

**EFFECTS OF SOCIAL MEDIA ON THE GROWTH OF SMALL BUSINESSES  
IN KENYA: A CASE OF *GO PLACES KENYA***

**BY**

**MWANGI RAYMOND KIMANI**

**REG. NO. K50/69766/2011**

**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF JOURNALISM  
AND MASS COMMUNICATION IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF  
ARTS IN COMMUNICATION STUDIES OF THE UNIVERSITY OF NAIROBI**

**NOVEMBER 2014**

## DECLARATION

This project is my original work and has not previously been submitted to any other university or faculty.

**Signature**..... **Date:** .....

**Name:** Raymond Kimani Mwangi

**Registration number:** K50/69766/2011

This project has been submitted for examination with my approval as the university supervisor on behalf of the school of journalism, University of Nairobi.

**Signature**..... **Date:** .....

**Name:** Dr. Hezron Mogambi

**Supervisor**

## **DEDICATION**

This study is dedicated to my beloved parents, James and Esther Karina, who have supported and inspired me over the years. God bless you.

## **ACKNOWLEDGEMENTS**

I thank God for guiding and protecting me throughout this study. I would like to express my gratitude to my supervisor Dr. Hezron Mogambi, for his support and direction that ensured a successful completion of this project.

I greatly appreciate all my lecturers at the School of Journalism, for their continuous support and guidance throughout my studies.

I also extend my thanks and appreciation to my wife, Anne Kimani, who has tirelessly encouraged me throughout my research work.

## TABLE OF CONTENTS

DECLARATION .....	ii
DEDICATION .....	iii
ACKNOWLEDGEMENTS .....	iv
TABLE OF CONTENTS .....	v
LIST OF TABLES .....	viii
ABSTRACT .....	x
<b>CHAPTER ONE: INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the study .....	1
1.1.1 The evolution of social media .....	3
1.1.2 Background of <i>Go Places Kenya</i> .....	4
1.2 Statement of the problem .....	4
1.3 Purpose of the study .....	5
1.4 Objectives of the study .....	5
1.5 Research questions .....	5
1.6 Justification .....	6
1.7 Significance of the study .....	6
1.7.1 Business .....	6
1.7.2 Education .....	6
1.8 Assumptions of the study .....	7
1.9 Scope of the study .....	7
1.10 Limitations .....	7
1.11 Definitions of terms .....	7

<b>CHAPTER TWO: LITERATURE REVIEW .....</b>	<b>9</b>
2.1 Introduction.....	9
2.1.1 Introduction to Social Media .....	9
2.1.2 The adoption of social media as a new way of advertising .....	11
2.1.3 Social media penetration in Kenya.....	14
2.1.4 The social media by mobile network operators in Kenya .....	16
2.1.5 The role of social media .....	19
2.1.6 Ways on how social media as a communication strategy can be improved....	22
2.2 Theoretical framework.....	25
2.2.1 Media uses and gratification theory.....	25
2.3 Conceptual Framework.....	29
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>30</b>
3.1 Introduction.....	30
3.2 Research Design.....	30
3.3 Research Site.....	31
3.4 The Study Population.....	31
3.5 Sample Size.....	31
3.6 Sampling Procedure .....	32
3.7 Data collection method .....	32
3.8 Data Analysis .....	32
3.9 Validity and Reliability.....	33

<b>CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS.....</b>	<b>34</b>
4.0. Introduction.....	34
4.1. Background information .....	34
4.2. Social demographic information.....	34
4.3. Product awareness.....	38
4.4. Role of Social Media on Customer Loyalty .....	42
4.4. Discussion .....	43
<b>CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND</b>	
<b>RECOMMENDATION .....</b>	<b>46</b>
5.0. Introduction.....	46
5.1. Summary of Findings.....	46
5.2. Conclusion .....	47
5.3. Recommendations.....	48
<b>REFERENCES.....</b>	<b>49</b>
<b>APPENDIX I .....</b>	<b>52</b>

## LIST OF TABLES

Table 1: Respondents social demographic information.....	35
Table 2: Respondents' Social media experience .....	36
Table 3: Types and Reason of visiting Social media.....	37
Table 4: Respondents knowledge and reaction about Go Places Kenya .....	38
Table 5: Factors that affects sharing of information in a social media .....	39
Table 6: Respondents opinion on integration of social media with traditional advertising.....	40
Table 7: Success of business and customer management.....	41
Table 8: Sources preferred by respondents in finding product information .....	42
Table 9: Social media information and respondent decision making .....	43



## LIST OF FIGURES

Figure 1: Respondents reaction on integration of traditional advertising and social media .....	41
Figure 2: Aspects of social media advertisement and its effects on respondent purchase decision .....	43

## ABSTRACT

This study explored the effect of social media on the growth of small business in Kenya. The study was motivated by the need to analyse the effect of social media based on the insight from customers' of *Go Places Kenya*. The study aimed to achieve the following objectives; determine the effect of social media on customer loyalty of small businesses in Kenya, find out how social media affects sale volume of small business in Kenya, assess the effect of social media on Brand awareness of small businesses in Kenya and determine the effect of social media on customer service of small business in Kenya. Simple random sampling technique was used to get the desired sample size (30 respondents). Questionnaires were used to collect data. The study relied on social network theory and Media Uses and Gratifications theory .The researcher found out that most respondents have social media account (s) with face book or twitter handle accounts having the most users; social media is a powerful tool of sharing information among people of different social classes. It was also found out that social media creates product awareness can be used monitor customer experience. The study recommends for more presence of *Go Places Kenya* on social media and a combination of both social media and traditional media by small businesses to reach a wider range of customers. The researcher also suggests for further studies on the usage patterns of social media users which could help a great deal in marketing of products.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the study**

This chapter introduces the study and provides the background to research topic. It discusses the concept of social media and narrows down to the penetration of social media in Kenya. This chapter also discusses the adoption of social media as a new way of advertising and the application of social media marketing by network operators. Afterwards, the research problems and objectives of the study are stated, research questions provided along with justification, significance and the scope. The chapter will therefore define the operational terms that will be used in the study.

Just as the internet has changed the way people buy music, research school projects, organize activities and interact socially, it has also affected how they do business. Through the use of social media, people can exchange photos and videos, share news stories, post their thoughts on blogs and participate in online discussions. Social media also allows individuals, companies, organization and governments to interact with large number of people. This has made companies and organizations to market their businesses and products through blogs or sponsored postings on social media sites.

Social media refers to the means of interaction among people in which they create share, exchange and comment on contents among themselves in virtual communities and networks. Andreas Kaplan and Michael Heinlein (2001) define social media as "a group

of Internet-based applications that build on the ideological and technological foundations of and that allow the creation and exchange of user-generated content. Furthermore, social media employs mobile and web-based technologies to create highly interactive platforms through which individuals and communities share, co-create, discuss, and modify user-generated content. It introduces comprehensive and substantial changes to communication between organizations, communities and individuals.

Different types of social media include collaborative projects such as Wikipedia, blogs such as Blogger, social networking sites like Facebook, content communities like Youtube, and virtual worlds like Second Life. As of 2012, social media has become one of the most powerful sources for news updates through platforms such as Facebook, Blogger, Twitter, WordPress, VK (social network), LinkedIn, Pinterest, Google+. Tumblr, MySpace and Wikia. In addition, there has been an increase in mobile social media which has created new opportunities, in particular for business, which are able to utilize social media for marketing research, sales promotions, and customer relationship development among others.

