usage.

4.3 Reliability of Measurement Scales

Researchers evaluated constructs' reliability SPSS to test Cronbach's Alpha and assess internal consistency and any figure above the threshold of 0.70 implies that the tool is reliable (Mugenda & Mugenda, 2003; ([Creswell & Creswell, 2017](#))). Thus, results indicate that information sharing (INS) had Cronbach's alpha of 0.867 while market performance had Cronbach's alpha of 0.942 indicating strong reliability. Similarly, the composite reliability for the constructs were as follows information sharing (0.842), and Market performance (0.942) as indicated in Table 2.

Table 1: Cronbach's alpha for the studied variables

Construct	Cronbach's alpha	CR	AVE	VIF
Information Sharing	0.867	0.842	0.694	1.913
Market Performance	0.942	0.874	0.519	1.449

CR- Composite Reliability

AVE- Average Variance Extracted

VIF- Variance Inflation Factor

4.4. Exploratory Factor Analysis

Information sharing had a KMO value of 0.878, which is greater than 0.5 and the value of Bartlett's test of sphericity, Chi-Square had a p-value=0.000 which is significant hence, data was suitable for EFA as indicated in Table 3.

Table 3: KMO and Bartlett's Test for Information sharing

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.878
Bartlett's Test of Sphericity	Approx. Chi-Square	840.106
	df	21
	Sig.	.000

Further, researchers ran total variance explained for information sharing and extracted just one component. Thus, this was explained by 56.1% of the variations in information sharing. Thus, INS not

rotated and all its items were considered for CFA that is; INS1, INS2, INS3, INS4, INS5, INS6 & INS7 as shown in Table 3.

Table 2: Total Variance Explained for information sharing

Initial Eigenvalues			Extraction Sums of Squared Loadings		
Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
3.927	56.102	56.102	3.927	56.102	56.102
.731	10.436	66.538			
.707	10.106	76.644			
.501	7.156	83.800			
.457	6.534	90.334			
.364	5.200	95.535			
.313	4.465	100.000			

4.5 CFA for Information Sharing (INS)

Researchers conducted CFA for INS and results revealed the data fit the hypothesized model with fit indices such as CFI=0.941>0.9, TLI=0.911>0.9, RMSEA=0.010<0.08, SRMR=0.040<0.08 as indicated in Table 4.

Table 3: Fit Indices for INS

<i>Fit indices</i>	Index	Value
Comparative Fit Index (CFI)		0.941
Tucker-Lewis Index (TLI)		0.911
Bentler-Bonett Non-normed Fit Index (NNFI)		0.911
Bentler-Bonett Normed Fit Index (NFI)		0.926
Parsimony Normed Fit Index (PNFI)		0.617
Bollen's Relative Fit Index (RFI)		0.889
Bollen's Incremental Fit Index (IFI)		0.941
Relative Noncentrality Index (RNI)		0.941
Root mean square error of approximation (RMSEA)		0.010
RMSEA 90% CI lower bound		0.04
RMSEA 90% CI upper bound		0.08
RMSEA p-value		2.020×10 ⁴
Standardized root mean square residual (SRMR)		0.040
Hoelter's critical N ($\alpha = .05$)		109.065
Hoelter's critical N ($\alpha = .01$)		133.961
Goodness of fit index (GFI)		0.991
McDonald fit index (MFI)		0.918
Expected cross validation index (ECVI)		0.365

In addition, researchers established that Observable variables, INS1, INS2 and INS7 loaded moderately onto INS as seen from their path coefficients that is, 0.57, 0.69 and 0.64 respectively while INS3 (0.71), INS4 (0.77), INS5 (0.74) and INS6 (0.77) loaded strongly onto INS with path coefficients greater than 0.7 as presented in Figure 1.

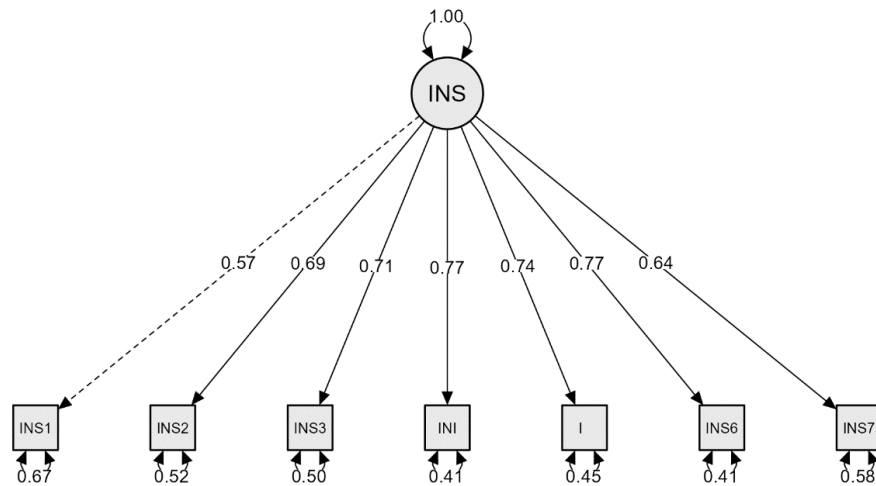


Figure 1: Measurement model for information sharing (INS)

