INFLUENCE OF SOCIAL MEDIA MARKETING ON BRAND EQUITY
AT SAFARICOM LIMITED IN KENYA

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DECLARATION

I the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the University of Nairobi for academic credit.

Signed………………………….  Date…………………………

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D61/60586/2011

Approval
This project has been presented for examination with my approval as the appointed supervisor.

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DEDICATION

To God, for His grace.

To my dear wife Elizabeth, for the emotional support and unending encouragement.

To my lovely children; Cherry and Chris, you revitalize my energies.

To my parents, my brothers and sisters for believing in me and for your encouragement and support.
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ABSTRACT

Over 30.7 million Kenyans have mobile phones; over 9.4 million have data enabled devices. Internet penetration in Kenya is at 41.1 % as per CCK figures in April 2013. With this Kenya has experienced a phenomenal growth in the ICT sector with more and more consumers taking to the internet and social sites. Companies have followed suit in an attempt to market their products and services online and especially through social media. Safaricom limited being one of the biggest brands in Kenya has not been left behind on this. The research project will thus seek to investigate this phenomenal growth of Social Media in Kenya.

The objective of the project will be to provide insights on how Safaricom Limited can use Social Media as a marketing and branding tool in consumer marketing in the Kenyan market. More specifically, this study attempts to define what kinds of social media are used in Kenya and which opportunities and challenges the use of them in marketing creates for Safaricom Limited. Moreover this study aims to illustrate the role social media has on brand equity, and to describe how the Safaricom can use Social Media to improve on brand equity. In addition, this study describes the objectives, strategies and tactics that can be used for social media marketing activities. Finally, the goal of the study is to specify which key performance indicators Safaricom can use in measuring the impact of marketing and branding activities through social media. The theoretical framework rests on literature of social media marketing and as well as previous studies on social media in Kenya.
CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Internet has revolutionized the way consumers, individuals, organizations and the whole society communicate and relate. Internet has been providing an interactive platform than it was previously. Consumers and individuals are not just using the traditional communication methods but are also connecting to the Internet to find information on different web pages and also contributing to conversations on their opinions, experiences or and other consumer related issues. Platforms where people can share information, knowledge, and opinions, are called Social Media (Drury, 2008). Recent years have witnessed the rise of Social media channels such as Twitter, Facebook, You Tube, Google, and Instagram, which enable customers to take a more active role as market players and reach (and be reached by) almost everyone anywhere and anytime.

Social media threatens long established business models and corporate strategies, but also provides ample opportunities for growth through new adaptive strategies. Online social networks are increasingly being recognized as an important source of information influencing the adoption and use of products and services. The digital innovations of the last decade made it effortless, indeed second nature, for audiences to talk back to each other (Deighton and Kornfield, 2009). User generated content has become a mass phenomenon, with Facebook, YouTube, and twitter all being listed among the top 15 websites, accounting for more than 11 percent of global traffic. The
rapid growth in popularity of social media platforms has raised the question whether this phenomenon has reduced marketers’ control of brand management (Berthon et al. 2007). During the social media age, knowledge of both the influence of firm-created communication on consumer perceptions of brands and the influence of consumer online content creation on brands is important (Berthon, Pitt, and Campbell 2008; G. Christodoulides, 2009). Social Media encourages user-generated content. This provides brands with a role as consumers share their enthusiasm about their favorite brand on Social Media platforms (Mathwick, Wiertz and De-Reyter, 2009)

Safaricom Limited is one of the companies in Kenya that has embraced Social media marketing as an alternative marketing channel. This has greatly improved the customer engagement which is key in marketing. It has emerged as one of the most socially responsive brands in the world having emerged the 9th world over in terms of engaging customers online and using social media to market products online (Social Bakers, 2014)

1.1.1 The Concept of Social Media

Platforms where people can share information, knowledge, and opinions, are called Social Media. (Drury,2008.) Social media are internet based sites, digital communication and information channels in which consumers engage in behaviors that can be consumed by others both in real time and long afterwards regardless of their location. The channels provide a real-time access; from production (Where consumer views can be collected, allowing consumers to share experiences in real time by for example ‘Liking or commenting’ on Facebook or Blogs, ‘Retweeting’ or
`Favouriting’ on Twitter. These customer interactions and reviews if positive can be made available for future potential customer references. This unlike traditional marketing provides marketers with a marketing effectiveness evaluation basis, as they otherwise wait for sales to evaluate the effectiveness of adverts and other marketing mix strategies. Real time feedback provided on Social Media will assist marketers and Brand managers ‘adjust’ accordingly; pull down Facebook adverts, make correctional statements among others. It’s a good way to ensure consumers mostly access positive brand sentiments that will help in improving the brand perception on different channels; it’s a group of Internet-based applications that build on the ideological and technological foundations of Web and that allow the creation and exchange of user generated contents (Kaplan and Haenlein, 2010).

