



PALGRAVE STUDIES OF
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Digital Business in Africa

Social Media and
Related Technologies

Edited by Ogechi Adeola
Jude N. Edeh · Robert E. Hinson



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Palgrave Studies of Marketing in Emerging Economies

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Preface

The emergence of new technologies is transforming industries and enabling enterprises to create sustainable competitive advantage in the global market. It is not surprising that businesses in industrialised and emerging economies are rapidly integrating digital technologies into their operations to develop new products, improve production process flexibility, and deliver value to customers. Digital technologies have created a 'new market space' where the existing geographical location is rapidly becoming less relevant for doing business. This development has important growth implications for Africa and offers enormous opportunities for African enterprises that want to remain competitive, earn profit, and meet the consumers' needs.

This book explores how African businesses and organisations can leverage social media and related digital technologies to design, process, and deliver products and services to increase effectiveness and efficiency. With the use of digital tools and platforms, businesses are increasingly able to reach out to and engage customers in several ways. Social media has become an invaluable tool for customer engagement in a dynamic business environment by facilitating management of the relationship between an organisation and its customers and providing a platform for marketing, networking, and enhanced visibility. Social media platforms such as Facebook, Twitter, WhatsApp, and Instagram, are popular sites used in Africa, a continent with a youthful population.

Businesses can enhance their brand reputation using artificial intelligence, the internet of things, chatbots, and augmented realities that engage customers in more compelling ways, impact buying behaviour, and increase customer loyalty. These technologies provide a strategic process for organisations to integrate digitalisation into the various marketing aspects of their operations, such as service delivery, customer engagement, and business process improvement. To exploit the full potential of the current digital marketplace, African enterprises, especially companies in the service delivery sector, need to adopt new structures, processes, and models that enable them to respond effectively and satisfy customers' demands. As digital technologies can raise challenges, this book also discusses the socio-cultural and ethical aspects of social media marketing and reputation management in the digital world.

Digital platforms are the new market frontier for businesses in Africa that recognise that to position their products and services for long-term success, they can no longer rely on traditional brick and mortar approaches to finding and serving the public. The authors of this book share their vast and varied experience with researchers, practitioners, entrepreneurs, CEOs, and students who are seeking to understand and explore opportunities in the digital marketplace.

Lagos, Nigeria
Marseille, France
Kigali, Rwanda

Ogechi Adeola
Jude N. Edeh
Robert E. Hinson

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Part I

Introduction



1

Digital Business in Africa: Social Media and Related Technologies—An Introduction

Ogechi Adeola, Jude N. Edeh, and Robert E. Hinson

1 Digital Platforms and the Global Economy

The impacts and dimensions of the digital revolution on the economy and society are constantly evolving. Digitalisation, the integration of digital technologies into business, plays an essential role in the new era of globalisation (Berman, 2012; Schwarzmüller et al., 2018). The world has never been more connected to digital reality than it is today (Cariolle, 2021). Digitalisation presents new opportunities in the way we access

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information, interact with others, share knowledge, and conduct business at all levels of the economy. Evidence shows that digital technologies are increasingly disrupting industries and, at the same time, enabling enterprises of all sizes to create sustainable competitive advantages and growth in the global market (Kaufman & Horton, 2014; Nadkarni & Prügl, 2021). Enterprises adopt these technologies for various reasons, ranging from the creation of business models, processes, and cultures to the enhancement of organisational performance (Fitzgerald et al., 2014; Kotarba, 2018). Digital transformation can open up new market opportunities and provide enterprises with capabilities to meet the changing business environment.

At the core of digital transformation is the emergence of the platform economy. The platform economy is characterised by “digitally enabled activities in business, politics and social interaction” (Kenney & Zysman, 2020). Digital platforms have become a major game-changer and are rapidly replacing the traditional business models around the world, including in Africa where these platforms are changing the business landscape at a speed and on a scale many would not have anticipated (Li, 2020). Companies such as Facebook, Twitter, Amazon, Google, Instagram, YouTube, LinkedIn, Salesforce, Uber, and Airbnb are among those creating efficient, multi-sided digital structures and processes where a wide range of buyers and sellers meet, interact, and carry out business transactions (Rohm et al., 2004). Scholars suggest digital platforms create profound value in the economy (Resca et al., 2013; Wulf & Blohm, 2020). For example, they can help enterprises extend their product offerings, provide new forms of collaboration, and enhance access to resources and capabilities (Amit & Zott, 2001).

More than ever before, digital business platforms are deeply shaping strategic and competitive structures. The emergence of new digital technologies has facilitated the wide adoption of digital platforms across different industries and sectors. This proliferation of digital platforms has generated a rapidly growing body of scholarly efforts (De Reuver et al., 2018; Helfat & Hall, 2018; Veisdal, 2020). The recent discussion on digital platforms has focused on ecosystems and collaborations (Cozzolino et al., 2021); openness and platform controls (Parker & Van Alstyne, 2018); social entrepreneurship, crowdfunding, and value creation

(Chandna, 2021); and firm scope, platform sides, and digital interfaces (Gawer, 2021).

Notwithstanding these contributions, the role of digital platforms on enterprises in emerging economies is yet to receive sufficient academic attention (Heeks et al., 2021; Mukhopadhyay & Whalley, 2021). This paucity of research is more pronounced in Africa. To date, there are only a handful of such studies. For example, Badran (2021) reported that the successful growth and expansion of the Jumia Egypt digital platform in Africa lies in its adopted commission-based business model, alongside other innovative business practices. In addition, Edeh (2022) suggests that digital platform capabilities are critical to customer relationship management and the business performance of Nigeria's small and medium-sized enterprises. More studies are needed to understand the digital platform phenomenon that can unlock competitive and economic potential for enterprises in Africa.

2 Africa's Positioning and Digital Opportunities

Africa is uniquely positioned to benefit from the digital economy. The population of Africa, as of 2021, is estimated at more than 1.382 billion, and half of the people are under the age of 30. Africa is experiencing rapid growth in internet penetration and digital technology investment. According to the 2021 report of the International Telecommunication Union (ITU), the percentage of individuals using the internet in Africa increased from 24.8% in 2017 to 28.6% in 2020. Mobile broadband internet usage increased from 25.5% in 2017 to 33.1% in 2020. The increase in internet usage is accompanied by a spread of emerging digital technologies (e.g., blockchain technology, cryptocurrency, smartphones, social media, video streaming, drones, and artificial intelligence) across the African continent. For example, in 2016, Rwanda introduced the world's first national drone to deliver life-saving medical services to clinics across the western half of the country. Together, these trends are rapidly increasing the dimension and size of Africa's platform economy.

Some African countries and enterprises have started reaping the benefits of the digital economy. As of 2019, a total of 365 digital platforms were in operation in Africa, with more than 80% of them homegrown. The majority of these digital platforms are in South Africa (142), Nigeria (122), Kenya (118), Ghana (96), and Uganda (68). These platforms connect users with online shopping, freelance employment opportunities, rental spaces, e-hailing car services, and logistics/courier delivery services (Johnson et al., 2020). Platforms such as Kenya's M-PESA are revolutionising money transfer services, payments, and micro-financing services. Since its launch in 2007, M-PESA has quickly expanded to other African countries and beyond the continent. [Konga.com](https://www.konga.com), a leading Nigerian online shopping platform, has been successful in utilising personalisation techniques to enhance customer engagement, boost loyalty, and achieve superior sales (Nkwo et al., 2018). In South Africa, Snupit, a top online marketplace, is transforming the way customers find and hire local service professionals.

Africa's digital platform economy continues to evolve as new enterprises of all sizes are investing in digital technologies, systems, and skills that will enable them to offer diverse goods and services to their customers. The COVID-19 pandemic has demonstrated that digital technologies are critical to continued social and economic activities. The pandemic has led many African enterprises in different sectors to quickly switch to digitally driven businesses. As the young African population is rapidly going digital, agile, and innovative, enterprises are leveraging digital platforms to deliver more personalised services, and consequently achieve sustainable growth. Conversely, enterprises failing to join this new digital pathway will struggle to navigate the challenges of today's environment.

3 Social Media and Businesses in Africa

Given the potential of the digital economy, this book focuses on how social media platforms and related technologies are shaping businesses in Africa. Appel, Grewal, Hadi, and Stephen (2020, p. 80) defined social media as “a collection of software-based digital technologies—usually presented as apps and websites—that provide users with digital

environments in which they can send and receive digital content or information over some type of online social network”. Globally, social media users number over 3.6 billion (Statista, 2020), thereby making a digital environment the place where people conduct substantial parts of their lives. The number of social media users in Africa in 2020 is estimated at over 150 million, and this is as a result of the increasing internet connectivity on the continent (Statista, 2021).

Social media has become an important feature of daily internet usage in Africa. Figure 1.1 shows that Nigeria (34.2 million), South Africa (27.05 million), Ethiopia (12.01 million), Kenya (11.12 million), and Ghana (9.24 million) have the highest number of social media users in Africa. The most popular social media platforms in Africa are Facebook, used by 58.74% of the population, YouTube (23.01%), and Twitter (11.75%) (Omotosho, 2021).

Given the growth of social media users in Africa, it is not surprising that enterprises are widely adopting various social media platforms as a marketing channel to connect with existing and potential customers. Social media can help enterprises enhance their brand awareness, manage customer relationships effectively, improve collaborations, and increase sales (McCann & Barlow, 2015). Social media has generated an extensive body of academic research into related areas of business-to-customer

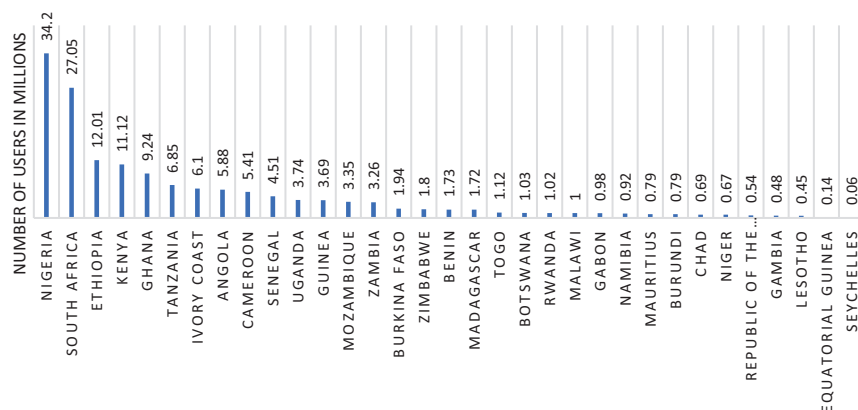


Fig. 1.1 Social media users in Africa by country (2020). (Source: Statista, 2021)

engagement (Hollebeek, 2019), business-to-business marketing (Cartwright et al., 2021), business model innovation (Zhang & Zhu, 2021), and business process improvement (Nascimento & da Silveira, 2017).

While research is proliferating and providing insights into the phenomenon of social media platforms (Dolega et al., 2021), there is little attention devoted to enterprises in Africa. This book offers to fill this research gap first by addressing how African businesses and organisations utilise various social media platforms and related digital technologies in the design, process, and delivery of goods and services to increase efficiency as well as effectively respond to customers' demands.

4 Overview and Contributions of the Book

This book is structured into three interrelated parts to enhance readability and ease of reference. Part I focuses on the socio-cultural and ethical aspects of social media marketing, the benefits and challenges of social media marketing, and the influence of Facebook usage. In addition, it considers the social media and consumer engagement issues with an emphasis on consumptive and productive engagement behaviours, interactionist model of social media reputation, and social media as a digital marketplace.

Part II covers issues on related technologies with contributions to digital financial inclusion, Fintech, cryptocurrency, blockchain in Africa, and Big Data in marketing.

Part III concludes with a summary of the book's contributions and recommendations for future research direction.

The chapters that follow capture research conducted by subject matter experts with particular interest in the field of social media:

Chapter 2, "Ethical Social Media Marketing in Africa", by Robert E. Hinson, Kojo Kakra Twum, and Eugene Arhin, considers the ethical challenges posed by social media marketing in Africa. These challenges are linked to the collection of data about customers, cultural implications of social media use, privacy violation, and transparency. The chapter

explores the interplay of legal requirements and ethical standards as a guide to African marketing organisations using social media platforms.

In Chap. 3, “Opportunities and Challenges of Social Media Marketing for Small and Rural-Based Entrepreneurs: Experience from Vhembe District in the Limpopo”, Tambe Dede Kelly and Amaechi Kingsley Ekene identify product exposure to a wider audience, access to a target audience, effective low-cost marketing, and deep customer interaction as some of the opportunities that social media marketing offers small-scale and rural-based entrepreneurs. The authors identify poor internet connections, lack of access to adequate resources, and lack of sender-receiver relationship as some of the challenges faced by these firms.

Chapter 4, “Influence of Facebook Usage on Organisational Performance in Ghana: The Pivotal Role of Social Capital and Salesperson Extra-Role Behaviour”, by Kobby Mensah, Bedman Narteh, Robert E. Hinson, John Paul Kosiba, and Omotayo Muritala, reports that the performance of organisations that encourage salespersons’ social media service behaviour differs significantly from the organisations that do not, with findings that the organisations using Facebook for customer service and marketing activities improved both their financial and non-financial performance.

Chapter 5, “Examining the Impact of Value-Driven Social Media Content Strategies and Product Type on Social Media Behavioural Engagement: Evidence from Nigeria”, by Ernest Emeka Izogo, Austin Eze, and Mercy Mpinganjira, reveals that value-driven social media marketer-generated content strategies are critical to driving consumer engagement behaviours for search products.

Chapter 6, “A Self-Concept Interactionist Model of Social Media Reputation”, by Oyindamola Abbatty, Olutayo Otubanjo, and Ogechi Adeola, examines how customer-organisation interactions can be included in the discourse concerning social media-reputation development. The authors document how corporate communication activities, through repeated interactions, explain the linkage between social media and reputation.

