Redefining Customer Engagement Through Social Media – Case of Zimbabwean Firms (Organisational Perspective)

[1]More Chinakidzwa, [2]Tafadzwa Zimucha, [3]Shepard Chifamba

[1,2,3]Electronic Commerce Department - Harare Institute of Technology, Zimbabwe

Abstract

Customer engagement is an important aspect of every business. In today's world of social media, firms are making every effort to be relevant on social media platforms. This paper focussed on social media usage by firms in Zimbabwe to engage their customer. The researchers used two sets of online surveys, one administered to firms and the other to consumers. Results were analysed using SPSS. It was established that majority of firms were present on at least one social media platform with facebook being the major platform being used. However these companies were mainly trying to push their posts without the much needed customer engagement. Some were struggling to generate traffic to their platforms. A very insignificant number of consumers were able to generate content about firms on these social media platforms regardless of the majority being active on social media. The researchers therefore concluded that social media platforms where highly underutilised in Zimbabwe. Recommendations were made for proper social media strategies and commitment of resources towards social media. However further research is required to be able to generalise these findings.

Keywords

Social Media, Customer Engagement, Zimbabwean Firms

I. Introduction

Customer engagement is an important aspect of business today. Competition has become so cunning that it is crucial to profitably engage customers if you are to continue adding value. The upshot is that the customer is now in a primary role as an innovator, as a source of forward-pointing information around taste and preference, and as such is potentially the basis for competitive advantage [1]. Getting engagement right is a key to getting social technologies working for you [1]. Developments in the ICT sector had seen consumers increasingly become more powerful, knowledgeable and difficult to retain. Social media is attracting billions of users on a daily basis. For instance according to [2] there were 829 million daily active users, 654 million mobile daily active users, 1.32 billion monthly active users and 1.07 billion mobile monthly active users as of June 30, 2014 on facebook. This new tool is increasingly becoming important to business professionals. It has the power to enable marketers to reach to thousands in a short space of time. Not only does it have the potential to reach a wide audience but also to get feedback. Various types of collaborative web tools and approaches, such as social media, can enable and significantly increase the collaboration and learning from customers in various ways [3-4]. According to [5] social media can provide more rich feedback than traditional media. [5] further found out that purchase decisions are now influenced by complex networks of friends, family, and peers. The new market winners will be the companies that excel at identifying and engaging with their customers' influencers across the Social Web." —Paul May, Founder and CEO, BuzzStream, Austin, TX. It is therefore crucial that firms use this new tool to profitably engage their customers and potential customers. Still further, the use of social media in different specific contexts, such as the business-to-business (B2B) sector and in different types of industries, is currently poorly understood [5]. Zimbabwe is a developing country that is yet to fully embrace e-commerce. Most business transactions are still being done in the traditional way. However internet access continues to grow in both corporates and individuals. Although most individuals still don't have access to computers, they do access their internet through mobile devices. According to [6] about 99.05% of internet users access the internet via mobile devices. This study intends to establish social media tools & platforms being used, behaviour of both firms and customers on social media, customer generated content and the general level of customer engagement. This is expected to shape the way organisations craft their social media strategy to profitably engage their clients.

II. Literature Review

A. Social Media Tools and Platforms

Social media are online applications, platforms and media which aim to facilitate interactions, collaborations and the sharing of content [7]. They take a variety of forms, including weblogs, social blogs, wikis, podcasts, microblogs, virtual worlds, social networking sites, pictures, video rating and social bookmarking (e.g. [8-10]. Social media builds on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user generated content [11] cited by [5]. Social media are often referred to as applications that are either fully based on user-created content, or in which user-created content or user activity play a significant role in increasing the value of the application or the service [5]. For instance 100 hours of video are uploaded to YouTube every minute with over 6 billion hours of video are watched each month on YouTube—that's almost an hour for every person on Earth [12]. Media tools and platforms are therefore crucial in customer engagement. Without them, an organisation cannot be able to engage customers on social media.