Social media are websites and other digital communication and information channels in which active consumers engage in behaviors that can be consumed by others both in real time and long afterwards regardless of their location. Social media can be accessed by consumer’s real time; at the time they are produced, allowing consumers to share experiences in real time with Twitter, chats and blogs (Snopes, 2006). Social networking through online media can be understood as a variety of digital sources of information that are created, initiated, circulated, and consumed by Internet users as a way to educate one another about products, brands, services, personalities, and issues (Chauhan and Pillai, 2013). Companies are now aware of the imminent need to focus on developing personal two-way relationships with consumers to foster interactions (Li and Bernoff, 2011).
1.1.2 Social Media Marketing

Social media marketing refers to the process of gaining traffic or attention through social media sites. Consumers use social media to participate in social networks, which enable them to create and share content, communicate with one another, and build relationships with other consumers Gordon (2010); Libai et al. (2010). Pro-active Consumers use social media to contribute to all parts ‘of the value chain, ranging from superficial articulation (reviews on retail or fan sites) to extensive co-creation (testing new “beta” products and reporting flaws to the company), or even collectively developing open-source products such as the Firefox browser; (Hoyer et al, 2010); Krishnamurthy,2009). Social Networks are important in influencing perceptions about brands online thus the need for marketers to take active Social Media Marketing roles. (Dee et al., 2007)

According to Kaplan and Haenlein, (2010), there are six different types of social media marketing forms: collaborative projects (Wikipedia), blogs and microblogs (Twitter), content communities (YouTube), social networking sites (Facebook), virtual game words (World of Warcraft), and virtual social worlds (Second life). Technologies include: blogs, picture-sharing, wall-postings, email, instant messaging, music-sharing, crowdsourcing and voice over internet protocol. Social media services focus on some or all of seven building blocks (identity, conversations, sharing, presence, relationships, reputation and groups). These building blocks help understand the engagement needs of the social media audience. For instance, LinkedIn users care mostly about identity, reputation and relationships whereas YouTube’s primary building blocks are sharing, conversations, groups and reputation. Many companies
build their own social containers that attempt to link the seven functional building blocks around the brands. These are private communities that engage people around a narrower theme, as in around a particular brand, vocation or hobby, than social media containers as Google+ or Facebook (SocialBakers, 2014). Mangold and Faulds (2009) explicate that in the era of social media, marketing managers’ control over the content, timing, and frequency of information is being severely eroded. In the new era of social media, information about products and services also originates in the marketplace.

1.1.3 Social Media in Kenya

55% of the world’s population is under 35 years (UNDP 2013)-In Kenya, this is over 65%. Over 30.7 million Kenyans have mobile phones; over 9.4 million have data enabled devices. Internet penetration in Kenya is at 41.1% (CAK, 2014) Over 5 Million Kenyans are actively using Social Media with Facebook and Twitter being the main channels. Facebook is the most popular social media in Kenya. According to Facebook (2014) Kenya has approximately 4,448,000 users, of which 65% are male and 35% are female users. Facebook is most popular in the age group of 18-24 years covering 44% of all users. Age groups of 24-34 years and 35-44 years are the second and third highest groups in Kenya with 34% and 10%. Local Brands have a good following on Facebook; Safaricom 860,000 Likes, KTN 1,385,000 Likes. Airtel 390,000 Likes, Orange 168,000 likes, YU at 76,000 likes among others (Facebook, 2014). Nairobi is the 3rd city in Africa with most active Twitter users at 123,450. Kenya however has a total of 450,000 twitter users. Among the big brands on twitter include; Safaricom 250,000 followers, KTN 450,000 Likes. Airtel has 39,000
followers; Orange has 23,000 followers, YU at 10,000 followers among others. Twitter usage is lower than Facebook but has a higher reach per tweet/per post (Portland, 2014).

1.1.4 Brand Equity

According to Aaker and Joachimsthaler (2009) Brand Equity is a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by the product to a firm and/or to that firm’s customers. Marketing is no longer one dimensional; it has become a two-way process engaging a brand and an audience. Marketing within social media is not just about telling and giving a message, it is more about receiving and exchanging perceptions and ideas. (Drury 2008.). Brand is essentially the sum of all experiences related to the product, service, and companies that make and deliver the product. Brand perceptions are shaped by functional experiences as well as emotional experiences the customer associates with the product and company. Attributes of social media such as Interactivity, Communities, Quality of Brand Relationships, Customer Service, Relevance, site design and overall brand experience defines what online brand equity is Christodoulides et al. (2006) Brand communication positively affects brand equity as long as the message creates a satisfactory customer reaction to the product in question compared to a similar non-branded product (Yoo, Donthu, and Lee, 2000).

Moreover, communication stimuli cause a positive effect in the consumer as a recipient; therefore, the perception of communication positively affects an individual’s awareness of brands (Bruhn, Schoenmueller, and Schäfer 2012).
Branding communication leverages brand equity by increasing the probability that a brand will be incorporated into a customer’s consideration set, thus assisting in the process of brand decision making and in the process of the choice becoming a habit (Yoo, Donthu, and Lee 2000). Furthermore, in their study of social media campaigns, Li and Bernoff (2011) underscored the features that appeal to consumers to generate brand benefits. Therefore, firm-created social media communication should be perceived by individuals as advertising and arousing brand awareness and brand perception (Maclnnis and Jaworski, 1989). Further, the communication in social media is less about creating contained and controlled messages and more about creating compelling environments to which people are attracted. The best websites will combine both professional and user-generated content. (Weber, 2009). Aaker predicts that with new emerging media like Social Media, it is becoming increasingly challenging to create brand awareness and the winners in brand awareness will be those able to coordinate branding messages through all medias including emerging medias like social media (Aaker 1996).

1.1.5 Telecommunication Industry in Kenya

Since the beginning of the liberalization of the telecommunications sector in 1999, Kenya has seen fast internet growth and faster mobile phone growth. It has experienced radical changes as the liberalization process of the telecommunication sector began. Of vital importance to the process was the establishment of the Communications Authority of Kenya (CAK) in February of that same year through the Kenya Communications Act, 1978. CAK’s role was to license and regulate telecommunications, radio communication and postal services in Kenya. Since then a
visible boost has gripped the industry. The commission has now need changed to an Authority (Communication Authority of Kenya) (CAK, 2014)

Kenya has experienced a phenomenal growth in the Telecommunication sector. 2004 saw significant changes in the country's telecom industry, with the incumbent operator Telkom Kenya losing its monopoly and entry of other operators such as Kencel and Safaricom and several new data carriers, thereby marking a significant change in the competitive landscape for telecom services across the country. The number of operators providing mobile services in Kenya has now increased to four with Safaricom being the major provider at 65.1%, followed by Airtel at 16.9% YU at 10.1% and Orange at 7.1%. There are approximately 30.7 million mobile subscriptions in Kenya – this equates to a mobile penetration rate of 74 percent of the population (CAK, Dec 2013). Over 9.4 million have data enabled devices which make it easy to access online channels and interact with brands.

