EFFECT OF SOCIAL MEDIA MARKETING ON CONSUMER LOYALTY IN THE BANKING INDUSTRY: A CASE OF EQUITY BANK

BY

MONICA W. CHEGE

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

SUMMER 2017
EFFECT OF SOCIAL MEDIA MARKETING ON CONSUMER LOYALTY IN THE BANKING INDUSTRY: A CASE OF EQUITY BANK

BY

MONICA W. CHEGE

A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfilment of the Requirement for the Degree Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

SUMMER 2017
DECLARATION

This research project proposal is my original work and has not been presented to any university for academic award.

Signature: ___________________________ Date ___________________________

Monica W. Chege

This research project proposal has been submitted for examination with my approval as the University supervisor

Sign_____________________________ Date_____________________________

Dr. Kefah Njenga

Sign_____________________________ Date_____________________________

Dean, Chandaria School of business
ACKNOWLEDGEMENT

I would like to acknowledge the following for their support and assistance during the process in writing this proposal.

First the Almighty God for his guidance and grace throughout my studies. I also wish to sincerely thank my family for their support during this process. To my lecturers and mentors for the guidance and their unwavering support during this process. The staff of Equity bank as well as its customers who their invaluable inputs made this research project a success.

My greatest appreciation and gratitude goes to my supervisor Dr. Kefah Njengah. He played an imperative role for his availability when I needed assistance; unending guidance and words of encouragement when I veered off track; and attention to detail that saw me through this rigorous process. Last but not least I offer my regards to all those who supported me in any respect during the completion of the project
ABSTRACT
The purpose of this study was to evaluate the effectiveness of social media marketing on customer loyalty at Equity Bank in Kenya. This study was guided by the following objectives; to determine the effects of social media tool used on consumer’s brand loyalty, to determine the elements consumers look for in social media marketing message and to determine how social media can be used as a means to increase consumer loyalty to brand. The study employed a descriptive survey design. Purposive and simple random sampling was adapted to select the 138 respondents although only 94 responded. The data collected was both quantitative and qualitative in nature. The data was analysed using descriptive statistics by employing Statistical Package for Social Scientists and presented using frequencies tables, bar graphs and tables.

On analysis of the first objective it was established that majority use social media site to get answers, and use of brand positioning in social media has helped many remember the brand. It was also established that social media site has enabled many users create a strong bond with equity bank as well as exchange information with other online users. Use social media sites to regularly has enabled many respondents to engage with online friends and meet new people. Social media site has also influenced brand awareness, communication with customers. Online reviews have also affected perception on product quality.

On analysis of the second objective majority of the respondents strongly agreed that they use Equity social media site because it enables them to exchange information with other online users along common areas of interest e.g. through online chats, it was also established that and equity bank promotes its products and services online. In addition, respondents agreed that they did not like using Equity social networking site because it was not easy to interact with, the message is not clear and understandable, and they get recommendations/views from friends first before buying or using any product or services.

On analysis of the third objective it was established that majority of the respondents strongly agreed that Equity offers timely feedback on their social media site, Equity also offers transparency on their social media site and it was easy to access equity social media. Many also claimed to use Equity banks social media site because they post effective informative. It was also noted that the bank has an online reward program, and many preferred online
friends to equity social media site because they offer their online freebies/discounts. Many use of equity’s social media has enabled many create a social network, although information gotten from equity’s social media site is trustworthy.

The study concluded that Social media site offer valid information to consumers especially from an organization site this has also aided in brand positioning in social media that has helped respondents remember the brand. Social media site help create a strong bond with organizations and facilitate exchange of information with other online users. Equity bank use social media site to exchange information with other online users along common areas of interest. In addition, recommendations/views from friend forms the first area of reference before buying or using any product or services. Social media sites are timely, transparency and easy to access. Many organizations also use social media site because they post effective informative and use of equity’s social media has enabled respondents create a social network.

It was recommended that Institutions need to continuously use Social media site to offer valid information to consumers especially from an organization site. This should be used to create a strong bond with organizations. Equity bank need to ensure that the information available is relevant so as to facilitate exchange with other online users. The bank also need to ensure that the site is easy to navigate and download content, as well as prompt feedback to the consumer. The bank need to continuously utilize social media sites due to their timeliness, transparency and ease of access. The firm also needs to utilize social media site to post effective information and use of equity’s social media has enabled respondents to create a social network so as to attract more attention from other social media users. For Further Studies it was recommended that there is a need to expound this study to other banks so as to be able to generalize the findings.
# TABLE CONTENT

**DECLARATION** .................................................................................................................. ii  
**COPY RIGHT** .................................................................................................................... iii  
**ACKNOWLEDGEMENT** ...................................................................................................... iv  
**ABSTRACT** ......................................................................................................................... v  
**LIST OF TABLES** .............................................................................................................. ix  
**LIST OF FIGURE** ................................................................................................................ x  
**ABBREVIATIONS AND ACRONYMS** ................................................................................ xi

**CHAPTER ONE** ................................................................................................................ 1  
1.0 **INTRODUCTION** ........................................................................................................ 1  
1.1 Background of the Problem .......................................................................................... 1  
1.2 Statement of the Problem ............................................................................................ 5  
1.3 General Objective ......................................................................................................... 7  
1.4 Specific Objectives ........................................................................................................ 7  
1.6 Scope of the Study .......................................................................................................... 8  
1.7 Definition of Terms ........................................................................................................ 9  
1.8 Chapter Summary .......................................................................................................... 10

**CHAPTER TWO** ............................................................................................................... 11  
2.0 **LITERATURE REVIEW** .............................................................................................. 11  
2.1 Introduction ...................................................................................................................... 11  
2.2 The Effects of Social Media Tool Used on Consumers Brand Loyalty ......................... 12  
2.3 Impact of social Media Marketing on Consumer Brand Loyalty .................................. 19  
2.4 How Social Media Can Be Used to Increase Consumer Loyalty ................................ 23  
2.5 Chapter Summary .......................................................................................................... 27

**CHAPTER THREE** ........................................................................................................... 29  
3.0 **RESEARCH METHODOLOGY** ................................................................................... 29  
3.1 Introduction ...................................................................................................................... 29  
3.2 Research Design ............................................................................................................ 29
3.3 Population and Sampling design .............................................................. 29
3.4 Data Collection Methods ........................................................................ 32
3.5 Research Procedures .................................................................................. 32
3.6 Data Analysis Methods .............................................................................. 33
3.7 Chapter Summary ........................................................................................ 33

CHAPTER FOUR ................................................................................................. 34
4.0 DATA ANALYSIS AND INTERPRETATION .............................................. 34
  4.1 Introduction ............................................................................................... 34
  4.2 Demographic Information ......................................................................... 34
  4.3 Effects of Social Media Tool Used on Consumers Brand Loyalty ............ 39
  4.4 Impact of Social Media Marketing on Consumer Brand Loyalty in Equity Bank ..... 40
  4.5 How Social Media Can Be Used To Increase Brand Loyalty in Equity Bank .... 42
  4.6 Inferential .................................................................................................. 44
  4.7 Chapter Summary ........................................................................................ 45

CHAPTER FIVE .............................................................................................. 46
5.0 DISCUSSION CONCLUSION AND RECOMMENDATIONS ................... 46
  5.1 Introduction ............................................................................................... 46
  5.2 Summary of Findings ................................................................................ 46
  5.3 Discussion ................................................................................................ 47
  5.4 Conclusion ................................................................................................ 52
  5.5 Recommendation ...................................................................................... 53

REFERENCES ................................................................................................... 54
APPENDIX I: INTRODUCTION LETTER ......................................................... 68
APPENDIX II: QUESTIONNAIRE ................................................................. 69
LIST OF TABLES
Table 3.1: Population .................................................................................................................. 34
Table 3.2: Sample Size ................................................................................................................... 35
Table 4.1: Response Rate .............................................................................................................. 34
Table 4.2: Gender ............................................................................................................................ 35
Table 4.3: Reasons for Accessing Social Media Platform .............................................................. 38
Table 4.4: Frequent Access to Internet ........................................................................................... 38
Table 4.5: Descriptive of Social Media Tool ................................................................................... 40
Table 4.6: Descriptive of Social Media Marketing .......................................................................... 42
Table 4.7: How Social Media Can Be Used .................................................................................... 43
Table 4.8: Correlation Analysis between Brand Loyalty and Other Variables .......................... 44
Table 4.9: Correlation Analysis between Brand Loyalty and Perceived Quality ....................... 45
LIST OF FIGURE

Figure 4.1: Age Range ........................................................................................................... 35
Figure 4.2: Marital Status ....................................................................................................... 36
Figure 4.3: Highest Education Level ......................................................................................... 36
Figure 4.4: Bank Relationship ................................................................................................. 37

**Figure 4.5: Frequent Visit of Social Media** ......................................................................... 37
## ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBK</td>
<td>Central Bank of Kenya</td>
</tr>
<tr>
<td>KCB</td>
<td>Kenya Commercial Bank</td>
</tr>
<tr>
<td>PR</td>
<td>Public Relations</td>
</tr>
<tr>
<td>SMM</td>
<td>Social Media Marketing</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
</tr>
</tbody>
</table>
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Social marketing is the design, implementation and control of programs calculated to influence the suitability of social ideas and involving considerations of product planning, pricing, communication, distribution, and marketing research (Matthew, 2012). According to Peppard (2000), the Kenyan financial sector has been growing at a high rate due to the inclusion of individuals that were previously unable to access banking services. This has resulted to a loyalty and competitive situation where banks and finance institutions are searching for ways to keep their existing customers while they gain new ones (Peppard, 2000). In Kenya, mobile phone companies have emerged to be a competitive threat as well. This study will look into how social media marketing can be used to overcome these challenges with a specific focus on Equity Bank Kenya.

Customers in the banking sector today are more knowledgeable and demanding and banks can barely survive the heavy competition with the old way of product orientation. Besides forming strong brands, banks now aim at creating long-term relationships with their customers (Mbugua, 2014). The essence and nature of strong relationships and their business value are encapsulated in the concept of customer loyalty. Stable consumer base is a core business asset. The importance of brand loyalty is priceless. Research shows that recruiting new customers is up to six times expensive compared to retaining existing customers (Rosenberg & Czepil, 1993).

Brand loyalty is experienced when customers are committed to a brand and make repeated purchases regardless of the price offering or convenience on the product or service (Kotler, 2003). Kotler (2003), states that developing a strong and stable brand requires a long-term investment, which can be accomplished through regular advertising, promotion and re-launching the product or services. With the availability of information and accessibility of various choices, customers will not be willing to accept anything less than excellent service. Banks acknowledge the importance of meeting customer’s desires and as they also
acknowledge that different, consumers have different tastes, hence important for banks to know the causes of consumer faithfulness so as to improve both customer retention and loyalty.

Mbugua (2014), customer loyalty is the situation where customers of a particular organization remain with them in spite of them having other possible options where they can acquire the same goods or services. Most of the previous study on customer faithfulness has concentrated on brand loyalty, with just a small number of research studies on customer loyalty focusing on service loyalty. According to Dick and Basu (2004), brand faithfulness did not take a broad view to service loyalty due to these reasons: service loyalty relies on the improvement of interpersonal relationships as opposed to loyalty with physical goods, in case of services, the effect of perceived threats is greater and intangible qualities like reliability and confidence are the main factors to retain customer loyalty in the service background.

Retail banks have realized that increased customer retention rates have substantial impact on profits, and an increase in a bank’s retention rate by 5% could result in an increase in profits by 85% (Reichheld & Sasser, 1990). The credit crunch resulted in the near collapse of the global financial system left bankers searching for profitable paths in a competitively altered landscape (Reichheld & Sasser, 1990).

