Influence Of Social Media Marketing On Performance Of Telecommunication Firms In Kenya

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Abstract:
Social media has altered how people lives and institutions in ways that people are only beginning to comprehend. The main objective of this study is to establish the effect of social media marketing on performance of telecommunication firms in Kenya; a case of Safaricom Ltd. To achieve this, the study was guided by four objectives: how does social media affect the performance of telecommunication firms in Kenya; the effect of technology on Safaricom performance in Kenya's market share; promotional campaigns and its impact on performance of telecommunication firms in Kenya; and examine the role of customer feedback on business sales performance.

The study found out that social media improved the performance of the organization as it offered a platform for marketing at a cheaper cost compared to other forms of marketing available. As a result of improvement in technology, the study established that social media increased the competitiveness of the firm. The study also established that promotional campaign boosted performance of telecommunication firms in Kenya as it increased sales and revenue beyond the promotion period. As a result of real-time customer feedback facilitated by social media, the study established that customer feedback on social media enabled the firm in understanding the needs of customers hence meet them better thereby promoting customer loyalty.

Key words: Performance, social media, telecommunication, technology

1. Introduction

1.1. Global Perspective
Statistically, social media has altered people lives and institutions in ways that we are only beginning to comprehend. Researcher e-Marketer estimates that more than 75% of the U.S. adult population is now online. By some estimates, more than one billion people will be posting information online by 2012, whether through blogs, social networks or photo/video sharing. They will be sharing their experiences, observations and opinions with a global audience as freely as we pick up the telephone today. These developments will pressure businesses to engage with their constituents in unprecedented new ways. The age of one-way messaging is over. At best, a message is only the starting point for a conversation in which a community of voices seizes control and adapts and fine-tunes the message to its own liking, (Weber, 2006).

1.2. Kenyan Perspective Of Social Media Marketing
In Kenya, almost all business that deal with communicating with the consumers has social media as an integral part bee it marketing, branding, PR, customer service or any other function of a business that requires you to reach out, social media plays a vital role (Betich, 2010). According to Rafaeli (2010), close 90% of marketers are using social media to market their businesses out of which 65% have just started or only a couple of months into it. Out of the ones who are currently using social media, almost more than half are on social media for more than 6 hours per week while 12.5% spend more than twenty hours per week. Going by the trends companies that have just started using social media spend little time compared to ones who have been on it for a while

Utilization of social media may help organizations better serve current clients by distributing value added content or provide more effective communication. Novak & Hoffman (2011) found that higher level of CRM effectiveness leads to increased collaboration across departments to pursue sales. Thus, we surmise that selling firms using social media to attract customers will continue to use technology to render service to current clients and retain them. The current research on the effects of social media on revenue is still evolving and, at present, few to none exist in the academic literature. Support for the notion that social media can improve performance is currently found in industry reports and studies (Hoffman, 2011).
1.3 Telecommunication Industry In Kenya

Telecommunications policy statement was issued in 1997 that set out the government vision on telecommunications development to the year 2015. The challenge at that time was to transform the existing policy structure from one designed for a monopoly to a policy managing a liberalized telecommunication market.

Safaricom Ltd is one of the leading integrated communications companies in Africa with over 17 million subscribers with a vision to be the Best Company in Africa. It was formed in 1997 as a fully owned subsidiary of Telkom Kenya. In May 2000, Vodafone group Plc of the United Kingdom, the world's largest telecommunication company, acquired a 40% stake and management responsibility for the company. Despite the growing competition from Celtel Kenya and the entry of Econet Wireless, Safaricom had attained a 9.1 million subscriber base by March 2010. The firm also managed to successfully integrate a new Intelligent Network (IN) platform on the network as part of its strategy to ensure its continued growth. The installation of the new IN platform by a Chinese network systems provider Huawei Technologies has made Safaricom the most advanced network within the region featuring 2.5G capabilities.

