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**The Impact Of Social Media On Marketing Communications In Commercial Banks In
Zimbabwe : A Case Study Of Agribank**

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**A PROJECT SUBMITTED IN PARTIAL FULFILMENT OF REQUIREMENT
OF
DEGREE IN BANKING AND FINANCE**

DECLARATION

I, Magureyi Michelle do hereby declare that this dissertation is the result of my own investigation and research, except to the extent indicated in the Acknowledgements, References and comments included in the body of the report, and that it has not been submitted in part or in full for any other degree to any other university.

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Student Signature Date

.....

Supervisor Signature Date

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Firstly and foremost, i give thanks to the Almighty God, first, for His divine guidance throughout my banking and finance degree at BINDURA UNIVERSITY OF SCIENCE EDUCATION. I am also very grateful to the entire family and friends for the encouragement and unwavering moral support. I also extend unreserved thanks to my supervisor during this research, Dr Nzaro who assisted me in putting this dissertation together. What a knowledgeable and astute mentor, who brought out the best in me. Thank you Doc and let the good Lord continue blessing many people through your hands

ABSTRACT

The aim of this study was to evaluate the impact of social media in commercial banks in Zimbabwe through a case study of Agribank. The bank has been struggling to break even posting increasing losses in the midst of low business volumes and loss of market share. Although there is conclusive literature on the benefits of social media in commercial banking marketing communications in Zimbabwe, the literature relates to other countries. This motivated the conducting of this research, as a way of filling the gap left in the literature. The main objective of the study was to establish if Agriabnk uses social media in its marketing communications and their impact. Although the study was specifically focussed on Agribank, it would as well benefit the banking industry at large, the banking community and those interested in studying this area, (the academic community).

The research was carried out using the semi-structured interview approach, where five senior Agribank managers selected on the basis of functional responsibilities were interviewed as well as four key customer representatives. This ensured that responses were at the highest possible

levels. This study sought to understand the bank's perceptions on social media hence a qualitative study. Therefore a qualitative research philosophy was adopted.

The major findings were that although social media indeed positively impact on marketing communications in commercial banks, Agribank has no social media in its marketing communications mix and only relies on the traditional marketing communications tools. It was also apparent that the market has moved to modern communications tools. Inherently, there is a disconnection between the bank's marketing communications strategies and customer expectation. The major inhibitors to the achievement of this goal were the organizational culture which fails to realize and appreciate the power of social media, and the financial resource limitations faced by the bank. In the end, it was recommended that the bank should adopt social media to stay in tune with its clients. This might improve its market share.

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CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 INTRODUCTION TO AND BACKGROUND OF THE RESEARCH

Social media has revolutionized the way businesses interact with customers, KPMG, (2012). Market new products and maintaining a brand's image have been made easy. The social media phenomenon has also irrevocably changed the relationship and communication between businesses and their clients, employees and stakeholders. Organizations can now bring together their customer data, products and services into a single IT platform to make them more accessible and responsive to their customers. Social media bridges the gap between “rapidly increasing complexity of modern life and the business environment”, CISCO, (2009). Other key benefits of social media include its ability to drastically reduce marketing communications costs, increased brand awareness, ability to monitor and respond to conversations, development of targeted marketing activities, data mining capabilities and identification of early warning signs. These benefits on social media are relative to other countries. Hence this study on the impact of social media on marketing communications in commercial banks in Zimbabwe, with a case study of the Agricultural Bank of Zimbabwe Ltd, (Agribank).

1.2. Background to the study

1.2.1. General Overview of Zimbabwe Banking Industry

Agribank is a commercial bank operating in Zimbabwe's banking sector. The Zimbabwe banking sector is fairly sophisticated, comprising of 7 classes of participants.

1.2.2. Industry analysis

The Zimbabwean Banking industry was analyzed using two models, PESTEL and Porter's Five forces model.

1.2.2.1. PESTEL Analysis

The PESTEL Analysis involves identifying the political, economic, social, technological, environment (international) and legal factors impacting on the Bank.

1.2.2.1.1. Political/Legal

The political environment in terms of perceived stability and rule of law has a significant impact on the operations of Agribank, as it requires stability in the farming sector to ensure sustainable agricultural production. Persistent threats of economic and political sanctions affect the thrust of Bank's endeavours to source foreign lines of credit to finance procurement of critical agricultural inputs and equipment, as well as the establishment of new product markets.

1.2.2.1.2. Economic

The current low capacity utilization by all players in the economy is a source of worry for all bankers. The world economic recession is also contributing to the woes. Thus business has not been able to access any funding to resuscitate their production capacities to acceptable levels. Besides, the business would only want to borrow if there is sustained demand. With most consumers still earning below the poverty datum line (PDL), companies have found it difficult to plan production schedules based on such income levels which cannot stimulate adequate demand. This is the reason why banks have been fighting over a constant level of deposits. The subdued economy has also witnessed increasing risk of default by borrowers.

1.2.2.1.3. Social

The impact of HIV/AIDS on the productive work force has resulted in a drain of the technical skills in Zimbabwe and the economic crisis led to skilled manpower migrating to other countries. Labour shortages in the farming sector have been exacerbated by comparatively higher returns from increasing illegal mining activities.

1.2.2.1.4. Technological

The bank has been slow on bringing in technology. When the multicurrency system was introduced, other banks like CBZ discovered that it was a serious challenge to allow access to depositors' funds through provision of cash. They flooded the market with the point of sale machines and eased transacting blues for their clients.

1.2.2.1.5. Environmental (International)

The sustained political/economic sanctions by the European Union and other Western countries affected the bank's ability to mobilize lines of credit to augment its capital. Foreign lines of credit from the traditional sources dried up or were withdrawn, thereby severely reducing banks' capacity to lend.

1.2.2.2. Porter's Five (5) Forces Analysis

The Five Forces Competitive Model, developed by Michael Porter, assesses the level of competition in an industry by examining the extent to which the five (5) forces, (i.e. threats of new entrants; bargaining power of buyers; bargaining power of suppliers; threats of substitutes; and competitive rivalry) affect each player's strategies and operations. The five forces model also helps banks to determine the attractiveness of the industry in terms of returns.

1.2.2.2.1. Threats of new entrants

There has been a proliferation of new banks since the trade liberalization. The only barriers being high regulatory capital thresholds set at \$50m and the huge investment required in setting up the offices and branch networks for service delivery. However, other banks find the latter not a challenge as they come in leveraging on technology, e.g. Ecobank.

1.2.2.2.2. Bargaining power of buyers

Due to the increased entrants in the field of agricultural financing and development as well as competitive rivalry among the financial institutions, the bargaining power of buyers/leverage has increased. Customers and the banking public in general have a wider choice of banks and switching costs are very low.

1.2.2.2.3. Bargaining power of suppliers

The bargaining powers of suppliers (who provide products and services) to the banking sector have also increased due to the increased number of financial institutions in the market.

1.2.2.2.4. Threats of substitutes

There are increasing threats by banks and private companies that now provide competitive substitute products and services to the same customer base as that of banks. These include corporate entities engaged in contract farming arrangements and funding of developmental resources through other public entities such as Tobacco Industry Marketing Board (TIMB), Grain Marketing Board (GMB), and farmer development trusts. Recently Ecocash was launched as a money transfer agent and has taken a significant share of the banks' business in exchanges of small to medium personal and even business cash from one person to another. The mobile money transfers are spreading wider as they now incorporate bill and subscriptions payments.

1.2.3. Agribank History

The Agricultural Development Bank of Zimbabwe's (Agribank) history dates back to the 1920s when the then Land Bank was established in 1924. Then the Agricultural Finance Corporation was formed in 1971 through an act of Parliament, the AFC Act. The commercial banking entity, Agribank, was incorporated in 1996 and a banking license was only granted in 1999. It is jointly owned by the Ministry of Agriculture, and the Ministry of Finance. The

bank began operations as an agricultural development bank on 10 January 2000. In 2004, the bank became a fully fledged commercial bank offering the full spectrum of commercial banking facilities to all the sectors of the economy. Until recently, the bank largely depends on statutory funding for farmers over the years. Therefore until the introduction of multi-currency systems, the bank's loan portfolios largely comprised of concessionary funding instruments created by the Reserve Bank of Zimbabwe.

1.2.4. Agribank SWOT analysis

1.2.4.1. Strengths

Agribank has an existing wide branch network, as well as a long tradition of agri lending experience and expertise, in the rural and remote areas, which effectively positions it to capture the "big market" inconvenienced by the withdrawal of other banks, thus expand its product offering and market share. The bank also enjoys strong shareholder support from the government. The bank also prides itself in recruiting highly qualified staff in most of its clerical positions. The bank has many staff with university degree qualifications. If sufficiently capitalized, the bank can easily leverage on these advantages.

1.2.4.2. Weaknesses

The Bank lacks an aggressive entrepreneurial culture that sees and seizes opportunities. The absence of a clear marketing and business development plan, coupled with ineffective and inefficient processes and procedures, contribute to the bank's failure in effectively positioning itself to capitalize on existing potential market gaps to boost its market share and improve customer perceptions. The bank does not also have a Research and Development arm which is the engine room for future products and developments. The bank's weak financial position and string of losses is also a weakness. The bank risks losing market confidence and inability to remunerate its staff adequately as long as the losses persist.

