INFLUENCE OF SOCIAL MEDIA BASED FACTORS ON KENYA COMMERCIAL BANK (KCB) GROUP LIMITED’S STRATEGIC DIRECT MARKETING AMONG SOCIAL MEDIA USERS IN NAIROBI, KENYA.

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A research project report submitted to the School of Business in partial fulfilment of the requirements for the award of the Masters in Business Administration (MBA) degree programme of Kenyatta University.

April, 2014.
DECLARATION

This is my original work and has not been submitted for a degree or any other award in any other university.

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DEDICATION

This work is dedicated to my teachers, lecturers and parents who tirelessly worked to ensure I am fully reformed and formed for leadership and a worthwhile citizen of our beloved country.
ABSTRACT

The population of internet users in Kenya has risen over the recent years. This has been occasioned by marginal reduction of associated costs by telecom companies and advancements in internet technologies. The project is a descriptive survey of the influence of social media based factors on direct marketing by KCB Bank Group Limited in Nairobi Kenya among Facebook and Twitter platform users. It intended to explore the relationship between elements of social media (viz: social media site interactivity, discounts and social site frequency of updates), on KCB Bank Group’s direct marketing strategy. The study draws heavily from the marketing and consumer behaviour theories that explain consumer behaviour to purchase as being influenced by external and internal factors. It seeks to fill gaps noted from previous studies to build a conceptual framework in which social media based factors as the independent variables, influence direct marketing of KCB Bank Group Limited as a dependent variable. Previous studies have proven that social media can indeed influence buying behaviour resulting into sales. The population under study was KCB Bank Group Limited’s social media platform users numbering 82,100 from which a sample of 384 respondents was drawn through convenience sampling technique. Questionnaires containing closed ended questions were used to collect data digitally. Nairobi County was chosen as the scope of study due to the homogenous nature of population. The quantitative data collected was eventually analysed using descriptive and inferential statistical techniques. The study established that regular updates, interactivity of the social media platform and freebie offers were significant in a social media based direct marketing strategy by KCB Bank Group among the targeted social media users. Of the three, offering freebies was found to be the most impactful in driving the direct marketing agenda of the firm among social media users in Nairobi. It also found out that social influences and the need for information were two significant factors that influenced users to access social media users. It recommended on the utility of freebies, social influences and updating of the social media platforms towards enhancing the effectiveness of KCB Bank Group Limited’s use of social media platforms in undertaking its direct marketing strategies among social media users in Nairobi Kenya.
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<th>Full Form</th>
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<tr>
<td>3G</td>
<td>Third generation of mobile telecommunications technology</td>
</tr>
<tr>
<td>ANOVA</td>
<td>Analysis of variances</td>
</tr>
<tr>
<td>CCK</td>
<td>Communications Commission of Kenya</td>
</tr>
<tr>
<td>Df</td>
<td>Difference of frequencies</td>
</tr>
<tr>
<td>EDGE</td>
<td>Enhanced data Rates for GSM Evolution</td>
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<tr>
<td>Freq</td>
<td>Frequency</td>
</tr>
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<td>GPRS</td>
<td>General Pocket Radio Service.</td>
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<tr>
<td>ICT</td>
<td>Information Communications Technology</td>
</tr>
<tr>
<td>ITU</td>
<td>United Nations agency for International Communications Union</td>
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<tr>
<td>KCB</td>
<td>Kenya Commercial Bank Group Limited</td>
</tr>
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<td>Kes</td>
<td>Kenyan Shillings</td>
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<td>KNBS</td>
<td>Kenya National Bureau of Statistics</td>
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<td>Marital St</td>
<td>Marital status</td>
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<td>PC</td>
<td>Personal Computer</td>
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<td>Per%</td>
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<td>Standard Deviation</td>
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<td>Abbreviation</td>
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<tr>
<td>Shs.</td>
<td>Shillings (Kenyan)</td>
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<tr>
<td>Sig</td>
<td>Level of significance</td>
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<tr>
<td>SNS</td>
<td>Social Networking Sites</td>
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<td>Social Infl.</td>
<td>Social Influences</td>
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<tr>
<td>Std</td>
<td>Standard</td>
</tr>
<tr>
<td>USD</td>
<td>United States of America Dollars (currency)</td>
</tr>
<tr>
<td>WWW</td>
<td>World Wide Web (internet protocol)</td>
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CHAPTER 1.0 INTRODUCTION

1.1 Background Information

The world over, more and more people are using internet technologies to achieve various objectives. Kenya as at end of 2011 had 10.49 million internet users and the figure had increased to 13.25 million users as at 31st of March 2012 (International World Statistics, 2012). The gradual increase in internet users in the country is further collaborated by Communications Commission of Kenya (2012) which states that the figure rose by 95.6 per cent in the last quarter ending March 2012. This observation is attributed to reduced internet charges and increased mobile phone subscriptions in the country. Presently the Communications Commission of Kenya (CCK) in their 2013 Sector Quarterly Report for 2012/2013 estimated the total number of internet users in Kenya as at December 31st 2012 to be 16.2 million users. The figure rose to 19.1 million users with an internet penetration of 47.1 per cent as at end of the year 2013. (CCK, 2013).

Information Communication Technology (ICT) therefore, by virtue of the number of users that interact using the different media on its platforms, presents numerous opportunities for businesses to interact with both existing and potential customers. An emerging worldwide trend in direct marketing is the utility of social media platforms for direct marketing by commercial firms, a concept commonly referred to as social media marketing.

Kenyan firms have taken cue from other parts of the world and established social media platforms to interact with customers and potential customers. Commercial and blue chip entities like Kenya Airways, Safaricom Kenya Limited, Kenya Commercial Bank Group Kenya Limited, Barclays Bank of Kenya and numerous others, have Facebook
and Twitter platforms to propagate information on their products and services and offer after sales services. The traditional marketing model dwelt on the interaction between the producer and the customer and how the relationship between the two would be maximised. However, the interaction has with time been encountered with various challenges, mostly logical in nature.

The advent of social media networking platforms has availed commercial firms with an avenue, of employing the least cost, to propagate information about their products and services. This mode of marketing takes advantage of the power of interaction and social influences between people to maximise on transmission of information about their offerings.

This introduces the concept of the *online community* into the producer-consumer relationship to create the new social media marketing concept. In this case, several internet users exchange opinions and ideas and in the process, influence others within the same social media platform or groups of internet users with similar interest, known as *online communities*. Facebook as a social media platform uses this concept of online communities to influence other internet users to join the network. The power of interactivity is seen in the way the members of online communities communicate and influence others to join their online communities and even share certain social media sites, hence influencing behaviour.

One crucial question remains whether social media marketing can influence product purchase behaviour of consumers. Several scholars have undertaken studies on this new model of direct marketing to try and appreciate its importance. Lorenzo-Romeo and Constantinides developed a model of factors that affected adoption and utility of social media. Koenig-Lewis and Palmer proposed a model for social media marketing bringing together the three components of online community, the producer and the
consumer in an interdependent interaction of the three. Other attempts at studying social media marketing include studies by White and Manning (1998) in which they studied purchase behaviours of internet users using simulated social media platforms. The project borrows heavily from Philip Kotler’s definition of marketing and builds its foundation on the consumer behaviour theory.

KCB Bank Group is East Africa’s oldest and largest banking institution by assets. The institution has an asset base of Kes. 385 Billion and a presence in virtually all of East Africa – Kenya, Uganda, Tanzania, South Sudan, Rwanda and lately in Burundi. The Bank operates through subsidiaries in the mentioned countries with respective board of directors to oversee corporate governance. The Bank has a portfolio of products including personal, business and corporate financial solutions. Lately the Bank has launched its banc-assurance and Islamic banking product lines.

In 2011, the Bank recorded a Kes. 15.1 Billion trading profit becoming the most profitable bank in Eastern Africa, a position it has held to date. It crossed the Kes. 20 Billion Profit before tax mark in 2013. The Bank has a wide network of over 200 branches spread over the entire East African region. The completed its East African regional presence with the opening of the KCB Bank Burundi subsidiary in 2012 and consequently doubled its share price at the Nairobi Securities Exchange to surpass the USD 1 Billion capital ratio. (KCB, 2014).

The Bank is structured into several divisions including, Information Technology (IT), retail, corporate, treasury, human resources and marketing divisions. The marketing division offers support to the retail and corporate divisions through organising marketing activities. The bank has traditionally been employing the use of relationship marketing as a means of increasing its product penetration in the target population. However, in 2011, the Bank established a Contact Centre complete with social media
relationship staff to utilise social media platforms to propagate information about its products to online social media users and resolve queries. KCB Bank Group Limited’s Facebook platform, http://facebook.com/kcbbankgroup has 57,000 dedicated followers and its Twitter platform, http://www.twitter.com/kcbgroup has 25,100 followers (as at 17.02.2014).

Few studies and papers have been done on the social media based approach to direct marketing. However, the available data has been limiting as far as the specific elements that influence of social media marketing is concerned and that is the mainstay of this study.

1.2 Research Problem Statement

The proliferation of internet information communication technologies has seen an increase in internet accessibility to the population in Kenya. (CCK, 2008, 2009, 2012 & 2013). With it, the possibilities for commercial firms has increased through various online interactive platforms like corporate websites and interactive media like social media.

Communications Commission of Kenya (2013) puts internet users in Kenya at over 19 million. Most internet users spend their time on social media platforms interacting with other users that include but not limited to Facebook, Twitter and LinkedIn. Facebook, for instance, has over 845 million users worldwide (Kimani, 2012) with 40.2 million users being from Africa whereas Kenya alone had slightly over 1.2 million users as per data from ITU. Kimani (2012) puts the number of registered users on Twitter alone to be at 175 million worldwide.

With an online presence of over 19 million users, according to the CCK (2013), KCB having only 0.4% of this as dedicated online visitors presents a mismatch. The present
study intends to investigate, from the end user’s point of view, what exactly influences social media users to frequent visiting commercial firms’ platforms.

1.3 Research Purpose

The purpose of this study is to explore the influence of social media-based factors on strategic direct marketing by KCB Bank Group Limited among social media users in Nairobi, Kenya.

1.4 Research Objectives

i. To investigate the relationship between social media site interactivity and direct marketing by KCB Bank Group Limited among social media users in Nairobi, Kenya.

ii. To explore the effect of freebies/discount offerings on direct marketing by KCB Bank Group Limited among social media users in Nairobi, Kenya.

iii. To examine the effect of regular updates/postings on direct marketing by KCB Bank Group Limited among social media users in Nairobi, Kenya.

iv. To establish if social media site interactivity, freebies/discounts and regular updates as independent variables, will significantly explain the variance in direct marketing by KCB Bank Group Limited among social media users in Nairobi, Kenya.

1.5 Research Questions

i. What is the relationship between social media site interactivity and direct marketing by KCB Bank Group Limited among social media users in Nairobi, Kenya?
ii. What is the effect of freebies/discount offerings on social media on direct marketing by KCB Bank Group Limited among social media users in Nairobi, Kenya?

iii. What is the effect of social media updates/postings on direct marketing by KCB Bank Group Limited among social media users in Nairobi, Kenya?

iv. Will social media site interactivity, freebies/discounts and regular updates as independent variables significantly explain the variance in direct marketing by KCB Bank Group Limited among social media users in Nairobi, Kenya.