1.1.6 Safaricom Limited

Safaricom limited is the leading mobile operator in Kenya (CAK, 2014); the company prides itself at being a total communications solution provider. It was formed in 1997 as a fully owned subsidiary of Telkom Kenya. In 2000, Vodafone the largest mobile telecommunication in United Kingdom acquired a 40% state and management responsibility of the company, 35% is owned by the Government of Kenya and the remaining 25% by public shareholders. Started as a department of Kenya Posts & Telecommunications Corporation, the former monopoly Telecommunications operator, launched operations in 1993 based on an analogue network and was
upgraded to GSM in 1996. In 2000, Vodafone the largest mobile telecommunication in United Kingdom acquired a 40% state and management responsibility of the company, 35% is owned by the Government of Kenya and the remaining 25% by public shareholders. The company offers a wide range of communication solutions for Individual and corporates as well as money transfer services. It is the provider of the world renowned M-PESA service, Internet, Voicemail among others. It is one of the leading brands in Kenya, was named as the 16th most valued brand in Africa and number one in Kenya in the 2011 ‘Brand Africa’ Report(Source: http://www.brandafrica.net).

1.2 Research Problem

According to Vollmer and Precourt (2008), consumers are turning away from the traditional sources of advertising, such as radio and television, and that they consistently demand more control over their media consumption. Over the past decade, there has been a shift from use of traditional media to social media channels such as Facebook, YouTube, Google, and Twitter, which empower customers to take a more active role as market players. It seems clear we are living in a world where consumers are getting news from the otherwise nontraditional sources of social media. Social Media sites like Facebook with over 1.3 Billion members represent a larger community and a marketing platform that traditional media. Research is however not up to date of this nontraditional media and it’s difficult to find relevant up to date studies on Social Media as part of the branding process, how it this relates to strengthening the brand, increasing sales, retain customers and find new customers and be part of the product development (Carlson, 2010). Recent studies have shown of
the estimated 3.5 billion word-of-mouth conversations that occur around the world each day, about 2.3 billion of them - roughly two out of three - make a reference to a brand, product, or service. Word of mouth is increasingly manifesting itself through digital social media, where it spreads both farther and faster. This use of the social Web is increasingly important to marketers (Evans, 2008).

Previous research has mostly focused on reasons why consumers participate in online communities and how active participation among members can be maintained (Wiertz & De Ruyter, 2008) and (Koh et al, 2007). Nambisan and Baron, (2009) researched on the role of consumer benefits for active community participation in social media while Dholakia et al.(2010) supported the relevance of functional social benefits in the same context. Brenda Wambui (2011) and Susan Nyawira (2012) focus on the influence of social media on customer relationships while Ken Miseda (2012) addressed the effect of social media in brand communication. However, none of the studies has clearly established the influence that social media has had on brand Equity. Many companies globally have embraced social media marketing to enhance customer interaction with the company; however, this has not been the case in Kenyan companies. Even though most youth are now using social media platform for various online activities, companies in Kenya are still hesitant to make use of this new phenomenon to enhance customer relationship. Thus this leaves a knowledge gap on; how has social media marketing influenced brands? What are the challenges encountered and how can marketers successfully use social media as a marketing tool?
1.3 Research Objectives

The objectives of this study are;

i. To establish the influence of social media marketing on Brand Equity at Safaricom limited in Kenya.

ii. To determine the challenges of using social media as a marketing tool at Safaricom limited in Kenya.

1.4 Value of the study

The study will help managers in various organizations understand how they can use social media to improve brand perception. This will provide insights on how other companies can use Social Media as a marketing and branding tool in consumer marketing in the Kenyan market. Social media gives a platform for a company to reach its customers at minimal costs since as noted, they are no or very minimal costs in the duplication of information. The study will also highlight what is expected of the company to succeed in use of social media as a customer service channel; this is because social media can also be used to highlight negative comments which can affect the company image. The study will also establish the key performance indicators Safaricom can use in measuring the impact of marketing and branding activities through social media.

The study will be quite enriching to marketers, researchers, academic institutions and scholars. It will add to their knowledge and enable them to be more informed when considering the use of Social Media the local markets. The study will also be helpful
to Safaricom Limited and other players in the Telecommunications Industry carrying out social media marketing and improving brand perception.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of some of the related literature published on the subject of the study. Specifically introducing the concept of Social Media, different Categories of Social Media, Social Media as a Marketing and Branding channel, Brand Equity, Challenges of using social media in marketing. The strategies and tools that can be used in social media marketing, and different measurements of social media marketing will also be addressed.