1.2.4.3. Opportunities

The Bank has vast potential to cross sell its products and services by strengthening and expanding products and services through Corporate Banking, Executive Banking, Advisory Services and establishment of foreign lines of credit. Agribank has been the only bank that continued supporting farmers during the land reform program. There is still more scope for the bank as the same sector still remains seriously underfunded. Micro businesses and SMEs in

agriculture have potential to become productive and viable large scale commercial farmers and entrepreneurs, particularly those diversifying into more profitable non-traditional enterprises. The bank has the potential to target viable agri -exporters and support the development market systems, facilitate value addition processes and export promotion to generate foreign currency.

1.2.4.4. Threats

There was over reliance by the Bank on subsidized Government of Zimbabwe (GOZ) and Reserve Bank of Zimbabwe (RBZ) funding for agricultural development on-lending, particularly with the capping of concessional facilities by the Government. Government funding significantly declined since 2009 and the bank has been struggling to raise capital. The government has had plans for the past 2 years to dispose 49% of its stake in Agribank. No suitors have consummated any interests. This has largely been due to perceived political risk and there has been a wait and see attitude with most interested investors waiting for a conclusive general election to see the way forward. Competitor banks have established vibrant agribusiness units due to probable improved returns on investments in agriculture with the anticipated economic turnaround. With the increased competition, the Bank's expert and experienced human resource base can be easily lured by other financial institutions due to Agribank's inadequate staff recruitment, retention and development programmes.

1.3. Problem statement

According to section 1.1, organizations with social media representation can enjoy many benefits such as increased brand awareness, cheaper marketing communications tools, ability to monitor and respond quickly to conversations about the organization's brand or products or services, and development of targeted marketing activities. This has the potential to improve their financial performance in terms of increased profitability and generation of new business.

1.4. Research Objectives

- 1.4.1. To identify the marketing communications mix employed by Agribank
- 1.4.2. To find out whether Agribank uses social media for marketing communications.
- 1.4.3. To determine the benefits or functions of social media in Agribank's marketing communications.
- 1.4.4. To understand the challenges in the use of social media in Agribank's marketing communications.

1.4.5. To recommend appropriate uses and strategies of social media in Agribank's marketing communications

1.5. Research Questions

1.5.1. What marketing communication tools does Agribank use?

1.5.2. Is social media part of Agribank's marketing communications tools?

1.5.3. What are the benefits to Agribank derived from using social media as part of its marketing communications tools?

1.5.4. What key challenges or risks does the bank face in using social media for marketing communications?

1.6. Proposition

The absence of social media in marketing communications at Agribank is due to lack of management expertise, inadequate investment, and/or corporate culture.

1.7. Justification of the study

This study benefits Agribank, the Zimbabwean banking industry in general, the banking community and the student. How these stakeholders benefit is briefly described in the following paragraphs. The company under study, Agribank has the opportunity to consider the recommendations coming out of this study as part of a solution to the management problem identified herein. Adopting these recommendations will improve their customer relationship management and therefore ensure customer satisfaction. A detailed discussion of the bank's weaknesses relating to the subject matter is also covered. Management will have access to the insightful discussions on how to improve their product offering and service delivery. The bank can use these discussions to diagnose the nature of their problem.

The Zimbabwean banking industry in general also stands to benefit as the study explores new opportunities that accrue to banks from the use of the social media in their customer marketing communications. Social media is a new phenomenon that banks can leverage to reduce costs and increase profits. The regulatory authorities, the RBZ in this instance, can also use the results of this study to develop new ways to monitor what is happening in the market. Recently the RBZ has been engaged in fierce discussions with banks in terms of interest rates and charges and the advent of the social media will make their research much easier. Financial inclusion of the unbanked sectors of the economy can also be enhanced through the social networks. The study also benefits the banking public as its results have the potential to influence banks to

move onto the social networks where it will be more convenient and easy for them to interact with their banks in terms of communication and even transacting. For the academia, the study also adds to the existing body of knowledge on marketing communications as social media is a relatively new phenomenon, especially in banking. Therefore, the academic community has something to benefit. Lastly, the student, both as an employee in the banking sector, and student, benefited from the good practical and referral relevance, a massive contribution to his career and future studies.

1.8. Scope of Research

This was a single case study focusing on Agribank. Due to the qualitative nature of the research, the study was conducted through semi structured interviews. This therefore limited the research to just 9 interviews done with the bank's selected senior management and its key customers. The study also looked at the current period, although reflecting back into history to ensure that discussions, arguments and comments were put into perspective. Any financial comparative analysis was limited to 2009 and not beyond. This was because of the change of currency from the Zimbabwe dollar to the United States Dollar, which is the country's reporting currency.

1.9. Limitations to the study

During this study, the researcher experienced a couple of challenges which impact on the analysis and evaluation of the research. The first one is the time factor. This research had to be planned, and conducted within 6 months. Qualitative studies ordinarily require more time to study patterns and behaviour. Respondents were also not easy spare time for interviews. Thus, there were delays in data collection as the researcher had to constantly negotiate with interviewees for audience. Lastly, information on overall banking performance is generally not available and the researcher relied on internal reports from the bank under study. These reports may be biased.

1.10. Chapter Conclusion

This chapter introduced the subject of research and the literature gap that has given rise to the need for further research. It looked at the background of the study, summarized the research problem, listed the research objectives and questions, and identified the research proposition and justification of the study. The scope of the research and limitations of the study were also considered before giving the layout of the dissertation structure. However, available literature on the impact of social media on commercial banks looked at the subject in relation to other

countries and not Zimbabwe and hence cannot be generalized. The next chapter looks at a detailed study of the available literature.

CHAPTER 2: LITERATURE REVIEW

2.1. Introduction

According to Neuman (2006), we carry out a literature review to learn from others and stimulate new ideas. Therefore the literature reviews assists the researcher in establishing the general direction of other prior writings on the same subject matter. Thus the researcher can easily formulate hypotheses and general framework of his study by reviewing literature. This is the reason why Oliver, (2010) also said that a literature review basically should concentrate on the main subject matter of the research study and not any other aspects of the research such as research methodology. This chapter focuses on three main areas namely, marketing communications framework, social media as a marketing communications tool, and banking and social media. The chapter is then concluded by a summary of the main literature areas, a critique of them and the researchers' focus areas which will be the justification of the study.

2.2. Marketing Communications

2.2.1. What is marketing communications?

Marketing communication is a management process through which an organization engages with its various audiences, Fill and Jamieson (2006). This definition brings out three key aspects of modern marketing communications namely engagement, audience and cognitive response. Smith and Taylor (2004) defined marketing communication as a medium to transfer information from company to customer. The need to communicate is driven by the cardinal reasons for communication, Frey and Rudloff (2010). According to them, communication assists in customer awareness on products being offered. Firms are in business to sell and therefore should communicate with customers and potentials; otherwise, they will not be able to create value if they do not sell. Secondly, communication influences decision making. By communication, buyers and potential buyers are convinced about the attractiveness of products and services offered and that they should acquire them pursuant to an identified need. The reason for communication was given as a means to appeal or reinforce already existing experiences of customers. In short, communication is also used as a customer retention tool. Lastly, Frey and Rudloff say communication is used for product and/or service differentiation from competition. This is achieved by building brand image and attributes through communication. Firms should also understand the above communication model to be able to

employ effective marketing communications programmes. All marketing communication tools and mix should be based on this model as well.

2.2.2. Evolution of Marketing Communications

Human communication has been around for millennia, (Williams 1981). Marketing communications are always adapting and changing to meet changing market circumstances, Egan (2007). Driven by the advancement and technological innovations in communications, marketing communications has gone through various orientations. The following table identifies and describes the evolution (orientations) of marketing communications.

ORIENTATION	EXPLANATION
Information and promotion	Communications are used to persuade people into product purchase, through mass media communications. The emphasis is on rational, product-based information.
Process and imagery	Communications are used to influence the different stages of the purchase process that customers experience. A range of tools are used. The emphasis is on product imagery and emotional messages.
Integration	Communication resources are used in an efficient and effective way to enable customers to have a clear view of the brand proposition. The emphasis is on strategy, on media neutrality, and on a balance between rational and emotional communication.
Relational	Communications are used as an integral part of the different relationships that organizations share with customers. The emphasis is on mutual value and

	meaning, plus recognition of the different communication needs and processing styles of different stakeholder groups.
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Source: Fill and Jamieson, (2006).

The early years of marketing communications was centered on persuasion. The ideology was that people needed to be persuaded to buy products or services. Then the ideology shifted from persuasion to influence. Marketing communications were aimed at influencing buyer decisions instead of persuading them. This also even determined the type and media used to communicate. Brand positioning preceded influence. Firms jostled to ensure that their brand occupied ‘top spots’ in the mind of the consumer. Thus a lot of effort was placed on brand awareness. The latest ideology is the building of relationships with the audience or target market. This gives a partnership inclination and therefore consumers feel they are part of the brand. They are part of the brand community. Foster (2006) heralded the journey of marketing communications arguing that it changed from marketplace to marketplace, and generation to generation (industrial age, information age to communication age as he puts it). He concurred with Fill and Jamieson that marketing communications moved from the simplified traditional one-to-many models to the complicated many to- many, (Hoffman and Novak, 1996), with the passage of time. Hoffman and Novak also highlighted that the traditional models were linear as opposed to later and current models that they imply are circular and relational. Egan also indicated that the obtaining marketing communications has moved towards an integrated approach, hence recent writings are focused on integrated marketing communications.

