

**IMPACT OF SOCIAL MEDIA ON CUSTOMER RELATIONS: CASE OF EQUITY
BANK**

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K50/80373/2012

**A RESEARCH PROJECT PRESENTED TO THE UNIVERSITY OF NAIROBI,
SCHOOL OF JOURNALISM AND MASS COMMUNICATION, AS PARTIAL
FULFILLMENT OF DEGREE IN MASTER OF ARTS (COMMUNICATION STUDIES)**

OCTOBER, 2014

ACKNOWLEDGEMENT

This research project would not have been possible without the support and guidance of many people. The researcher is thankful to everyone who in one way or another contributed towards the writing of this research project.

Certain people contributed in a special way to the completion of this research project and the researcher wishes to record a separate appreciation here:

Firstly, my appreciation goes to my supervisor Ms Kentice Tikolo for her valuable coaching and scholarly advice. Her criticisms, additions and subtractions were of great help during the writing of this research project.

I also thank all my sisters Kusekwa and Regina for their valuable input and moral support. Their words of encouragement both online and offline have seen me throughout this entire process.

I am forever indebted to my nieces, nephews and colleagues for their support throughout the writing of this research project.

Above all, I thank God for the gift of life, knowledge and resources, all of which were essential to the completion of this research project.

DECLARATION

This research project is my original work and has not been presented in and/or to any forum or audience, in any other university or examination body.

Signed.....

Date

PAUL MUSEMBI TIKIMA K50/80373/2012

I confirm that the work presented in this research paper was carried out by the above named student under my supervision.

Signature Date

MRS KENTICE TIKOLO

Project Supervisor

DEDICATION

To my mother Maria Kavithe

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ABSTRACT

Social media has had a huge impact on communication both at individual and organizational level. At organizational level, social media has quickly become a powerful tool for customer engagement. As a result, some organizations have come up with strategies to incorporate social media in their customer relations. However, not many organizations have been quick to adopt the use of social media in their customer relations. This paper seeks to explore how the use of social media for customer relations has been utilized in Kenya by Equity Bank.

The main objective of this research was to establish the role of social media in enhancing customer relations among Equity Bank customers. The specific objectives will be as follows:

- 1) To establish the general awareness and perception of Equity Bank Customers on the use of social media for customer relations.
- 2) To establish how effectively Equity Bank customers use social media platforms.
- 3) To find out the level of satisfaction among users of Equity Bank social media platforms

Blumler and Katz's uses and gratification theory suggests that media users play an active role in choosing and using the media that effectively satisfies their communication needs. The researcher will use the uses and gratification theory to show why Equity Bank customers are adopting the use of social media platforms such as Twitter and Facebook to make inquiries about bank products.

Data collection was done by way of survey questionnaires distributed to Equity Bank users and in-depth interviews with customer care staff and social media managers of Equity Bank, 200 survey respondents were randomly chosen from Equity Bank's Twitter and Facebook pages and asked to answer questions on their interaction with Equity Bank using social media platforms. The researcher also interviewed 30 key informants to establish their perception on the potential vis a vis actual role social media is playing in enhancing customer relations. Collected data will be analyzed using statistical methods and narrations from the qualitative data provided where necessary. The researcher will also observe the online platforms of Equity Bank to see firsthand the interaction between the bank and its customers.

Among the key findings of this research is that social media is a very effective channel for enhancing customer relations. Equity Bank is given credit for supplying quality and quantity information through its social media channels. Majority of the respondents are satisfied with the bank's use of the online platforms for customer relations. However, social media use in Kenya is still a gray area in that there is few policies or laws guiding its use. As a recommendation, the researcher suggests that Equity Bank in collaboration with other stakeholders lobby for the increase of more people and traffic in the use of social media. A recommendation for further research is on the factors that affect use of the different social media platforms.

CHAPTER ONE: INTRODUCTION

1.1 Background

Customer relations has been defined as “a management philosophy according to which a company’s goals can be best achieved through identification and satisfaction of the customers' stated and unstated needs and wants” (Business Dictionary, 2014). Shani and Chalasani (1992) define customer relations as “an integrated effort to identify, maintain and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time”(p44). For many businesses, organizations and companies customer satisfaction is a predictor of financial performance. Many organizations are therefore on the constant look out for ways to improve relations with their customers.

The emergence of social media technology in the face of developing societies has had a significant change of status quo within the socio, political and economic ecological setting of any society (Green,2014). Facebook, Twitter, Instagram, YouTube, Wikipedia, LinkedIn are just a few examples of the most popular and well known social media channels. At first these social media channels were used to create circles and connections of families and friends but they eventually opened up a door to connect with the rest of the world by reflecting views in various social, political and economic spheres and hence nurtured a society of relationships built on mutual societal opinions (Bloom,2012).

According to Allen (2004) social media has become an important tool for gathering data and measuring levels of customer satisfaction. Storbacka(2000) further states that customer satisfaction expressed in social media is a strategic source of consumer insights on products and services offered by an organization.

Social Media use in Kenya has opened up a buzz of activities that give citizens opportunities to reinvent themselves and to discover a lot of diverse things in different spheres. If used effectively, social media can help effect change at political, social, economic and legal level (Fripp,2014).

The Kenyan community on Twitter known as #KOT (KenyanOnTwitter) has particularly been active in using this social media platform for online activism (*#PeremendeMovement*), praising corporate brands or calling them out (*#TwitterBigStick* and *#TwitterThumbsUp*) and even rallying others to help in cases of famine (*#Kenyans4Kenya* and *#FeedKe*) or *#KOTAgainstMPBonus* protest (Mungai and Omondi, 2014).

According to Kiss (2014), Social media has become a huge platform where many people interact and share views. The traditional media (newspapers, radio and TV) have embraced this platform and most of the time use it as an opinion count for different views. This growing influence of social media has led organizations to incorporate the use of social media as part of their communications strategies. Nation Media Group, Royal Media Services, Safaricom, Airtel, Kenya Commercial Bank, Equity Bank, UN agencies, Pwani Oil are some of the organizations in Kenya that actively use social media to connect with customers.

Equity Bank is one of the leading banks in East Africa. According to its website, the bank which started off as an empowerment project for the unbanked has rapidly grown to become the largest bank in terms of customer base with operations in Kenya, Uganda, South Sudan, Rwanda and Tanzania. The bank has won several awards such as Most Innovative Bank in Africa, Best Bank in Kenya in terms of Customer Deposits and New Sustainability Champion at the World Economic Forum. The bank, whose vision is to be the champion of the socio-economic prosperity for the people of Africa, has been at the forefront in coming up with innovative ways to keep its large customer base satisfied. Some of these innovations include *Mimi ni Mema* advert that featured Kenyans of different origins expressing their satisfaction with the bank's services and why they were members and the *Wings to Fly* scholarship programme supported by the bank's foundation which caters for education expenses of children from poor backgrounds.

With many Kenyans embracing social media, Equity Bank has not been left behind in reaching out to its customers through this popular medium. The bank currently uses Twitter, Facebook, Google+ and Youtube to communicate with its online audiences. According to house rules posted on one of its social media pages the bank's social media sites have been set up as an additional channel for communication with stakeholders. The purpose of these platforms is to

offer customer support, Equity Bank news, product information, and financial advice. The bank commands an online following of 400,000 fans which makes it an ideal case study for this research project.

1.2 Statement of the Problem

According to the Communications Authority of Kenya 2012/2013 report, there are 16.2 million internet users in Kenya. The report states that Kenya is experiencing a tremendous increase in the number of internet users due to the growing demand for internet and data services, including the use of social media.

Social media therefore is gaining ground as a huge communication medium for both individuals and organizations. It is a cheap and effective way for organizations to engage directly with customers. No longer do customers have to walk directly to company premises to offer compliments or register complaints. With a single tweet, an organization's reputation can be made or ruined.

The use of social media for customer relations however is still relatively new in Kenya for instance where Equity bank has over 9 million customers, only 353,317 are on social media both on Facebook and Twitter. Whereas some organizations have actively adopted its use and incorporated it in their communications strategies, many are yet to fully understand its use and effect (Fripp, 2014). This is partly due to the fact that many do not understand how to use social media and partly due to the lack of proper knowledge on the impact social media on customer relations. This research seeks to evaluate the potential ability of social media in enhancing customer relations vis-à-vis the actual role social media is playing by exploring some of the challenges, successes and opportunities of its use at Equity Bank.