According to Snopes (2006), social media are internet based sites, digital communication channels where consumers engage in behaviors that can be consumed by others both in real time and long afterwards regardless of their location. The channels offer real time access allowing consumers to share experiences and opinions in real-time. Examples of popular social sites include: Facebook, Twitter, Instagram, Fiber, Whatsapp, Blogs etc. Customers’ interaction and reviews if positive can be made available for future potential references. Real time feedback on social media can assist marketers and brand managers to adjust accordingly; making correctional statements, pulling down Facebook adverts, etc (Snopes, 2006). It is a successful way of ensuring consumers mostly access positive brand sentiments that are capable of helping in improving a brand perception on different channels. According to Chauhan and Pillai (2013), Social networking through online media can be understood as various digital sources of information that are crated, initiated, circulated and consumed by
Internet users to educate one another about products, brands, services, personalities and issues. Companies have now realized the imminent need to focus on developing personal two-way relationships with customers to foster interactions (Li & Bernoff, 2011).

Social media marketing is the process of gaining traffic through social media sites. Consumers participate in social networks via social media, which enable them to create and share content, communicate with others and to build relationships with other consumers (Gordon, 2010; Libai, 2010). Consumers use social media in all stages of the value chain ranging from reviews of retail or fan sites, extensive co-creation such as testing new beta products and reporting flaws to the company or collectively developing open source products such as Firefox browser (Hoyer, 2010). Social networks are key factors in influencing perceptions about brands online hence the need for marketers to actively conduct social media marketing (Dee, 2007).

Kaplan and Haenlein (2010) puts social media marketing forms into six categories: collaborative projects (Wikipedia), blogs and microblogs (twitter), social networking sites (Facebook), content communities (YouTube), virtual game words (World of Warcraft) and virtual Social worlds (second life). Social media services focus on some or all of seven building blocks; identity, conversations, sharing, presence, relationships, reputation and groups. The building blocks help understand the engagement needs of the social media audience for example LinkedIn users care mostly about identity, reputation and relationships while for YouTube the primary building blocks are conversations, sharing, groups and reputation (Kaplan & Haenlein, 2010)

Over 31 million Kenyans have mobile phones and over 9.4 million have data enabled devices. In 2014, internet penetration in Kenya stood at 41.1% (Mbatiah, 2015). There are over 5 Million Kenyans actively using social media with Facebook and Twitter being the main channels. In Kenya, Facebook is the most popular social media. According to Facebook (2014) Kenya had approximately 5 million users, of which 65% were male and 35% are female users. Facebook is especially popular in the age group of 18-24 years consisting of 44% of all users. The age group of 24-34 years is second most popular users followed by 33-44 years in Kenya with 34% and 10% respectively. Local banks have a good following on
social media with Equity 589, 101 members, KCB 876,782 members, Barclays 252054 members, (Mbatiah, 2015). Nairobi is the 3rd city in Africa with most active Twitter users at 200,000. Kenya however has a total of 1.7 million twitter users. While twitter usage is lower than Facebook, it has a higher reach per tweet/per post (Portland Communication, 2014).

In Kenya, the banking industry is dominated by commercial banks, which are profit making financial institutions, that play an important role in the provision of a wide range of corporate financial services including deposit, loan and trading facilities (Magutu, 2009). The industry is governed by the Banking Act, the Companies Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the central bank of Kenya (CBK). CBK has the responsibility of formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system (Mutero, 2014).

Mutero (2013), for the year ended June 30, 2014, the sector comprised 44 commercial banks, 8 deposit taking microfinance institutions, 1 mortgage finance company, 7 representatives offices of foreign banks, 108 foreign exchange bureaus. Of the 44 banking institutions, 31 are locally owned 3 of which have public shareholding and 28 privately owned while 13 are foreign owned.

Commercial banks in Kenya have borrowed a leaf from other parts of the world and established social media platforms to interact with existing customers and potential customers. About 90% of bank customers prefer their banks to communicate with them via social media which has compelled banks like Equity, Kenya Commercial Bank, Chase Bank and numerous others to have Facebook and Twitter platforms to propagate information on their products and services and offer after sales services (Maina, 2007).

For banks that utilize web platforms, customers are in a position to quickly raise their issues and such interactions build relationships (Kimani, 2012). He recommends for the banking industry to leverage these platforms as an effective way to connect with their customers and to build brands. The social Media networking platforms have provided commercial banks with an avenue, of employing the least cost, to propagate information about their products as well as services. Social media marketing takes advantage of the power of interaction and
social influences between people to maximize on information transmission about their offerings (Kimani, 2012)

Equity Bank was founded in 1984 as Equity Building Society (EBS), and was originally a provider of mortgage financing for the majority of customers who fell into the low-income population. Equity Bank purpose is to transform the lives and livelihoods of our people socially and economically by availing them modern, inclusive financial services that maximize their opportunities. The vision of the bank is to be the champion of social economic prosperity of the people of Africa. The bank has evolved from the building society it was, a Microfinance Institution, to the now all-inclusive Nairobi Stock Exchange and Uganda Securities Exchange public listed Commercial Bank. The bank has about 8.5 million accounts, which represents over 57% of all bank accounts in Kenya. Equity Bank is the hugest bank in East Africa region in terms of customer base and has operations in Uganda, Tanzania, South Sudan and Rwanda. While still pursuing profit objective, Equity has a passionate commitment to empowering Africa is poor to improve their livelihood by enabling them to be self-sufficient (Equity Bank, 2017).

The crucial question remains whether social media marketing can influence customer loyalty to a certain product or brand. A previous research on social media noted that 7% of individuals aged 16-24 years will first complain on social media and 71% will search for solution online before they relent and contact the company directly (Kaplan & Haenlain et al, 2010). Seventeen percent of individuals aged 16-24 and 25-34 preferred faster response time on twitter. There are three things that make social media a powerful force; immediacy, ubiquity and availability. Immediacy is the instant sharing of information, while ubiquitous means hundreds of millions of people use social media and availability means anyone with internet connection can access it (Kaplan & Haenlain, 2010).

1.2 Statement of the Problem

Consumers are turning away from the traditional mediums of advertising, such as TV and print, and they are consistently demanding more control over what they consume on media (Vollmer & Precourt, 2008). Since the onset of the second millennium, there has been a shift from traditional media to social media channels such as Twitter, Facebook, YouTube, etc.
which gives customers to take a more active role as market players. Majority of modern consumers prefer to obtain information from non-traditional sources of information. Research on this topic of non-traditional media is however limited, and it’s difficult to tell how social media as part of marketing strategy relates to increased sales, strengthening the brand, finding new customers and retaining old customers (Carlson, 2010). A prior research shows that of an estimated 3.5 billion word of mouth conversations that take place around the world each day, 2.3 billion of them which translates to roughly two out of three makes a reference to a brand, product or service. Word of mouth manifests itself through social media where it spreads faster and farther. The use of social media marketing is increasingly important to marketers (Evans, 2008).

Social media has transformed the way the public and brands interact (Njuguna, 2012). Customer interaction mechanisms and strategies that at one time included careful message development broadcast to mass audiences, are now embracing the idea that the public is a co-creator of brand messages and a trustworthy promotion channel (Kiveu & Ofafa, 2013). Two way interpersonal communications has re-emerged as a key strategy for engaging a public that has turned to be increasingly skeptical of traditional marketing tactics (Stutzman, 2006). Limited research has been done on social media marketing effect on customer loyalty. The ultimate goal of marketing is to create customer loyalty in the end. It is therefore crucial to determine whether the marketing strategies being adopted by a company has the potential to result in customer loyalty. In the banking industry where competition is high, and where social media marketing has been embraced, there is need to determine how effective the strategy is. Limiting data and research on this topic has led to the need to conduct this research (Esch, Langner, Schmitt & Geus, 2006).

Previous related studies have not focused on social media marketing and customer loyalty in commercial banks in Kenya. Mwangi (2014), for instance conducted a study on the influence of social media marketing on brand equity at Safaricom limited in Kenya, and found out that companies that use social media marketing have improved brand equity, saves on costs and this will translate to better performing companies with better relations with the consumer hence ensuring continuity. The study however, could not clearly establish the actual change in brand equity as a result of using social media marketing. Mutero (2014), studied the effect
of social media interactions on financial performance of commercial banks in Kenya, and found out that social media interaction decreased commercial bank’s cost of acquiring new customers which significantly increased their revenue.

This research study was motivated by this existing knowledge gap and sought to establish the effectiveness of social media marketing among commercial banks with a focus on Equity Bank. This research will attempt to answer the following questions: What is the effect of customer attraction and retention, what is the effect of the tool of social media used to market, the effect of the type of information passed on customer loyalty (e.g. funny messages vs. humorless messages).

1.3 General Objective

The purpose of this study was to evaluate the effectiveness of social media marketing on customer loyalty at Equity Bank in Kenya.

1.4 Specific Objectives

1.4.1 To analyze the effects of social media tools on consumers brand loyalty in Equity bank.

1.4.2 To determine impact of social Media Marketing on consumer brand loyalty in Equity bank

1.4.3 To determine how social media can be used to increase brand loyalty in Equity bank

1.5 Justification of the study

This study will be beneficial to the following groups of people:

1.5.1 Bank marketing managers

This study will be of value to the managers of Commercial banks. The research study will provide the necessary knowledge and a better understanding of the role of social media marketing on customer loyalty among commercial banks in Kenya. The findings will help
commercial banks marketers and managers to identify the role, best strategies and approaches to attract and retain existing customers.

1.5.2 Regulatory bodies

This study will benefit regulatory bodies and partners such as the Kenya’s Bankers Association (KBA) and the Central Bank of Kenta (CBK) by forming an informed basis for the formulation of favorable regulations and policies pertaining social media marketing in the banking industry.

1.5.3 Future Researchers on similar topics

Researchers who would wish to undertake further studies in this field will find the research beneficial by gaining valuable background on social media marketing and customer loyalty in the banking industry. This study will be used by future researchers and academicians to expand their research in the Kenyan industry as literature review and contribute to the existing knowledge and provide background information to research organizations, scholars and individual researcher that will want to carry out further research in the area.

1.6 Scope of the Study

This study will focus on Equity Bank branches located in Kenya. The branches will be narrowed down to only those branches located in Nairobi County. The study will be conducted between January and March 2017.

As for limitation, the target population of the research is the social media end users instead of the company executives involved in social media marketing. This will offer the study objective data that is unbiased. The study also intends to learn the end users perspective and experience of social media marketing learn of their preferred social media tools and use their preferences to drive effective social media marketing. The sample will be drawn from Nairobi County internet users’ population that bank with Equity Bank.
1.7 Definition of Terms

1.7.1 Customer retention

Customer retention is defined as the activity that a selling organization undertakes in order to reduce customer defections. Customer retention is more than giving the customer what they expect; it is exceeding their expectations so that they become loyal customers and advocates for your brand (Rosenberg & Czepiel, 1993).

1.7.2 Customer loyalty

Customer loyalty is a behavioral and attitudinal tendency to favor one brand over all others, whether due to contentment with the service or product, its performance convenience or performance, or simply comfort and familiarity with the brand (Dick & Basu, 2004).

1.7.3 Social Media

Is the collective of online communications channels dedicated to community-based input, interaction, content sharing and collaboration (Matthew, 2012).

1.7.4 YouTube

YouTube is a video sharing website where users can share and view videos

1.7.5 Pinterest

This is a photo sharing website which allows users to create image collections known as ‘pin boards’. Users can browse other pin boards for images, ‘repin’ images to their own ‘pin boards or ‘like ‘photos (Hall & Zarro, 2012).

1.7.6 Facebook

This is a social networking site on which members create personal profiles, connect with their friends, comment, share and like each other’s statuses, pictures, links and videos(Ellison, Steinfield & Lampe, 2007).
1.7.7 Blogs

These are online journals, and are a short form for weblog (Keen, 2011).