Much of the criticism on social media is about its exclusiveness as most sites do not allow the transfer of information from one to another, disparity of information available, contention with trustworthiness and reliability of information presented, concentration, ownership of media content, and the meaning of interactions created by social media. However, it is also argued, that social media has positive effects such as allowing the democratization of the internet while also allowing individuals to advertise themselves

and form friendships. Social media differs from traditional/industrial media in many aspects such as quality, reach, frequency, usability, immediacy and permanence. As of 2012, the effects of internet usage on social media, according to Nielsen, are that internet users continue to spend more time in social media than any other site. Statistics illustrate that the total time spent on social media in the urban Kenya across PC and mobile devices increased by 37 percent to 121 million minutes in July 2012 compared to 88 million minutes in July 2011.

While traditional social media offers a variety of opportunities for companies in a wide range of business sectors, mobile social media makes use of the location- and time-sensitivity aspects of it in order to engage into marketing research, communication, sales promotions/discounts, and relationship development/loyalty programs.

### **1.1.1 The evolution of social media**

Internet became more popular in the 1990s; websites that allowed users to create and upload content began to appear. The first social network site (Six Degree.com) appeared in 1997. A large number of social network sites were launched from 2002 onward. Social media had gained widespread acceptance by the late 2000s and had huge numbers of users. For instance, in November 2012, face book announced it had 1 billion users worldwide. In July 2012 Twitter had an estimated 517 million users.

### **1.1.2 Background of *Go Places Kenya***

*Go Places Kenya* is a Leisure & Travel Guide and Marketing company based in Nairobi, Kenya. It started with its first publication in 1993, with the aim to provide information and interesting read on Travel, Accommodation, Restaurants, Entertainment, Shopping & Lifestyle publications for the East African region. The company is actively involved in other activities such as: events, exhibitions and promotions that complement these publications. The company uses the latest available technology and ideas to provide both advertisers and subscribers added value through introduction of vibrant websites and email newsletters as well as forming a membership club providing benefits through a privilege loyalty program.

Leisure & Travel Guides East Africa's goal is to ensure implementation of the best business practices in the industry. The company through its *Go Places* brand has won several awards including the International Quality Crown Award in the Gold Category in London for outstanding commitment to Quality & Excellence. *Go Places Kenya* has also been awarded twice consecutively at the Kenya Tourism Awards for both their digital and print platforms.

### **1.2 Statement of the problem**

Social media has become a platform that is easily accessible to anyone with internet access. Increased communication for organizations fosters brand awareness and often, improved customer service. It is self-evident that small businesses in Kenya are characterised by inadequate resources, lack of management skills among others, therefore

social media serves as a relatively inexpensive platform for organizations to implement marketing campaigns. The main purpose of this research was to determine the extent to which social media influences small businesses on the basis of customer loyalty, sale volume, customer service and brand awareness.

### **1.3 Purpose of the study**

This study aimed at examining the positive effects of social media on small business growth.

### **1.4 Objectives of the study**

- i. To determine the effect of social media on customer loyalty of small businesses in Kenya
- ii. To find out how social media affects sale volume of small business in Kenya
- iii. To assess the effect of social media on Brand awareness of small businesses in Kenya
- iv. To determine the effect of social media on customer service of small business in Kenya

### **1.5 Research questions**

- i. What effect does social media have on customer loyalty of small business in Kenya?
- ii. Do social media affect sales volume of small business in Kenya?
- iii. How do social media affect customer service of small business in Kenya?

- iv. What effect does a social medium have on advertising of small business in Kenya?

## **1.6 Justification**

The concept of social media is a very recent phenomenon. Therefore its discourse in the academia is still developing and thus ensuring theoretical and practical underpinnings of the concept to the domain of communication still deserve an ongoing empirical inquiry. This warrants more research to shed more light on new media.

## **1.7 Significance of the study**

This study had both practical and theoretical relevance.

### **1.7.1 Business**

In terms of practice the study revealed how social media impacts on customer loyalty and the creation of product awareness.

### **1.7.2 Education**

The study also formed a basis for future researchers who may wish to develop the study further. It provided a deeper understanding of social media as technological phenomena. In terms of theory, the study contributed to development of conceptual models with which to study and understand the concept of social media.



### **1.8 Assumptions of the study**

This research was subjected to the following assumptions:

- i. All *Go places* customers are at least signed up to one or more social networking sites.
- ii. That social media has a role to play in the growth of small business
- iii. That all respondents will co-operate and give appropriate responses.

### **1.9 Scope of the study**

The study was conducted at *Go Places Kenya* a small business dealing with Leisure and travel guides with Nairobi, Kenya. Data was collected from the staff and customers of *Go Places Kenya*.

### **1.10 Limitations**

One of the expected challenges was enlisting corporation of respondents and their willingness to participate in the study. The respondents also took a longer time to respond to the questionnaire. The researcher overcame this by giving enough time to the respondents so that they could fill in their responses at their most convenient time.

### **1.11 Definitions of terms**

**Social media-** Refers to online technology tools that enable people to communicate easily via the internet, to share information and resources. Social media can include text, audio, video, images podcast and other multimedia.

**Social network-** A social network refers to the set of relationships among individuals or social groups.

**Social networking sites-** These are web –based social platforms. Such as Facebook, Twitter, LinkedIn among others where people network and share with friends and family online (Taylor, Lewin &Strutton, 2011).

**Consumer loyalty-** Consumer loyalty is defined as a strong emotional attachment to the firm that is manifested in the customer behavior like staying with the company, recommending it, buying additional product/services and so forth (Crosby, 2002).

**Customer relationship management-** Customer relationship management means developing a comprehensive picture of customer needs, expectations and behaviors and managing those factors that affect business performance.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presented a review of existing literature on the role of social media as a new way of advertising to influence growth; the literature reviewed theories of social media and examined previous empirical works on the effect of social media on customer loyalty and awareness. The chapter also discussed the ways social media could be improved as a communication strategy.

Theories on the role of social media social media scholars (Kilduf & Tsai; Duhe; 2007; Ange & Smith 2010) suggested that the role of social media drew from two major theoretical frameworks. These are social network theory and social capital theory.

##### **2.1.1 Introduction to Social Media**

Scholars have defined social media as a group of internet based applications founded on technological concepts of web 2.0 and that permitted the creation and exchange of user generated content ( Cho & Kim 2011). It allowed users to interact and collaborate with each other in dialog platform as creators of content in a virtual community in contrast to websites where users are limited to passive viewing of the content created for them (Cherviot 2011). According to Kwanya, Stilwell and Underwood (2012), social media champions the rationale that humans are each other's teachers; that knowledge originates

form interactions such as meetings, conversation dialogue and mentorship and that even experts have something to learn from their audience.

Chum and Kim (2011), positioned that social media encompasses a variety of online information sharing formats including social networking sites such as Facebook, MySpace and Friendster, creativity works sharing sites such as YouTube, Flickr and micro-blogging sites such as Twitter. A review by Perrigot, Kacker, Basset and Clique (2012), suggested that Facebook is the most widely used social media available in 70 different languages. Launched in the year 2004, Facebook reached more than 750 million active users in 2011 and half of them logged on a daily basis (Chu, 2011). Facebook and such other social networking sites allow individuals who sign up to be members, to construct a public profile with a bounded system available to other members with whom they share connections. They can view or traverse their list of connections and those of other systems (Charlejee, 2011). People with no or very little technical skills can use these outlets of social media to share their ideas, opinions, experiences and observations (Fleming 2010).

According to Dyrod (2011), the number of social networking sites among users is quickly approaching the half population of the planet. Huton & Fosdick (2004), have shown that social networks have now surpassed all other means of keeping in touch with the people, even outstripping face to face contact in 2009. Although most social media services are in Europe and North America, Asian markets in general are leading in terms of penetration, participation and in creating more content than any other region (Mutual. 2012). For

example, it was reported that Philippines had a penetration of 83% Hungary 80% Poland 77% and Mexico 76%.

The explosion of mobile phones also brought ubiquitous access to social media and pushed the adoption curve (Edwards 2012). In the recent years, the emergence of internet access on mobile devices has fostered new opportunities to bridge the digital divided and to close the internet participation gap between and within countries (Market and social research association 2012).