1.3 Objectives

The main objective of this research is to establish the role of social media in enhancing customer relations among Equity Bank customers. The specific objectives are as follows:

1. To establish the general awareness and perception of Equity Bank Customers on the use of social media for customer relations
2. To establish how effectively Equity Bank customers use social media platforms.

3. To find out the level of satisfaction among users of Equity Bank social media platforms

1.4 Research Questions

The research questions guiding this paper aim to address the above objectives. They are as follows:

- 1) What is the general level of awareness and perception of Equity Bank Customers on the use of social media for customer relations?
- 2) Do customers of Equity Bank use the bank's social media platforms effectively?
- 3) What is the level of satisfaction among users of Equity Bank social media platforms?

1.5 Justification of the Study

According to the Communications Authority of Kenya 2012/2013 report, the average growth rate of internet users in Kenya is at over 30% per annum. This relatively new medium is slowly gaining ground as a medium of communication between companies and their customers. This study is aimed at identifying insights that can be used by organizations and the public to promote the use of social media for customer relations in the banking sector.

1.6 Scope and Limitation of the Study

According to the Bankers Association of Kenya, there are 44 national and international banks in Kenya. This researcher will however focus on Equity Bank only due to time and financial constraints. The research will utilize 200 respondents from the bank's online platforms.

This research project will rely on both primary and secondary sources of information. A limitation with secondary data collection methods is that being a relatively new medium, there is very little research done in the area of the role of social media in enhancing customer relations in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter provides a review of literature on the role of social media in enhancing customer relations. It has two major sections; an analysis of literature relevant to the study and a theoretical framework segment. The former includes a review of literature on customer relations, an analysis of current social media use in Kenya as well as an analysis of literature on the role of social media in customer relationship management while the latter looks at the theoretical as well as conceptual framework relating to the study.

2.2 Customer Relations

Customer relations have been an essential part of business since time immemorial. Sheth and Parvatiyar (1995) observe that developing customer relationships has its origins in the preindustrial era where artisans often developed customized products for each customer. Such direct interaction led to a bonding between the producer and the consumer. At this early stage, there was recognition that the firm not only had control of producing a service but also an appreciation of customer evaluation of the supplier (O'Sullivan, 1973). With the industrial era came middlemen and mass production which eliminated the direct relationship between producers and their consumers. This transferred the marketing function from the producer to the middleman.

Several factors have contributed to the rapid development and evolution of customer relations in recent years. These include the advent of sophisticated computer and telecommunication technologies that allow producers to directly interact with end customers. The 2000s customer relations focused more on cause-related marketing and social responsibility as firms moved towards more aggressive customer engagement for profit (Johnson, 2004). Current customer relations management continues to improve on the gains made in previous decades while seeking new and innovative ways to not only attract but also retain customers.

Hyper-competition in the current era brought about by globalization has forced marketers to be more concerned with customer retention and loyalty (Reichheld, 1996). According to Sheth and Sisodia (1995) fueled by new technology and the growing availability of advanced product features, consumers are less willing to make compromises in product and service quality. Rosenberg and Czepiel (1984) observe that retaining customers offers a more sustainable competitive advantage than acquiring new ones. Marketers and businesses are realizing that it costs less to retain customers than to compete for new ones. Many organizations are therefore investing in customer relations strategies in a bid to retain their customer base.

However, it is worth noting that whereas private companies have embraced customer relations as they understand the crucial role satisfied customers play in increasing sales, the same cannot be said for public sector organizations. Many public sector organizations lack a detailed understanding of the meaning of customer relations and require knowledge about “how” to improve public services (Hodgson, et al 2007).

2.3 Understanding Social Media

Manuel Castells (1994) defines social media as “the converging set of technologies in microelectronics, computing (machines and software), telecommunications/broadcasting, and optoelectronics” (p11). Erkkola (2008) defines social media as technology bound and structural process where individuals and groups build common meaning with the help of content, communities and web based technologies. For the purpose of this discussion, social media will be defined as an online tool which allows communication of information and engagement. Social media creates room for interaction and is also a central platform where citizens can converge and share their thoughts on different political ideologies.

Carton, 2009; Edsomwan et al (2011) note that throughout history man has developed technologies that make communications easy; social networks have evolved over the years to the modern day variety which uses digital media. Myspace and LinkedIn were created in 2003, Facebook in 2004, YouTube in 2005 and Twitter in 2006 (Gelber, 2011). Since their introduction

Social Network Sites such as MySpace, Facebook, Cyworld, and Bebo have attracted millions of users, many of whom have integrated these sites into their daily practices.

2.3.1 Characteristics of Social Media

Mayfield (2008) identifies five key characteristics of social media.

1. Participation- In social media, contributions and feedback is encouraged from interested parties.
2. Openness - Most social media services are always free and open to feedback and participation.
3. Conversation - Mayfield argues that social media unlike traditional media is all about two way communication.
4. Community - Social media allows users to quickly form communities and communicate effectively.
5. Connectedness - Mayfield says that most social media platforms make use of links to other sites, people or resources.

2.3.2 Types of Social Media

The first recognizable social network site launched in 1997. The site known as SixDegrees.com allowed users to create profiles, list their friends (Boyd & Ellison, 2007). MySpace launched in Santa Monica, California began in 2003 to compete with sites like Friendster, Xanga and Asian Avenue. Thereafter, the growth of social media has been gradual. Below are some of the popular social media platforms in use today:

Micro blogs

Stokes (2008) defines micro blogging as a form of blogging whereby users can publish short text updates usually limited to 200 characters that can be viewed by anyone or restricted to a specific community. The most common micro blogging service is Twitter. Twitter is an online social networking and micro blogging service that enables users to send and read short 140-character text messages, called tweets. Registered users can read and post tweets, but unregistered users can only read them. Users access Twitter through the website interface, SMS,

or mobile device app. Twitter users can “follow” or essentially subscribe to the updates of other users. It also has a ‘hashtag’ which enables different topics to trend. For example in the 2013 general elections, the main hashtag was #Decision2013 and #KenyaElections2013 (Fripp, 2014).

Youtube

According to Alexa.com, a ranking site for social media platforms, YouTube is the third most frequented website online. YouTube was the first website dedicated solely to uploading and sharing personal video. The site further states that, over 3 billion videos are viewed each day on YouTube, reaching 700 billion playbacks in 2010. Apart from uploading and viewing media, users can also leave comments on videos.

Social Networks

Mayfield (2008) defines social networks as sites that allow people to build personal web pages and then connect with friends to share content and communication. He further explains that building of social networking sites requires the use of software. Among the popular social networking sites include Facebook, Instagram and Whatsapp among others.

Launched in 2004 as a social networking website exclusively for Harvard students, Facebook now has 1.23 billion active users globally (Kiss, 2014). Facebook users interact with each other, by updating their “status”, writing on other members “walls” or sending direct personal messages. Users are able to “create and join interest groups, ‘like’ pages, import and search for contacts, and upload photos and videos. The average user is connected to over 80 community pages, groups and events. Kenya has been ranked the 7th in an It survey of ‘Top 10 African countries on Facebook’ (Mungai and Omondi, 2014).

Blogs

Blogs are online journals with entries that usually provide commentary or information on a particular issue or event (Stokes 2008). Blogs are usually maintained by a single person or a small group of contributors. People who visit blogs have the opportunity to comment on entries made or respond to comments made by the page visitors. Blogs can either be photos, sounds or film.

Wikis

A Wiki is a website built through contributions of different individuals and is open to all. Usually it is a free, online and publicly editable encyclopedia. Over the years it has become one of the most prominent reference sites of the web (Interactive Advertising Bureau 2008).

Forums

These are areas for online discussion. Often the discussions are based on distinct topics and interests (Mayfield, 2008).

2.3.1 Social Media Use in Kenya

People in Kenya are much like their counterparts around the globe, digital and social media have become an integral part of their lives, giving them a way to communicate, connect and learn on their own terms (Mungai and Omondi, 2014). Many use digital and social media in a private space that they often lack in their offline lives. The findings bear relevance with the latest statistics by Communication Authority of Kenya, which estimated the number of internet users at 19.1 million during the first quarter of 2014 and mobile internet subscriptions at 11.5 million users.

According to Socialbakers, a networks monitoring and analysis company, Kenya has 2, 0039,000 Facebook users today, at position 67 in the world. It is named as the country with the second most active Twitter users in Africa by “How Africa Tweets”, a research by UK based media firm, Tweetstmister. According to Tweetstmister, Kenya had 2, 4761800 tweets by the fourth quarter of the year 2013, coming second to South Africa (Mungai and Omondi, 2014).