1.6 Justification and Significance of the Study

With over 19 million internet users in the country, the Kenya online community provides one of the best places for commercial firms in Kenya to market their products. More surprisingly, the power of social media networks as a marketing tool is yet to be fully harnessed despite the abundance of opportunities in this media. It has been estimated that Nairobi alone has over 1.2 million internet users. Over 98 per cent of the internet users access internet sites using mobile phones (Communications Commission of Kenya, 2013).

A preliminary study on two of the most popular social media platforms in Kenya, Facebook and Twitter revealed that KCB Bank Group Limited had only 0.4% translating to slightly over 82,000 of internet users in Kenya. The mismatch between the total Kenyan social media user population and the above company’s statistics for clients that have signed for updates from the sites is explicit.

Past studies have postulated models on the utility of the social media as a tool to undertake marketing to harness the benefits of a wider reach against a backdrop of reduced costs. The current study dwells on the factors that would enhance the success
of a strategic social media based approach to marketing-promotion mix elements dissemination through the social media and to a further extent, customer care/after sales service.

Precisely, the study dwelt on factors that have been identified to enhance the visibility of a commercial firm’s social media site that catalyse the achievement of its objective-to market products to the wider online community of the blogosphere. KCB Bank Group was chosen since it’s the dominant player in the banking industry, being the oldest and the biggest, by asset base. It has also the widest geographical footprint among all the 47 players in the sector. (KCB, 2014). The target population is KCB Bank Limited’s dedicated social media users/visitors on the Bank’s Facebook and Twitter platforms. Twitter and Facebook social media forums are the most popular among online users. (Kimani, 2012; Palmer and Koenig-Lewis, 2009).

1.7 Limitations and Assumptions of Study

1.7.1 Limitations of the Study

The target population of the research are the social media end users on Facebook and Twitter platforms as opposed to the company or company executives involved in social media marketing. This would offer the study more objective data that is unbiased. Also, the study intends to get the end user’s perspective and experience of social media marketing and use their preferences to drive social media marketing. Due to cost constraints, the same may not be achievable hence a sample drawn from Nairobi County internet users’ population would be employed in the study.
1.7.2 Assumptions of the Study

It would be assumed all the respondents approached would be literate hence the choice of a questionnaire as the data collection tool. In addition, since there is no readily available sampling frame, convenience sampling technique would be used to pick the sample. The study further assumes that the relationship between the independent variable indicator and the dependent variable would be linear.

1.8 Scope of the Study

The study would cover Nairobi County internet users who are dedicated/signed up users on KCB Bank Group Limited Facebook and Twitter social media platforms. Their total population as at 17.02.2014 are 82,100 users. Nairobi is one of Kenya’s 47 counties as established in the New Constitution of Kenya. It is host to the country’s capital city and borders Kiambu County to the North, Kajiado County to the south, Nakuru to the West and Machakos County to the East. The county covers an area of 695 km$^2$ with an estimated population of 3,138,369 (as per 2009 Kenya National Bureau of Statistics Census) that is mostly cosmopolitan and urbanised. The population density is estimated to be 4,515 residents per km$^2$. The county lies on the south western part of Kenyan Republic (KNBS, 2009 & 2010).
CHAPTER 2.0 LITERATURE REVIEW

2.1 Introduction

The use of internet and mobile phones has witnessed a rapid increase in internet penetration rates among populations. Access and usage of the new technologies is viewed as critical in society today because of the numerous opportunities they provide in the world economy described as being knowledge-based and information driven (Duncombe and Boateng, 2009).

2.2 Increase in Internet Penetration

The internet and mobile phones have become the basic means of communication for most Kenyans regardless of their economic status and geographical location. (Ndungú, Waema and Mitullah, 2012). The growth of Internet and mobile phones usage in Kenya has been exponential with the largest growth witnessed from the year 2007. According to the Communications Commission of Kenya (2009), there were 3.65 million internet users as at June 2009. The estimated population of Kenya by the end of 2008 was 38.3 million (KNBS, 2009). Almost 50 per cent of the internet users (1.8 million) were using mobile broadband, a growth of 358.5 per cent from the previous year (Communications Commission of Kenya, 2009). The internet subscribers’ base recorded a growth of 34.5 per cent from a figure of 2.77 million recorded at the end of 2006. The period further saw the mobile phone subscribers grow by 169.5 per cent from a figure of 10.7 million by end of 2006 to 17.36 million as at June 2009. The Annual Report for Communications Commission of Kenya (2010) contends that as at June 2010, there were 12.54 million active internet users in the country representing a 114.7 per cent increase compared to a 59.8 per cent growth the previous year. The Sector Quarterly
Report for 2012/2013 puts the number of internet users in Kenya to be standing at 16.2 million as at the end of the period (Communications Commission of Kenya, 2013) with an internet penetration of 14.10 per cent, the highest in the country’s history.

The mobile data and internet subscriptions were key sector drivers for the increased internet penetration due to price reductions by the service providers and service offerings such as connectivity to social networking sites, which proved popular with the youth and marketers. (Communications Commission of Kenya, 2010). The 2013 Sector Quarterly Report also credits the introduction of the 3G Network capabilities as having played a big role in enhancing connectivity.

The above mentioned figures demonstrate that a significant portion of the population in Kenya and globally is using mobile phones and internet, with Kenya, in the recent past experiencing high growth in users of both technologies.

![Internet user trends in Kenya](image)

**Figure i:** Internet user trends in Kenya *(Source: Communications Commission of Kenya, 2010)*

Information technology (IT) and other technologies present opportunities to develop new relationships with end users of consumer or industrial goods/services at lower costs. Marketers can draw upon social media to gain competitive advantages. A company that does not learn and adapt to changing technology can face painful competition and may fall victim to competitors that switched their strategies to the
more technologically-based relationships and advanced products and services. (Palmer and Koelig-Lewis, 2009).

2.3 Theoretical Reviews

The study borrows its foundation from the marketing theory of commercial firms as explained by Philip Kotler and the consumer behaviour theory. The consumer behaviour theory explains that the behaviour of consumers that result into influence to do purchases is a complex psychological process affected by many factors, both internal and external. Some of the identified internal factors that influence consumer purchase decisions include motivation and involvement, attitudes, personality and self-concept, learning and memory and information processing function of the brain. The external factors are culture, social class influences, social groupings, and the family unit and personality factors.

The proposed research study also borrows from the input-process output model of consumer behaviour as elucidated by Khan, 2004. The model stipulates that a customer’s decision making process (to buy or not to buy a product), is influenced by two principal forces - a firm’s marketing effort and the surrounding social environment. Both components are ideal for proper functioning of the social media marketing model as would be elucidated in later sections of this study.

2.3.1 The Concept of Marketing in Commercial Firms

Philip Kotler, in earlier editions of his works, provided a classical definition of marketing with three elements: - a human activity, with a purpose of satisfying needs and wants; and lastly, there are exchange processes. The author reworked it to mention that the ultimate end product is the relay of value to its end users. (Kotler, 1991)
The American Marketing Association (2011) defined marketing as an activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. The element of communication was introduced by this refined definition.

Kotler and Keller (2012) later on redefined the term to be a social and managerial process by which individuals obtain what they need and want through creating, offering and exchanging products of value with others. This is the working definition of marketing that would be employed in this study.

The concept of marketing in commercial firms has evolved over time through differentiated facets of orientation. Kotler (2012) and Adcock, Halborg and Ross, (2001) elucidated five competing marketing concepts/theories under which commercial firms can choose to operate as summarised in the table below:

<table>
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<th>Theory/Concept</th>
<th>Description</th>
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<td><strong>Production Theory of Marketing</strong></td>
<td>The commercial firm is focussed on cost reduction through taking advantage of economies of scale. This aspect was widely practiced until the 1950s. Major limitation of this approach is risk of compromise of product design and quality at the expense of production resulting into reduced product appeal to customers.</td>
</tr>
<tr>
<td><strong>Product Marketing Theory</strong></td>
<td>This phase lasted until the 1960s. A product orientated firm undertakes marketing on the promise that a superior product will automatically attract customers. The limitation of this approach is product superiority alone does not sell, rather, customer satisfaction does.</td>
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<tr>
<td><strong>Sales Marketing</strong></td>
<td>This type of orientation involves the organisation making a</td>
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product that they think the customer needs or likes without undertaking relevant market research, for selling purposes.

A market orientated company treats the customer as “king”.

All commercial activities in the business revolve around the customer. A market oriented organisation develops a marketing strategy based on proper market research to guide their organisational processes right from product conceptualisation to product selling.

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<th><strong>Table i: Marketing Concepts/ Theories (Source: Kotler, 2012)</strong></th>
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2.3.2 Contemporary Marketing Approaches

Modern approaches in marketing include *relationship marketing* with a strong focus on the customer, and *internet marketing* (*e-marketing, online marketing*), which utilises online resources to reach target customers/potential customers (Adcock, *et al.*, 2001). Social media marketing, as the focus of this study, lies under the internet marketing approach.

2.3.4 The Consumer Decision Making Process

The proposed research study also draws from the input-process output process of consumer behaviour as elucidated by Khan, 2004. The model stipulates that a customer’s decision making process (to buy or not to buy a product), is influenced by two principal forces - a firm’s marketing effort and the surrounding social environment. The model dictates that tension is created when one is aware of a want and one chooses an available product to satisfy the need. The exposure to a product’s advert, media or an influence from the social circle, creates an awareness about the product. A
combination of the awareness and the need results into building of interest in the person. The building of interest consequently drives an individual to get more information from the social environment on the product and contrast with other available substitutes, hence undertaking its evaluation. The evaluation can also involve taking on a trial. Once evaluation is complete, interest may wither, build or subside, based on the evaluator’s perspective of the product with reference to satisfaction of his/her need.

![Diagram](image)

**Figure ii**: The input process output model of consumer behaviour *(Source: Khan, 2004)*

If interest is built to sufficient levels, the individual would be inclined to purchase and hence make a purchase decision and take the product at the stated value. The need is consequently fulfilled by the product. The more consumers would use the product, the more they would become aware of the positive and negative effects of the said product. If they are satisfied, they would do a repeat purchase and even recommend to other consumers. If they build a negative attitude, the company would be harmed, in terms of negative referrals or non-purchase behaviour. This constitutes post – purchase phase of the input-process-output model of the consumer behaviour process.

The mainstay of this research study was to examine the influence of this social media environment on direct marketing efforts of KCB Bank Group Limited in Kenya. Social media, as an environment that online users utilise to interact among themselves and as
shown earlier, can be a powerful tool for influencing consumer purchase behaviour, especially to this important segment of consumers. (Khan, 2004)

2.3.5 The Social Media Concept

Social networking, via popular sites like Facebook, Twitter, Pinterest, LinkedIn and YouTube has evolved from peer-to-peer interactions to becoming a viable relationship building tool for businesses of all sizes. In fact, Facebook alone boasts an astounding 845 million active users worldwide. Further, the site accounts for one of every five page-views on the Internet worldwide. It is estimated that Facebook users share more than 100 billion connections. In the United States alone, over 150 million users log onto their accounts daily (Rabazinski, 2012). Twitter boasts of 175 million registered users. (Kimani, 2012)

With numbers like this, social media as a whole is too powerful a resource for business owners to fail to use in developing a social media strategy to connect to their customers and potential customers. By engaging customers in meaningful interactions, businesses can effectively increase customer loyalty while providing a platform for valuable feedback to help them to better serve their customers. For instance, savvy business owners have taken to Twitter as a tool for both promotions and for answering customer complaints in real-time. YouTube nets 4 billion page views daily and has attracted business owners to this free advertising platform. Moreover, Facebook has now given business owners the flexibility of coupon marketing and special promotions to a wider target audience (Kimani, 2012).