B. Customer Engagement

According to [1] engagement on the social web means customers or stakeholders become participants rather than viewers. It means customers are willing to take their time and energy and talk to you—as well as about you—in conversation and through processes that impact your business. Engagement in a social context implies that customers have taken a personal interest in what you are bringing to the market [1]. Consumers act in a participative environment. This is a very different context than the traditional setting. This engagement allows customers to give instant feedback. According to Johannessen and Olsen in [5] feedback enhance value creation and when firms and customer can both give and receive immediate feedback, the instant connection between the firm and customer's needs will also enhance innovation. Engagement platforms, however, transcend the company's offerings as such customer-firm dialogue about products allows for the generation of new strategic

capital. This can lead to co-creation. Co-creation is the process by which products, services, and experiences are developed jointly by companies and their stakeholders, opening up a whole new world of value [13]. According to [5] it is a "win more – win more" approach to value creation (in contrast to "win-win" collaboration) that opens up new sustainable growth, business advantage, and innovation opportunities. True co-creation enables consumers to engage with the company at whatever stage of the process, and whatever level of involvement, they desire [13]. Firms must stop thinking of individuals as mere passive recipients of value, to whom they have traditionally delivered goods, services, and experiences. Instead, firms must seek to engage people as active co-creators of value everywhere in the system [13]. Engagement in these open free-wheeling marketplace exchanges isn't optional. It's a prerequisite to having a future. Silence is fatal [14]. This literature shows that in social media consumers generate content; they are active, and share ideas among other things which are critical in business. The following hypotheses were therefore made:

H1. Zimbabwean firms use social media platforms more to engage customers.

C. Consumer Generated Content

According to [15] consumer-generated media 'describes a variety of new sources of online information that are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities, and issues' with billions of people creating trillions of connections through social media each day. According to [16], consumer-generated content is a form of electronic word-of-mouth given that the resulting advertising is created by consumers and not considered commercially motivated. Basically, a consumer has an opinion about a product or service, and he/she shares those views, beliefs, and experiences with other people via the web [14]. Web 2.0 has created the electronic version of word-of-mouth communications. Today's market mavens, however, interact in the marketplace via the creation of consumer generated content such as videos, music, blogs, and ads and then disseminate that content on new web platforms [14]. Consumer-generated content is attracting the attention of marketing professionals and researchers for a number of reasons [17]. First, the cost differential between content created by a professional agency and that created by a user can be quite large. Second, unconventional consumer generated content can break through the media saturation that is prevalent in today's environment. Third, electronic word-of-mouth can move much faster to the consumer than traditional advertising. Lastly, a skilled consumer may offer a more compelling message that has more credibility than a company-generated message. The Internet has transformed the intimacy of word-of-mouth behaviour into a broadcast-like ability to communicate with the masses, whether a group of friends or hundreds and thousands of online but-connected strangers at computer keyboards [15]. CGM—now include the ability to post send photos, video clips, audio clips and instant text messages. CGM also has emerged as a new source of news (i.e., The Drudge Report, political blogs, etc.) and is influencing the concept of "search." The same high-ranked links that marketers work so hard to achieve often share the same real estate with heavily-trafficked consumer-generated links and personal web sites, yet the CGM links often carry higher credibility and trust [15].

Most importantly, it plays a growing role in shaping consumer purchase behaviour, especially as consumers increasingly place their buying power and trust in other consumers rather than other forms of media and marketing [15]. Thus, regardless of whether firms and marketers like or dislike consumer-generated content, all indications are that such content, via consumer-generated advertising, is here to stay [14].

D. Behaviour of Firms and Customers on Social Media

Each time technology advances, the world's behaviour changes accordingly [15]. Consumers of media and marketing messages are intelligent, organizing, and more trusting of their own opinions and the opinions of their peers [18], the persuasive power behind word-of-mouth communication comes when the reference giver has no stake in the business he or she is discussing. The receiver often gives more credence to these word-of-mouth messages because they are unlikely to be influenced by the business and because they are discussant. According to Garretson in [14] 'consumers increasingly use digital media not just to research products and services but to engage the companies they buy from as well as other consumers who may have valuable insights'. By comparison, corporate messaging is pathetic, it's not funny, it's not interesting, it doesn't know who we are, or care. It only wants us to buy [14]. [19] go so far as to segment the 21st century interactive digital consumers according to five different types of social behaviours: Creators (e.g., publish, maintain, upload),Critics (e.g., comment, rate),Collectors (e.g., save, share),Joiners (e.g., connect, unite), and Spectators (e.g., read). [20] described the transformation of consumers from passive bystanders (i.e., where traditional media is controlled by the advertiser in a firm-consumer monologue) to hunters (i.e., where viewers seek out company-created internet-based marketing campaigns and the consumer controls the interactivity) to active participants in the media process (i.e., where consumers create, consume, and share messages). This transformation has led to what Schultz in [14] described as a social media ecosystem. The following hypotheses were therefore made;