1.7.8 Instagram

This is a social network centered around photo-sharing. It allows its users to take pictures, add filters and share them on Instagram and other social networks (Keen, 2011).

1.7.9 Twitter

This is a social networking platform for microblogging. Allows users to ‘tweet’ or post a message of a maximum 140 characters, and also ‘retweet’ others messages (Keen, 2011).

1.8 Chapter Summary

Chapter one covers the background of the study where customer loyalty is defined. Banks have recognized the need to adopt social media marketing since most potential and existing consumer have the tendency to seek for information on social media. Interaction on social media between brand representatives and consumers may help establish customer loyalty and customer retention if done right. Social media marketing has become one of the most important aspects of promotion strategies.

Chapter two will look at literature review on the three main valuables that form the research objectives. The chapter will include theoretical reviews and the conceptual framework that affect customer loyalty. Chapter three will look at the research methodology.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

Literature review looks at literature related to customer loyalty and social media marketing. It analyzes and critiques the literature as presented by past scholars and researchers. The literature review has discussed the effects of social media marketing on customer loyalty. Traditional media consists of media such as television, print, radio, direct mail and outdoor, which are conventional forms of advertising (Quilici, 2011). According to Okinda (2014), in the past traditional marketing model dealt with the interaction between the producer and the customer and how to maximize the relationship between the two. Traditional marketing enabled companies to deliver less information about their product and services to customers (Zappalà & Gray 2006). Furthermore, the use of traditional marketing limited companies from creating a direct relationship with their customers.

Dykeman (2008) well-defined social media as the avenue for any individual to: circulate digital and creative content; provide and receive real-time criticism via online discussion as well as incorporate changes or amendments to the original content. The most popular of the various social media platforms is Social Network Sites (SNSs), this allows users to generate their personal Web pages and then share contents with their online buddies (Mayfield, 2008). Such best examples of SNSs are Facebook, LinkedIn and My space. Another form is the blog; this are web information sharing platforms (Boulos, Mamba, & Wheeler, 2006) that function like online journal, blogs have unique date entries about an issue with most recent comments indicated at the top of the list. They compose of text, image or videos, and links to other sites (Mayfield, 2008).

Another type of social media is the Wiki; this denotes a communication mechanism to generate Web-based fillings that need group alliance (Pfeil, Zaphiris, & Ang, 2006). This is done by enabling the users to easily create, edit, and disseminate data, and anyone can participate in this elaboration as an author or editor (Pfeil et al., 2006). This presents the weakness of containing inaccurate data which can be rapidly halted to a previous variety
(Viégas, Wattenberg, & Dave, 2004). Wikipedia is the most known form of wiki (Emigh & Herring, 2005). Combining both characteristics of SNSs and blogs, micro-bloggings on the other hand enables users to write short updates of up to 140 characters via mobile text message, desktop application and Instant Messaging (Mayfield, 2008). Twitter and Jaiku are the most common micro-blogging services (Java et al., 2007). The longest established form of social media are Forums or online message boards. These are established with precise topics and interests, like music, vehicles, and new gadgets as the focus (Mayfield, 2008). Rather than supporting idle chats, the platform entertains dynamic debates and news sharing on specific topics. It’s generally applied in education as it’s an avenue for sharing common interests and themes (Thomas, 2002).

While sharing SNSs requiring a user to register and obtain a personal home page, on the other hand content communities only focus on sharing particular content, such as, video, photos, and music (Mayfield, 2008). The contents are easily shared by networked group, examples include You tube and Flickr.

2.2 The Effects of Social Media Tool Used on Consumers Brand Loyalty

2.2.1 Characteristics of Social Media

Mayfield (2008) established five specific characteristics of all social media: participation, openness, conversation, community, and connectedness. Participation allows interested parties to take part in an interaction by inspiring feedback from all (Mayfield, 2008). Drury (2008) argued that social media enables people to engage and share and with others the content and therefore make it more democratic than ever. This has been employed by many firms to facilitate a participative culture (Rosso et al., 2008). Participation is measurable via the rate of engagement, frequency of visits, and length of connection to a social media platform (Koh & Kim, 2004).

Compared to traditional media, social media enables dialogue conversations with an audience (Mayfield, 2008). Application of Web 2.0 enhance capacity and speed of the dialog thus making conversation a key feature of social media. Sites like Facebook offer many communication gears for conversations between users, and feedback rate can be used to measure this character (Liu, 2003). By offering Web links to other people and sites, social
media allows users to teleport in cyberspace, and offers connectedness to its users (Mayfield, 2008). Perceived connectedness is positively attributed to the closeness and identification with others (Lee, Draper, & Lee, 2001). High connectedness creates closeness and identity with other social groups whereas people low connectedness often results in psychologically distant (Ha & James, 1998). The fact that social media often result in new connections between more individuals makes it very unique (Boyd & Ellison, 2007).

Community and Commonality represents an aspect where social media allows individuals and firms to identify and interconnect with the individuals whom they want to associate with, thus, forming communities quickly and developing effective ties with others who share similar commonality with them (Mayfield, 2008). Social media offers an effective avenue of developing communities by linking parties with others that subscribe to a certain commonality, as determined by interests and needs during interaction. Openness is the ability of a social media platform allow users get feedback and participation by minimizing the available barriers to accessing information (Mayfield, 2008). Meadows-Klue (2007) asserted that most of social media platforms contain limited flow barriers, so that data can easily flow between from the sources to the users and among users themselves. The openness characteristic is motivated by the fact that social media’s networking philosophy entertains for the availability of easy-to-utilize instruments for generating and sharing content.

2.2.2 Honeycomb Model

According to Smith (2007), the honeycomb model consists of four elements; identity, conversation, sharing, presence, relationships, reputation, and groups. These building blocks are used to understanding as to how social media use and functionalities can be used and manipulated in order to build strong brand loyalty by organizations.
According to Kietzmann (2011), identity is the extent to which individuals or organizations make their identity public by disclosing personal or corporate information (i.e. name, age, gender, profession, location) in a social media setting. Keller (2001) notes, that establishing brand identity in social media is about the impact that identity may have on brand awareness. Additionally companies establish their brand identities by answering the question as to who their brands are.

Conversation is the extent to which customers communicate with one another via social media. The main purpose for most social media sites is to facilitate conversation among individuals and interest groups (Kietzmann, 2011). Customers use tweets, blogs, status updates to sharing information and meet new like-minded people, build self-esteem or to establish one's self as an opinion leader; others see starting or engaging in conversation in social media as a way of making a message heard and making an impact on subjects ranging from humanitarian causes to discussions on politics (Smith, 2007; Kietzmann, 2011). In
addition, organizations use social media to make customers aware about their brand (Kietzmann, 2011).

Sharing is the extent to which individual’s exchange, distributes and receives via social media (Babac, 2011). Consumers follow brands or join brand communities on social media in order to fulfill their need of being identified with groups and symbols they find desirable or which they wish to associate with (Laroche, 2013). Consumers like to feel connected to other consumers that share same interests and desires that lead them to join communities that are centered around shared interests and values (Mangold & Faulds, 2009). Consumers use social media to interact with brands and they need to feel that the company is trustworthy and that the company is giving honest information (Baird and Parasnis, 2011). Online consumers consider transparency important and they deem companies that are not transparent as manipulative and insincere. According to Mangold and Faulds (2009) state that customers are more likely to talk about a company and its products when they feel they are well informed about them. Giving honest and sufficient information about products is therefore important.

Presence is the extent to which an individual can know whether his/her peers are available online. Presence dimension includes information as to where each individual is in the virtual world and/or in the real world. Presence dimension acts as a bridge that connects the real and the virtual realities (Kietzmann, 2011). Organizations need to recognize that a high level of social media presence is likely to create stronger bonds with their target customers hence increase in brand loyalty (Kietzmann, 2011).

Relationships are the extent to which each individual can be related to other individuals in a social media setting (Kietzmann, 2011). Social Media users have the opportunity to interact with customers they know or with people they do not know. Through interaction, customers are able to build relationships and social network. (Sledgianowski & Kulviwat, 2009; Lin & Lu, 2000), in addition, building relationships with customer’s increases customer satisfaction and loyalty. Loyalty is defined as “a favorable attitude for a brand manifested in repeat buying behavior” (Senders, 2012). Keller (2001), notes that building relationships are about the impact that groups and relationships functionalities of social media may have on the brand loyalty.
Reputation is the extent to which each individual is able to identify their position in the society in a social media setting. In social media, reputation is not something granted to people through their disclosed identities but it is something that can be earned through shared content, expressed thoughts, likes and dislikes. The same is true for organizations seeking to build or strengthen their reputation through implementing social media strategies (Kietzmann, 2011). Groups are the extent to which each individual can form communities and sub-communities in a social media setting. The more social network is, the higher the number of groups, communities, followers and contacts (Kietzmann, 2011). Two major types of groups that can be found in the social media setting are; groups that are made up of an individual ‘s contacts, buddies, friends, family, followers, or fans and groups that correspond to organizations, clubs and/or interest groups in the real world (Kietzmann, 2011). Consumers join brand communities and follow brands on social media to fulfill their need of being identified with groups or symbols that they wish to associate with, or that they find desirable (Laroche 2013; Grayson & Martinec, 2004; Schembri, Merrilees & Kristiansen, 2010)

2.2.3 Brand Awareness

According to Bollen and Emes (2008), customer experiences to enhance brand awareness through using various methods of marketing in experiential marketing. Companies use Sponsorship, events brand communities, brand scope and Product placement. Fryrear (2016), asserts that brand awareness can be done through experiential marketing events hence making customers more aware of a company’s and creating brand association. Based on research done by Huang and Sarigöllü (2012); Yoo, Donthu and Lee (2000); Raneevi and Stanec (2003), and Aghaei (2014) it was revealed companies can increase brand awareness by using distribution intensity, price promotion, symbol exposure, advertising and sponsorship

According to Kapferer (2012), states that brand awareness is a very important factor in brand equity, and increasing brand awareness is usually one of the most important goals of branding. Brand awareness is the strength of a brand’s presence in the minds of its consumers’ (Keller, 2000). Additionally, brand recall is the process of customers being able to retrieve the brand from memory when that product is mentioned (Keller, 2001). Montero
Torres (2015) asserts that the use of social media enables brands to create awareness to their target customers. Organizations are able to have a direct conversation and interact with their customers hence increase in brand loyalty. In addition, the use of Facebook has enabled organizations to develop awareness campaigns based on their target segment hence being able to reach customers from different geographical location (Rana, 2012).

According to Zarella (2010); Kaplan and Haenlein, (2009); Weinberg (2009), organizations use social media sites such as networking sites, content communities, virtual worlds, blogs, microblogging sites, online gaming sites, social bookmarking, news sites, forums to create awareness, provide instant customer services, and create brand loyalty. In addition, Gunelius (2011), states that companies use social media sites to increase brand awareness, boost recognition, and recall and increase brand loyalty. McKee (2010), asserts that use of social media sites has helped organizations to build brand loyalty through networking, conversation, and community building. According to Perkins (2014), visual content may be used to boost user engagement on social media. Posts that include pictures or video are shared more often than content that does not include visual elements. According to a research done by Malik (2012), on determinants of brand loyalty in health sector of Pakistan explored the effect of brand awareness and brand loyalty on purchase intention, it was revealed that purchase intentions has a strong positive relationship with brand awareness and brand loyalty.

