THE EFFECTIVENESS OF SOCIAL MEDIA IN ENHANCING THE MARKET PRESENCE OF ABSA BANK IN SOUTH AFRICA

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Abstract
The research study was aimed at measuring the effectiveness of social media in enhancing the market presence of Absa Bank in South Africa. The study was conducted with Absa’s Marketing and Communications teams. The objective of the study was to understand Absa’s current social media platforms, how customers are engaged, content use on these social media platforms and how it has contributed to Absa’s business and marketing planning.

Introduction
Over the past decade, social media has grown significantly. More and more people are now using social media platforms such as Facebook, Twitter, YouTube and LinkedIn to consume information and connect with family and friends. Whilst the social media arena is growing rapidly with more people on Facebook, Twitter and YouTube, most corporate companies including banks want to have a social presence on these platforms. According to a blog posted by Jeff Bullas on Social Media Statistics (2014) Facebook has 1.15 billion total users, Twitter has 500 million users, and LinkedIn has 238 million users. Considering there are so many users actively engaging on social media platforms, there is capacity to captivate audiences for corporate purposes. In the banking industry, there are many concerns about how social sites such as Facebook will affect customer security. Some financial institutions don’t know how to get started in the social media space. The banking sector is trying to understand this new form of customer relationship building, branding, and marketing. Banks operate in such a highly regulated industry and for that reason many banking executives are reluctant to give up some control over their public image by placing it in the hands of their customers.

Aim of the Study
The study aims to examine and explore the effectiveness of social media in enhancing the market presence of Absa Bank in South Africa.

Objectives of the study
1.2.1 To determine Absa’s current social media engagement strategy and how it interacts with its customers.
1.2.2 To identify which social media platforms Absa uses to engage with its customers.
1.2.3 To understand how Absa perceives social media as part of its marketing strategy.
1.2.4 To assess the receipt and interpretation of feedback from customers through social media and the influence of such feedback on the organisation’s business priorities and marketing spend.

1.2.5 To recommend the best use of social media platforms to Absa in order to actively and effectively engage with customers and increase its market presence.

LITERATURE REVIEW

What is Social Media?

According to Ron Jones' article “Social Media Marketing 101 (2009) defines social media "Social media essentially is a category of online media where people are talking, participating, sharing, networking, and bookmarking online."

Most social media services encourage discussion, feedback, voting, comments, and sharing of information from all interested parties. It is more of a two-way conversation, rather than a one-way broadcast like traditional media. Another unique aspect of social media is the idea of staying connected or linked to other sites, resources, and people. According to an online article on www.Forbes.com by Jessica Bosari on “The Developing Role of Social Media in the Modern Business World (2012:08), stated that Social media, although a relatively recent phenomenon, is becoming an increasingly important part of any business’s marketing and client based development platform. Today there are a numbers of social media sites that include YouTube, LinkedIn, Twitter and Facebook.

Types of Social Media platforms

Social media sites include blog, micro blog, podcast, video cast, forum, wiki, or some kind of content community:

- **Social news**: Digg, Sphinn, Newsvine, and Ball Hype provide news topics and encourage readers to vote and comment. Local online media sites such as News24 also provide articles and allow readers to comment. Articles with more votes get promoted to a more prominent position.

- **Social sharing**: Flickr, Instagram and YouTube is a medium where people can upload, and share videos or photos with others.

- **Social networks**: Sites like Facebook, LinkedIn, MySpace, and Twitter are sites that allow people to link up and connect to other people. This allows people to keep up to date with that person's contact info, interests, posts, etc. Thousands of people are connecting to family and friends including work colleagues and associates with whom they had fallen out of touch. These sites allow one to connect with people across the global that have social media profiles.

- **Social bookmarking**: Platforms such as Blog Marks and Diigo allow one to find and bookmark sites and information of interest. You can save your bookmarks online and access them from anywhere or share them with others.

Understanding Marketing

Marketing can be interpreted as “telling and selling” - but in a new sense of satisfying the customer needs. If the marketer does a good job of understanding consumer needs, develops products that provide superior value, and prices, distributes and promotes them effectively, these products will sell very easily.

What is very clear with the above statement is that marketers need to understand their customers’ needs and wants in order to provide a service or develop a product.
Absa’s retail banking strategy is to put the customer at the centre of everything they do. They want to be able to meet their customers banking and lifestyle needs. As mentioned above, Absa to use these social media sites to gather information about their customers banking needs and what they want from their bank that can help them meet their banking needs.

According to Kotler and Keller (2006:628), in order for companies to become more customer-centric, companies are now looking to focus on Relationship Marketing so that they are able to understand the true needs of valued customers.

Relationship Marketing, which is a well established business model that has stood the test of time and is growing faster than any other business model. This business model has created financial and time freedom for more people than any other model, but like any other opportunity, success only happens with perseverance and hard work.

Relationship marketing is a more personal approach to promotion which encourages a dialogue with customers and allows more targeted communications. If done well, benefits include increased customer retention, and the generation of ‘brand ambassadors’ who promote your product via word of mouth.

Whilst social media is able to enhance a company’s market presence, it needs to be mindful not to use it only as a product push but rather educate customers about the problem at hand or how to prevent a problem, for example, should Absa wish to do a product push about Savings, the approach that should be used is educating customers on the importance of savings, what they can use their savings for in the future and why saving is important at all life stages. By doing this Absa is then able to talk about their Savings product. Another way in which Absa can communicate effectively with customers is by using Content Marketing.