2.2 Social Media Marketing and Brand Equity

Kotler (2011) writes that “marketing is not the art of finding clever ways to dispose of what you make. It is the art of creating value.” Marketing as described by Silk (2006) is the process which a firm creates value and in turn value is created by meeting customer needs. Value is the difference between the total costs of making a purchase and the total benefits received from the product and/or service (Kotler and Armstrong, 2004). It is the combination of product quality, service support and timely delivery at a reasonable price (Rein, Kotler, Hamlin and Stoller, 2005). Marketing as defined by Kotler and Armstrong (2004) is a social and managerial process. It is an activity which facilitates exchanges between buyers and sellers; a function within an organization which communicates the organization’s value proposition as a philosophy which affects an entire organization’s dealing within the market place (Kotler and Armstrong, 2004). Thus marketing management involves specific elements of product, pricing, promotions and distribution (Rein et al., 2005).
Marketers need to ensure that brands are engaged to their online consumers. This is the level of involvement, interaction, intimacy, and influence customers have with a brand over time (Haven and Vittal 2009). Engagement leads towards a desired action or outcome. For a customer, the desired outcome may be an additional purchase of a product or a service or a strong recommendation to a friend. There are four primary ways to engage people including communication, collaboration, education and entertainment (Safko and Brake 2009). Constantinides and Fountain (2008) present Kotler’s (1994) Stimuli and Response model and suggest that the original model has changed due the usage of Social media. According to Constantinides and Fountain (2008), the consumers are not only influenced by the traditional marketing (A) but also the uncontrollable personal influencer (B). In today’s world, marketing is becoming digital, the Internet as a communication and transaction channel adds two more inputs and influencers of buying behavior to the model. The first one is the online marketing mix (C), which basically represents the controllable online experiences provided by the corporate. The second one is the social media experiences (D), which are by and large beyond the marketer’s control (Constantinides and Fountain, 2008).

According to Kotler & Keller (2009), Brand equity is the value given to the products and services that can be reflected in how consumers think feel and act in conjunction with the brand, and also in conjunction to price, market share, and profitability. Aaker (2009) defines brand equity as a set of assets and a liability related to a brand, a symbol that is able to increase or decrease the value provided by a product or service is good on the company and the customer. Aaker classifying brand equity into five dimensions, namely; Brand loyalty, Brand awareness, Brand association, perceived
quality, and other proprietary brand assets. From the fifth dimension, the four initial dimensions are at the core of brand equity because they represent the consumer reaction to the evaluation and a brand that can be understood by the consumer. Dimensions other proprietary brand assets not related directly to the consumer because these elements are influenced from four major dimensions.

2.3 Social Media

Social Media has tended to be used alternatively with the term Web 2.0. The Interchangeable usage of the terms is noted by many observers like Constantinides and Fountain (2008), Safko and Brake (2009); and Kaplan and Haenlein (2009). However, Constantinides and Fountain (2008) consciously choose to use the two terms Social Media and Web 2.0 identically. Smith, Getoor, Barash and Lauw (2008), Kaplan and Haenlein (2009) and Safko and Brake (2009) perceive Social Media from a sociological perspective as collective goods produced through computer mediated collective action. Kaplan and Haenlein (2009) define the Social Media as ”a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation of exchange of User Generated Content”. Safko and Brake (2009) explain that Social Media refers to activities, practices, and behaviors among communities of people, who gather online to share information, knowledge, and opinions using conversational media. Conversational media covers the web-based applications that make it possible to create and easily transmit content in the form of words, pictures, videos, and audios. Drury (2008) places emphasis on the word “share”, as the most important part of social media.
Social media has led Internet users to encounter a vast amount of online exposure, and one of the most important is social networking. Social networking through online media can be understood as a variety of digital sources of information that are created, initiated, circulated, and consumed by Internet users as a way to educate one another about products, brands, services, personalities, and issues (Chauhan and Pillai 2013). Companies are now aware of the imminent need to focus on developing personal two-way relationships with consumers to foster interactions (Li and Bernoff 2011). Furthermore, social media offer both companies and customers new ways of engaging with one another. Marketing managers expect their social media communication to engage with loyal consumers and influence consumer perceptions of products, disseminate information, and learn from and about their audience (Brodie et al. 2013).

2.4 Social Media Marketing

Today’s consumer is different from the traditional consumer. The consumer is able to go to the internet and get details about a product, interact with other consumers, access product reviews that add a different dimension of products and marketing in general. With today’s customers actively engaging in social media, the world of marketing and customer service has fundamentally changed. Customers control the conversation and are willing to change a product based on the experience and will let their family and friends know about it, (Edison, 2011). The information available on social media needs to be curated and aggregated otherwise the consumer will get unchecked information about the product; this is where marketers come in Social Media marketing.
According to Weber (2009), Marketing to the social web means to adopt a completely new way of communicating with the online consumer. Instead of continuing as a broadcaster, marketers should become aggregators of customer communities. Social Media has evolved into an influential marketing channel is news to many companies and organizations (Drury 2008). The social media marketing is as a process that empowers individuals and companies to promote their websites, products or services through online social channels and to communicate with and tap into a much larger community that may not have been available via traditional advertising channels. Social media platforms connect service providers, companies and corporations with a broad audience of influencers and consumers (Weinberg 2009). Weber (2009) argues that social media marketing is not only for the largest multinational corporations. It might be even easier and more effective for a small and medium-size company to take maximum advantage of it.

2.5 Different Categories of Social Media Marketing

According to Wiley (2009), one of the key components in social media marketing implementation is building “social authority”. Social authority is developed when an individual or organization establishes themselves as an “expert” in their given field or area, thereby becoming an influence in that field or area. It is through this process of building social authority that social media becomes effective. That is why one of the foundational concepts in social media has become that one cannot completely control a message through social media but rather one can simply begin to participate in the “conversation” expecting to achieve a significant influence in the conversation.
Marketing through social media challenges a company to adapt different techniques than marketing through traditional channels.