Chapter 7, “Africa’s Digital Marketplace: The Role of Social Media in Customer Engagement”, by Ogechi Adeola, Jude N. Edeh, Olaniyi Evans, and Oyindamola Abbatty, focuses on how African enterprises can

utilise social media marketing to engage their customers, influence buying behaviour and loyalty, and build brand reputation. Other antecedents such as creativity and informative and emotional appeals are crucial to generating positive user responses in the context of social media advertisements.

Chapter 8, “Digital Financial Inclusion: M-PESA in Kenya”, by Benjamin Mulili, explores how digitalisation is transforming Africa’s financial sector across Africa. Mulili documents the origin and adoption of M-PESA in Kenya as well as its operations, services, contributions, and challenges.

Chapter 9, “Fintech, Cryptocurrency and Blockchain Technology: Towards Promoting a Digital Africa”, by Olaniyi Evans and Olusola Oni, shares research into how FinTech, cryptocurrency and blockchain start-ups are contributing to economic development and financial inclusion in Africa. The authors highlight some cybersecurity risks as well as regulatory frameworks related to financial technologies.

Chapter 10, “Role, Characteristics and Critical Success Factors of Big Data (BD)—Implications for Marketing in Africa”, by Mohammed Majeed, Seidu Alhassan, and Nana Arko Cole, focuses on the critical success factors of big data solutions in marketing corporations, especially when aiding decision-making and optimising business processes. The author explores the features of big data as well as their major critical factors of IoT, statistical application, and business intelligence.

Chapter 11, “Driving Business Performance through Customer Value Management Practice: A Case of Digital Tag Channel in an Emerging Mobile Market”, by Adeolu Dairo and Adetunji Beyioku, defines the potential and effectiveness of below-the-line (BTL) digital channels in driving customer value management campaign activities with a large customer base.

Chapter 12, “Fostering a Digital Learning Ecosystem in Nigeria”, by Nubi Achebo, addresses the drivers, challenges, and critical factors required for successful implementation of digital learning ecosystems.

Chapter 13, “Digital Tools and Platforms as the New Marketplace: Driving Digital Business in Africa”, by Ogechi Adeola, Robert E. Hinson, Jude N. Edeh, and Isaiah Adisa, focuses on the relevance of digital platforms and tools in improving service delivery and positioning service

offerings beyond geographical limitations. In addition, the chapter provides recommendations from authors' contributions in the book for the successful adoption of digital tools and platforms by businesses in Africa.

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Part II

Social Media



2

Ethical Social Media Marketing in Africa

Robert E. Hinson, Kojo Kakra Twum,
and Eugene Arhin

1 Introduction

Business ethics are an essential component of any business strategy, including social media marketing. Social media marketing has witnessed an upsurge in recent times across the globe and has penetrated emerging markets. Social media adoption in marketing spans a broad spectrum of business and marketing operations, ranging from product/service idea generation to post-purchase follow-up service. In emerging economies, social media marketing has gained traction, creating opportunities for

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organisations to engage their customers (Olotewo, 2016). Social media is adopted by large and small organisations, children, youth, and adult populations (O’Keeffe & Clarke-Pearson, 2011).

According to Appel et al. (2020), the future of social media relating to marketing entails the integration of the needs of individuals, firms, and public policy (privacy concerns). The path of social media marketing knows no boundary. It permeates the borders of every nation, opens up markets of emerging economies to the entire world, and draws customers (potential and actual) from all over the world. As individuals, groups, and organisations (small and large) rely increasingly more on social media marketing, unhealthy competition creates social and ethical concerns in the adoption of social media marketing.

Berman et al. (2018) acknowledge significant ethical implications in adopting technologies and social media platforms. Ethical issues arise concerning the privacy settings and confidentiality of data amassed by these applications and media and the use of the data produced via social media for marketing purposes. UNCTAD (2020) reports that citizens in developing economies in Africa and the Middle East distrust electronic commerce platforms. Unfortunately, literature on socio-cultural and ethical issues associated with social media in marketing, particularly from the perspective of emerging economies, is very scanty. The focus on social media marketing ethics could contribute to scholarship on ethical issues of social media communication. The understanding of social media marketing ethics is crucial due to the newness of the field, and the pace at which technology is driving social media than governments’ response in establishing guidelines and laws to manage ethics in such platforms is worrying. There is, therefore, an urgent need for scholarly work addressing ethical and social concerns of social media communication.

This chapter provides a literature review on ethical, social media practices. The chapter elaborates on the ethical issues in social media marketing, highlights the managerial implication and ethical consideration of social media marketing. Some principles promoting ethical, social media marketing are discussed. The chapter also provides some ethical codes of conduct guiding social media marketing and makes reference to a number of legal provisions in Africa that may have implications for ethical

practices in using social media for marketing purposes. The chapter closes with some recommendations for organisations in Africa.

1.1 Social Media Marketing

Marketing is developing, leading to the adoption of new ways of doing business. Social media is widely used by organisations to promote their business offerings (Saravanakumar & SuganthaLakshmi, 2012). Some of the benefits of using social media are creating buzz, learning from customers, and targeting customers. The marketing aspect of social media means that it is used as a marketing tool to improve marketing and financial performance. Constantinides (2014) asserts that social media marketing is part of a corporate marketing tool that enables the generation of customer insight and market intelligence and as a direct marketing and public relations channel. Felix et al. (2017, p. 6) define social media marketing as “an interdisciplinary and cross-functional concept that uses social media (often in combination with other communications channels) to achieve organisational goals by creating value for stakeholders”.

In the digital space, social media has emerged as the dominant communication channel via which consumers can learn about, share information, and interact with brands (Hudson et al., 2016). Social media enables marketers to engage in a two-way interaction with existing and potential customers and gain rich and unmediated customer insight faster. Social media facilitates engagement due to the existence of customer-to-customer interactions. Electronic customer-to-customer interaction (e-CCI), according to Georgi and Mink (2013), occurs when individuals or groups interact during the acquisition and consumption of goods and services via an electronic platform.

Social media is a group of internet-based applications that allow the creation and exchange of user-generated content (Kaplan & Haenlein, 2010). Whiting and Williams (2013) explain that social media enables users to create, circulate, and educate others on products in the marketplace. The discussions on social media clearly establish that the creation, circulation, and usage of social media content are in the hands of the customers. According to the Department of Commerce and Consumer

Affairs (DACCA) (2017), social media entails social networking, photo/picture sharing, video sharing, business networking, and microblogging. The social interactions between and among customers is a major feature of social media. Therefore, it is imperative that social media marketers pay critical attention to the content, security, hedonic, quantity, atmosphere, and convenience of e-CCI platforms not only to ensure quality but also as an aid to value creation and delivery.

In the marketer-consumer interaction, four types of interactions raise ethical concerns relating to online marketing (Milne, 2000). The first is information requests and disclosures, whereby marketers explicitly ask consumers for information. The possibility that consumers will respond to the request by marketers to share their data will depend on the quality of information practice disclosures and the amount of control given to the consumer. Therefore, social marketers must ensure that adequate justification for data collection and adequate notice of data collection and disclosure is provided. The second issue is that consumers must be willing to give up some of their privacy for marketing exchange to exist. Consumers usually engage in giving information to marketers but are concerned about privacy. Third, apart from asking consumers for information, marketers also collect customer information on websites and social media platforms without consent. A common way of collecting customer information is through cookies and monitoring consumer online behaviour. The fourth issue is the use of the internet to provide effective relationship marketing with consumers.

1.2 Some Legal and Regulatory Provisions of Social Media Usage in Africa

Many African countries rely on the legal position on the right to information and use (see Table 2.1). The legal frameworks are the main guiding principles that determine the application of ethics in the use of social media. From the ethical perspective, H&M Group apologised for a perceived “racist” hoodie advert in South Africa (BBC, 2018). From a legal perspective, this advert may be within the acceptable level of marketing, but the company swiftly responded to address this resistance out of an

Table 2.1 Some legal provisions guiding social media marketing across Africa

Country	Legal position	Description
Ghana	Article 15 of 1992 constitution Data Protection Act, 2012	The dignity of all persons shall be inviolable (a) torture or other cruel, inhuman or degrading treatment or punishment or any condition that will detract from the dignity and worth of a person. Any person in possession of personal data of an individual shall take into account the privacy of the individual. A data processor shall seek the consent of the data subject unless authorised by law.
Nigeria	Section 37 of 1999 Nigerian Constitution Freedom to Information Act, 2011	The protection of privacy of citizens, their homes, correspondence, telephone conversations, telegraphic materials. It excludes institutions from making information available on private and personal data.
South Africa	Section 14 of 1996 Constitution of the Republic of South Africa Section 10 of the 1996 Constitution of the Republic of South Africa The Protection of Personal Information Act, 4, 2013	The protection of rights to privacy of their communication. Every individual has the right to have their dignity respected. The right to protect the personal information of citizens.
Kenya	Article 31 of the Constitution of Kenya	It safeguards an individual's right to privacy. Information about family and private affairs must be protected.
Egypt	Article 57 of the Constitution of Egypt Data Protection Law 2020	It ensures the safeguard of private life and confidentiality. To safeguard the use of private information about citizens.

Source: Authors (2021)

ethical responsibility perspective. The challenge faced by H&M in South Africa is a typical example of applying ethical considerations to social media marketing in the African continent with a strong connection to societal ethics and norms.

In the South African context, Kubheka (2017) states that the legal framework guiding ethical use of social media emanates from the Bill of Rights in Chapter 2 of the Republic of South Africa Constitution, which affirms human dignity and equality of freedom. From this law, the rights relevant to ethical, social media relate to issues such as (1) the protection of dignity and respect, (2) physical and psychological integrity, (3) equality, (4) privacy, and (5) freedom of expression. In the South African health sector, the National Health Act (Act No. 61 of 2003) can guide the ethical use of patient information by health professionals on social media since it ratifies that health care clients have the right to confidentiality (Kubheka, 2017). Therefore, healthcare professionals are expected to ensure that information about their patients are treated as privileged information and be kept confidential. A reason for this is that a breach in the confidentiality of patients' information may lead to distrust of the public in the medical profession. From this perspective, it is expected that health professionals using social media are not to disclose information regarding a patient's health condition. Through this Act, patients are protected from using their personal health records on social media platforms.

Apart from the many legal and constitutional provisions, some regulatory institutions have helped to propose ethical standards in the manner advertising is carried out on social media in Africa. According to the International Trade Mark Association, South Africa, for instance, has the Consumer Protection Act 68 of 2008 that states that advertisements must be fair and reasonable and must be free from misrepresentation (<https://www.inta.org/wp-content/uploads/public-files/advocacy/committee-reports/Recent-Developments-in-Influencer-Marketing-and-Unfair-Competition.pdf>). Also, the Advertising Review Board (ARB) of South Africa has put in place some codes to ensure that any form of social media marketing conforms to an acceptable standard. The codes are related to the following:

- Declaration of advertising—there is a need to ensure full transparency by disclosing social media advertising as opposed to organic social media. Social media advertising must be obviously identifiable by using words like “Promoted” on Twitter or “Sponsored” on Facebook. Also, paid advertisements can be disclosed by using identifiers such as “#AD”.

- Declaration of goods exchange—ensure publisher or influencer integrity by indicating whether they were provided with goods or services. A declaration of the exchange with the influencer will allow the consumer to make an informed decision about the product advertised.
- Misleading consumers—social media advertising must not be deceptive and misleading. Also, the messages must be accurate and responsible. Social media account that is described as a parody must be declared within the account's description or bio.
- Influencer marketing—the marketer/brand has responsibility for influencers. The influencers must comply with advertising codes, and it will not be acceptable to say it was the influencer's opinion. The brand must not provide the influencer with misleading information. Marketers must have a written contract with influencers.

1.3 Cultural Perspective of Social Media Ethics

Ethical social media use can be derived from cultural values. It is critical to consider the target audience's culture to identify what is right and wrong in social media communication. Culture defines the values, norms, beliefs, attitudes, and behaviours of individuals, groups, organisations, communities, and nations. Socially, the interactions between families, friends, and groups play a significant role in social media choice and usage, particularly in emerging markets. People live in communities and societies, inherit some rituals and values, and develop new beliefs, norms, and traditions over time from the communities they live in. The beliefs, norms, values, attitudes, and behaviour influence their adoption and usage of social media. The contents individuals consume from social media platforms, the interpretations they assign to social media posts, and their reactions to social media messages are functions of their culture. Therefore, people behave and develop values and norms as a consequence of the interaction between other people and the material environment. Traditions, a component of culture, are also crucial in forming customers' attitudes and behaviour. Culture, thus, influences how people perceive things on social media (Amin et al., 2017). It is expected that cultural background impacts consumers' interpretations of social media content.

Marketers should, therefore, be aware of the influences of socio-cultural issues when they are planning to market their products and services through social media. A number of socio-cultural issues have been identified to greatly impact social media marketing in emerging economies. Amin et al. (2017) enumerated electronic consumer-to-customer interaction, convenience in shopping, preference in online shopping, freedom of speech or writing, addiction by users, big brands' advertisement, contents on social media, and the possibility of checking consumers' response and feedback as some of the socio-cultural concerns that social media marketers in emerging markets face.

It is expected that social beliefs and expectations of consumers will lead to different perceptions of social media. The study considers that cultural differences will have a dramatic impact on the use of social media. Using the classifications of culture, Hudson et al. (2016) assert that cultures that have high uncertainty avoidance will show a stronger resistance to change, while a low uncertainty avoidance society is more open to innovation. Also, it can be expected that societies where there is higher power distance will limit the use of social media. Cultural forms such as symbols, language, histories, and activities have been identified as affecting the effectiveness of social media communication (Copuš & Čarnogurský, 2017). Madlock (2012) found that cultural congruency between the societal culture (macro) and the organisational culture (micro) affects the communication preference of employees. The review of the literature reveals that the culture will influence the use of social media in the following ways:

Power distance: the use of social media will be low in high power distance countries. A possible explanation provided by Richardson and Smith (2007) is that individuals in higher power distance countries will choose less ambiguous media to communicate to show respect and concern about the issues presented in the communication.

Collectivism-individualism: consumers in collective societies are expecting the use of cultural values in online communications (Holmes et al., 2015). It is expected that individuals in collective societies will appreciate the utility value of social media applications (Hoehle et al., 2015).