Most often financial services industry providers are afraid to engage on social media platforms and those that do engage are very cautious about the manner in which they can engage on these social media platforms. Below are key themes for financial services industry players should consider about social media. These include:

Risk Mitigation - If done correctly, social media listening/feedback can provide early warning or risk indicators that can then mitigate the impact of crises when they do occur. Consumers that are socially active can also avail community intelligence to identify and assist with the prevention of fraud and phishing attacks.

Increased Efficiency – Social media can also assist banks centralise teams and give customers a consistent and single brand experience across all channels. Financial institutions can also reduce operational costs by using social networks as an effective way to crowd source solutions and deal with issues that don’t involve PII (personally identifiable information).

Lead Generation – Brands are also able to capture new business leads and revenue opportunities via social media that may not surface through other channels. If done correctly, financial institutions may discover potential losses before they become apparent through other business channels (i.e., credit card churn).

Innovation – Socially savvy banks already using social media to learn details about how their customers behave in social in real-time, through social listening, moderation, and engagement are already starting to use that intelligence to plan new products, services, and support.
Improved Brand Perception – Frequent and quick response to customers on social media can help banks improve brand perception and drive long-term loyalty. This is especially necessary as customers continue to adopt a “branch light” banking approach. In addition, by using social media to nurture those online relationships can lead to real, offline relationships that will be rewarded with greater loyalty, referral, and advocacy.

Challenges facing financial institutions on social media channels
According to an interview done by financial brand Ragy Thomas (2013:01) he states that people now expect every brand to know who they are, regardless of which “division” within the brand they connect with. This paradigm is particularly stressful for financial institutions, perhaps more than any other industry, who typically suffer from “business inertia” — internal departmental, divisional, and locational business groups that typically don’t work together smoothly.

He further goes on to explain that Inter-departmental friction flies in the face of arguably the sharpest disruption social media has created — the expectation among consumers for a “unified experience.” Regardless of whether they are talking to a teller at the branch, on the phone with customer service, or tweeting out their frustrations, people want to be recognized and cared for as individuals in a personal manner. This comes into play especially when it comes to the extreme sensitivities associated with financial matters. When internal systems are not aligned and don’t “talk” to each other, and internal divisions are not encouraged or rewarded for collaboration to meet customer expectations, customer satisfaction is likely a difficult goal to achieve.

To truly support the “Omni channel customer and journey,” banks have to collaborate across teams, departments and divisions. They need to create new processes, and define “ownership” across the breadth and depth of a person’s entire brand journey. This is unfamiliar territory for most banks, with lots of land mines along the way. Given that the volume and pace of social conversations is only likely to increase in the future, the pressure to quickly put together a solution is acute.

Social can be a powerful lever for nurturing unified relationships and generating long-term, meaningful engagement. Every meaningful social conversation can be nurtured into a real relationship that can, over time, become a direct revenue opportunity, positive word-of-mouth, or direct referral. Social can become a cost-effective lead generation and activation channel for banks should they used it effectively.

To start, banks need to build a contextually unified profile for every prospect and customer, the foundation of which is a comprehensive conversation history — combining interactions from Facebook, Twitter, LinkedIn, YouTube, etc. With these individual histories, banks will know exactly what has been discussed with each prospect or customer, and will have clear indicators for how to nurture relationships through social interaction.

What is Brand Identity?
According to Bob Gilbreath (2010, p3) states that “The more meaningful people find your marketing, the more they’ll be willing to pay for your stuff, and the more loyal they’ll become to your brand. They will make more of an investment in your brand emotionally, and they will be more motivated to choose it and spread the word about it.”
Samuel Botts’s article on Building Identity Loyalty through Social Media (2014: 02) stated that a brand’s identity should be a clear, concise narrative that defines the brand’s values and ideals. It should differentiate the brand, and if the narrative is sufficiently compelling, it can
attract a profitable number of devoted consumers. In brand management, reaching this point when the brand and the target consumer become one is like achieving marketing nirvana. The consumer is no longer a patron but rather an evangelist for the brand, embarking on a self-initiated mission to build the brand through promotion and defend it against attack.

Forward-looking companies can achieve this as well by incorporating social media, an important but woefully underused and misunderstood tool, into their strategies for the creation, development and maintenance of Identity Loyalty in their customers. But before brand managers should even consider social media strategies, they need to create what we refer to as an Identity Loyalty framework. This begins with a positioning statement and identifies four crucial elements: the brand’s purpose (its “why”), the ideals and values it represents, the psychographic and behavioural attributes of its target consumer and the value proposition offered by the brand to those who become identity loyalists, Botts (2014:02).

This framework is then used to vet not only the message but also the strategic use of any digital platform. It helps firms stay true to brand values and deliver consistent marketing that reinforces those values, cementing them in the minds of consumers. Whether it’s through Google+, Google Hangouts, Facebook, Twitter, Pinterest, Tumblr or a firm’s own social media application, consumers get the same message with laser clarity, leaving no room for confusion, Botts (2014:02).

**Figure 1: Brand Identity and Image**

![Brand Identity and Image](image)

*Source: Kapferer (2007:98)*

Brand Identity represents how the brand wants to be perceived, it leads bream image and is situated on the sender’s side. The way a brand is perceived by its customers is key to success. To drive positive brand association that customers know and trust requires recognisable brand associations in the mind of customers, without a discrepancy in the brand elements. The brand perception, or in other words brand image, is therefore always on the receiver’s side.