2.2.3. The Role of marketing communication

Marketing communications are about the organisation and its offerings, Fill and Jamieson (2006). Marketing communications must therefore, in general, contribute to the sustenance of relationships within the channel network or amongst a business and all its stakeholders. Fill and Jamieson proffered three main roles of marketing communications. Firstly, marketing communications differentiates a firm’s products or services from competition. In other words, it helps in brand or image building so that there is a preference towards a specific brand. This therefore assists in the selling effort. The second reason is that of creating awareness among all relevant stakeholders such as customers, investors, executives and management. Fill and Jamieson put this across as communication and maintenance of strategy. Lastly, marketing communications also assists in informing all ‘publics’ of a company. Thus marketing

communications addresses specific communication needs of members of the distribution network and other audiences.

2.2.4. The Marketing communication mix

A marketing communication mix can be referred to as a set or combination of tools/disciplines that can be employed, in varying levels of intensity, to communicate with a target audience, Fill and Jamieson, (2006). Foster (2006) also made reference to the marketing communications mix as a collective term used to describe the techniques used in communicating with a firm's stakeholders. Fill and Jamieson looked at the marketing communication mix as an eco-system comprising of the target audience, media and the tools.

However, Wells, Burnet and Moriarty (2000) as cited in Foster (2006), identify two more tools in addition to the ones in the diagram above. These are point-of-sale and packaging. The word mix, as explained by De Pelsmacker, Geuens and Van de Bergh, (2005), means an area or component that the various tools reside. As can be seen, marketing communications is a discipline within the marketing mix paradigm. The marketing mix revolves around the 4Ps as espoused by Kotler, (2000). These are product, price, promotion and place. Promotion is primarily concerned with activities that communicate the merits of a product and persuade target customers to buy it, (Nekatibebe, (2012). It is not surprising therefore that the marketing communications mix is centred on one of the 4ps of the marketing mix; promotion.

According to Frey and Rudloff (2010), marketing communications can be broken down into two broad classifications; offline and online marketing communications tools. Offline tools include TV, radio, newspapers, magazines, some aspects of personal selling (fairs, exhibitions or fairs), product placement, and outdoor advertising (billboards, flyers, and transit media). Nekatibebe also referred to the offline marketing communications tools as the traditional media. The online marketing communications tools refer to mainly web based tools to include but not limited to search engine marketing, online PR, interactive advertising, opt-in-e-mail marketing, and viral marketing. Social media is the new baby within the online marketing communications tools sphere.

2.3. Social Media

2.3.1. Social media in marketing communications

There has been a major shift from traditional marketing communications media in the last decade due to the advancement and fast growth of cyberspace and 2nd generation web based

applications (Web 2.0), Shih, (2009). According to Comscore (2009), the use of the internet and social media in marketing communications has been growing exponentially. Social media should be looked at as part of the integrated marketing communications model, Castronovo and Huang, (2012). Traditional media or tools should be integrated through social media platforms to achieve better results.

2.3.2. Definition of Social Media

Definitions of social media seem to evolve around common key words and phrases such as user generated content (UGC), interaction or collaboration, peer-to-peer as opposed to one-to-one or one-to-many (broadcasting), web based applications, technologically driven, and scalability or adaptability of platforms. The Oxford online dictionary, (www.oxforddictionaries.com, accessed 07/03/2013), defined social media as a collection and connection of websites and applications facilitating users to create and share content or participate in social networking. This definition matches Kaplan and Haenlein, (2010) who defined social media as “a group of internet based applications that build on the ideological and technological foundations of Web 2.0 to allow the creation and exchange of user generated content.” The Forrester Research, (2006) rightfully dramatized their definition by referring to social media as a “groundswell” in which consumers interact through Web 2.0 enabled technologies. Forrester refers to it as groundswell because of the convergence of technologies, users, consumers, publishers, platforms and applications. Charlene (2008) saw social media as “a social trend in which people use technologies to get information they need from one another, rather than from traditional institutions like companies”. Solis (2007a) weighed in with a more technical look at social media as he says social media is a fusion of sociology and technology transforming information flow from monologue (i.e. one-to-many) into dialogue (many-to-many). Merrill et al (2011) gave a very comprehensive definition of social media by looking at what it does, participants, purpose and features of social media. They defined social media as “...a galaxy of sites that includes: personal and business blogs, news sites with interactive or comment features, group forums, wikis, social and business networking sites, online community sites, social bookmarking sites, micro blogging sites, and gaming as well as virtual world sites.” This definition, although it lacks the clarity of explaining what the term then is, it is quite useful in acknowledgement of what constitutes the social media in terms of types of social media activities.

2.3.3. History and Evolution of social media

Social media comes in two broad categories, general social networks such as Facebook, Twitter and YouTube, and special interest/niche sites such as LinkedIn. According to the webdesigner website, (www.webdesignerdepot.com, accessed (22/03/2013), there were internet sites where people could post photos or posts (news) in the 70s to 90s. These were called usenet systems. The most common was the Bullet Board Systems (BBS). These hosted news bulletins on personal computers and for one to interact; you would dial in through the modem to the host's computer system. The BBS also allowed users to interact with one another but had serious limitations in terms of number of participants and speed. The modern social media has its traces back to 1997 with the launch of Six Degrees, which enabled users to create a profile and also befriending other users

2.3.4. Key features or characteristics of social media

Smith and Zook (2011) summed up some of the key characteristics of social media when they talk of outbound marketing and inbound marketing. According to these authors, outbound marketing is when businesses and organisations initiate the interaction and marketing with their outreach via advertisements, direct mail, sending out messages and telemarketing, while the inbound marketing is a result of what they termed as the game changer, social media which brings conversations from the audience into the organisation or forces them the business to engage in conversation. Hennig-Thurau et al (2010), summed up 6 key characteristics of social media. These are digital, pro-activeness, visibility, real-time and memory, ubiquity and networks. The social media platform is a digital game where participants interact virtually through self initiation. First, the social media platform is a digital game where participants interact virtually through self initiation. All activity and exchanges are done online. This brings huge savings in terms of the cost of engagement and marketing. Products and services are digital, making it relatively easy and cheaper to distribute and market them. The traditional ways would involve use of samples and give aways. The second attribute is the pro-activeness of social media. Social media allows users and other players to take the initiative in engagement. Thus customers can actually post unsolicited product reviews. This then enables the concept of co-creation. The players are able to view and track activities of each other in the forums, blogs and social communities, (visibility).

Companies are therefore able to follow and track activities and comments of their target group via social communities. These interactions can be real time or delayed. However, one critical phenomenon of these platforms is their availability 24/7, with no geographical barriers. These

comments and chats are stored online and anyone can read or access them anytime in the future. This allows for social media analytics to be performed. The fourth feature is the concept of “anyone, anywhere any time”. Social media enables players to be able to reach each other anywhere any time. The advent of mobile technologies such as smart phones, tablets and ipads has even improved this feature. Thus flexibility has become embedded on social media. The advent of social media has also facilitated the creation of networks. These are a collection of relationships of social media users, (Gordon, 2010; Libai et al. 2010) cited in Hennig-Thurau (2010). These relationships are based on a variety of factors that include common interests e.g. auditors may chose to create a network of

auditors on any of the social media platforms such as LinkedIn to share and exchange their experiences and views. Thus networks can also be ad hoc or on a long term basis. Ad hoc networks may be necessitated by the need to gather and share information on urgent issues such as disasters and war. A social media network could have been an ideal and fastest way of spreading information and tips in Zimbabwe during the 2008 cholera outbreak.

2.3.5. Social media tools and Landscape

Social media combines a number of applications, Frey and Rudloff, (2010), which Nekatibebe, (2012) said users use to share content, profiles, opinions, insights, experiences, perspectives and media itself, thus facilitating conversations and interaction online. Tools are the actual applications that drive the transactions while the landscape are the various platforms on which these transactions take place. The platforms are also referred to as sites, Frey and Rudloff, (2010). The classification or categories of these tools are function driven. The following table summarizes some of the common social media tools.

TOOL	OBJECTIVE
Chat Rooms	improve customer service • create sense of community • garner customer feedback
Blogs	• drive WOM recommendations • build meaningful relationships • increase loyalty
Youtube	• harness power of video to increase embedding of content in other sites
Facebook	• advertising • develop a community

	<ul style="list-style-type: none"> • target specific audiences
Linkedin	<ul style="list-style-type: none"> • connect with professional communities
Twitter	<ul style="list-style-type: none"> • customer engagement • conversation propagation
Google Wave	<ul style="list-style-type: none"> • increase collaboration and engagement • crowd-sourcing
Instagram	<ul style="list-style-type: none"> • improves customer service • increases loyalty • wide customer range
Whatsapp	<ul style="list-style-type: none"> • Targets specific customers • Intimate relationship between buyer and seller

2.3.6. The role of social media (functions)

Social media should address specific business goals. According to Castronovo and Huang (2012), social media can be used to address three business goals namely, building awareness, increasing sales and building loyalty. The Harvard Business Review (HBR), (2010) said social media offers businesses the opportunity to “engage millions of customers in conversation everywhere, anytime, everyday.” The key word here is conversation which differentiates social media from other traditional methods of interaction, communication and marketing. This differentiation by HBR is also acknowledged by the Merrill et al (2011), who go on to expound that conversation means talking *with* and not *at* customers and prospects, with the objective of deepening the existing relationship(s). Thus, the functions and role of social media is distinct from other marketing communications and marketing media.