Uncertainty avoidance: it is expected that individuals low on uncertainty avoidance tend to be open to change, have the willingness to take a risk. With the use of social media, societies with low uncertainty avoidance are likely to use social media (Hoehle et al., 2015).

2 Ethical Social Media Marketing

Broadly, ethical issues are concerned with moral principles that govern or guide behaviour in society. A sense of right and wrong underpins moral values and ethical thinking in society. Marketers and consumers alike have to be conscious of social media content and behaviour in the adoption and usage of social media in marketing. A common ethical concern is getting permission from the customers to use personal data to adhere to their privacy. Similarly, people on many social websites give their personal information, which becomes susceptible to misuse, particularly through disclosure of that information to third-party websites, without the consent of the owner of the data.

The ethical issues of concern to the social marketer according to Amin et al. (2017) comprise fraudulent offers, breach of consumer privacy, presentation of falsified contents, fake images and videos of products, spam messages, and defamation of brands and companies. The ethical standards that inform how social media marketing can be conducted are derived from the deontological perspective (Bowen, 2013). A deontological approach is proposed because there is a need to have very clear guidelines that are derived from rules, maxims, and principles to inform social media communications. From the deontological perspective, ethical standards may cut across situations, cultures, and platforms. Therefore, Bowen (2013) provided the following ethical guidelines for using social media:

2.1 Be Fair and Prudent

This principle encourages organisations to consider fairness, justice, the right to know, and access. Social media communications must be done in

a way that is fair to the users. Privacy concerns about the collection and use of users' data must be done in an ethical manner. Users must have control over the use of their personal data by informing them about how their personal data is used.

2.2 Avoid Deception

Social media communications must not be deceptive. Organisations communicating about the offerings on social media must avoid any incidence of deception, even in cases where it can be argued that the communication is not deceptive. Deceptive communications on social media will affect the decisions of users and may lead to adverse reactions later.

2.3 Maintain Dignity, Empathy, and Respect

The content of social media communications must protect the dignity and respect of the target audience. There are many stakeholders that are exposed to the communications on social media, such as children, youth, adults, minorities, and marginalised groups. One area organisations must be concerned about is the use of social media to expose minors to content that is meant for an adult. According to Berman et al. (2018), there is little guidance within pre-existing regulations in emerging markets as to how marketers can and should authenticate parental consent for the use of data of a minor when this is required by legislation or organisational terms and conditions for the sharing of data. Raymond et al. (2017) were of the opinion that social media marketers should adhere to relevant local, international, and organisational legal and ethical standards pertaining to data protection, storage, transfer, removal, and security.

The adoption of social media in marketing relies on content posting and creating a hive of online followers on social media platforms. To keep their customers active, many organisations align themselves to trending but sensitive topics that are political, cultural, religious, economic, or social in nature. Social media messages must be empathetic. Empathy as a principle in social media marketing considers how social media

communications will feel if they are on the receiving end of the message. Different followers on social media platforms may have different tastes, preferences, opinions, and stances on these sensitive topical issues. Maintaining a balanced view on these issues to appeal to the varied groups of followers on social media can be daunting for organisations. By nature, these sensitive topics and various responses can alienate certain segments of the followers and, for that matter, the target customers may be affected. Therefore, there is the possibility that a potentially biased social media post can cause a brand to lose many followers and customers.

2.4 Manage Vital Information and Ensure Privacy

Social media ethical guidelines must include maintaining vital information. A major issue that organisations must ensure is privacy, since social media marketing is about sharing information. Organisations are likely to use customer and user data to help inform the type of content they post and also gain important information about their followers' demographics. How information is gathered, shared, and with whom are sources of ethical concerns because privacy is very important for social media users. Goodwin (1991, p. 152) defines privacy as "the consumer's ability to control (a) the presence of other people in the environment during a market transaction or consumption behaviour and (b) dissemination of information related to or provided during such transactions or behaviours to those who were not present". Foxman and Kilcoyne (1993) have identified four main types of privacy:

Consumer informed and consumer-controlled: consumers are aware of privacy concerns and can determine how their personal data is used.

Consumer informed and others controlled: consumers are aware of privacy concerns and may not have control over how their personal data is used.

Consumer not informed and consumer-controlled: consumers have privacy rights but are not aware of how to control their personal data and therefore do not exercise control over data use.

Consumer not informed and others controlled: consumers are not aware they have privacy rights; they may not have a say on how they are collected and used.

Many firms breach privacy protocols by extracting customer information from social media for other purposes without permission. There is a caution to organisations that if a company leaks any personal information, this can lead to a tarnished reputation and backlash that can ruin the company. Therefore, social media marketers should endeavour not to use negative comments on users, fans, or consumers on their social media accounts. Instead, they should maintain a stern and established set of privacy rules that will protect the people that interact and engage with their online platforms and ensure that the personal data of their clients remain secure and private.

Some theoretical explanations can be provided to show how organisations can use privacy protection to enhance social media marketing. Martin and Murphy (2017) offer the following theoretical perspectives:

Social Contract Theory: The use of social media for marketing transactions must be done in a way that upholds the privacy of consumers. Consumers perceive that organisations have an obligation to protect their data. There is a moral contract that guides the collection and use of consumer data. The failure to uphold the social contract through privacy violations means the existing relationship could be terminated. On the other hand, consumers will believe that organisations have upheld their side of the social contract when personal data is used to enhance the value they receive.

Justice Theory: The fairness that organisations demonstrate in the management of the privacy of consumers is key. The procedural justice explains the processes designed to protect consumer privacy. Fair information access and use represent procedural justice, while distributive justice represents the benefits consumers gain from the fair use of data. The use of consumer data can lead to customised offerings, access to firm services, convenient interactions, and personalised value.

Social Exchange Theory: The use of consumer data is determined by the costs, benefits, and competing alternatives before exchange. This theory proposes that a transaction must be mutually rewarding to parties. In the

context of social media, consumers' willingness to allow for the use of personal data will depend on the perceived benefits they are likely to get, such as personalised services and services with value.

Reactance Theory: The resistance response to a consumption relationship is when consumers' decision freedom is constrained. The freedom given to consumers to decide how data about them is used may motivate them to engage in a desirable behaviour. Consumers are likely to engage in marketing goals such as click-through, purchase, and information disclosure improves when consumers perceive there is freedom of choice. The credibility and value provided by organisations reduce consumers' resistance to the use of personal data, privacy concerns. Privacy concerns not addressed heighten resistance to the use of consumers' personal data.

The privacy of consumers must be the responsibility of organisations that seek to benefit from social media marketing. The collection, processing, and use of online data must adhere to some rules. One possible way to maintain a very high ethical, social media ethics is to adhere to data protection regulations. According to the UNCTAD (2020), organisations involved in online trading must provide consumers with the following:

- (a) the purpose of collecting the data
- (b) the legal basis for processing the data
- (c) details on how long the data will be stored
- (d) the identity of the person(s) the data will be shared with
- (e) basic data protection rights
- (f) information on how consumers can withdraw consent
- (g) the right to complain about the data stored

2.5 Be Transparent

Transparency explains the degree to which an organisation is open, truthful, and honest with its followers on social media platforms about its offerings. An example is that paid or sponsored content must be disclosed. Culturally, individuals in lower power distance domains expect

more transparency from organisations (Jain & Jain, 2018). Organisations are always in a dilemma about the extent of disclosing some vital information about their products and services, particularly when the information can elicit negative responses from the followers. In many instances, some firms, for fear of customers' negative reactions and potential rejection of their products and services, either misrepresent damaging information about their products and services to appear pleasant in the eyes of their clients or completely conceal the information from them. This creates serious unethical social media usage in marketing and may pose reputational damage to companies.

Businesses really perform better when they are honest with their followers. Therefore, it is recommended that businesses are honest and transparent with the content they post on their social media marketing campaign. In addition, they should disclose and provide disclaimers pertaining to the products, ideas, and even people they support and endorse. Transparency is further enhanced if firms are clear about their identity, values, and even philanthropic engagements. Therefore, being transparent is ethical and is a good business practice to build a positive image in the eyes of consumers. Therefore, companies using social media marketing should remain transparent and honest with their clients at all times.

2.6 Verify Sources and Data

This ethical principle entails providing consistently credible information. Organisations and individuals must not use rumour or speculations. Social media platforms are flooded with unauthentic pieces of information. This complicates the functions of social media marketers with respect to content sharing. Any factual error may lead to embarrassment and a negative perception of the brand. Therefore, companies must take the responsibility for ensuring that the content they share is correct and verifiable. That is, what a company shares on its social marketing platforms should be authentic, easy to understand, and accurate. This will be achieved if the company always verifies before sending out what it shares for prospects. Companies should always imagine the impact of what they share before tweeting and retweeting. It is recommended that if a

company is sharing some information acquired from a third party through social media channels, the company should give clear disclaimers to avoid suspicions of conflict of interest. In addition, the social marketer should ensure that appropriate terms and conditions are established both for the use of the platform and for data collection, storage, and sharing when creating a new platform (Berman et al., 2018).

3 Issues of Cyber-Related Attacks

Social media marketers must be concerned about unacceptable social media behaviours such as cyberbullying and hacking, as these have negative consequences on users. Cyberbullying and hacking may negatively affect the use of social media for marketing purposes. Organisations and individuals must understand these phenomena and put in place mechanisms to reduce their influence on social media marketing.

3.1 Cyberbullying

Cyberbullying is a negative outcome of the use of social media. It refers to bullying performed via electronic means such as the internet (Olweus, 2012). Smith et al. (2008) also explain that cyberbullying is an aggressive behaviour using electronic means repeatedly and over time against a weak victim. A study by Whittaker and Kowalski (2015) found that 55 per cent of study participants have witnessed cyberbullying at least once within a year. Some examples of comments that can be considered cyberbullying involve negative comments towards vulnerable groups, celebrities, peers, and random persons. An example provided by Whittaker and Kowalski (2015) relates to a negative comment about groups that organisations must avoid on their social media platforms. For example, “west is far better than Arab where women are not even allowed to drive! What a fantastic nation!”

Organisations using social media for marketing purposes must be conscious of cyberbullying effects on the users of social media. The following can be done to prevent the phenomenon:

- (a) Cyberbullying policies on social media: cyberbullying policies are self-regulatory mechanisms to address incidence (Milosevic, 2016). Some of the policies include reporting tools, blocking, and filtering. Organisations must clearly state their position on cyberbullying to deter their employees and users of their social media platforms from engaging in the practice.
- (b) Using automated detections to identify cyberbullying messages on their social media platforms. According to Özel et al. (2017). Cyberbullying text classification includes pre-processing, feature extraction, feature selection, and classification. Automated cyberbullying detection relies on machine learning models to examine messages on social media platforms. Organisations can rely on automated modelling to detect posts written by bullies, victims, and bystanders of online bullying. Some categories of messages usually included in the models for cyberbullying detection include threats, insults, curses, defamation, sexual talk, defence expressed by the victim or bystander, and encouragement to the harasser (Van Hee et al., 2018).

3.2 Hacking

The most obvious ethical issue relating to hacking is the involvement of business organisations in hacking social media accounts or a counter-attack by hackers. Simon (2017) explains that organisations must consider the harm in involving digital self-defence, such as “hacking back” because there could be negative consequences to global cyber security. Companies are not permitted to hack back (hacking the systems of individuals who hack organisations’ systems) when they do; it might affect third parties (Simon, 2017). Hacking, therefore, is not allowed even for companies that have been affected by the hacking. Apart from laws prohibiting companies from engaging in hacking, the decision to retaliate is also not permitted, thus providing a standard for organisations to follow. The ethical issue here is that counter hacking may lead to the private sector engaging in hacking that may cause harm to innocent third parties.

Organisations are using ethical hacking to check the vulnerability of their computer systems. Palmer (2001) explains that ethical hacking

employs the same hacking tools and techniques to detect the vulnerability of an organisation's information systems. A major question is whether ethical hacking is ethical. Jamil and Khan (2011) assert that unethical employees (insiders) can detect vulnerabilities of an organisation's systems to cause harm. Firms must be aware that most cybercrimes happen from the inside, which means that having information about the vulnerability of information systems may be used by insiders. Therefore, care must be taken to engage ethical hackers and use organisations' resources to train students to become ethical hackers.

4 Some Ethical Social Media Guidelines

Social media marketing communications professionals can make some effort to adhere to some ethical standards. Toledano and Avidar (2016) made a number of observations relating to some ethical issues professionals must take into account when using social media communications for their organisations. These include:

- Willingness to be trained to deal with ethical issues using social media to communicate on behalf of an organisation.
- Deciding if PR practitioners and marketers should take responsibility for their organisation's ethical conduct on social media, such as training and guiding employees and management.
- Adhering to social media ethics as an opportunity to inspire management's social responsibility and ethical business decisions.
- Hiding the identity of the employee managing the organisation's social media platforms.
- The use of disclaimers on social media.
- Paying bloggers to communicate on behalf of organisations.
- The appropriateness of using social media experts to distribute rumours and negative news about other competing organisations.
- The use of activist groups to support employer organisations to tell their stories on social media.
- Publication of policies on the ethical use of social media by organisations.

The American Marketing Association (AMA) (2021) recognises that organisations must be stewards of society in creating, facilitating, and executing transactions. As a result, the association expects its members to uphold the highest professional, ethical standards towards all stakeholders, including customers, investors, channel members, regulators, employees, and the host community.

The AMA (2021) provides ethical codes for its members. These codes have a general effect on how all aspects of marketing are performed. In social marketing campaigns, these ethical codes can be a guide to how social media marketing can be performed. The following ethical codes serve as a guide for the behaviour of members:

1. Do no harm. The association entreats all members to use conscious means to avoid harmful actions or omissions by embracing high ethical standards and adhering to laws and regulations.
2. Foster trust in the marketing system. The association encourages members to strive for good faith and fair dealing to ensure the exchange process's efficacy. Marketers are also entreated to avoid deception in pricing, communication, and distribution.
3. Embrace ethical values. The association expects members to demonstrate core values such as honesty, fairness, respect, responsibility, citizenship, and transparency. The association entreats members to build relationships and enhance consumer confidence in the integrity of marketing by upholding the core values.

