

Personalized Social Media Marketing Strategy and Customer Loyalty in the Kenyan Telecommunications Sector

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Abstract

Customer loyalty is pivotal for the sustainability and profitability of businesses, especially in competitive sectors like telecommunications. This study investigates the effect of personalized social media marketing strategies on customer loyalty within Kenya's telecommunications industry, focusing on the ability of personalized digital interactions to retain customers and enhance brand loyalty. The research applied an explanatory design with a sample of 384 respondents from major telecom companies in Nairobi, Kenya. Descriptive analysis indicates that frequent social media engagement, such as consistent posts from the telecom brands, positively influences loyalty. Correlation and regression analyses reveal a strong positive relationship between personalized social media marketing and customer loyalty ($r = 0.758$), with personalized strategies accounting for 57.5% of loyalty variance ($R^2 = 0.575$). ANOVA results further confirm the significance of this relationship ($F = 349.486$, $p < 0.001$), leading to the rejection of the null hypothesis. The findings underscore the importance of personalized content and regular engagement, suggesting that tailored social media strategies can effectively build and sustain customer loyalty in the telecommunications sector. Recommendations include optimizing posting schedules, investing in data analytics for audience insights, and prompting customer feedback to enhance loyalty further.

Keywords: Social media, Customer Loyalty, Digital Marketing

1. Introduction

The willingness of customers to patronize the business again is known as customer loyalty (Khairawati, 2020). This can be improved through constructive interactions between the business and the client. Client loyalty lowers the costs the business would have to pay for the more costly process of acquiring new clients (Arslan, 2020). Additional advantages of customer loyalty include increased revenue, word-of-mouth marketing, and competitive advantages for the business.

Customer loyalty is highly beneficial for companies, as loyal customers often act as brand advocates by sharing positive reviews, recommending the brand to others, and posting on social media about their positive experiences. According to You and Joshi (2020), customers gained through referrals also show higher retention rates. Loyal customers tend to make larger and more frequent purchases, showing a strong trust in the brand, and they are less likely to leave even if prices increase (Holmes et al., 2020). Retaining these customers is more economical than attracting new ones (Arslan, 2020).

Personalized marketing utilizes various offline and online channels, including email, social media, websites, and mobile applications. It extends beyond simply using a customer's first name in an email; it involves analysing data to gain insights into consumer behaviour and tailoring the entire customer journey accordingly (Kumar et al., 2024). By personalizing communication such as addressing customers by name, customizing content to align with their preferences, and providing relevant offers businesses can foster a more engaging and intimate connection with their audience.

A personalized social media marketing strategy creates a feeling of connection and relevance, making customers feel appreciated and understood. When customers receive tailored content that aligns with their interests and needs, they are more inclined to engage with the brand, which enhances their loyalty (Rane et al., 2023). Such strategies are crucial for boosting customer loyalty (Ebrahim, 2020). Moreover, personalized interactions on social media can deepen relationships, promote ongoing engagement, and ultimately foster long-term loyalty among customers.

Problem Statement

Particularly in the telecom sector, customer loyalty is essential to an organization's ability to survive, expand, and make money. Although the fierce competition in the telecom industry causes quick changes in customer loyalty, loyal customers also help reduce marketing expenses, act as brand ambassadors, offer objective reviews, and are more likely to buy more products, all of which increase profits.

According to CAK 2023, Telkom Kenya's subscriber base declined significantly between January and December 2023, from 3.4 million to 1.3 million. This significant drop emphasizes how hard it is to keep customers loyal in a market that is extremely competitive. On the other hand, Airtel Kenya acquired 37.6% of new subscribers, or 53.3 million users, in the same time frame. Safaricom Plc's voice market share decreased even though it was still the market leader (CAK, 2023).