According to Kotler (2003), positioning is the process of enabling a brand to occupy a “distinct and valued place” in the mind of consumers that the company is targeting. Additionally, brand positioning can be seen as an element that tells the potential customer what the brand is, who it is for, and what it offers (Elliott & Percy 2007 p 229). Companies use social media to position their brand in the minds of the consumer hence creating brand loyalty. Brand awareness and brand image are important signals related to how consumers perceive the brand and thus can help to predict their purchase behavior (Wang, 2010). Use of advertisement creates customers awareness. Through awareness organizations are able to create strong, favorable, and unique associations to the brand in consumers’ memory, and elicit positive brand judgments and feelings (Keller, 2007).
Shankar (2011), states customers use social media sites such as twitter, facebook, and LinkedIn to make shopping decisions hence, companies use social media to increase awareness of their brand. Curran (2011), adds that social media sites, such as Facebook, is more effective than other advertising avenues because it stores information on all its users hence enabling a company reach its target market. Yoo, (2000), based on previous research use of brand communication improves brand equity hence increase the chance of that brand being in the minds of consumer (Yoo, 2000). Bruhn (2012), states that use of social media brand communication positively influence customer’s perception of brands hence creating brand loyalty

2.2.4 Perceived Quality

Perceived quality is the process where consumers judge the overall performance of a products Perceived quality can be measured with scales such as high quality versus shoddy quality, best in category versus worst in category, consistent quality versus inconsistent quality, finest quality versus average quality versus inferior quality (Aaker, 1996). Sánchez-Franco (2005), in his research on web acceptance and usage model it was revealed that there is a positive relationship between perceived advertising spend and perceived quality. Chevalier and Mayzlin (2006), in their research on the effect of word of mouth on sales: online book reviews it was established that online reviews significantly affect consumers’ perception of product quality. Riegner (2007) states that customers are able to get and share information about products and services online hence influencing customers’ perception on brand quality. Zeithaml (1988, p3) stated, it is “the consumer’s (subjective) judgment about a product’s overall excellence or superiority”. The perceived value differs from consumer to consumer because it is connected with the unique needs of each customer that the product fulfils. In addition, the degree that these needs satisfy varies between consumers. Regarding this level of satisfaction brand equity may increase if the perceived quality is high or may decrease if the perceived quality is low.
2.3 Impact of social Media Marketing on Consumer Brand Loyalty

2.3.1 Brand Loyalty

Brand loyalty refers to a consumer’s preference of a particular brand over other products in the same category. This takes place when consumers perceive that the particular brand offers the right product attributes at the right price. This perception always means a repeat purchase thus resulting into loyalty. Brand Loyalty is therefore the association between the customer’s preference and attachment to a brand. This is contributed by the long history of using a product and thus trust is developed. A customer’s relationship with the firm in the long run has been established to have a positive influence the firm’s profitability (Reichheld & Sasser, 1990). Because of this observation it is general business wisdom that an organization ought to focus its marketing efforts on the maintenance, development, or enhancement of customer loyalty (Dick & Basu, 1994).

Previous studies on loyalty established that, it can cost a firm 6 times more to attain a new customer compared to retaining a current one (Rosenberg & Czepiel 1984), so for a firm increasing retention can result into reduction of acquisition costs. Pleshko and Baqer, (2008) also established that increasing retention via loyalty may result into increase in market share although on the contrary, Reinartz and Kumar (2002) found results which proved that the link between loyalty and profits was a much weaker one. In their study they claim that take a broad view that long-term clients are more profitable was an over statement.

Previous studies have shown that consumer involvement with the brand may have an impact on its brand loyalty and as such explain a significant ratio of consumer purchase choices. Several studies have also examined the relationship between product involvement and loyalty and they conclude that consumers who are too involved with a brand are also possess commitment to it and therefore become more loyal to the brand. High involvement has also been suggested to lead to loyalty (Quester & Lim, 2003).

2.3.2 Customer’s Experience

Social media marketing refers to the process of gaining traffic or attention through social media sites (Gordon, 2010). Use of social media marketing affects consumers purchase
decision this is because consumers seek opinions and recommendation from their friends and relatives (Hubspot, 2012). In addition, based on research done by Celine (2012), on social media marketing benefits for businesses it was revealed that 78% of global consumers trust and believe recommendations from other consumers regarding products and services more than any other medium. This is because consumers are seen as more objective than the companies’ own marketing message. Companies also use social media marketing to match customers experience and expectations. Customers are able to from their own personal opinion based on the product or services they have used hence sharing their experience with other customers and influencing other customers purchase decision (Celine, 2012)

Neelotpaul (2010), the use of consistent brand image will enable a company create a positive online experience to their customers. Online brand experience is a mix of website content, appearance, personal support, navigation, speed of download, physical distribution and returns (De Chernatony, 2011). Based on a report done by Deloitte (2010), it was found that the use of social media has helped organizations build their brand through customer loyalty and grow accommodation in the industry. This is because consumers find it difficult to evaluate product and service attributes before purchase hence relaying more on views from their friends, relatives and other customers before making a purchase Zeithaml 2009; Ban. 2015). It is also because consumers have become immune to conventional communication channels and lost their trust in them (Lim 2010; Leung, 2013). The use of Social media marketing has enable companies to create connection between the customers and the companies; hence creating brand loyalty, brand awareness and purchase intention (Yan 2006; Christodoulides, 2006 ; Zivkovic, 2014 ).

According to Keller (2013), the challenge many marketers encounter when it comes to building a strong brand, is to ensure that the right experiences, perceptions, images, feelings, thoughts, beliefs and opinion is linked to the brand, and therefore the customers have the right type of experience with the companies’ products or services. In addition, companies that focus more on creating customer experience on their website are able to create brand awareness, secure brand loyalty and increase revenue (Lim, 2011).
2.3.3 Interactive

According to a research done by Sahika, and Tatari (2016), on the effect of social media marketing on brand trust and brand loyalty for hotels it was revealed clear website, online interactivity, and web site security has a positive relationship with social media marketing. Moreover, that speed and robustness of the website is also essential. In addition, easy and fast downloading will enable companies keep customers on the website. Finally, colors and graphic designs should also be attractive. Today’s consumers are actively engaged in social media which has fundamentally changed marketing and customer service. Social media marketing is defined as the process of gaining website traffic or attention through social media sites (Trattner and Kappe, 2013).

Consumers have the ability to go to the internet and seek details about a product, interact with other customers that have used the product before and access product reviews which adds a different dimension of products and marketing in general. On social media customers control the conversation and they are willing to change a product based on the experience and will let their families and friends know about it (Okinda, 2014). Information availed on social media needs to be curated otherwise consumers may get unchecked information about a brand or a service; making it necessary for marketers on social media marketing.

Social media imposes an exchange of ideas and hence establishes a two dimension approach engaging both audience and customers or potential customers (Drury, 2008). Social media marketing also creates real interaction by creating content for both parties; brands and individuals which is one of the key aspects of an effective marketing strategy (Weber, 2009). Social media marketing is much more about providing value added content to customers rather than product placement or product selling. This helps in making the customers feel like they are an important part in the brand individuals’ relationships and not just a source of profits (Drury, 2008). A Facebook page or Twitter account can notify all its followers of specific subject quickly and simultaneously (Berselli, 2012). Social networking sites enable greater interaction with the online community through broadcasting up-to-date, consumer relevant information. (Fischer, & Reuber, 2011)
Social media networking allows customers and potential customers to take the initiative and market between themselves. This in effect creates a dynamic environment that incubates and nurtures relationships among people and the content they create and share (Khan, A., & Khan, R. 2012). Customers communicate with one another about the qualities of particular products, sharing both good and bad experiences and posting their own adverts for the products they liked and also those they did not. Social media has allowed customers to talk about what they want, need, like, and do not like in real time, creating an opportunity for business to tap into this data and to connect on a personal level (Strategic Direction, 2012).

2.3.4 Brand Equity

According to Kotler & Keller (2009), the value given by customer on a products and services that can be reflected in how consumers think feel and act in conjunction with the brand, and also in conjunction to price, market share, and profitability is known as brand equity. Aaker (2009), brand equity is a set of assets and liability that are related to a brand in addition brand equity can be classified as brand loyalty, brand awareness, brand association, and perceived quality. Social media marketing is a process of adopting new ways of communicating with customers online (Weber 2009). Social media marketing is as a process that empowers companies to promote their websites, products or services through online and to communicate with their target customers (Weinberg, 2009)

According to Jaana (2012), companies should develop marketing strategies that will enable customers engage with their brand online. Drury (2008), states that marketing in social media is not just about telling and giving a message, it is more about receiving and exchanging perceptions and ideas. Companies that use brand communication are able to affect brand equity positively as long as the message creates a satisfactory customer reaction to the product in question compared to a similar non branded product (Yoo, Donthu, & Lee, 2000). Moreover, communication stimuli cause a positive effect in the consumer as a recipient; therefore, the perception of communication positively affects customers awareness of brands (Bruhn, Schoenmueller, & Schäfer et al, 2012).
2.4 How Social Media Can Be Used to Increase Consumer Loyalty

2.4.1 Accessibility

According to Greenberg (2010), use of social media can help a company increase customer loyalty when companies make information to be available to consumers on demand, have online tools on their websites that customers can use to share information and socialize. In addition, Social consumers require transparency and authenticity from their peers and the companies they choose to deal with (Greenberg, 2010, p. 411). Studies done by Erdoğan and Çiçek (2012); Kim and Ko (2012), on effects of the perceived social media marketing activities by consumers on brands revealed that there is a positive relationship between brand loyalty and marketing campaigns offered by a brand, the relevancy of the content on a brand’s social media platforms, the popularity of the content among friends and other users, and the variety of platforms and applications provided by a brand in social media environments.

Kim and Ko (2012) revealed that use of social media marketing by luxury brands that entertains customers, enables interaction among users and promotes word-of-mouth enhances customer equity and purchase intention. According to studies done by Kimani (2012) and Campbell (2010) on social site and the online community members, it was revealed that internet users prefer social sites that facilitate their interaction with other users. This enable them to create their own social network around certain topics and common interests. They also prefer sites that enable them to share interesting features of the site with online friends. Kimani (2012) and Campbell (2010) in their studies mentioned that social media site users prefer social media sites with regular, frequent updates and postings. Updates ensure a free flow of information hence attracting more visitors, they cited in their work.

Lorenzo-Romero and Constantinides (2011), in their study on consumer adoption of social networking sites implications for theory and practice it was concluded that for a company to attract customers to participate in social media the company has to develop user friendly websites that will create a positive attitude towards their customers hence reducing perceived risk and building trust. A study done by Okinda, (2014), on influence of social media based factors on Kenya commercial bank (KCB) group limited’s strategic direct marketing among
social media users in Nairobi regular updates is seen as an important factor that influence customers to use social media sites. It was recommended that banks should create chat rooms that customers can use to communicate with their friends and that company

Woessner (2011), in online communities, firms should write more effective posts. Effective posts should reflect honesty, humbleness and conciseness. Woessner (2011), also asserts that effective posts should be informative to satisfy the customers need for information as well as experts opinions. Effective contents usually elicit conversion from the audience so that at the end of the process, follower will be moved to take an action such as placing an order, participating in an online survey or subscribing to a newsletter. It is critical to maintain the content relevancy and in line with customers’ interests and not to overwhelm the customers with too many posts or messages, in order to keep them engaged (Rooney, 2011). Woessner (2011) asserts that firms should stay consistent with two tweets per day. He suggests the ratio of 6:1 which implies that they post six professional related contents (that is: featured in charity events and media) for every one service or product related content (Woessner, 2011).

2.4.2 Trust

Social media is perceived by consumers as more trustworthy compared to traditional elements of the promotion mix (Foux, 2006). Consumers interact on real time basis with the seller and also with each other to ask questions, tell and exchange their opinions. This two-way communication is an important driver of brand engagement and thereafter on trust (Hollebeek, 2011). According to Reichheld and Schefter, (2000); Braum, (2000), companies should look for ways to build customers trust this is because through trust a company will be able to develop and maintain loyal customers, and reduce risks and uncertainty that customers might have.