In Africa mobile phone are ubiquitous, resulting to social media being accessible on a much broader scale than before (Fleming, 2010). Mobile social media are changing the way people interact with each other and their favorite brands and how they access information (Rao, 2012) Mutual (2012), noted that Africans are incorporating their already extensive use of cellphones with a more recent and massive interest in social media, for example statistics reported by Kemibaro (2009), showed that there were 415 million mobile users and 115 million internet users in Africa and that the next 1 billion mobile users will come from Africa. The report also indicated that 57% of internet users in Africa are now members of a social network.

### **2.1.2 The adoption of social media as a new way of advertising**

Social media is being applied in business as a new competitive tool which companies are adopting. Social software is a strategic part of their information technology investment to improve business collaboration and marketing (Mutula 2012).

According to a report by marketing publisher (2012), global social media revenue reached 103Billion in 2011, 92.9 percent increase from 2010 revenues of 7.3 billion, a survey report by Predied and feral (2010) in the UK covering 1,898 business found out that 88% of the firms indicated they tweet, 87% use Facebook, 78% use LinkedIn and 70% uses blogs. Another report by Isaac (2010), indicated that of the Fortune Global 100 companies, 65% have active twitter accounts, 54% have Facebook fan pages and 50% have YouTube video channels.

Companies such as Ford, Levi Strauss and Chevron are re-engineering marketing operations to embrace digital tools to cash in on the social media wave (Swartz, 2010). Studying the case of Ford, Pataki (2011, p.6), provided the following narrative account: one of the earliest and most successful social media campaign, called the Fiesta movement was launched by Ford in April 2009 to promote its Fiesta model. In an innovative strategy, the company selected 100 bloggers and gave each of them a fiesta to use for the next six months. In return, the bloggers or agents, were required to upload a video on YouTube of the car along with an independent account of their experiences with the fiesta on the blog.

The fiesta movement campaign was successful. The 7000+ videos created by “agents” generated 6.5 million views and created more than 3.4 million impressions on Twitter. Photos of the car uploaded on Flickr were viewed more than 670,000 times. The campaign generated considerable buzz about the vehicle with more than 50,000 US consumers 90% of whom did not previously own a ford vehicle wanting more

information about the Fiesta. Ford sold 10,000 units in the first six days of sales. The proliferation of mobile technology in Africa has encouraged companies in the continent to tap into social media advertising channels.

According to a research conducted by Deloitte (2012), companies are increasingly employing social media strategies in order to engage more effectively with their African consumer target market. The report cites mobile telephony companies such as Safaricom from Kenya which has enhanced innovations and added value to its services with the case of M-pesa. Social media networks offer channels through which businesses can learn about their customer preference and get insights into their goods or services acceptable in the fields. (Kumar & Sundaram 2012).

Thatho (2010), were of the opinion that social networking sites presented great opportunities for public relations, marketing and advertising professionals, if used appropriately , as illustrated into the case of Ford motor vehicle company by Patnaik (2011), they can provide businesses with tools and information necessary to approach their audience in creative ways in order to fulfill their objectives. For instance, Hutton and Fosdick (2011) observed that consumers are increasingly turning to blogs as a resource for information on entertainment, product recommendation and even news.

The case of Ford further confirms the argument by Cheruiot (2011) that social media is a very effective form of marketing which can be used to increase product awareness, customer loyalty, customer service and lead to increased sales. To stimulate and engage

customers for active participation in these new marketing initiatives, businesses are experimenting with novel ways of marketing and are willing to explore ideas that would help acquire new customers, retain existing customers and in turn increase their sales (Kumar & Sundaram, 2012).

While the broad range of social media comes in various shapes and forms, Taylor, Lewin and Stratton (2011), observe that they share certain commonalities as such, allowing users to construct a profile within a bounded system to maintain list of connections and those of others. Lewin and Stratton (2011), however explained that the exact mechanism varied from site to site. For instance, Facebook and Myspace both allow users to create profiles and connect with “Friends” – those whom they have chosen to their profile. Some sites such as Facebook also allow users to form unidirectional connections and “fans” or “followers”. Thus a company may create a fan page on Facebook and users will enlist as “fans”.

According to Lewin and Stratton (2012) the advantages that accrue from unidirectional relationships are: the potential for an unlimited number of fans and preservation of user privacy as those who “fan” a company may want to follow it without the firm having access to their profile.

### **2.1.3 Social media penetration in Kenya**

A report compiled by the communication commission of Kenya (2012), showed that mobile data and internet subscription continued to dominate the internet market with 98.8



percent of the total internet/data subscription being from the mobile internet/data submarket. The CCK in 2010 estimated that there were 6.4 million internet users in Kenya in the first quarter of 2010, 88% more than in the same period a year earlier. Increasingly, more Kenyans have internet access and social media has therefore become a media of choice to a growing number of people (Strategic public relations and research, 2011). Statistics compiled by, hub research (2012) indicated that 99% of internet access is from a mobile device, representing about 17 million internet users in Kenya; of which 88.1% of mobile internet access was for social media purpose.

According to Mwambui (2010), social networks enjoy the bulk of internet visit and time. A survey by strategic public relations and research (2011), noted that most Kenyans are today regularly online and specifically on popular social networks such as Facebook, thanks to mobile internet. The survey revealed that a total of 12 social media sites were visited in the month of the survey with Facebook (60.4%) and Twitter (13.1%) posting the highest numbers.

Mwambui (2010) also observed that blogging was very active in Kenya, described by scholars as perhaps the country with the richest blogging tradition in sub-Saharan Africa. An empirical research by Mutual (2012), suggested from a survey of twitter users in Africa, that Kenyans are the second top users of twitter in Africa, ranked behind South Africans, but tweeted more than Nigerians. Egyptians and Moroccans despite having lesser population.

#### **2.1.4 The social media by mobile network operators in Kenya**

Companies in Kenya have diversified their marketing campaigns by making use of all available platforms to advertise and market their product and service (in research, 2012). According to a report prepared by Apoloconultoria (2011), there are four mobile network operators in Kenya. These are Safaricom limited, Airtel Kenya, Orange Kenya and Essar Telecom Kenya (Known as Yu mobile). The historical background of these companies can be summarized from a study compiled by Outa and Makau (2012, p.12), as follows: Telkom Kenya, the formerly state owned fixed network operator (KPTC) and still the sole provider of landlines is owned 51% by France Telecom and 49% by government of Kenya.

Telkom Kenya provides mobile services through Orange Kenya, in partnership with France Telecom. Safaricom the leading mobile operator was formed in 1997 as a subsidiary of Telkom Kenya but was part-privatized in 2002 through the sale of 40% of the company shares to Vodafone. A quarter of the government of Kenya's remaining shares was made available to public in 2008, reducing the government's stake below 50%. Aritel Networks Kenya is subsidiary of the Indian company BhartiAirtel, which is the world's largest telecommunications company by number of subscribers. EssarTelecom Kenya is a subsidiary of another Indian company, Essar communications. Research suggests that Kenya's domestic advertising market is dominated by communications with Safaricom the country's leading telecom provider, holding a huge lead over all competitors (Africa media initiative, 2012).

Safaricom engages and builds relationship with customers through social media platforms such as Twitter and Facebook (Safaricom, 2012). Dills (2012), particularly opined that, the cell phone and Safaricom are both of significant importance to the study of the evolution of human communication due to their ability to show the progression of our ability to communicate, the rules we set for language and its tools and the continuing development and integration of communication with technological innovation. Safaricom continuously enhances their engagement and relationship building with their customers through creating diverse channels including voice, walk in sms and emails which has improved the way customers access their services (Safaricom, 2012). An example is Niko Na Safaricom Live, a partnership with local artistes across various genre and regions to promote local talent, which was well received as indicated by thousands of fans in the Safaricom Kenya live concerts and Safaricom portal downloads (Safaricom, 2012).

