

# The Impact Of Social Media Marketing In The Telecommunication Industry: A Case Of Netone Plc. Ltd, Zimbabwe

Makura Tichafa, Nyoni Thabani

Bindura University of Science Education, Department of Marketing, Bindura-Zimbabwe

University of Zimbabwe, Department of Economics, Harare-Zimbabwe  
[tichafamakura@gmail.com](mailto:tichafamakura@gmail.com), [nyonithabani35@gmail.com](mailto:nyonithabani35@gmail.com)

**Abstract:** The study sought to investigate the impact of social media marketing on sales revenue at NetOne Plc. Ltd, Zimbabwe. The company is facing decrease in market share as evidenced in the decline in sales revenue which has seen it dropping to third in the industry. The purpose of the research was to find out if social media marketing can be adopted as a solution to the problem stated. The research design used in the study was a descriptive design and quantitative methods of data analysis were employed. In this research 80 employees of NetOne were interviewed. The researchers carried out the study on all NetOne shops in Harare and questionnaires which included both closed and open ended questions were used to collect data from the respondents during the study. Statistical tables and bar charts were used in data analysis and presentation. The research found out that a social media marketing campaign has a potential of increasing sales revenue by 70.09% among other marketing communication methods that can be employed by the company. Therefore it can be concluded that social media marketing has a potential to turn around the fortunes of a company but however firms need to be very cautious when carrying out a social media marketing campaign also as it has the potential to harm the organization as well. Firms need to integrate social media marketing with other traditional marketing techniques so as to achieve the maximum results.

**Keywords:** Marketing, market share, sales revenue, social media, telecommunication

## 1. INTRODUCTION

Business organisations will not survive the internet era unless they change the ways in which they conduct their business [1]. The turn of the century saw a tremendous change in the global economy coupled with the emergence of social media particularly Facebook, Twitter, Whatsup, Youtube and Skype. Against this revolution, marketers in the telecommunication industry are now taking advantage of a plethora of opportunities in digital media, particularly social media. Social media has become one of the most prominent marketing tools in which customers can take a contributory role. Social media can be defined as online contact created by people using highly accessible and scalable publishing technologies. Social media represents a shift in how people discover, read and share news, information and content. Currently there are hundreds of social media channels operating around the world, with Facebook, LinkedIn and Twitter at the forefront. Social media marketing, on the other hand, is defined by [2] as gaining traffic attention or attention through social media sites. Consumers, as argued by [3] are no longer the passive elements as in traditional marketing but they can now be involved in product development as well as marketing through social media. Success in the internet usage age, as already noted by [1], is about learning the new rules of business while not giving up on the basic business principles. This is quite evident in the way marketers of NetOne are integrating social media in their marketing mix. Social media, according to [4], presents a business with new challenges and new opportunities for getting and staying in touch with their markets. Interestingly, companies in the telecommunications industry, particularly NetOne, Econet and Telecel are increasingly taking advantage of abundant opportunities on social media and they are integrating and complementing their marketing strategies with social media. Although internet has opened up new avenues and become an

indispensable tool in marketing, a myriad of marketing executives do not really understand how to combine the internet with their marketing strategy. Developments in web based technologies, as argued by [1], make it necessary to rethink how firms should conduct their business market their products as this new technology affects all aspects of marketing. Marketing success depends on the extent of market orientation of the business. Companies today, as asserted by [6], recognize that they cannot appeal to all buyers in the market place, or at least not all buyers behave in the same way. In fact, buyers vary according to their taste, preference and background. On the other hand, companies vary in their ability to serve different sections of the society basing on many reasons which are not limited to the amount of resources, expertise and competition among other things. The concept of promoting products online is being used by virtually all telecommunications companies in Zimbabwe, just like elsewhere; in a bid to fight off competition and improve their business performance.