The impact of digital marketing strategy on Safaricom Plc Company's sales performance in Kenya was investigated by Kagollah (2019), who found that digital marketing strategy was more cost-effective and efficient than traditional marketing techniques. Aduvagah (2019) looked into how social media engagement affected the performance of the Safaricom Plc brand, they found that the company had embraced social media, that social media encourages customer interaction, and that social media had enhanced the brand's performance. The above studies did not focus on the effects of different personalized digital strategies telecommunication companies employs on gaining customer loyalty they were limited to Safaricom Plc thus limiting the study.

Research Objective

To assess the effect of personalized social media marketing strategy on customer loyalty in the telecommunications sector in Kenya

H01: There is no significant relationship between personalized social media marketing strategy and customer loyalty in the telecommunications sector in Kenya.

2. Literature Review

Theoretical Background

Lazarsfeld and Stanton first put forward uses and gratification (UGT) in the 1940's. It was later developed by Katz, Blumber, and Gurevitch in 1973. The theory states that people use media to satisfy certain needs. These needs include physiological needs such as building social relationships, relaxation, seeking knowledge, and as a means of diversion. UGT views consumers as active consumers who know why they choose certain media.

The UGT plays a crucial role in deciphering the incentives individuals derive from various communication channels; advertisers can tailor their strategies to match these needs by delving into the psychological motivations behind an audience's preference for particular media (Kaur et al., 2020). As digital media proliferates, offering personalization and a multitude of interactive features and capabilities, consumers are now capable of unlocking a more diverse array of satisfactions.

Empirical Review

Customer loyalty, according to Arslan (2020), is the state in which a customer refuses to be influenced by competitors and is committed to using a business's goods or services. Customer satisfaction with the products serves as the foundation for this loyalty, creating enduring, trusting relationships that lead to repeat business and word-of-mouth referrals (Arslan, 2020). According to Arslan (2020), companies need to concentrate on improving customer satisfaction in order to develop devoted clients in the fiercely competitive market of today, where goods and services are becoming more and more similar in their features.

Zaid et al. (2021) described customer loyalty as a strong commitment contained in consumers to a company or product to maintain a long-term relationship. Loyal customers engage in continuous purchases and exhibit behaviors such as repeat purchasing, positive word of mouth, and preference for the same service despite potential alternative (Zaid et al., 2021)

El Khazri (2022) explored the complex dynamics of customer loyalty in Moroccan hotels, focusing particularly on the impact of personalized social media interactions. The research aimed to determine how e-marketing strategies, especially through customized social media engagement, influence customer loyalty within the hospitality sector. The results indicated that by tailoring content to meet individual preferences and needs, social media platforms can significantly enhance customer perceptions and strengthen loyalty.

Yusuff and Odubanjo (2020) examined the complex relationship between social media marketing, human relations management, and brand loyalty in Nigeria's telecommunications sector. Their study highlighted that personalized social media marketing practices significantly impact customer loyalty, emphasizing the effectiveness of tailored advertisements on social media platforms in enhancing loyalty among users (Yusuff & Odubanjo, 2020).

Fetais et al. (2022) studied how social media marketing impacts the loyalty of female customers of fashion brands in Qatar. They established that social media marketing had no significant effect on the customer loyalty of Qatari female fashion shoppers. However, they found that engagement through social media platforms does influence customer loyalty in the fashion industry.

The studies mentioned above highlight a research gap that this study aims to address. While previous research has examined aspects of customer loyalty and digital marketing strategies,

there is limited focus on the specific effects of personalized social media marketing strategies in the telecommunications sector. This study seeks to fill this gap by exploring how personalized social media marketing influences customer loyalty within Kenya's telecommunications industry.

3. Methodology

The study employed an explanatory research design; Explanatory research design is focused on investigating cause and effect relationships. Casula et al. (2020) states that exploratory research is considered inductive and qualitative hence can be applied in testing of cause-and-effect relationship. The study was conducted in Nairobi, Kenya, which is a strategic location due to the presence of major telecommunication companies in the country.

The study sample size was made up of 384 users of the telecommunication companies. Choosing a sample size of 384 participants for the study was justified because this sample size meets the requirements for statistical significance from the sample size table of Krejcie, and Morgan, (1970) as the population of the study was more than a million subscribers.