Social media can be characterised as: online applications, platforms and media which aim to facilitate interactions, collaborations and the sharing of content (Universal

- **Blogs** which comprise individuals’ or firms’ online journals, often combined with audio or video podcasts.
- **Social networks** that allow users to build personal web sites accessible to other users for exchange of personal content and communication.
- **Content communities**: Web sites organising and sharing particular types of content.
- **Forums/bulletin boards**: Sites for exchanging ideas and information usually around special interests.
- **Content aggregators**: Applications allowing users to fully customise the web content they wish to access.

Tsai (2009) affirms that a few years ago, there was little communication between brands and customers. The Internet has revolutionized marketing and trade. As the Internet is essentially a global medium, it is one of the most significant and the greatest marketing tools for the global marketplace (Samiee, 1998). The use of the internet has made it less costly for marketers to get information. The global nature of the Internet, combined with the nature of the communications that it can convey, makes it a perfect vehicle for international interactive marketing. (Park and Juun, 2003)

Direct marketing became a powerful tool at the time when the cost of communication was falling rapidly. The subsequent proliferation of low-cost internet access opened up opportunities for companies to deal directly with millions of individual customers in a way that was previously unimaginable. The opportunities derive from the greater choice of low-cost means of communicating with current and potential customers. It also provides a means of producers/sellers to get information and feedback from
customers based on their experiences with their products. In essence, social media is providing new means of acquiring and distributing information (Palmer and Koelig-Lewis, 2009).

2.4 Conceptual/Theoretical Framework

Few studies have been undertaken on the social media marketing concept which is, as earlier mentioned, yet to be fully appreciated by many commercial firms in Kenya. Tsai (2009) contends that social media platforms may have been viewed in the past as meant for the younger generation, hence not allocated the resources required/befitting a proper marketing undertaking in commercial firms. However, the fact that it is an unexploited front in terms of marketing potential is reason enough to be taken seriously.

Kimani (2012) and Campbell (2010) identified various factors that influence an internet user’s decision to sign up with a social media platform of a commercial company. These factors are as elucidated in the proceeding section.

2.4.1 Dependent Variable: The Commercial Firm’s Direct Marketing

For purposes of this study, this variable was measured using the number of social media fans/users the commercial firm has on a social media page/site. The assumption at work would be the more the internet users like a social media site/page of a commercial firm, the more popular the brand/the commercial firm’s offerings. Users were asked to select reasons as to why they prefer the KCB Twitter and Facebook social sites in different aspects in the study questionnaire.
2.4.2 Independent and Moderating Variables

In this study the independent variables measured were the following three factors/indicators that previous studies have elucidated as influencers in social media environments: accessibility, freebies/discounts and website update frequency. Associated to these, previous studies also identified other demographic and social factors that acted as moderating factors to the interaction between the independent and the dependent variables. These include age, gender, income, marital status and social or peer influences. This latter group of factors would be examined alongside the aforementioned social media associated elements to establish their statistical significance in relation to the dependent variable.

In this study, responses were obtained from a series of statements with regard to the five factors explored. The responses were recorded on a five-point Likert Scale ranging from 1=strongly disagree to 5=strongly agree, as a measuring tool.

2.4.2.1 Social Media Site Interactivity

Many studies have been undertaken on the interactivity of the social site and the online community members. In their works, Kimani (2012) and Campbell (2010) said internet users prefer social sites that facilitate their interaction with other users. This enables 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. Measurement of this variable was accomplished through asking respondents to state their degree of preference of social media sites with regard to the their degree of liking different aspects of the KCB Bank Group social media interactivity and the same measured on a Likert Scale.
2.4.2.2 Freebies and Discounts

Kimani (2012) in his study said that an offering to customer of 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. In the present study, the variable was measured by asking the respondents to indicate their level of preference of sites with regard to freebies, offerings and discounts by commercial firms on their social sites and measured against a Likert scale.

2.4.2.3 Regular Updating of the Social Media site

This variable was measured by asking respondents to state their preferences against the frequency with which their favourite social site is updated by the owning commercial entity/company (KCB Bank Group). A Likert Scale was used as a measuring tool of this qualitative component.

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.

2.4.2.4 Age

This variable was measured by asking the respondents their ages. They were allowed to make choices from the following age brackets: 18 to 22 years old, 23 to 27 years old, 28 to 32 years old and over 33 years old.

According to Ndungú, Waema and Mitullah (2012), age has no statistically significant influence on the usage of internet and its applications. Hargittai (2002) found age to be inversely related to the ability to locate information online. Alampay (2006) and
Olatokun (2009) established that young people were easy adopters of new technologies. The 2010 Research ICT Africa (RIA) survey revealed 81.4 per cent of the respondents who were using internet as at the beginning of 2010 were using mobile phones to connect and were in the age bracket of 18-34 years. They majorly use internet features, such as social networking sites or social media (Facebook, MySpace, Twitter and Classmates) and professional networking sites (LinkedIn and Probook) to interact with each other.

**2.4.2.5 Gender**

For the measurement of this variable, the respondents were asked to choose either of their sex: male or female. Gender, according to a study done by Ndung’u, *et al.*, (2012), does not have any statistically significant influence on usage of the internet. In all the internet technologies studied in the work, there was higher usage by males than by females, despite a larger number of female respondents. Schmidt and Stork (2008) showed that being a woman reduced the probability of high e-skills in nine out of 17 countries they studied. Olatokun (2009) noted that males used various types of ICT more than females did. He further indicated that males were more educated than females. The findings from the study undertaken by Ndung’u *et al.*, (2012) showed that males used the new technologies more than females did.

**2.4.2.6 Income**

This variable was measured by asking the respondents to state their average monthly gross income before taxes. They were also be asked to state whether they are employed or not. The regression model for employed is: employed =1 and unemployed =0. Previous studies on the relationship between use of the internet and income showed that
income does not have a statistically significant influence on usage of internet. A conclusion has been drawn from these studies that the level of income influenced the usage of these technologies, although the influence was not statistically significant. This shows that there are factors other than income that influence usage of the internet (Ndungú et al., 2012).

2.4.2.7 Marital Status

Various categories were given in the response set. These included single, married, widower/widow and any other arrangement. ‘Married’ was taken in its own category while all the others were combined into the category ‘single’. For the regression model, the marital status was treated as a dummy with single=0 and married =1. It has been observed from previous studies that single people are known to spend many hours on social media interacting with other users as opposed to married entities who are tied down with marital obligations (Ndungú et al., 2012).

2.4.2.8 Social/ Peer Influences

Peer influences have been found to be a major driving force towards utility of internet especially among youth of 16 years old to 24 years old age set (Kimani, 2012). In the present study, the social influence as a factor was measured by assessing the factors that influenced the respondents to visit a social media site or even do repeat visits to the same. They were allowed to choose either as being influenced by the media, recommendation from friends, parents or any other source as stated by the respondent.
The following diagram illustrates how the various factors outlined previously interact towards a successful strategic social media campaign by KCB Bank Group Limited in Nairobi, Kenya.

![Diagram](image-url)

**Figure iii:** Conceptual/Theoretical framework of the study

### 2.5 Critical Reviews

#### 2.5.1 The 21st Century Paradigm Shift in Direct Marketing

Research by Forrester Jennings (2007) has indicated that audiences and attention is shifting to online channels as 52 per cent of Europeans are regularly online at home. Around 36 per cent of European internet users watch less television, 28 per cent have reduced their newspaper and magazine reading and 17 per cent have decreased listening to the radio since going online. This shift away from conventional media has been further exacerbated by the recession from 2008 which led many advertisers to cut their
budgets, resulting in print and broadcast media receiving a diminishing share of the declining total budget (Jennings, 2007).

The world over, there are over 2.4 billion internet users representing 34.30 per cent of the world population as per International Telecommunication Union (ITU) data. Jennings (2007) further contends that according to a report from Forrester Research, 55.6 million U.S. adults visited social networks at least monthly in 2009, an increase from 18 percent in 2008. Recent Nielsen research says Americans spend nearly 25 per cent of their time online on social networks and blogs, up from nearly 16 per cent a year ago. Closer home, it is estimated that as at December 2011, Africa as a continent had slightly over 4.5 million internet users with an internet penetration of 13.5 percent (Internet Worldwide Statistics, 2012). The number of Facebook users for the continent stood at slightly over 40 million. Kenya as at December 31st 2011 had 25.5 million users, as per the statistics. Communications Commission of Kenya (2013) in their latest Sector Quarterly Report intimated an 11.60 percentage increase in the country’s internet users to a total of 16.2 million users. This was attributed to increased GPRS, EDGE and 3G technologies penetration as a result of reduced prices.

Online social media offers opportunities to connect with these hard-to-reach audiences drifting away from traditional media (Palmer and Koenig-Lewis, 2008). “Online networks and communities connect and link people from different settings, around a joint topic, production or for socialising” (Ala-Mutka, 2010). In many cases, these communities could not exist in physical spaces because of geographic distance between members. Gunton and Davies (2012) argue that immersion in online spaces like Twitter allows communities to form organically around topics and shared interests.

Social networking sites (SNS), (also referred to as social media), have contributed to increasing numbers of contacts between users sharing common interests and to the
creation of online communities and digital social networks (Lorenzo-Romero, et al., 2011). The ability to quickly and effectively create, join and depart online interactions makes these often temporary online communities powerful grounds for information experience (Goolsby, 2010). The versatility of social media platforms, such as Twitter, enables users to engage in rich and diverse information experiences. As users are increasingly embedded in social media, more and more of their information experience occurs in these spaces (Gunton and Davies, 2012).

2.5.2 The Power of Social Media as a Marketing Tool

Businesses increasingly acknowledge the potential role of the online social networks as marketing instruments (Constantinides, Lorenzo and Go’mez-Borja, 2008; Waters Burnett, Lamm and Lucas, 2009; Hogg, 2010; Spaulding, 2010) and also as tools allowing observing and analysing user behaviour (Donath, 1998).

There is evidence of increased investment by commercial firms in the utility of social media as tools to propagate their marketing agenda. Kimani (2012) affirms that almost 70 per cent of small and medium enterprises actively use social media platforms to promote their firms and expose themselves to potential clients. Tsai (2009) further asserts that social media marketing in the United States of America will grow from the present USD 716 Million to USD 3.1 Billion in 2014.

Using social media, organizations can forge relationships with existing as well as new customers and form communities that interactively collaborate to identify and understand problems and develop solutions for them (Sashi, 2012). Social media, next to the networking possibilities they offer to users can also empower them as consumers; this is because online networks offer users the possibility to obtain more information about companies, brands and products (often in the form of user reviews) and make
better buying decisions (Lorenzo, Constantinides and Go’mez-Borja, 2009). Regarding the potential of social media as marketing tools, these can play different roles as part of marketing strategy (Constantinides et al., 2008; Waters et al., 2009; Tikkanen Hietanen, Henttonen and Rokka, 2009; Hogg, 2010; Spaulding, 2010, Park, Ahn and Kim, 2010):

a. Creating social networking environments and motivating customers and prospects to use them lead to engagement with the customers and increasing customer trust and loyalty.

b. Customer information available in social media voluntarily uploaded by the users allows companies to obtain a great amount of information about their customers, their personality and lifestyle as well as information on their trust in the internet, perceived ease of use, perceived risk, and attitudes to social media networks and so on.

c. Companies can use social media networks as source of customer voice for the development or testing of new products or services.

d. Finally, based on user analysis and segmentation, companies could selectively inform their customers even on personalized level, about their products or services, provide them with useful and interesting information or use the SNS as customer service channels.