It is necessary to have a clear and objective self image of the brand identity in order to influence the desired set of brand awareness, perceived value and brand image. According to Van Gelder (2005:35) a brand identity declares, its background, its principles, its purpose and its ambitions. For that reason brands need to be managed for consistency and vitality. Hence the identity concept, the promise to a customer, plays a crucial role within the brand management process as a brand needs to be durable. The brand must deliver coherent signs and products and it needs to be realistic (Kapferer, 2007:106)
According to Phillip, Kotler, and Waldermar Pfoertsch (2006:94) brand image can easily change over time where brand identity represents long lasting valued of the brand. From that perspective brand image is more a tactical assets, whereas brand identity fulfils a strategic asset to role.

**Figure 2: Brand Identity Prism**

![Brand Identity Prism](image)

Source: (Kapferer, 2007)

Above is the Brand Identity Prism which includes elements of how the brand is received. Kapferer (2007:156) further explains the brand identity prism elements.

Prism Element - Capabilities: Many brands have problems with their physical facet because their functional added value is week. Even an image-based brand must deliver material benefits.

Prism Element - Brand Personality: Some brands are incredibly earnest, other is super smart by communicating their personality, and brands build character. Consumers identify with the brand’s personality or project themselves into it.

These two prism elements are very applicable for Absa when developing a social media strategy.

**Consumer Behaviour**

Doing business online requires the company to take advantage of any and every opportunity to communicate with customers. Social media sites allow greater reach than before, with a much targeted approach of communications that almost guarantees a company’s message is received. Social Networking also allows communication to go both ways, creating interactivity between businesses and customers that have had a few direct effects on consumer behaviour.

**A Consumer’s Loyalty**

Larry Simmons, from demand media online article (2014) about Social Media and Consumer Behaviour explains that being able to communicate directly with a brand representative online can increase a consumer’s loyalty by establishing a personal connection that the
consumer might not be able to achieve with other companies. Even when the consumer has a complaint, if the company is professional, compassionate and understanding, much of the consumer’s frustration can be eased. Although this is no different from a customer working in a store with an angry patron present, the online environment allows the company to take its time in formulating the best response and ensures consistency in responses to different consumers.

**Consumer Advertising**

Simmons (2014) further explains that word-of-mouth advertising has always been an important part of achieving sales for a company. No advert is as convincing as having someone you trust and recommend a product or service. With social media, word-of-mouth advertising can go global immediately with a single message sent from one consumer. With some networks, the consumer can communicate with thousands of people at the click of a button, easily spreading a message about a company. It is obvious that this has its some challenges and as negative information publicity is easily spread by this ultra version of word-of-mouth as positive information is.

Social media has transformed the position of the consumer and while a mountain of research has gone into tracking how consumer’s make purchasing decisions, the role of influence and in particular influence accessed by social media still needs to be figured out, especially when it comes to online purchases where consumers perceive that the risks are higher.

Studies have suggested that positive informational social influence not only significantly affects attitudes and beliefs about purchasing online but also greatly increases an individual’s buying intention.

The Social Media Today website (2014) clearly states that Individuals are subject to peer pressure are far more likely to conform to the normative behaviours of their particular peer groups. Purchasing behaviour influenced by peer groups typically goes through a transgression; beginning with normative intent (would-be-consumers feel social pressure to conform to their peer groups’ expectations). And leading on to identification (The would-be-consumer adopts the behaviour and attitudes of their peers) and finally compliance (the consumer makes the commitment to purchase because they anticipate positive reinforcement or fear negative repercussions from their peers-just to be clear, negative repercussions could be being perceived as old-fashioned or un cool amongst their peers.

**How social media influences consumer behaviour**

**Figure 3: Consumer Behaviour Model**
Kate Miller published an article about Social Media and Consumer behaviour in Social Media today (2014:01) where the article discusses how social media has influence consumer behaviour and how organisations need to pay careful attention to consumer feedback and opinion. She explains that the rise of social media has brought with it an entirely new marketing avenue for companies. The traditional ‘word-of-mouth’ publicity has been replaced by ‘word-of-web. Consumers are increasingly heading to social media sites before making a purchase, which greatly influences their buying behaviour. The reviews and feedback from existing customers found on these sites hold much more sway with consumers than a one-sided website. Additionally, the human interaction that’s the core of social media has usurped advertisements in building a level of trust with the general public and potential customers.

Based on the article is it more likely for consumers to trust those who give an impartial account of a product rather than a celebrity who is to endorse the product. Social media enables people from all over the world to form a community of consumers.

**Social Influences a consumers’ purchasing behaviour**
Consumers like to have an interactive relationship with a company so that they can easily pass on feedback, suggestions, and complaints. Given the nature of social media, positive or negative – that is being said about the company or its product is now accessible to the global community of consumers. This means that the company’s business and marketing strategy can be enhanced or damaged within hours. Figure 5 hereunder reflects competitor tracking.

**Figure 5: Competitor Tracking**

![Competitor Tracking](image)

**Source: Absa Social Media insights report August 2014**

**Figure 6: Absa overall social media volume and sentiment**
In the Absa Social Media Insights August report, Absa received 5% of positive mentions and 19% negative mentions on their social media sites. Absa also received a total volume 2496 online conversations for the period of 28 July – 3 August. The top three issues raised on these platforms are customer branch service, Financial Intelligence Centre Act (FICA) issues and loan application frustrations.

**How companies are able to create a strong social media presence**

Whilst it is important to have social media presence, it is equally important to ensure that there is a solid and strong media presence. As the saying goes Go Big or Go Home. Below Miller (2014:01) listed three critical elements that need to be considered when enhancing social media presence.

