

Social Media Marketing in Micro and Small Fashion Enterprises in Nairobi, Kenya

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Abstract

In an age of consumer generated media, social media has a powerful role to play in marketing an enterprise's brand online. Despite the growth of e-fashion and E-Marketing, there is paucity of scientific literature to analyze effect of social media marketing. In addition, scholars have questioned whether E-marketing is suitable for fashion related products, which do not allow the buyer to feel or fit the product. This study sought to establish the use of social media marketing and its effect on performance in fashion enterprises in Kenya. Random sampling method was used to select a sample size of 170 enterprises. Descriptive statistics was generated to describe the demographics of the respondents, characteristics of the enterprises and utilization of social media. Regression analysis and one way ANOVA was used to examine the linear relationships between social media use and performance. The main findings of the study were that Facebook marketing significantly influenced customer retention while twitter marketing significantly influenced return on investment, social media marketing was useful to increase market share in fashion enterprises.

Key words: Social media, MSE, Nairobi County, Performance

1. Introduction

Various studies have revealed that textile, apparel and clothing industry in Kenya were major players in the micro, small and medium enterprises' sector (MSME), employing both skilled and semi skilled workers, (Wandaka 2009; Elungata, Mugenda & Mburugu). This sector accounted for 87% of all new jobs therefore, playing a major role in the economic growth of Kenya, (Republic of Kenya, 2009). In spite of their significance, past statistics have shown that, three out of five MSEs in Kenya, failed within the first few months of operation, (Kenya National Bureau of Statistics, 2007).

In sub-Saharan Africa and in particular Kenya, one of the main challenges for fashion enterprises is marketing, (Mvubu & Thwala, 2008; Elung'ata, 2003, Wanjohi & Mugure, 2008). Elungata, et al., (2008) further noted that in Kenya, marketing, the lack of customers and stiff competition are the major challenges facing over 55% of the apparel traders, thus, resulting in low profitability.

The advent of E-Marketing has brought in new marketing opportunities that could resolve the marketing challenges faced by fashion MSEs, (Chaffey, 2008). Beckinsale and Levy, (2004) noted that, the perceived advantages of using E-Marketing includes operational effectiveness as well as the ability to reach out for new markets and business opportunities. Wandaka, (2009) also reported that, technological advancement among women entrepreneurs in the fashion industry in Kenya had led them to uploading information on their products on their websites, thereby, reaching international markets expediently.

With regard to marketing online, social media has been acknowledged as a profitable E-Marketing platform for many enterprises due to its low entry cost. Forrester research study (2011) found that companies (brands) are gradually shifting their advertising priorities to meet the demands of buyers in the 21st century. In addition, the use of the internet and social media has become very popular among the youth in most countries (Li & Fung, 2011). The most popular social media platforms used by marketers globally are said to be Facebook, Twitter, LinkedIn, YouTube and blogging, (Stelzner, 2013).

Although the use of social media in different enterprises has been studied, the impact of social media on performance from fashion enterprises' perspective has not been researched, (Palmer & Lewis, 2007; Tuten, 2008). Furthermore, there is contention among scholars whether social media marketing really converts to sales since the customer is not able to fit or feel the products. Social media marketing among MSEs in the fashion industry in developing countries is therefore seen as ineffective in increasing sales. This study therefore investigated whether the selected fashion MSEs had taken advantage of social media platform and the effect on the enterprises' performance and profitability.

1.1 Research Objectives

The study explored two main research objectives:

1. To determine whether Facebook and Twitter are used by selected fashion enterprises in Nairobi County, Kenya.
2. To establish the effect of utilisation of Facebook and Twitter on the performance of selected fashion enterprises in Nairobi County, Kenya.

The study's null hypothesis (H_{01}) was that, there was no significant relationship between the use of Facebook and Twitter on the MSE's performance in the fashion industry in Nairobi, Kenya.