Constantinides and Fountain (2008) identified five categories of Social Media Marketing as follows; Blogs, these are online journals where marketers can publish images, ideas and links to other web pages. Social networks, are places where people with a common interest or concerns come together to meet people with similar interests and where they can build their personal websites, marketers can use such networks to push products. Most famous on this category is Facebook; Forums/bulletin boards are sites for exchanging ideas or information usually around particular interests example here include Wazua website where consumers of Kenya financial products meet; Content communities or Media Sharing communities that allow marketers to upload and share various media such as pictures and video. Most services have additional social features such as profiles, commenting, etc. The most popular are YouTube, Instagram and Flickr. Microblogging; these are marketing platforms that that focus on short updates that are pushed out to anyone subscribed to receive the updates. The most popular is Twitter; Content aggregators or applications which allow users to fully customize the web content they wish to access. Examples of social media applications that people use include Facebook, Twitter, YouTube, Myspace, LinkedIn, Flickr and Wikipedia (Drury 2008). Furthermore, for the purpose of this study it is important to discuss how the various Social Media is used among consumers in Kenya.
2.6 Measures of social media marketing

A company cannot have direct control and to tell customers what to think. However, they can listen to what customers say, measure it, and monitor progress over time. Thus, the information can be used to modify and improve what is offered and the way it is offered in (Evans, 2008). One of the biggest challenges of any marketing strategy is measuring the effectiveness of the traditional methods of marketing. For instance; how many people actually heard the message broadcast or radio; how many actually saw a Television advert and so on. Social Media platforms helps marketers with different metrics that once computed can give a quicker and easier to work on results.

Weber (2009) presents various metrics for media influence, influence on target audience and business impact. According to him, the easiest and cheapest to obtain is the media influences which include visits and page views, unique visitors, volume of reviews and comments, navigation paths, links history and files embedded. These metrics can be monitored for example by using free tools like Google Analytics, Site Meter, Facebook Likes, Retweets, Tweet Reach, Technorati and Yahoo! Search Management. The influence on the company’s target audience can be monitored by analyzing metrics like sentiment of reviews and comments, brand affinity, commenter authority and influence, time spent on the site, viral forwards, number of downloads, opinions expressed and number of memberships. The business impact of social media activities can be measured by monitoring the number of leads and new sales figures. Also the customer satisfaction and loyalty measured with the help of surveys give information about the business.
Mangold and Faulds (2009) support the view that customers engaged with a product, service or idea are more likely to communicate through social media. This engagement may come naturally for supporters of causes, political candidates, and trendy new technological products. The engagement can also be creatively stimulated for products and services which generate less psychological involvement of customers. Both traditional and Internet based tools can be used in engaging customers. Customer can be engaged by using online customer loyalty programs or arranging contests were the participants are asked to do different things. Online voting used as a tool gives a user a sense of ownership and increased engagement. Allowing consumers to see others using the product can entertain and engage customers while communicating product benefits. Also online games provide a natural and obvious venue for engaging and entertaining (Mangold and Faulds 2009).

Consumers are more likely to talk about companies and products when they feel they know a lot about them. One another tactic is to provide exclusivity for some customers because they like to feel special. Feelings of being special can be produced by offering products, information and special deals that are available exclusively to a few customers. Consumers are more likely to talk to others about products when those products support their desired self-image, or the way they want others to see them. Both product design and promotion efforts should be undertaken with the desired self-image in mind. Consumers tell others about products and services to which they are emotionally connected. Organizations can leverage emotional connections by embracing one or more causes that are important to their customers (Mangold and Faulds 2009).
2.7 Social Media Marketing opportunities and challenges

Social media provides enormous opportunities for strengthening and expanding relationships to customers. These opportunities include targeted brand building with activities like blogs, Pages, microsites among others developed with particular focus for a specific target audience. It also offers a quicker and more cost-effective way to reach highly targeted markets than marketing through traditional media, such as newspapers, radio and television. Additionally, social media is a tool for staying connected with other stakeholders of the company such as technology vendors, and distributors. Social media can be seen as opportunity for the research and development department to get immediate feedback on the product and make corrections, and to move to next challenge. Including customers in the product development companies can forge bonds that foster long-term product or brand loyalty. The social media presets also numerous opportunities to strengthen and expand employee communications (Weber, 2009).

On the other hand, social media challenges a company to adapt different techniques than marketing through traditional channels. Weber (2009) explicates that marketing to the social media requires adopting a completely new way of communication with an audience in a digital environment. Drury (2008) clarifies that marketing with traditional media was much about delivering the marketing message to the target audience. With the increase of social media networking, building a relationship and conversation has become a major and focal part of marketing adopting the pull marketing strategy. Keen, (2009) argues that out of the social media anarchy, it becomes clear that on the internet is the law of digital Darwinism, the survival of the
loudest and most opinionated. Berners-Lee, (2010), contends that the danger of social networking sites is that most are silos and do not allow users to port data from one site to another. He also cautions against social networks that grow too big and become a monopoly as this tends to limit innovation.

Kiertzman et al, (2011) contends that social media presents an enormous challenge for firms, as many established management methods are ill-suited to deal with customers who no longer want to be talked at but who want firms to listen and engage. By analyzing identity, conversations, sharing, presence, relationships, reputation, and groups, organizations can monitor and understand how social media activities vary in marketing and impact, so as to develop a congruent social media marketing strategy based on the appropriate balance of building blocks for the clientele. Market segmentation changes radically with the event of the social media. Demographics like gender, age, education and income, together with lifestyle factors have become less relevant compared to what people do, think, like and dislike. This poses a challenge to Social media managers when it comes to targeting the audience.

2.8 Brand Equity

Available literature has little consensus on what exactly Brand Equity means. It has long been considered that brands add value to a product. Besides the traditional way of considering asset value, accounting procedure did not consider Brand equity,(Elliot and Percy,2007). Even if accepted, accounting procedure did not permit considering the added value of a brand name on the balance sheet, it was nevertheless being counted as part of the net value of the firm. There thus exist many definitions of brand
equity, defined mainly from two perspectives, either as financial considerations or perceptions of a brand.