The country has 739 blogs, followed by Nigeria and South Africa with 1,351 and 9,352 respectively, according to Agrigator, Africa’s main blog aggregator (Kiss, 2014).

The upsurge in the number of people using social media is attributed to the availability of affordable mobile phones and easy internet accessibility. This means most Kenyans, especially the youth, access the internet through their cell phones (Mungai and Omondi, 2014).

2.4 Social Media and Customer Relations

Social media networks are used for a wide range of discussions between companies and their customers. From technical support to sales, to billing and product education brands everywhere

have found success using social media. Mobile devices, Twitter, Facebook and Google+ provide a direct path for customers to engage with companies (Rollason, 2012)

According to Mashable, a social media analysis network, by the end of 2014, 80% of companies plan to use social media for customer service. On the consumer side, Mashable states that 62% of customers worldwide have already used social media for consumer service issues. Based on this statistics, it is evident that the role of social media in customer relations is here to stay. It is therefore upon businesses and firms to come up with innovative ways to serve customers through these channels.

Any strategy for the implementation and integration of social media customer service must be future-proof, responsive and enhance the business as a whole. Garry (2013) observes that digital strategies aimed at enhancing customer relations must be based on customer experience. He notes that a social customer service model needs to be as organic and flexible as the medium that created it, while simultaneously delivering tangible results for the business through a stronger brand identity, better customer service and a long-term strategic plan. Green (2014) concurs that without clearly defined strategies in utilizing social media for customer service, companies are going to lose customers.

Green (2014) opines that social media customer service is a form of advertising. Green observes that 78 percent of people trust peer recommendations when it comes to buying a product compared to 14% who rely on adverts. Companies and firms therefore have to realize that a good word of mouth on Facebook, Twitter and other social sites is a better than an expensive advert in a leading newspaper.

Various scholars and public relations experts have come up with ways that can help customer relations managers effectively use social media in their work. Among the recommendations they make is that social media should be integrated into the customer relations work and not be treated as a standalone function. Rollason (2012) observes that social media affects all business functions and firms have to find a way allow it in all functions in order to become a more responsive customer-centric business. Bloom (2012) notes that social media skills and data are now critical to all business functions. He recommends training of customer relations managers

on social media use as a way to ensure they are best fit to handle online complains as well as they do offline.

Secondly, in order to use social media effectively, businesses have to have an active online presence with personnel manning it. According to Green (2012) issues raised on social media need to be dealt with immediately to prevent them from escalating to crisis. Garst (2013) observes that prompt and respectful responses help to increase goodwill from followers who are likely to share the experience with their peers. Social customer service delivery involves dealing with criticism and complaints in public, often in front of an audience of millions. If you're going to prevent a small problem growing into something worse, you need to have a detailed understanding of what you need to respond to, a path to response, and escalation policies for resolution (Green, 2012)

Rollason (2012) also posits that when using social media for customer relations, it is important to monitor social interaction to spot recurring issues and areas of improvement. By monitoring the customer complains, a company can develop a new product or service tailored to address the issue. Miller (2014) observes that customers are more likely to feel loyalty towards a company that have exceeded their expectations, both in terms of customer service and the products that they have purchased.

Whereas the use of technology has some major benefits it also poses some challenges. Walley and Amin (1994) note that overuse of technology can give a perception of depersonalization of service. According to Rollason (2012) companies are guilty of creating robust and well-planned strategy for social customer service delivery but fall at the final and most important hurdle - creating a voice audiences can relate to. Firms therefore have to strive to create a balance.

2.5 Theoretical and Conceptual Framework

According to Blumler and Katz (1974), media users play an active role in choosing and using the media. They opine that users take an active part in the communication process and are goal oriented in their media use. The theorists say that a media user seeks out a media source that best fulfills the needs of the user. Uses and gratifications assume that the user has alternate choices to satisfy their need. Blumer and Katz's uses and gratification theory is a psychologically

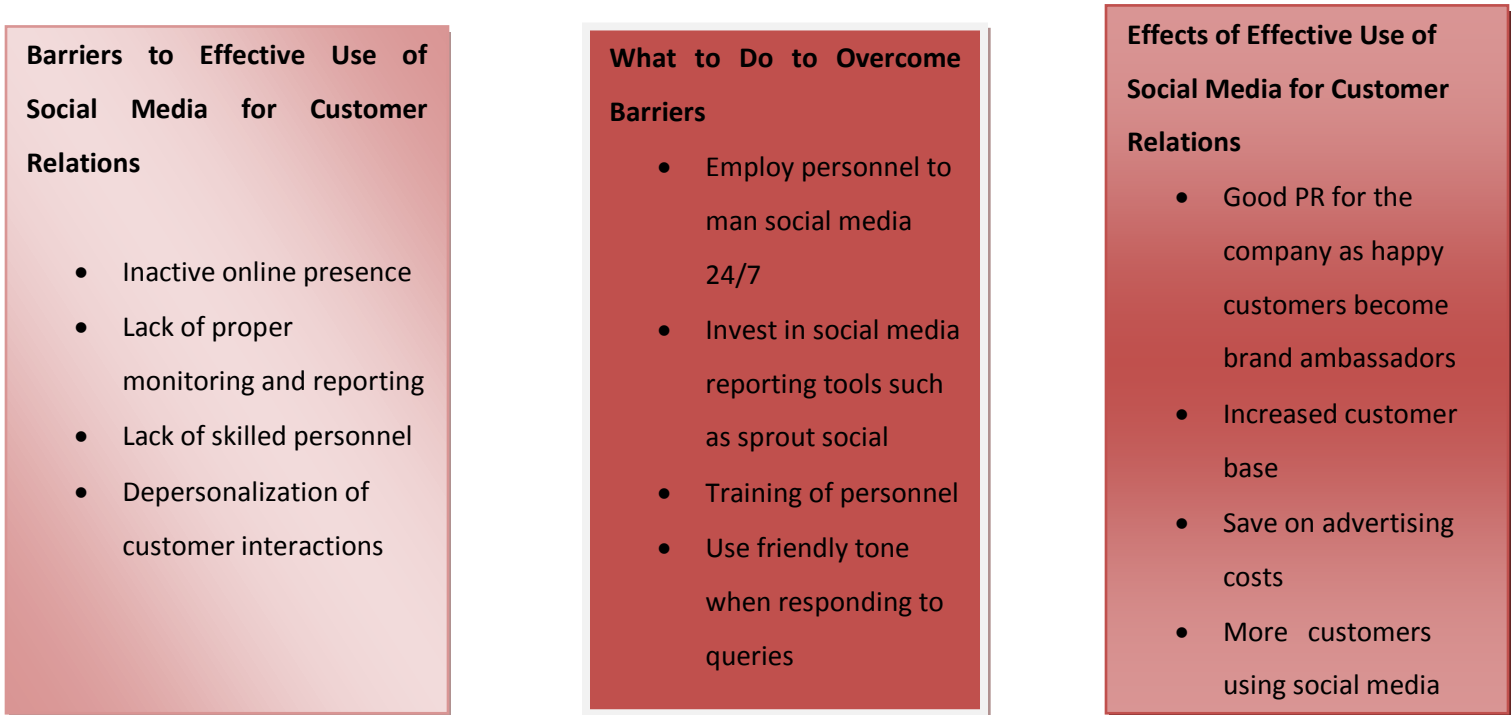
based communication perspective that looks at how individuals use mass media on the assumption that media users select communication channels and content to fulfill personal needs or wants.

According Rubin (1994) contemporary uses and gratification is grounded in five assumptions: a) “communication behavior, including media selection and use, is goal directed, purposive and motivated; b) “people take the initiative in selecting and using communication vehicles to satisfy felt needs or desires”; c) “a host of social and psychological factors mediate people’s communication behavior”; d) “media compete with other forms of communication for selection, attention and use to gratify our needs or wants” and e) “people are typically more influential than the media in the relationship but not always” (p420).

In relation to technological convergence, Uses and Gratification theory has helped researchers explain audience motives for using the internet, linking them to distinct socio-psychological characteristics and types of internet use (Perse and Fergusson, 2000). According to Kraut et al (1998) online media serve as functional alternatives to interpersonal and mediated communication, providing options or complements for aspects of an individual’s environment that are not as fulfilling. Rubin (2000) further adds that uses and gratification helps in connecting specific attributes to certain uses of the internet and distinguishing between uses that are goal-oriented or instrumental versus others that are of habitual or ritualistic nature.