5 Conclusion

Social media ethics is an important issue that organisations in pursuing the advantages of technology must be concerned about. Organisations must acknowledge that despite the legal provisions in African countries regarding the use of social media, some ethical standards must be adhered to in an attempt to make communications acceptable by members of society. Ethical standards in using social media emanate from acceptable socio-cultural values and professional marketing principles. There are

concerns about unethical social media practices in transparency, disclosures, privacy, exploitation of the public, ghost blogging, and commenting. Also, ethical issues of concern for social media marketers include defamation of brands and companies, fake images and videos of products, falsification and misrepresentation, spam messages, and breach of consumer privacy. Therefore, it is imperative that social media markets recognise the managing effects of the absence of and non-adherence to ethical standards and regulations to govern the ethical behaviour of social media markets and consumers.

The need to adhere to ethical social media use is to avert negative consequences such as damage to organisation's image and reputation and loss of customers. Apart from laws in many African countries aimed at regulating the use of social media, organisations that seek to benefit from it must be guided by deontological ethics such as fairness, avoiding deception, maintaining dignity and respect, ensuring data security and privacy, being empathetic, transparency, and verifying sources of data. Also, users of social media must not involve in cyberbullying and hacking, which negatively affects the use of the technology. It is also worth acknowledging the efforts being made by professional marketing and public relations bodies in developing acceptable communication principles to guide the behaviour of practitioners in Africa.

6 Recommendations for Organisations in Africa

For many parts of Africa, the lack of clear legal directions on the use of social media for marketing makes the application of ethical standards very crucial. Organisations are encouraged to adopt as many ethical codes as possible in their marketing activities on social media. A possible source of these codes is the various professional and regulatory bodies across the world. These codes will provide a guide to avoiding unethical social media practices. The ethical principles that must guide social media marketing must include fairness, dignity and respect, protecting the privacy of social media users, and transparency. Following ethical principles is important

because organisations and brands that adhere to ethical social media marketing practices will gain credibility and trust from customers.

Organisations and marketing practitioners must consciously seek to understand the ethical norms of their societies and make sure all their communications align with these ethical standards. The behaviour of social media influencers and endorsers when marketing a brand on social media must also conform to ethical standards. There is a need to scrutinise social media communications to ensure they are in accordance with societal expectations.

Policymakers must promote ethical, social media marketing guidelines through bills such as advertising bills. Regulators can promote ethical social media marketing by using laws that will shape the behaviour of marketers. This is because ethical standards in business originate from the law. Thus, social media marketing ethics can be promoted with legal support in Africa.

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3

Opportunities and Challenges of Social Media Marketing for Small and Rural-Based Entrepreneurs: Experience from Vhembe District of the Limpopo Province, South Africa

Tambe Dede Kelly and Amaechi Kingsley Ekene

1 Introduction

In the last two decades, the evolution of Social Media (SM) has provided an enormous opportunity for Small and Medium Enterprises (SMEs) (Goh et al., 2013; Gamboa & Gonçalves, 2014; Bianchi & Andrews, 2015; Alalwan et al., 2017). With different SM platforms (Facebook, Twitter, Google Plus, Instagram, WhatsApp, etc.), SMEs can connect to a large virtual audience without necessarily having a physical presence. In fact, the platforms have amplified word-of-mouth marketing (Icha & Agwu, 2015), enabled sophisticated image branding and reputation management (Rugova & Prenaj, 2016), and helped reduce marketing and advertising costs (Icha & Agwu, 2015). Hence, they have today

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become one of the best marketing options for small-scale and rural-based entrepreneurs (Rugova & Prenaj, 2016).

Despite the benefits, however, Social Media Marketing¹ (SMM) is interestingly not without significant challenges. Recent literature (Steenkamp et al., 2016; Kaur, 2016; Keegan & Rowley, 2017; Lepkowska-white et al., 2019; Rugova & Prenaj, 2016; Tafesse & Wien, 2018) have documented how using SM as marketing platforms have been associated with unique challenges. Such challenges themselves often make it difficult for entrepreneurs to maximise the numerous opportunities the platform provides (Rugova & Prenaj, 2016). The situation is even worse for SMEs, which operate from rural communities. In addition to the aforementioned unique challenges, such entrepreneurs encounter other challenges associated with the rurality of their business terrain (Kaplan & Haenlein, 2010). And as these challenges are encountered on a daily basis, they could become real impediments to effective SMM.

In the light of lack of detailed profiling and systematic analysis of such opportunities and challenges in previous African literature,² this chapter systematically unpacks the experiences of SMM, for Small-Scale Rural-Based Entrepreneurs (SRBEs). Relying primarily on detailed interviews of selected entrepreneurs in the Vhembe District (a largely local-based district in the Limpopo Province of South Africa), it identifies what the challenges and opportunities are, as well as how they impact SMM within this overlooked context (African rural-based areas). Such detailed

¹ While our conceptualisation of social media in this chapter is drawn from the literature, as any form 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 contents” (Kaplan & Haenlein, 2010 in Malik et al., 2016), Social Media Marketing (SMM) refers to the process of conducting business transactions (in the form of posts, notifications, exhibition of products, etc.) using social networking tools (Mohammadian & Mohammadreza, 2012). Some of the most prominent social platforms include Facebook, Twitter, WhatsApp, Instagram, LinkedIn, Blogger, Pinterest, Snapchat, Delicious, and Reddit. These SM platforms provide high interactivity with users, to share and exchange ideas with one another. It does this by creating contents, which attract attention and increasing traffic for increased patronage of the SM platforms (Icha & Agwu, 2015).

² The challenges and the concomitant opportunities associated with SMM for entrepreneurs based in rural areas are rarely systematically profiled and studied. Even when they are studied, they are rarely systematically explored to explain how they affect the entrepreneurial engagement of rural-based entrepreneurs (Kaplan & Haenlein, 2010; Rugova & Prenaj, 2016).

analysis provides significant insight into the growing role of SM, as a marketing platform for marketers in the emerging market.

Next in the chapter is a brief review of some salient literature describing the benefits and challenges of using Social Media as a marketing tool in different contexts. This is followed by a presentation of the methodology used for the study. The research findings and the corresponding discussions regarding the opportunities and challenges associated with Social Media Marketing for Small-Scale Rural-Based Enterprises (SREs) in the Vhembe district are also presented. This chapter concludes with a detailed discussion highlighting the implication of the findings to the literature.

2 Social Media Marketing in Emerging Markets: Opportunities and Challenges

In the recent marketing literature, SM has been shown to be an important marketing platform for entrepreneurs in emerging markets (Ahmad et al., 2018; De Keyzer et al., 2015; Gensler et al., 2013; Jaman et al., 2020). Gensler et al. (2013) particularly categorised marketing opportunities in this regard into four main streams: brand communities; electronic word-of-mouth; network analysis; and product-harm crises. In each of these four streams, the scholars highlighted how SM provides marketing opportunities for SMEs. In their view, SM platforms are not just platforms for social interaction; they are also useful tools that help marketers become more competitive. On SM platforms, marketers can easily and conveniently interact with their targeted audience, expand their business brands, get a comprehensive picture of what they want, as well as introduce their products into the market (Gensler et al., 2013).

De Keyzer et al. (2015) and Swani et al. (2017) have similar analyses. In addressing the benefits of SM platforms to marketing, these studies explain how SM platforms are used for predicting business activities, mostly because of their ability to serve as a source of information and data. By providing such opportunities, SM platforms influence and maximise electronic word-of-mouth (e-WOM), which is essential for predicting consumers' purchasing behaviour. With the consistent increase in its

usage in the last two decades,³ entrepreneurs and business owners have also begun to view Social Media as an alternative and cheaper platform to reach their specific target audience (Clement, 2020). In other words, SM has helped create new business opportunities for small- and medium-sized entrepreneurs.

Also, SM has proven to be an important platform that increases the marketers' reach of their target market, as it provides an opportunity for communicating with a wider audience (Bala & Verma, 2018). However, beyond establishing such links with customers, it also enables marketers to create professional links with influencers and other marketers, to promote their brand, to further extend their networks, and to even track their competition. Furthermore, SM has also been shown to be useful for marketers to spread risks, increase their sales and reach, because it provides the opportunity for use of multiple platforms to market products. This means potential customers could be reached from multiple platforms rather than from one. Hence, if marketers are not able to reach as many customers as desired on one platform, there are opportunities to reach them through other platforms.

These opportunities, however, come with certain barriers. In using the different social media platforms, SMEs are often confronted with unique challenges. One of such unique challenges is the lack of expertise and digital literacy (Kaplan & Haenlein, 2010). Although easy to use, a study by Kaplan and Haenlein (2010) shows that many Social Media platforms have distinct features that are often very complicated for SMEs (Kaplan & Haenlein, 2010). A very typical example of such is Facebook. With over 2.7 billion monthly active users as of the second quarter of 2020 (Statistica, 2020), Facebook offers SMEs the opportunity to easily communicate and directly access consumers from different parts of the world (Dhir & Midha, 2014). However, Facebook's constantly changing interface and operational features mean that some level of computer savviness is needed by the marketers to make maximum use of Facebook's marketing features. Navigating and making maximum use of Facebook's features means that marketers need to constantly update themselves and be

³ In the year 2020, an estimated 3.6 billion people are using social media worldwide. And the number is projected to increase to almost 4.41 billion in 2025 (Clement, 2020).

conversant with the technical know-how of the Social Media platform. This may not be possible for SMEs, especially those that are based in rural areas.

In general, the applications, features, and rules that govern SM are constantly changing. Staying up to date with the latest trends all the time has been shown to be very challenging because of the constantly changing features and modes of operation. Previously known features easily become obsolete (Gumin, 2019), making it difficult for marketers to stay up to date with marketing through such platforms. To effectively use SM platforms, they need to always adapt or adjust to this changing nature of the platforms (Evans, Bratton, & McKee, 2021).

Another major challenge marketers face is the inability to analyse performance in SM platforms. One main reason for this is the unreliability of variables used for identifying such elements. The variable “like” for example, which is used for identifying customer’s appeal or popularity of a product, is hardly reliable towards understanding potential consumers’ appeal for a product. Research (Rugova & Prenaj, 2016) shows that people are likely to click “like”, even when they don’t like the product or would they consider buying the product. Hence, data derived from this is, at best, unreliable. For this, it becomes difficult to measure and analyse performance.

Furthermore, SM marketers have also been found to face challenges such as constant hacking of their accounts, negative feedback and abuse from clients, internet fraud, and stiff online competition (Rugova & Prenaj, 2016; Wantchami et al., 2020). Our assumption is that such challenges would become even more difficult to deal with in rural areas because of lack of resources and skills that bedevil operating in such areas (Rugova & Prenaj, 2016).

Admittedly, the studies discussed are valuable in the sense that they show that SMM has its pros and cons; however, they, unfortunately, have only concentrated on SMEs operating in non-rural settings. Except for Hakala and Kohtamäki (2011) and Ngange et al. (2012), who analysed inconsistent electricity supply and poor internet connections, respectively, there is hardly an extension of the discussions of challenges of SMM for SMEs operating in rural areas. Thus, not much is known about whether SMEs in rural areas have the same benefits and challenges as

those in the other settings in relation to SMM. And if they do, how such factors constitute major impediments to effective SMM for such SMEs remains undiscussed. The current study aims to fill this research gap.

The study's understanding of "rural-based" is drawn from the idea of "rurality", which incorporates labels such as poor infrastructures, government absence in the delivery of basic services, and socio-economic backwardness (Montgomery, 2020). The assumption is that such structural disadvantages make it more difficult for small and medium-sized entrepreneurs to start up and conduct economic and marketing activities within the rural areas (North & Smallbone, 2006).

3 Materials and Methods

In unpacking the opportunities and the challenges associated with SMM for Small-scale and rural-based entrepreneurs, the study adopted an exploratory cross-sectional qualitative approach, which allowed interpretation of the data through the eyes of the participants. Using this design, it draws from personal experiences of the SREs that are based in one of the largest and the most rural districts (Vhembe) in the Limpopo province of South Africa.

Purposive sampling (through the two researchers' contacts) was used to identify the initial participants for the study. Other participants were identified through the snowball sampling technique, where the initial participants made referrals to other Vhembe-based entrepreneurs, who use SM for marketing their products. However, the selection of the participants was not restricted to one SM platform, such as Facebook or Instagram. What was important rather was that the entrepreneurs used for the study were at the time of the study using SM platform for marketing their business; hence, engaging with them provided detail on the salient opportunities and challenges SREs who are based in the Vhembe district faced as they market their products on SM platforms.

Data was collected through in-depth semi-structured interviews by the two authors. Initially, the researchers had wanted to conduct a face-to-face conversation with the participants. This did not happen because of the South African COVID-19 National Lockdown, which made it

impossible for face-to-face contact with people (Amaechi et al., 2021). Instead, an alternative effective and smart electronic means was devised: a WhatsApp Android phone application (one-on-one) interview, where the voice note feature was used to conduct interviews with respondents. Rich and varied data regarding opportunities and challenges of engaging in SMM were thus generated. Table 3.1 below provides a demographic representation of the participants:

In all, a total of 15 SM marketers, who engage in different lines of business, participated in the study. Such businesses include the sale and distribution of health products, clothing, hairpieces and cosmetics, agricultural and food, and photography. The interviews were carried out over a period of two months—between August and September 2020.

Few ethical protocols were also followed throughout the entire research process. First, there was a distribution of interview questions and consent forms, which politely solicited the consent of participants in the study.

Table 3.1 Demographic representation of small and rural-based entrepreneurs in the Vhembe district of Limpopo Province, South Africa

1	Total number of participants	15
2	Line of business	
	Health products	6
	Clothing items	2
	Hairpiece and cosmetics products	4
	Agricultural and food items	2
	Photography	1
3	Gender	
	Female	9
	Male	6
4	Social media platform used	
	Facebook	12
	WhatsApp	8
	Instagram	6
5	Age range	
	Between 26 and 30	8
	Between 20 and 25	5
	Between 16 and 19	2
6	Level of formal education	
	Postgraduate degree	8
	Bachelor's degree	2
	Undergraduate degree	5

There was also a provision of detailed information regarding the purpose and aim of the study, the participants' rights, and the background of the research. Furthermore, dates and times for the interviews were fixed with all the participants, who had agreed to participate in the study. The data were thematically coded using the first letters of the participants' line of business, their genders, levels of education, as well as their ages. The data were simply analysed using Microsoft Windows 8.