### Research of Objectives

- ❖ To establish the relationship between social media and sales revenue
- ❖ To determine the impact of social media on market share

## 2. MATERIALS & METHODS:

The study employed a correlational descriptive research design in order to achieve the research objectives. The target population involved marketing, accounting and management employees of selected NetOne shops in Harare, Zimbabwe. The researchers randomly selected 100 respondents. This target population is worth in this study since it represents diverse groups of people involved in the day to day business of NetOne. The study used the Krcicje & Morgan table to determine the sample size, since population was known to be

100 respondents. The sample size for a population of 100 respondents according to Kreicje & Morgan table is 80. Data collection was done using questionnaires as well as interviews. The study conducted a pilot survey of 5 respondents in order to check the appropriateness of the questionnaire. Upon completing the questionnaires, these 5 respondents were asked to give their opinions, suggestions and contributions regarding the simplicity and any improvement that could be necessary. Interviews were conducted in order to complement the questionnaire

### 3. RESULTS PRESENTATION, ANALYSIS & DISCUSSION:

#### Response Rate

The questionnaires were issued to 80 respondents and the response rate was 100% the entire respondents could manage to give the information sought by the study. Therefore the response rate was 100% and among the respondents 38 were male which represent 47.5% and 42 were female which represent 52.5 of the people who participated in the survey. The purpose of measuring the response rate was to assess whether the study managed to reach the sample large enough for the results to be declared valid. Also the response rate can be used to assess whether the correct measurement instrument was used. The response rate of the research is shown by table 1 below.

Table 1 showing the response rate

Respondents	Issued	Returned	Response rate
Company employees	80	80	100%
Total	80	80	100%

Source primary data

#### Demographic Profile of Respondents

##### Age of Respondents

The age of respondents ranged from 18 years to above 70 years. The age group of 51-60 had the most number of respondents recorded with 31.3 %. From the findings, it showed that 12.5 % fell under the age group of 18-30, the age group of 31-40 had 18.8% of respondents, those who are 41- 50 were 26.3% and those who are 61 and above were 11.3%. The table below shows the age of the respondents interviewed:

Table 2 showing the age of respondents

Age	Freq	%	Valid %	Cumulative %
Valid	18	12.5	12.5	12.5
30	10	12.5	12.5	25.0
40	25	31.3	31.3	56.3
50	9	11.3	11.3	67.6
60	2	2.5	2.5	70.1
70	2	2.5	2.5	72.6
Total	80	100.0	100.0	

31-40	15	18.8	18.8	31.3
41-50	21	26.3	26.3	57.5
51-60	25	31.3	31.3	88.8
61-70	9	11.3	11.3	100.0
Total	80	100.0	100.0	

Source primary data

##### Highest educational level of respondents

The results showed that those who were A level and below were the largest number interviewed and they constituted 51.25 % of the total respondents interviewed. Those who attained diplomas were 12.5 % and those who held degrees were 21.3%. However only 10% had masters and 5% of the respondents had qualifications above masters' degree. The table below shows the highest level of education attained by the respondents interviewed:

Table 3 showing highest educational level attained by respondents

	F	%	Valid %	Cumulative %
Valid	41	51.3	51.3	51.3
	10	12.5	12.5	63.8
	17	21.3	21.3	85.0

	8	10.0	10.0	95.0
	4	5.0	5.0	100.0
	80	100.0	100.0	

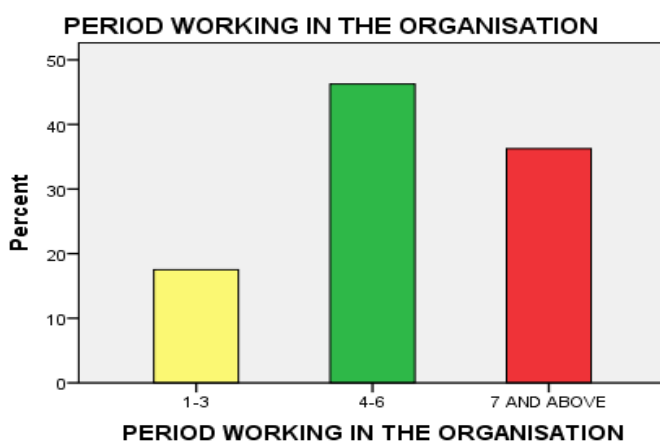
Source: primary data

The study managed to administer questionnaires to both management and employees of NetOne. Those who had qualifications above Masters Degree constituted the top management of the company. Therefore 5% of the respondents were top managers of the company. The middle management constituted 10% of the respondents, 21.5% of the respondents was lower management employees and 63.75% of the participants were general employees of the company. These people from different levels of management of the firm managed to give the valuable information needed by the study.

**Work Experience**

The results showed that 46.3% of the respondents revealed that they had worked for organization for about 4-6 years, 17.5 % revealed that they have been with the organization for about 1-3 years and only 36.3 said that they had worked for the organization for more than years The bar chart below shows participants and their time working for NetOne.