As evidenced from the literature review above, social media is fast becoming an integral part of communications. Many customers are using social media to air complains on company products as it has proven to be a fast and cheap way of communication. It can therefore be said that many are using social media as it satisfies their need for communication. Figure 2.1 below illustrates how the uses and gratification theory can be used in the banking sector to enhance customer relations:

Figure 2.1 Researchers Conceptualization of How Social Media can be enhanced for Effective Customer Relations in the Banking Sector



Independent Variables

Intervening variables

Dependent variables

As figure 2.1 shows, In order for a company to satisfy its customers online, there is need to overcome some barriers which make this impossible. These barriers have an effect on how well the company interacts with its customers and whether or not customers continue to use that medium for communication. Employing and training of social media personnel, investing in social media monitoring tools such as sprout social, hoot suite and using a friendly tone when interacting with customers are some of the ways to overcome the barriers. This will result into satisfied customers and in the long run reduced advertising costs as well as more customers. If customers feel that social media is satisfying their communication needs then more will start using it to communicate with the bank

CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter explains the methodologies used by the researcher to investigate the role of social media in enhancing customer relations in Kenya and the effectiveness of social media in providing information company products and services. It contains an explanation on the research design, research population, research approach and data collection and analysis methods used during the research process

3.2 Research Design

This research project adopted a survey research design. According to Creswell (2003) survey research involves collecting quantifiable information from a sample by determining the current status of a sample population with respect to one or more variables. Mugenda & Mugenda (2003) further state that survey research “seeks to obtain information that describes existing phenomena by asking individuals about their perceptions, attitudes, behaviors or values” (p165). The research also used in-depth interviews with key informants to establish their views on the effectiveness of social media in enhancing customer relations as well observation of the social media platforms used by Equity Bank.

3.3 Research Population

According to Mugenda & Mugenda (2003) population is an entire group of individuals, events or objects, having common observable characteristics. There are two kinds of population; target population and accessible population. The former refers the total set of subjects in a study where the research will be generalized while the latter refers to the set of subjects from which the sample of the study is to be derived. For this research, the target population refers to the 11.6 million Kenyans with access to internet as stipulated in the Communications Authority of Kenya 2012/2013 report while the accessible population is 200 respondents purposively chosen from Equity Bank’s social media platforms.

3.4 Research Approach; Sampling Techniques

This research used a mixed approach of both qualitative and quantitative methods. According to Creswell (2003) the use of more than one method to investigate the same research problem strengthens research findings through the combination of information sources and analytical approaches. Mixed method approach helps to overcome any bias, which is inherent within a single method approach, adds value to the theoretical debate and also complements the limitation of one method with the other's strength (Creswell 2003:210).

Qualitative method was used to gather narrative data that requires no numeral figures. It was used to collect information on the effectiveness of social media in enhancing customer relations via in-depth interviews with 10 social media, customer care and public relations personnel of Equity Bank. Purposive sampling was used to identify the persons to include in the said interviews. This is where cases were purposely identified because of the fact that they hold the desired information for this research. Quantitative method was used to gather numerical data from users of Equity Bank's social media platforms to determine their views on the effectiveness of social media in enhancing customer relations. Of interest was to find out their favorite social media platforms, how often they use the said platforms and their general assessment of the effectiveness of social media in enhancing customer relations. A sample of 200 respondents was randomly identified.

3.5 Data Collection Methods

Data collection methods included administered questionnaires to 200 respondents identified from social medial platform,150 respondents were identified from the Equity bank face book page and the questionnaires were mailed and in boxed to them.50 respondents were followed on Twitter and the questionnaires tweeted to them in parts due to character limitation of the Twitter characters limit. 168 returned completed questionnaires from both face book and Twitter. The research sample was made up respondents ranging from 18 to 55 and above years old. Out of these, 78 were male (46%) while 90 (54%) were female. As shown in table 4.1 , majority of the

respondents were aged between 21-30 years with post secondary education. The data collection process took a period of 2 weeks.

In-depth interviews were also used to collect data where the researcher also interviewed 10 customer care and public relations staff. Questionnaires will be used to gather quantitative data while interviews will be conducted to gather qualitative data. Questionnaires were distributed by mail to identified respondents and also administered in person via telephone.

The questionnaires and interview schedules were tested before actual data collection to determine their reliability. The researcher also used observation to collect data where the research observed the comments from the Equity bank page ,the question and the number of likes each question attracted from other online bank users as shown in figure 1. The researcher also observed the tweets and who followed the tweets and who re-tweeted the tweets to establish the duration it took to respond to the raised concerns as shown in figure 2.

3.6 Data Analysis

Collected data was coded and analyzed using statistical methods of tables and data computed in column and rows as show in table table 1 and presented through graphs and graphs using percentages, pie charts as clearly indicated in figures 3, 4, 6, 7, 9 and 10 and narrations from which inferences and conclusions were drawn.

Screenshots of observed data as well as narrations from in-depth interviews are provided to supplement the quantitative statistics.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the results of the study after exploring how respondents reacted to questions on the role of social media in enhancing customer relations among Equity bank customers. It provides data analysis and interpretation of results on respondents' awareness of social media, their access to and use of social media and their perception on the actual versus potential role of social media in enhancing customer relations. The responses obtained from survey participants were analyzed using quantitative methods while those from in-depth interviews with key informants were analyzed using qualitative methods.

4.2 Background Information of Research Respondents

This research relied on respondents drawn from Equity Bank's Facebook and Twitter platforms. The researcher identified active participants on the bank's social media and requested them to participate in a survey via telephone or email. The researcher used observation to study the Twitter and Facebook accounts of Equity Bank to identify active participants, frequency of updates and general information on the interaction between the bank and its customers through social media.