Facebook also has the group feature that was introduced in 2004. Through this, group users have the opportunity to share interests with each other. This is because the feature provides a common platform where Facebook users can meet individuals with similar interests on different topics. The group platform gives members the opportunity to share information about that topic and have public discussions that are relevant to their interest (Thoto, 2010). Therefore information from company-related Facebook group's tags, disclosed members' friends on site (Chu, 2011).

Members of groups can also post comments and opinions about products on discussion for a period which may be viewed by other friends through news feeds (Chu, 2011)

Safaricom also taps this group feature to enlist followers with common interest to discuss topical issues surrounding its products (Safaricom, 2012), Dills (2012), contends that being able to use mobile phone communication tool to do more than communication (like Safaricom's) point systems and Mpesa Services, applications such as four squares cha-cha maps and social media platforms apps have taken the use of social media a step further. A research by Rao (2012) observed that innovation. Such as M- pesa allow users to carry out transactions such as money transfer and bill payment from their mobile phones without the need of a bank account. Rao (2012) noted that this type of service has been adopted by many operators across Africa and even given early operators adopter a competitive edge in terms of a customer loyalty. Olsen (201) also adds that remittance from relatives living abroad are largely done via mobile banking.

Dill (2012) pointed out that just like phones everywhere else in the world, phones that use Safaricom as their service provider can download similar applications that people around the world use. Airtel Kenya also launched a new campaign dubbed Mi ni 254 (meaning I am Kenyan, I am 254). The company claimed that the advertising campaign backed with a new tariff also dubbed. KluB254 would see customers enjoy free Facebook. (Facebook zero) a Twitter alongside many benefits (Airtel Kenya, 2013). The company is also keen on providing a positive customer experience and seeks to connect to customer service through on line interactions on Facebook and twitter (Airtel Kenya, 2013).

### **2.1.5 The role of social media**

Life nature suggests that information is communication, whether to educate or persuade, it is the underlying role of social media. Trepte (2011) argues that traffic to news and media website increasing come from social media such as “Facebook” which reveals the role of social media as disseminators of news. According to Dann and Dann (2011), social media also plays promotional role in the companies trying to transmit a specific idea but more persuasion than education in the mind well (2013). Well (2013), highlighted several roles of social media. Key among them was that social media gives more community members the opportunity to engage. It continues to link community members even when they move away from locality. It plays a role in ongoing connections and opens up media opportunity as community members send in photos on YouTube, participate in blogs and send in local reports.

Wells (2013), warned that such reports can be positive or negative, as the reputation of an organization is opened to scrutiny because social media reports what is happening in organizations and incommunicative that may not be part of the conversational media. Close (2012, p.12) noted that social media have made it possible for consumers and buyers to provide information to others on a worldwide basis about how the product and service they have acquired meet their expectation and needs.

The role of social media on product awareness social media marketing experts underscore the gains of using social media marketing as the ability to reach a wide audience, two way communication accessibility and the viral effect (Cherviot,2011).

Viral effect is defined in a review by Chu (2011), as the unpaid peer to peer communication of provocative content originating from an identified sponsor using the internet to influence and audience to pass along the content to other. Advertising on social media sites enables consumers to engage in some kind of social interactions by commenting liking or passing along their social connections (Chu& Kim 2011). Thus social media advertising accrues benefits such as popularizing a product and informing target audience about the brand or service presence in the market (Jorhi, Neelamr& Prasad, 2011).

According to Charlene (2011), many participants on large social networking sites are not necessarily networking or looking to meet new people; instead they are primarily communicating with people who are already a part of their extended social network with whom they share some offline connection. This argument supported by Chu and Kim (2011), who noted that users' social networks are readily available on sites Chuo and Kim (2011), argue that social networking sites content are members of consumers existing networks and may be perceived as more trustworthy and credible than unknown strangers, which leads social networking sites to become an important source of product information for consumers and enormously facilitates and accelerates electronic word of mouth.

To that effect Edwards (2011), indicated, that by participating and monitoring social media, companies are able to enhance the delivery of a product or service which results into greater word of mouth and ultimately impacts the consideration phase of other

consumers. Generating a buzz or merely awareness of a new product's existence may be enough to trigger quick message transmission through consumer 100 consumer interaction (Chartejee, 2010).

Panja et al (2012) postulated that the more frequently a person visited a site, the more likely he/she was exposed to advertisement products and services, thereby potentially being influenced and influencing others to higher degree. It has provided an open arena where people are free to exchange ideas on companies and products (market & social research, association, 2012). Electronic word of mouth exist across multiple platforms like product review websites, retailers' website, personal blogs, message board and social networking sites ( Chartejee, 2011).

The role of social media on consumer loyalty cross by (2002), defined loyalty as a strong emotional attachment to the firm that is manifested in customer behaviors like staying the company recommending it, buying additional products/services and so forth (Crosby, 2012). Crosby (2002) cautions the absence of feeling of attachment, retention is nothing more that repeat purchase and this can occur for a variety of reasons which many include limited choice being limited choice, being trapped, low purchase involvement and or habituation.

Conversely Crosby (2002); argues that customers who are truly loyal tend to behave favorably towards the company in variety of ways because they are emotionally "committed" therefore as Cramer (2007) emphasized, you should do everything to make

your customer experience with your business more than a simple business transaction, establish a relationship with customer. Chu and Kim (2011) suggested that by sharing useful products information and experience, social networking site users can help their social connections such as friends with purchase related decision, however a drawback of social media identified by Kumar and Sundaram (2012), is consumer's concern of being detested from their circle of friends if they are viewed as "spans agent" for business. This may discourage business for fear of losing customers as a result of the customer perceptions. Kumar & Sundaram (2012), none the less explained that while customers may feel apprehensive ultimately it is up to them to choose whether or not to share the message. If messages are not shared, business does not gain the benefit of acquiring friends of customers but may earn loyalty from these customers based on their promotional messages.

As Kumar and Sundaram (2012), explained, the difference would be that the promotional message went through a social media channel and probably at much lesser cost than that of physical channels, which is arguably a cost advantage to business.

#### **2.1.6 Ways on how social media as a communication strategy can be improved.**

##### **i. Integrated Marketing Communication**

Edwards (2011), opines that all marketing communications should be integrated along with social media to provide a seamless product/service experience. Lowenstein (2011,P.210) discusses a framework of encouraging word of mouth which was structured around five T's: talkers, topic, tools, taking part and tracking online conversation.



## **ii. Online conversion**

Researchers are of the view that public relations excluded those who embraced new technologies such as blogging and use of other social media tools that are perceived as being more powerful within organizations (Thotho, 2010).

## **iii. Target Marketing**

As markets have increasingly fragmented during the past several decades, marketers have moved away from mass marketing towards targeted marketing programs designed to build closer relationships with customers in more narrowly segmented markets. (Kotler and Armstrong 2005). For example, according to market and social research Association (2012) the youth occupy the highest percentage of social media in communication and social networking. Given this wide spread generation and consumption of content, it is natural to target one's message to highly networked youth who will propagate them further (Social Research Association 2012).

## **iv. Social Media Choice**

While deciding on a strategy for approaching social media involvement marketing professionals should consider how the different social media sites differ and which will yield a greater amount of influence on consumer purchase (Pooja et, al 2012) social media technologies take on many different forms including magazines, internet forums, web logs, social blogs, wikis, podcasts, rating and social media bookmarking (Market Social Research Association, 2012).

According to Pooja Jennifer, Jiangmei, Paul and Bruce (2012) consumers who are fans of a product on face book or a follower of a product on twitter are more likely to recommend or buy the product.