2. Statement Of The Problem

According to CCK (2012) quarterly report from 1st January to 31st March 2012, there were 29.02 million subscribers compared to 28.08 million subscribers as at 31st December 2011. In the Internet/data market segment where social media accounts for 74% usage, the number of subscriptions rose by 19.2 percent, from 6.4 million subscriptions recorded in the previous period to 7.7 million subscriptions during the quarter under review (CCK, 2012). Annual subscriptions grew by 81.7 percent from 4.2 million recorded during the FY 2011/2012. Mobile data/Internet subscriptions continued to dominate the Internet market contributing 98.9 percent of the total Internet/data subscriptions (CCK, 2012). The number of estimated Internet users rose by 18.5 to stand at 14.032 million users during the quarter under review. The annual growth in the estimated number of Internet users was recorded as 11.9 percent from 12.5 million users recorded in the previous year (CCK, 2012). Broadband subscriptions increased by 11.5 percent from 651,738 recorded in the previous quarter to 726,802 recorded during the quarter under review. Broadband subscriptions represented 9.4 percent of the total Internet/data subscriptions (CCK, 2012). Further indications pointed that Safaricom held 65.3% of market share followed by Airtel with 15.3%, Orange Telkom with 10.6% and lastly 8.7% held by Essar Telkom (CCK, 2012). The market share margin between Safaricom and its competitors is alarming and the study seeks to explore why the market share gap is huge between Safaricom and its competitors in the telecommunication industry with the main focus on whether performance of Safaricom is due to the influence of social media marketing. The study also seeks to understand how or whether social media influence the performance of telecommunication firms in Kenya. The study also seeks to analyze whether telecommunication firms in Kenya embrace social media marketing.

3. Research Objective

The main objective of this study is to establish the effect of social media marketing on performance of telecommunication firms in Kenya.

4. Literature Review

4.1 Marketing Theory

The relationship between social marketing theory and profitability of business has been within for a long time now. As the name implies, is grounded in commercial marketing theory and practice. However, given that the application of social marketing is predominantly in non-commercial sectors, social marketing practice draws on a range of related disciplines including sociology, psychology and other social welfare related activities. As it grows in acceptance, social marketing has continued to evolve. Currently it is a highly dynamic field with new emphases and perspectives emerging, particularly in relation to the role that social marketers can play in contributing to structural change (Doyle, 2000). Objectives for behavioural cessation campaigns need to be carefully framed. Success, in these campaigns, needs to be the full cessation of the target behaviour by an individual adopter, rather than the complete cessation of the behaviour throughout society. Many campaigns of this style believe that one person behaving in a manner contrary to the campaign means that the campaign, and social marketing, has failed.

4.2 Social Network Theory

Interest in social networks has been rising very quickly for several years now across a wide variety of fields. For example, in physics, more than a hundred articles on social networks have been published in the last three years alone, much of it sparked by Milgram’s (1961) small world research. In military science, the cutting edge is “netwar” how to defeat networks by organizing as networks (Arquilla & Ronfeldt, 2001). In management consulting, network mapping is fast becoming a standard diagnostic and prescriptive tool (Bonabeau & Krebs, 2002; Cross, Parker & Borgatti, 2000). And in management research, the topic of social networks was last year’s theme of the Academy of Management conference, as well as of special issues of its journals, including Academy of Management Journal.

4.3 Social -Technical System Theory

According to Ajzen (1991) the motivation a person has to behave in a certain manner is reflected by how much he is willing to exert himself to behave in that manner, which is called Theory of Planned Behavior (TPB). Researchers have extensively used this theory in
a number of population groups in trying to understand different behaviors that are health-related, stating that, subsequent behavior of health care professionals is linked to their intention to engage in a certain manner, which link is usually predictable. Theorists of social-technical systems advocate for inclusion of all stakeholders in assessing the impact of the technology, from the design stage, how the prototyping exercise is performing to direct users, and then analyze the technology’s impact on the organization (Swanson, 1994).