4.6 Hypothesis testing

The researchers tested the stated hypothesis, “ H_0 : Information sharing does not influence the market performance of selected manufacturing SMEs in Wakiso district” and the results are indicated in Table 5.

Table 4: Influence of INS on MPF

						95% Confidence interval	
Outcome	Predictor	Std. estimate	Std. Error	z-value	p	Lower	Upper
MPF	INS	0.679	1.181	0.575	0.565	-1.635	2.994

Results in Table 5 reveal that INS had no influence on market performance ($\beta = 0.679$; $p > 0.565$) hence, failed to reject H_0 . This signified that information sharing had no statistically significant effect on market performance of manufacturing SMEs in Wakiso district. The very wide CI range implies that INS does not significantly predict MPF of MSMEs in Wakiso district, agreeing to statistical coefficient, thus future researchers should employ larger samples and/or control variables to lower the CI range to improve reliability.

However, the results were contested by the qualitative results, revealing that information sharing plays a central role in influencing market performance. Moreover, it was noted that the more and more content posted online daily and/or weekly basis enhance product awareness, customer recruitment, retain and customer base, ensuring promotions and customer testimonials. A respondent noted that, “We make about five posts a week, focusing on product details, promotions and customer testimonials.” This helped to keep the customers aware of the products, build trust and loyalty which are an engine to market performance.

4.7 Discussion

The findings from the current study do not agree with previous study findings which indicate that information sharing enhance competence and business prosperity through cost cuts, customer relationships and lower bureaucratic communication networks. In addition, clear information sharing with suppliers, customers and partners ensure positive market performance. This is because such information is key for various stakeholders in the business sector to which different SMEs interact with to provide their products (Mbowa et al., 2025). This further helps businesses to know in time to whom to provide the goods and when the products are to be delivered to the customers.

Further, the information helps to develop connections between the firm and stakeholders to stimulate performance. This implies that managers should always share information timely to effect supplies from the suppliers to aid efficiency in the production ([Wei et al., 2013](#)). Thus, firms should invest in communication and information sharing technologies, train their managers and employees on their usage if they are to achieve the set goals including market performance, profitability and return on investment ([Mbowa et al., 2025](#)). Therefore, if firms share information and communicate effectively among suppliers and customers (stakeholders), repetitive sales and increased revenues are enhanced ([Nuseir & Aljumah, 2020](#)). In addition, customer base and customer retention which are elements for market performance. This means that the businesses should ensure clear communication and reliable information shared among stakeholders if they are to sustain their performance. To achieve this, firms need to equip themselves with competence in content developers and share it timely and appropriately to the receiver for consumption.

Notably, responses from interviews contested the results revealing that information sharing plays a central role in influencing market performance. This implies that the more and more content posted online daily and/or weekly basis enhance product awareness, customer recruitment, retain and customer base, ensuring promotions and customer testimonials. A respondent noted that, *“We make about five posts a week, focusing on product details, promotions and customer testimonials experiences* (Proprietor B, Interview 7, May 15, 2024). This helped to keep the customers aware of the products, build trust and loyalty which are an engine to market performance ([Mbowa et al., 2025](#)). The findings agree with [Guechtouli and Purvis \(2024\)](#) and [Ibrahim and Ali \(2024\)](#) explicitly infer the usefulness of information sharing for enhanced business progress in-line with customer trust and competitive advantage

Further, qualitative findings implored that SMEs proprietors/managers employ various tactics to share information. In addition, deliberately consider market dynamics and consumption patterns before online product content uploading. An interviewee from Kasangati town council reported that,

“...we always examine which digital platforms works better to share information among our clients” (Proprietor B, Interview 4, May 14, 2024). ”

This affirms examination of a suitable social media platforms it paramount to the SMEs in information sharing and it noted that SMEs should leverage on such a practice to provide feedback to the clients ([Mbowa et al., 2025](#)).