2.5.3 Can Social Media Marketing Influence Buying Behaviour?

Palmer and Koenig-Lewis, (2009) observed that there is an observed effect of a buyer’s peer group in influencing purchase decisions. They further stated that basic buyer models, as used in the traditional direct marketing model, included peer group influences in the final outcomes.
Social media enables customers to participate in value adding and marketing mix decisions by connecting and interacting not only with sellers, but also with other customers as well as non-customers (Sashi, 2012).

Tools like Twitter have been lauded for their marketing potential and institutions have lumbered to claim Twitter handles and harness the power of this two-way conversation channel to promote their services to potential clients, broadcast announcements, and monitor sentiment about the organisation (Gunton and Davis, 2012). Sashi (2012) forthrightly points out that the opportunity provided by social media for customers to connect and interact in rich and complex ways with other customers and non-customers gives them the ability to influence others in their social networks. Customers with strong emotional bonds can become advocates for sellers in peer-to-peer interactions with other customers and noncustomers and play an important role in the value adding process as co-creators of value. Social media allows fans to connect and interact with other fans increasing mutual satisfaction and advocacy. Fans can also connect and interact with non-customers, turning them into transactional customers.

To demonstrate the power of social media in outreach, Twitter which was launched in 2006, is the latest and greatest sensation in social media, described as a "micro blog," Twitter had more than 44.5 million users as of August 2009. The beauty of Twitter is its capability of tying many other technologies together in applications, such as Tweet Deck, sharing website links, pictures, and videos. A single "Tweet" has the potential of reaching all 44.5 million Twitter users (whether they are following you or not) through RTs (Re-Tweeting) or keyword searches (Yost, 2010).

The importance of social network media lies in the interaction between consumers and the community and in the facilitation of “asynchronous, immediate, interactive, low-cost communications” (Miller, Fabian and Lin, 2009). Social network sites allow
individuals to construct a public or semi-public profile within a bounded system; to articulate a list of other users with whom they share a connection, and to “view and traverse their list of connections and those made by others within the system” (Boyd and Ellison, 2007).

On larger social network sites, individuals are typically not looking to meet new people but are more interested in managing relationships by maintaining contacts with old friends who are already part of their extended social network (Boyd and Ellison, 2007; Hart Taher, Sas and Dix, 2008). To sum up, social network sites can be seen as alternative communication tools which support existing relationships and activities in a fun and colourful way that can enrich the users’ experiences (Ofcom, 2008).

Tsai (2009) in an article in the Customer Relationship Management magazine issue of June 2009 mentions a survey carried out in 2007 by Powered Inc., a provider of online community sites, in which the effects of user community on purchase behaviour was studied. It was observed that 65.7 per cent of the respondents said they were likely to purchase after the exposure of the brand on the site. 69.2 per cent of them said they would recommend the online brand experience to friends while 22.9 per cent said they probably would recommend the experience to a friend. 55.1 per cent of the respondents affirmed they would recommend the brand to a friend. Harrison-Walker (2001) and Susskind (2002) demonstrated that customers prefer being guided by information about brands from friends and personal contacts rather than a company’s promotional mix.
2.5.4 Problems Associated with Social Network Based Approach to Direct Marketing

Tsai (2012) made an observation that a third of companies profiled in the United States of America confirmed they did not engage in social media marketing because they lacked suitable performance metrics. This is a dilemma faced by companies planning to interact with social networks. On the one hand, they may seek to control the communication environment within the network, in an effort to make sure that their brand message comes through clearly.

They may also be attracted by the availability of demographic and lifestyle information available to improve their targeting to individual members of the network. But on the other hand, a true social network implies members feeling a sense of ownership of the community, and there is evidence that individuals may be resentful of corporate intrusion into what is perceived to be their own community space (Palmer and Koelig-Lewis, 2009).

Many social sites undergo rapid life cycles of growth, maturity and decline as the communities are seen initially as popular and active but with time shunned and thereafter loose appeal when taken over by commercial interests. An example is the Friendster and Friends United which have since been replaced by Twitter and Facebook social platforms. (Palmer and Koenig-Lewis, 2009)

Tsai, (2009) contends that social media platforms can be viewed as meant for the younger generations (Generation Y) or for personal use. Overall, there is evidence that online social network sites are seen by young people as an integral part of their life (Constantinides and Fountain, 2008). A number of studies have shown that emerging adults use social networking sites to connect with people from their offline lives, such as friends and family (Ofcom, 2008; Pempeka et al., 2009; Subrahmanyama et al.,
2008). It has even been stated that young people live their lives online and in public via these sites (Subrahmanyama and Greenfield, 2008). This may inform the decision by most strategic decision makers to leave the management of such a strategy to junior officers in the firm. On an optimistic angle, this may provide the basis to harness this medium as a way of capturing the younger generation’s attention towards the firm’s brand.

2.5.5 Past Studies on the Social Media Approach Model

Using interactive website based questionnaires; White and Manning (1998) did 874 evaluations on 163 internet users while studying the purchase behaviour of specialty foodstuffs. They placed their adverts for volunteers to the target websites using sites visited by the users interested in specialty foodstuffs. The same were also strategically placed on search engines. This was designed to attract a sample of individuals who are likely visitors to online sites frequented by users interested in specialty foodstuffs. It was not intended to attract a representative sample of the internet population as a whole. This model was identical to two other studies done on purchase behaviours of internet users as elucidated by White (1996).

The site had a questionnaire which included demographic information, information about previous purchase behaviours for the products under review and information on how they had come to the survey. The survey also included an open ended section where respondents would post comments about the site. More than 85 per cent of the respondents were between the ages of 25 to 54 years old. The estimated average age was 36 years old. Over two thirds of the respondents said the site was interesting, innovative, fun, personal and useful. Data analysis was undertaken through correlation analysis.
Koenig-Lewis and Palmer (2009) attempted to propose a model for a social media based marketing strategy in which they examined the interaction between the seller, the customer and the community.

The traditional direct marketing model dwells on the interaction between the customer and the producer. However, Koenig- Lewis and Palmer (2009) suggested a new player - online community. They proposed an interphase in the model in which the customer, online social communities and the seller interact and hence the social media approach to direct marketing.

They contend in their model that the seller needs to interact with the online communities to benefit from free spreading of positive word of mouth and in addition, gather information about buyers.

The following is the proposed model:

![Diagram](image)

**Figure iv**: Direct marketing in a social media context (Source: Palmer and Koenig-Lewis, 2009)

However, a seller dominated community tends to make the potential buyers shy away as the social site becomes heavily commercialised. In contrast, users need to impress on the community the advancement of their agenda, hence creating a conflict. The buyer has to balance these two forces to maximally reap from the social media direct marketing strategy. Palmer and Koelig-Lewis, (2009) concluded that one way of reconciling the competitive demands of company and community control was by
providing a relevant, interesting and enriching experience in using the social media sites.

Another more recent study by Lorenzo-Romero and Constantinides (2011) was done aimed at exploring the relationship between attitude and intention to use an online system and their influence on behaviour models on Dutch internet users. Specifically, they analysed the influence of trust and perceived risk as the variable factors. They incorporated attitude as a factor in letting a user decide whether to use a technology or not. This had earlier been proven by Lin (2006).

The Lorenzo-Romero and Constantinides (2011) study sampled a population of 400 Dutch internet users of social media of between 16 to 74 years old. The sample was drawn using a non-probability method by quota sampling to ensure all subgroups of the target population were represented. The research tool employed was an online questionnaire.

The study concluded that to attract the participation of users in social media, online businesses and social media providers need to develop strategies to cultivate positive attitudes toward use of social media.

The results indicated that establishing trust in the social media and providing user friendly websites (which reduced perceived risk and are useful) enhanced creation of positive attitude of users.

They came up with the following structural model results of the correlation between the various variables that influence adoption and eventual use of social media technology. It also found out that trust influenced perceived usefulness, perceived ease of use and attitude. It indicated that firms should establish trust by ensuring that services are conducted in accordance with expectations of users, fulfil promises and commitments to customers.
Sashi (2012) in his paper on customer engagement, *Buyer-seller Relationships and Social Media*, attempted to identify stages in the customer engagement cycle and developed a customer engagement matrix that led to transactional customers being converted into delighted customers. The two proposed models failed also to explicitly bring out the elements that influence customers to engage a social media platform.

![Diagram](source: Lorenzo-Romero and Constantinides (2011))

**Figure v:** The Structural Model of factors Affecting adoption and usage of social media *(Source: Lorenzo-Romero and Constantinides (2011))*

### 2.5.6 Noted Gaps in Literature Reviewed

Koenig-Lewis and Palmer, in their 2009 works, rightly provided the social media based context of marketing by showing the interaction of three important components of such a mix: the producer, online community and the ultimate customer. Their attempt was delimited in elucidating clearly elements that make an effective social media based approach to direct marketing. Sashi (2012) contended that social media marketing involves the interaction of both the seller and the buyer in the decision making process. The Lorenzo-Romero Constantinides (2011) study rightly concluded that online businesses needed to develop strategies and ways of cultivating positive attitudes of online users towards the utility of social users. The study failed, with needed precision
and specificity, to bring out the elements that influence online users to engage a social media platform. Sashi (2012) showed that indeed, sellers must connect with current as well as potential customers and seek their active involvement in developing products that meet customer needs. He rightly concluded that involving customers in the value adding process and marketing mix decisions increases the likelihood of their satisfaction and progress through subsequent stages of the customer engagement cycle.

The study attempts to highlight the factors to consider in attracting potential clients to a social media platform in order to effectively engage them, something the above failed to explore in detail.

Palmer and Koelig-Lewis (2009) in their study only highlighted the general outlay of such an approach. The mainstay of the current study would be to interrogate online users on their preferred elements of a good social media site for facilitation of a social media based direct marketing strategy. These identified factors are the elements that facilitate establishment of trust in the social media and providing user friendly websites (which would reduce perceived risk and are useful) resulting ultimately into creation of positive attitude of users, and translate to online sales.

The study would explore ways in which commercial firms in Kenya can best exploit the marketing potential that lies in the increased penetration of social media internet technologies.
CHAPTER 3.0 RESEARCH METHODOLOGY

3.1 Research Design

The research undertaken was a descriptive survey of the influence of social media-based factors on direct marketing by KCB Bank Group Limited among its dedicated social media-based users in Nairobi, Kenya. In essence, it was a correlational study of the various factors that influence internet users to visit social media sites owned by KCB Bank Group Limited. These included updates/postings, interactivity, and freebies/discounts on Facebook and Twitter marketing.

3.2 Population

The population under study comprised of 82,100 KCB Bank Group Limited Facebook and Twitter followers (as at 17.02.2014). These are signed up, dedicated social media users who visit the two social media platforms for the KCB Bank group Limited.