**Know Your Target Audience**

According to Miller (2014:01) any good social strategy should focus on the largest segment of its customer base. It is important to determine the demographics of the audience and then talk to them directly. For example if the target audience is 20-somethings or also commonly referred to as ‘born free’, interaction on their level is important. It is important to take note and pay attention to what works, and what doesn’t, so that the social presence resonates and stays current with this target audience. Absa has a youth segment and most youth today have access to smart phones and are very technology savvy. Companies need to be prepared and willing to shift its strategy in order to actively engage with specific target audience.

**Serve, don’t sell**

It is important for companies to view social media as a way to build a corporate brand on a personal level. Facebook, Twitter, and LinkedIn, are about relationships and human connection. At a minimum, 80% of the social interaction should be about building those relationships and serving the community. Companies should use this platform to share relevant information, have a sense of humour, and ask questions. When building a strong foundation and people are able to connect with the company a sale will follow.

**Pay attention to customer opinion**

Companies need to pay attention to consumer feedback and respond accordingly. The conversation between consumers can give an organisation some insightful information on what they can expect from a brand. This dialogue can help companies to learn how it is
perceived, and what improvements can be made to strengthen the brand. Negative comments should be used to improve a company’s business. The biggest mistake companies can make is to delete or ignore something negative that’s posted about a brand online. Is it also important that the way a company responds will bear much more weight with consumer base than the actual comment?

Who is the Digital Consumer?

Figure 7: Constantly Connected

- young and informed
- Technology savvy
- Very connected on social sites

According to McKend (2014:06), Choice, Convenience, Price, Simplicity, Security and Personalisation are key factors that consumers look for in a brand.

McKend (2014:06) also discussed the importance of knowing the digital customer and how to keep them engaged via social media platforms. He mentioned that some of the strategies that companies are using on social media sites are not effective as a result of using a push strategy and using incorrect content that is irrelevant to consumers.

RESEARCH DESIGN AND METHODOLOGY

<table>
<thead>
<tr>
<th>Table 1: Key Features of the Research Paradigms</th>
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<tbody>
<tr>
<td>Basic beliefs</td>
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<tr>
<td>The world is external and objective</td>
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<tr>
<td>Observer is independent</td>
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<tr>
<td>Science is value-free</td>
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<tr>
<td>Researcher should</td>
</tr>
<tr>
<td>Look for causality and fundamental laws</td>
</tr>
<tr>
<td>Reduce phenomenon to</td>
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</tbody>
</table>
Formulate hypotheses and then test them | Develop ideas through induction from data
---|---
**Preferred methods include** | Operationalizing concepts so that they can be measured | Using multiple methods establish different views of phenomena
| Taking large samples | Small samples investigates in depth or over time

**Source:** Easterby-Smith *et al.* (1991: p 27)

For the purposes of this research the best approach to follow was the positivist paradigm for the following reasons:

- As the aim of the research is to understand Absa social media platforms, it required to focus on facts.
- The research requires operational concepts to be measured.
- Positivist paradigm tends to produce quantitative data: this would fit well with the survey study approach.

**Target Population**

Target population refers to the entire group of participants or objects to which researchers are interested in generalising the conclusions. The target population usually has varying characteristics and it is also known as the theoretical population. There are a total of 120 colleagues in the Absa Marketing, Communications and Digital Marketing department. For the purpose of this study, the target population was defined as follows:

- Absa Digital Marketing team (5)
- Absa Marketing department (50)
- Absa Communications department (25)
- This defined population was chosen as a result of the accessibility and time constraints required for the collection of reliable data.

**Tools.** Interviewing and questionnaires are probably the most commonly used research techniques. For the purpose of this research a research questionnaire was developed to gather the required data. The reasons for choosing this method were followings:

**Rating scale, etc.** A closed question type was chosen for this survey for the following reasons:

**Limitations of the study**

This research mainly focused on understanding Absa’s current social media strategy; its presence and usage. There are not many divisions at Absa’s marketing and communications department. The main focus was to get a sizeable and reasonable response from Absa’s marketing department, especially its Digital Marketing team. This was a good approach given the time constraints of the research. If the research was included Absa’s Digital Channels, a more holistic view could be attained.

Social media is such a broad and diverse digital and communications tool and taking into account Absa’s customer that engage with the bank on social media platforms. It would have been very insightful to receive information from customers about how they perceive Absa’s social media platforms and to also find out if the information provided on these social media sites assists customers to make informed decisions about their banking needs. In addition, does the information provided is useful, engaging and is directed the correct target audience.
Over the past five years we have seen many companies participate on social media platforms and are very keen to engage directly with its customers. Like mentioned previously Absa was not the first bank or early adopters when it came to social media.

RESULTS, DISCUSSION AND INTERPRETATION OF FINDINGS
The approach also examined Absa’s current social media engagement plans, how it compares to its competitors and then moving to content used to engage with customers. The analysis also reviewed how Absa is considered among its competitors on social media and if it is engaging effectively with its customers. Focus was also placed on the content received from customers and how this contributes to the overall business and marketing planning. In addition the analysis to also look at when Absa will plan to use social media has a key marketing channel in urban and rural areas and also how Absa should be use these platforms to actively engage with its customers. The latter part of the chapter focuses what budget is required for Absa to engage with its customers and what sort of content should be used on these platforms to engage with customers.

It is also discussed the investment required for social media engagement and positive impact this would have on the business holistically. It was also examined if social media was used effectively what areas of the business will be enhanced.

Market Analysis
Market breakdown
According to Absa’s latest human resources list (05:2014) Absa’s marketing and Communications department has 120 employees in South Africa. Within the Marketing Department there are different areas of the business that include Brand, Digital Marketing, Sponsorships, Retail and Business Banking. In both departments there are different levels of expertise amongst colleagues.