4 Opportunities and Challenges of Social Media Marketing for Small-Scale and Rural-Based Entrepreneurs in Vhembe District

The opportunities and challenges of using SM as a marketing platform derived from the data are presented in Fig. 3.1:

4.1 Opportunities

As indicated in the figure above, four main themes were drawn from the participants' narratives as benefits of using SMM. These include the opportunity to reach a wider audience, access to target audience, low-cost and effective marketing, and customer interaction.

Access to a Wider Audience: Like in other contexts (Bhosale & Phadtare, 2019, 2020; Omotosho, 2020; Serbetcioglu, & Göçer, 2020), the participants clearly explained how SM enhanced their ability to reach a wider audience. For them, SMM is most useful because of this attribute. Given that it is not limited to any specific geographical location, it has been able to provide them with the opportunity to reach a wider audience outside their geographical locations. These are how the participants explained it:

Most of my customers are not even from here. ... You see, I regularly post about my chicken and eggs on my Facebook wall. I post what stage they are, how they are raised, and when I am harvesting them. ... I don't get surprised when I get

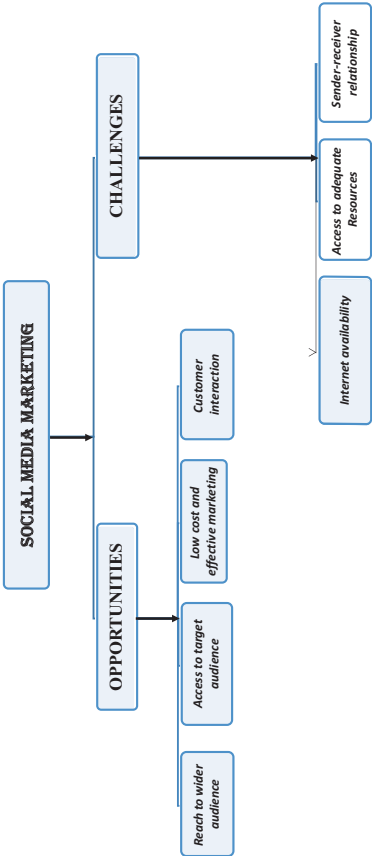


Fig. 3.1 Opportunities and challenges of social media marketing

messages and orders from these customers that I don't even know, most of them from Limpopo, Joburg and so on. The only place they come to know about my chickens is through my posts. (AFI/F/29/PD)

My Instagram page has made my brand very popular. And people, who are not even from around here. They simply know me and my products through my posts. (CI/M/25/UD)

A lot of my customers are from Facebook. People contact me from different parts of South Africa because of my posts. You will be surprised by the kind of publicity my products get because of a simple post I make on my Facebook page. And you know what, when I post, I tag as many people as possible. With that, I make them aware of my products. (AFI/F/26/PD)

A simple post on my Instagram page can reach thousands of people you never imagined. For example, me, that have 1551 followers on Instagram, a simple post on my page can be seen by these people in the different parts of the world within the shortest amount of time. I don't need to go there or advertise on local TV or radio stations in Johannesburg for people there to see my brand. (CI/M/24/U)

Target Audience: Drawing from their experience, the SREs used in the study were able to explain the ability of SMM for a target audience. According to them, not only does it provide access to a bigger audience due to its unlimited geographical location, but it also provides SREs with the opportunity to limit their marketing to a specific target audience. Of all the social media platforms, Facebook provided this opportunity more. Unlike most Social Media platforms, it has different advertising and marketing features, which makes it possible for users to connect and open a marketing account on its platform. One of such accounts is known as Shopify—a commerce platform that allows anyone to set up an online store and sell their products on Facebook platforms. With such an account, marketers can get access to an administration panel where they can add products, process orders, retrieve potential customers' data and store data about their products to a targeted audience, without enormous charges.

This is how one of the participants who has a Shopify account put it:

Opening an account in Shopify is extremely easy. It simply involves few basic steps (signing up with an email address and confirmation of business account). There is even a free version in which the user could use the account for a period of fourteen-days. The user could upload and share different information regarding his/her businesses, which are in turn shared by the application (Facebook administrators) in different Facebook groups. (CI/F/28/PD)

It is very easy with advertising on Shopify. The app does everything for you. It looks at your interests and products, and automatically sends your contacts to all likely interested users for your products. It can also send you contacts of groups and possible individuals to be likely interested in your product. It is up to you to follow with such people as your potential clients. (CI/F/20/BD)

With Facebook marketing, you don't even have to do anything. The app locates and targets the audience for you...for the product, you are selling. They suggest people for you or groups.... These could be people you know from before or people that are on the contact list of your phone, or people that share your interests. ... You see...these people end up becoming potential clients for my business. (HP/F/30/PD)

Facebook can do this; because it stores all kinds of data, such as age, gender, geographical location, interests, and other demographic information. With such a database, the application, through its artificial intelligence, could predict the consumer's interests and possible preferences (Rugova & Prenaj, 2016). For marketers who do not use "paid" marketing platforms like Shopify, Facebook also has other marketing options that are very affordable for SREs. Account users could simply, with a "search icon", search for groups with possible interests in their line of businesses within the platform. With such searches, they can discover groups with possible interests in their line of business (CI/F/20/BD). As soon as this is done, the marketers can easily join such groups and share ideas about their products (CI/F/20/BD). It is that simple. This is how a respondent who joined a group called "Vhembe marketplace sell & buy platform" and uses it for marketing his products described it:

Ok, the reason why I went to "Vhembe marketplace sell & buy platform" in the first-place is because I know that the group attracts people who are looking for

products, including clothes, to buy and sell around Thohoyandou. Every young people in Thohoyandou go there to check out clothes. Being in the group gives me the opportunity to advertise my products. (CI/F/30/PD)

Another respondent who uses other groups also has a similar opinion:

With these groups, you know what you get. Even though occasionally people advertise other things, since there is no regulation, the main idea is to advertise products related to the group. The groups are mainly meant for specific purpose. If you want to advertise specific products, you simply go and find the corresponding group in the Facebook marketplace. (AFI/M/26/BD)

The ability to specifically target a particular audience on Facebook's "marketplace" is also applicable to WhatsApp. Although with WhatsApp, the product is only visible to other users on the user's contact list, the App has features that make it easier for SREs to direct the marketing of their products to a targeted audience. In other words, marketers can specifically target customers based on a variety of different factors. They can do this, by sharing their product contents such as short videos, pictures, branded logos, and even messages, through their "WhatsApp status". The WhatsApp status is seen by all the users who have them on their contact list for at least 24 hours before it disappears. There are absolutely no additional charges attached to such marketing.

There is also the possibility to create and become part of groups in WhatsApp. A marketer can become part of different groups of consumers that have similar interests with him or her. Thus, other than posting products on his/her status, the marketers can post on different groups, thereby easily taking advantage of the like-minded of the group, without paying any additional charges. This is how a respondent who deals in agricultural products explains it:

I use WhatsApp a lot because of how it makes it easier for me to reach the kind of customers I want. I am in more than seven groups of agricultural farming products. There's a chicken farming group, there's life-farming group, there's a village planting group. So, I post in all of them. All the people in the group are my potential buyers. (AFI/M/24/PG)

Another respondent has a similar explanation:

The type of WhatsApp groups I belong to, defines what product I advertise on them. In my status, I can advertise anything, but with my groups, I select what I advertise. There is no need to advertise a product to people you know they will not be interested in. You have to know your audience. Knowing your audience is part of the marketing. (AFI/M/28/PD)

Low-cost and Effective Marketing: Drawing from the data, it is clear that SMM also provides opportunities for low-cost and effective marketing. This is mainly because it provides platforms for disseminating information at a cost much lower than other forms of marketing. In the words of one of the participants,

The cost of a social media platform is typically lower, compared to other marketing approaches such as face-to-face salespersons' approach, middlemen or distributor's approaches. (P/M/32/PG)

In fact, most SM platforms do not directly charge fees for marketers. What the marketers need to market their product on SM are simply technical know-how and a computer/phone. In most cases, if the marketers are aware of what their targeted audiences are on the Social Media landscape, a small investment in internet access and a quality electronic gadget is enough to get the marketer started with marketing their products on SM platforms. The best practical example of this low cost and effective marketing for the SREs in the study was Facebook. The participants were of the view that compared to WhatsApp, Instagram, and Twitter (the most commonly used SM platforms used by the participants in the study), Facebook offers a very cheap, but effective, marketing option. The application provides multiple options that SREs can benefit from when they start up a new business.

This low cost and effective marketing opportunity are particularly important for the SREs in the current study because most of them did not have the financial resources to engage in traditional marketing. The Social Media platforms helped them create a marketing presence and promote their brand while saving a lot of money and time. The only

significant cost for using the platform was the internet access and the electronic gadget from which the rural-based marketers accessed the SM platform. “Such costs were nothing” as one of the participants expressed, “compared to what is the case with traditional marketing” (CI/M/24/UD). Other marketers’ experiences are captured in some of the below-provided quotes:

The posts are totally free.... They are free. They don't charge. The only thing it costs you to market on social media is your data and your phone. (CI/M/24/UD)

Compared to other kinds of marketing, social media is way too cheap. What does it cost me...Nothing, is it not just my phone and my data? If I load a Vodacom (a local South African telecommunication and internet provider) data for R29, I can post my clothes on my Facebook wall. I can also use the same data to post on another social media. Imagine.(CI/F/30/PD)

I don't even consider the amount of money I spend on social media as expenses. Even if I was not advertising my product on social media, I was still going to be buying internet data for my communication with my friends on social media...So, you can say that marketing my clothes on social media has cost me nothing, while making me popular. (CI/M/28/PD)

Customer Interaction: Finally, SM was also described to be very useful for providing platforms for an interactive dialogue between SMEs and their existing/potential customers. The participants explained that through the SM platforms, the SREs were able to engage with existing and potential customers. In the SM platforms, customers always have the possibility to leave feedback and share their opinions. They could also request specific assistance and support for a particular product advertised by the marketer through such interactions. In fact, “being able to share their views and ask specific questions about a marketers’ products often helped in the development of trust between the customer and the marketer” (CI/M/24/UD), one of the participants argued.

Another participant had a similar opinion:

Social Media is great. It gives marketers the opportunity to relate directly with their customers. This is the most singular factor that builds the customer/client

relationship. It also helps mitigate damages and bad-mouthing issues that may end up destroying the marketers' image in the market. (AFI/M/36/PD)

Improvement in brand image and sales in more practical terms was also particularly identified by the participants as an opportunity. Depending on the interaction between themselves and the customers, the participants explained that they were able to get more personal with the customers. They also felt that the customers were more loyal after they received the product or service they had advertised during their interactions.

There is nothing as good as interacting with my customers. I think sometimes; it is the interactions that keep them coming back to me. What I do is that as soon as a customer contacts me because of my product, I will try to relate with him as a "friend".

I will often take the conversation WhatsApp call or Facebook Messenger. I will call him or her ...In a way, I try to cultivate a relationship that normally defines the transaction going forward. This is also always very helpful. It is always the foundation upon which I make them believe in the quality of my products. (CI/M/24/UD)

Through my conversations, my customers know that I always deliver. I always aim to build trust and dependability. I deal with every question they have...any doubt they have...I even show them more samples online before they order the main item they need. (P/M/23/BD)

4.2 Challenges

Despite the above-discussed opportunities, few challenges are found to be associated with SM marketing for SREs in the Vhembe district. Such challenges include poor internet connectivity, inadequate financial resource, lack of IT skills for maintaining consistent SM presence, and infrastructural and geographical disadvantage.

Internet Unavailability: While trying to engage in SMM, one of the main challenges that affected the Vhembe-based marketers is poor and slow internet connectivity. Most of the internet providers (such as MTN,

Vodacom, Telecom, and Rain) that operate in the rural communities and townships across the Vhembe district have difficulty providing good internet connection for their users, according to the participants. This is very frustrating for marketers, as these network issues make it difficult to upload content and communicate with their customers. Because content, consistency and reliability are the bane of existence on a social media platform (Rugova & Prenaj, 2016), poor network connections limited the marketers' presence on SM. Occasionally, it also led to the loss of trust and loyalty from some of their customers, who in some cases saw them as "unreliable" (CI/M/29/U).

Other participants' opinions are captured in the statements below:

There is always no network. And like... I used to send the products to other friends of mine to advertise for me on their status, but then I don't have access to the internet and to my customers. How do I communicate with them, if we want my products? This is a big challenge for me. I end up losing important customers for my business. (AF/M/28/PD)

Most times, I keep on switching from one network to the other, because of the network problem. You see, I normally use Vodacom and Telecom sim cards because my phone has dual sim, when I am not at home. But the moment I reach my house, I don't have networks. Most of the time, you will find that there is poor network coverage. So, I switch to MTN. MTN is better, but is very expensive. And sometimes, it is also the same with other networks. (CI/M/24/UD)

Xhoo...Network is a very big problem. You know sometimes I have to go to a certain corner, under a tree in my village, to get a good network. Can you imagine, even at night? But even with this, there is no 100% certainty. ...Sometimes I still don't get a network. I end up giving up. ...I lose many customers because of this. (HCP/M/38/PD)

I got Telkom and although it's a little bit better. There used to be times where there is no network at all, and I'll have to walk from one place to another to find a network. Sometimes you are lucky you get it, sometimes you don't. The frustrating is that online customers don't have time to wait. Once you waste time, they move on to the next available product they see. Is this not a big

challenge? I don't think I have found a solution to this, residing in this village. (CI/F/30/PD)

The third challenge I experience is a network problem. You may find that we schedule a time to do video calls with my mentor, and then I will start experiencing network problems that crushes (sic) the whole plan for the meeting. And since I am working from home, ...I am not able to make the video calls with my mentor. (AFI/M/24/PG)

Access to Adequate Resources: Apart from poor internet connectivity, participants also expressed how the lack of adequate resources constitutes a significant challenge for maintaining a social media presence. The participants were quick to point out that despite the small nature of their businesses, maintaining an SM presence for them required resources such as time, money, and skills. For example, some of the marketers explained that they needed to devote a significant amount of their time to constantly upload new content, as well as to respond more effectively to the different questions and complaints their consumers may have. They need to communicate with customers, as well as respond to their feedback and complaints on daily basis. Unfortunately, they could not in most cases, because of limited resources.