Reichheld and Schefter (2000), states use of online marketing prevents customers from touching, feeling, smelling the products or seeing salesperson’s eyes when they purchase the product. Customers only relay on images and product description on the website. Gommans (2001), brand trust and loyalty are important because they can help overcome concerns customers might have. A loyal relationship between banks and their customers is often characterized by trust, commitment and satisfaction and can be influenced both online and
offline. Loyalty entails behavioral, cognitive and affective aspects and is sometimes characterized by attitude (Vogt, 2011).

Foux (2006), further argue that consumers perceive social media as a more trustworthy source of information compared to using more traditional marketing elements. Regarding information, Mangold and Faulds (2009), also mention that it is important for a company to provide exclusivity and make their customers feel special. By offering new and exclusive information, special deals and the possibility to subscribe to weekly e-newsletters, the feeling of exclusivity can be given to a subset of customers (Mangold & Faulds, 2009). In their research, Baird and Parasnis (2011), based on their research on from social media to social customer relationship management”, strategy & Leadership they found that before consumers use social media to interact with brands, they need to feel that they trust the company and that they are communicating honestly. Transparency is consequently of high importance and a company that is not being transparent risk being perceived as manipulative and insincere

Woessner (2011), timing is an important factor in building trust and long term relationships through social media sites. Firms need to reply to posts, messages, and or comments within 24 hours. One study shows that 25% of consumers on twitter expect a response from business owners online, but in reality only 9% receive a response. On Facebook, 35 percent of consumers expect a response after liking a business but in reality 58% never hear a response from the company. Timely responsiveness proves to our customer that you care about what they say. Companies should make between five to ten comments each week to any updates posted by the followers. This helps companies to increase their products and brand awareness more so in the smaller market or community and to enhance their expertise among their competitors in the industry, expand their influence and to expand their relationships with current customers (Woessner, 2011).

Building trust and long term relationship. Marketing approach has changed and it is no longer about persuading customers to buy products by bombarding target customers with numerous advertisements (Rust, Moorman & Bhalla et al, 2010). Marketing in modern day is about building relationships and trust through effective two way communication. To ensure this happens companies should talk about products and services that are of interest to customers and create products and services that help solve customers’ problems. Posting
engaging content on social media is a good way to stay connected to the audience. One way to boost customer loyalty is by asking customers for feedback about products, services and customer support. This can be done by directly asking customers as well as eliciting feedback indirectly. For example a company can post that “We believe our products are the best. Don’t you?” or retweet if you agree that our products are awesome”. Some customers will retweet but other who might have had a negative encounter may post their experiences too, which is also great because companies can learn more about what they need to change to grow their businesses and also let the customers know that they have a voice about the business (ReachLocal, 2016).

To boost customer loyalty social media marketers need to understand that its quality that matters and not quantity. Content is truly king and the beauty of social media is that not all content has to be original. Sharing relevant content from non competitive sources boosts a company’s image just as when the company creates its own. This technique can help to gain credibility, but because content is king a company cannot rely solely on curated media. Creating a social media plan with original content may take time and effort, but is worth the results (Pineda, 2016).

2.4.3 Reward

Kimani (2012), in his article on when social media does the marketing he stated that offering customer free offers/ discounts is an attractive feature to potential and existing online visitors. The giving of freebies was observed to attract visitors to social sites especially those of commercial firms. A study done by Okinda (2014), on influence of social media based factors on Kenya commercial bank (KCB) group limited’s strategic direct marketing among social media users in Nairobi it was revealed that use of freebies/discount was that most important factor that influences customers to use social media, regular updates was also seen as an important factor that influence consumers to use social media. Deighton (2000), states that the use of information technology has enabled companies to market their products available to customers and increase in use of loyalty. Companies use online reward programs such as rewards card, point’s card, advantage card, or club card to attract and retain customers. In addition, use of online reward programs by companies encourages loyal buying
behavior hence increase in profit (Singh & Khan, 2012). Reward programs also encourage repeat purchase and increase in customer retention rates (Lewis, 2004)

Clark (2010), companies use online reward programs to retain their best customers. Customers are given redeemable points that they can convert into free services or exchange of other products and services. In addition, loyalty programs are not only used by companies to increase customer loyalty but companies are also able to gather information about their customers shopping habits and preferences hence being able to customize products to meet customers’ needs. Mangold and Foulds (2009); Leggat (2010) research done by eMarketer has revealed that consumers go to social media sites to keep up with a brand’s products and promotional campaigns. For example, Pepsi and Coca-Cola both use online customer loyalty programs to attract customers by offering special promotions, free Mp3 downloads, and CDS

Rust, Moorman and Bhalla et al (2010), states that offering reward programs is another tested way that helps in boosting customer loyalty. This involves defining the content, offers and rewards that the company will give. Companies should use what they have learned about their customers, what the customers’ values as well as how they can encourage positive behavior while addressing common questions or concerns. It’s important to create and maintain a consistence rewards program. The reward program should be perceived as fair trade by customers to create loyalty.

2.5 Chapter Summary

This chapter reviews literature on the main variables forming the research objectives. The chapter discusses the theories that explain the relationships between social media marketing and customer loyalty. The chapter discusses the first objective addressing social media as a tool for marketing. The effectiveness of social media in marketing is believed to be because it focuses on building relationships and having conversations unlike traditional media that focuses on delivering a message. Social media has made it possible for customers to talk about what they want, need, like in real time creating an opportunity for business to tap into this data and to connect on a personal level. Social media marketing makes it possible for brands to measure the effectiveness of their marketing efforts. Lastly the chapter ends by identifying the gaps this research seeks to fill. The chapter will determine the most effective
social media tool to use, the elements consumers look for in information updated on social
media and whether the frequency of brands updates has any effect on consumer loyalty.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the approach that will be used to conduct the research. The chapter discusses research design, defines the population and sampling methods that will be used and also discusses the data collection methods that will be adopted in the research. The chapter also discusses the data analysis methods that will be employed in the study.

3.2 Research Design

According to Mugenda, O. & Mugenda, A. (2003), descriptive research design is used when the problem has been well designed and where a researcher can engage in a study by going to the population of interest in order for the respondent to explain certain features about the problem under study. A research design is the structure, plan and approach of investigating, put into place so as to get answers to study questions. The study was conducted to determine the challenges facing internet banking in Kenya. The study used a descriptive research design. Cooper & Schindler (2006), asserts that a descriptive study is aimed at finding out where, what and how of an occurrence. Both quantitative and qualitative research will be used to be able to gain better knowledge and understanding of the results. Quantitative research relies on deductive reasoning or deduction (Sekaran & Bougie, 2010). This design is appropriate because it will enable a researcher determine the effects of social media marketing which is the independent variable on customer loyalty which is the dependent variable in Equity Banks.

3.3 Population and Sampling design

3.3.1 Population

The target population for a survey refers to the entire set of units for which the survey data are to be used to make inferences (Cooper and Schindler, 2001). The target population is therefore the units for which the findings of the survey are meant to generalize. The target population in this study was the customers of Equity Bank, Kenya in Nairobi County. The
researcher chose Nairobi County because of time and accessibility. The researcher selected customers that are on social media.

Table 3.1: Population

<table>
<thead>
<tr>
<th>Customers</th>
<th>Total Population</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>500</td>
<td>17</td>
</tr>
<tr>
<td>Retail</td>
<td>1000</td>
<td>33</td>
</tr>
<tr>
<td>Credit</td>
<td>1200</td>
<td>40</td>
</tr>
<tr>
<td>SMS</td>
<td>300</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,000</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Equity Data Base

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

A sampling frame refers to a list of elements from which a sample is drawn and it must be closely related to the population (Currivan, 2005). The sampling frame was obtained from customers in the busy outlets within Nairobi and its environ who use equity branches: This included branches in Upper hill, Westlands, Kilimani, Umoja, Kibera, Kasarani, Buruburu, City hall, Gikomba and Community. This was done with the aim of getting varied opinions from the various categories of customers: business people, employed and the corporate.

3.3.2.2 Sampling Technique

The research used stratified random sampling technique. Stratified random sampling was used because the target population was heterogeneous hence everybody was given an equal chance of participating in the study. According to Sekaran and Bougiea (2010), stratified random sampling is the process of stratification where different strata are made on the bases of different factors such as life stages, income levels, management level etc therefore a random sample was drawn from each stratum.
3.3.2.3 Sample Size

A sample makes it possible for the researcher to make generalizations about the population. A sample refers to a subset of a population, but the subset is only useful when it accurately presents the larger population (Cox, 2008). The sample size in a research is the number of observations or replicates to include in a statistical sample. The sample size is important in achieving the objective of making an inference about a population from a given sample. Holloway & Wheeler (2002). According to Mugenda and Mugenda (2003), a sample size of between 10% and 30% is statistically considered appropriate to determine a sample size of a given population. For this study out of the 3000 respondents the researcher deemed 10% of the population to be an adequate sample size (3000*10%=300). Applying the formula resulted into an established sample of 138 respondents. This made it easier to get adequate and accurate information necessary for the research. Sample size distribution is shown in the table below.

\[
\text{Sample size} = \left(\frac{Z_{a/2}}{Z_{a/2}}\right)^2 \times P(1-P) \times E^2
\]

Where: \((Z_{a/2}) = Z \text{ value (2.58=99%; 1.96= 95%; 1.645=90% confidence level)}\)

In this case 1.96 used.

\(P = \text{percentage proportion of choice (10% used for sample size needed)}\)

\(E = \text{margin of error (5%)}\)

Going as per the stated assumptions the sample size will therefore be:

\[
\text{Sample size} = \frac{(1.96)^2 \times 0.1 \times (1 - 0.1)}{0.05^2}
\]

\[
= \frac{3.8416 \times 0.09}{0.0025}
\]

Sample size = 138.2976 = 138 Respondents
Table 3.2 Sample Size

<table>
<thead>
<tr>
<th>Customers</th>
<th>Sample Size</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>23</td>
<td>17</td>
</tr>
<tr>
<td>Retail</td>
<td>46</td>
<td>33</td>
</tr>
<tr>
<td>Credit</td>
<td>55</td>
<td>40</td>
</tr>
<tr>
<td>SMS</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>138</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

The study relied on both secondary and primary data. Secondary data was collected from previous researches conducted by other authors on the same subject matter. The secondary data was sourced from electronically stored information, journal and books found in the library. Internet sources include electronic books, reports, journals, and case studies done on social media marketing and customer loyalty. The secondary data guided the researcher by providing the back ground of the research and the literature review. The primary data was collected by administering questionnaires to the study population. The questions were structured in order to avoid biasness. The questions were structured in a manner that the expected feedback was per the researcher’s requirements and also the perception of the respondents.

3.5 Research Procedures

The researcher developed a questionnaire based on the research objectives; questionnaire was pilot tested by being administered randomly to a selected sample of ten respondents from the target population to refine it and test the reliability of the instrument and ensure the questions therein would be able to meet the objectives of the study. Research assistant was hired to assist in data collection. The researcher personally trained the assistants and did a mock data collection amongst them to be sure they fully understand what to do when they go out in the field.
Questionnaires was administered on a drop and pick method to the selected respondents. At the point of dropping the questionnaires, the researcher ensured that the respondents understood the questionnaire and what was expected of them. The questionnaire was filled and the data collected was coded, collated and edited for ease of analysis. The respondents were given a week to fill in the questionnaire. Follow up phone calls will be made to the respondents in order to ensure that a high response rate is achieved for the study.