Figure 10: Work experience of respondents

Figure 10 shows us the level of experience of the respondents that filled out the questionnaire. From 53 questionnaires completed, 44% respondents have more than 15 years of work experience, which is just less than half of the sample population. There are 37% of respondents that have worked for 10 to 15 years. 81% of respondents that completed the survey can be considered highly skilled and have vast work experience.
Figure 1: Absa’s Marketing and Communications Department

With the above graph it is important to note that respondents that have worked more than 5 years and more than 10 years stands at 42% collectively. These respondents have worked in this department for a long period of time, some of them prior to the introduction of social media as part of a marketing channel. If one examines the responses received, 42% respondents have a very good understanding of Absa’s business and marketing strategies. While only 58% respondents have less than 5 years of work experience at Absa. It is important to note that as per the summary in figure 10, 81% of respondents have extensive work experience.

Figure 2: Respondents level at Absa’s Marketing and Communications Department

The above graph indicated that 35% of respondents are Management within Absa’s Marketing and Communications Department and 32% of respondents are specialist in their field. 8% of respondents fell under the Executive category. This is a fairly good representation of the different levels within the department.

In summary, it can be concluded that almost half of the respondents have worked in the Marketing and Communications department for a long period and have executed on many campaigns to position the Absa brand externally. There was significant contribution from all levels of management and most of the respondents displayed a sound knowledge of Absa’s social media strategy.
Participants understanding and knowledge of social media
The next part of the survey is to determine whether the respondents use or have personal profiles on social media platforms, social media platforms used and for how long have they been using these social media platforms. The results are presented in the graphs below:

Figure 13: Use of social media

![Do you use social media?](image)

93% of the respondents actively engaged on social media platforms. Only 7% indicated that they do not have personal social media profiles. This indicates that 93% of respondents understand the social media landscape. In addition, as social media users they fully understand the survey and what it aims to achieve. It also indicated that they could put themselves in the consumer shoes and how they would like to be engaged with and receive information via social media platforms.

Figure 14: Respondents usage on social media platforms

![Which social media platforms do you use on a personal level?](image)

As discussed in the Literature Review, Absa actively participates on Facebook, Twitter, LinkedIn and YouTube. Based on the results in figure 14, this indicated that from the 93% of respondents that have social media profiles, 22% use Facebook, LinkedIn and YouTube. 18%
used Twitter, 12% used Instagram and 4% used other social media platforms such as Pinterest and Foursquare. It is important to note that the top three personal social media profiles are the same platforms that Absa actively participates on.

Figure 1: Duration of social media usage

<table>
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<tr>
<th>Duration of Social Media Usage</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Less than 1 year</td>
<td>10%</td>
</tr>
<tr>
<td>3 years</td>
<td>33%</td>
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<tr>
<td>3-5 years</td>
<td>16%</td>
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<td>More than 5 years</td>
<td>41%</td>
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The above results indicates that 41% of respondents used social media for more than 5 years and 33% used social media for more than 3 years. It is evident from the graph above that majority of the respondents have a relatively good understanding of social media. As Absa’s Marketing and Communications team who use social media as part of their integrated marketing and communication plans they would need to be active participants and have a sound understanding of these social media platforms.

It can be concluded that the level of respondents that completed the survey fully understood the social media landscape, are experienced social media users and engage on the same sites that Absa has chosen to raise their social media profile. It can also be concluded that these respondents are knowledgeable and well informed about social media. In addition, it can be inferred that these respondents understand the value and benefits of social media, not only from an Absa perspective but also from a social media user perspective. Therefore it can be concluded that the respondents are competent and provided insightful information that can improve the quality and reliability of the findings for this survey.

Absa’s social media customer engagement

In this section of the survey is to determine and understand which social media platforms are used to engage with customers and which platforms are preferred to others. We also examined the marketing budget allocated for the social media activities as part of an overall marketing campaign.
By combining category 1 and 2, YouTube is ranked as the most important social media platform by respondents. This is closely followed by Facebook and then Twitter. In category 3, 16 participants ranked LinkedIn the most important. From the 93% respondents that have personal social media profiles, 22% use Facebook, LinkedIn and YouTube. YouTube is clearly considered an important social media platform for respondents to include in their overall marketing plan.

The above graph illustrated that 35% respondents used Facebook to engage with its customers, 32% used Twitter to engage with customers and 28% used LinkedIn. In comparison to personal social media profiles, respondents ranked LinkedIn and YouTube at 22%, however with the graph above YouTube is ranked 5%. The top 2 social media platforms used by Absa include Facebook and Twitter. However in Figure 15, YouTube was ranked the most important social media platform for respondents.
As per figure 18, 51% of respondents noted that their marketing budget for social media is less than 10%. Whilst they use social media platforms, it is a small part of their overall marketing campaign. 33% respondents use between 10%-20% of their budget for social media engagement.

It can be concluded that Absa uses Facebook and Twitter to actively engage with customers. 51% respondents use less than 10% of their overall marketing budget on social media platforms. According to respondents, YouTube is an important social media platform.

Absa social media presence

In order to measure the effectiveness of Absa’s social media it is important to establish how the participants compare Absa to their competitors. Respondents were required to rank Absa to FNB, Nedbank, Standard Bank and Capitec. This section to also establish if Absa is engaging sufficiently with customers and if Absa’s market visibility has improved.