According to Aaker (1991), brand equity can be defined as “a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers”. Aaker points that a brand equity has four dimensions namely; brand loyalty, brand awareness, brand associations, and perceived quality, each providing value to a firm in numerous ways. Once a brand identifies the value of brand equity, they can follow a brand equity roadmap to manage that potential value. Brand Loyalty helps a firm reduce marketing costs, attract new customers via awareness and reassurance and have time to respond to competition and threats. Brand Awareness helps in creating familiarity, visibility and as a signal of commitment. Brand associations, including perceived quality help communicate information, differentiate or position a brand, give a reason to buy and create positive feeling about a product (Aaker, 1991).

2.9 Measures of Brand Equity

Aaker (1991), conceptualized brand equity as asset of five assets; Brand awareness, perceived quality, brand loyalty, brand association and other tangible proprietary brand assets. This thus captures the tangible and intangible value of brands to an organization or company. The customer based measures will capture how the consumers perceive a brand. This creates challenges in getting a standard measure. This makes firm based brand equity a better measure where this is calculated by financial valuation. This is done by calculating the price at which a brand can be sold.
Another is to determine price premium a brand can command over an unbranded competitive product. Another measure is to measure a brand’s strength within its primary competitive set. This means you use a three-part approach to determine firm-based brand equity: financial analysis, determining which portion of earnings can be attributed to a brand, measuring brand strength based on internal and external components.

An alternative concept of consumer-based brand equity was developed by Keller (1993), who defined “the differential effect of brand knowledge on consumer response to the marketing of the brand”. Keller emphasized that brand equity should be captured and understood in terms of brand awareness and in the strength, favorability and uniqueness of brand associations that consumers hold in memory. Thus, consumer-based brand equity (CBBE) can be understood as a concept that predicts that consumers will react more favorably to a branded product than to an unbranded product in the same category (D. A. Aaker 1991; K. L. Keller 1993; Yoo, Donthu, and Lee 2000). Weber (2009) argues against the ‘traditional way’ of looking at brand equity in terms of brand recall—and instead claims contemporary, with a new marketing mindset adapted to the social media arena, brand equity thus exists and should be measured not in terms of brand recall but by dynamic measures such as customer word of mouth, online reviews among others. Instead of creating brand awareness through brand recall, it is about how likely customers are to recommend the good or service to others (Weber, 2009)
2.10 Relationship between Social Media Marketing and Brand Equity

A consumer’s process of information acquisition relies on both external and internal information sources that together influence his or her overall brand equity judgments and brand choices (Beales et al. 1981). The rapid growth in the popularity of social media platforms in recent years has raised the question of whether this phenomenon has reduced marketers’ control of brand management (Berthon et al. 2007). During the social media age, knowledge of both the influence of firm-created communication on consumer perceptions of brands and the influence of consumer online content creation on brands is important (Berthon and Campbell 2008; Christodoulides 2009). This brings out the unique relation and shows how social media is key in brand equity and thus marketers should not just leave this to consumers but rather moderate these interactions where possible and be part of adding value and increasing brand equity.

Mangold and Faulds (2009) explicate that in the era of social media, marketing managers’ control over the content, timing, and frequency of information is being severely eroded. In the new era of social media, information about products and services also originates in the marketplace, (Aaker and Keller 1990). Therefore, extensions of brand awareness and positive associations should generate greater revenues and savings in marketing costs and should thus create higher profits than those of less liked brands (Keller, 2013). In addition to specific brand attributes, strong brand association can lead to an overall brand equity (Aaker and Keller 1990).
Drury (2008) clarifies that marketing with traditional media was much about delivering the marketing message to the target audience. With the increase of social media networking, building a relationship and conversation has become a major and focal part of marketing adopting the pull marketing strategy. Drury (2008) emphasizes that marketing with social media is about building a relationship and conversation with target audience. Marketing is no longer one dimensional; it has become a two-way process engaging a brand and an audience. Marketing within social media is not just about telling and giving a message, it is more about receiving and exchanging perceptions and ideas (Drury, 2008). It’s not the sites that people get attracted to, it’s the brand, and thus effective social media marketing impacts brand equity.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, the research methods and reasons for the choice of methods will be discussed. It introduces the research design that will be adopted, data sources, data collection instruments to be used, the target case and data analysis, it also provides the motivation for this. Both the interviewees of the study as well as the general structure of the interviews are presented.

3.2 Research design

A case study design was used. This entailed detailed investigation of Safaricom Social media marketing and its influence on brand equity together with the challenges experienced in social media marketing. Case study design is deemed suitable for this study because it allowed in-depth analysis of the unit being studied in this case Safaricom limited. Eisenhert (2009) argues that case studies can accommodate a rich variety of data sources, including interviews, archival data, survey data and observations. It entailed intensive analysis of a single case. Hence it allowed in-depth exploration of issues in phenomenon. An open ended question was used in this case.

3.3 Data Collection

The study targeted 4 social media managers at Safaricom for primary and secondary data. Primary data was collected from an in-depth oral interview with social media team and management using an interview guide which allowed detailed information.
The primary data covered the reasons why social media is a viable marketing channel and the challenges faced. Secondary data too was used. This included management reports, organization magazines and research papers on social media and marketing. In this case study, a face to face interview was used as the main mechanism for collecting the primary data. This allowed in-depth inquiry “soak and poke” Fenno (1986).