The study adopted a likert scale in the questionnaire. The Likert scale will measure respondents' perceptions and attitudes, with options ranging from strongly disagree to agree, enabling a quantifiable assessment of responses powerfully. Additionally, closed-ended questions allowed for the collection of categorical data, providing insights into respondents' characteristics and preferences.

The regression equation adopted was

$$Y = \beta_0 + \beta_1 \cdot X_1 + \epsilon$$

- Y = Customer Loyalty
- X₁ = Personalized Social Media Marketing Strategy
- β_0 = Intercept
- ϵ = Error term

4. Results

From the 384-questionnaire links, 260 were fully filled and submitted. Thus, the researcher achieved a response rate of 67%, this was regarded as sufficient to conduct the data analysis (Wu et al., 2022).

Personalized Social Media Marketing Descriptive analysis

Table 1: Descriptive analysis

Descriptive	Mean	Median	SD
The telecom firm frequently engages with me on social media and this has influenced my loyalty to its brands	3.20	4.00	0.974

The telecom firm usually tags me with their product /service content thus affecting my brand loyalty	2.93	3.00	1.247
I frequently visit the telecom social media site because of the Personalized brand content and this has influenced my brand loyalty	3.00	3.00	1.233
I usually share social media brand post from the telecom firm thus influencing my loyalty	2.64	3.00	1.094
The telecom firm social media posts/messages reaches me often hence affecting my loyalty towards its brand	3.58	4.00	0.937
I am likely to provide reviews and ratings to the telecom firm brands on social media thus influencing my loyalty to its brand.	3.17	3.00	1.339
Aggregate score	3.09	4.25	0.991

The analysis of social media engagement by a telecom brand reveals that frequent posting significantly enhances customer loyalty, with a mean score of 3.58 and low variability, indicating consistent appreciation among respondents. While tagging customers in product content shows mixed effectiveness (mean of 2.93 with high variability), personalized content encourages revisits with a moderate mean of 3.00, appealing to some but not all. The tendency to share brand posts is relatively low (mean of 2.64), suggesting limited engagement in this area. The likelihood of leaving reviews has a mean of 3.17, reflecting diverse opinions. Overall, the aggregate score of 3.17 (SD = 0.991) indicates a positive influence of social media marketing on loyalty, corroborating Ibrahim's (2021) findings. Key drivers include post frequency and general engagement, while enhancing personalization and creating compelling content for sharing could further improve loyalty outcomes.

Inferential Analysis

The researcher carried out inferential analysis to examine the strength between the study's independent and dependent variables.

Correlation Analysis

Table 2 represents the correlation analysis that was done to determine the strength between personalized social media marketing and the customer's loyalty of Telecommunications in Kenya.

Table 2: Correlation Matrix

		Customer Loyalty	Personalized Social Media Marketing
Customer Loyalty	Pearson's r	—	
	df	—	
	p-value	—	

Personalized Social Media Marketing	Pearson's r	0.758	—
	df	258	—
	p-value	<.001	—

Pearson's r between Customer Loyalty and Personalized Social Media Marketing is 0.758, indicating a strong positive correlation. This suggests that as personalized social media marketing efforts increase, customer loyalty tends to increase as well. The p-value is <.001, meaning the correlation is statistically significant at the 0.1% level. This significance level implies a very low probability that the observed correlation is due to random chance, thus reinforcing the strength of the relationship between the two variables.

Regression Analysis

The researcher conducted a regression Analysis to determine the relationship between Customer Loyalty and Personalized social media. The Model summary is presented in Table 3.

Table 3: Regression Analysis

Model Fit Measures

Model	R	R ²
1	0.758	0.575

Independent variable: Personalized social media marketing

Dependent variable: Customer Loyalty

The model fit measures indicate that the model has an R value of 0.758 and an R² value of 0.575. This means that the independent variable, personalized social media marketing, explains approximately 57.5% of the variance in the dependent variable, customer loyalty. The findings answer the research question regarding how personalized social media marketing strategies affect customer loyalty in Kenya's telecommunications sector with a The R value of 0.758 reflects a strong positive correlation, suggesting that improvements in personalized social media marketing strategies are associated with increased customer loyalty. This study findings are supported by those of Kithinji (2023) who established that social media positively influenced consumer's decisions like purchasing behaviour.