1.2 Research Methodology

This study used a cross-section analytical survey method, to collect data from the respondents. The study was carried out in Nairobi County, Kenya. The respondents were selected from early adopter of online marketing as at the 30th of December 2012. The study targeted the fashion enterprises in Nairobi County dealing in fashion products such as couture apparel, ready-to-wear clothes and accessories. A total of 226 fashion enterprises were identified from different domain resellers and social media platforms.

Stratified random sampling technique was used to determine the desired sample size from the target population. Based on a total population of 226 fashion enterprises that had been identified from the leading domains and the social media platforms, a sample size of 170 enterprises was computed. The base sample size was increased by 20% to take into consideration potential non-response.

The study mainly used primary data which was collected using a questionnaire that had both structured and unstructured questions. To test the reliability of the variables, the Cronbach-Alpha based on standardized item was computed. A coefficient of 0.735 was obtained, therefore indicating that the reliability of the research instrument was acceptable.

The data collected was analyzed using the Statistical Package for Social Sciences (SPSS) version 21.0. Univariate statistics was used to describe the demographics of the respondents. Multiple regression analysis was used to examine the relationship between the independent variables; use of social media, and performance. Correlation coefficient tests and significant levels were computed to check the strength of the linear relationships between dependent and independent variables.

2. Literature Review

The internet has been reported to offer a cheaper platform to reach different market segments expediently in a wider geographical region, (Chaffey, 2007). El-Gohary, (2010) and Ming (2011) identified some of the E-Marketing strategies as search engine marketing (SEM), search engine optimization (SEO), social media, email, websites online banners and mobile telephony. In the last decade, however, researchers have noted that, the younger generation prefers using social media and mobile phones for socialization, shopping online and communication, (Li & Fung, 2011).

The internet has been proposed as a very useful marketing tool because it enables customers to keep track of the most current product trends world-wide, therefore increasing the MSEs' competitive advantage, (Renner et al., 2008). In China, it was reported that the major internet users were typically trend-conscious, young, relatively wealthy and technology savvy, (Li & Fung, 2011). In Kenya, mobile penetration is approximated at 70% of the population and the internet is becoming the preferred destination for everything from entertainment to information and even socializing, therefore becoming the new medium for multinational brands to communicate with young Kenyan consumers. In addition, the mobile money payment system, MPESA has enabled transactions and purchases at affordable rates for most MSEs.

2.1 Use of Social Media in Fashion Enterprises

In an age of consumer generated media, social media has a powerful role to play, when it comes to marketing an enterprise's brand online, (Chaffey, 2007). Social marketing means building a business through social sites, like viral videos, blogs, twitter and facebook, because this strategy gives the enterprise exposure, (Costa, 2010). Social media also aims at maximizing the percentage of web site visitors who complete a desired action, (conversion rate) as noted by various scholars, (Choi et al., 2007).

By 2012, Facebook was said to have more than a billion active users, with Kenya having over a million users, (www.facebook.com). By the second quarter of 2016, Facebook had 1.71 billion monthly active users worldwide <http://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/>.

Kenya is approximated to have 5 million active users in 2016 (<http://www.dotsavvy africa.com/the-5-biggest-social-media-platforms-in-kenya/>). Whereas Facebook allows friends to share lengthy information, updates and pictures, twitter allows the user to get the latest information through a public stream that interests them and follow in the conversations. This difference has made Facebook become more popular for marketing and a customer can like, comment, follow or not like a particular product.

Whatsapp has also gained popularity in Kenya a social media platform in the past three years, however, Twitter is said to have 1.7 million users in Kenya alone. Twitter has been reported to create brand awareness for different companies, enhance customer relationship marketing and also improved sales through direct marketing to the twitter account holders, (<http://www.dotsavvy africa.com/the-5-biggest-social-media-platforms-in-kenya/>).