*Fig 1 showing the period taken by respondents working at NetOne*



Source: Primary Data

**Hypothesis Testing**

H<sub>1</sub>: there is a positive relationship between social media marketing and sales revenue. In this research it was hypothesized that there is a relationship between social media marketing and sales revenue. It was proposed that there is a positive relationship between social media marketing and sales revenue. The researchers tested on 95% level of significance and obtained a Z cal of 12.36 which means this hypothesis was supported. To support this claim, regression analysis was carried out to see if there is a relationship which exists between social media marketing and sales revenue. The independent variable was social media and the dependent variable was sales revenue.

*Table 4 showing regression analysis of social media marketing and sales revenue*

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.842 <sup>a</sup>	.709	.705	.434
a. Predictors: (Constant), social media				
Source: Primary Data				

The table above shows results of regression analysis where R is the regression coefficient of 0.842. By squaring the coefficient of R 0.824 we get the result of R square of 0.709 which means that social media marketing has the potential of producing revenue of 70.9% among other ways of marketing communication that can be used by NetOne. Therefore it means that there is a positive relationship between social media marketing and sales revenue. The respondents who are employees of NetOne agreed that social media marketing campaign has the potential to acquire 70.9% new customers. This claim was supported by analyzing the responses of the employees interviewed in the study. The majority of the respondents subscribed to the claim that social media marketing has a positive relationship with sales revenue. The table below gives a summary of the responses.

**Table 5** showing statistics of the responses on social media marketing and sales revenue

	N	Min	Max	Mean	SD
1) sales trends changing due to social media usage	80	1	5	3.81	1.032
2) impact of social media on sales revenue	80	1	5	4.50	.941
3) relationship between social media marketing and return on investment	80	1	5	4.41	1.133
4) social media marketing improving sales of NetOne	80	1	5	4.07	.978
Valid N (listwise)	80				

Source: Primary Data

The table above shows that on average the mean responses are ranging from 3.81 to 4.50, therefore the combined mean is 4.19 which is the agreeing range. The responses were ranging from 1 to 5 with 1 being strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 strongly agree. Therefore the results show that the respondents subscribe to the idea that social media marketing does improve the sales revenue of a firm.

**Social media marketing and market share**

H<sub>2</sub>: Social media marketing improves the market share of NetOne. It was hypothesized that social media marketing improves the market share of NetOne. It was proposed that social media marketing has the potential to improve the market share of a company. This claim proposes that a company can tap into new markets and acquire new customers thereby increasing market share through the use of social media marketing. The researchers tested on 95% level of significance and obtained a Z cal of 9.04 which means this hypothesis was supported. To support this claim, a correlation analysis was carried out to see if there is a relationship which exists between social media marketing and market share. The independent variable was social media and the dependent variable was market share. The table below shows the correlation analysis of social media marketing and market share.

**Table 6** showing correlation between social media marketing and market share

		social media	market share
social media	Pearson Correlation	1	.708
	Sig. (2-tailed)		.000
	N	80	80
market share	Pearson Correlation	.708	1
	Sig. (2-tailed)	.000	
	N	80	80

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

Source: Primary Data

The table above shows the Pearson correlation coefficient of 0.708 which means that there is a strong relationship between social media marketing and market share. The results support this hypothesis and it is showing that social media marketing can be accounted for 70.08% of new customers acquired and new markets entering among other marketing communication strategies used by NetOne. The results were supported by further analysis of the responses of the respondents or workers of NetOne used during the interview. The majority of the respondents supported that social media marketing does improve the market share of a company. The table below shows the statistics of respondents used during study

**Table 7** showing statistics of respondent on social media marketing and market share

		brand recognition	increase in social media engagement	number of social media customers increased	market share improved
N		80	80	80	80
		0	0	0	0
Mean		3.91	4.46	3.99	4.41
Median		4.00	5.00	5.00	5.00
Mode		5	5	5	5
Std.		1.2	.980	1.345	1.1

Deviation	14			44
Minimum	1	1	1	1
Maximum	5	5	5	5

Source primary data

The table above is showing us that the mean of the respondents in ranging from 3.91 to 4.41, therefore the combined mean of the respondents is 4.19 meaning to say that the respondents agreed that social media marketing improves the market share of a company. The responses were ranging from 1 to 5 with 1 being strongly disagree, 2 disagree, 3, neutral, 4 agree and 5 strongly agree. Therefore the mean shows us that on average the respondents agreed that social media marketing has the potential to improve the firm's market share. This is because the combined mean is in the range of agreeing therefore the results indicate that social media marketing improves the firm's market share. Additionally the mode and the median are also in the range of agreeing.