3.4 Data analysis

Data collected was analyzed using content analysis. Content analysis is a qualitative research technique that enhances compressing many words into fewer content categories based on explicit rules of encoding. It enabled sifting through large volumes of data in a systematic fashion, thus, enabled development of supportive evidence for conclusions and findings. Content analysis also provided a qualitative picture of the respondents concerns, ideas, attitudes and feelings while at the same time guarding against selective perception of content. It helped to identify the intensions, focus or communication trends of the respondent, describe attitudinal and behavioral responses to communications, and to determine psychological or emotional state of persons or groups (Cooper and Schindler, 2003).
CHAPTER FOUR
DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter relays the results and discussions of the data collected mainly of the reason why Safaricom chose social media as marketing channel, influences and challenges the company has undergone when using the social media marketing. It also covers the future of social media marketing from the findings of the research.

4.2 Social Media Marketing

The study found out that Safaricom limited has been using social media as a marketing platform since 2007 but at this time no much marketing effort was put in social media until late 2010 when the company decided to create official Facebook page and twitter account to help them in customer service. This is after a research was done and results indicated that many consumers especially the youth spend most of their time on the internet in social media sites than in any other place. Being an internet provider, this meant the company can benefit in two folds; in pushing data sales as well as marketing data and other services through social sites.

4.2.1 Effectiveness of Social Media Marketing

Respondents from the organization explained that Safaricom Limited’s social media sites have attracted a lot of traffic since their creation especially their official Facebook page and their twitter handle. At the time of the interview their Facebook page had 920,000 likes and growing at 2000 likes a day, their combined twitter handles had 520,000 followers. This feedback indicates that the social media
marketing is growing fast and proving to be reliable and cost effective marketing channel. This is because social media marketing channels are experiencing tremendous growth as more and more customers go online. Customers are also sharing their product experiences and influencing purchasing decisions out of peer referencing.

The official Safaricom Limited page on Facebook has 920,000 likes, which means that marketing on the platform gives a possible reach of 920,000 views which multiplies in a viral way if the customers share the content. The same happens on twitter where the reach is greatly magnified by retweets.

This study also established that Social media marketing has emerged as a low cost marketing channel. The cost involved in social media marketing as noted by the respondents is minimal enabling the marketers to carry out effective online marketing campaigns with less financial implications. Compared to other marketing media, social media was said to be the least expensive and this has led to social media activations of all products and marketing activities undertaken by the company.

The respondents noted the use of social media marketing created another platform to consumers could access help. This reduced reliance of consumers from calling the call centres and thus being responsive to customer’s needs. This as noted helped in improving customer loyalty and eventual brand equity.
Further, respondents noted that since the introduction of social media marketing, there was a rise in consumers seeking to do online related purchases. This meant a rise in sales and thus contributing to a rise in financial dimension of brand equity as the sales volume and market share and profitability was improved. This goes in line with Kotler & Keller (2009), Brand equity is the value given to the products and services that can be reflected in how consumers think, feel and act in conjunction with the brand, and also in conjunction to price, market share, and profitability.

4.3 Social Media Marketing and Brand Equity

According to the Social media marketing manager, the introduction of the social media channel in the company has had a positive influence to the brand equity as there is improved Brand loyalty as noted by positive feedback received on the channels. It was noted that customers who interacted with the brand have higher levels of customer satisfaction thus having many brand advocates in the internal consumer satisfaction score of Net Promoter scores or brand advocates. Brand awareness; as more and more online consumers have engagement with the Safaricom brand on twitter, Facebook, YouTube, Instagram and google+, Brand association; the increase in likes shows how more and more online customers wish to be associated with the brand.

4.4 Social Media Marketing and Targeting

From the information gathered from the respondents’, social media marketing has also given the Safaricom marketing a clear understanding when it comes to targeting marketing as evidence by a social media data bundle specifically targeting online
customers, twitter and Facebook Short Messaging services, Free Facebook data among others. The study also found out that the company has also come up with new product offerings as a result of feedback received from the customers on the official sites and pages indicating gaps that have been in the market. The company has also received feedback on the preferred way of communication when there is an ongoing campaign to avoid an overflow of information in the market.

4.5 Challenges of Social Media Marketing

While Social Media marketing has been a remarkable marketing channel there have been certain challenges that social media has brought with it, the main challenge pointed by the respondents is parody accounts. This is where other social media users create pages and accounts impersonating Safaricom. Safaricom has ensured that all the accounts are verified but this still confuses customer who end up liking copy or parody accounts. This can especially be harmful if the other accounts are used to give wrong marketing information. This may affect the brand and brand equity if not closely monitored.

The study also showed that there is always a threat of online hackers hacking into social media sites. To this, the company has to put in place security checks both internal and with platform providers to counter such. Information gathered also indicated that employees also need to be very careful with information they are trusted with by the company because it can also be used negatively if it falls on the wrong hands.
Respondents noted that unlike most of the traditional marketing where content is pushed to the customer without data connectivity, Social media marketing requires of internet and therefore the company’s social media channels cannot be accessed by people who leave in places where there is no internet or very limited internet access and also people who are not vast with the knowledge of using internet, therefore, anybody who falls under this category is being locked out. This means only the consumers with a technological know-how are able to access this mode of marketing.

The lack of full control of the social media marketing channels was also noted as a challenge since social media marketers will have to rely on third party applications or sites to push your information. This, as noted by the social media managers limits the insights that would otherwise have been available on a personal site. This also poses the risk of data access as the company cannot be fully sure that its social media data is safe or can be accessed by competitors.

4.6 Future of Social Media Marketing

The study indicates that social media marketing will provide opportunities for companies in future and will also allow for integration between various companies and reinventing of products. Social media provides a chance for companies to come to the consumer and market as the consumer wants. The social media customer will dictate what they want and marketers need to use the social media to listen and have these great insights incorporated in product development, package as per consumer needs but at the same time take part in online discussion about the product. The world is converging at social media sites. The marketers must be present.
The last 10 years has experienced enormous growth in social media marketing, there are many social media platforms coming up every day; from Facebook to Ello, twitter to telegram groups. All getting mobile interfaces this means that social is going mobile. Social media marketing will be everywhere and a lot of social media sites will be coming up. Marketers and companies may even have difficulties identifying the best media sites that their consumers use and they will have to start monitoring their consumer social sites trends because the trends will be definitely changing from time to time.