Despite the fact that quantitative are statistically insignificant to market performance that is information sharing had no statistically significant effect on market performance, qualitative reveal how useful information sharing is to enhancing market performance of MSMEs. This is also critical to embracing clear information flow, recruitment and engagement key for initiating and building customer relationships for improved firm performance.

The findings contest previous studies which indicated that information sharing positively influence market performance of MSMEs. The current findings also enabled the development of a model which would stimulate information sharing and market performance of MSMEs. The findings further challenge the perception, “use of social media by the MSMEs proprietors/managers enhances information sharing and improve market performance”. This implies that MSMEs have to employ other offline techniques to improve their market performance.

Although majority of the studies were in support that information sharing statistically influences the market performance of MSMEs, the current study had divergent findings. This asserts that the current study findings are unique as they provide inhibiting factors which affect MSMEs in achieving strong market performance. These factors include limited access to digital infrastructure, incompetent users, and high data costs, which also limit the usage of the digital platforms. [Matikiti et al. \(2016\)](#) agree that inaccessibility to ICT infrastructures, inadequate digital awareness and training and lack of commitment inhibit sustainable social media efforts to enhance market performance.

Therefore, the inhibiting factors loosen the ability for information sharing to enhance the market performance of SMEs in Wakiso district. Further, [Berhanu and Raj \(2024\)](#) concur with the findings that in the Ethiopian tourism sector, they significantly fail to achieve their market performance due to low internet connectivity, poor website presence and reliance on traditional media. Interestingly, limited empirical studies on insignificant results present a huge literature gap, hence a call for future studies in the context of Uganda and the global village, especially where ICT infrastructure, inadequate accessibility to the internet and incompetent use remain a challenge to the market performance of SMEs. This finding offers new insights which signify that there is no universal significant relationship between information sharing and market performance. However, they offer relevant information on accessibility, ICT embracement, and the business environment in which SMEs operate.

5. Conclusions

5.1. Conclusion

In line with the findings, the study failed to reject null hypothesis and concluded that information sharing had a negative but statistically insignificant effect on the market performance of MSMEs in Wakiso district ($\beta=0.679$; $P>0.565$). The findings ascertain that information sharing between the MSMEs and customers has a weak effect, hence unable to improve market performance. Such a high p-value might have occurred by chance, but not evident enough to influence market performance. Thus, poor communication and information mediums, poor exchange of information and low access to digital infrastructure affect the influence of information sharing on market performance, including market share, customer retention, and sales volume. This calls for the MSMEs to ensure reliable, accurate, timely and accessible information as well as integrating digital infrastructure in their business operations.

The study recommends that MSMEs should focus on sensitizing, training, and building the capacity of employees in digital skills, digital information design, and online sharing. This would help foster trust, enhance engagement, and provide instant feedback, ultimately improving market performance through the timely sharing of quality information and constant customer feedback. Additionally, the Wakiso district local government should establish market information centers to provide MSMEs' proprietors, managers, and employees with access to up-to-date market price information, advertising opportunities, and suppliers of production inputs. The government is also urged to lift the ban on Facebook, a key obstacle preventing employees from using social media to market products. This would enable MSMEs to effectively promote their products. Moreover, telecommunication companies should lower the costs of data and smartphones, making it easier for users to upload product content online and reach a broader audience, while also improving access to online information.

5.2 Research Limitations

The study employed JASP-SEM to test the moderating effect of the other variables. Thus, poor model specification might lead to underestimation and/or overestimation of the moderation effect. Therefore, this calls for a precise model specification to aid in the test, interpretation and analysis of the results.

The study was limited to MSMEs in carpentry, metal fabrication, and concrete block in Naberu, Kyengera, and Kasangati, which limits the representation of the entire sector, especially in other districts in Uganda. Thus, this calls for appropriate consideration, especially during generalisation and replication of the study findings.

The study further focused on carpentry, metal fabrication and concrete block, excluding other manufacturing MSMEs, hence limiting the application of the study findings to a wider MSMEs sector in Uganda.

The study was limited by insufficient funds, as the study required the researcher to ascertain costs, which he could not manage. Therefore, the researchers limited the study to one division and two town councils and an appropriate sample size within the budget to accomplish the research process.

5.3 Suggestion and Directions for Future Research

Future researchers should;

1. Examine other factors which influence market performance than information sharing
2. Conduct research among other sectors such as tourism, industry, and transport which were excluded from this study.
3. Conduct studies on the other measures of MSMEs performance such as profitability, liquidity and return on investment since the current study focused on market performance.

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Author Contributions

HSM Conceptualization, research methodology, data collection, analysis, manuscript drafting, and final approval. EW Data collection, analysis support, manuscript revision, and final approval. RK: Supervision, interpretation of results, manuscript review, and final approval.

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