#### **v. Customer Relationship Management**

Customer relationship management means developing a comprehensive picture of customer needs, expectation and behaviors and managing those factors to affect business performance (Hoot, 2012). Crosby (2002) asserts that relationships are by their very nature interactive and personalized and imply closeness. Interdependence, reciprocity, equity, a spirit of cooperation and trust. Indeed as Renkhoe's (2007) exploratory study suggested, relationships are not only tactical weapons but represent a different strategic approach to buyers and seller. It is clear that a corporations need to focus their accountability toward total customer relationship rather than focusing on a single transaction with a customer (Bruhn 2003), cited in Osarenkhoe 2007. Osarenkhoe (2007) asserted that if the company does not succeed in continuing and extending the relationship based on earlier transactions, a customer will have to be newly acquired prior to each transaction and corporations would incur additional costs each time. Thus, users' interaction play an important role when companies communicate through social media channels (Eberce, 2010).

#### **vi. Rewards**

Bailyn (2012) recommends that fans need to be rewarded. Bailyn (2012), argues that everyone likes rewards especially for something as simple as clicking like or landing on a

web page. Baily (2012), suggest that there is something that social network advertisers can give away that does not cost much as a coupon. The rationale is that obtaining a customer at 10% off your prices is better than obtaining no customer at all.

#### **vii. Valve to users**

The results of a study by Taylor, Lewin and strutton (2011) suggested that successful social media advertising execution would result from some sort of explicit valve to SNS users, especially entertainment and informative valve. After analyzing social networking sites for effective communication strategy in developing product communication (Jothi et al 2011), suggested that communication should be the preferred choice instead of advertising since most people don't prefer to buy products through social networking sites. So, if the product is communicated well, it is remembered by the audience.

## **2.2 Theoretical framework**

### **2.2.1 Media uses and gratification theory**

Media uses and gratification theory have been widely used to explain social media. According to the theory, consumers actively seek out media to satisfy either utilitarian or hedonics needs (Taylor et al., 2013) Taylor et al. (2011), categorized these hedonic and utilitarian motives into structural dimensions ( using media to fill empty surroundings by seeking information or entertainment) and relationship based dimensions ( using media to facilitate interpersonal relationships) Taylor et al (211) notes that users not only sometimes actively seek out advertising content they also participate in the dissemination of the advertising to other consumers. The theory posits that media users are driven by

the need to expose themselves to media based on their needs and gratification seeking motives.

According to Wood (2011), the assumption inherent in media use and gratification theory is that people are active agents who chase form among media to gratify themselves. Wood (2011), explained that we use media to gain information, to alleviate loneliness, to divert us from problems and so forth. The theory therefore assumes that people exercise control over interaction with mediated mass communication. The uses and gratification attempts to explain what social and psychological needs motivate an audience to select particular media channels and content choices.

Zhang et al (2011), observed the media uses and gratification theory has been widely applied to investigate audience gratification in a variety of channels and content, including print media television and pagers. Some scholars proposed that the perceived gratification of online news was entertainment, interpersonal communication, information learning and surveillance. Okazaki (2012) posited that surveillance, leisure, information, seeking and sharing cognitive stimulations, social identity, self-expression, social presentation, companionship, passing time and voyeurism could all be relevant factors to help explain digital social media use and how consumers may process advertising messages displayed on such social media networks. Taylor et al (2011) noted that the social network advertising information that is exchanged may become a source of conversational, deliberative, humorous and otherwise memorable communication exchange.

These authors hypothesize that a communication outcome should bring people closer together and in the process generate gratification, strengthen key primary reference group affiliations and enhance attitude towards social media advertising, consistent with uses and gratification theory. Wood (2011), pointed out that social media availed nearly infinite choices for pleasure, information, and conversation. Hutton and Foredeck evaluated social media and concluded that when consumers engage socially online they do so to meet certain needs.

### **Passive to active behavior's**

Hutton and Fosdick (2011), propose that one way to view the various social media platforms is through a lens of passive to active behavior. According to Hutton and Fosdick (2011) passive social media activities such as online reading and viewing for example, characteristically demand less involvement and cognitive processing than such active pursuits as writing, creating video and posting to sites. That is consumers are likely to be more involved in passive rather than active usage largely because such activities demand less conscious effort.

### **Media substitution hypothesis**

Another theoretical proposition discussed on literature is media substitution hypothesis (Salween Garrison & Driscoll 2004). It suggests that when a new media channel is capable of providing superior content, technical benefits and cost efficiency then this substitution mechanism takes place, as the new media channel is considered more functionally desirable than the old media.

In line with this hypothesis Lin and Atkins (2006), argue that when consumers are willing to be venturesome in their shopping behaviors, they choose to use electronic interactive shopping behaviors through electronic interactive shopping channels to make purchases, they may intentionally otherwise displace their non-interactive shopping channels.

### **Social network theory**

According to Adkins (2008), the social network theory at its core deals with social relationships in terms of nodes and ties. It is broadly a branch of social science that applies to a wide range of human organizations from small groups of people to entire nations. Kilduff and Tsai (2003), postulate the concept of ties between two actors as the most basic concept in social networks. Muhkenyee (2006), used the social network theory to locate the use of social media for social interaction in the structural configurations of individual social network. Consistent with the information role of social media as suggested by (Trepte, 2011). Dahlen et al (2010), observed that the social network theory and the ever-increasing emotional connection with companies allow for the element of advocacy and referral to create a “buzz around a company and its products.

Social networks have also been used to examine how organizations interact with each other, characterizing the many informal connections that link executives together, as well as associations and connections between individual employees at different organizations. For example, power within organizations often comes more from the degree to which an individual within a network is at the centre of many relationships than actual job title. Social networks also play a key role in hiring, in business success, and in job

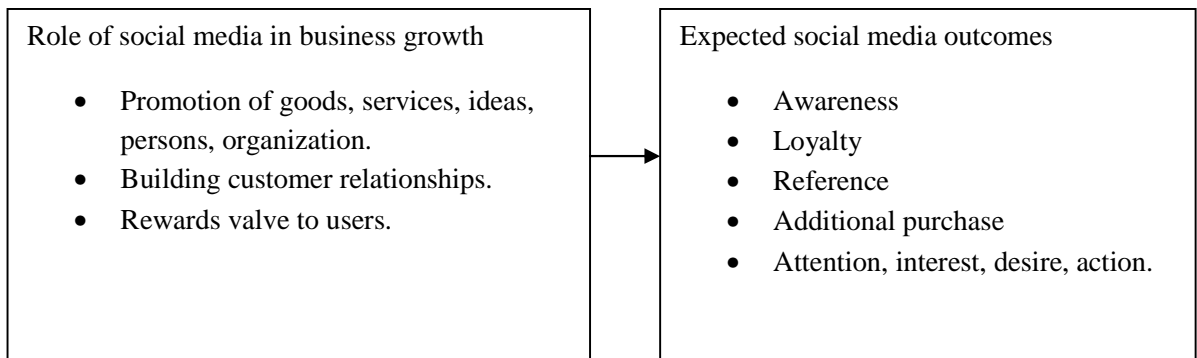
performance. Networks provide ways for companies to gather information, deter competition, and collude in setting prices or policies.

### **Theories of social media**

Several theories in consumer behavior literature and media discourse have been extended to explain the concept of social media. Discussed in this review, was media uses and gratification theory, social networks theory, the theory of planned behavior, passive to active behavior lenses and media substitution hypothesis.

### **2.3 Conceptual Framework.**

This part provides a schematic presentation of the relationship between the variables under investigation.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Prewit (1974; 2) defines research methodology as systematic research procedures and techniques which help the researcher to avoid self-deception. This chapter lays out the procedures and methods that the researcher used to obtain the required data needed for the research. Also in this chapter are procedures that were used in data analysis and interpretation to obtain answers to the research questions through hypothesis testing. These include: defining the scope of the study, describing the population interest, sampling procedures, data collection instruments, evaluation instruments used and the framework of analysis adopted for the research.