According to a KPMG (2011), the Retail and Wholesale sector is leading in the adoption of social media for business purposes. This is followed by Business services/Communications/Finance/Insurance sector. Leading the adoption of social media in their business processes is the retail and wholesale sector with 76.1% of the sector now employing social media. The following table summarizes the adoption of social media by sector.

2.3.7. Benefits of going social

Social media is key in customer relationship management (CRM) where the focus is on building rewarding and profitable relationships, Castronovo and Huang, 2012). According to Reinatz and Venkatesan (2008), CRM itself is embedded in four principal activities namely customer acquisition, customer retention, customer growth, and winning back customers. Arnett and Badrinarayanan (2005) complimented this view by pointing out that there are two main building blocks for CRM; competence in knowledge management and developing and maintaining profitable relationships over time. Competence in knowledge management simply addresses collection, analysis, dissemination and application of customer information. This capability helps organizations to segment and target their customers. The second building block is self explanatory. Thus social media acts as a rich database of user generated content for marketers, laden with customer preferences, behaviours and characteristics, Hennig-Thurau et al, (2010). This database is also continuously update as people change their status, habits behaviours etc and captured online. Many benefits can accrue to any business for joining the social media platforms. CISCO (2009), say social media tries to bridge the gap between “rapidly increasing complexity of modern life and the business environment”. People have become highly mobile (both workers and customers) but social media allows businesses to reach them anytime, anywhere. The Forbes magazine dated 19 July 2010,

(www.forbes.com, accessed 03/05/2013), argues that social media has power to improve worker productivity. The HBR (2010) identified the following 12 key benefits from using social media. These benefits are derived from the features or characteristics of social media.

1. Increased awareness of organization brand, products, or services among target customers. The fact that social media enable a company to reach out to millions of customers and potentials makes this more interesting. With increasing number of subscribers on the social networks, that means an even greater outreach.
2. Increased traffic to website. Increased traffic also means increased selling opportunities for companies.
3. More favorable perceptions of the organization, products, or services. Social media is closely associated with progressive companies and hence any player on the social media is likely to be perceived in the positive.
4. Ability to monitor what is being said about an organization. Since social media will allow for interactive direct dialogue, companies will find it easier to gather market perceptions about their brands through different social media analytics that are available.
5. Development of targeted marketing activities. It is relatively feasible and easier to understand customer needs and wants when interacting directly with them than through a

survey by some agency. In addition, the concept of crowd sourcing also ensures that customers participate in product development.

6. Better understanding of customer brand perceptions.

7. Improved insights about target market. Data mining is one key feature that organizations can take advantage of. There is a lot of rich data about markets and consumer behaviours that can be gleaned and made use of by simply following customer activities on the social networks.

8. Identification of positive/negative comments.

9. Increase in new business. The advent of social media removed a lot of market barriers for marketers. Markets are no longer defined by geography or location. Cross selling of products has also been enhanced.

10. Identification of new product or service opportunities.

11. Ability to measure the frequency of discussion about an organization. This benefit assists companies in measuring and gauging reputational and strategic risk. The more a company is discussed, the more it increases market visibility and vice versa. However, of critical importance is what they say about the company than the frequency.

12. Early warning of potential product or service issues. The fact that social media users interact real time means companies can “nip a problem in the bud”. Interventions can be swift to contain negative debate or discussion about a product or service.

2.3.8. The Downside of social media

Merrill et al, (2011), made an obvious but all the same important observation that like any other new technology, social media is not free from risks. In his famous book David Kirkpatrick also observed that social media brought fundamental changes and shifts in the way people communicate and interact, how governments are run and govern people, politics, and marketing activity and even how universities go about recruiting students. This also means a paradigm shift in risk management. Merrill et al talk of three types of risks; operational, reputational and legal. As much as businesses can no longer avoid social media, there is need to understand and mitigate the downside of social media. It's not all a bed of roses. Social media has big potential to destroy business value. Major pitfalls for social media, according to PWC (2011) include the following;

1. content created outside your firewall – this opens your system to virus attacks and other cyber attacks or malware.

2. communications contrary to your business position – your company brand will be affected by negative perception.

3. losing control of a situation – brands and reputation can be destroyed overnight where online conversations get out of control and the company fails to counter or correct the negative comments.
4. growing too big, too fast – it is very easy to create the “buzz” and interest but without supporting structures to ensure that the demand is met. Gains can be easily reversed.
5. rising customer expectations – with the advent of social media customers and other stakeholders now expect instant feedback and responses. That means there is very little time for PR people to frame out a response.

2.4. Social Media and Banking

“Social media probably will revolutionize the banking industry, in particular the customer relationship. It will also bring about new levels of risk”, KPMG (2012; page 8). Banking is largely technology driven and this ties in well with the fact that the advent of social media was also motivated by technological advancements. Nowadays, a lot of people want to take advantage of technology to manage their lives. This has seen customers demanding better service from their bankers. This service includes reducing the need to visit the bank and also engaging them in a ‘paperless’ ways. As pointed out by Malcolm Alder (Partner KPMG Digital Economy, Australia) in KPMG (2012), bankers have to follow their customers on social media, where they are spending their time and money on, KPMG, (2011). Although banks have been reluctant to adopt social media in their customer offerings, there are good opportunities presented by social media and digital channels This was the same story during the close of the 19th century as pointed out by Mattei and Gombeski, (2012) that banks spent many man hours and valuable resources debating on internet banking but this became one of the most profitable products for banks offering service delivery through the internet channel. Thus, the financial services sector is mostly believed to be at the first level of application (defensive). The majority of the banks on social media use it to dispel rumours and correct any misinformation that could be taking place. Innovation is an unstoppable train and so is social media. All banks can do is to adapt within acceptable risk frameworks.

2.4.1. Adoption of social media by the Banking sector

According to a white paper by Edelman (2011), the use of social media in the financial services sector was first recorded in 2009 when Wells Fargo, an American investment house introduced its merger blog, “Wells Fargo Wachovia”, In the same year, Robert Reynolds, Putman Investments CEO became the first mutual fund to post business messages on Twitter.

LinkedFA, a social network for financial advisors was also launched in 2009. By 2010, more financial service providers adopted social media for public engagement, internal collaboration, employee recruitment, educational campaigns and lead generation. KPMG (2011) said that about 70% of organizations around the world are now active on social media.

Unfortunately, banks were only an insignificant number of these organizations. However, Ernst & Young (EY) (2012) concluded that 44% of the world population is using social networking sites to source banking information on banking products. The same survey also proffers the major challenges facing banks since the onset of the global financial crisis in 2008. Generally banks are facing intense margin pressure, slow balance sheet growth, uncertain economic outlook, growing threat of new entrants (especially in the payments area), growing regulatory costs, increased demand for greater fairness and clarity in their interaction (transparency) with customers.

2.4.2. Challenges faced by banks in the wake of social media

Today's economy is fast moving towards the digital platforms, hence common reference to the e-economy. Social media is just an extension of the digitalization phenomena. Korner and Zimmermann, (2010) highlighted challenges faced by the retail banking sector in Europe due to the emergence of the digital economy.

1. Changing customer demands.

Customers now have four (4) key demands which are being powered by the emergence of the digital economy namely;

- a) Convenience - demand for a ubiquitous availability of information and services 24/7.
- b) Need for self service for commodity products.
- c) Growing demand for individualizing information and problem solving.
- d) Provision of high quality communication channels with interactive capabilities for self service.

2. Low customer loyalty – nowadays retail banking customers are multi banked due to ICT enablers which allows them transact off site. EY (2012) highlighted that as of 2011, 32% of customers were multi-banked globally. In emerging markets, customers actually consider multi-banking as a hedging technique against bank failures.

3. Increased competition – the digital economy has removed geographical barriers (death of distance). Traditionally, competition was limited to geographical locations and territories. Now financial institutions enter markets through electronic means, thereby increasing the threat of new entrants.

4. New industry structures and business models – there has been disintermediation of traditional channels and re-intermediation of new channels and value chains. There has also been a shift towards customer oriented service.

2.4.3. How banks can benefit from social media

Banks can use social media in many ways among them the following, KPMG, (2012);

- i) Brand presence - building awareness with customers.
- ii) Deliver valuable information – e.g. through alerts.
- iii) Creating visibility with partners and investors.
- iv) Social media as an extended public relations tool.
- v) Crisis management activity.
- vi) Educate clients on topical issues through forums or communities – e.g. starting a discussion forum on fraud detection and prevention.
- vii) Market intelligence – competitive edge.
- viii) Solicit feedback.
- ix) Respond to customer complaints.
- x) Support customer acquisition strategies.