3.6 Data Analysis Methods

Data analysis entails editing, coding and tabulation of data collected into summaries that are manageable and easy to interpret (Cox et al., 2008). Quantitative method of data analysis was used in this study. The questionnaire was coded in accordance with the research questions to ensure precision during the study process. The researcher used Statistical Package for Social Science (SPSS) Student version to analyze the data. SPSS was preferred because its comprehensive and it analyzes data thoroughly and conveniently. The data was summarized and categorized in a frequency distribution channel out of which graphical and chart presentations will be generated.

3.7 Chapter Summary

This chapter introduced the research methodology that was used in this research. For this study the descriptive research design was used. Due to the huge target population, it’s not possible to cover the whole of it hence there was need to select a sample that would be representative of the target population. Data collection was done through use of questionnaires using the drop and pick method. The next chapter will discuss and demonstrate the results and findings of the study.
CHAPTER FOUR

4.0 DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter provided an analysis and findings obtained from the study. It also discusses results on demography; age, gender, marital status, level of education, banking relationship, visit to social media platform, access to social media platform and how frequent respondents access social media platform. The chapter further outlines effect of social media marketing on consumer loyalty in the banking industry.

4.1.1 Response Rate

The researcher issued 138 questionnaires to various customers who bank at equity but only 94 were filled and returned. The percentage response rate was 68% as illustrated in table 4.1 below.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Questionnaires</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and collected</td>
<td>94</td>
<td>68</td>
</tr>
<tr>
<td>Non Responded</td>
<td>44</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2 Demographic Information

This section gives an analysis on the results on demographic factors of the respondents who participated in this research study.

4.2.1 Age

The researcher sought to investigate the age of the respondent’s. Findings revealed that majority of the respondents were below 25 years with 38 respondents representing 40% of the total population, 26-30 years had 34 respondents accounting for 36%, 40 and above 14 respondents representing 15% of the total population and 31-39 had 8 respondents representing 9% of the population. Results are illustrated in figure 4.1 below.
Figure 4.1: Age Range

4.2.2 Gender

The researcher sought to investigate gender of the respondent’s. Majority of the respondents were female 52 representing 55% of the population and male were 38 respondents representing 40% of the population while 5% failed to indicate their gender as illustrated in table 4.1 below.

Table 4.2: Gender

<table>
<thead>
<tr>
<th>Variable</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Male</td>
<td>38</td>
</tr>
<tr>
<td>Female</td>
<td>52</td>
</tr>
<tr>
<td>Failed to indicate Gender</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>94</td>
</tr>
</tbody>
</table>

4.2.3 Marital Status

The researcher sought to investigate marital status of the respondent’s. Majority of the respondents were single representing 58% of the total population, 34% were married and 6% were divorced and 2% failed to respond. Results are illustrated in figure 4.2 below.
4.2.4 Highest Education Level

The researcher sought to investigate highest education level of the respondent’s. Findings revealed that 55% of the respondents have a degree, 28% diploma, 7% have a certificate and 6% had PhD and 4% had master’s degree as shown in figure 4.3.

Figure 4.3: Highest Education Level

4.4.5 Bank Relationship

The researcher sought to investigate bank relationship. Findings revealed that majority of the respondents have been banking at equity for 1-4 years 46%, 39% for less than a year, 11% for 5-8 years and 4% above 9 years as illustrated in figure 4.4.
4.2.6 Frequent visit of Social Media

The researcher sought to investigate frequent visit of social media. Majority of the respondents visit Facebook 53%, 17% visit more than one site, 12% of the respondents visit twitter, 6.4% visit Instagram and 2% visit LinkedIn as illustrated in figure 4.5 below. This shows that respondents have embarrassed the use of technology hence creating convenience and saving them more time.

Figure 4.5: Frequent Visit of Social Media
4.2.7 Reasons for Accessing Social Media Platform

The researcher sought to investigate reasons for accessing social media platform. Findings revealed that majority of the respondents visit social media platform to get information 40%, learn about new product 30%, network with friends 13%, invited with friends 9% and all of the above 6% as illustrated in table 4.3 below.

**Table 4.3: Reasons for Accessing Social Media Platform**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Interact with friends</td>
<td>8</td>
</tr>
<tr>
<td>Source of information</td>
<td>38</td>
</tr>
<tr>
<td>Networking with online friends</td>
<td>12</td>
</tr>
<tr>
<td>Learn about new products and offers</td>
<td>28</td>
</tr>
<tr>
<td>All of the above</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>94</strong></td>
</tr>
</tbody>
</table>

4.2.7 Frequent Access to Internet

The researcher sought to investigate frequent access to internet findings revealed that 30% of the respondent’s access internet at an hourly basis, 26% occasionally, 22% in the evening/after work and 11% during work break times and once a week as illustrated in table 4.4 below. The use of internet has grown over the years hence enabling companies to come up with new strategies that they can use to interact with their customers.

**Table 4.4: Frequent Access to Internet**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Hourly</td>
<td>28</td>
</tr>
<tr>
<td>In the evening/after work</td>
<td>22</td>
</tr>
<tr>
<td>Work break times</td>
<td>10</td>
</tr>
<tr>
<td>Once a week</td>
<td>10</td>
</tr>
<tr>
<td>Occasionally</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>94</strong></td>
</tr>
</tbody>
</table>
4.3 Effects of Social Media Tool Used on Consumers Brand Loyalty

The study sought to analyze the effects of social media tool used on consumers brand loyalty. Respondents were asked a number of questions several questions and were supposed to rate them with the highest being Strongly Agree (1) and the least being Strongly disagree (5).

4.3.1 Descriptive of Social Media Tool

On analysis of the means majority of the respondents agreed that they use social media site to get answers (2.64), use of brand positioning in social media has helped me remember the brand (2.46), Social media site has enabled me create a strong bond with equity bank (2.45), use social media helps me exchange information with other online users (2.40), use social media helps me exchange information with other online users (2.40), use social media sites to regularly engage with my online friends and meet new people (2.39), social media site has influenced my brand awareness (2.34), social media sites to communicate with their customers (2.26), and online reviews has affect my perception on product quality (2.23), However respondents were not able to reach an agreement on, able to join brand communities on equity’s social media site (3.0) and the information I get online regarding products and services offered by equity has influenced by perception (3.0).

To measure the rate of dispersion from the mean the variable with the highest standard deviation was; the information I get online regarding products and services offered by equity has influenced by perception (1.543) whereas the variable with the least standard deviation was use of social media site has positively influence my perception towards equity’s brand (1.229), this shows respondents have different views.
Table 4.5: Descriptive Statistics of Social Media Tool

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>MEAN</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media site has influenced my brand awareness</td>
<td>2.34</td>
<td>1.449</td>
</tr>
<tr>
<td>Social media sites to communicate with their customers</td>
<td>2.26</td>
<td>1.421</td>
</tr>
<tr>
<td>Able to join brand communities on equity’s social media site</td>
<td>3.00</td>
<td>1.430</td>
</tr>
<tr>
<td>Social media site has enabled me create a strong bond with equity bank</td>
<td>2.45</td>
<td>1.515</td>
</tr>
<tr>
<td>Use social media site to get answers</td>
<td>2.64</td>
<td>1.540</td>
</tr>
<tr>
<td>Use social media helps me exchange information with other online users</td>
<td>2.40</td>
<td>1.424</td>
</tr>
<tr>
<td>Use social media helps me share information with my friends and other</td>
<td>2.19</td>
<td>1.527</td>
</tr>
<tr>
<td>online users</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social media site has enabled me aware of the brand</td>
<td>2.09</td>
<td>1.158</td>
</tr>
<tr>
<td>Use social media sites to regularly engage with my online friends and</td>
<td>2.39</td>
<td>1.453</td>
</tr>
<tr>
<td>meet new people</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of brand positioning in social media has helped me remember the</td>
<td>2.46</td>
<td>1.456</td>
</tr>
<tr>
<td>brand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>use of social media site has positively influence my perception</td>
<td>2.15</td>
<td>1.229</td>
</tr>
<tr>
<td>towards equity’s brand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>online reviews has affect my perception on product quality</td>
<td>2.23</td>
<td>1.417</td>
</tr>
<tr>
<td>The information I get online regarding products and services offered</td>
<td>3.00</td>
<td>1.543</td>
</tr>
<tr>
<td>by equity has influenced by perception</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 4.4 Impact of Social Media Marketing on Consumer Brand Loyalty in Equity Bank

The study sought to determine the impact of social media marketing on consumer brand loyalty in equity bank. Respondents were asked a number of questions several questions and were supposed to rate them with the highest being Strongly Agree (1) and the least being Strongly disagree (5).
4.4.1 Descriptive of Social Media Marketing

On analysis of the means majority of the respondents strongly agreed that use Equity social media site because it enables me to exchange information with other online users along common areas of interest e.g. through online chats, (1.94) and equity promotes its products and services online (1.66). In addition, respondents agreed that I don’t like using Equity social networking site because it is not easy to interact with, the message is not clear and understandable (2.81), they get recommendations/views from my friend first before buying or using any product or services (2.40). However, respondents did not reach an agreement on I do not use equity social networking sit because the content is not relevant (3.30) and Equity social media site is not easy to navigate and download content, and can’t get quick feedback (3.00).

To measure the rate of dispersion from the mean the variable with the highest standard deviation was; equity social media site is not easy to navigate and download content, and can’t get quick feedback (1.629) and I use Equity social media site because it enables me to exchange information with other online users along common areas of interest e.g. through online chats (1.131) had the lowest standard deviation. This means that respondents have different views.
Table 4.6: Descriptive of Social Media Marketing

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I visit Equity bank social networking site because it matches my experience and expectations</td>
<td>2.09</td>
<td>1.316</td>
</tr>
<tr>
<td>I do not use equity social networking site because the content is not relevant,</td>
<td>3.30</td>
<td>1.600</td>
</tr>
<tr>
<td>I get recommendations/views from my friend first before buying or using any product or services</td>
<td>2.40</td>
<td>1.484</td>
</tr>
<tr>
<td>Equity social media site is not easy to navigate and download content, and can’t get quick feedback</td>
<td>3.00</td>
<td>1.629</td>
</tr>
<tr>
<td>I don’t like using Equity social networking site because it is not easy to interact with, the message is clear and understandable</td>
<td>2.81</td>
<td>1.583</td>
</tr>
<tr>
<td>I do not use equity social media site because I am worried somebody might steal my personal security</td>
<td>3.11</td>
<td>1.605</td>
</tr>
<tr>
<td>I use Equity social media site because it provides value added content</td>
<td>2.17</td>
<td>1.388</td>
</tr>
<tr>
<td>I use Equity social media site because it enables me to exchange information with other online users along common areas of interest e.g. through online chats</td>
<td>1.94</td>
<td>1.131</td>
</tr>
<tr>
<td>Equity promotes its products and services online</td>
<td>1.66</td>
<td>1.273</td>
</tr>
</tbody>
</table>

4.5 How Social Media Can Be Used To Increase Brand Loyalty in Equity Bank

The study sought to determine how social media can be used to increase brand loyalty in equity bank. Respondents were asked a few questions that they were rating with the highest being strongly agree (1) and the lowest being strongly disagree (5).