#### **3.2 Research Design**

This was the strategy employed by the researcher to obtain solutions to the research questions. It also stipulated guidelines of what and how the information was collected. To conduct this research, the researcher used exploratory research method; Explanatory research is research conducted in order to explain any behavior in the market. It could be done using questionnaires, group discussions, interviews, random sampling uses technical questionnaires so as to get information required (answers.com)

The method was used to help the researcher assess the role of social media in small businesses growth. This is in consideration that social media has a part to play in business



growth as communication tool if well utilized. Explorative research is hence a quantitative research used to investigate populations by selecting samples to analyze and discover occurrences where population is too large to observe directly.

### **3.3 Research Site**

The research site was *Go places Kenya* which is a small firm seeking growth within the tourism sector.

### **3.4 The Study Population**

This refers to the number of items or people in a given field of research. The study assessed the role of social media on business growth a case of *Go places Kenya*. The study included customers and employees of *go places Kenya*. The researcher selected the population randomly through purposive sampling. Purposive sampling is a non-probability sampling which involves the sample being drawn from that part of the population with the required information.

### **3.5 Sample Size**

The main factor considered in determining a sample size in this study was the need to help keep it manageable enough. This enabled the researcher derive from it detailed data at an affordable cost in terms of finances, time and human resource (Warwick & Lunogern 1975). A total of 30 respondents were randomly selected to form the sample used in this study. They were issued with questionnaires to fill in. Due to expected time constraints and similarity in characteristics among respondents, much care was observed

to get to the respondents in each category. All disciplines, age bracket and gender were represented. The method did not categorize them according to any criteria making everyone working for and a customer of *Go Places Kenya* eligible.

### **3.6 Sampling Procedure**

The researcher used simple random sampling procedure. Customers were selected randomly until a sample size of 30 respondents was attained.

### **3.7 Data collection method**

The research adopted qualitative and quantitative research methods. Semi-structured questionnaire was used for data collection. A questionnaire is a convenient tool especially where there is large numbers of subjects to be handled because it facilitates easy and quick derivation of information within a short time (Borg & Gall, 1983). These questionnaires were issued purposively to the first 15 employees and 15 customers of *Go places Kenya*. This is because the employees knew which social media they used and for the customer they knew how this particular social media had impacted on their purchasing decisions.

### **3.8 Data Analysis**

Data was edited, coded and entered into an excel work sheet. The researcher then used statistical method SPSS to analyze the data. Frequency tables and charts were used to present results for easier understanding and presentation.

### **3.9 Validity and Reliability**

The ability of a test to measure what it purports to measure while reliability is the level of internal consistency or stability of the test over time, or the ability of the test to obtain the same score from the same student at different administrations (given the same conditions). Test validity is the degree in which one test or other measuring device is truly measuring what we intended it to measure. Whenever a test or other measuring device is used as part of the data collection process, the validity and reliability of that test is important. We rely on results to show support or lack of support for our theory and if data collection methods are erroneous, data we analyze will also be erroneous. To test validity or reliability of the project the researcher used conclusion validity. This is the degree to which conclusions that will be reached about relationships between variables will be justified. This ensured adequate sampling procedures, appropriate statistical tests, and reliable measurement procedures were observed.

## **CHAPTER FOUR**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.0. Introduction**

This chapter contains the findings of the data collected. To examine effects of social media on the growth of small businesses in Kenya: the research studied *Go places Kenya* as a case study. The research adopted a sample size of 30 respondents. All data was entered in excel, cleaning was done, open ended questions coded and exported to SPSS for analysis.

#### **4.1. Background information**

The study involved a sample of 30 respondents from customers and employees that were analyzed. The study took place between 25<sup>th</sup> October and 30<sup>th</sup> October 2014.

#### **4.2. Social demographic information**

This section gives demographic information that serves as basis for the study.

Respondents were asked to indicate gender, age and level of education as shown in table 1 below,

**Table 1: Respondents social demographic information**

<b>Gender</b>	<b>N</b>	<b>%</b>
Male	9	47.37
Female	10	52.63
<b>Total</b>	<b>19</b>	<b>100.00</b>
<b>Age</b>		
18 to 24	15	50.00
25 years and above	15	50.00
<b>Total</b>	<b>30</b>	<b>100.00</b>
<b>Education level</b>		
post graduate	6	21.43
undergraduate	13	46.429
Diploma	8	28.57
certificate	1	3.57
<b>Total</b>	<b>28</b>	<b>100.00</b>

There was nearly an equal proportion of male and female respondents who took part in this study. 52.6% of the respondents were female with 47.4 % males. The respondents' age category ranged from 18 -24 years and 25 years and above. There were an equal proportion of respondents from each age category. The research further wanted to find out the level of the education of the respondents; most (46.42%) respondents were undergraduate and a small number (3.57%) who had only certificate level. This shows that most of people who are likely to seek services having interacted with services and product in social media have at least diploma certificate.

**Table 2: Respondents' Social media experience**

<b>social media account</b>	<b>n</b>	<b>%</b>
Yes	28	93.33
No	2	6.67
<b>Total</b>	<b>30</b>	<b>100.00</b>
<b>Frequency of site visit</b>		
Every day	14	50.00
Weekly	13	46.43
Monthly	1	3.57
<b>Total</b>	<b>28</b>	<b>100.00</b>
<b>Last site visit</b>		
Today	11	44.00
A few days ago	11	44.00
A few weeks ago	2	8.00
more than a month ago	1	4.00
<b>Total</b>	<b>25</b>	<b>100.00</b>
<b>social media account</b>		
Yes	28	93.30
No	2	6.67
<b>Total</b>	<b>30</b>	<b>100.00</b>

The study also wanted to find out the percentage of respondents with social media account(s). 93.3% of the respondents had social media account(s). Majority (50.0 %) of the respondents reported that they had been visiting the social media sites on daily basis with 44% having visited the sites on the day of the study. This translated to 88 % of the respondents who had visited the sites less than a week before the day of the study.

**Table 3: Types and Reason of visiting Social media**

	<b>n</b>	<b>Responses</b>	<b>Case</b>
		<b>%</b>	<b>%</b>
<b>Social sites</b>			
Facebook	26	44.07	86.67
Twitter	24	40.68	80.00
LinkedIn	9	15.25	30.00
<b>Total</b>	<b>59</b>	<b>100.00</b>	<b>196.67</b>
<b>Reason for site visit</b>			
To seek more information	25	58.14	83.33
To catch up with friends	18	41.86	60.00
<b>Total</b>	<b>43</b>	<b>100.00</b>	<b>143.33</b>

Out of the three social media accounts, 44.1 % respondents had face book accounts which was 86.7% of the total respondents. Twitter follows closely with 40.7% of the three reported social media account and 80.0% of the total respondents. LinkedIn reported lest popularity where only 15.3% reported to have an account which translates to 30% of the total respondents. This is show in the table below.

People visited social sites for different reasons. The study sought to find out which among the keys reasons i.e. seeking information and catching up with friends drive most respondents to visit social media sites. The study shows that there were a slightly high proportion of the respondents visiting social sites to seek information (80.3%) as compared to those visited to catch up with friends (60%).

### 4.3. Product awareness

Brand awareness plays a major role in a consumer's buying decision-making process. Constant advertisement is important in consumers' memory retrieval because the consumers are willing to go to the first brand that can be recalled. For information to be properly relayed to the targeted customer, there are standards that need to be obtained. Thus, popularity of companies adverts suggest high standards and vice versa.