Figure 1: A screen capture from Equity Bank's Facebook Page

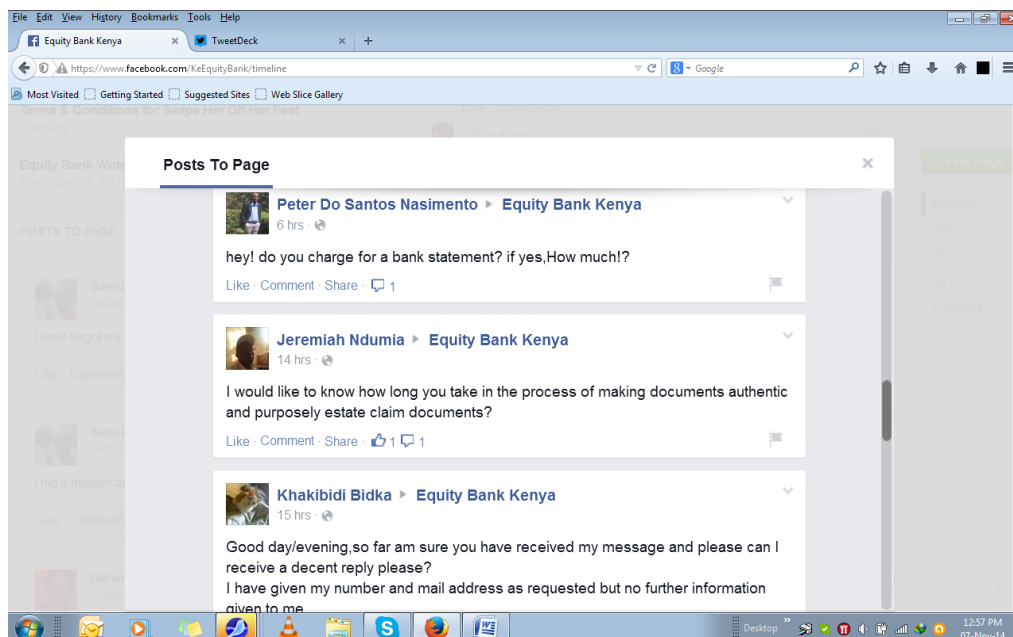


Figure 2: A screen capture of Equity Bank's Twitter Page

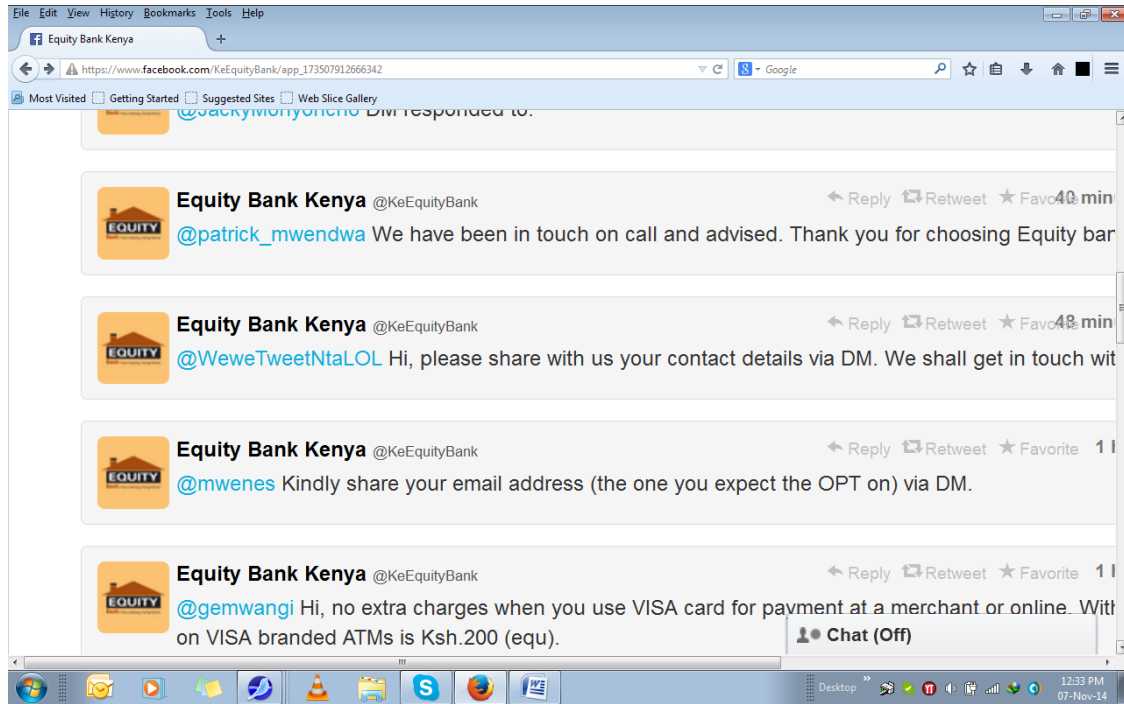


Figure 1 and 2 above show screen captures from social media pages of Equity Bank's Facebook and Twitter pages respectively. From the screenshots, it is evident that many customers interact with the bank through the platforms.

Out of 200 respondents's identified, 168 successfully returned completed questionnaires. The high response rate could be attributed to the fact that most respondents regularly access the internet and therefore were able to respond to questionnaires mailed to them. A very small number chose to not respond at all while others did not answer all questions as required. The research sample was made up respondents ranging from 18 to 55 and above years old. Out of these, 78 were male (46%) while 90 (54%) were female. As shown in table 4.1 below, majority of the respondents were aged between 21-30 years with post secondary education.

Table 1: Survey Respondent Characteristics

Level of Education	Female					Male				
	18-20 years	21-30 years	31-40 years	41-50 years	>50 years	18-20 years	21-30 years	31-40 years	41-50 years	>50 years
Class 8 or lower	0	0	0	0	0	0	1	1	0	0
Secondary School	7	2	6	0	0	5	4	3	2	1
Certificate	1	5	4	2	0	1	6	2	6	3
Diploma	1	13	9	3	3	0	9	4	1	2
Degree	0	16	7	3	3	0	11	5	4	3
Post Graduate	0	1	2	1	1	0	1	1	1	1

The researcher also interviewed 10 customer care and public relations staff from Equity Bank purposively selected with the help of one of the senior managers at the bank. The aim of this was to help establish the effectiveness of social media in customer relations.

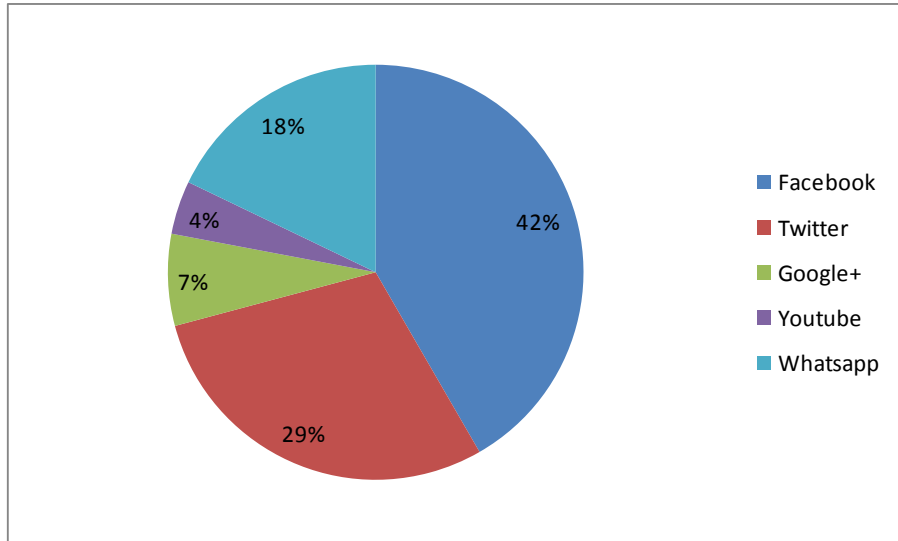
4.3 Awareness on Use of Social Media for Customer Relations

The researcher sought to find out the most used social media platform. As shown in figure 3 below, Facebook emerged the most used platform among respondents with 42% indicating they used it mostly, 29% indicated they frequently used Twitter while 18%, 7% and 4% indicated they used Whatsapp, Google+ and YouTube respectively. The popularity of Facebook as a social media platform can be attributed to the fact that of the listed platforms, Facebook was the first to be founded and its simplicity to use. Facebook can also be used on many phones with 2G connections unlike Whatsapp that requires a Smartphone with 3G network and above.

One of the customer care representatives at Equity Bank concurred with these findings. She noted that:

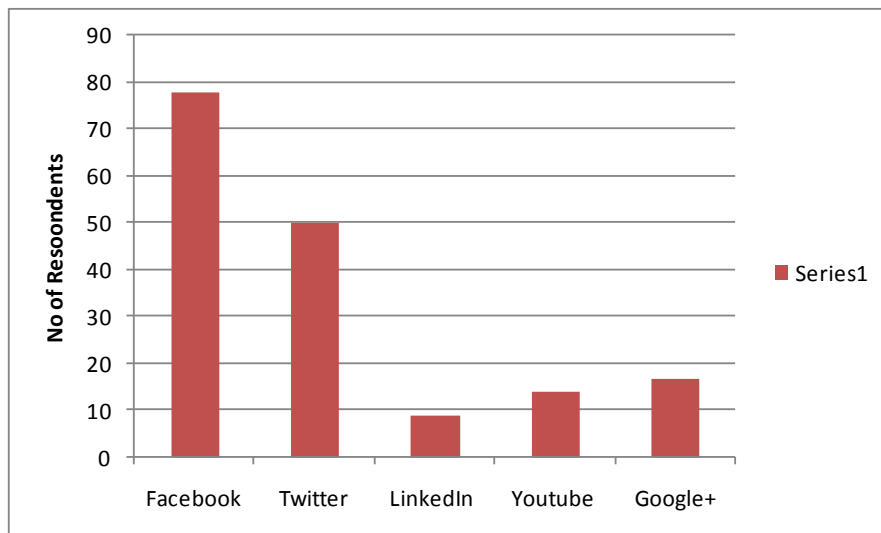
“Many phones come preinstalled with a Facebook app which makes it easily available to all. You will find that everybody with a Twitter account has a Facebook account but not all with Facebook accounts have Twitter accounts, meaning Facebook is more reliable as it satisfies all their needs.”

Figure 3: Popularity of Social Media Platforms



The researcher also sought to establish if respondents were aware of Equity Bank’s presence on social media. A large number of respondents indicated that they were aware of Equity bank’s presence on and use of Facebook, Twitter, LinkedIn, Youtube and Google plus.