3.3 Sampling Design

The sample size for the study was estimated by relying on works by Krejcie and Morgan (1970) and Sekaran (2003). Krejcie and Morgan (1970) recommended that for social research, a confidence level of 95 per cent and margin of error of ±5 per cent would be acceptable. Gang (1999) used Krejcie and Morgan’s work to come up with a sample size table that correctly gives the optimal sample size of a population of 82,100 with 95 per cent confidence level and 5.00 margin of error as 384 individuals. Sekaran, (2003) also has the derivative of the table as depicted by Gang (1999) and gives the same figure as best suited for the study sample size.
In the present situation, a sampling frame does not exist, since its construction would require much time and resources to compile one. In that case, Mugenda and Mugenda (2003), recommends that the researcher could decide on any other method of sample selection provided that such a procedure is described in detail. Since there is no existing sampling frame, the study would rely on convenience non probability sampling technique to get the sample.

3.4 Data Collection

Data collection was by utility of questionnaires administered to social media users who visited the KCB Bank Limited Facebook and Twitter platforms. The questionnaire was posted on the KCB Facebook and Twitter platforms and online visitors to the two sites who are conveniently available would fill in digitally and the results posted to a linked central database for subsequent analysis, until the required number of 400 cases were reached. To ensure only Nairobi County based respondents respond to the questionnaire, a caveat on that was posted on the online platform against the questionnaire and secondly, the questionnaire would have a question for the respondent to state whether they are residents of the County. Any respondent who was not a resident of the County would have their responses disqualified. A sample of 384 responses was picked and the study relied on this sample for data.

A structured questionnaire made of closed ended questions was employed for standardisation of the answers given and ease of analysis. The questionnaire was structured into two parts: part one consisting of contingency questions touching on the general information of the respondent and a second section with questions on their interactions on social media platforms. In addition, for ease of quantitative data analysis, a Likert type scale was incorporated for the subjects to choose their responses
which would then enable the researcher to weigh in on the options selected, alongside closed ended questions.

Data quality control was managed through reliability and validity testing and verification of the data collection instruments. Cronbach’s alpha coefficient was calculated for the various components of the questionnaire and the same compared against a set standard as enumerated in the next section.

The construct validity of the instrument was determined through development of two different instruments to measure the same concept. Data was obtained simultaneously from the same sample, after administration to the same group of subjects (criteria: sex, age). Measurements got from the two instruments were correlated to compute a validity coefficient.

3.5 Data Analysis

Descriptive statistical techniques were employed to show the frequency distribution of classification variables. These include gender, income, social media platform, social media utility, internet access and marital status. Descriptive statistics such as means, standard deviation and variance were obtained for the independent and dependent variables which are interval scaled. All the variables were tapped on a five point Likert scale where the value 1 represents strongly disagree and 5 being strongly agree. For visual display, charts, histograms and pie charts were used.

The reliability of the measures was tested using Cronbach’s alpha technique, where the statistic for the independent and the dependent variables were established. The interitem consistency reliability or Cronbach’s alpha reliability coefficients of the three independent and the dependent variables were therefore obtained. To make a deduction, according to Sekaran (2003), the closer the reliability coefficient gets to 1.0, the better. A measure of less than 0.60 would be considered poor, the range of 0.70 good and
more than 0.80 considered good. Each independent variable’s Cronbach’s alpha statistic were computed and interpreted as mentioned.

A Pearson Product Movement Coefficient matrix was obtained for the four interval scaled variables-interactivity, updates, freebies/discounts and direct marketing. Data obtained was compared and interpreted respectively, in relation to each other to bring out the relationships between them as per the research objectives. Because of time and cost constraints, data got from the study was run on the Statistical Package for Social Science (SPSS) software to get data output for interpretation.

The following table shows how the different variables were measured and analysed:

| Research Question                                                                 | Variable          | Indicator                                      | Leading Question/Line                                                                 | Analysis Method                  |
|-----------------------------------------------------------------------------------|-------------------|                                               |--------------------------------------------------------------------------------------|----------------------------------|
| i. What is the relationship between social media interactivity and direct marketing by KCB Bank Group Limited among social media users in Nairobi, Kenya? | Interactivity     | Connectivity with other social media users    | I like the KCB Bank social media platforms because they enable me to connect with other members of the online community along common areas of interest. | Mean, Variance, standard deviation, Pearson Coefficient |
|                                                                                  |                   | Ability to exchange information               | I like the KCB Bank social media platform because it enables me to exchange information with other online users along common areas of interest. |                                  |
|                                                                                  |                   | Ability to share site features (embedded)     | I like the KCB Bank social media platform because it allows me to share interesting features with other online users. |                                  |
| ii. What is the effect of freebies/discounts on direct marketing by KCB Bank Group among social media users in Nairobi, Kenya? | Freebies/Discounts | Discounted pricing of products                | I frequently visit the KCB Bank social media platforms because they offer discounts. |                                  |
|                                                                                  |                   | Freebie/gift offers                           | I have preference for KCB Bank social media platforms because they offer gifts whenever I do visits. |                                  |
|                                                                                  |                   | Gift/discount induced referrals               | I usually refer online friends to KCB Bank social sites because they offer freebies and |                                  |
discounts.

iii. **What is the relationship between updates on social media and direct marketing by KCB Bank Group Limited among social media users in Nairobi Kenya?**

- **Updates**
  - Regular updates: I like visiting the KCB Bank social sites because they have regular updates.
  - Engagement in discussions on common interests: I like visiting the KCB Bank social sites because they regularly engage me and friends in discussions.
  - Periodic information sharing on products: I like visiting the KCB Bank social sites because I am provided with fresh information on their offerings periodically.

iv. **Will the four independent variables of interactivity, updates and freebies/discounts explain the variance in direct marketing by KCB Bank Group Limited in Nairobi, Kenya?**

- As above.
- As above.
- As above.

ANOVA, Multiple Regression Analysis

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<th>Table ii: Measurement of Variables</th>
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### 3.6 Ethical Considerations of the study

All works referred to in the study were duly acknowledged through citations as appropriate. Caution was taken to ensure that all research data generated from the study was strictly used for academic purposes and would not be shared/employed outside of the confines of the present academic study. All information received was kept confidential. In the questionnaires to be used, the respondents were not required to indicate their identities in any way so as to guarantee protection of their private details. Therefore, no personal information was solicited. The principle of voluntary consent was strictly upheld by disclosing the purpose of the study to the respondents and guaranteeing anonymity and confidentiality in the questionnaires. No respondent was
forced to respond to the questionnaire by coercion or otherwise. Participation was strictly voluntary. The researcher provided a daytime contact telephone number and his identity in case any of the respondents would require confirming any facts. All data collected was interpreted and processed as objectively as possible as per the laid down study objectives.
CHAPTER 4.0 DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The study targeted 82,100 social media users on KCB Bank Group Limited’s Facebook and Twitter platforms who reside within Nairobi County. 384 valid responses were collected through convenience sampling digitally. Mugenda and Mugenda (2004) indicated that a response rate of between 40 to 80 percent of the total sample size can be generalized to represent the opinion of the entire population. The response rate was 100 percent as the online data collection tool accepted responses until the requisite 384 responses was reached. The return rate was considered adequate in providing valid and reliable representation of the targeted population.

4.2 Reliability Analysis

The reliability of the measures was tested using Cronbach’s alpha technique, where the statistic for the variables was established. Cronbach’s alpha reliability coefficients of the variables were obtained. Sekaran (2003) suggested that the closer the reliability coefficient gets to 1.0, the more reliable the instrument. A measure of less than 0.60 would be considered poor, the range of 0.70 acceptable and more than 0.80 considered good. Table (iii) below shows that social media interactivity had the reliability coefficient ($\alpha=0.785$), freebies ($\alpha = 0.804$) while regular updates at a coefficient of ($\alpha = 0.872$), hence the three measures were acceptable/good for reliability in data collection as far the questionnaire is concerned.
<table>
<thead>
<tr>
<th>Scale</th>
<th>Cronbach's Alpha</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media Interactivity</td>
<td>0.785</td>
<td>4</td>
</tr>
<tr>
<td>Freebies and Discounts</td>
<td>0.804</td>
<td>3</td>
</tr>
<tr>
<td>Regular updates</td>
<td>0.872</td>
<td>3</td>
</tr>
</tbody>
</table>

**Table iii: Reliability Coefficients**

4.3 **General Information**

The question on residence in the questionnaire (G1 and G2) was used to qualify respondents as either valid (those living in Nairobi County) or invalid (those residing outside Nairobi County). Only those that mentioned in the affirmative qualified as valid responses.

The figure below shows the social media platform preferred/most commonly used by the respondents as per the study:

![Figure vi: Social Media Platform used by Most of Respondents](image)

Figure (vi) shows the distribution of social media platforms used by respondents which indicates that most of respondents utilized the Facebook social platform accounting for
71 percent of the cross-section of respondents, followed by Twitter with users accounting for 20 percent of the respondents. Linked In accounted for 6 percent. The findings agree with other studies that suggested Twitter and Facebook platforms as being the most popular social media platforms with social media online users. (Rabazinski, 2012 and Kimani, 2012).

![Reasons for Accessing the Internet](image)

**Figure (vii): Reasons for Accessing Social Media Platforms**

The study also sought to establish the reasons as to why people frequent the KCB Bank Group Limited social media platforms. It was found out that in most of cases as indicated, 57.8 percent of the respondents use social media to interact with friends, 22.7 percent of the respondents indicated that they use social media as source for information while 16.4 percent network with other online users, who are not necessarily friends. A very small portion access KCB Bank Group Limited’s Facebook and Twitter profiles to check out new products. These results indicate that a majority of users access social media sites with main purpose of socialization.

The study sought to find out the frequency of internet access by the respondents. The following table shows the findings.
Most of the internet users accounting for 32.6 percent use the internet occasionally, followed by 25 percent who indicated that they use the internet in the evenings or after the work. This fact is significant as it is an indication of a dedicated mass of the population that interacts on social media platforms.

The table below is an analysis of how the various respondents access the internet:

<table>
<thead>
<tr>
<th>Mode of Internet Access</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyber Café</td>
<td>65</td>
<td>16.9</td>
</tr>
<tr>
<td>Internet enabled phone</td>
<td>254</td>
<td>66.1</td>
</tr>
<tr>
<td>Home PC</td>
<td>58</td>
<td>15.1</td>
</tr>
<tr>
<td>Work PC</td>
<td>7</td>
<td>1.8</td>
</tr>
<tr>
<td>Total</td>
<td>384</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Table iv: Means of Accessing the Internet**

On means of accessing the internet, the findings indicated that internet enabled phones are the leading means of internet access in Kenya 66.10 percent of the respondents, followed by the cybercafé with 16.90 percent. The use of internet and mobile phones has witnessed a rapid increase in internet penetration rates among populations. This is mostly attributed to reduced costs associated with internet access. (Communications Commission of Kenya, 2013).
4.4 Social Media Environment

The following table shows social media-based demographic factors measured in the study:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Aspect Measured</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age of respondent</td>
<td>18-22 Yrs</td>
<td>269</td>
<td>70.1</td>
</tr>
<tr>
<td></td>
<td>23-27 Yrs</td>
<td>84</td>
<td>21.9</td>
</tr>
<tr>
<td></td>
<td>28-32 Yrs</td>
<td>19</td>
<td>4.1</td>
</tr>
<tr>
<td></td>
<td>Over 33 Yrs</td>
<td>12</td>
<td>3.1</td>
</tr>
<tr>
<td>Initial age of access</td>
<td>Frequency</td>
<td>Percentage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10-14 Yrs</td>
<td>115</td>
<td>29.9</td>
</tr>
<tr>
<td></td>
<td>15-20 Yrs</td>
<td>64</td>
<td>16.7</td>
</tr>
<tr>
<td></td>
<td>21-25 Yrs</td>
<td>190</td>
<td>49.9</td>
</tr>
<tr>
<td></td>
<td>Over 31 Yrs</td>
<td>13</td>
<td>2.1</td>
</tr>
<tr>
<td>Gender</td>
<td>Frequency</td>
<td>Percentage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>206</td>
<td>53.6</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>178</td>
<td>46.4</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Aspect Measured</td>
<td>Frequency</td>
<td>Percentage</td>
</tr>
<tr>
<td></td>
<td>Single</td>
<td>295</td>
<td>76.8</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>51</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>Widowed</td>
<td>22</td>
<td>6</td>
</tr>
</tbody>
</table>

Table v: Social factors as enumerated by respondents

The main age band of the respondents was 18 to 27 years old indicative of the youth being majority of Facebook and Twitter users. From the findings it can be deduced that a bigger portion of the respondents had their age mentioned to be between 18-22 years, followed by those between whose mentioned their age was 23 to 27 years old accounting for 21.90 percent Concerning the initial age of accessing internet the study established that most of respondents started accessing internet between 21-25 years old which accounted for almost 50 percent of the respondents, followed by the age between
10-14 years old accounting for 29.9 percent of the respondents. The findings about gender distribution of respondents indicate that there is no significant difference between males (53.60 percent) and females who accounted for 46.40 of the respondents. The study also sought to find out the marital status of the respondents and established that most were single accounting for 76.80 percent of the respondents, followed by 13.3 percent who were married while 5.70 percent mentioned they were widowed. The even spread of the sample demographics is an indication of lack of bias as the respondents were randomly distributed.