4.4. Implicit Person Theory
A prototypical entity implicit theory considers that attributes of individuals are generally a fixed entity, but an incremental implicit theory considers the attributes of individuals to be generally malleable. Research carried out on Implicit theory by social psychologists together with academicians conducted on students and kids focused mainly on implications that motivated holding incremental implicit theory or a primary entity (Kamins & Dweck, 1999). Looking from an organizational perspective, research carried out to establish the influence of implicit theory on self-regulation as well as goals set, self-efficacy levels including their resilience after failures and how tasks are performed after making decisions that are complex (Wood & Bandura, 1989). However, managers’ implicit theories have not been examined to establish the effects of how they judge others. Implicit theories may focus on specific areas like personality, their morality and ability.

5. Empirical Review
In the wake of intense global and domestic competition, firms are increasingly turning to innovation to compete (Holsapple and Singh, 2001). At the same time, recent years have witnessed the rise of a new generation of information and communication technologies that are collectively referred to as Web 2.0 or social media and touted as a new wave for fostering innovation and intellectual capital creation (Faraj et al. 2010).

While some have suggested that this latest wave of technologies represents a new way in which intellectual capital is created, using such descriptors as the “Wisdom of Crowds” (Surowiecki, 2004), these depictions provide little theoretical understanding of the role of social media in fostering innovation in general and intellectual capital creation in particular (Joshi et al 2010, Majchrzak et al, 2004).

6. Critical Review
Social media can solicit consumer input after the purchase. This ability to gain product-development insights from customers in a relatively inexpensive way is emerging as one of social media’s most significant advantages. Intuit, for example, has its community forums. Starbucks uses MyStarbucksIdea.com to collect its customers’ views about improving the company’s products and services and then aggregates submitted ideas and prominently display them on a dedicated Web site. That site groups ideas by product, experience, and involvement; ranks user participation; and shows ideas actively under consideration by the company and those that have been implemented.

This paradox that adaptable organizing principles can both facilitate and inhibit firms performance has been identified in the literature on ambidextrous organizations (Gulati and Puranam, 2009). However, in that literature, ambidexterity is resolved through grouping units by similar environmental conditions, i.e., stable vs. dynamic – an option not typically available to online communities. Similarly, in the knowledge-based view of the firm (e.g., Grant 2007, Kogut and Zander, 1992), the assumption is that intellectual capital grows through grouping units by specialized knowledge, and then subdividing differences in specialized knowledge into different units within the firms that effectively coordinate and integrate across the differences in specialized knowledge being more efficient than markets.

7. Research Gaps
Social media is extending the disruptive impact of the digital era across a broad range of functions. Meanwhile, the perceived lack of metrics, the fear, and the limited sense of what’s possible are eroding. Executives can identify the functions, touch points, and goals of social-media activities, as well as craft approaches to measure their impact and manage their risks. The time is ripe for executive-suite discussions on how to lead and to learn from people within your company, marketers outside it, and, most of all, your customers.

8. Methodology
The study adopted a descriptive research design since it surveyed the effect of social media marketing on performance of telecommunication firms in Kenya; a case of Safaricom Ltd. According to Sekaran (2003). The target population comprised of all employees working at Safaricom Ltd head office in Westlands in customer relation and logistics department. As at March 2013, there were 168 employees based at the head offices. These were distributed in different job levels. The primary research data was collected from the employees using a questionnaire. A pilot study was undertaken on to test the reliability and validity of the questionnaire. Data analysis was done with the help of software application SPPS and Microsoft excel to generate quantitative reports.

9. Data Analysis And Findings
The study targeted a sample of 48 respondents from Safaricom Ltd. However, out of 48 questionnaires distributed only 39 respondents completely filled in and returned the questionnaires, this represented 81.3% response rate.
From the findings, 77% of the respondents pointed out that their organization had realized development on social networking while the rest (23%) indicted that the organization had not realized any development on social networking. The study findings conforms with Tung (2012) social networks, in the form of online brand communities, with customers as members, allow companies to interact with the customers and helps in the exchange of information thereby allowing companies to get a valuable feedback regarding its products and merchandise.