Given the statistics of adoption of social media by banks, there is scope for more leverage by banks. Silverstein (2011) highlighted three opportunities for banks in social media.

- a) Reaching customers – instead of facilitating transactions and provide information,
Banks can use their websites for active customer engagement by starting blogs, chats, discussions etc. The Well Fargo and Fidor Bank in the USA and Germany respectively were cited as examples.
- b) Reducing costs – participation on the social media reduces costs of communication with customers. Engaging customers on the virtual network also reduces the demand for physical branches thereby cutting down on the cost of branch operations as in the case of the Deutsche Bank (Germany) and the Spanish Banco Bilbao V.A (BBVA).
- c) Restoring confidence – this is achieved through helping customers understand complex financial products through web based and enabled demonstrations.

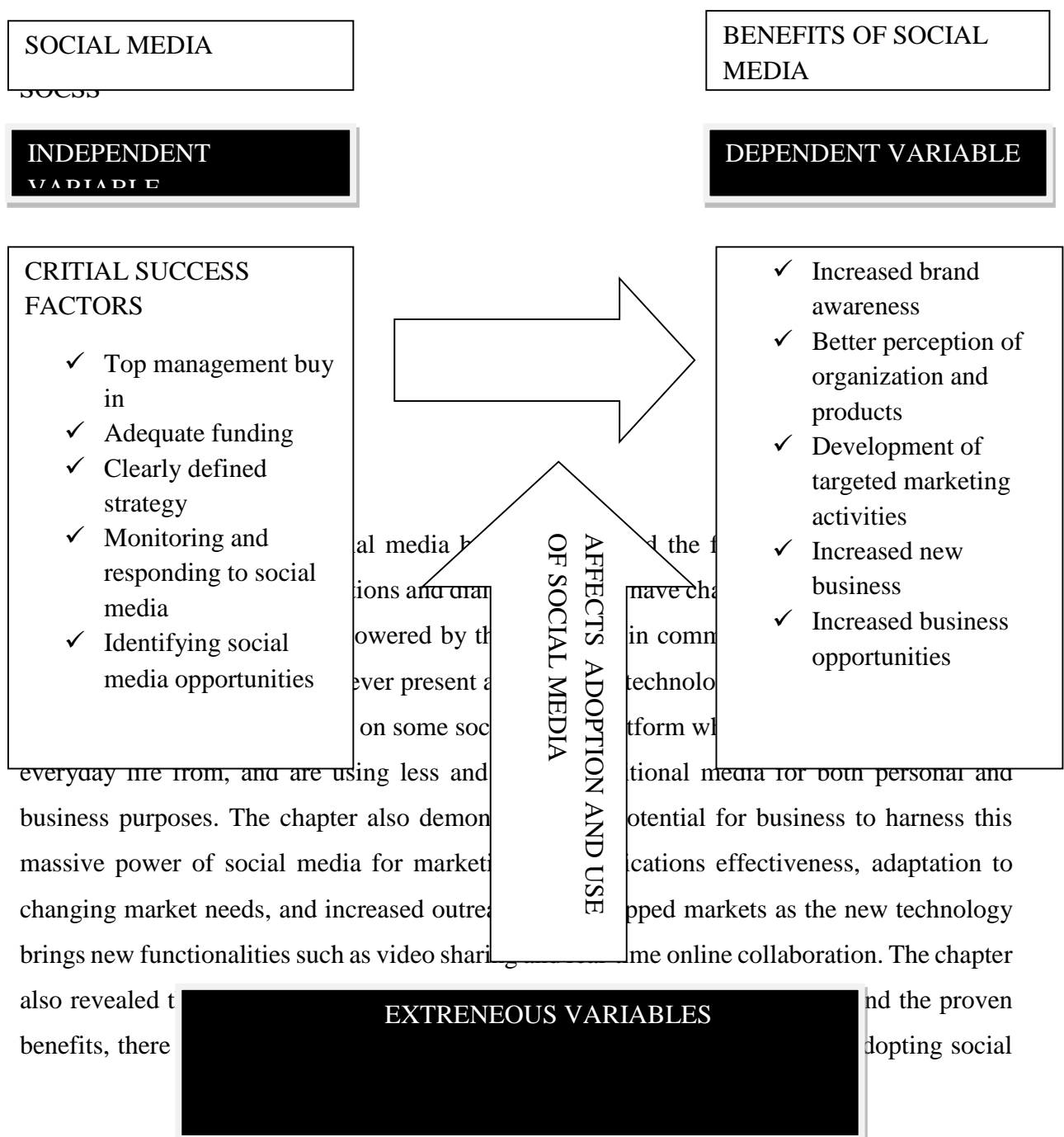
2.5. Social Media Marketing Communications Model

There are no known models on social media that incorporates all social media marketing communications tools, Castronovo and Huang, (2012). Much literature looks at each of the

platforms individually and independent of each other making them not suitable for consideration as relevant models.

2.7. Conceptual framework of this study

The literature reviewed did not address sector and market specific factors that could drive social media adoption. Thus there is no literature covering this subject matter in Zimbabwe commercial banks, specifically focusing on Agribank, hence the reason for this study. This study will be guided by the conceptual framework in figure 2.7 and the research methodology as covered in Chapter 3.



media. Chapter 3 covers a detailed discussion on the research design, philosophy, paradigm and the research instruments.

CHAPTER 3: RESEARCH METHODOLOGY

3.1. Introduction

The literature review demonstrated how the current study into social media and marketing communications can be used to enhance business marketing communications in banking. It was established that marketing communications has become a game changer for marketers but how to do it is the puzzle among many organizations. This chapter examined the research methodology used in this research by first outlining the philosophy underpinning the approach, rationale for the research design adopted, overview of the data collection methods used and its analysis, and also comment on the ethical considerations and limitations of the research.

Research methodology addresses reasons why researcher collected certain data, what data was collected, where and how data was collected, and how it was analyzed, Collis and Hussey, (2003). Research methodology and research methods are often confused terms, (Rajasekar et al, 2006; Hussey and Hussey, 1997; Mason, 2002). The main difference between the terms, is that research methodology is wider and more encompassing thus research methodology can be defined as a procedure used by researchers to describe, explain, and predict phenomena in their work while they look at methods as those tools and instruments that help us collect samples, data and find a solution to a problem. Saunders et al (2003) look at research methodology as an onion; consisting of many components that are layered..

Accordingly, Oliver (2008) sums up methodology as both theoretical and practical aspects of the conduct of the research. He argues that research methodology should also include ethical issues and strategies to address them. Oliver also says the methodology should address the issue of the tense of the write up. Most researchers tend to use the past tense (*ibid*), implying that Chapter 3 is written after the study and its findings. This study adopted the past tense.

3.2. Research Design

Oliver (2008) considers research design as the pragmatic aspects of the way the research was conducted. Research design lays the foundation on which the research work is grounded. It facilitates a systematic execution of the research project by clearly defining what comes first and what next step to take. According to Kumar, (2005), a research design is more of a plan, structure and strategy of investigation to establish or find out possible answers to the research

question(s) and objectives. According to Yin (1984), the research design is determined by three conditions namely type of research question, degree of investor control possible, and degree of focus required on contemporary events. This was a single case design of Agribank and its components.

3.3. Research Philosophy

Philosophy is the way we think about certain matters in life, (Clarke, 2005), commonly held as ideology. Research is a social science which is also influenced by our thinking on the development of knowledge, Saunders et al (2003). In their later publication, Saunders et al (2007), indentify four research philosophies namely positivism, realism, interpretivism and pragmatism. These philosophies relate to the three ways of thinking; ontology, epistemology and axiology. Ontology refers to nature of reality, while epistemology is relationship to that being researched and axiology being role of values, Creswell, (2003). Table 3.1 below summarizes Clarke's work on research philosophies.

ASSUMPTION	QUESTION	QUALITATIVE	QUANTITATIVE
Ontological	What is the nature of reality?	Reality is objective and singular apart from the researcher	Reality is subjective and multiple as seen from participants in a study.
Epistemological	What is the relationship of researcher to that researched?	Researcher is independent from that being researched.	Researcher interacts with that being researched.
Axiological	What is the role of values?	Value-free and unbiased.	Value-laden and biased.
Rhetorical	What is the language of research?	Formal, based on set definitions, impersonal voice, and use of accepted quantitative words.	Informal, evolving decisions, personal voice, accepted qualitative words.

Methodological	What is the process of research?	Deductive process, cause and effect, static research design – categories isolated before study, context-free (independent); generalizations leading to predictions, explanation and understanding; accurate and reliable through validity and reliability (testing).	Inductive process, Mutual simultaneous shaping of factors; Emerging design – categories identified during research process; Contextbound; Patterns and theories developed for understanding; accurate and reliable through verification
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However, a general consensus is that two main philosophies exist; positivism and interpretivism, White (2000).

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3.3.1. Positivism

Babbie (2005) suggests says positivism is embedded in deductive theories where the starting point is a generalized view narrowing down to a specific view. Thus a number of propositions, as suggested by research questions and objectives, are generated for testing, with empirical verification then sought by data collection.