It is evident that, social media platforms have become very popular among the youth and transformed advertising among many enterprises, (Hanna, Rohm, & Crittenden, 2011). In addition, social media has also influenced consumer behavior in terms of pre and post-purchase behaviour, thereby allowing for instant feedback on the goods and services, (Mangold & Faulds, 2009). Doyle and Moore, (2010) noted that, despite the growth of e-fashion and social media, the scientific literature to analyze effect of social medial marketing tools was still limited. This study sought to establish the use of social media as a marketing strategy and its effect on performance among fashion MSEs.

3. Findings and Discussion

The study investigated the demographic characteristics of the respondents whose enterprises used social media marketing. The findings are summarized as follows:

3.1 Age of Respondents in the Fashion Enterprise

The findings showed that majority of the respondents, (58.3%) were under the age of 30 years and 33.3% were between ages 31-40 years. Only 8.3% were between ages 41-50 years and no respondent was between 51-60 years old.

The youthful ages of the fashion MSE owners or employees would explain why these fashion enterprises used to social media, perhaps, since this demography is more likely to be technologically savvy, (Ming, 2011). However, there was an increase of persons aged between 51-60 years, which could imply that retired persons also ventured into the fashion business as noted by some scholars, (Elung'ata et al., 2008).

3.2 Gender of the Respondents

The results revealed that, majority of the respondents were female, represented by 82 respondents, or 52.6%, while the male were represented by 74 respondents or 47.4%. These findings correspond with related studies in the textile and apparel industry in Kenya, where majority of the fashion entrepreneurs and traders are female, (Elung'ata et al., 2008, Wandaka, 2009).

3.3 The Period the Respondent has been in the Fashion Enterprise

The findings revealed that majority of the respondents represented by 89.7%, had been in the enterprise for less than 5 years while only 10.3% had been in the enterprise for 5 years and above. This finding implied that majority of these fashion enterprise had not been in operation for more than 5 years. This finding corresponds with findings from a related study that revealed that most fashion enterprises do not survive for more than three years, (Elung'ata et al. 2008).

3.4 Respondents' Education Level

Majority of the respondents who participated in the study had college level certificate, while a significant number had a university degree certificate and only 8.3% had post graduate certificate level of education as shown in Fig 1.1. These findings implied that, these enterprises had sufficiently educated personnel who were able to adopt the technological advancement for fashion marketing, (Li & Fung, 2011).

1.5 Respondent's Role in the Fashion Enterprise

The results in Table 1.1 showed that the respondents who participated in the study were represented by owners/co-owners and employees. The employees included sales persons, marketers, designers, and procurement personnel. It was evident that most of the respondents in these fashion enterprises were either owners or partners of the business due to their small sizes, (Elung'ata et al., 2008). Additionally, Table 1.2 revealed out of the 156 fashion enterprises that participated in the study, majority of these fashion enterprises, were sole proprietorship further supporting the fact that MSEs are mainly individually owned.

1.6 Use of Social Media in Marketing

Table 1.3 revealed that majority of the enterprises, used Facebook in conducting marketing activities. As discussed by other researchers, Facebook was reported as a platform that maximizes online traffic and increase the enterprise's opportunity for sales and profits, therefore becoming a very useful in E-Marketing for enterprises that have low marketing budgets, (Li & Fung, 2011). Facebook also allowed the enterprises to post photographs of the fashion products and allow a following that would like, comment or follow a particular fashion page.

1.9 The Fashion Enterprises uses Twitter Marketing

The findings in Table 1.4 revealed that, slightly over half of the enterprises used twitter in conducting their marketing activities. This number was far less than that of Facebook users, perhaps because of the ease in use of Facebook and the popularity among the young fashion forward middle class urban youth. This finding is supported by the number of users in Kenya, who are approximated to be at about 1.7 million by 2016. In addition, the increase in use of smart phones and the ease of payment using mobile money has made the popularity of Facebook as advertising and marketing platform grow tremendously in the last five years.

1.10 Social Media Performance Indicators in the Fashion Enterprises

The study measured performance using parameters proposed by researchers in marketing, (El-Gohary 2011, Chaffey, 2007) These parameters included: Return on investment (RoI), which measured the difference between an enterprise's financial investment and the profit made by the enterprise as a result of investing on Social media marketing. Net profit was measured by subtracting the total sales made from the initial cost of purchasing the products.