From the findings, most of the respondent agreed that through networks new information diffuse opportunities become available through new ideas, access to information and access to more or better resources as indicated by a mean of 4.01, respondents also agreed that management emphasize more on social networking as a way of influence customer loyalty in our services hence effective performance of the organization as depicted by mean of 3.77, social network has assisted management in making strategic decisions towards achieving innovative products, technology and attaining competitive advantage as illustrated by mean of 3.74. Through social media customers gains confidence and trust thereby increasing the customer base in the market as shown by mean score of 3.70. Network competence and network location are the key to better innovation and performance in our organization as depicted by mean score of 3.66. Social networking has been used as a tool for creating criteria for performance in our organization as illustrated by mean of 3.64, respondents also agreed that their company has interacted with the customers and helps in the exchange of information thereby allowing the company to get a valuable feedback regarding its products and merchandise as depicted by mean score of 3.52. Further respondent were neutral that social media are used proactively to lead consumers toward long-term behavioral changes as shown by mean score of 3.47. Respondent were also neutral that though social networking our company had realized significant increment in customer base.

Majority (34%) of the respondents’ purported that social networking influences organization performance to a great extent, 23% were of the opinion that social networking influences organization performance to a very large extent while 19% argued that social networking influences organization performance to a moderate extent. This illustrates that social networking had a great influences on organization performance. Ansari, Koenigsberg and Stahl (2011) pointed that marketers are becoming extremely intent on understanding the predictability and the connection of social networks. From the findings, organization believes that social networks develops a flat form that can be used to reach customers beyond the capacity of company marketers.

Most of the respondents agreed that their new technologies are being used in our organization to enable human interactions on a scope and scale not previously witnessed as depicted by mean score of 3.71, also respondents agreed that their organization has substantially invested heavily on IT resulting to direct linkage between technology investment and increases in productivity and performance which has been extremely elusive as illustrated by mean score of 3.62. Respondents’ were neutral that the company uses IT to collaborate and generate information outside organizational boundaries without the consent or awareness of the organization as shown by mean score of 3.25. Finally, respondents were neutral that the rise of a new generation of information and communication technologies is used as a wave for fostering innovation and intellectual capital creation as depicted by mean score of 2.93. These findings conformed with Yao, Sutton and Chan (2009) that substantial investments in IT by corporations in direct linkage between technology investment and increases in productivity and performance has been extremely elusive.

The study showed that (58%) of the respondents were of the opinion that promotional campaign influence organization performance to a great extent, 23% purported that promotional campaign influence organization performance to a very great extent while 19% alleged that promotional campaign influence organization performance to a moderate extent. Most of the respondents agreed that social media has provided novel community-oriented and social ways of providing and receiving feedback from new products and concepts in our organization as depicted by mean score of 3.84, further respondents agreed that social media provides a better platform for organization performance as it enables quick and timely feedback from customers and that their company has taken full advantage of social media due to its ability to provide novel possibilities for learning from customers as shown by mean score of 3.67 and 3.63 respectively.

9.1. Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.913</td>
<td>0.834</td>
<td>0.751</td>
<td>0.4538</td>
</tr>
</tbody>
</table>

*Table 1
Source: Research, 2013

- Predictors: (constant) social network, Technology, promotional campaign and customer feedback

Dependent Variable: Social Media

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (telecommunication performance) that is explained by all the four independent variables (social network, Technology, promotional campaign and customer feedback).

The four independent variables that were studied, explain only 83.4% of the telecommunication performance as represented by the adjusted $R^2$. This therefore means that other factors not studied in this research contribute 16.6% of the telecommunication performance.
performance. Therefore, further research should be conducted to investigate the other factors (16.6%) that influence telecommunication performance.