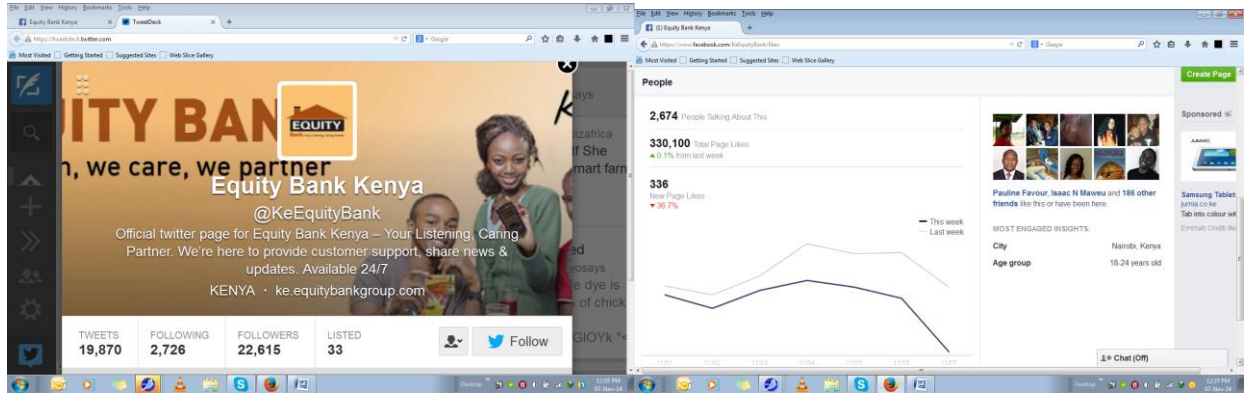
Figure 4: Awareness on Social Media Platforms Used by Equity Bank



These responses tally with the number of fans on the bank’s social media platforms. As shown in figure 5 below, the bank’s Twitter handle has 22,615 followers while the Facebook page has

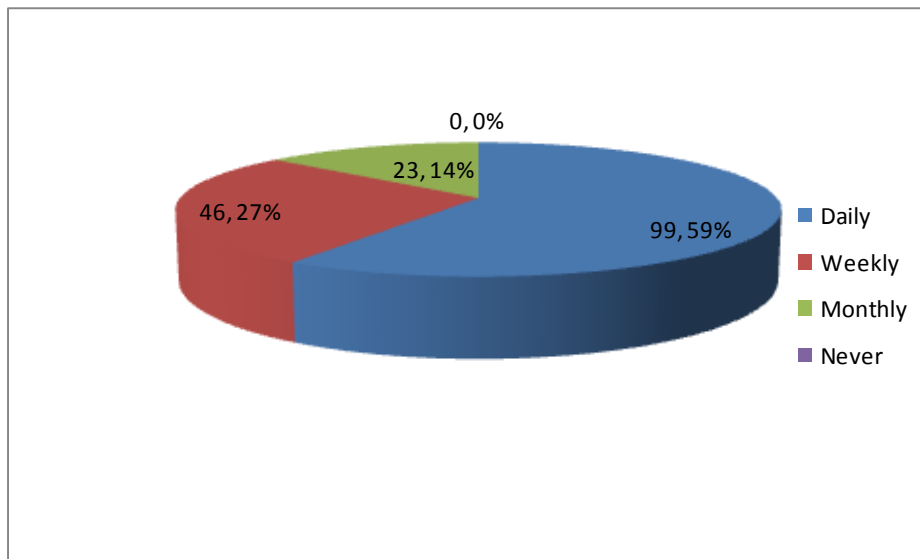
330,100 likes. That means that whereas an update send by the Twitter handle will reach out to only 22,000 followers an update from the Facebook page is likely to reach to over 330,000 fans.

Figure 5: Comparison of Number of Fans on Equity Bank's Twitter and Facebook Pages



Respondents were asked how frequently they interacted with the bank’s social media platforms. 59% indicated that they interacted with the bank daily, 27% indicated they did so on a weekly basis while 14% indicated they interacted with the bank on a monthly basis. Figure 6 below illustrates this:

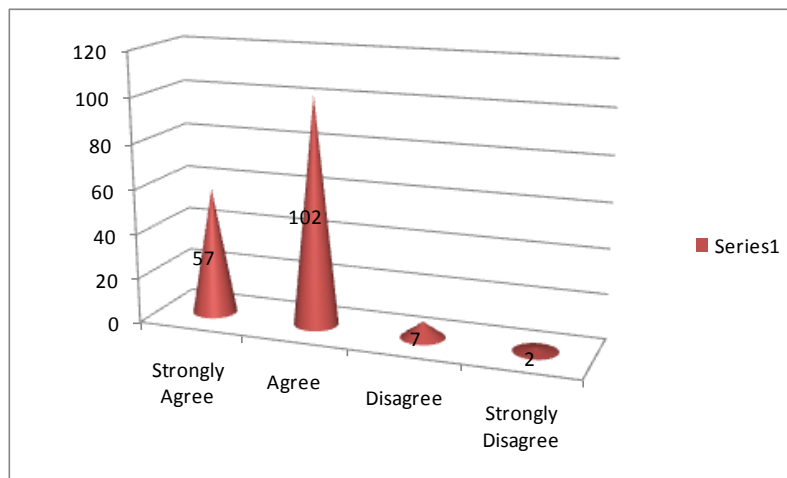
Figure 6: Frequency of Interaction with Equity Bank's Social media platforms



4.4 Effectiveness of Using Social Media for Customer Relations

The researcher asked respondents how much they agreed with the statement “Social media has a great role in enhancing customer relations in Kenya”. The purpose of this question was to establish the effectiveness of social media as a channel for enhancing social media from the consumer’s perspective. 95% of the respondents felt that social media was a valuable channel for interacting with customers.

Figure 7: Social Media is Effective in Enhancing Customer Relations



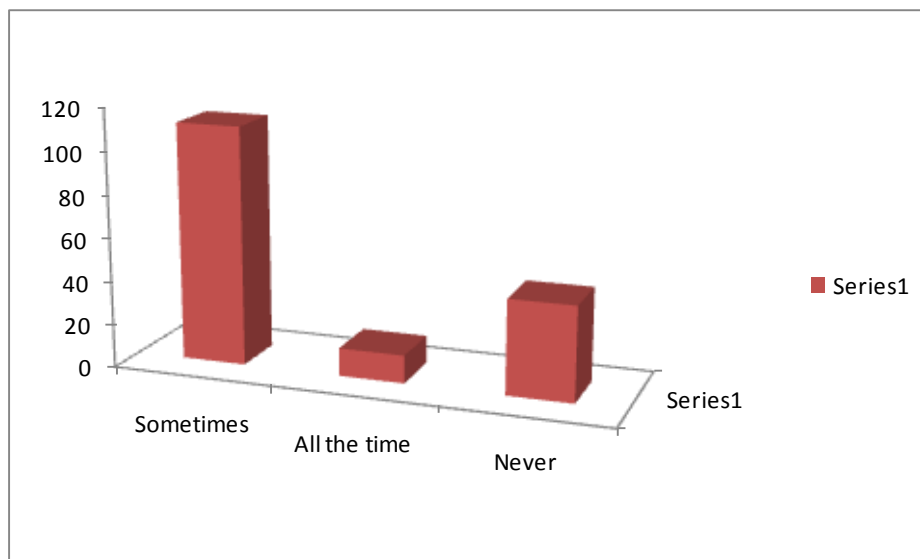
A quick observation of feedback from some of the customers on the platforms captures this scenario. In this tweet by one of Equity Bank’s customers, she thanks the bank for the prompt response via the social media platforms and wishes the same happened in the banking halls.

Figure 8: Customer Compares Equity Bank Social Media to Banking Hall Customer Service



Respondents were asked if they discussed the feedback they received from Equity Bank’s social media with friends and relatives. This is an important question because as established in section 2 of this research, customers tend to trust product and service reviews offered by their friends. If a friend posts that they enjoy the service offered by the Bank, more are likely to trust that than if the bank made an advert on how efficient their social media platforms are. As figure 9 below shows, many indicated that they do discuss the feedback received with friends and relatives.