H2. Consumers generate more content about firms on social media than on other platforms

H3. Customer content generation is determined by consumer behaviour on social media

H4. Consumer generated content is trusted more than firm generated content

III. Methodology

This research mainly used the survey method. The survey was divided into two groups (1) survey for firms (2) survey for users (consumers). These surveys were administered through an online platform as outlined below:

A. Survey 1 (Survey on Firms)

Our sample was drawn from a list of 73 firms that had provided internship to our students in the last two years. The reason for selecting two years was to broaden the respondents' base. A profile of the interns was used to identify possible respondents involved in marketing or related departments. Possible respondents were supervisors to the interns. A total of 53 respondents were finally identified. A link to the survey was then emailed to supervisors of our interns. The major assumption was that respondents in marketing or related departments use social media for business activities more than others therefore would provide valuable insights.

B. Survey 2 (Survey on Consumers)

A different questionnaire was developed for this survey. The link was posted on the two commonly used platforms in Zimbabwe which are facebook and twitter. A database with students' emails was also used to send the link. Recipients were encouraged to further send the link to their contacts.

IV. Results

A. Response Rate

Survey 1: A total of 43 fully answered questionnaires were received through the online platform giving a response rate of 81%.
Survey 2: A total of 103 fully answered questionnaires were received.

B. Survey 1 results

Media platforms frequently used to engage customers

Table 1: Media Platforms Frequently Used

Which media platform do you use frequently?					
		Frequency	%	Valid %	Cumulative Percent
Valid	Social media	33	76.7	76.7	76.7
	Traditional	10	23.3	23.3	100.0
	Total	43	100.0	100.0	

Table 1 show that 76.7% of the firms in Harare use social media platforms to engage their customers.

1. Customer Content Generation on Social Media

Table 2: One Sample t-tests Results for H2

One-Sample Test						
	Test Value = 0.5					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Consumers generate more content about firms on social media than on other platforms.	1.873	42	.068	.151	-.01	.31

P-value =0.068 > 0.05. This indicates that consumer content generation on social media is significantly higher on social media than on other platforms therefore we accept the hypothesis.
Although respondents indicated more content about firms being generated on social media than on other platforms, content generation is still very low compared to users of social media platforms. Only 6.5% of respondents (from survey 2) generated content about firms on social media especially facebook.

B. Survey 2 Results

Customer content generation versus consumer behaviour

Table 3: Regression analysis results for H3

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.128a	.016	-.008	.491
a. Predictors: (Constant), comment on social media				
Coefficientsa				

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.323	.096		3.374	.002
	comment on social media	.106	.128	.128	.828	.413
a. Dependent Variable: I generate content about firms on social media platforms						

P-value= 0.413>0.05. This indicates that content generation is dependent on consumer behaviour on social media. Therefore we accept hypothesis three.

It was observed that 83.7% of the customers believe more in information from friends and relatives whilst 16.3% of customers believe in company posts. We therefore accept the hypothesis four.

Majority of respondents also indicated that although they were active on social media platforms they don't like, post nor create content on pages of companies.

V. Discussions and Conclusion

The researchers found that the majority (76.7%) of firms in Harare, Zimbabwe use social media platforms to engage their customers. Although these companies showed platforms such as twitter, youtube, yookos on their corporate websites, Facebook was the mostly used platform. This could be explained by the wide reach that facebook has in Zimbabwe. 87% of consumer respondents indicated that they have a facebook account as compared to those with twitter (6%). Facebook is not the most favoured social media platform by firms in Zimbabwe only. [21] citing MCM outlook 2014 results, reported a 91.9% of respondents who had an active presence on facebook. This places facebook as a very important social media platform.