Furthermore, to market efficiently, SM marketers need a good IT skill-set and possibly some training to understand the basic operational tools, for navigating the different SM platforms. These skills range from graphics and designing, research, analytics, optimisation and monitoring (Rugova & Prenaj, 2016). Different skills are required at different stages to maintain a unique Social Media presence. Lack of these resources in many ways affected SREs' abilities to explore all the opportunities that SMM offered.

I still struggle with certain features on Facebook. The programs keep changing. You need to constantly update yourself to be able to use all the advertising features available on the app. You need to understand how to upload pictures, make it look better and more presentable to attract the customer to your page. (HCP/M/38/PD)

This is why I avoid using Twitter and all these other kinds of websites. They need some technicalities to navigate properly. On my personal capacity, I can't win with those things. I get frustrated when I try. I am simply not good with technologies. (CI/M/24/UD)

The point is that skills are very crucial in the development of a vibrant social media presence. Again, lack of resources constitutes a very significant challenge for the SRE marketers. "A simple solution" as one participant expressed "could be to just get some training but again, this requires money" (AF/F/24/PD). Thus, the drawback comes in when these SREs do not have the money to obtain such training. Here are some of the views of the participants:

As we all know, uploading pictures of your products on your WhatsApp status consumes a lot of data. It requires a lot of airtime for one to be able to view. And you find that as a result, I'm not able to do this all the time. Even my customers also suffer the same thing. They also need data to view their status. So, I am not able to reach the number of followers that I expected because of financial issues. (P/M/23/BD)

Okay, the challenge that I'm facing now is that not everyone views my status. I find that people have limited data bundles and they may not see my status. ((HCP/M/38/PD)

I need to always have data on my phone so that I can get things done. If I do not have data, things become on hold (sic); there will be no postings. I won't be able to take orders. I will fail to reply to the people who are interested in the product. And I'll not sell on time. (AFI/M/24/PG)

And umm, yeah, umm, I really wouldn't say financial constraints, but if we had more of finances, I think the company would do better in terms of experimenting with new designs and having the liberty to spend on trials and what-not. But yeah, that's just about it. Uhh, I would say if we had more capital for advertising, you know, I will be able to do more sponsored ads in order to build the company and for more people to see it as well as reaching targets, I think getting more ambassadors or more people with a better public appearance or public personality to perhaps wear our clothes, and coming through with a right

strategy as to how we will be posing or whatever the case is like, and also ways in order to stimulate attraction from customers. Also, to make the consumer keep coming back as well as sharing our stuff because, it is one thing to say congratulations, but it is another thing to share. (AFI/M/29/PG)

Difficulty in Managing Sender-receiver Relationship: Managing the sender-receiver relationship is another significant challenge SREs in the Vhembe district faced when marketing their products on Social Media. In general, marketing on SM platforms comes with a complex process of navigating the sender-receiver relationship (Gefen & Straub, 2004). Both the marketer and the consumer often have to “trust” that each will keep to their own part of the agreement; either in the quality of the product to be delivered or in the payment of the product, and when they are received (Gefen & Straub, 2004; Zhang & Li, 2019; Omotosho, 2020). Proper navigation of this relationship is often the prerequisite for successful Social Media transactions.

For most of the Vhembe-based SREs, navigating this relationship is often very difficult and challenging. In dealing with customers (who often come from different parts of South Africa), it was often very difficult to build the necessary trust that makes initial transactions very smooth. It was extremely difficult to trust people’s words regarding what they wanted. On many occasions, people placed orders, gave the marketer hope, and did not show up when it was time for delivery. Below are some excerpts concerning these relationships:

You find that people text you as if they are interested in the product. But you find that they will change their minds to say “noo, I am no longer interested at the last minute. (CII/M/24/UD)

The challenge with me with social media platforms, ummm, is that people take it lightly. So, you are coming with your stuff and you don’t know how serious they are, coz sometimes they’re playing with you and you tryna (sic) be serious. You tryna (sic) be professional, you know, be all professionalism and something like that. But abhh, these things make me want to leave social media. (HCP/M/38/PD)

I face this problem of saying a customer orders oriii (you know), I want this and that. Orii (you know), you order and then you pay later. When I am ready to deliver the product, the customer changes his mind... That is a problem.
(P/M/23/BD)

5 Discussion and Conclusion

The purpose of the study has been to examine the experience associated with using social media as a marketing platform for SRBEs in an emerging market. For this, it adopted an approach that analyses and discusses several benefits and challenges of using SMM, through the participants' narratives. The findings and the corresponding discussions show that such marketing provides a unique wider reach to varied audiences. It also provides an avenue for communication, consumer interaction, and brand awareness.

By showing how SRBEs based in Vhembe district use social media platforms as an avenue for consumer virtual interaction and brand awareness, the study re-affirms the understanding within the literature that SMM does, in general, provide opportunities for better consumer interaction (Clement, 2020). Such interactions, if maximised, can also be useful for not only predicting consumers' purchasing behaviour, but also improving consumers' relationship and satisfaction. In the South African rural context, where it is difficult to access financial capital to start up new entrepreneurial activities (Amaechi, 2020), such attributes could be a very significant recipe for success.

Also, by showing how the Vhembe-based SRBEs use WhatsApp, Facebook, and Instagram in reaching out to people in different contexts other than Limpopo, the study highlights the increasing emerging potential value of SM platforms for SMEs (Icha & Agwu, 2015; Bala & Verma, 2018). With the evolution of SM, SMEs with very little resources could communicate to and access wider audience that is not necessarily based in their local areas. This is beyond establishing links with national operations; it can also help them create professional links with influencers and other marketers, outside South Africa. Such an opportunity is hardly possible with other platforms.

In addition to showing these opportunities, the study was also able to demonstrate how operating in such contexts (rural areas) comes with unique challenges. In this case, such challenges include poor network connection, unavailability of adequate resources, and poor management of sender-receiver relationships. In the presence of these elements in the Vhembe district, the SREs found it challenging to maintain an SM presence. What this means theoretically is that “context” remains a very important element for understanding effectiveness in SME marketing (North & Smallbone, 2006), including on SM platforms. With limited access to basic infrastructures, which enable online presence (due to their base), rural-based entrepreneurs are cut-off from reaching their customers. This also means that they are cut-off from the possibility of having constant communication and interaction with their customers, which increases trust and loyalty, often useful for SME business success (Zhang & Li, 2019).

No doubt, SMM comes with enormous advantages, especially for SMEs based in African rural areas. However, it also comes with huge challenges which such actors need to navigate in order to effectively benefit from using such platforms. These challenges are often context-specific. They influence the SME actor’s ability to market their products. Hopefully, future research could be devoted to exploring how these challenges also influence success. Given that the challenges influence ability, they may play a significant role in motivation and success. Such understanding could offer more insight into the variations in the rate of success for small and medium-sized entrepreneurs in different contexts.

6 Recommendations

In view of the above discussions of experiences SRBEs in Vhembe district, the study recommends that local governments in South Africa consider subsidising internet costs, especially for people living in rural areas. Our assumption is that such subsidisation will make access to SM platforms easier for entrepreneurs operating in rural areas.

Based on the importance of internet access, we also encourage the local stakeholders and governments operatives in rural areas to prioritise

solving network issues in such areas in the same way they probably do in urban settings. Such actions could serve as a way of providing the deserved opportunity for entrepreneurs who are already disadvantaged in other sectors. Conscious efforts should also be made in the promotion of the use of social media as an appropriate marketing strategy and a competitive tool for small businesses in such communities. Given the effectiveness and relatively low cost of using SM platforms for marketing, it could provide platforms for boosting small businesses in difficult economic situations.

Finally, we recommend that local authorities in emerging markets should also invest in the provision of continuous training for new and existing SM marketers. Such training will help marketers familiarise and keep themselves up to date with the latest or most recent versions of the SM platform they use for marketing their businesses in their rural settings.

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4

Influence of Facebook Usage on Organisational Performance in Ghana: The Pivotal Role of Social Capital and Salesperson Extra-Role Behaviour

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1 Introduction

Local businesses provide a strong stimulus to the national economy. However, they generally suffer from a lack of nationwide geographical and international presence (Kurnia et al., 2015). The adoption of social

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technologies alleviates these conditions and enables businesses to reach larger local and international markets to promote their products without expanding their physical presence (Berthon et al., 2012). According to Cavusgil and Knight (2015), social media has been found to bring foreign market information, international trading know-how, and improved relationships and solidarity. Accordingly, social media is said to be encapsulated in the modern-day internationalisation approach, such that organisations are able to reach foreign markets by posting and tweeting (Paniagua et al., 2017). Due to its impact on business, social media has become an important consideration for managers to help businesses gain access to local and foreign markets faster (Zhou et al., 2007), thereby, boosting their competitiveness and increasing their performance (Fraccastoro & Gabrielsson, 2018). More so, it is important for firms, particularly start-up firms, to establish relationships in international markets, which can be done via social media. Or else, internationalising through networking becomes a challenging milestone to achieve (Fraccastoro & Gabrielsson, 2018). Consumer activity is increasingly virtual and evident in their social networking site engagement (Spielmann & Orth, 2021), and that has encouraged some businesses to revise their marketing strategies to take advantage of the speed at which social media is being adopted by both consumers and businesses (Castillo et al., 2021; Dwivedi et al., 2021; Spielmann & Orth, 2021). Social media offers crucial online brand-building tools that play an increasingly important brand communication role due to their massive growth (Keller, 2013). Nonetheless, managers need to empirically quantify social media's non-financial and financial value to justify the commitment of important assets and investments in social media (Deans, 2011; Wang & Kim, 2017).

Despite the efforts made by businesses to market their products and services on social media, the outcome of these efforts has not been adequately explored; the existing literature on social media focuses largely on developed nations. For example, Trainor (2012) conceptualised the link between social media usage and firm-level outcomes in the form of customer-based profit performance, relationship performance, and new product performance. Yet, the author states that there is a need to move from the high-level conceptualised model to a lower process-oriented perspective that will support empirical testing. Recent studies have

examined the effect of social media usage on organisational performance outcomes. For example, Parveen et al. (2015) examined social media's influence on organisational performance based on interviews with six social media managers; they found that social media enhances customer relations and customer service activities, improves information accessibility, and reduces marketing and customer service costs. Agnihotri et al. (2012) conceptualised the link between social media service behaviours and performance outcomes. Ainin et al. (2015) focused on factors influencing the use of Facebook and its performance outcomes; a study limited to salespersons of small and medium enterprises (SMEs). The authors (Agnihotri et al., 2012; Ainin et al., 2015; Parveen et al., 2015) have suggested that future research should include respondents from more than one community and diverse organisational sizes to enhance the findings of the study and improve the possibility of generalisation. Literature about social media platform usage, such as Facebook, is growing. However, there are limited empirical studies that examine how the utilisation of social media influences organisational performance (Karjaluoto et al., 2015; Wang & Kim, 2017). Some authors (see Chaffey & Smith, 2017; Merrill, 2009) have suggested that having salespersons engage in service behaviours such as advocacy and social selling with their personal social media accounts could extend the organisations' performance. This argument stems from the fact that salespersons can leverage their social capital to reach a larger local and international audience on social media platforms as against when a company has to do this on its own.

This study aims to fill this gap in the literature by examining the relationship between organisations' Facebook usage and non-financial and financial performance. Facebook is the world's most widely used social networking site; as of the second quarter of 2021, there were 2.89 billion monthly active users (Statista, 2021). This study also examines whether the performance of organisations that encourage salespersons' service behaviours on Facebook differs significantly from those organisations that do not. This study makes some contributions to the growing yet still limited literature on business social media usage. Unlike prior studies, this chapter seeks to quantify a statistical difference in the performance of organisations that encourage salespersons' social media service

behaviours compared to those that do not, which reveals new insights on whether organisations should or should not encourage salespersons' social media service behaviours. The remainder of this chapter includes five sections: a review of related literature and the development of the research framework and hypotheses; the research methodology and procedures used in the empirical study; the results and analysis of the collected data; and the interpretation of the findings, discussion of implications and the limitations, and areas for future research directions.

2 Literature Review

2.1 Social Capital Theory

Social capital generally refers to the goodwill that derives from social relations (Adler & Kwon, 2002; Hess & Waller, 2015). Nahapiet and Ghoshal (1998, p. 243) define social capital as the “sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit”. Therefore, the personal networks of a salesperson in the form of internationally located family and friends represent social capital that can facilitate access to local and foreign market knowledge and resources (Wadhwa et al., 2017). Hence, Hughes et al. (2013) view social capital as “the gathering and use of competitive intelligence by the salesperson” (p. 39). We agree with Hughes et al. (2013) and argue that in this study, social capital is the salesperson's gathering and use of competitive intelligence about customer information.

Scholars argue that the closure or density requirement for social capital is to deny the significance of bridges, structural holes, or weaker ties (Hess, 2015; Burt, 2021), as the theory of strong ties and weak ties states that an individual's attachment towards a relationship is likely to blossom if a strong tie exists between the two parties (Granovetter, 1973; Lin & Lu, 2011). Donath and Boyd (2004) hypothesise that social media could greatly increase the weak ties one could form and maintain because the technology is well suited to maintaining such ties cheaply and easily, even beyond international boundaries. This is because of the high quality of

interaction that social media platforms offer different parties from any part of the world without physical meetings (Wiertz & Ruyter, 2007). Hence, communication on social media is strengthened through individual-level ties and group-level identification within peer groups (Wang et al., 2012).