**Benefits of Social Media**

The results showed that 25% of the respondent interviewed strongly believed that social media marketing has many benefits and 32% agreed also on the premise that social media marketing proves to have more benefits. However 28% of the respondents did not subscribe to the idea that social media marketing has got more benefits than problems. In addition 57.5% of the respondents subscribed to the idea that social media marketing has the ability to reach a wide audience. Also 47.5% of the respondents strongly believed that social media marketing is a cheaper way of conveying product information to targeted customers. The table below shows that the mean is 3.976 and the standard deviation is 2. Therefore it shows that the respondents agree that there are some advantages associated with social media marketing since the mean is ranging around 3.9 which is near to 4

*Table 8 showing statistics of respondents on benefits of social media*

		Allows us to reach new markets	social media reaching a wide audience	social media cheaper
N		80	80	80
		0	0	0
Mean		3.39	4.48	4.06
Median		4.00	5.00	4.00
Mode		4	5	5

Std. Deviation	1.392	3.453	1.162
Minimum	1	1	1
Maximum	5	33	5

Source: Primary Data

The table above shows that on average the respondents agree that social media marketing has got its advantages which include allowing marketers to reach new target markets, social media reaching a wider audience and being a cheaper mode of conveying information. On average the mean is ranging from 3.39 to 4.48 thereby reflecting responses which strongly agree to these advantages of social media. The minimum score was 1 which indicated a strongly disagree response and the highest being 5 representing a strongly agree response. Therefore the mean is ranging around 3.39 to 4.48. Also the mode and the median of the responses was around 4 to 5 indicating that the respondents strongly ascribed to the idea that social media marketing can allow a firm to tap into new market, is a cheaper form of communication and is able to reach a wider audience.

**Challenges associated with social media**

The results showed that 22.6% of disagreed with the idea that the quality that the quality of the messages posted on social media sites affect the effectiveness of social media marketing campaign. However 35% of the respondents were neutral and 34% prescribed to the idea that social media marketing effectiveness depends solely on the quality of messages on social media. In addition 38% of the respondents interviewed disagreed with the idea that negative publicity affects the brand's image, 15% of the respondents were neutral and 45% of the respondents prescribed to the idea that negative publicity affects the brand's image. The study also investigated on the control of information on social media and 38% of the respondents disagreed with the idea that the company has little influence on the information posted on social media. Among the responses, 13.3% were neutral and 49% of the respondents agreed that the company has little to no control over the social interaction of people on social media platforms. The table below shows statistics on the advantages of social media marketing.

*Table 9 showing statistics on the challenges of social media*

		the quality of messages affect the effectiveness of social media marketing	negative publicity affects brand image	there is little control over social media
N	Valid	80	80	80
	Missing	0	0	0

	g		
Mean	3.34	2.94	2.94
Median	3.00	3.00	2.50
Mode	3	1 <sup>a</sup>	4
Std. Deviation	1.282	1.512	1.562
Range	4	4	4
Minimum	1	1	1
Maximum	5	5	5
Sum	267	235	235
<i>a. Multiple modes exist. The smallest value is shown</i>			

Source: Primary data

The table above is showing that the mean of the respondents is ranging from 3.34 to 2.94 and the combined mean is 3.07. This is indicating that on average the respondents were neutral because the scale is ranging from 1 to 5 with 1 being strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 disagree. The minimum is 1 and the maximum being 5, therefore this indicates that the respondents were neutral on the disadvantages of social media on marketing. Additionally the median and the mode is also in the same range with the mean thereby respondents were neutral on the effects of social media or the negative part of social media marketing.

#### Opinion Leaders and Word of Mouth Communication

The study managed to conduct interviews with some of the respondents and found out that the success of a social media campaign depends primarily on the use of opinion leaders. These are the people who should be put in the centre stage in conveying product information. The respondents revealed that it is very important to equip opinion leaders with enough product information so that they will spread the message through word of mouth. There are various standards which need to be met for a social media campaign to be successful. The respondents revealed that it is not just a matter of posting messages on the social media about the products being offered but the messages or information need to be revised in terms of quality and equip those supposed to spearhead the campaign with necessary product information. However the respondents revealed that in as much as the social media campaign is expected to bring positive results, it has a potential to bring about undesired results with it. This can be attributed to loss of control of the flow of information by the company since customers are taking centre stage in spreading information about the products. In this view customers are being viewed as marketers who will be spreading the gospel about the products being offered. In measuring the success of a social media campaign, the respondents revealed that they looked at the number of followers prior to a social media campaign. If there is an increase in the number of followers, that signals a success in the campaign since information will be reaching a wider audience. The study found out that before the campaign kick starts there is need to measure the sales and compare them with sales during and after the campaign.