We therefore concluded that the increased presence on facebook is the reason why most firms use this channel to reach their customers. Moreover, we found out that facebook users generated more content on facebook than other platforms. This could be explained by the ready availability of internet on mobile devices such as mobile phones and social media bundles from telecommunication companies. However most of the content being generated has nothing to do with firms. Users generate content about social issues. This leaves a gap for companies to actively seek opinions of these users. As it stands, most firms in Zimbabwe use social media platforms such as facebook to push sales. A majority of firms do not have a dedicated person for social media activities. As such, their facebook pages are rarely updated and bring no meaningful contribution to business.

The results also established a direct relationship between active participants on social media platforms and content generation about firms. Active participants on facebook generated more content about firms on social media. According to the classifications of consumer behaviours on social media by [20] active participants create, consume, and share messages. This special group acts as leaders in social media platforms. However we noted that it was only a very small group, only 6.5% fitted into this special category. This means the majority either read or commented without creating and sharing own content. This was evidenced by the bulky of posts that were one-way (firm to consumer). This could be the reason why most firms messages where not reaching a wider audience. As noted by researchers such as [14,17], consumer generated content can easily break through the media saturation. Social media require leaders who encourage other members to participate. As reported before in our case, only a small percentage of respondents were found to be in this category. Researchers such as [22] and [23] also supported this view that core actors play a role as leaders who drive other members to participate.

Our results largely supported findings by researchers such as [14-15,18] that consumers trust opinions of their friends more than firm generated content. This is because the referee had no direct interest in the organisation. In our survey, we found that 83.7% of the respondents trust recommendations from friends and family than company posts. This has an effect on consumer decision making when making purchase decisions. If for example the prospective customer receives positive comments then chances of a purchase are increased.

VI. Managerial Implications

Social media is now a saturated platform that requires firms to be creative and innovative. It is not enough to have a social media presence but to actively seek customer engagement. Firms must seek two-way communication. This can be achieved by engaging active participants on social media platforms. These are a special group to marketers as they actively seek information, create, consume and share it. They have high influence to other participants. Firms can therefore establish committees of influencers around products. It is high time Zimbabwean firms in particular realise that facebook is not everything. There is need for a proper social media strategy and management. This must clearly spell out the reason for existence on social media, tactics to engage customers and performance indicators. Customers can provide valuable information on social media especially facebook. Great innovative ideas can be found through constant interactions with customers. However these interactions are not a given. For instance most of our respondents rarely post on company facebook pages, some even indicated that they hate liking company facebook pages as they do not want unnecessary posts.

There is also a great opportunity to cut costs on promotions both in terms of content creation and media. Customers have the potential to actively create content that promotes brands at very low costs. Moreover customer generated content is more trusted than firm generated. Zimbabwe firms need to actively track their customers, listen to what they are talking about and tap into that precious information. Marketers need to know for instance how many times their post had been shared, viewed or commented on. This is the kind of information that separates competitive organisations from the rest.

Firms in Zimbabwe must adopt proper social media strategy and devote human capital towards social media if they are to redefine customer engagement through social media.

VII. Limitations and Future Research

Findings were obtained from firms in Harare only and the trend for social media usage may not be the same outside Harare hence conclusions cannot be a true representation for all Zimbabwean firms. Therefore there is need to extent the same research to other parts of the country. Further study must look into determinants of content generation on social media platforms such as facebook such as what motivates content generation, which class generates more content. This should specifically focus on content generation about firms. This could give valuable insights to firms on issues to focus on when engaging their customers. Future research must categorise firms as well. As noted in this study not all firms could use social media platforms to engage their products. Therefore separating would give a true picture to what is happening to those that has the potential to use.

VIII. Conclusion

Social media platforms are underutilised by firms in Zimbabwe. There is need for firms to design social media strategies and devote human capital towards social media if they are to redefine customer engagement. It is high time firms realise that customer engagement is not about having a facebook page or twitter handle only that you push content through. Regular training of staff, review of social media strategies, reinvestments and monitoring must be in the veins of organisations.