Positivism generally favours quantitative research whereby quantitative methods are also applied to the data analysis problem, Travers, (2001). This is why Bryman and Bell (2007), say quantitative approaches seek to test theories specified at the start of the study, then generalize them through sampling. Key to positivism is the scientific perspective to observation of social behaviour.

3.3.2. Interpretivism/Qualitative

Interpretivism starts from a specific point to generalization, which is an inductive theory construction. The interpretivism philosophy has a phenomenological inclination where

emphasis is on the fundamental difference between natural sciences and social sciences, Bryman and Bell, (2007). Thus, interpretivism refers to a qualitative approach. As argued by Easterby-Smith et al, the researcher's role is analysis of interpretations of a particular phenomenon as seen by the actors.

This study involved study of human beings. The researcher was part of that being researched as indicated in Table 3.1. There was an element of subjectivity. The investigation sought to increase the understanding of a complex social phenomenon,

(Yin 2003); Agribank's behaviour and attitude in the usage of social media as part of its marketing communication tools. This determined the philosophy as interpretivist.

3.4. Research Strategy

This is a social science research as determined by the chosen philosophy and approach. These ways are what are called strategies. Saunders et al (2003) refer to a strategy as a general plan of how one goes about answering his research questions. These strategies include case study, survey, experiments, ethnography, and grounded theory, among others. Each strategy has attendant benefits and shortfalls according to Yin, (2003). He underpins these benefits and shortcomings on three conditions which he says determine the suitability or otherwise of each strategy. The conditions are a type of research question, control investigator has over actual behavioural events, and the focus on contemporary and not historical phenomena. The following table details the applicability of the conditions in each of the social science research strategies.

3.4.1. Experiment

Although the experiment seeks to answer the how and why questions, and requires control over behavioural events, and also focuses on contemporary events, it significantly differs in its conduct approach, Saunders et al (2003). An experiment would naturally call two sets of studies. One where all conditions are prevalent (the control experiment) and one where the conditions are altered and then measurements about variations taken and interpreted. Thus the cause and effect relationship is the main focus of study.

3.4.2. Survey

According to Yin (2003), a survey seeks to is premised on the who, what, where, how many, and how much type of questions. The research goal is to describe the incidence or prevalence

(frequency) of a phenomenon. A survey involves the study of large number of elements to generalize the findings, Verschuren and Doorewaard (2010), using statistical means. Because of the statistical approach, the processing of the data is therefore quantitative.

3.4.3. History

History and case studies have two distinctions, Yin (2003), in terms of control and focus. History is a study about dead past while case studies takes the dead past and then overlaps into present. Overlapping means the researcher can observe and/or interview persons involved in the events.

3.5. Population and Sampling Techniques

Having decided the philosophy, selected the research approach and strategy, a researcher is faced with data collection decisions, starting with selection of candidates (sampling) to the instruments to use to collect data, and the type of data to be collected. This is addressed by looking at the data collection methods. Frey and Rudloff (2010) advises that a researcher has to divide collection of data into two different segments; primary and secondary data collection. They also say that if the number of data sources for the research can be larger, it strengthens the research

3.5.1. Population

According to Saunders et al (2003; pg151), a population is a “full set of cases from which a sample is taken”. This implies two things; that there is an inclusive set of all possible subjects that can be selected for study and secondly that there are key common characteristics that enables a subject meet the specifications. These common characteristics then allows for generalization where the study was based on data collected from a section of the population (sampling). In this study, the population was Agribank management and key customers. Thus the following management respondents were identified and interviewed;

3.6. Data Collection Methods

3.6.1. Data Sources

There are two categories of data sources. The first is the primary data source which is gathered directly from the elements of the population. Therefore the main sources of primary data are

interviews, questionnaires, experiments, observations, among others. Secondary data sources are collections from records holding primary data,

Salant and Dillman, (1994) cited in Frey and Rudloff, (2010). Secondary data sources include annual reports, websites, marketing material, policies and procedures and other company publications such as strategic plans, newsletters, memos and press releases.

The primary data source was the semi-interview. These formed the larger part and essence of the data that was gathered and analysed. Secondary data sources, used mainly as supporting evidence and corroborative sources, were the bank's marketing policy and procedure manual was also perused to establish the marketing communication policy in place. The bank's strategic plan was also consulted for strategic fit and guidance in relation to the bank's marketing initiatives and intentions. Lastly, the bank's website was also used to determine its social media activity and other web based issues.

3.6.2. Data collection instruments

Another important decision in a research project is the data collection instrument.

There are several tools that can be used to collect data, Saunders et al (2003). These include the interviews, observation, questionnaires, and experiments. The choice of the data collection instruments is closely related to the research strategy, type of data to be collected, and the research objectives and question(s). Where a quantitative study is being conducted, the thrust is collecting data from a very large sample and the questionnaire is ideal. However, for qualitative studies, qualitative data is also required and this is possible through research instruments that focus on quality and richness of data. Interviews, experiments and observation collective qualitative data. These instruments ordinarily focus on small samples.

Interviews can either be structured, semi structured or informal, in-depth interviews, Saunders et al (2003). During structured interviews, predetermined, standard questions are asked using a questionnaire while the semi structured interview makes use of the interview guide where a list of themes and probing questions guides the researcher in the discussions. One major differentiator of structured and semi-structured interviewees is that the questioning in semi-structured interviewees may be varied from interviewee to interviewee.

This was a single case study focusing on Agribank and its components. The study focussed on understanding of the bank's behaviour regarding use of social media for marketing communications. Because of the need to collect rich data on the Agribank and its components, the semi-structured interview was ideal for this purpose.

3.6.3. Contact Method

The data collection instrument chosen will also determine the contact method. The choice of questionnaires will imply two choices on the contact method. Questionnaires are either self administered, postal, online or through assistants. Observation and experiments can only be conducted personally by the researcher. On the other hand, interviews are either personal, postal, or by telephone. The semistructured interview in this study was conducted through personal interviews. The researcher conducted the interviewees where he captured all the responses from interviewees. Non verbal communication such as facial expressions, tone of voice, and other body languages were also observed. These helped the researcher do a deeper analysis of responses, which was not possible using other methods of contacting the interviewees. This inevitably would have possibly resulted in a different interpretation of responses.

3.6.4. Data collection approach for this research

The data collection strategy for this research was two-phased. The first approach was the internal perspective seeking to gather data from an internal perspective, (strategic, technical, risk management, and operational levels). The strategic level helped to put the bank's strategic focus regarding marketing communications into perspective as strategy drives the business. The technical level, which included the risk management function, basically dealt with assessment of institutional capacity to design, implement, monitor and control a social media marketing communications programme. Lastly, the operational level concentrated on the execution of the plan and measurement of the effectiveness and returns on the bank's marketing communications initiatives which would naturally assess whether the set marketing communications are being met or not and possibly explanations for the variance.

This phase captured Agribank's behaviour and attitude on usage of social media in its marketing communications.

The second approach was the customer (external) perspective whose main focus was to establish customer participation and nature of activity on the social networks.

This was then linked to the bank's marketing communications initiatives and strategies, and the customers' views and evaluation of the bank's attitude and behaviour towards social media as part of its marketing communications arsenal. This helped formulate customer preferences in term of information dissemination. This was also a good basis for determining customer behaviour. Therefore, the research also canvassed for customer expectations and views on the bank's marketing communications initiatives.

3.6.5. Data analysis

Data analysis incorporates examining, tabulating, categorising or any other combinations used in an effort to address the research objectives, Yin (1994). The analysis depends on whether the study was qualitative or quantitative. For qualitative data analysis, there is no standard format, (Neuman, 2006). The data in this study was analyzed in line with the recommendation by Miles and Huberman, (1994), using data displays and detailed write ups.

3.7. Research Procedure

Basically there are two approaches to research, Saunders et al, (2003). A research can be deductive or inductive. When a research is deductive, it seeks to test theory, thus it works from data to theory. On the other hand, an inductive research gathers data to form a theory, thereby working from theory to data.

3.7.1. Deductive Approach

Saunders et al (2003) enunciate key characteristics of a deductive approach. They highlight that a deductive approach seeks to explain causal relationships and therefore collects quantitative data for testing a hypothesis. Therefore it is a highly structured study that seeks to operationalize a hypothesis before generalizing it.

3.7.2. Inductive Approach

On the other hand, an inductive approach's aim is to build theory, Saunders et al, (2003). Thus, this approach is used to formulate a theory. The approach favours the study of small sample of subjects. As pointed out by Easterby-Smith et al (2002) cited by Saunders et al, an inductive approach triangulates data collection methods to establish different views of phenomena. This approach tends to work with qualitative data.