The following table is the outcome on the analysis of social and economic factors measured in the current study:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measured</th>
<th>Parameter</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of children in the household</td>
<td></td>
<td>0</td>
<td>176</td>
<td>45.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1-3</td>
<td>178</td>
<td>46.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3-4</td>
<td>18</td>
<td>4.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Over 4</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Employment Status</td>
<td>Employed</td>
<td>65</td>
<td></td>
<td>16.9</td>
</tr>
<tr>
<td></td>
<td>Un-Employed</td>
<td>203</td>
<td></td>
<td>52.9</td>
</tr>
<tr>
<td></td>
<td>Self-Employed</td>
<td>76</td>
<td></td>
<td>19.8</td>
</tr>
<tr>
<td></td>
<td>Other-Students</td>
<td>40</td>
<td></td>
<td>10.4</td>
</tr>
<tr>
<td>Monthly Gross Income</td>
<td>0-15,000</td>
<td>19</td>
<td></td>
<td>4.9</td>
</tr>
<tr>
<td></td>
<td>15,000-25,000</td>
<td>168</td>
<td></td>
<td>43.8</td>
</tr>
<tr>
<td></td>
<td>25,000-50,000</td>
<td>157</td>
<td></td>
<td>40.9</td>
</tr>
<tr>
<td></td>
<td>Over 50,000</td>
<td>16</td>
<td></td>
<td>4.2</td>
</tr>
</tbody>
</table>

**Table vi**: Social economic status of respondents

The study sought to know the household dependents in the family and found that most of the respondents who participated in the study did not have children accounting for 46.40 percent followed by those with 1-3 children. 4.70 percent of the respondents
declared they had households of 3-4 children while those with more than 4 children accounted for 3.1 percent of the respondents. It was observed from the study that 52.90 percent of the respondents were un-employed, 19.80 percent self-employed and 16.90 percent said they were involved in gainful employment. According to the study most of the respondents were earning Kes. 25,000 to Kes. 25,000 a month accounting for 43 percent of the respondents.

The respondents were asked if they are accompanied by their spouse (if available) when they go to visit social media sites. The following is the outcome of the study:

<table>
<thead>
<tr>
<th>Indicator measured</th>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spouse company when visiting Social Media Sites</td>
<td>Yes</td>
<td>104</td>
<td>27.1</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>272</td>
<td>70.8</td>
</tr>
</tbody>
</table>

**Table vii:** Privacy during access of social media sites

It was established that most of users of social media prefer privacy from their spouses as indicated by the findings which show that 70.80 percent of respondents stating that they are not accompanied by their spouses to the social media platform. 27.10 percent replied to the contrary. This agrees with the earlier outcome where 76.80 percent of the respondents said they are single.

On the average time committed to social media access, the respondents provided the following data as per the following chart:
Figure ix: Time spent per session on Social Media

The findings have established that social media has become very popular with most of respondents indicating they spend 3 to 5 hours per session of accessing the internet on social media alone. This accounted for more than 80 percent of the respondents.

Figure x: Mission and Purpose of Accessing Social Media

From the findings on the mission and purpose of accessing social media sites, the study found that most respondents accessed social media with the need to get information and socialize with other friends on social media.
Figure xi: Reasons for initial use of social media

From the findings on what initially prompted of social media users to interact with KCB Bank Group on its social media platforms, the study indicated that the influence of friends as the main reason accounting for 52.30 percent of the profiled respondents. The media also was found to be a major influencer in promoting the use of social media accounting to over 30 percent. This elucidates the power of social relationships and peer influences in influencing buyer behavior especially among social media users.

Figure xii: Reasons that prompted invitation of other users
It was also established that most of users of social media invited others to the KCB Bank Group Twitter and Facebook platforms to get interesting products or information on freebies accounting to 36.20 percent. An interesting find is that almost an equal number of respondents invited other users to the platforms because the platforms allowed them to invite other online users. 21.40 percent of the users were prompted to invite other users due to allowance by the platforms to post their individual opinions. This suggests the fact that interactivity most probably plays a big role in enhancing social site popularity amongst users.

4.5 Social Media Site Interactivity

The following is the outcome on the interactivity of online users on the KCB Bank Group’s Facebook and twitter platforms:

<table>
<thead>
<tr>
<th>Social Media Site Interactivity</th>
<th>Frequency</th>
<th>Per%</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connectivity with other social Media</td>
<td>111</td>
<td>29</td>
<td>3.695</td>
<td>1.184</td>
</tr>
<tr>
<td>Ability to exchange Information</td>
<td>115</td>
<td>30</td>
<td>3.753</td>
<td>1.219</td>
</tr>
<tr>
<td>Ability to share sites features with non-members</td>
<td>69</td>
<td>18</td>
<td>3.260</td>
<td>1.273</td>
</tr>
<tr>
<td>Allow me to share interesting features of sites with other online users</td>
<td>88</td>
<td>23</td>
<td>3.604</td>
<td>1.294</td>
</tr>
<tr>
<td>Total</td>
<td>384</td>
<td>100</td>
<td>3.576</td>
<td>1.243</td>
</tr>
</tbody>
</table>

Table viii: Social Media Site Interactivity

From the findings on the respondent rating the validity of various statements in regard to the social media site interactivity, the study found that majority of the respondent rated the statements as strongly agree (mean of 3.58 which is rounded off to 4.00 –
Agree on the Likert Scale). It is worthy to note that the standard deviation is not large hence consistency.

4.6 Freebies/Discounts

<table>
<thead>
<tr>
<th>Updating of commercial website</th>
<th>Frequency</th>
<th>Per %</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounted Pricing of products</td>
<td>138</td>
<td>34</td>
<td>3.2500</td>
<td>1.256</td>
</tr>
<tr>
<td>Freebies/ Gift offers</td>
<td>115</td>
<td>30</td>
<td>3.1146</td>
<td>1.279</td>
</tr>
<tr>
<td>Gift discount and induced referrals</td>
<td>131</td>
<td>36</td>
<td>3.1615</td>
<td>1.6742</td>
</tr>
<tr>
<td>Total</td>
<td>384</td>
<td>100</td>
<td>3.1753</td>
<td>1.4303</td>
</tr>
</tbody>
</table>

**Table ix:** Preferences with regard to Freebies and Discounts

The study sought to find out the extent to which they are in agreement regarding freebies on social media offered by KCB Bank Limited on its social media platforms. It was found out that most respondents took a neutral stand on the question of whether they liked interacting on its social firms because of offers on freebies and discounts. This is in agreement with the question on the purpose of visits in which most stated that they visit the sites to interact to socialize.

4.7 Regular Updating of Social Media Site

The table below presents the research findings on respondent rating validity of various statements regular updating of KCB Bank Limited social media sites:

<table>
<thead>
<tr>
<th>Regular Updates</th>
<th>Frequency</th>
<th>Per %</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I visit firms social media sites because they have regular and frequent online updates</td>
<td>130</td>
<td>34</td>
<td>3.3151</td>
<td>1.2609</td>
</tr>
<tr>
<td>I visit social media sites because they regularly engage me and my online friends in discussions through online updates</td>
<td>174</td>
<td>45</td>
<td>3.3151</td>
<td>1.1595</td>
</tr>
<tr>
<td>I visit social media sites because sites because I am provided with fresh information on their offerings on a periodic basis</td>
<td>80</td>
<td>21</td>
<td>3.2083</td>
<td>1.2384</td>
</tr>
<tr>
<td>Total</td>
<td>384</td>
<td>100</td>
<td>3.227</td>
<td>1.213</td>
</tr>
</tbody>
</table>

**Table x:** The use of frequent updates to attract online users
From the findings on level of agreement on various aspect concerning regular updating of commercial social media sites, the study found that majority of the respondents neither agreed nor disagreed on the fact that regular updates on the KCB Bank Limited social media sites act as an influencing aspect for them to visit these platforms. This points to the fact that there are other more significant factors that influence frequency of visits to these sites.

4.8 Commercial Firm’s Direct Marketing

<table>
<thead>
<tr>
<th>Attraction to Social Media Platform</th>
<th>Freq.</th>
<th>Per%</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invitations from online friends</td>
<td>73</td>
<td>19.0</td>
<td>3.695</td>
<td>1.184</td>
</tr>
<tr>
<td>Offers or discounts on products</td>
<td>149</td>
<td>38.8</td>
<td>3.751</td>
<td>1.219</td>
</tr>
<tr>
<td>Regular, interesting updates on the platform</td>
<td>108</td>
<td>28.1</td>
<td>3.161</td>
<td>1.273</td>
</tr>
<tr>
<td>Others</td>
<td>54</td>
<td>14.1</td>
<td>3.201</td>
<td>1.294</td>
</tr>
<tr>
<td>Totals</td>
<td>384</td>
<td>100</td>
<td>3.576</td>
<td>1.2431</td>
</tr>
</tbody>
</table>

Table xi: Factors that attracted users initially to KCB Bank Limited social media platforms

The study established that most users of social media were initially attracted by variety of reasons. As shown in the table (xi) above, most users mentioned that they were initially attracted by offers or discounts that were offered in the KCB Bank social media sites. This constituted 38.80 percent of the respondents. Similarly 28.10 percent of the respondents mentioned that they were attracted by regular and interesting updates on the platforms while 19.00 percent of users mentioned that they were driven by invitations from online friends.
The study also sought to establish the main reasons that encouraged repeat visits to the KCB Bank Limited’s Twitter/Facebook platforms. It was found out that freebies and discounts offered by the firm was a major factor influencing users to make repeated visits, accounting to slightly over 40.90 per cent of the responses. The allowance to have forums upon which online users can undertake discussions on common areas of interest also were a great influence towards facilitating repeat visits by KCB Limited’s online fans.