From the information collected from Safaricom as regards to this study; Social media marketing will continue to be a great marketing platform and important in product development as customer feedback is integrated. Brands need to be engaging and socially devoted online for them to remain relevant. As social media goes mobile, there is a need for marketers to adapt to the socially changing customer who is social online and who shares brand experiences online in order to manage brands. This is not just for technology related companies but this will cut across all different sectors.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter will discuss the aim of the research, summary, recommendations and Conclusion of the findings of the research. Limitations of the research and suggestions for further research have also been covered in this chapter.

5.2 Summary of the findings

This study was carried out to establish the influence of social media marketing on brand equity at Safaricom limited and also to determine the challenges of using social media as a marketing tool at Safaricom Ltd.

The study shows that Social media marketing is a cost effective marketing option that helps improve brand equity. According to the respondents, Social media marketing has a positive influence to the brand in terms of brand awareness, brand perception, brand loyalty and overall brand equity. The ability to push marketing information via social media, target using available social media insights are some of the main strong points of social media marketing. Nonetheless, social media marketing has security faults; fake or impersonated accounts issue that confuses customers, internet reliability and the viral nature of negative sentiments which makes some of the main shortcomings.
The study also shows that Social media marketing is great for marketing activations, feedback collection, product development, product launches and customer education.

The social media reach which enables a company’s product to stand out by reaching a large number of people interested in the company’s brand message and value proposition makes all this possible. This can therefore enhance brand equity and assist marketers achieve marketing objectives.

### 5.3 Conclusion

According to the study, social media marketing is important in any business. It offers opportunities for companies in different areas from interacting, targeting, product feedback. Today’s businesses cannot not afford to miss out on today’s trend. Some of the respondents also indicated that as a result of the growth experienced in social media, many companies have used the Safaricom model of online engagement and this points to a modification in marketing from traditional to social media based marketing. The study also clearly shows brands that are socially devoted will have larger social media audiences making it easier for their marketing teams. This means saving on advertising and marketing costs.

The study shows if a company uses social media marketing, it will improve on its brand equity, save on costs and this will translate to better performing companies with better relations with the consumer thus ensuring continuity. This will bring opportunities for companies in future and will also allow reinventing of products. Safaricom has established itself as a market leader and the introduction of the social media marketing gives it competitive advantage in engaging the customers. The
study, however, could not clearly establish the actual change in brand equity as a result of using social media marketing.

5.4 Recommendations from the study

This study recommends that Safaricom Limited should use social media marketing as the main marketing platform since it has a higher reach as compared to traditional media viewership. Social Media marketing will also provide better targeted timing in terms of posts, tweets and shares. This will also complement traditional marketing channel whose peak times do not coincide. This will ensure a full day exposure.

The study recommendation for Safaricom to use more online analytics tools to assist it target the audience, post timing, identify promoters and influencers by using social media analytics to get the influencers with larger clouts and transform them into ambassadors. The analytics will also help identify different tools for different products and identify the right time for the posts.

The study found out that social media trends rapidly changing. It is recommended that Safaricom needs to continuously do a social media market research to keep updated on the upcoming trends of customers on social media to ensure that the company remains relevant and the information in the sites is updated regularly. Content should be interesting and updated regularly. Customers also need frequent engagement to eliminate the machine human aspect and bring in human to human interaction. This can be reinforced by having free samples available online.
Lastly, this study’s recommends the use of employees as brand advocates. The study established that Safaricom has not been utilizing its employees as online brand advocates. This if implemented can help push the reach to higher numbers. This will be safe as compared to using influencers who can easily be used by competitors. Their sharing of online information will add to the push from the general public and push the online brand.

5.5 Limitations of the study

The Research was conducted successfully and the research objectives were met, however, there were some limitations: First, access to information was not very easy as there was fear by the respondents that the information could be used by the competitors. Another limitation must be mentioned in regard to the generalization of research findings. Due to the low number of interviews, the results of this study are not statistically generalizable and only apply in this particular case study. Lastly, the time dedicated to the project was not enough due to job and school demands and deadlines.

5.6 Recommendations for future Research

This research was specifically designed to study influence of social media marketing on Brand equity at Safaricom Limited in Kenya. It is recommended that further research on social media marketing be carried out in the other telecommunication companies in Kenya. The research can also be extended to other sectors in the Kenyan market because of the current shift from traditional marketing to social media marketing makes Social media the marketing platform for days to come.
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New Jersey
Appendix I:
Interview guide

Section one; Background information

1. What is the position of the respondent?

2. What is the length of service of the respondent in Safaricom?

3. In which industry is Safaricom?

4. What is the size of the company? In terms of;
   - Market share?
   - Employees?
   - Profitability?

Section two; Social Media and Social Media Marketing

5. How would you describe Social Media and Social Media Marketing?

6. What kinds of Social Media does Safaricom use in marketing today?

7. For how long has Safaricom Limited used social media as a marketing tool?

8. Why did Safaricom consider using social media as marketing tool?
Section three; Social Media as a marketing channel and Brand Equity

9. What is brand Equity?

10. How do you measure brand equity?

11. How has the use of social media affected brand equity?

12. Has the increase in the use of Social Media impacted on the way your customers perceive information about products and services?

13. What opportunities do you see in the marketing and branding of your company via Social Media?

14. What challenges do you see in the marketing and branding of your company via Social Media?