Figure 19: Absa compared to other Banks
From Figure 19, it is evident that 20 of the respondents ranked FNB as the most active bank on social media. The other banks scores were relatively low compared to FNB. According to respondents it is reported that FNB is the leader on social media when engaging with its customers. 21 respondents ranked Absa in category 3 which indicated that Absa’s participation in using social media as a customer engagement tool is not very strong. This is evident that in order for Absa to enhance its market presence on social media, it needs to be viewed by Absa colleagues as a leader and not a follower in social media.

Figure 20: Absa’s engagement with customers

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<th></th>
<th>Strongly agree</th>
<th>agree</th>
<th>Don't know</th>
<th>Disagree</th>
<th>Strongly disagree</th>
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<td>Social medital increased Absa market visibility ?</td>
<td>9%</td>
<td>46%</td>
<td>26%</td>
<td>17%</td>
<td>2%</td>
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<tr>
<td>Absa is engaging sufficiently with its customer social media platforms ?</td>
<td>4%</td>
<td>30%</td>
<td>18%</td>
<td>42%</td>
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</tbody>
</table>

42% of respondents disagree that Absa is engaging effectively with its customers. 30% of respondents agree that Absa is engaging sufficiently and 18% don’t know. Taking into account the indication from figure 19, Absa was ranked the highest in category 3 by 21 respondents. A total of 26% of respondents said they did not know if Absa is engaging effectively with customers and if social media has improved its market presence.

In can be concluded that whilst 42% disagreed that Absa is engaging effectively with customers, in figure 19 Absa ranked the highest in category 3 compared to other banks. 46% respondents agreed that social media has enhanced the bank’s market presence. However the engagement on social media platforms to date has definitely made a positive contribution to the Bank’s market visibility.

Customer content and feedback

In this section of the survey is to determine the content that Absa uses to engage with customers and also establish how much of customer feedback on social media platforms are based on bad service. Absa’s Retail Bank is the largest part of the business therefore customer service plays a key role in terms of overall customer experience. It is to also determine what content Absa uses to engage with customers as part of their relationship marketing strategy. As discussed in the literature review that includes the benefits of social media, feedback received from customers is an important element in business planning and marketing strategy development.
Figure 21: Customer service feedback

Figure 21 highlighted that 42% respondents confirmed that above 50% feedback received on Absa’s social media platforms is focused on bad customer service whilst 21% noted that between 40%-50% is focused on bad service. It is important to note that customer feedback is insightful and is regarded as research for planning and developing strategies. It is also immediate feedback provided by customers about the business.

Figure 22: Customer feedback used for business and marketing planning

It has been noted that 39% respondents ranked less than 10% of customer feedback is used to assist with business and marketing planning. 18% ranked that 30%-40% is contributed to business planning. Whilst customer service is a key part of the Absa business and 42% respondents noted that more than 50% of customer feedback is based on bad service received on these social media platforms. It is also evident that there is disconnect with customer feedback contributing to business and marketing planning as part of customer research.
Figure 23: Content used to engage with customers

Figure 23 provided a view of the content used on Absa’s social media platforms to engage with customers. 26% respondents ranked sponsorship has the main topic used on these platforms, followed by 19% which focused on competitions, 18% ranked product, and 17% ranked branding and; both service and education was ranked 10%. It is important to note that sponsorship and competitions are not key banking related topics for engagement of social media platforms, it is more a brand exercise.

In summary it can be concluded that the content used as part of Absa’s social media platforms focused mainly on sponsorship, competitions, branding and product. It is also important to note that feedback received from customers is based primarily on bad service. In addition, it can also be concluded that with Absa’s business and marketing planning minimum consideration is given to customer feedback received from social media platforms as part of customer research.

4.2.6 Effective social media engagement result in positive engagement

This section of the survey is to determine what is required to effectively engage with customers. It is also important to note the level of investment required to get effective customers engagement. In addition, with the right market spend the return on investment (ROI) that can positively influence the Absa brand and overall customer experience.

Figure 24: Marketing expenditure and positive (ROI)
It is evident that from figure 24, from category 1 and 2, 92% of respondents are in agreement that a significant amount of marketing spend/budget should be allocated to social media. 62% of respondents strongly believe that if social media is used effectively they will be able to understand the customers’ needs. It is important to note that in figure 22, 39% respondents ranked less than 10% of customer feedback is used to assist with business and marketing planning. It is also observed that the respondents have limited believe that the current social media platforms is effectively engaging with its customers in order for them to understand their customers’ needs.

**Figure 25: Effective use of social media to assist with business priorities**

The above graphs illustrated that 38 respondents strongly agreed that if social media is used effectively it will be able to increase customer perception for the business. 26 respondents strongly agreed that communication will improve, 25 respondents strongly agreed that it will improve customer satisfaction, 24 strongly agreed that it will improve loyalty and 16 strongly agreed that it will improve revenue for the bank.

It is also important to note that 25 respondents for category 2 agreed that revenue will improve followed by 20 respondents agreed that loyalty will improve. For category 1 and 2 there are very different aspects that have been ranked.

**Figure 26: Effective engagement in rural and urban areas**
In figure 26, it is illustrated that 85% of respondents believe that social media will become a key channel for marketing and advertising in urban areas in 3-5 years. And 40% of respondents believe that social media will be an effective way to engage with customers in rural areas in 3-5 years and 42% of respondents believe that this will happen between 5-10 years.

It is also important to note that as per figure 18, 51% of respondents ranked that less than 10% of Absa’s social media budget forms part of their overall marketing budget. It is also important to note that 40% of respondents in category 1 and 42% of respondents in category 2 believe social media will be an effective way to engage with customers in rural areas.