Figure 9: Discussion of Feedback with Friends and Relatives



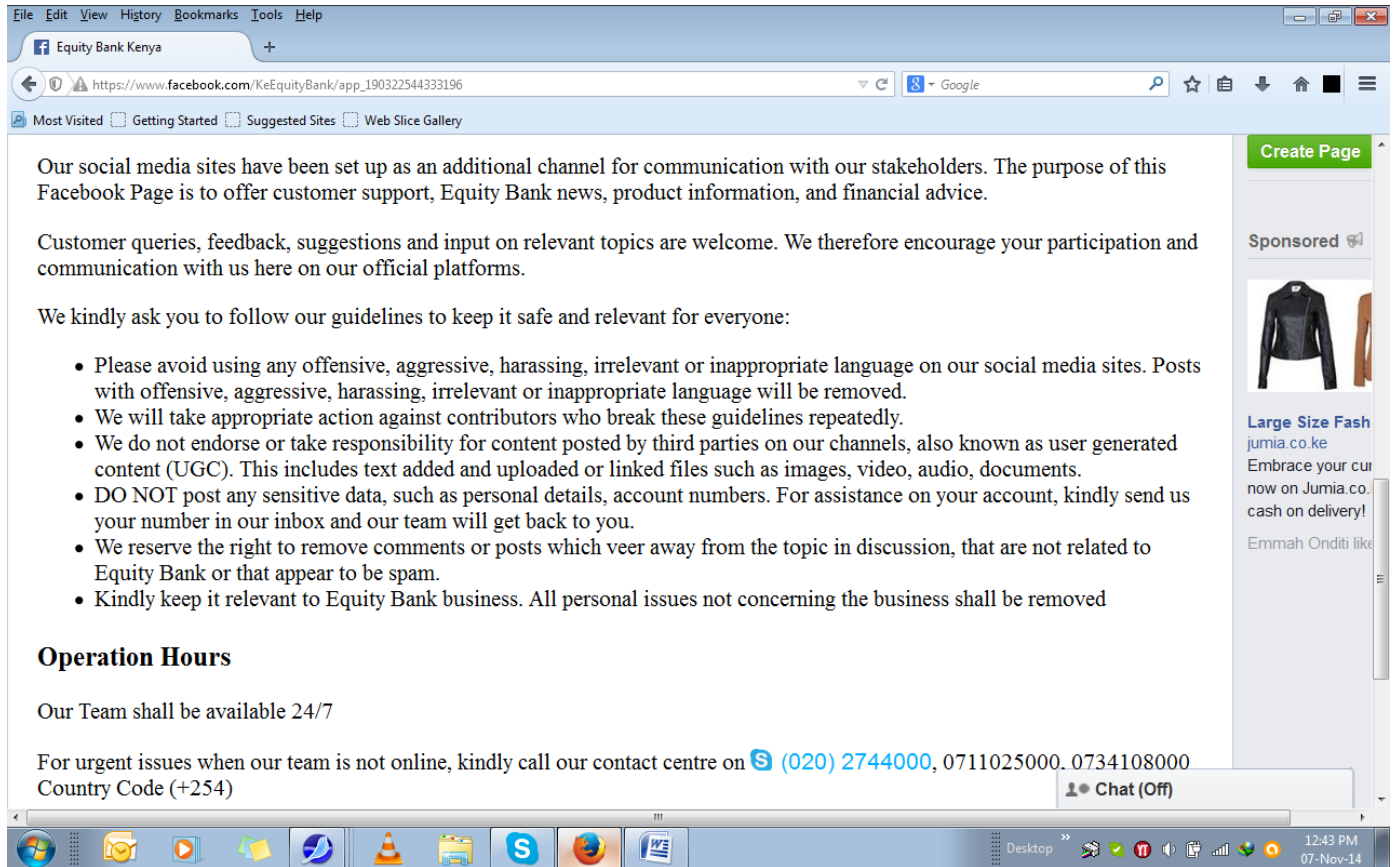
The researcher sought to establish what the key informants felt about feedback from customers. A social media manager at Safaricom observed that knowing how their customers feel about the service they receive is very important as it can either destroy or build a company’s online reputation. He noted:

“There are 3 types of online customers: the first is the silent customer, who sees your updates but never comments, the second type comments on the articles offering constructive feedback and criticisms, the third are the strongly opinionated who express themselves through abusive language. All staff are trained on how to handle this, as all of them hold sway over how our company is perceived both online and offline.”

A customer care representative at Equity Bank noted that whereas they appreciated all feedback whether positive or negative from customers, there were certain limits which if crossed would

lead to disciplinary action as spelt out in their code of conduct available on their Facebook page. Below is a screen capture of Equity Bank social media house rules:

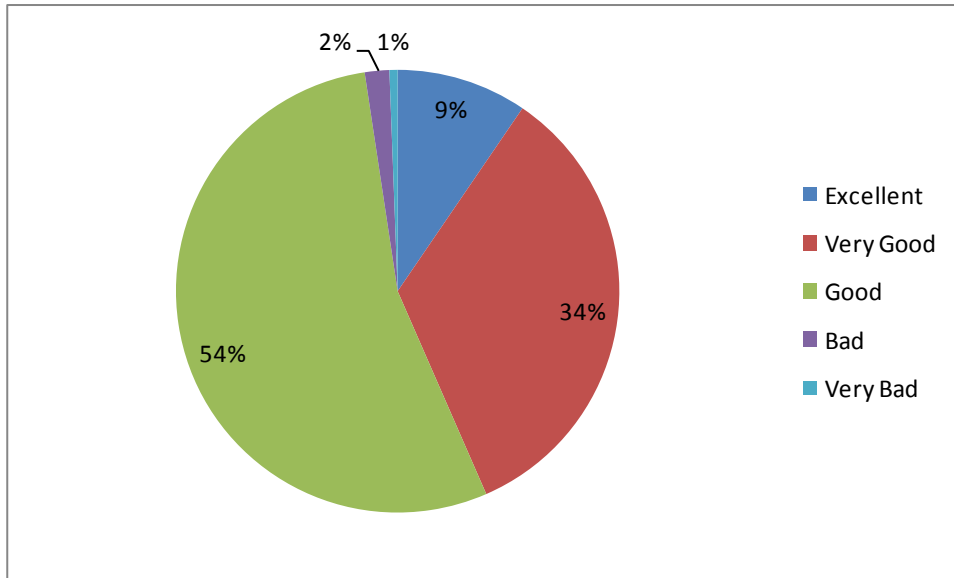
Figure 10: Equity Bank Social Media Rules



Respondents were asked to evaluate the type of content updated by Equity Bank’s online platforms. This question is important because it helps in determining how satisfied consumers are with the quality of information they are getting from these social media platforms. Over 90% felt that the content uploaded was good enough and satisfied their needs.

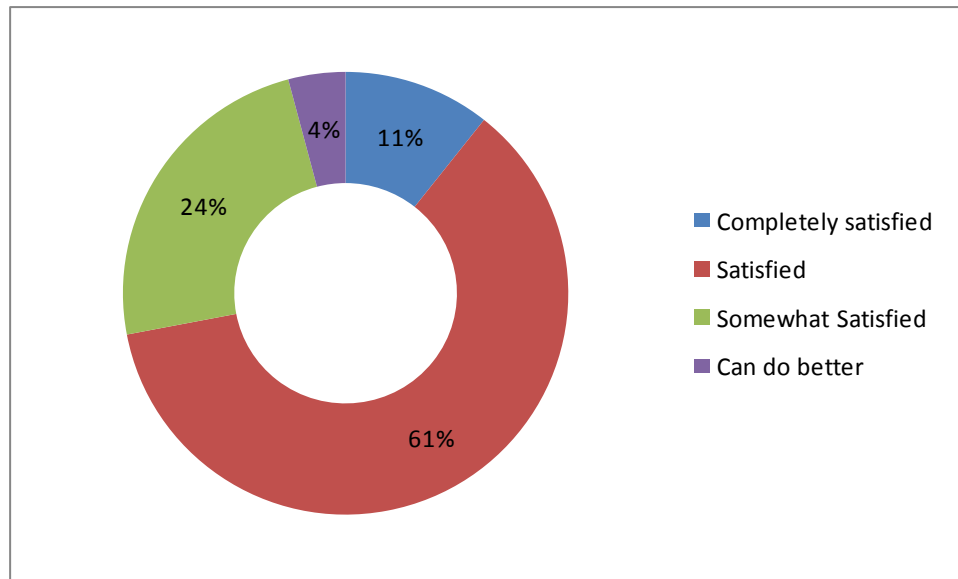
Figure :11 below reflects these findings:

Figure 11: Evaluation of Content Provided by Equity Bank's Social Media Platforms



The researcher also asked respondents how satisfied they were with information they received with Equity Bank's use of social media for customer relations. This is in accordance with objective 3 of this research that seeks to establish the level of satisfaction among users of Equity Bank social media platforms.