References

[1] Evans, D, McKee, J,"Social media marketing", The next generation of business engagement. Wiley Publishing, Inc, 2010.

[2] [Online] Available: https://newsroom.fb.com/company-info Accessed 2 August 2014

[3] Peppler, K. A., Solomou, M.,"Building creativity: Collaborative learning and creativity in social media environments", On the Horizon, 19(1), pp. 13–23, 2011.

[4] Albors, J., Ramos, J. C., Hervas, J. L.,"New learning network paradigms: Communities of objectives, crowdsourcing, wikis and open source", International Journal of Information Management, 28(3), pp. 194–202, 2008.

[5] Jari, J.J., Karkkainen, H, Leino, M,"Learning from and with customers with social media: A model for social customer learning", International journal of management, knowledge and learning, 1 (1), pp. 5-25, 2012.

[6] Kabweza, L.S.M (2014),"Zimbabwe's internet penetration almost 50%. More than 99% of that is mobile", [Online] Available: http://www.techzim.co.zw/2014/10/zimbabwes-internet-penetration-almost-50-99-mobile/ Accessed 1 September 2015

[7] Richter, A., Koch, M., (2007),"Social Software Status Quo und Zukunft", [Online] Available: http://www.kooperationssysteme.de/wordpress/uploads/RichterKoch 2007.

[8] Warr, W. A.,"Social software: Fun and games, or business tools?", Journal of Information Science, 34(4), pp. 591–604, 2008.

[9] Cooke, M., Buckley, N.,"Web 2.0, social networks and the future of market research", International Journal of Market Research, 50(2), pp. 267–292, 2008.

[10] Kim, A.J, Ko, E.,"Do social media marketing activities enhance customer equity?", An empirical study of luxury fashion brand. Journal of business research 65, pp. 1480-1486, 2012.

[11] Kaplan,A., Haenlein, M.,"Users of the world, unite! The challenges and opportunities of social media", Business Horizons, 53(1), pp. 59-68, 2010.

[12] [Online] Available: http://www.youtube.com/yt/press/statistics.html Accessed 2 August 2014

[13] Ramaswamy V,"Co-creation of value – towards an expanded paradigm of value creation", Marketing review St Gallen, 2009.

[14] Williams, D.L., Crittenden,V.L ., Keo, T, McCarty, P, "The use of social media: An exploratory study of usage among digital natives", Journal of public affairs Vol. 12, No. 2, pp. 127-136, 2012.

[15] Blackshow, P, Nazzaro,"M consumer generated media (CGM) 101", Word –of-mouth in the age of the web fortified consumer. An Intelliseek white paper, 2004.

[16] Ertimur B, Gilly M.,"The impact of consumer-generated advertising on brand associations", Advances in Consumer Research 37, pp. 286–287, 2010.

[17] Steyn P, Wallström Å, Pitt L.,"Consumer-generated content and source effects in financial services advertising: An experimental study", Journal of Financial Services Marketing 15(1), pp. 49–61, 2010.

[18] Karpinski R.,"The next phase: Bottom-up marketing", BtoB Magazine 90(5): 38. 2005.

[19] Li, C., Bernoff, J.,"Groundswell: Winning in a world transformed by social technologies", Boston: Harvard Business Press. 2008.

[20] Hanna, R., Rohm, A, Crittenden, L.V,"We are all connected: The power of the social media ecosystem", Business horizons. 2011.

[21] Forte, D, (2014),"Social media is driving customer engagement [Online] Available: http://multichannelmerchant.com/marketing/social-media-driving-customer-engagement-30072014/

[22] Huang, S., DeSanctis, D.,"Mobilizing informational social capital in cyber space: Online social network structural properties and knowledge sharing", In Proceedings of International Conference of Information Systems (ICIS) Proceedings, Las Vegas. 2005.

[23] Phang C. W., Kankanhalli, A., Chua, Z., Goh, K. Y., "Investigating participation in online policy discussion forums over time: Does network structure matter", In Proceedings of International Conference on Information Systems (ICIS), Montreal, US. 2007.