It can be concluded that if used correctly, Absa can use social media platforms to effectively engage with customers. It is also important to note that significant market expenditure needs to be allocated for social media as part of the overall marketing budget. In addition, social media can improve customer perception, increase communications and customer loyalty if used effectively. Respondents use on a personal level is the same platforms that Absa uses to engage with customers. 51% respondents indicated that Absa uses less than 10% of budget for social media and 87% respondents strongly agree and agree that Absa needs to spend significantly more on social media marketing.

RECOMMENDATIONS AND CONCLUSION

Findings from the Study
Social media has an integral role in enhancing the market presence of Absa Bank in South Africa. From the study, it was evident that social media is viewed as a key marketing tool to effectively engage with customers. It was also evident that whilst Absa uses Facebook and Twitter as their two main platforms, YouTube is another platform that respondents ranked very high. It is important to note that 51% respondents used less than 10% of their marketing budget for social media. It was also evident that the content used on Absa’s social media platforms is not relevant or engaging to customers. It is more for positioning the organisation’s sponsorships and promoting competitions.

Respondents also noted that feedback from customers on social media platforms are largely focused on bad service and 39% of participants ranked less than 10% of customer feedback received on Absa’s social media platforms contributed to business and marketing planning. It was also noted that Absa needs to allocate more budget for social media marketing, resulting in effective use of social media that can have a positive impact on the Bank’s customer perception, loyalty and improve communications.

Finding from Literature reviews
More and more financial institutions are using social media to build strong relationships with their customers. According to an article in Social Media Today website (2014), the key benefits of social media are:

- It helps manages a company’s reputation.
- It builds brand awareness and helps improve how people view the brand.
- Closer to the customers. It is a platform to learn about customer needs then respond. Discuss converse, debate.
- Offers creative and effective ways to learn insights not previously available.
- Features new and inexpensive ways to support clients.
- Is typically less expensive than traditional advertising.
- Offers various ways to measure and track performance.
According to Kotler and Keller (2006:628) for companies to become more customer-centric, it is important that they understand their customer’s financial needs and lifestyle to be able to provide a service to them. Relationship Marketing is a key element in understanding the customer’s needs. It is also able to open up new sales possibilities and improve customer retention. One of the best ways to receive customer feedback in a cost effective and engaging manner is via social media.

Social media is a platform to educate customers and not to use it as a product push. Content Marketing is an approach to communicate with customers and prospects without selling. Companies are allocating distinct budgets for social media interventions and are also planning to increase their budget allocation as they see more and more value of social media. According to an article published on the financial brand website - an interview with Ragy Thomas (RT) the founder and CEO of Sprinkler (2013), he reported that with Risk Mitigation, social media listening/feedback can provide early warning or risk indicators that can then mitigate the impact of crises when they do occur.

Consumers that are socially active can also avail community intelligence to identify and assist with the prevention of fraud and phishing attacks. RT further discussed that with Improved Brand Perception, frequent and quick response to customers on social media can help Banks improve brand perception and drive long-term loyalty. This is especially necessary as customers continue to adopt a “branch light” banking approach. In addition, by using social media to nurture those online relationships can lead to real, offline relationships that will be rewarded with greater loyalty, referral, and advocacy, Ragy Thomas (2013).

Findings from the Primary Research
The results of the survey indicated that Absa is currently not engaging effectively with its customers. It is evident from the results that Absa is using the correct social media platforms to engage with customers, however they is little investment to engage with them sufficiently. A 51% of respondents use less than 10% of their overall marketing budget for social media engagement. Respondents also ranked Absa in category 3 in comparison to other Retail banks. Whilst respondents felt that social media increased the Bank’s visibility it also noted that it is not engaging effectively with its customers. It was also evident that feedback received from customers on social media platforms are based on bad service and customer feedback from these platforms are not considered for business and marketing planning. It was also noted that the content used to engage with customers were mainly sponsorships and competitions, followed by product. It was also evident that for effective customer engagement, Absa needs to allocate more budgets for social media marketing. As a result of this, it would improve customer perception, loyalty and improve communications between the Bank and customers.

1st finding of Research
22% of respondents ranked Facebook, Twitter and YouTube as the main social media platforms that they have personal profiles on. In the survey respondents ranked social media platforms in order of importance, YouTube was ranked the highest in category 2 by 18 respondents. As per the results, only 5% of respondents use YouTube to engage with customers.

It is evident that whilst participants use YouTube on a personal level, Absa is not effectively engaging with customers on this platform. According to the Consumer Barometer (2014) there has been more than 90% growth of YouTube views in South Africa.
2nd finding from Research:
It was evident from the research that 85% of respondents believe that social media will become a key channel for marketing and advertising in urban areas in 3-5 years. What is concerning is that currently Absa is not putting in the right level of investment into social media marketing. Whilst their social strategy is still in infancy stage, it is important that they make the changes and investment now so that they are ahead of their competitors. No doubt the social media landscape is evolving at a rapid pace; therefore Absa needs to start using the right level of investment on these sites. Absa need to be more innovative and continue to explore new digital platforms.

Absa currently has 12 million customers and therefore they need to continuously communicate with them to understand their needs by using different customer engagement platforms. 51% respondents noted that they use less than 10% of their overall marketing budget for social media. When conceptualising marketing campaigns and strategies, it is important that social media is seen as an effective customer engagement tool and not an add-on to supplement the marketing campaign.

3rd finding from Research:
It is also noted in the research findings that feedback received on the social media platforms focuses mainly on bad customer service. The results also indicated that Absa is using Sponsorship, competitions and product content to engage with customers.