<table>
<thead>
<tr>
<th>Repeat visits to the SNA platforms</th>
<th>Freq.</th>
<th>Per%</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Products updates</td>
<td>74</td>
<td>19.3</td>
<td>3.695</td>
<td>1.100</td>
</tr>
<tr>
<td>Good or interesting updates</td>
<td>37</td>
<td>9.6</td>
<td>2.450</td>
<td>1.210</td>
</tr>
<tr>
<td>Interesting forums of discussions with other online users or friends</td>
<td>112</td>
<td>29.2</td>
<td>3.820</td>
<td>1.121</td>
</tr>
<tr>
<td>Freebies or discounts</td>
<td>157</td>
<td>40.9</td>
<td>3.901</td>
<td>1.219</td>
</tr>
<tr>
<td>Totals</td>
<td>384</td>
<td>100</td>
<td>3.6616</td>
<td>1.1290</td>
</tr>
</tbody>
</table>

Table xii: The cause of repeat visits to the KCB Bank’s social media platforms

4.9 Correlational Analysis of Moderating, Dependents and Independent factors

As earlier mentioned, the influence or correlation of the following three factors/indicators that previous studies had identified as influencers in social media environments was measured: accessibility, freebies/discounts and website update frequency. Associated demographic factors were also identified and measured alongside the mentioned, against the dependent factor-KCB Bank Limited’s direct marketing.
The following table presents the outcome of this:

<table>
<thead>
<tr>
<th>Factors Correlated</th>
<th>Method of Analysis</th>
<th>Direct Marketing</th>
<th>Updates</th>
<th>Freebies</th>
<th>Interactivity</th>
<th>Age</th>
<th>Gender</th>
<th>Employment</th>
<th>Marital St.</th>
<th>Social Infl</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directing Marketing Updates</td>
<td>Pearson Correlation</td>
<td>1.00</td>
<td>.446*</td>
<td>.584*</td>
<td>.431*</td>
<td>-.066</td>
<td>-.197</td>
<td>.084</td>
<td>-.066</td>
<td>.365*</td>
</tr>
<tr>
<td>Freebies</td>
<td>Pearson</td>
<td>.446*</td>
<td>1.000</td>
<td>.132</td>
<td>.121</td>
<td>.121</td>
<td>.184</td>
<td>.112</td>
<td>.089</td>
<td>.231</td>
</tr>
<tr>
<td>Interactivity</td>
<td>Pearson</td>
<td>.584*</td>
<td>.132</td>
<td>1.000</td>
<td>-.066</td>
<td>.197</td>
<td>.084</td>
<td>-.021</td>
<td>.121</td>
<td>.112</td>
</tr>
<tr>
<td>Age</td>
<td>Pearson</td>
<td>.431*</td>
<td>.121</td>
<td>-.066</td>
<td>1.000</td>
<td>.197</td>
<td>.084</td>
<td>-.034</td>
<td>.123</td>
<td>.123</td>
</tr>
<tr>
<td>Gender</td>
<td>Pearson</td>
<td>-.066</td>
<td>.121</td>
<td>.197</td>
<td>.197</td>
<td>1.000</td>
<td>.084</td>
<td>-.066</td>
<td>.112</td>
<td>.211</td>
</tr>
<tr>
<td>Employment</td>
<td>Pearson</td>
<td>-.197</td>
<td>.184</td>
<td>.084</td>
<td>.084</td>
<td>.084</td>
<td>1.000</td>
<td>-.066</td>
<td>.293</td>
<td>-.066</td>
</tr>
<tr>
<td>Marital St.</td>
<td>Pearson</td>
<td>.084</td>
<td>.112</td>
<td>-.021</td>
<td>-.034</td>
<td>-.066</td>
<td>-.066</td>
<td>1.000</td>
<td>.197</td>
<td>.121</td>
</tr>
<tr>
<td>Social Infl</td>
<td>Pearson</td>
<td>.365*</td>
<td>.231</td>
<td>.112</td>
<td>.123</td>
<td>.211</td>
<td>-.066</td>
<td>.121</td>
<td>.021</td>
<td>1.000</td>
</tr>
<tr>
<td>Directing Marketing</td>
<td>Sig. (2-tailed)</td>
<td>0.03</td>
<td>0.01</td>
<td>0.21</td>
<td>0.099</td>
<td>0.197</td>
<td>0.123</td>
<td>0.099</td>
<td>0.031</td>
<td></td>
</tr>
</tbody>
</table>

From the correlation results, it was found that factors such as gender of the social media users, their age, marital status and income, do not have a positive influence on
direct marketing by KCB Bank Group Limited among social media users in Nairobi, Kenya. All of them had been identified as moderating factors in previous studies as explained in the literature review section. However Correlation Coefficients for updates, freebies, interactivity, employment status and social status showed there was significant influence on direct marketing by KCB Bank Group Limited among social media users in Nairobi.

The findings are consistent with previous studies that indicated that there are factors other than income that influence usage of the internet (Ndungú et al., 2012). Peer influences have been found to be a major driving force towards utility of internet especially among youth (Kimani, 2012). In this study, it was established that an offering to customer of 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 of commercial firms. Kimani (2012) and Campbell (2010) in their studies mentioned that social media site users prefer social media sites with regular, frequent updates and postings.

The study also sought to rank factors (social media site interactivity, freebies/discounts and regular updates) on how they influenced direct marketing by KCB Bank Limited among social media users in Nairobi, Kenya. The following table shows the outcome:

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>SE of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.874*</td>
<td>0.764</td>
<td>0.731</td>
<td>0.12225</td>
</tr>
</tbody>
</table>

**Table xiv:** Model Summary of Regression analysis

**KEY:**

Adjusted R squared - Coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable.

R - The correlation coefficient which shows the relationship between the study variables
From the findings in the above table the value of adjusted R squared was 0.731 which indicated that there was variation of 73.10 per cent on the direct marketing due to changes in the three independent factors: social media site interactivity, freebies/discounts and regular updates at 95 per cent confidence interval. This shows that 73.10 per cent changes in direct marketing could be accounted for adjustments in social media site interactivity, freebies/discounts and regular updates. It can also be deduced from the findings shown in the table above there was a strong positive relationship between the study variables as shown by 0.874 R Coefficient.

The following is the outcome of multiple regression of the three independent variables against the dependent variable:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.878</td>
<td>.357</td>
<td>2.459</td>
</tr>
<tr>
<td>Freebies and Discounts</td>
<td>.305</td>
<td>.097</td>
<td>.402</td>
<td>3.145</td>
</tr>
<tr>
<td>Regular Updates</td>
<td>.245</td>
<td>.093</td>
<td>.091</td>
<td>.760</td>
</tr>
<tr>
<td>Social media interactivity</td>
<td>.158</td>
<td>.100</td>
<td>.183</td>
<td>1.583</td>
</tr>
</tbody>
</table>

**Table xv:** Coefficients on multiple regression of variables

The established regression equation/model was as follows:

\[ Y = 0.878 + 0.305 X_1 + 0.245 X_2 + 0.158 X_3 + 0.245 e \] (an accounted for)

A multivariate regression model was applied to determine the relative importance of each of the variables with respect to direct marketing by firms using the social media. From the above regression equation it was revealed that holding social media site interactivity, freebies/discounts and regular updates to a constant zero, direct marketing by KCB Bank Group Ltd. among social media users would stand at 0.878, a unit
increase in freebies and discounts would lead to increase in direct marketing by a factors of 0.305, unit increase in social media updates would lead to increase in direct marketing by a factor of 0.245 and unit increase in site interactivity would lead to increase in direct marketing by a factor of 0.158. From the findings, influence of discounts and freebies ranked as the most critical factor influencing social media direct marketing among Nairobi County online users by KCB Bank on social media. This was followed by regular updates of social media sites and finally the site interactivity had the least influence.

However all the three factors were found to be statistically significant, as shown in the Anova table below:

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>70.343</td>
<td>11</td>
<td>6.395</td>
<td>8.511</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>279.491</td>
<td>372</td>
<td>.751</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>349.833</td>
<td>383</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table xvi: ANOVA for the Independent Variables
CHAPTER 5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This is a descriptive study of social media based factors that were identified through previous studies, to influence strategic direct marketing efforts of KCB Bank Limited among social media users in Nairobi County. Specifically, the study intended to investigate the relationship between social media site interactivity, regular updates and freebies/discounts and direct marketing by KCB Bank Group Limited among social media users within the county of Nairobi, Kenya.

The study relied on social media users within the County of Nairobi totalling 82,100 in total. Out of these, a sample of 384 respondents was picked to provide data through convenience sampling technique. Questionnaires containing closed ended questions which were posted on the KCB Bank Limited Twitter and Facebook profiles, were used to collect data that was posted to a central depository. Data collected was analysed using a number of techniques including descriptive techniques (mean, standard deviation) and inferential techniques (correlation, regression, ANOVA).

5.2 Summary of Study Findings

The following are the major findings of the study among social media users in Nairobi County with regard to direct marketing by KCB Bank Group Limited:

i. Most respondents utilise Facebook and Twitter platforms (71 per cent and 20 per cent respectively). A majority of the Facebook and Twitter users are in the 18 to 27 years old age set. Of these, 80 per cent access social media platforms with the aim of socialising with their online friends and/or source for information.
ii. Access to internet among the respondents is usually through the use of internet enabled phones (over 65 per cent) and cyber cafes.

iii. A big portion of the respondents access social media unaccompanied by their spouses. This is a pointer to their need for privacy in their social media engagements.

iv. Over 80 per cent of the respondents committed 3 to 5 hours of their time to social media platforms per session of accessing the internet.

v. Friends/peers and the media are the biggest influences that prompted a majority of the respondents to initially interact with the KCB Bank Group Limited social media platforms.

vi. Most users of KCB Bank Group Limited’s social media platforms invited other users because they allowed them to invite online users and the need to share information or interesting information on products.

vii. Users of KCB Bank Group Limited’s social media platforms qualified the following regarding social media platforms interactivity:

   - Allowance to link up with other existing members of online community
   - Ability to let users to invite non-members to join the platform
   - Allowance to share interesting features of the platform with other users

viii. On the issue of freebies/discounts and regular updates on the social media platform, the respondents were neutral in their responses.
ix. Initial attraction of online users to KCB bank Group Limited was influenced by three major factors including offers on discounts/freebies, regular updates on its platforms and invitation from existing online friends.

x. The following were identified as factors that influenced social media users to do repeat visits to the KCB Bank Group Limited Twitter and Facebook platforms: freebies/discount offers, product updates and forums to interact with other users.

xi. Gender of the users, age, marital status and incomes as factors do not have statistically significant influences on direct marketing by KCB Bank Group Limited among social media users in Nairobi Kenya.

xii. The influence of freebies/discount offers as a factor was found to be the most critical in influencing direct marketing among social media users in Nairobi County on the KCB Bank Group Limited platforms. Regular updates was the second most significant factor and social interactivity the least. All the three were however found to be statistically significant in the study.

5.3 Conclusion

From the data analysis, the following conclusions can be deduced with respect to the research objectives of the study:

i. Social media site interactivity has a positive relationship/influence with direct marketing by KCB bank Group Limited among social media users in Nairobi Kenya.
ii. Freebies/discount offers as a factor directly influences direct marketing by KCB Bank Group Limited among social media users in Nairobi Kenya.

iii. Regular updates/postings as a factor has a positive influence on direct marketing by KCB Bank Group Limited among social media users in Nairobi Kenya.

iv. The three independent variables in the study, viz site interactivity, freebies/discounts and regular updates were all statistically significant with regard to direct marketing by KCB Bank Group Limited among social media users in Kenya. The influence of freebies was ranked to have the highest influence on direct marketing, followed by regular updates and social site interactivity had the least influence.