Table 4: Respondents knowledge and reaction about Go Places Kenya

<b>Seen any information about go places Kenya in social site</b>	<b>n</b>	<b>%</b>
Yes	15	60.00
No	10	40.00
<b>Total</b>	<b>25</b>	<b>100.00</b>
<b>Shared knowledge about Go places Kenya</b>		
Yes	14	56.00
No	11	44.00
<b>Total</b>	<b>25</b>	<b>100.00</b>
<b>Sought services from go places Kenya</b>		
Yes	22	88.00
No	3	12.00
<b>Total</b>	<b>25</b>	<b>100.00</b>

Most (60%) respondents had seen information about Go Places Kenya. This proportion is not sufficient as this represented only 50% of the respondents. Information sharing describes the exchange of data between various organizations, people and technologies. The major aim of sharing business information is to boost sales volume of the business.



The study sought out whether the respondents share the information about Go Places Kenya. Only 56% of the respondents reported to have shared information about Go Places Kenya. The research further examined how the respondents reacted to the information obtained from Go Places Kenya from social media sites. The study reported a positive result as 88% sought the services of the Go Places Kenya which shows that they post in the social media were satisfactory to most of the respondents.

**Table 5: Factors that affects sharing of information in a social media**

<b>Sharing of information</b>	<b>n</b>	<b>Response %</b>	<b>Case %</b>
<b>when happy about their services</b>	20	80	66.67
<b>when displeased about their services</b>	5	20	16.67
<b>Total</b>	25	100	83.33

Sharing of information is triggered by many factors; some people will share information when they are appealing to them while others the information when they are pleasing to them or both. The research wanted to find out the factor that contribute to this information sharing habit, Majority(80.0%) of the respondents reported to share information when they are happy about the services as opposed to when displeased by the services.

The research also summarize case frequencies, 66.67% of the respondents would share information when they are pleased by the company’s services and 16.67% of the respondent when not pleased with companies services.

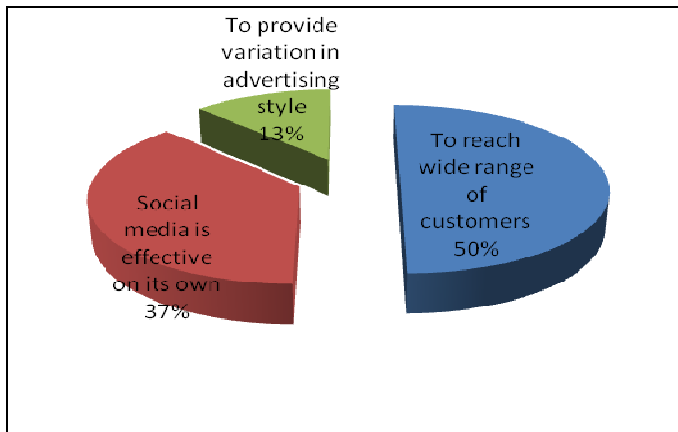
**Table 6: Respondents opinion on integration of social media with traditional advertising**

<b>Integration of social media with traditional</b>	<b>n</b>	<b>%</b>
<b>Yes</b>	16	66.7
<b>No</b>	8	33.3
<b>Total</b>	24	100

Most (66.7%) respondents argue that social media should be integrated with traditional advertising with only 33.3 % thinking otherwise. Those who felt social media advertising should be integrated with traditional methods of advertises argued that these would be important so as to reach wide range of customers especially those who does not use social media, provision of variation in advertising styles that appeal more especially to target customers as different marketing platforms have different advertising features.

Relatively smaller proportion (33.3%) felt social media advertising was sufficient and there was no need of integration with traditional methods. These reactions can be summarized as shown in the figure below.

**Figure 1: Respondents reaction on integration of traditional advertising and social media**



Those who felt the need for integration argued that it would help to reach wide range of customers and provision of variations of styles in advertising while 37% felt that social media is effective on its own.

**Table 7: Success of business and customer management**

<b>Does success of <i>Go places Kenya</i> on social media advertising depend on how they manage customers</b>	<b>n</b>	<b>%</b>
<b>Yes</b>	18	72
<b>Absolutely</b>	7	28
<b>Total</b>	25	100

*Go places Kenya* has over 30,000 likes on face book, and 15 followers on twitter.

Majority (72%) of the respondents argue that success of *Go Place Kenya* on social advertising depended on how customers are managed.

**Table 8: Sources preferred by respondents in finding product information**

<b>Area for seeking information about product and services</b>	<b>n</b>	<b>%</b>
<b>Friends in social</b>	<b>21</b>	38.9
<b>Company website</b>	<b>23</b>	42.9
<b>Information on TV</b>	<b>10</b>	18.5
<b>Total</b>	<b>54</b>	100.0

Most (42.6%) respondents sought information about the product and services they intend to buy from companies' website while nearly same proportion (38.9%) seeking information from friends in social media. Information on TV is less reliable in present days

#### **4.4. Role of Social Media on Customer Loyalty**

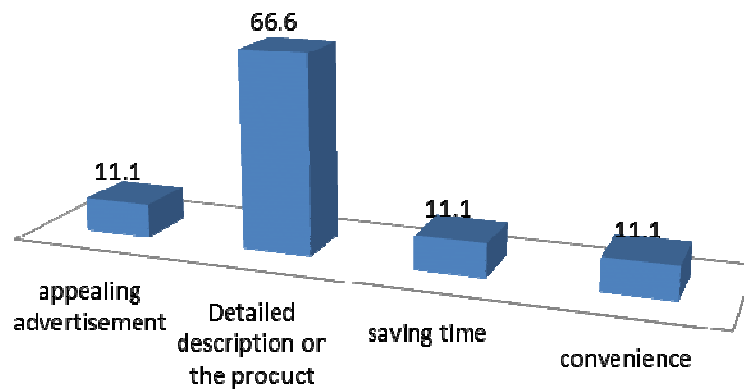
Organizations more strategic in their approach to social media are almost twice as likely to have already integrated social into their customer support processes. And as the percentage of service inquiries coming from social channels increases, companies who integrate social channels into traditional support process should stand a better chance to meet the growing expectations they are faced with. That is, customer interactions that are mobile, real time and often more frequent, through multiple channels. However, the customer's philosophy about customer service more or less remains the same: that ideally a company will respond in a timely manner and should help solve customers' problems promptly.

**Table 9: Social media information and respondent decision making**

Have ever made purchase decision based on social media information	n	%
Yes	18	72
No	7	28
<b>Total</b>	<b>25</b>	<b>100</b>

(25%) respondents reported to have made purchase decisions based on social media advertisement. appealing advertisement, saving time when details were provided (55.), convenience and detailed descriptions of the product and services were major reason provided by those who made buying decisions from social media sites. As shown in the figure below.

**Figure 2: Aspects of social media advertisement and its effects on respondent purchase decision**



#### **4.4. Discussion**

The first objective was to determine the effect of social media on customer loyalty of small business in Kenya. The study shows that social media enhances customer loyalty as

the customers are able to track products and services of a company including the new products and services. Customers are able to interact with customers and answer questions that may not be clear to customers. This in turns would in create more knowledge on the product and services helping customers to loyal to a given product or service.

The second objective was to find out how social media affects volume of small business in Kenya, the study shows that most (60%) of the respondents who show products and services of *Go places Kenya* 56% shared information with friends and 88% sought services and products of the *Go Places Kenya*. As the customers share product information from one individual to another, more potential buyers receive information which translating into increased sales volume. Interaction between customers and business marketers help impact knowledge to customer which becomes easily sharable to friends.

The third objective of the research was to assess the effect of social media on brand awareness of small business in Kenya. Most people use social media; either twitter or face book or both, the study further reveals that 56% of respondents would share the company's services when pleased with companies services. *Go places Kenya* has more than 30,000 likes which has been attained through sharing of information from one client to another, sharing of information promotes awareness of the products and services and the information is shared from one person to thus promoting customer awareness.