Other parameters measured were customer conversion and retention. Customer conversion was a parameter that sought to find out whether the use of social media influenced the customer to purchase a product after being attracted to the products sold by the enterprise through social media. Finally, customer retention was also a good measure since it determined whether the customers would become repeat buyers of the enterprise's products, (El-Gohary, 2011). Table 1.6 summarized the results.

1.11 Correlation between use of Facebook Marketing and Performance

In order to determine the effect of Facebook marketing on performance regression analysis using one way ANOVA was computed. The measures of variability (R^2), frequent statistics (F) and the significant level (p), were used to explain the relationships. The results are summarized in Table 1.5.

The results revealed that there was a significant relationship between use of Face book marketing and customer retention rate ($R^2=0.056$, $F=9.097$, $p=0.003$). In addition, there was also a significant relationship between Facebook marketing and customer traffic ($R^2=0.053$, $F=8.584$, $p=0.004$). These results implied that Facebook is suitable as a customer relations management (CRM) strategy to increase customer traffic and retention, as shown by the p values that were less than 0.005%. Scholars have warned that whereas customer traffic and retention could be high, it is important to incorporate Facebook marketing with other online marketing strategies such as newsletters and emails to maximize on sales, (Stelzner , 2013).

1.12 Correlation between use of Twitter in Marketing and Performance

To determine the effect of use of Twitter marketing on performance, regression analysis using one way ANOVA was computed. The measures of variability (R^2), frequent statistics (F) and the significant level (p), were used to explain the relationships. The results are summarized in Table 1.6.

The results revealed that twitter only significantly influenced RoI ($R^2=0.044$, $F=3.500$, $p=0.033$). This finding implied that since twitter was not costly to implement, it was profitable to the fashion enterprises. However the twitter messages only allowed for very few words in each message and did not seem to significantly affect the other measures of performance. It could be inferred that fashion enterprises should use twitter with other E-Marketing tools such as websites and emails, so as to maximize profits. Based on the correlation findings, the null hypothesis was rejected since there were significant relationships between the use of Facebook and Twitter on the MSE's performance in the fashion industry in Nairobi, Kenya.

Multiple linear regression analysis between use of Facebook and Twitter marketing and performance was used to further explain the relationship between these two variables. A coefficient table of correlations was computed to determine individual relationships between individual variables in the independent and dependent variables.

The results in Table 1.7 revealed that, Twitter marketing had a significant effect on RoI, ($t=2.565$, $p=0.011$). Facebook marketing did not have a significant effect on RoI.

Customer conversion was affected by use of Facebook marketing: ($t=2.909$, $p=0.004$) Facebook marketing also had a significant positive effect on customer retention rate: ($t=2.822$, $p<0.005$). These findings correspond with studies that have shown that Facebook marketing has influenced customer pre and post-purchase behavior, allowed for interactive communication, thereby leading to higher customer retention, ((Mangold & Faulds, 2009).

Conclusion

Research has shown that, the 21st century customer has become more demanding and therefore fashion enterprises need to keep abreast with the latest marketing tools to meet these demands. In addition, since fashion and apparel products have high obsolescence and the marketplace is very competitive, the fashion enterprises that will remain profitable will have to innovatively use the social media and other E-Marketing tools to attract, convert and retain customers. It is also imperative for fashion enterprises to use other E-Marketing tools such as mobile telephony, Whatsapp, Instagram, website marketing, online banner marketing and SEM to increase net profit and market share.

Social Media marketing has created a virtual market place where customers can communicate directly with fashion enterprises in real time and build a relationship with the retailer, thus increasing sales or repeat buying. The lack of touch or fit of fashion products is still a challenge that the consumer faces, but s/he is able to shop virtually before finally visiting the store for the purchase. Social media marketing is therefore going to be the best advertising platform that will ensure enterprises constantly keep in touch with their customers and create relationships that will increase sales.