3.8. Reliability and Validity

Data reliability reduces the likelihood of a wrong answer to research questions emanating from incorrect measures, interpretations or lack of transparency, Saunders et al, (2003). Thus, according to Saunders et al, reliability is affected by subject or participant error and/or bias, and observer error and/or bias. Reliability addresses the question whether another researcher can do the same test and get the same results. If this condition is satisfied, that means the results can be generalized. Validity, which roughly is about correctness, on the other hand, deals with if the findings really relate to what they are about? Key factors that affect validity, (*ibid*),

include history, testing, instrumentation, mortality (i.e. participant drop out), maturation, and ambiguity of causal direction. History relates to timing of the study if it is not a special time for the study subject such that inferences and results are not reflective of normal time. Testing and instrumentation may all sum up the concept of stage managing. Thus, depending on the way the study was done, respondents or participants may stage manage results such that they distort findings. Maturation may be taken to refer to intervening events that may change the complexion of the subject matter and the study. According to Verschuren and Doorewaard (2010), reliability and validity can be enhanced through methods and sources triangulation. Reliability and validity in this study was enhanced through sources triangulation. Data sources were multiple. Primary data was gathered through interviewing both members of the bank senior management and the key customers. Secondary data was from both internal sources (annual reports, policies and website) and external (press reports, journals and other media reports).

3.9. Ethical Considerations

Saunders et al (2003) give a very detailed account of ethical considerations and issues at various stages of a research study. These are summarised in this paragraph. The general ethical consideration is that the research design should ensure that no members of the population are disadvantaged in any way. Ethics affect three main parties to any research study, namely participants, researcher and sponsor. Ethical issues pertaining to the participant evolve around confidentiality, freedom of participation, discomfort, and disclosure which should be addressed before hand. Relating to the sponsor, ethical considerations' main discussion points are on the use of research findings and the attainment of deliverables by the researcher. The sponsor should always ensure that research findings are used for the purpose for which the research was undertaken and not other ulterior motives. For instance, the sponsor should not turn around and institute disciplinary proceedings against workers based on the research findings. Regarding the researcher, ethical considerations overlap with some of those considered for the participant such as confidentiality. However, one researcher specific ethical consideration is the issue of access. A researcher should honestly and appropriately negotiate for access to company records, resources and premises, trading on benefits of the research to the business and the academia.

This study addressed all these ethical considerations. Firstly, each respondent or participant was clearly briefed, before the interview or through the introductory letter, on the purpose and objective(s) of the research. Furthermore, express consent was also secured from each

respondent, including the organization, for participation in the study. The participants were also assured and given guarantees that the research findings will be kept confidential and will not be used in any way against them but for the purposes and objectives as articulated.

3.10. Research Limitations

The major weakness of the case study is that of establishing external validity, Verschuren and Doorewaard, (2010). It is often quite difficult to apply results of a case study to a broader population or similar cases. Case study research, according to Yin (2003), also lack rigor because they do not follow systematic procedures and allow bias (judgmental). Thus generalizing the results from interviewing senior managers of the bank and a handful of its key customers may not be acceptable across the commercial banking sector in Zimbabwe.

3.11. Chapter Conclusion

Chapter 3 gave a detailed analysis and description of the research methodology.

The research used the single case study approach to explore, describe and analyze the impact of social media on marketing communications in Zimbabwean commercial banks. The study had a phenomenological or interpretivist approach. Therefore the data collection methods and sources were also qualitative in nature.

The question of ethical considerations was also addressed. What now remains is a detailed analysis and discussion of results in Chapter 4 before the conclusions and recommendations in Chapter 5.

CHAPTER 4: RESULTS AND DISCUSSION

4.1. Introduction

This Chapter concentrates on the research findings and analysis. The researcher carried out semi-structured face-to-face personal interviews with senior management at Agribank and key customers. The results and findings are analyzed and discussed in line with the research objectives and questions set out in Chapter 1.

The data from these interviews was analyzed using data displays or content analysis tables which would then be followed up by detailed write ups. The detailed write ups analyzed the results and then evaluated them with the underpinning literature.

4.1. Key Respondents

The researcher had targeted to carry out face-to-face semi-structured interviews with 10 respondents comprising of 5 senior Agribank managers and 5 key customers of the bank. The researcher successfully interviewed all the 5 senior managers but only 4 key customers. One customer kept postponing the interview. For all corporate clients, the person heading the Finance department was interviewed. This was mainly because the Finance people are the ones that interface with the bank and would be more appropriate to discuss and evaluate any communications matters between the bank and the company. For senior Agribank senior managers interviewed, eight sets of questions covering marketing communications mix, use of social media platforms, benefits of social media, social media target, social media critical success factors, levels of adoption, social media analytics, and risks of social media, were posed to the respondents. Customers were asked to evaluate the bank's marketing communications on the tools, usage of social media, benefits of social media, and its application.

4.2. Use of social media by Agribank as a marketing communications tool

To understand the use of social media by Agribank in its marketing communications mix, discussion points were identified by the researcher. Key questions were designed to address the type of information intended to be collected. The questions therefore sought to understand and gather data on whether or not the bank was using any social media platform, in what ways, and the reasons for non-participation.

To corroborate these responses, the researcher also asked another question on what level of social media adoption the bank was.

4.3. Social media demographic target groups

Senior management respondents were also asked what they consider the prime social media demographic target groups. Although it had already been established that the bank was not using social media, this question was meant to gauge management's appreciation of market segmentation. This question was mainly targeted for the two respondents in Marketing and the Divisional Director; Corporate and Executive Banking whose part of their knowledge base should include such phenomenon. Table 4.7 summarises their opinions.

Respondent	Response
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Divisional Director; Strategy, Marketing and Business Development	Recent university and college graduates, university and college students, mid-layer professionals, low income groups, remote areas.
Divisional Director; Corporate and Executive Banking	Young generation, high net-worth individuals, women.
Credit & Risk Management Executive	Young generation, older generation, professionals.
ICT Executive	Mainly young market, but other groups as well

According to Agribank senior management responses, their prime target demographic group for social media engagement is the young market, commonly known as Generation X. Other demographic groups targeted include professionals and women. The Divisional Director; Strategy, Marketing and Business Development categorized the young market as recent college graduates (under 29 years) and those still in college and university (under 24 years). The Divisional Director; Corporate and Executive Banking made a very interesting psychological comment on the key behaviour of the young market. She sees them as “thinking with a 3D mind” and therefore would identify well with social media. The Divisional Director; Corporate and Executive Banking, also pointed out women as a good target group. She says, it is not because she is also a woman, but because it has been established that women are heavy users of social networks and also the fact that “women’s social and economic life are intertwined”, so any business interacting with women on social media “achieves a 2 in 1”. The high net-worth individuals are also a good target according to the Divisional Director; Corporate and Executive Banking.

This group mainly comprises of busy executives in their prime time with very little time to visit banks or read newspapers. They are likely to spare a few minutes to check into their social networks in between commitments or schedules. All other respondents concurred with these contributions. Observations made in this section were in line with the Pew Research results on internet and social media usage.

4.4. Benefits of social media

This was a question targeted at marketing, ICT and the relationship management people. Even though Agribank was not using social media, the main objective here was to determine whether management were aware of the benefits of social media as their background requires them to do so. The following table summarizes the responses of senior management on benefits of social media to Agribank.

Respondent	Resonse
Divisional Director; Strategy, Marketing and Business Development	Cheap, wider scope, better market segmentation, increased outreach, and greater visibility.
Divisional Director; Corporate and Executive Banking	New opportunities, favourable perception, convenience, and cost effective.
Credit & Risk Management Executive	Better perception, new markets, better segmentation, cheaper, better outreach, and faster.
ICT Executive	Convenient, increased outreach, easy and faster, cheaper, and better perception.

4.5. Social media success factors

This question was asked in full recognition of the fact that Agribank was not using social media. The rationale of asking the question was to establish what the respondents thought was required to make social media successful. The question was earmarked for people with marketing and IT background.

Respondent	Response
Divisional Director; Strategy, Marketing and Business Development	Planning, understanding market dynamics, continuous website updates, and sound social media governance system and structures.
Divisional Director; Corporate and Executive Banking	Management buy-in, sufficient investment in social media, and training.
Credit & Risk Management Executive	Availability of resources, and commitment.

ICT Executive	Market segmentation, monitoring and responding to conversations, continuous website update, connectivity and security.
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All respondents identified a number of the critical success factors. Management buyin, sufficient investment in social media, availability of resources, and ensuring a secure environment, were the social media critical success factors which all respondents singled out. The Divisional Director; Strategy, Marketing and Business Development said key for him was the issue of planning, governance structures and understanding of market dynamics. On continuous website updates, he shared the view with the ICT Executive. Basing on her customer relationship management (CRM) role, the Divisional Director; Corporate and Executive Banking singly pointed out training of users and other internal resource persons. The ICT Executive added monitoring and responding to conversations, market segmentation and connectivity. The Marketing Manager believed culture change should also be on the agenda.

4.6. Challenges faced by Agribank in using social media

Even though the bank had no experience of social media to talk of the challenges, this question was included as a way of finding out if management was aware of the challenges of social media. On the downside of social media, Table 4.12 summarizes responses from the interviews.

Respondent	Response
Divisional Director; Strategy, Marketing and Business Development	Security and negative comments
Divisional Director; Corporate and Executive Banking	Time wasting and loss of control
Credit & Risk Management Executive	Time wasting, loss of control, and fast dissemination of negative information.
ICT Manager	Exposing weaknesses and shortcomings, overplaying challenges, and loss of control.