ANOVA Analysis

To test for hypothesis the researcher conducted an ANOVA analysis to test for the hypothesis. The results are showed in table 4

Table 4: ANOVA Analysis

ANOVA

Model		Sum of Squares	df	Mean Square	F	p
H ₁	Regression	98.946	1	98.946	349.486	<.001
	Residual	73.045	258	0.283		
	Total	171.991	259			

Independent variable: Personalized social media marketing

Dependent variable: Customer Loyalty

Researcher (2024)

The findings from the ANOVA analysis indicate a statistically significant relationship between personalized social media marketing and customer loyalty in Kenya's telecommunications sector. The ANOVA results showed an F statistic of 349.486 with a p-value of < 0.001, providing strong evidence to reject the null hypothesis (H₁) that there is no significant relationship between personalized social media marketing strategy and customer loyalty in the telecommunications sector in Kenya.

Model Coefficients

The researcher sought to establish the coefficients of the independent variables and how they affect the dependent variable.

Table 5: Model Coefficients

Model Coefficients - Customer Loyalty

Predictor	Estimate	SE	t	p
Intercept	2.120	0.1081	19.6	<.001
Personalized Social Media Marketing	0.623	0.0333	18.7	<.001

$$Y=2.120+0.623 \cdot X_1+\epsilon$$

From the analysis one-unit increase in Personalized Social Media Marketing, Customer Loyalty increases by 0.623 units, holding other factors constant. This positive coefficient indicates that personalized social media marketing is a significant driver of customer loyalty in this context.

The strong t-values 19.6 for Intercept and 18.7 for the predictor indicate that Personalized Social Media Marketing is a robust predictor of Customer Loyalty in the telecommunications sector.

5. Discussions and Conclusions

Descriptive analysis shows that frequent social media engagement, including regular posts from the telecom brand, has a positive influence on customer loyalty these findings are in agreement with those of Chou et al. (2023) who established that social media engagement by low-cost airlines affected customer loyalty of this airlines

There is a strong positive correlation between personalized social media marketing and customer loyalty. Regression analysis further indicates that personalized social media marketing explains approximately 57.5% of the variance in customer loyalty highlighting it as a key factor influencing loyalty. Suharto et al. (2022) studied consumer loyalty in Indonesia, and they established that customer loyalty of e-commerce was affected by social media marketing, thus supporting our findings.

The ANOVA analysis shows a significant relationship between personalized social media marketing and customer loyalty ($F = 349.486, p < 0.001$), hence we reject the Null hypothesis that There is no significant relationship between personalized social media marketing strategy and customer loyalty in the telecommunications sector in Kenya

The analysis confirms that personalized social media marketing is a crucial factor influencing customer loyalty among telecommunications consumers in Kenya. The data indicates that frequent engagement and reach of social media posts significantly enhance customer loyalty.

Recommendations

The study recommends that telecom firms should prioritize a regular posting schedule to maintain customer engagement, which can positively influence loyalty. Companies can set their daily posting targets such as 10 posts a day to ensure consistency.

Companies should invest in understanding their audience better through data analytics to create more relevant and appealing content. Tailoring messages based on customer preferences can improve engagement rates. This can be done through use of slugs and hashtags in messages.

Personalized social media marketing significantly drives loyalty, targeted campaigns focused on key customer segments could further enhance engagement and foster long-term loyalty in the telecom sector.

Limitations of the study and suggested areas of further Research.

The study was limited to a single geographical area, which may restrict its applicability to other regions. Additionally, the duration of the study was relatively short.

Future research should examine how different social media platforms affect customer loyalty to determine whether some platforms are superior to others.

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