4.5.1 How Social Media Can Be Used

On analysis of the means majority of the respondents strongly agreed that Equity offers timely feedback on their social media site (1.98), Equity offers transparency on their social media site (1.93), it is easy to access equity social media (1.80), I use Equity banks social
media site because they post effective informative (1.89) whereas respondents agreed that Equity has an online reward program (2.46), I refer my online friends to equity social media site because they offer their online freebies/discounts (2.24), use of equity’s social media has enabled me create a social network (2.02), information I get from equity’s social media site is trustworthy social (2.13)

To measure the rate of dispersion from the mean the variable with the highest standard deviation was; I use equity bank social media site because they offer free gifts whenever I do an online transaction (1.570) and variable with the lowest variation was I trust equity brand (1.020). This means that respondents have different views

Table 4.7: How Social Media Can Be Used

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is easy to access equity social media</td>
<td>1.80</td>
<td>1.147</td>
</tr>
<tr>
<td>Use of equity’s social media has enabled me create a social network</td>
<td>2.02</td>
<td>1.291</td>
</tr>
<tr>
<td>I use Equity banks social media site because they post effective</td>
<td>1.89</td>
<td>1.100</td>
</tr>
<tr>
<td>informative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I like using equity bank social media sites because they regularly</td>
<td>1.87</td>
<td>1.240</td>
</tr>
<tr>
<td>updates their important</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I trust equity brand</td>
<td>1.78</td>
<td>1.020</td>
</tr>
<tr>
<td>Information I get from equity’s social media site is trustworthy social</td>
<td>2.13</td>
<td>1.185</td>
</tr>
<tr>
<td>Equity offers transparency on their social media site</td>
<td>1.93</td>
<td>1.063</td>
</tr>
<tr>
<td>Equity offers timely feedback on their social media site</td>
<td>1.98</td>
<td>1.085</td>
</tr>
<tr>
<td>I refer my online friends to equity social media site because they</td>
<td>2.24</td>
<td>1.401</td>
</tr>
<tr>
<td>offer their online freebies/discounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity has an online reward program</td>
<td>2.46</td>
<td>1.410</td>
</tr>
<tr>
<td>Equity bank social media site offers discounts on their services</td>
<td>2.63</td>
<td>1.435</td>
</tr>
<tr>
<td>I use equity bank social media site because they offer free gifts</td>
<td>3.74</td>
<td>1.570</td>
</tr>
<tr>
<td>whenever I do an online transaction</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.6 Inferential

4.6.1 Correlation Analysis between Brand Loyalty and Brand Awareness
The study undertook a correlation analysis to determine the relationship between brand Loyalty, brand awareness. The findings revealed that there was a strong positive correlation between brand loyalty and brand awareness (r=0.589, p<0.01), also a strong positive correlation between brand loyalty and engage with friends (r= 0.488, r<0.01), a strong positive correlation between brand loyalty and remember brand (0.703, r<0.01) and a strong positive correlation between brand loyalty and influence perception (0.625, r<0.01).

Table 4.8: Correlation Analysis between Brand Loyalty and Other Variables

<table>
<thead>
<tr>
<th></th>
<th>Brand Loyalty</th>
<th>Brand awareness</th>
<th>Engage with friends</th>
<th>Remember brand</th>
<th>Influence perception</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand Loyalty</strong></td>
<td>1</td>
<td>.589**</td>
<td>.488**</td>
<td>.703**</td>
<td>.625</td>
</tr>
<tr>
<td><strong>Brand awareness</strong></td>
<td></td>
<td>.000</td>
<td>.001</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td><strong>Engage with friends</strong></td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td><strong>Remember brand</strong></td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.007</td>
<td>.003</td>
</tr>
<tr>
<td><strong>Influence perception</strong></td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.007</td>
<td>.000</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

4.6.2 Correlation Analysis between Brand Loyalty and Perceived Quality
The study undertook a correlation analysis to determine the relationship between brand Loyalty, perception on product quality and online information. The findings revealed that there was a strong positive correlation between brand loyalty and perception on product (r=0.
(0.555, p<0.01), also a strong positive correlation between brand loyalty and customer perception (r= 0.631, r<0.01).

**Table 4.9: Correlation Analysis between Brand Loyalty and Perceived Quality**

<table>
<thead>
<tr>
<th></th>
<th>Brand Loyalty</th>
<th>Perception on product quality</th>
<th>Online information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand Loyalty</strong></td>
<td>1</td>
<td>1</td>
<td>.555**</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td><strong>Perception on product quality</strong></td>
<td>.555**</td>
<td>.555**</td>
<td>1</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td><strong>Online information</strong></td>
<td>.631**</td>
<td>.631**</td>
<td>.691**</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

**4.7 Chapter Summary**

This chapter has presented results and findings of the study. The first section analyzed effects of social media tool used on consumer’s brand loyalty. The second section analyzed impact of social media marketing on consumer brand loyalty in equity bank. The third section reveal findings on how social media can be used to increase brand loyalty in equity bank. The forth section presented the findings on how social media can be used to increase brand loyalty in equity bank. The next chapter discusses the findings, conclusions, and recommendations.
CHAPTER FIVE

5.0 DISCUSSION CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This section will bring forth the discussion with regard to the findings established from effects of social media tools on consumers brand loyalty in Equity banks, impact of social Media Marketing on consumer brand loyalty in Equity bank and use of social media can be used to increase brand loyalty in Equity bank

5.2 Summary of Findings
The purpose of this study was to evaluate the effectiveness of social media marketing on customer loyalty at Equity Bank in Kenya. This study was guided by the following objectives; to determine the effects of social media tool used on consumer’s brand loyalty, to determine the elements consumers look for in social media marketing message and to determine how social media can be used as a means to increase consumer loyalty to brand. The study employed a descriptive survey design. Purposive and simple random sampling was adapted to select Equity bank branches to participate. The selected branches will be Upper hill, Westlands, Kilimani, Umoja, Kibera, Kasarani, Buruburu, City hall, Gikomba and Community. The study will adapt both quantitative and qualitative research methods in order to meet the objectives of the study. A purposive sampling technique was used to select the 100 respondents that will be interviewed. The data collected was both quantitative and qualitative in nature. The data was analysed using descriptive statistics by employing Statistical Package for Social Scientists and presented using frequencies tables, bar graphs and tables.

On analysis of the first objective it was established that majority use social media site to get answers, and use of brand positioning in social media has helped many remember the brand. It was also established that social media site has enabled many users create a strong bond with equity bank as well as exchange information with other online users. Use social media sites to regularly has enabled many respondent to engage with online friends and meet new people. Social media site has also influenced brand awareness, communication with customers. Online reviews has also affected perception on product quality.
On analysis of the second objective majority of the respondents strongly agreed that they use Equity social media site because it enables them to exchange information with other online users along common areas of interest e.g. through online chats, it was also established that and equity bank promotes its products and services online. In addition, respondents agreed that they did not like using Equity social networking site because it was not easy to interact with, the message is not clear and understandable, and they get recommendations/views from friends first before buying or using any product or services.

On analysis of the third objective it was established that majority of the respondents strongly agreed that Equity offers timely feedback on their social media site, Equity also offers transparency on their social media site and it was easy to access equity social media. Many also claimed to use Equity banks social media site because they post effective informative. It was also noted that the bank has an online reward program, and many preferred online friends to equity social media site because they offer their online freebies/discounts. Many use of equity’s social media has enabled many create a social network, although information gotten from equity’s social media site is trustworthy.

5.3 Discussion

5.3.1 Effects Of Social Media Tools On Consumers Brand Loyalty In Equity

On analysis of the means majority of the respondents agreed that they use social media site to get answers. Social media has been used to enhance communication between customers communicate with one another via social media. The main purpose for most social media sites is to facilitate conversation among individuals and interest groups (Kietzmann, 2011). Customers use to tweets, blogs, status updates to sharing information and meet new like-minded people, build self-esteem or to establish one’s self as an opinion leader; others see starting or engaging in conversation in social media as a way of making a message heard and making an impact on subjects ranging from humanitarian causes to discussions on politics (Smith, 2007; Kietzmann, 2011). In addition, organizations use social media to make customers aware about their brand (Kietzmann, 2011).

The study established that use of brand positioning in social media has helped many remember the brand and create a strong bond with equity bank. Sharing is the extent to which individual’s exchange, distributes and receives via social media (Babac, 2011).
Consumers follow brands or join brand communities on social media in order to fulfill their need of being identified with groups and symbols they find desirable or which they wish to associate with (Laroche, 2013). Consumers like to feel connected to other consumers that share same interests and desires that lead them to join communities that are centered around shared interests and values (Mangold & Faulds, 2009). Consumers use social media to interact with brands and they need to feel that the company is trustworthy and that the company is giving honest information (Baird & Parasnis, 2011). Online consumers consider transparency important and they deem companies that are not transparent as manipulative and insincere. According to Mangold and Faulds (2009) state that customers are more likely to talk about a company and its products when they feel they are well informed about them. Giving honest and sufficient information about products is therefore important.

Use social media helps respondents exchange information with other online users and regularly engage with online friends and meet new people. According to Zarella (2010); Kaplan and Haenlein, (2009); Weinberg (2009), organizations use social media sites such as networking sites, content communities, virtual worlds, blogs, microblogging sites, online gaming sites, social bookmarking, news sites, forums to create awareness, provide instant customer services, and create brand loyalty. In addition, Gunelius (2011), states that companies use social media sites to increase brand awareness, boost recognition, and recall and increase brand loyalty.

It was also established that social media site has influenced brand awareness and communicate with their customers. Organizations need to recognize that a high level of social media presence is likely to create stronger bonds with their target customers hence increase in brand loyalty (Kietzmann, 2011). Social Media users have the opportunity to interact with customers they know or with people they do not know. Through interaction, customers are able to build relationships and social network. (Sledgianowski & Kulviwat, 2009; Lin & Lu, 2000), in addition, building relationships with customer’s increases customer satisfaction and loyalty. Loyalty is defined as “a favorable attitude for a brand manifested in repeat buying behavior” (Senders, 2012). Keller (2001), notes that building relationships are about the impact that groups and relationships functionalities of social media may have on the brand loyalty.
Online reviews were also found to affect perception on product quality. In social media, reputation is not something granted to people through their disclosed identities but it is something that can be earned through shared content, expressed thoughts, likes and dislikes. The same is true for organizations seeking to build or strengthen their reputation through implementing social media strategies (Kietzmann, 2011). Groups are the extent to which each individual can form communities and sub-communities in a social media setting. The more social network is, the higher the number of groups, communities, followers and contacts (Kietzmann, 2011). Two major types of groups that can be found in the social media setting are; groups that are made up of an individual’s contacts, buddies, friends, family, followers, or fans and groups that correspond to organizations, clubs and/or interest groups in the real world (Kietzmann, 2011). Consumers join brand communities and follow brands on social media to fulfill their need of being identified with groups or symbols that they wish to associate with, or that they find desirable (Laroche 2013; Grayson & Martinec, 2004; Schembri, Merrilees & Kristiansen, 2010)

5.3.2 Impact Of Social Media Marketing On Consumer Brand Loyalty
On analysis of the means majority of the respondents strongly agreed that use Equity social media site because it enables me to exchange information with other online users along common areas of interest e.g. through online chats, Use of social media marketing affects consumers purchase decision this is because consumers seek opinions and recommendation from their friends and relatives (Hubspot, 2012). In addition, based on research done by Celine (2012), on social media marketing benefits for businesses it was revealed that 78% of global consumers trust and believe recommendations from other consumers regarding products and services more than any other medium. This is because consumers are seen as more objective than the companies’ own marketing message. Companies also use social media marketing to match customers experience and expectations. Customers are able to from their own personal opinion based on the product or services they have used hence sharing their experience with other customers and influencing other customers purchase decision (Celine, 2012)

It was established that equity bank promotes its products and services online. Neelotpaul (2010), the use of consistent brand image will enable a company create a positive online
experience to their customers. Online brand experience is a mix of website content, appearance, personal support, navigation, speed of download, physical distribution and returns (De Chernatony, 2011). Based on a report done by Deloitte (2010), it was found that the use of social media has helped organizations build their brand through customer loyalty and grow accommodation in the industry. This is because consumers find it difficult to evaluate product and service attributes before purchase hence relaying more on views from their friends, relatives and other customers before making a purchase (Zeithaml 2009; Ban. 2015).