The last objective of the study was to determine the effect of social media on customer service of small businesses in Kenya. Social media being free and easily accessible by many people has greatly affected customer services delivery, unlike phone or face to face traditional method where customer care could attend to one client at a time, social media gives opportunity to reach more clients at the same time and in different places providing real time responses to their concern. Businesses are also able to get real time reaction on product and services offered thus creating customer confidence.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION**

#### **5.0. Introduction**

The study was based on four major objectives: to determine the effects of social media on customer loyalty of small business in Kenya, to find out how social media affects sale volume of small business in Kenya, to assess the effects of social media on brand awareness of small businesses in Kenya and to determine the effect of social media on customer service of small business in Kenya.

#### **5.1. Summary of Findings**

The study targeted respondent above 18 years of age who had legal right to make decision on whether or not purchase product or seek services. Most respondents have social media account(s) with face book or twitter handle account. Social media account holders visit these sites more often; daily and on weekly basis to seek information. Majority of social media account holders had seen Go places Kenya on social media and sought the services of the company. Majority of respondent would share information with friend especially when they are happy about their services.

Traditional methods of advertising are equally importance in creating product awareness since some of the market segment had not acquired knowledge about social media. Websites and social media sites advertising are preferable to TV advertisement when it comes to customer purchasing decisions.



Finally we noted that success of social media business page in any company depends on how the company manages its customers. Quality content opens a great opportunity for business. Social media is used to monitor customer experience.

## **5.2. Conclusion**

Social media profiles often rank high on search results. Creating these business profiles allow company updates and messages to be found by a particular audience naturally. Quality content opens up great opportunities for businesses to get noticed by a lot of social and online buyers. In addition to quality of content, success of business social media advertising largely depends on how they manage their customers. Unlike in the past social media and website are replacing traditional methods of advertising such as television and newspapers.

This study reveals a general positive effect of social media on business growth. Most respondents pointed out the crucial role that social media played in product awareness and other details of Go Places Kenya. It was also clear that social media is a powerful tool as far as customer loyalty is concerned as it helps in creating customer relations due to its interactive nature. Consequently, product awareness is improved since the information is shared very fast by social media users. Social media is therefore an effective tool for businesses since the information reaches many potential customers very fast in short span.

### **5.3. Recommendations**

The researcher came up with the following recommendation that could play important role to revolutionize *Go Places Kenya* and small business management.

1. There is need for *Go Places Kenya* to realize its presence in social media especially twitter because twitter has very many potential customer.
2. Go places Kenya should make it easy for customers to buy product or/pay for services from social media channels.
3. Go Place Kenya should perform a regular analysis to monitor traffic on social sites to discover how and where customers are sharing information about them business and their competitors.
4. Comparative study should be done to compare social media and tradition methods of advertising.

## REFERENCES

- Adkins, D. (2008). The use of social network analysis to measure knowledge sharing in the New York state project management community of practice New York ProQuest.
- African Media Initiative (2012): Financially viable media in emerging and developing markets. Nairobi African Media Initiative.
- Amant K & Kelsey, S (2011) computer mediated communication across cultures International Interaction in online environment.
- Amos J & Emerson, B. J. (2012). The tast D-Lite way: social media marketing lessons for building loyalty and a brand customers crave. New York Mc Graw Hill Professional.
- Chaney. P. (2009). The Digital Handshake seven proven strategies to grow your business using social media. New York John Wiley & Sons.
- Chatterjec, P. (2011). Drivers of new products recommending referrals behaviors on social networking sites. International journal of advertising, 30(1), 77-101.
- Cheruiot, S. K (2011). The role of social media as a marketing tool for tourism in Kenya case study: Kenya Safari and tours Unpublished. There is Helsinki Arcada University of applied science.
- Chu, S. (2011). Viral advertising in social media participation in face book groups and response among college –aged users. Journals of interactive advertising 12(1), 30-43.

- Chu, S.C & Kim, Y. (2011) Determinants of consumer engagement in electronic word of mouth in social networking site, *international journal of advertising*, 30(1), 47-75.
- Close, A.G. (2012) *online consumer behavior. Theory and research in social media advertising and e-tail* London: Routledge.
- Crosby, L, A (2002), exploding some myths about customer relationship management. *Journal of managing service quality*; 3(1), 207-210).
- Duhe, S, C. (2007) *New media and Public Relations*. Bern: Peter Land Publishing.
- Hoots M. (2005) customer relationship management for facility manager *journals of facilities management* 15(3), 303-309).
- Hutton, G. & Fosdick, M. (2011). The globalization of social media consumer relationship with brands evolve in the digital space. *Journal of advertising Research*, 51(4), 664-570.
- Journal, 13(2) 149-159.
- Kotler P. & Armstrong, G. (2005) *principles of marketing (9<sup>th</sup> Edition)*. Englewood Cliffs, NJ: PRENTICE.
- Kumar, V. & Sundaram B. (2012). An Evolutionary road map to winning with social media *Marketing Research*, 1(2), 4-7.
- Lin, N. (2002). *Social Capital: Theory of Social structure and action* Cambridge University Press.
- Okazaki, S. (2012) *Handbook of research on international advertising*. Northampton: Edward Elgar Publishing.

Osarenkhoe, A. (2007). An Exploratory study of implementation of customer relationship management strategy. Business process management.

Pooja, M, Jennifer, B E, Jianmei, C, Paul B. D & Bruce, W.D (2012). The impact of social media usage on consumer buying behavior advancement in management 15(1), 14-24.

## APPENDIX I

### SECTION A: SOCIO DEMOGRAPHIC INFORMATION

1. Gender
  - a) Male ( )
  - b) Female ( )
2. What is your age bracket
  - a) 18 to 24 ( )
  - b) 25 years and above ( )
3. Level of education
  - a) Post graduate ( )
  - b) Undergraduate ( )
  - c) Diploma ( )
  - d) Certificate ( )
4. Do you have an account with any Social Media site?
  - a) Yes ( )
  - b) No ( )
5. If yes which one?
  - a) Face book ( )
  - b) Twitter ( )
  - c) LinkedIn ( )
6. How frequently do you visit the site(s)?
  - a) Every day ( )
  - b) Weekly ( )

- c) Monthly ( )
  - d) Never ( )
7. When did you last visit the social site
- a) Today
  - b) A few days ago ( )
  - c) A few weeks ago ( )
  - d) More than a month ago ( )
  - e) Never ( )
8. What is your reason for visiting a social site?
- a) To seek information ( )
  - b) For entertainment ( )
  - c) To catch up with friends ( )

**SECTION B: PRODUCT AWARENESS**

9. Have you ever seen information about *Go places Kenya* on social media?
- a) Yes ( )
  - b) No ( )

If yes, what kind of news?

.....

.....

.....

.....

10. Have you ever shared your knowledge about *Go Places Kenya* with other people in your social network?

a) Yes ( )

b) No ( )

11. Have you sought for services from *Go places Kenya* based on social media information

a) Yes ( )

b) NO ( )

12. When do you share information about *Go Places*?

a) When happy about their services ( )

b) When displeased about their services ( )

Please give suggestions on what *Go places Kenya* can make social media advertising more appealing to you.

.....

.....

.....

.....

.....

.....

13. Do you think social media be intergraded with traditional advertising channels to be more effective?

a) Yes ( )

b) NO ( )



Give reasons for your answer

.....

.....

.....

.....

Does the success of *Go places Kenya* on social media advertising depend on how they manage customers?

.....

.....

.....

.....

.....

14. Where mostly do you turn to seek information about a product or service you intend to purchase

- a) Friends in social media
- b) Company website
- c) Information on TV

**SECTION C: ROLE OF SOCIAL MEDIA ON CUSTOMER LOYALTY**

15. Have you ever made a purchase decision based on information found through social media?

a) Yes

b) No

If yes why?

.....  
.....  
.....  
.....  
.....

16. What do you mostly like about *Go Place's* advertisement on social media?

.....  
.....  
.....  
.....

17. What do you think should be improved about *Go Places Kenya* on social media?

.....  
.....  
.....  
.....

Thank you.