#### Discussion of Results

The results indicated that a successful social media marketing campaign has a potential of generating 70.9% of sales revenue, also the campaign has got a potential to acquire

70.8% news customers and there is a chance of 70.8% of entering new markets. These results are concurring with the case study of Ford in their Fiesta campaign in which managed to create more than 50 000 customers wanting information about the Ford car. Among these customer 90% of have never owned a Ford car before also the company managed to sell 10 000 units of the car in the first six days [7]. Therefore it is clear that social media marketing has a potential to increase the company's sales revenue and resultantly market share. This can be attributed to the ability of social media to reach wider audience in a short space of time. This is supported by a study at University of Lacrosse in which 71.1% of the responds revealed that they were following brands on social media. Therefore it means that firms need to take advantage of that and be in a position to turn that following into a huge customer base. Although it is showing *that* social media campaign can effectiveness can be measured by an increase in the number of followers on social media sites. However, [8] tend to differ with this approach in that some of the followers may be ghost followers meaning to say they may not add significant value to the campaign because they will not be actively involved in product conversation. However the respondents interviewed revealed that for a social media marketing campaign to be successful, there is need to create a buzz on the message so that customers will be willing to pass on the information to others. A study carried out on 500 Fortune companies which tried to investigate the correlation between social media marketing involvement and return on investment produced mixed reactions. Therefore it means that the success of a campaign depends on the ability of the company to carry out the campaign. This is concurring with what was said by [8] when he advocated that for a social media marketing campaign to be effective, there is need for commitment from the company, need to look at the quality of the message and integrating social media with other traditional marketing methods. The respondents identified the need for coming up with messages that are appealing so that customers can forward them to their fellow friends and relatives. In addition the results indicated that there is a strong correlation between social media marketing and market share. This can be ascribed to the social exchange theory where an individual develops interest towards something through analyzing the exchange of information, communication and product knowledge between the individual and a group of individuals. The free flow of information between the individual and a group of individuals will now enhance word of mouth communication on product knowledge thereby increasing a number of people following an organization and automatically the market share. The social exchange theory states that the social behaviour of a person is subjective to analyzing the cost and benefits of engaging in that behaviour through looking at the behaviour of others in that society. Therefore the challenge now is for social media marketing managers is to transform the behaviour of an individual or group of individuals towards social media marketing so as to increase the market share. In other words there is need to develop a culture of being brand ambassadors of NetOne among customers to increase market share.

#### 5. RECOMMENDATIONS:

- i. NetOne should come up with a strategic social media plan in order to outperform its rivals in terms of social media marketing
  - ii. The company ought to be highly responsive to customers for the social media marketing campaigns to be more successful
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## 6. CONCLUSION:

The study mainly focused on the impact of media marketing on sales revenue using a case study of NetOne. The main focus of the research was to establish the relationship between social media marketing and sales revenue, to determine the effectiveness of using social media marketing on improving market share and to recommend the advantages and drawbacks of using social media as a marketing tool. The main data collection tool was questionnaires and they were self-administered by the researchers to the various members of staff at NetOne shops in Harare, Zimbabwe. The study used both primary and secondary data in carrying out the research. Past researches were used to provide an insight on the subject under study. The information was gathered using questionnaires and a sample size of 80 respondents was used in the research. The study found out that there is a positive relationship between social media marketing and sales revenue. An increase on activities of social media marketing has a positive impact on the sales of a company. In addition the study revealed that the effectiveness of a social media campaign depends mostly on several aspects which may include integration with other marketing mix, the quality of the content on social media and building trust on social media. However the study also revealed some advantages and disadvantages of social media marketing. The study found out that social media has the potential to reach a wider audience, cheaper as compared to traditional ways of marketing and can be used in launching a new product. However the disadvantages noted included loss of control over information dissemination, a high degree of doing more harm than good and the ability to convey negative publicity.

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