Literature suggests three dimensions to social capital: structural, relational, and cognitive (Nahapiet & Ghoshal, 1998). The presence of a network of people and resources is referred to as structural social capital, whereas relational and cognitive social capital refers to the ability to exchange resources (Andrews, 2010). In this study, structural refers to the linkages between salespeople and customers that are facilitated via social media. Relational and cognitive social capital refers to the social media platform that provides customer services, interacting with customers in a way that builds trust and quality relationships between the salesperson and customer, “thus the level of social capital emerging from this relationship, may vary substantially from dyad to dyad” (Hughes et al., 2013, p. 94). Therefore, our study argues that salespersons can achieve this only if they go beyond using the organisation platform and use their personal social media platform to interact with customers. Hence, instead of depending solely on the organisation to generate leads, the salesperson may depend on their social media contacts to learn about new trends, product ideas, and technologies (Wadhwa et al., 2017). This will benefit organisations that encourage salespeople to engage in extra-role behaviour on social media platforms, compared with those that do not.

2.2 Social Media Usage and Business Performance

Extant literature generally agrees that technology improves business performance (Chege & Wang, 2020; Senyo et al., 2021; Yu et al., 2021). In order to examine the influence of Facebook usage and organisational performance, the IS success model, an important indicator of technology success, was considered (Ainin et al., 2015). The IS success model seeks to define business performance as the actual benefits businesses accrue by using social media (Delone & McLean, 2003). In the current study, performance is separated into two categories that conceptualise

organisational performance constructs: non-financial performance and financial performance. Financial status figures presented in the financial statement play a vital role in determining the performance of an organisation (Yeniyurt, 2003). Yet, there are some studies (Norreklit, 2000; Otley, 1999) that have criticised the reliance on solely financial measures in determining performance. According to Speckbacher et al. (2003), using non-financial performance measurement systems provides businesses with appropriate information about their overall company situation. Therefore, using both financial and non-financial performance measures allows a more accurate look at performance measurement systems (Zuriekat et al., 2011).

Scholars argue that Facebook has the potential to improve organisational performance in areas such as smart selling behaviours (Marshall et al., 2012) and relationship sales performance (Rodriguez et al., 2012). Rodriguez et al. (2012) suggested that salespeople can take advantage of the relationships established through social networking sites and increase their pool of qualified prospects and enhance relationships with current customers, which may prompt customer retention. According to Parveen et al. (2015), organisations use social media as a tool for building relationships with their customers, enhancing brand visibility through advertising and promotion, conducting marketing research to obtain customer and competitors' information, and providing customer service while selling as they receive customer feedback and reach new customers. These uses of social media result in non-financial benefits, such as enhanced customer-base relationship performance and financial benefits, such as cost reduction (marketing, customer service) and revenue generation (Ainin et al., 2015; Parveen et al., 2015). Rodriguez et al. (2015) provide evidence that demonstrates that social media positively impacts customer-oriented processes and sales performance. Trainor (2012) indicates that there is a conceptual link between social media usage and customer-based profit performance, customer-based relational performance, and new product performance based on theoretical and empirical literature. Ainin et al. (2015) found that the use of Facebook positively impacts the financial and non-financial performance of SMEs. By focusing on relationship building through social media such as Facebook with new and existing customers, a company can expect to achieve higher revenue (Rodriguez

et al., 2012). Thus, it is expected that Facebook usage will offer monetary and non-monetary benefits. Therefore, for this study, performance is divided into non-financial and financial performance. This can be empirically tested by making the following propositions:

Hypothesis 1a:

Facebook usage is positively related to business' non-financial performance.

Hypothesis 1b:

Facebook usage is positively related to business' financial performance.

3 Non-financial and Financial Performance

Non-financial performance indicators provide additional information that is completely ignored by the traditional measures of financial performance (Primadona & Emrizal, 2018). Smith et al. (2015) recognised that while measuring social media returns on investment is not that straightforward, it remains a contributor to the organisation's bottom line and overall performance. To determine the effect of social capital on business performance, Primadona and Emrizal (2018) included non-financial performance indicators in addition to other dimensions, such as ability, resources, environment, and strategies and processes as business performance measures. The study found a positive significant influence of social capital on business performance. Diffley and McCole (2015) argued that social capabilities provided by networking sites would result in enhanced customer performance, which leads to the adoption of information and, ultimately, purchase decisions. In a study of customer relationship management (CRM)/social media technology and organisational sales performance, Rodriguez et al. (2015) found a positive impact on sales performance when customer-oriented processes (e.g., measuring customer satisfaction and aligning customer needs with sales and marketing activities) are explored. The positive influence of customer-orientated processes on firm performance resulted from the competitive advantage gained through high customer satisfaction and the alignment of customer needs with sales. Apart from social media studies, research in the financial

sector found a positive impact of non-financial performance on financial performance (Islam et al., 2015). Therefore, the study aims to test the influence of non-financial performance that is based on customer-based relationship performance on financial performance in the Facebook context. Hence, the study hypothesises that:

Hypothesis 2a:

Non-financial performance acquired through Facebook usage is positively related to business' financial performance.

Hypothesis 2b:

Non-financial performance mediates the relationship between Facebook usage and business' financial performance.

4 Salesperson Extra-Role Social Media Behaviours and Performance Outcome

In the academic literature, it is suggested that the behaviours of salespersons have a positive or negative impact on firm performance (Malhotra & Mukherjee, 2004). Kelley and Hoffman (1997) and Dunlap et al. (1988) suggested that when customers realise that salespersons' service behaviour is customer-oriented, they have a better opinion of the quality of service and improve customer satisfaction. Bettencourt and Brown (1997) defined "customer-oriented service behaviour" as services that salespersons provide to make customers happy. Social media networks can facilitate the idea that "people do business with people, not companies" (Chaffey & Smith, 2017). IBM coined the expression "Social Business", which means that social network platforms are enabling salespersons to take part in conversations, solving problems, and making sales (Chaffey & Smith, 2017). A search through extant literature also indicates that technology implementation has a positive impact on performance through a sequential process involving service behaviours (Ahearne et al., 2008; Millman & Hartwick, 1987; Sharda et al., 1988; Sulek & Maruchek, 1992). Merrill (2009) argues that when salespersons use their social media profile to listen, engage, monitor, and create

conversations with customers, prospects, and anyone else who comes into contact with the brand, their businesses benefit through the salesperson's sphere of influence. Thus, it could be safe to argue that organisations that encourage salespersons' social media service behaviour would perform better than those that do not. It can therefore be hypothesised that:

Hypothesis 3:

There is a significant difference between organisations that encourage salespersons' service behaviour and those that do with regard to non-financial performance and financial performance.

Figure 4.1 presents the conceptual framework of the study developed through a review of related literature. Two dimensions—salesperson extra-role and Facebook usage—independently affect two variables—financial performance and non-financial performance. The salesperson extra-role dimension constitutes Facebook activities in which employees are engaged, including addressing customer issues and requests, providing product-related information to customers, and posting new stories about the company. Social media usage dimensions adopted for Facebook usage in this study include relationship building, visibility, research, and customer service and sales (Parveen et al., 2015). Figure 4.1 summarises the study research hypotheses. Related constructs for the dimensions are listed in the Appendix section.

5 Research Methodology

5.1 Context of Study

Ghana is a West African nation with one of the most promising telecommunication and internet service provider (ISP) sectors in the subregion. Mobile subscription and internet accessibility in Ghana significantly increased since the liberalisation of the telecommunications industry in the 1990s (Hinson & Boateng, 2007). The internet came into the commercial domain only in the early 1990s, yet its direction of dissemination has tackled a practically unsurprising example (Oyelaran-Oyeyinka &

Lal, 2005), and by 1996, Ghana had three ISPs competing with each other (Foster et al., 2004). During the flourishing years of the internet, 1998–2000, the ISP and internet café industries in Ghana grew rapidly (Foster et al., 2004). The country was one of the first sub-Saharan African countries to have access to the internet (Abor & Hinson, 2005). Internet penetration did not progress rapidly until 2005 (Quarshie & Ami-Narh, 2012).

5.2 Measures

Measures for this study were mainly adapted from previous studies and previously validated questionnaires. Some amendments were made to fit the context of the study (Lu & Wang, 2008). Previous research findings (Ainin et al., 2015; Parveen et al., 2015) have suggested that organisations use social media platforms, such as Facebook, to build and enhance relationships, visibility, research opportunities, and customer service and sales. Constructs for Facebook usage were adapted from Ainin et al. (2015); Papastathopoulou and Avlonitis (2009); and Matthyssens et al. (2008). The performance outcomes measures were adapted from Parveen et al. (2015) and Ainin et al. (2015). Online salesperson extra-roles seem to differ from offline salesperson extra-roles, and since no research seems to have a measurement scale construct for online salesperson extra-roles, constructs for online salesperson extra-role were adapted from the potential behavioural role of social media in the sales process literature (Andzulis et al., 2012).

Prior to administering the questionnaires developed from the literature review, three subject matter experts from the management information system (MIS) field were invited to review the developed scale. Based on their suggestions, a few modifications were made to improve the clarity of the scale. After data collection, the constructs were assessed using a confirmatory factor analysis (CFA) to purify the scale. Reliability and validity of the scale were examined using partial least squares (PLS). PLS is a structural equation modelling (SEM) technique which focuses on the analysis of variance and is well suited to handling highly complex

predictive models (Jöreskog & Wold, 1982; Wong, 2013). It is a good alternative to covariance-based (CB)-SEM when the following situations are encountered: sample size is small, applications have limited available theory, predictive accuracy is paramount, and correct model specification cannot be ensured (Bacon, 1999; Hwang et al., 2010; Wong, 2010). In a typical research study of this nature using the parameters of a significance level of 5%, a statistical power of 80%, and R^2 values of at least 0.25, Marcoulides and Saunders (2006) recommend a minimum sample size of 52 based on the maximum number of arrows pointing at a latent variable in the model. Hoyle (1995) stated that past studies showed that a sample size of 100–200 is usually a good starting point in carrying out path modelling.

In order to separate organisations that encourage salespersons' social media service behaviours from those that do not, K-means cluster analysis was used. This clustering technique partitions the data into a number of clusters specified by the researcher. According to Reijonen et al. (2012), there is no specific evidence to indicate the best number of clusters; however, it is rather based on some "a priori" information, knowledge, or goal of the researcher. In this case, the research goal was to separate organisations into two clusters—organisations that encourage salespersons' social media behaviours and those organisations that do not.

5.3 Data Collection and Instrument

In order to examine the research model, data was gathered from top executives of Ghanaian businesses on Facebook. These businesses were identified using Socialbakers and LikeAlyzer sites that rank businesses based on Facebook performance metrics. Data was collected using an emailed link to Google forms supported by three email reminders. The emails of these businesses were obtained from the website. To measure the constructs, respondents were asked to evaluate questions using a five-point Likert scale: 1 representing "strongly disagree" and 5 representing "strongly agree". A total of 250 questionnaires were sent; however, a total of 104 were returned. PLS-SEM was used to analyse the data

in order to determine the effect of Facebook usage on sales performance. Though the sample size seems small for SEM analysis, PLS-SEM is well suited for small sample sizes (Hair et al., 2014). Following the two standard procedures for structural equation modelling analysis, the measurement model was first assessed to examine the reliability and validity of the constructs, and then the structural model was examined to test the research hypotheses.

6 Findings

6.1 Sample Description

Preliminary data analysis was run to ensure the data set was cleaned, after which three responses were deleted, leaving 101 responses. Table 4.1 shows a breakdown of the job titles of the respondents. The majority of the respondents (51.5%) worked in the marketing and sales department. However, this percentage did not include the communicators, brand managers, relationship officers, and customer service representatives who work directly with the marketing departments. The category of respondents who had the least representation was those within the revenue generation section, with finance and revenue assurance specialists adding up to only 4%. Social media/digital analyst managers represented 5% of the respondents. This implies that the data obtained for the analysis is not largely skewed towards individuals within a particular department and is a reflection of different departments.

7 Results

7.1 Assessment of Measurement Model

The measurements were assessed based on three criteria: Convergent validity, Reliability, and Discriminant validity (Hair et al., 2013). Convergent validity was assessed by examining the outer loadings and the

average variance extracted (AVE). Cronbach's alpha and composite reliability were used to assess the reliability analysis. All outer loadings, with the exception of one SMR1 that was later dropped, were above the minimum threshold value of 0.70, as suggested by Hair et al. (2014). The variables—financial performance, non-financial performance, use for building, use for visibility, use for research, and use for customer service and sales—were above the acceptable satisfactory levels (Cronbach's alphas > 0.70, average variance extracted > 0.50, composite reliability > 0.70) as recommended by scholars for first-order construct (Hair et al., 2013; Nunnally, 1978). See details in Table 4.2.

The measures used to determine Facebook usage were assessed as second-order constructs that reflected how organisations use Facebook (use for building, use for visibility, use for research, and use for customer service and sales), and results were all above the acceptable satisfactory levels as recommended by Hair et al. (2013) and Nunnally (1978) (see Table 4.3).

Discriminant validity was assessed based on the inter-construct correlation matrix. The figures on the diagonal are the square root of AVE between the constructs and their measures, while the off-diagonal elements are correlations between constructs (see Table 4.4). For discriminant validity, diagonal figures (AVE) should be higher than off-diagonal elements in the same row and column (Chin, 1998; Fornell & Larcker, 1981).

7.2 Constructs Descriptive Statistics for Facebook Usage

The mean score and standard deviation of the confirmed Facebook constructs are presented in Table 4.5. The factors that construct Facebook usage (relationship building, visibility, research, customer service, and sales) had varied mean scores. The findings indicated that on average, Facebook is mainly used by organisations to promote visibility with the highest mean score of 4.10 and the lowest standard deviation of 0.89. All constructs had modest to high mean values.