Appendix1: Figures and Tables

Figures

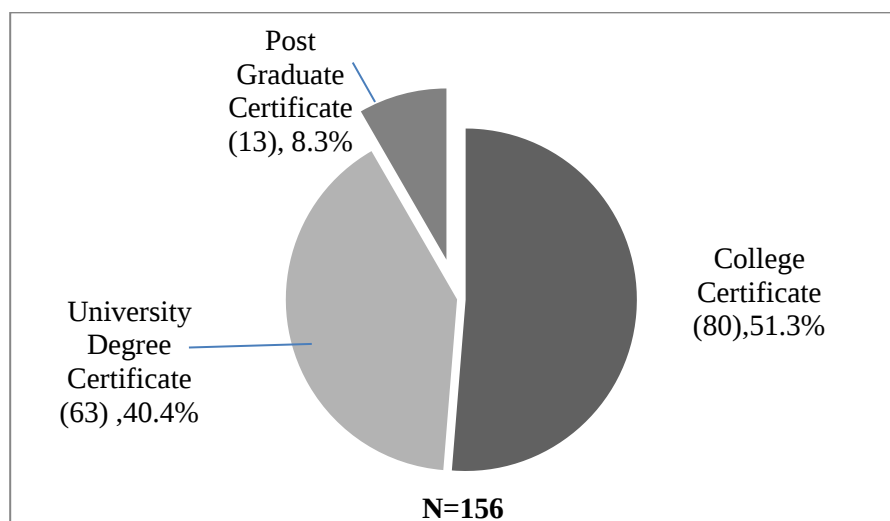


Figure 1.1 Respondent's Level of Education

List of Tables

Respondent's Role in the Fashion Enterprise	N=156	Percent
Owner/Co-owners	98	62.8
Employee	58	37.2
Total	156	100

Table 1.1 Respondent's Role in the Fashion Enterprise

Type of Fashion Enterprise	N=156	Percent
Sole proprietor/ individual owner	84	53.8
Partnership	57	36.5
Limited company	13	8.3
Franchise	2	1.3
Total	156	100

Table 1.2 Type of Fashion Enterprise

Response	Frequency(N=156)	Percent
Agree	62	39.7
Strongly Agree	59	37.8
Neutral	27	17.3
Disagree	8	5.1
Total	156	100

Table 1.3 Facebook Marketing

Responses	N=156	Percent
Agree	51	32.7
Neutral	40	25.6
Strongly Agree	34	21.8
Disagree	27	17.3
Strongly Disagree	4	2.6
Total	156	100

Table 1.4 Twitter Marketing

Facebook	R²	F	p
Customer Conversion	0.001	0.139	0.709
RoI	0.003	0.405	0.526
Customer Retention Rate	0.056	9.097	0.003 *
Net Profit	0.012	1.858	0.175

(p is significant at 0.05)

Table 1.5 Correlation between use of Facebook Marketing and Performance

Twitter	R²	F	p
Customer Conversion	0.010	0.766	0.467
RoI	0.044	3.500	0.033*
Customer Retention Rate	0.072	5.943	0.103
Net Profit	0.013	1.002	0.369

(p is significant at 0.05)

Table 1.6 Correlation between use of Twitter in Marketing and Performance

Dependent variable	β intercept	Std error	Internal variables	Beta	t	p
RoI	1.176	0.280	Facebook	-0.066	-0.828	0.409
			Twitter	0.203	2.565	0.011*
Net profit	1.534	0.461	Facebook	0.107	1.328	0.186
			Twitter	0.032	0.396	0.0692
Customer Conversion	1.676	0.227	Facebook	0.227	2.909	0.004*
			Twitter	0.128	1.640	0.103
Customer Retention Rate	1.463	0.174	Facebook	0.166	2.822	0.005*
			Twitter	0.095	1.180	0.240

(p is significant at 0.05)

Table 1.7 Summary of Linear Regression Models for Use of Facebook and Twitter Marketing and Performance

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