5.4 Recommendations

In consistency with the research purpose, objectives, evidence presented and analysis, the following are the recommendations made out of the study with regard to direct marketing by KCB Bank Group Limited among social media users in Nairobi County:

i. In order to attract/direct new users to its Facebook and Twitter online platforms, the Bank should put into consideration the following measures:

   a) Place regular offers of discounts or freebies and giveaways on its sites.

   b) Frequently update its social media sites with interesting information and product updates.

   c) Make the social sites more interactive to allow online members to invite others who are non-members of these social sites to sign up.
d) Continue investing in media advertisements targeting a specific segment of the population for acquisition of new users.

ii. To enhance consistency in repeat visits of online visitors, the Bank should:

   a) Create more fora for online engagements on common areas of interest among social media users. For instance, chat rooms would provide users with virtual confidential platforms to discuss areas of mutual interests. This will also be a way to harness the massive time resources social media users dedicate toward interaction as identified in the study.

   b) Increase offers on freebies and giveaways on the online social media platforms.

   c) Enhance the dissemination of information on its products and services.

iii. The Bank should enhance its information dissemination/flow especially on areas of interest among its target social media users in Nairobi Kenya. It should also invest in resources to ensure updates on its Facebook and Twitter platforms are up to date and regular.

iv. To enhance traffic to its Facebook and Twitter sites, the Bank should find a way to take advantage of peer group influences as the study has established it as a powerful way of influencing new social media users to visit its platforms. Incentives such as gifts to existing online users who invite other online users to its sites would be a good way to achieve this.

v. The Bank should develop a phone application (app) to take advantage of the use of internet enabled phones to access the internet among its social media users. A readily available and easily downloadable app on the android and IPhone
Operating System (ios) would provide a ready and easy way for users to access its Facebook and Twitter platforms.

5.5 Recommendations for Further Research

Due to constraints in the research in terms of costs and time, the following are the recommended areas for further research:

i. The scope of the research should be widened to cover the entire East African region in which the KCB Bank Group Limited has its footprint including Kenya, Uganda, Tanzania, Rwanda, Burundi and South Sudan.

ii. Further studies should be done to identify specific common areas of interest among the 18 to 22 years old that were identified as the ones with the highest population using KCB Bank Group’s social media platforms to socialise and seeking information that the Bank can exploit to create fora for engaging these online community members.
REFERENCES


Communications Commission of Kenya (CCK), (2013), Communications Sector Report, quarter 2012-13, Communications Commission of Kenya, Nairobi. Available at:


White, G.K. and Manning, B.J. (1998),”Commercial WWW site appeal: how does it affect online food and drink consumers’ purchasing behaviour?” Internet Research, Vol. 8 Iss: 1 pp. 32 – 38

APPENDIX
Appendix i: Research Questionnaire

Dear Participant,

I am currently undertaking a survey on Facebook and Twitter platforms of KCB Bank Group Limited. Kindly help facilitate data collection by answering the questions below as honestly as possible. This questionnaire is purely for academic purposes and information provided would be treated with utmost confidentiality. Kindly, do not include any personal information anywhere in this questionnaire. **Shade or Tick on your preferred answers to the questions as provided.**

*For any inquiries or clarifications, kindly contact:*

Michael Okinda,  
*Mobile: +254 712 540 925*

School of Business – Kenyatta University-Kenya.

**SECTION A: GENERAL INFORMATION**

**G1.** Do you live in Nairobi County?

- [ ] Yes
- [x] No

**G2.** If your answer to G1 above is *Yes*, in which area of Nairobi County do you reside in as shown below?

- [ ] Westlands
- [ ] Kasarani
- [ ] Langáta
- [ ] Embakasi
- [ ] Dagoretti
- [ ] Makadara

**G3.** Which of the below social media platforms do you frequently visit?

- [ ] Facebook
- [ ] Twitter
- [ ] LinkedIn
- [ ] Other
  
(state)________________________

**G4.** Kindly select from the options below why you access social media platforms:

- [ ] Interact with friends
- [x] Network with other online users (not necessarily friends)
- [ ] Source for information
- [ ] New products/offers

**G5.** How frequently do you access the internet?

- [ ] Hourly basis
- [ ] In the evenings/after work
- [ ] Work break times
- [ ] Once a week
- [ ] Occasionally

**G6.** How do you access the internet?

- [ ] Cyber cafe
- [ ] Internet enabled phone
- [ ] Home PC
- [ ] Work PC
SECTION B: DEMOGRAPHIC AND SOCIAL MEDIA BASED VARIABLES

SM1: AGE

SM1 (a). Kindly indicate your age:

- 18 to 22 years old
- 23 to 27 years old
- 28 to 32 years old
- Over 33 years

SM1 (b). At what age did you initially access the internet?

- 10 to 14 years old
- 15 to 20 years old
- 21 to 25 years old
- Over 25 years old

SM2: GENDER

SM2. What is your gender?

- Male
- Female

SM3: INCOMES

SM3 (a) What is your employment status?

- Employed
- Unemployed
- Self-employed
- Other (state)..................

SM3 (b) By estimation, how much do you earn as your monthly gross income? (Source: employment, business, etc.)

- 0 to 15,000 shs
- 15,000 to 25,000 shs
- 25,000 to 50,000 shs
- Over 50,000 shs.

SM4: MARITAL STATUS

SM4 (a) Kindly indicate your marital status:

- Single
- Married
- Widowed
- Other (state).............................

SM4 (b) If you are married as above, what is the number of children in your household?

- 0
- 1 to 3
- 3 to 4
- Over 4 children

SM4 (c) How much time do you spend, per session, on social media platforms on a single day? (Through phone, cyber, work PC, home PC):

- 1 to 2 hours
- 3 to 4 hours
- 4 to 5 hours
- Over 6 hours

SM4 (d) If you are married as per above, are you accompanied by your spouse to the social media platform access point/terminal (cyber, PC, etc)?

- Yes
- No

SM4 (e) When you go to access the social media platform, what’s your mission/purpose?

- Socialisation
- Information
- Shop for new products-offers
- Other (State).....................
**SM5: SOCIAL/PEER INFLUENCES**

SM5 (b) Kindly indicate what initially prompted you to interact with the KCB Bank Limited social media platform.

-的朋友 (Friends)
- The Media
- Family
- Others

(state).................................

SM5 (c) What did you like most about the above social media site that made you invite other online friends or you revisit the site?

- Interesting products or information
- Allowed you to invite online users
- Freebies
- Allowed you to post opinions
- Others

(state).................................

**SM6: SOCIAL MEDIA SITE INTERACTIVITY**

To what extent do you agree with the following statements regarding interactivity of online members on the KCB Bank Limited social media platforms? [Please choose the appropriate box by shading or crossing, once for each statement].

<table>
<thead>
<tr>
<th>Statement</th>
<th>5 Strongly agree</th>
<th>4 Agree</th>
<th>3 Neutral</th>
<th>2 Disagree</th>
<th>1 Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I like the KCB Bank social media platforms because they enable me to connect or link up with other members of the online community along common areas of interest.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I like the KCB Bank social media platforms because they enable 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>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I like the KCB Bank social media platform because it allows me to share interesting features of the site with other online users and friends.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
SM7: FREEBIES/DISCOUNTS

To what extent do you agree with the following statements regarding freebies on social media offered by KCB Bank Limited? [Please choose the appropriate box by shading or crossing, once for each statement].

<table>
<thead>
<tr>
<th>Statement</th>
<th>5 Strongly agree</th>
<th>4 Agree</th>
<th>3 Neutral</th>
<th>2 Disagree</th>
<th>1 Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I frequently visit the KCB Bank social media platform because it offers discounts on their products to their online visitors.</td>
<td>O</td>
<td></td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>I have preference for KCB Bank social media platforms because they offer free gifts whenever I do online internet visits.</td>
<td>O</td>
<td></td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>I usually refer online friends and acquaintances to KCB Bank social media platforms because they offer their online visitors freebies/discounts.</td>
<td>O</td>
<td></td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>

SM8: REGULAR UPDATING OF COMMERCIAL SOCIAL MEDIA SITE

To what extent do you agree with the following statements regarding updating of social media platforms owned by KCB Bank Limited? [Please choose the appropriate box by shading or crossing, once for each statement].

<table>
<thead>
<tr>
<th>Statement</th>
<th>5 Strongly agree</th>
<th>4 Agree</th>
<th>3 Neutral</th>
<th>2 Disagree</th>
<th>1 Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I like visiting the KCB Bank Group social media sites because they have regular/frequent online updates.</td>
<td>O</td>
<td></td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>I like visiting the KCB Bank social media sites because they regularly engage me and my online friends in discussions through online updates.</td>
<td>O</td>
<td></td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>I like visiting the KCB Bank Group social media sites because I am provided with fresh information on their offerings on a periodic basis.</td>
<td>O</td>
<td></td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>
SM9: COMMERCIAL FIRM'S DIRECT MARKETING

SM9 (b) What initially attracted you to the KCB Bank Limited Twitter and/or Facebook Platform(s)?

- Invitations from online friends
- Offers or discounts on products
- Regular, interesting updates on the platform
- Others (state)………………………………………………………………………………

SM9 (c) What influences you to do repeat visits to the KCB Bank Limited Twitter and/or Facebook Platform(s)?

- Good product updates
- Good or interesting updates
- Interesting forums of discussions with other online users or friends
- Freebies or discounts
- Others (state)………………………………………………………………………………

THANK YOU FOR YOUR PARTICIPATION AND CONTRIBUTION
Appendix ii: Nairobi County Map

Fig. xiii: Nairobi county map

# Appendix iii: Sample Size Tables

## Required Sample Size

<table>
<thead>
<tr>
<th>Population Size</th>
<th>Confidence = 95%</th>
<th>Confidence = 99%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Margin of Error</td>
<td>Margin of Error</td>
</tr>
<tr>
<td></td>
<td>5.0%</td>
<td>3.5%</td>
</tr>
<tr>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>20</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>30</td>
<td>28</td>
<td>29</td>
</tr>
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<td>50</td>
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<td>75</td>
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<td>200</td>
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<td>250</td>
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</tr>
<tr>
<td>300</td>
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<td>400</td>
<td>146</td>
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<td>500</td>
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</tr>
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<td>600</td>
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*Source: Krejcie and Morgan (1970)*
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<th>$N$</th>
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Source: Sekaran (2003)
Appendix iv: Letter of Authority to Collect Data

KENYATTA UNIVERSITY
SCHOOL OF BUSINESS
DOCTORAL & MBA COORDINATION OFFICE
P. O. Box 43844
NAROBI
KENYA
Tel: 020 870 3724
1st April, 2014

TO WHOM IT MAY CONCERN:


This is to confirm that the above named is a Master of Business Administration (Strategic Management option) student in the School of Business, Kenyatta University.

He is through with course work and has successfully defended his MBA Project proposal (Influence of Social Media based factors on Kenya Commercial Bank (KCB) Group Limited’s Strategic Direct Marketing among Social Media users in Nairobi, Kenya). I confirm that he has done all the corrections that were pointed out by the examiners during the defense and he is now embarking on data collection.

Any assistance accorded him will be much appreciated by this office.

Thank you,

JAMES KILIKA (PhD)
DOCTORAL AND MBA PROGRAMME COORDINATOR

JMK/mt