Figure 12: Level of Satisfaction with Equity Bank's Use of Social Media for Customer Relations



As figure 12 above indicates, 61% are satisfied which is a good sign for the bank. The Equity bank should put more measures to ensure that the 24% somewhat satisfied are fully satisfied by providing a platform where they are satisfied after removing the causes of the dissatisfaction.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

In this chapter, a summary of findings, conclusions and recommendations related to the research objectives are provided.

5.1 Summary of Findings

The overall objective of this research as outlined in chapter 1 was to find out the role of social media in enhancing customer relations among Equity Bank customers. The research questions guiding the study were:

- 1) What is the general level of awareness and perception of Equity Bank Customers on the use of social media for customer relations?
- 2) Do customers of Equity Bank use the bank's social media platforms effectively?
- 3) What is the level of satisfaction among users of Equity Bank social media platforms?

This section will provide a summary of the responses to these questions using the research findings in chapter 4.

5.1.1 Awareness and Perception of Equity Bank Customers on the Use of Social Media for Customer Relations

From the research findings, it emerged that majority of respondents are aware of and use social media in their day to day lives as well as for interaction with Equity Bank. Facebook in particular emerged as the most popular online platform with 42% indicating they used it. These results are a reflection of the studies in chapter 2 of this research that ranked Kenya among top users of Facebook among other social media platforms in Africa (Alexa, 2014). This high level of awareness indicates that Kenyans just like their worldwide counterparts are embracing social media as a way of interacting with companies as opposed to traditional methods such as walk ins

and telephone calls. The studies established that many are aware of the bank's Facebook and Twitter platform. There is therefore need for the bank to invest more in these platforms and/or find ways of enhancing interaction through the other platforms including LinkedIn, YouTube and Instagram.

5.1.2 Effectiveness of Equity Bank's Social Media Platforms

According to the findings of this research, 95% of the respondents felt that social media was a valuable channel for interaction between the bank and its customers. Observations by the researcher of the interaction between customers and the bank through social media also revealed a growing preference for social media as a channel of communication between the two. Responses from key informants indicated how top organizations were incorporating social media into the day to day running of the organization. These findings augur well for the future of social media in customer relations. As Garry (2013) noted in chapter 2 of this research any strategy for the implementation and integration of social media customer service must be future-proof, responsive and enhance the business as a whole.

5.1.3 Level of Satisfaction Among Users of Equity Bank's Social Media Platforms

To establish how satisfied customers were with Equity Bank's use of social media for customer relations, the researcher asked questions relating to quality and quantity of information disseminated by the bank through its online platforms. It emerged that the content disseminated was sufficient and of good quality. 61% were satisfied with the Bank's services online. This is a good sign for the bank as 74% of the respondents indicated that they do share the feedback they receive from these platforms with friends and relatives. As pointed out by Green (2014) in Chapter 2 of this research 78 percent of people trust peer recommendations when it comes to buying a product compared to 14% who rely on adverts. It is therefore commendable that majority of Equity Bank's customers are satisfied with its use of social media for customer relations.

5.2 Conclusion

In conclusion, social media is a fast growing medium of communication. Many companies are quickly embracing its use in enhancing interactions with their customers. There is therefore need to fully embrace it as a main channel for collating customer feedback on company products and

services. To effectively do this, it is advisable to have a well trained social media team to disseminate quality and quantity content in a timely manner.

5.3 Recommendations

From this research's findings, social media has emerged as an integral part of communication between Equity Bank and its customers because the bank has over 9 million customers, only 353,317 are on social media both on Facebook and Twitter therefore there is need to come up with innovative ways for organizations to gain maximally from the use of social media for customer relations.

The researcher therefore recommends that Equity in collaboration with other private sector stakeholders establish how customers are going to effectively use social media platform for customer relations for this will reduce the queues in the banking halls by creating increased social media awareness by creation of smart phones competitions to the grassroots and provision of solar energy to harness more clients.. This will help to ensure both users and consumers of information from online sources do so effectively.

The researcher also recommends capacity building for social media managers and customer care managers who use social media. There is need to train social media personnel on these new technological advances so that they are well equipped to handle customer complaints. Training personnel will ensure that they deliver satisfactory services to online audiences.

5.4 Recommendations for Further Research

As evidenced from this research, there are different social media platforms that can be used to enhance customer relations. These platforms attract different amounts of audiences and have different advantages. In Equity Bank's case for instance there is a large disparity in the number of fans for the Facebook and Twitter platforms. Whereas the Facebook page has 330,702 fans the Twitter handle has only 22,615 followers compared to 9.1million of Equity bank customers, this translates to 3.89% of the total customers. This disparity in number of fans forms the basis of the recommendation for further research to increase the number of customers to the social media platform. This may reduce banking hall queues as one respondent quipped. The researcher

therefore proposes a research on the factors that influence the choice of a social media platform for customer relations.

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Appendix 1 Interview Guide (Public Relations, Customer Care and Social Media Managers at Equity Bank)

1. What are the major customer complains that you come across in your work?
2. Which means of communication do your customers use to interact with Equity bank?
3. What are the social media platforms used by Equity Bank to interact with customers?
4. Which of these platforms is popular with your customers? Why do you think so?
5. What kind of feedback do you generally receive from customers?
6. Has social media been helpful in dissemination of organizational information? Explain
7. How frequently do you use social media for customer relations?
8. Do you have personnel allocated to specifically manage your social media?
9. What can you say about social media use in Kenya and customer relations?
10. What are some of the challenges of using social media for customer relations?
11. What can be done to enhance the use of social media for customer relations?

Appendix 2: Questionnaire for Survey Participants

My name is Paul Tikima. I am a student pursuing a Master of Arts degree in Communication Studies at the University of Nairobi. I am conducting a research on the role of social media in enhancing customer relations among Equity Bank customers. To this end, I kindly request that you complete the following questionnaire regarding your habits, preferences and attitudes use of social media for customer relations. It should take 10-15 minutes. Your response is of utmost importance to me. Please do not write your name or contact details on the questionnaire. It remains anonymous. Should you have any queries or comments regarding this survey, please contact me via 0722935220 or email tikimap@yahoo.com.

Thank you

Paul Tikima

SECTION A: PERSONAL INFORMATION

This section of the questionnaire refers to background information. Although I am aware of the sensitivity of the questions in this section, the information will allow me to compare groups of respondents. Once again, I assure you that your response will remain anonymous. Your cooperation is appreciated.

1. Age (tick (√) one that applies)

a) Below 20 years	
b) 21 – 30 years	
c) 31- 40 years	
d) 41 - 50 years	
e) 41-50 years	

f)50 years and above	
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2. Sex (tick (√) one that applies)
- a) Male
- b) Female
3. Your highest education qualification? (tick (√) one that applies)
- a) Class 8 or lower
- b) Secondary School
- c) Diploma/ Certificate
- d) Degree
- e) Post Graduate Degree(s)

SECTION B: SOCIAL MEDIA AND CUSTOMER RELATIONS

This section of the questionnaire explores your habits and preferences, if any, with regard to use of social media for customer relations. Kindly respond to each of the questions by following the instructions given.

Part 1: Awareness on Use of Social Media for Customer Relations

4. Which of the following is social media platforms do you use? (tick (√) all that apply)

Facebook	
Twitter	
Google+	
Youtube	
Whatsapp	

5. Are you aware of some of the social media platforms used by Equity Bank to interact with customers? If yes, list at least two of these

6. With 1 being most frequently used and 7 being least frequently used, rank the following social media platforms from most frequently to least frequently used to interact with your bank.

a) Facebook	1	2	3	4	5	6	7
b) Twitter							
c) Google+							
d) Youtube							
e) Whatsapp							

7. How frequently do you interact with Equity Bank through their social media platforms? (tick (√) one that applies)

a) Daily	
b) Weekly	
c) Monthly	
d) Never	

Part 2: Effectiveness of Using Social Media for Customer Relations

8. To what extent do you agree with the following statement “Social media has a great role in enhancing customer relations in Kenya”? (tick (√) one that applies)

a) Strongly agree	
b) Agree	
c) Disagree	
d) Strongly disagree	

9. Do you discuss the feedback received from these platforms with your friends, relatives and neighbors? (tick (√) one that applies)

- a) Sometimes
- b) All the time
- c) Never

10. In terms of content, how do you generally evaluate the dissemination of information through the social media platforms by Equity Bank? (tick (√) one that applies)

a) Excellent	
b) Very good	
c) Good	
d) Not bad	