9.2. Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.308</td>
<td>1.342</td>
<td>1.623</td>
<td>0.357</td>
</tr>
<tr>
<td>Social Network</td>
<td>0.558</td>
<td>0.310</td>
<td>0.172</td>
<td>4.342</td>
</tr>
<tr>
<td>Technology</td>
<td>0.731</td>
<td>0.156</td>
<td>0.210</td>
<td>3.532</td>
</tr>
<tr>
<td>Promotional Campaign</td>
<td>0.785</td>
<td>0.322</td>
<td>0.067</td>
<td>3.542</td>
</tr>
<tr>
<td>Customer Feedback</td>
<td>0.620</td>
<td>0.245</td>
<td>0.148</td>
<td>3.458</td>
</tr>
</tbody>
</table>

Table 2
Source: Research, 2013

The equation
\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \]
becomes:
\[ Y = 1.308 + 0.558X_1 + 0.785X_2 + 0.620X_3 + 0.731X_4 \]

The regression equation above has established that taking all factors into account (social network, Technology, promotional campaign and customer feedback) constant at zero, telecommunication performance will be 1.308. The findings presented also shows that taking all other independent variables at zero, a unit increase in social network will lead to a 0.558 increase in telecommunication performance; a unit increase in technology will lead to a 0.731 increase of telecommunication performance; a unit increase in promotional campaign will lead to a 0.785 increase in telecommunication performance and a unit increase in customer feedback will lead to a 0.620 increase in telecommunication performance. This infers that communication contribute most to telecommunication performance followed by Top Management Commitment then promotional campaign while information social network contributed the little to telecommunication performance.

10. Conclusion
The study concluded that organizations had realized and development on social networking as a result of marketing on social media. Likewise through networks new information diffuse opportunities become available through new ideas, access to information and access to more or better resources. Further the study concluded that management emphasize more on social networking as a way of influence customer loyalty in organization services hence effective performance of the organization to a great extent.

The study concluded that most of the organizations apply Information Technology as a tool for social marketing where it’s used in our organization to enable human interactions on a scope and scale not previously witnessed. The study also concluded that organization has substantially invested heavily on IT resulting to direct linkage between technology investment and increases in productivity and performance which has been extremely elusive to a very great extent.

The study also concluded that most organization use social media as a promotional campaign where it help s in to identify exactly how, when, and where social media influences consumers hence helping executives to craft marketing strategies that take advantage of social media’s unique ability to engage with customers. Consequently, the study concluded that keeping customers engaged with social media marketing helps company to retain customers and also attracts new ones to a great extent.

Most of social media enhance effectiveness of customer feedback in most of the organization. Additionally, the study concluded that social media provides a better platform for organization performance as it enables quick and timely feedback from customers to a great extent.

11. Recommendations
The study recommends that for the organization to have a wide social network should place some measure to encourage wide participation of the general community in buying services and products offered by the companies. Additionally, the study recommended that management to embrace social network as a way of reaching potential customers who could not be reached in any mean other than in social sites due to their fixed schedules.

IT should be adopted in order to enhance organizational performance since through IT innovation is born through ideas and relevant information. Likewise the study recommends that nowadays without adoption of IT, organization could not perform as per
expectations due to competition in the market thus it’s a vital tool for competitive advantages. The study recommends that through promotional campaign awareness of the new services and product offered by the company is created. Additionally, the study recommended that promotional campaign should be emphasized more on social media marketing since the age group in those sites constitutes the people with interest in tasting the new brands of the product or services and they can only access the information online as they look for their preferences.

Companies that absorbed the information they get from the customers excels in their performance particularly in sales volumes which in return contributes to more profit. Consequently, the study recommended that feedbacks information from the customers should be strictly accesses so as to sort out the information that aims at improving the organization performance since some of the information that may stream in to the organization may be provided by the competitors to mislead the organization hence failure to realization of the organization goal.

12. Areas Of Further Study
This study investigated on the effect of social media marketing on performance of telecommunication firms in Kenya with specific focus to Safaricom Ltd. The study suggests that further research to be done on factors affecting adoption of social media marketing focusing. The study also suggests that further study be done on the same study focusing on other sector other than telecommunication in order to give real situation in that reflects both positive and negative side of social media marketing.

13. References
3) Gallaugher, J., Ransbotham, S. (2010), Social media and customer dialogue management at Starbucks, MIS Quarterly Executive, Vol. 9 No.4, pp.197-2