4th finding of Research
To understand the market a company operates in, it is important for them to understand their customers. Receiving customer feedback is critical to any business planning – it is considered market research which contributes to business decisions and customer satisfaction. With the results, it is evident that Absa is using less than 10% of customer feedback that contributes to business and marketing planning.

Customers like to have an interactive relationship with a company so that they can easily pass feedback suggestions and complaints. Given the nature of social media, positive or negative – the company’s product or services are now accessible to the global community. This means that the company’s business and marketing strategy can be enhanced or damaged within hours. The negative impact on the Absa brand can be significant if it does not listen to its customers.

Conclusions
Absa social strategy needs to be reviewed in order for the organisation to effectively engage with customers. Absa entered the social media arena, however its approach to engage with customers has not resulted in effective social dialogue. According to Philip Cohen, Head of Absa Digital Marketing (2014:05) confirmed that Absa’s social strategy is in its infancy stage. It is evident that the strategy needs to be reworked and more forward looking taking into account the digital landscape and how it is going to engage with customers in the near future. Also, majority of participants did mention that Absa social media has increased its market presence, however they are not engaging with customers effectively. It is also very evident that the content used on social media platforms are not relevant and is not driving the correct social dialogue.

Recommendations
YouTube is a video sharing website; it is recommended that Absa includes YouTube as a key social media platform to engage with customers. Whilst there is a cost to develop videos, if that is a social media platform that has seen significant growth in 2014 then Absa needs to use its marketing spend wisely so they effectively engage with customers on the right platform. The content of the videos can be educational and engaging to customers.
Another recommendation is for Absa to consider becoming more forward thinking when developing their social media strategy. The need to focus on social media as a primary marketing and advertising channel by putting in the right level of investment to engage with its customers. Currently social media forms part of an overall marketing strategy, supporting traditional marketing interventions. Absa should be looking at social media as a key marketing platform that is supported by traditional marketing elements. Absa’s April Fools campaign is the first comprehensive social media case study. From the report and based on the campaign objectives, the campaign was highly effective and achieved the desired outcome. It was primarily a social media campaign supported by other marketing elements i.e. once the campaign went live on social media, print, radio and TV started to mention the campaign, generating further publicity.

With the right investment on social media platforms and relevant content, Absa is able to engage effectively with customers. The results also indicated that social media if used effectively can improve customer perceptions, increase loyalty and improved communications. Whilst respondents noted that Absa’s market presence has increased on social media, more needs to be done. Absa has 12 million customers and a large percent of customers have cell phone and smart phones. They need to use smart phones and cell phones to encourage customers to go to their social media sites. For example, Absa could send a video link to customers on their cell phone which is loaded on YouTube. Customers click on the link and are then able to download and view the video.

It is recommended that Absa considers a content market approach to engage with customers. Absa should aim to create a social conversation with its customers. Using sponsorship content, competitions and products is not relevant content that will help Absa develop relationships with customers. Absa is a business and while it aims to become more customer-centric, it still needs to sell products. Customers can respond negatively to a brand if they notice the commercial product push and may not want to engage on social media platforms for that reason. Absa needs to educate customers about a problem at hand or how to prevent a problem. With this approach, customers are being educated and empowered. They will also seek advice from the Bank about certain financial matters.

It is recommended that Absa uses the client feedback to improve business operations and efficiencies. Should Absa receive a number of queries regarding home loan online application processes. This sort of information will help identify bottlenecks in the systems, allowing business to come up with a solution. Certain trends can assist to identify problems within the business. It can also provide early warning or risk indicators that can then mitigate the impact of issues within the business.

From a marketing perspective, Absa’s marketing and Communications team can use social media platforms to get customer insights and feedback. With this approach it is immediate and effective. It can also contribute towards developing a social strategy and identify trends and patterns in the market. According to RT (2013), socially savvy banks are already using social media to learn details about how their customers behave on social in real-time, through social listening, moderation, and engagement are already starting to use that intelligence to plan new products, services and support.

Scope for further research
The research findings was limited to Absa’s Marketing and Communications team, for a more inclusive and better representation, the survey should have included other key stakeholders such as Absa’s Retail strategy, Insights and Marketing Information (MI), Customer Service and Customer complaints department. In addition, Absa’s Digital Agency should have also been engaged to understand the execution of the social strategy. The survey
should have gathered feedback from a group of active social media customers to understand their perception and engagement with Absa on the social media platforms.

It is also an opportunity to engage more with Absa Executives to understand their thinking of social media in the next 3 to 5 years and how they envision the platforms as part of their customer engagement strategy.

In addition, further research into customer responses based on bad service needed to be explored further. It would help understand whether there is quick turnaround time with responses to customers and how are these complaints interpreted within the business.

**Conclusion**

Overall the insights provided by the research results will assist Absa to review their social strategy and how they currently engage with customers. The study also highlighted that Absa is not using the right investment to actively engage with customers. The current content used on social media is incorrect. It is not personal, educational or empowering. Absa needs to change the content on the platforms so that customers will be engaged. There is great benefit from receiving immediate feedback from customers. Going forward, Absa needs to pay attention to customer feedback received on these platforms that will help them to resolve key customer issues.

**NOTE:** The principal author presented this study to the Regent Business School in 2014, for the award of the Master of Business Administration Degree (MBA). The study was supervised by Richard Cowden and edited by Professor Anis Mahomed Karodia for purposes of producing a publishable journal article.

Kindly note that the full bibliography is cited and the references applicable to this edited version of the study is contained within the full bibliography cited.

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