Respondents exhibited limited knowledge of the risks of social media. Most responses were based on general information. Despite the limited knowledge, the responses were not outside

literature coverage. Most interviewees exhibited fear of losing control of conversations which has the potential of damaging brands overnight. The Credit and Risk Management Executive made reference to the famous BP Oil spill case in which the BP CEO, Tony Hayward eventually resigned. The CEO had tweeted, “I’d like my life back” following a round of personal and professional criticism on how he was handling the disaster. Time wasting, security concerns, and exposure of weaknesses and shortcomings to the entire world were also among the risks identified by respondents.

4.7. Summary of findings

The following is a list of key findings.

1. Agribank uses the traditional, one-to-one or one-to-many models of marketing communications.
2. The bank does not use social media in its marketing communications.
3. Agribank management were aware of social media benefits
4. The bank’s management was also conversant with what should be done to make social media successful.
5. The bank fully understood the challenges it faces in using social media.

4.8. Chapter Conclusion

Chapter 4 detailed the findings and extensively discussed them. These findings were related to literature to unravel underlying meanings and implications of these responses from the data collected through semi-structured interviews. The data was collected through the research methodologies discussed in Chapter 3. These methodologies were influenced by the direction of existing literature as covered in Chapter 2 and the research objectives and questions in Chapter 1. The next chapter summarises the whole research project and offers appropriate recommendations.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This chapter wraps up this research by evaluating whether the research objectives set out in Chapter 1 have been achieved or not testing the proposition of the research. This is done using results from data analysis in Chapter 4. Recommendations and areas of further study are also proposed.

5.2. Marketing communications mix employed at Agribank

The bank only uses conventional or traditional one-to-many tools in its marketing communications mix as established in Chapter 4. This is against current trends of embracing the many-to-many tools Cronin, (2009), which allow more of dialogue between the bank and its customers than a one way communication. The fact that customers only used the one-to-many tools not out of choice but because that's the only way to communicate with their bank indicates that the bank constraining and confining its customers to the bank's preferred model which is now outdated and becoming increasingly inefficient. Literature has shown that there is preference to the many-to-many models of communication. There is therefore a huge probability that a significant portion of the market is shunning Agribank due to this reason.

Customer relationship management, a core principle and strategy in service industries, calls for at least a match between customer expectation and service delivery or offering. Ideally, customer expectations should be exceeded.

It was also evident that the bank has no marketing communications policy and strategy in place. Although the bank's management could identify some of the tools being used, some were just from common knowledge perspectives. This prompted the researcher in two of the interviews to probe if the bank had any policy on marketing communications.

5.3. Use of social media in Agribank marketing communications

The bank has no social media activity. Marketing communications strategies always require a diversified mix to cater for different customer categories and not a 'one size fits all' approach. The limited options at Agribank disenfranchises some sections of the market and worse still, with market preference now moving towards easy, ubiquitous channels, it would be extremely difficult for the bank to effectively stay in touch with its customers as there will be an inherent disconnect.

5.4. Benefits of social media to Agribank

The responses by Agribank senior management demonstrated that they are aware of these benefits, even if the bank is not using social media. A number of benefits to both the bank and its customers were identified and evaluated in the results chapter.

The bank is denying both itself and customers to enjoy these benefits for no plausible reason. History has demonstrated that you cannot stop or avoid technological advancement and innovation, but can only wise-up and adapt accordingly. These benefits actually outweigh the value of the legacies the bank is running on at the moment.

5.5. Critical success factors

Although the bank is not using social media, management is fully aware of what is required of the bank to be successful on social media. The most critical of all factors identified in the case of Agribank is management buy-in. All other factors depend on it. Management is charged with commitment of resources and decision making on behalf of the company. Therefore, gaining top management support facilitates all other factors.

5.6. Risks faced by Agribank in using social media

Indeed, it was clearly demonstrated in the findings and results that there are potential high impact risks in the bank using social media and these threaten its existence. However, risks are inherent in banking or any business. The answer is not avoidance but coming up with robust and sufficient risk mitigation strategies. One of the chief risks in banking is credit risk, (default risk by borrowers) but banks still lend and at increased levels. There is no justification in citing risk as a reason for not following its customers on social media.

5.7. Specific Conclusion

Therefore, this study concludes that social media enhances marketing communications. This is evidenced by the fact that all objective tests were negative because Agribank is not using social media as part of its marketing communications tools. If it was using this tool, most if not all the comments would have been in the affirmative.

5.8. Recommendations

In today's competitive world, marketing is a game changer in business. Competitive advantages are becoming fewer and fewer, but yet more important. The social media marketing communications mix model by Castronovo and Huang (2012) in Chapter 2 is recommended. Agribank should start at the analytics level, and then move to engagement and defense. Specific actionable recommendations are given below.

5.8.1. Customer survey on changing tastes in communication models

The bank should carry out a full market survey to establish how their customers have adapted to social media and other technological innovations. This will assist the bank in crafting better and customer driven marketing communications strategies. Assuming that their customers are not sophisticated and therefore may not be using social media could be misleading. There is

now a wide network coverage of telecommunications across the country including the farming and rural communities where the bank has its stronghold.

5.8.2. Crafting of policy framework on marketing communications

The bank needs to urgently drawn up policy guidelines on its marketing communications. This will help it to have better co-ordination of all marketing communications efforts. There could be total confusion throughout the bank's units and marketing in particular about the bank's marketing philosophy and thrust. The 5 year strategic plan where there is an attempt to formalise marketing activities is a high level document that should be reduced to a policy and procedure level.

5.8.3. Adoption of social media

It is high time that Agribank revisits and revises its marketing communications strategies. Given the benefits of social media highlighted in the findings, this is one way of arresting the declining market share the bank is experiencing. The adoption of social media can be done on a graduated approach using the following suggested options.

5.8.3.1. Bystander approach

The bank should start from a bystander approach where it just collects data and uses social media for analytics to study and understand social media activity. In the process, it can then define and identify its target audience for engagement. This way, it can assess and plan resource requirements.

5.8.3.2. Selective engagement

Next, the bank then uses a selective engagement process where top management establish official presence on social media and link up with key customers at executive level. This can be done through non sophisticated platforms such as LinkedIn. This approach facilitates management buy-in and consequent commitment of resources if managed properly. The risk is of course, if the pilot project flops, the entire strategy may never see the light of the day.

5.8.3.3. Building communities

Building from 5.7.2, the bank then moves a gear up and starts fostering social media communities (building communities), e.g. starting a social media community for tobacco farmers where the bank will be constantly posting news on tobacco farming depending on the

time of the season. The bank will also be constantly updating farmers on average selling prices and quantities of sales at national level during the tobacco selling season. This will ensure viral marketing through creation of a “buzz” which, in itself, increases Agribank brand visibility and perception.

5.8.3.4. Open up to other Staff

At this juncture, Agribank would then also open up its website or encourage its own staff members to use social media platforms for business, before a full social media marketing communications roll out. The bank has all managers and other key nonmanagerial staff who enjoy bank cell phones. These can be the initial targets for mobile interactions. This will increase the outreach and the viral nature of social networks will do the rest.

5.8.4. Critical success factors

The bank should also investigate what other banks identify as social media critical success factors.

5.9. Study Limitations and areas of further study

This research was a single case study which obviously suffers from the inherent limitation on generalization. To be able to generalize, a further industry wide research on the same concepts and objectives should be conducted industry wide. This will also even assist policy formulation and regulatory activity at supervisory level (i.e. the Reserve Bank of Zimbabwe). Further research can also be done to investigate other areas of application for social media such as Human Resources and supply chain management.

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APPENDIX I: INTERVIEW QUESTIONNAIRES

1. Agribank Senior Management (internal)

Name

Position

Length of Service at Agribank

Years of experience in banking

Question 1 – Marketing communications mix employed

a) Please explain the types of marketing communications tools used by Agribank

(Marketing communications are means by which companies convey information and messages to their target audience)

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b) Please explain the reasons for this marketing communications strategy

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Question 2 – Use of Social media platforms

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a) Does the bank use any social media platform as part of its marketing communications tools and why? (*Social networks or social media are internet based communication and interaction platforms such as facebook, twitter, LinkedIn, foursquare etc.*)

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b) If answer to 2 (a) above is yes, please explain in what ways Agribank employs social media in marketing communications?

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c) If answer to 2 (a) above is no, what could be the reasons for non participation?

Question 3 – Benefits of social media

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Question 5 – Social media critical success factors

What do you consider as critical success factors, (*things an organization must do right to be successful*), for Agribank’s social media strategy?

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Question 6 – Challenges of social media

106

What are the major risks/challenges Agribank faces in using social media for marketing communications?

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THE END

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2. Key customers (External)

Name

Occupation/Nature of business

Age/Established since

Years of banking with Agribank

Question 1- Type of marketing communications mix

3. How often do you communicate with your bank (Agribank) and what are the methods/channels of communication?

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4. Please explain your reasons for the choice in question 1 (a) above?

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Question 2 – Use of social media platforms

a) Explain the extent to which Agribank communicates with you through any social networks such as *facebook, twitter, LinkedIn, foursquare etc.*

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Question 3 – Benefits of social media

Explain the advantage(s) or benefits you perceive in engaging your bank or your bank communicating via social media

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Question 4 – application of social media

Please explain what sort of information you would want to see Agribank convey to you through social media and why

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THE END



Figure 1 B1850793