In addition, respondents agreed that they did not like using Equity social networking site because it is not easy to interact with, the message is not clear and understandable. This creates a weakness and according to Keller (2013), the challenge many marketers encounter when it comes to building a strong brand, is to ensure that the right experiences, perceptions, images, feelings, thoughts, beliefs and opinion is linked to the brand, and therefore the customers have the right type of experience with the companies’ products or services. In addition, companies that focus more on creating customer experience on their website are able to create brand awareness, secure brand loyalty and increase revenue (Lim 2011).

It was also established that customers get recommendations/views from friend first before buying or using any product or services. Consumers have the ability to go to the internet and seek details about a product, interact with other customers that have used the product before and access product reviews which adds a different dimension of products and marketing in general. On social media customers control the conversation and they are willing to change a product based on the experience and will let their families and friends know about it (Okinda, 2014). Information availed on social media needs to be curated otherwise consumers may get unchecked information about a brand or a service; making it necessary for marketers on social media marketing.

5.3.3 How Social Media Can Be Used To Increase Brand Loyalty

On analysis of the means majority of the respondents strongly agreed that Equity offers timely feedback on their social media site. According to Greenberg (2010), use of social media can help a company increase customer loyalty when companies make information to be available to consumers on demand, have online tools on their websites that customers can
use to share information and socialize. In addition, Social consumers require transparency and authenticity from their peers and the companies they choose to deal with (Greenberg, 2010, p. 411). Studies done by Erdoğmuş and Çiçek (2012); Kim and Ko (2012), on effects of the perceived social media marketing activities by consumers on brands revealed that there is a positive relationship between brand loyalty and marketing campaigns offered by a brand, the relevancy of the content on a brand’s social media platforms, the popularity of the content among friends and other users, and the variety of platforms and applications provided by a brand in social media environments.

Equity offers transparency on their social media site and it is easy to access equity social media. According to studies done by Kimani (2012) and Campbell (2010) on social site and the online community members, it was revealed that internet users prefer social sites that facilitate their interaction with other users. This enable them to create their own social network around certain topics and common interests. They also prefer sites that enable them to share interesting features of the site with online friends. Kimani (2012) and Campbell (2010) in their studies mentioned that social media site users prefer social media sites with regular, frequent updates and postings. Updates ensure a free flow of information hence attracting more visitors, they cited in their work.

From the findings, it was established that many of the customers use Equity banks social media site because they post effective informative. was concluded that for a company to attract customers to participate in social media the company has to develop user friendly websites that will create a positive attitude towards their customers hence reducing perceived risk and building trust. A study done by Okinda, (2014), on influence of social media based factors on Kenya commercial bank (KCB) group limited’s strategic direct marketing among social media users in Nairobi regular updates is seen as an important factor that influence customers to use social media sites. It was recommended that banks should create chat rooms that customers can use to communicate with their friends and that company Woessner (2011), in online communities, firms should write more effective posts. Effective posts should reflect honesty, humbleness and conciseness. Woessner (2011), also asserts that effective posts should be informative to satisfy the customers need for information as well as experts opinions. Effective contents usually elicit conversion from the audience so that at the end of the process, follower will be moved to take an action such as placing an order,
participating in an online survey or subscribing to a newsletter. It is critical to maintain the content relevancy and in line with customers’ interests and not to overwhelm the customers with too many posts or messages, in order to keep them engaged (Rooney, 2011).

The study established that information gotten from equity’s social media site is trustworthy social. Foux (2006), further argue that consumers perceive social media as a more trustworthy source of information compared to using more traditional marketing elements. Regarding information, Mangold and Faulds (2009), also mention that it is important for a company to provide exclusivity and make their customers feel special. By offering new and exclusive information, special deals and the possibility to subscribe to weekly e-newsletters, the feeling of exclusivity can be given to a subset of customers (Mangold & Faulds, 2009). In their research, Baird and Parasnis (2011), based on their research on from social media to social customer relationship management”, strategy & Leadership they found that before consumers use social media to interact with brands, they need to feel that they trust the company and that they are communicating honestly. Transparency is consequently of high importance and a company that is not being transparent risk being perceived as manipulative and insincere.

5.4 Conclusion

5.4.1 Effects Of Social Media Tools On Consumers Brand Loyalty In Equity
Social media site offer valid information to consumers especially from an organization site this has also aided in brand positioning in social media that has helped respondents remember the brand. Social media site help create a strong bond with organizations and facilitate exchange of information with other online users

5.4.2 Impact Of Social Media Marketing On Consumer Brand Loyalty
Equity bank use social media site to exchange information with other online users along common areas of interest. In addition, recommendations/views from friend forms the first area of reference before buying or using any product or services.
5.4.3 How Social Media Can Be Used To Increase Brand Loyalty

Social media sites are timely, transparency and easy to access. Many organizations also use social media site because they post effective informative and use of equity’s social media has enabled respondents create a social network.

5.5 Recommendation

5.5.1 Recommendation for improvement

5.5.1.1 Effects Of Social Media Tools On Consumers Brand Loyalty In Equity

Institutions need to continuously use Social media site to offer valid information to consumers especially from an organization site. This should be used to create a strong bond with organizations. The bank should enable the consumer join brand communities and the bank need to ensure the products and services offered in their web site in order to influence customer perception.

5.5.1.2 Impact Of Social Media Marketing On Consumer Brand Loyalty

Equity bank need to ensure that the information available is relevant so as to facilitate exchange with other online users. The bank also need to ensure that the site is easy to navigate and download content, as well as prompt feedback to the consumer.

5.5.1.3 How Social Media Can Be Used To Increase Brand Loyalty

The bank need to continuously utilize social media sites due to their timeliness, transparency and ease of access. The firm also needs to utilize social media site to post effective information and use of equity’s social media has enabled respondents to create a social network so as to attract more attention from other social media users.

5.5.2 Recommendation for Further Studies

There is a need to expound this study to other banks so as to be able to generalize the findings.
REFERENCES


Ban OI, Ancusa V, Bogdan V, Tara IG (2015) Empirical social research to identify clusters of characteristics that underlie the online evaluation of accommodation services. Revista De Cercetare Si Interventie Sociala 50:293–308


CAK (2014) http://www.ca.go.ke/


Laroche, M., Habibi, M.R., & Richard, M-O. (2013). To be or not to be in Social media: How brand loyalty is affected by Social


Yan, P. (2006). Research of the relationship between online securities trading Customer perceived e-service Quality And Customer loyalty. Huazhong University of Science and Technology


APPENDIX I: INTRODUCTION LETTER

The Respondent,

Dear Sir/ Madam

Re: Request for Research Data

I am a postgraduate student pursuing a Master of Business Administration (Marketing) at the United States International University. My research topic is “The Effect of Social media marketing on Customer Loyalty of Commercial Banks in Kenya.”

You have been selected to be part of a sample to provide the necessary data for this study. You are therefore requested to kindly assist by granting an opportunity for the filling in of the attached questionnaire at your convenience when contacted for an appointment.

The information provided is purely for academic purposes and will be treated with strict confidence. Your name will not appear in the final research report. Your cooperation and assistance will be highly appreciated.

Monica Chege
APPENDIX II: QUESTIONNAIRE

Effect of Social Media Marketing on Consumer Loyalty in the Banking Industry: A Case of Equity Bank

This questionnaire assists in data collection for academic purpose. The research intends to give an analysis on the effect of social media marketing on consumer loyalty in banking industry. Information obtained, will be handled with high level of confidentiality. Do not incorporate identification or names in the questionnaire.

Please answer every question as in outlined by using either a cross(x) or (ticking) in the option that applies.

SECTION A: DEMOGRAPHIC FACTORS

Please tick the most appropriate answer (✓)

1. Age
   - Below 25 yrs
   - 25-30yrs
   - 30-39yrs
   - 40 yrs and Above

2. Gender
   - Male
   - Female

3. Marital status.
   - Married
   - Single
   - Widowed
   - Divorced

4. What is your highest education level?
   - Certificate
   - Diploma
   - Degree
   - Masters
   - PHD

5. What is your length of banking relationship with Equity?
   - Less than 1 year
   - 1-4 years
   - 5-8 yrs
   - above 9 years

6. Which of the below social media platforms do you frequently visit?
   - Facebook
   - Twitter
   - LinkedIn
   - Instagram
   - More
   - one
7. Kindly select from the options below why you access social media platforms:

a. Interact with friends

b. Source for information

c. Network with other online users (not necessarily friends)

d. Learn about new products and offers

c. All of the above

8. How frequently do you access the internet?

a. Hourly basis

b. In the evenings/ after work

c. Work break times

d. once a week

e. Occasionally

SECTION B: Effects of Social Media Tool Use on Consumers Brand Loyalty in Equity Banks

Please indicate your opinion as per the level of disagreement or agreement with the outline statement using 1 to 5 scale guideline. 1= Strongly Agree 2= Agree, 3= Neutral, 4= Disagree, 5= Strongly Disagree

<table>
<thead>
<tr>
<th>Honeycomb Model</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Use of equity bank social media site has influenced my brand awareness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Equity uses social media sites to communicate with their customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 I was able to join brand communities on equity’s social</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Use of equity bank social media site has enabled me create a strong bond with equity bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>I use equity bank social media site to get answers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>I use equity social media site because it helps me exchange information with other online users</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>I visit equity social media site because it helps me share information with my friends and other online users</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Brand Awareness

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Use of equity bank social media site has enabled equity make me aware of the brands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>I like using equity banks social media sites because I am able to regularly engage with my online friends and meet new people</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Use of brand positioning in social media has helped me remember the brand</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Use of social media brand communication has positively influence my perception towards equity’s brand</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Perceived Quality

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>online reviews has affect my perception on product quality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>The information I get online regarding products and services offered by equity has influenced my perception</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

17. What did you like about equities social media site that made you invite

---

### SECTION C: Impact of Social Media Marketing on Brand Loyalty

Please indicate your opinion as per the level of disagreement or agreement with the outline statement using 1 to 5 scale guideline. 1= Strongly Agree 2= Agree, 3= Neutral, 4 =Disagree, 5= Strongly Disagree

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I visit Equity bank social networking site because it matches my experience and expectations</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>2</td>
<td>I do not use equity social networking sit because the content is not relevant,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>I get recommendations/views from my friend first before buying or using any product or services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Equity social media site is not easy to navigate and download content, and can’t get quick feedback</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Interactive</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>I don’t like using Equity social networking site because it is no easy to interact with, the message is clear and understandable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>I do not use equity social media sit because I am worried somebody might steal my personal security</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>I use Equity social media site because it enables me to exchange information with other online users along common areas of interest e.g. through online chats</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>I use Equity social media site because it provides value added content</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Brand Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Equity promotes its products and services online</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SECTION D: Determine how social media can be used to increase brand loyalty**

Please indicate your opinion as per the level of disagreement or agreement with the outline statement using 1 to 5 scale guideline. 1= Strongly Agree 2- Agree, 3= Neutral, 4 =Disagree, 5= Strongly Disagree

<table>
<thead>
<tr>
<th>Accessibility</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>It is easy to access equity social media</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Use of equity’s social media has enabled me create a social network</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>I use Equity banks social media site because they post effective informative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>I like using equity bank social media sites because they regularly updates their important</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Trust</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>I trust equity brand</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Information I get from equity’s social media site is trustworthy social</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Equity offers transparency on their social media site</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Equity offers timely feedback on their social media site</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reward</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>I refer my online friends to equity social media site because they offer their online freebies/discounts.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Equity has an online reward program to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Equity bank social media site offers discounts on their services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>I use equity bank social media site because they offer free gifts whenever I do an online transaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

13. What influences you to do repeatedly use Equity bank social media site

____________________________________

**THANK YOU FOR YOUR PARTICIPATION**