7.3 Structural Model

The path coefficients were assessed based on signs and magnitude. The path coefficient and t-value for a significant (alpha) level of 0.05 is 1.96, and the alpha level of 0.01 is 2.575. The results indicate that Facebook has a significant influence on non-financial performance (H1a: $\beta = 0.71$, $p < 0.05$), providing support for H1a. However, the findings also show that Facebook usage does not significantly influence financial performance (H1b: $\beta = 0.12$, $p > 0.05$). Thus, H1b was not supported. In support of H2a, the findings of the study show that there is a significant direct relationship between non-financial and financial performance (H2a: $\beta = 0.66$, $p < 0.05$). Given the significant relationship between non-financial and financial performance, additional analysis was conducted to assess the effect of non-financial performance on the relationship between Facebook usage and financial performance. The results of the study revealed non-financial performance significantly mediates the relationship between Facebook usage and financial performance (H2b: $\beta = 0.47$, $p < 0.05$). Thus, H2b is supported. The extent of variance of the endogenous variables accounted for in the partial mediation model was as follows: R^2 non-financial performance is 0.43 and R^2 financial performance is 0.62. These results indicate that Facebook usage is an important contributor to non-financial performance (Table 4.6).

7.4 Cluster Analysis

The six constructs used to assess salespersons' social media service behaviours were clustered in order to distinguish organisations that do not encourage salespersons' service social media behaviours from those that encourage salespersons' social media service behaviours. The findings showed that 53 organisations could be characterised as "do not encourage salespersons' social media service behaviour" and 48 as "do encourage salespersons' social media service behaviour". All six constructs measured the level of encouragement of salespersons' social media service behaviour, making a significant ($p < 0.001$) contribution to the clustering process. Moreover, the F-statistics (see Table 4.7) show that the organisations

differ mostly in terms of encouraging salespersons to inspire people to “like” the company’s Facebook page ($F = 126.431$) and least in terms of encouraging salespersons to comment on proposed changes to products, services, or logos ($F = 38.881$).

7.5 Independent-Samples T-Test

The study further conducted an independent-samples t-test to learn if there is a significant difference between organisations that encourage salespersons’ service behaviour and those that do not vis-à-vis their non-financial and financial performance (see Table 4.8). The results show a statistically significant difference between organisations that do not encourage salesperson service behaviours ($M = 3.28$) and those that do ($M = 3.85$) in terms of non-financial performance ($F = 5.137, p < 0.01$). It also indicates that there is a statistically significant difference between organisations that do not encourage salesperson service behaviours ($M = 2.56$) and those that do (3.58) in terms of financial performance.

8 Discussions and Implications

The purpose of this preliminary and exploratory study was to investigate the influence of Facebook usage on organisational performance and to examine whether the performance of organisations that encourage salespersons’ social media service behaviours is statistically and significantly different from those that do not. In terms of Facebook influence on organisation performance, Facebook usage was found to positively influence non-financial performance. This is consistent with the findings of existing studies (Ainin et al., 2015; Rodriguez et al., 2015). Findings from this study suggest that Facebook usage positively influences non-financial performance in terms of customer-based relationship performance outcomes. However, Facebook usage was found to have a non-significant influence on financial performance. This result is consistent with findings from Rodriguez et al. (2015) and Ahmad et al. (2019) but inconsistent with that of Ainin et al. (2015), which particularly found

that Facebook usage positively impacted both the financial and non-financial performance of small and medium businesses. Nonetheless, our findings suggest that Facebook usage does influence organisational performance because such Facebook usage was found to indirectly influence financial performance via non-financial performance. The result is consistent with other earlier studies that found positive relationships between technology usage and organisations' financial and non-financial performance (Apigian et al., 2005; Shuai & Wu, 2011; Stone et al., 2007) and recent studies on social media and firm performance (Chang et al., 2018; Tajvidi & Karami, 2017).

In terms of salespersons' social media service behaviours, there is a statistically significant difference between organisations that encourage salespersons' service behaviour and those that do not with regard to non-financial and financial performance. The findings indicate that organisations that encourage social media salespersons' service behaviour perform better than organisations that do not encourage salespersons' service behaviours, which provides a justification for organisations to encourage salespersons' social media service behaviours. According to Chaffey and Smith (2017), many large organisations fear what their salespersons might do on social media even though the same salespersons are allowed to talk to clients, prospects, and partners outside the organisation through telephone, fax, email, and face-to-face conversations. Bhargava (2011) argued that "if you can't trust your salespersons to do the right things and make the right choices, then maybe you need to hire better people". Therefore, the challenge is recruiting the right people and training them well (Chaffey & Smith, 2017). The current study, therefore, suggests that salesperson extra-role service behaviours should be encouraged in order to build and maintain more in-depth relationships with more customers, which in time will increase overall sales performance. Although salespersons' extra-role service behaviour must be encouraged, businesses still have to play a direct and active part in building relationships with customers. This is because, in a situation where employees leave the organisations, they might leave with some of the business' social media audience, especially if the business has no direct relationship with the customers.

Theoretically, the study expands the application of social capital theory by examining online human interactions in an organisational performance context. Also, the application of this theory in the Facebook and

organisational performance nexus in a developing country context has an important implication for firms and platform providers, namely that salespersons' involvement is a sure way of generating and improving content creation which drives conversations on social networking sites. The results provide a starting point for future research opportunities into organisational relationship building and social media usage. The result further confirms the impact of social capital in the context of new media on firm performance. The findings support the concept of "social business", that is, companies that encourage salespeople to engage in customer-focused service behaviours appear to do better than companies that do not. Salespeople's engagement is a sure-fire means of developing and refining content that generates social media conversations. The research has discoveries that can be translated into strategic activities for sales and marketing management. The results propose that the general use of social media as an internet marketing tool can influence the business relationship-building process and salespeople's ability to improve financial performance. According to Andzulis et al. (2012), social media has a role to play at every stage of the sales process (understanding the customer, approach, needs discovery, presentation, close, and follow-up). Hassan et al. (2015) noted the significant effect of social media on business by impacting how customers make purchases. These purchasing decisions ultimately have implications for total sales, thus demonstrating that organisational social capital consequently affects performance (Ferrer et al., 2013). Managers must, therefore, encourage their salespeople to adopt social media in their selling process. Businesses that encourage their employees to use their social media profiles to listen, engage, monitor, and create conversations with customers, prospects, and anyone else who comes into contact with the brand can significantly increase the company's word of mouth because they are brand ambassadors and salespeople, resulting in improved performance. This understanding, when combined with an employee's extra-role service behaviour and social media activity, leads to more efficient company execution. The impact for businesses is that they will have a broader reach that extends beyond local markets or geographical limits to include global/international markets. The research gives insight into how social media usage might translate into performance outcomes for practitioners, particularly chief marketing officers, relationship managers, and directors of sales. Thus,

organisations cannot use employees' social media accounts as their own social media pages to promote products and services. Managers must create a social media handle which is handled by experts. The organisation is taking a risk by allowing employees to use their social media handles when they can really create one.

9 Limitation and Future Research

Despite the due diligence and significant contributions that this study has demonstrated, there are limitations that are potential avenues for future research. First, the study is a brief cross-sectional depiction, according to Rodriguez et al. (2015); this is only one data point in understanding social media advancements; therefore, the need for a longitudinal study continues. Second, the current study focuses on firms from different sectors with a variety of products. Understanding the peculiar effect of social media on individual products can better guide organisations in the allocation of resources. Hence, future research on multi-sectors should consider answering the question of what products will assist the organisation in driving optimal performance. Third, given the limited data explored by the current study, making generalisation may prove difficult. Hence, future studies can build on our study and widen the scope to accommodate a large dataset that will enable adequate and broad generalisation.

10 Conclusion

This study contributes to the literature on the relationship between social media adoption and organisations' non-financial and financial performance. Specifically, the study found that most organisations use Facebook platforms to promote brand visibility. They also use Facebook to build relationships with customers, research information about clients and competitors, and offer customer service. This explains why Facebook usage results in non-financial performance outcomes such as improved customer relationships and enhanced brand visibility, which in turn enhance financial performance outcomes.

Appendix

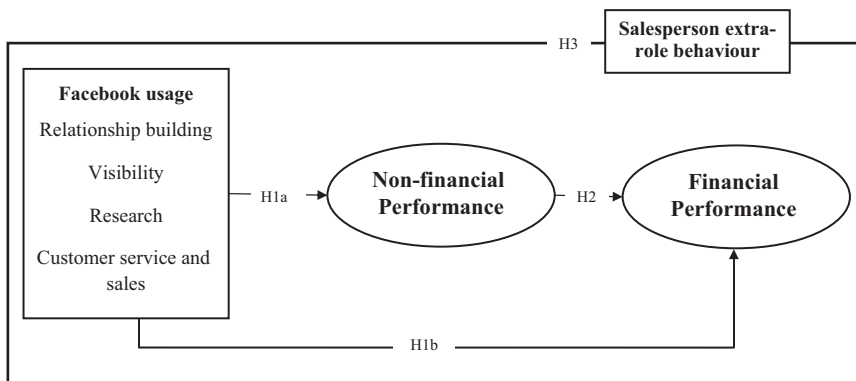


Fig. 4.1 The conceptual framework

Table 4.1 Respondents' job titles

Details	Frequency	Per cent
Sales executive	28	27.7
Marketing executive	17	16.8
Customer service representative	10	9.9
Relationship officer	6	5.9
Social media/Digital analyst manager	5	5.0
Communication officer	5	5.0
Assistant sales and marketing manager	4	4.0
Manager	4	4.0
Assistant brand manager	4	4.0
Revenue assurance specialist	3	3.0
Online customer advisor	3	3.0
Product development and innovation	2	2.0
Brand manager	2	2.0
Marketing manager	2	2.0
Head, communication and public relation	1	1.0
Head, product development and innovation	1	1.0
Relationship manager	1	1.0
Media manager West Africa	1	1.0
Marketing research manager West Africa	1	1.0
Finance	1	1.0
Total	101	100.0

Table 4.2 Measurements model

Constructs	Observations	Loadings	AVE	Composite reliability	Cronbach's Alpha
Salesperson extra-role	ESP1	0.775	0.665	0.922	0.899
	ESP2	0.867			
	ESP3	0.867			
	ESP4	0.845			
	ESP5	0.720			
	ESP6	0.808			
Financial performance	FP1	0.855	0.798	0.952	0.937
	FP2	0.873			
	FP3	0.897			
	FP4	0.924			
	FP5	0.915			
Non-financial performance	NP1	0.777	0.677	0.944	0.931
	NP2	0.852			
	NP3	0.813			
	NP4	0.855			
	NP5	0.807			
	NP6	0.761			
	NP7	0.857			
	NP8	0.853			
Use for relationship building	SMR2	0.890	0.797	0.887	0.745
	SMR3	0.895			
Use for visibility	SMV4	0.918	0.69	0.899	0.852
	SMV5	0.860			
	SMV6	0.753			
Use for research	SMRE7	0.746	0.674	0.892	0.837
	SMRE8	0.820			
	SMRE9	0.881			
	SMRE10	0.832			
Use for customer service and sales	SMS11	0.832	0.716	0.883	0.802
	SMS12	0.852			
	SMS13	0.831			
	SMS14	0.807			

Table 4.3 Evaluation of second-order constructs

Constructs	Observations	Loadings	AVE	Composite reliability	Cronbach's Alpha
Facebook usage	SMR2	0.801	0.535	0.937	0.927
	SMR3	0.778			
	SMRE10	0.657			
	SMRE7	0.660			
	SMRE8	0.669			
	SMRE9	0.703			
	SMS11	0.787			
	SMS12	0.773			
	SMS13	0.768			
	SMS14	0.765			
	SMV4	0.784			
	SMV5	0.646			
	SMV6	0.691			

Table 4.4 Inter-construct correlation matrix

	Salesperson extra-role	Financial performance	Non-financial performance	Facebook usage
Salesperson extra-role	0.816			
Financial performance	0.565	0.893		
Non-financial performance	0.457	0.786	0.823	
Facebook usage	0.477	0.585	0.66	0.732

Note: Square root of AVEs are on diagonal

Table 4.5 Mean score for confirmed constructs of Facebook usage

Constructs for Facebook usage	Mean	Std. deviation
Relationship building	3.9158	0.99265
Visibility	4.0957	0.89360
Research	3.2871	1.01266
Customer service and sales	3.7698	0.96675

Table 4.6 Path coefficients, indirect, total, and R²

Hypotheses	Path coefficients	Indirect (mediation test)	Total
Non-financial performance → Financial performance	0.711(0.000)		0.711(0.000)
Facebook usage → Non-financial performance	0.660(0.000)		0.660(0.000)
Facebook usage → Financial performance	0.115(0.171)	0.469(0.000)	0.584(0.000)
R ² Non-financial performance			0.430(0.000)
R ² Financial performance			0.619(0.000)

Table 4.7 Results of the K-means cluster analysis

Salesperson extra-role	No encouragement (n = 53)	Some encouragement (n = 48)	Total (n = 101)	F-value	Sig.
ESP1	1.75	3.54	2.6040	78.274	$p < 0.000$
ESP2	1.81	3.77	2.7426	110.573	$p < 0.000$
ESP3	1.79	3.75	2.7228	114.141	$p < 0.000$
ESP4	1.79	3.77	2.7327	126.431	$p < 0.000$
ESP5	2.09	3.52	2.7723	38.881	$p < 0.000$
ESP6	2.13	3.90	2.9703	74.193	$p < 0.000$

Table 4.8 Relationship between encouragement of service behaviours and performance

Performance	Discriminator	N	Mean	F	Sig. (2-tailed)
Non-financial Performance	Some encouragement	48	3.8516	5.137	0.001
	No encouragement	53	3.2783		
Financial Performance	Some encouragement	48	3.5750	3.391	0.000
	No encouragement	53	2.5585		

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5

Examining the Impact of Value-Driven Social Media Content Strategies and Product Type on Social Media Behavioural Engagement: Evidence from Nigeria

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1 Introduction

The ever-growing dynamics of digital technologies and their attendant disruptions of conventional business practices are clear indications that firms have to be cognisant of how these tools are transforming businesses across industries globally. According to Mühleisen (2018), given that

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over 4 billion people now have access to smartphones, digitalisation has transformed around 50 million jobs in the United States. Digital tools are also remarkably creating competitive advantages for firms that are adroit in deploying these tools (Lobo & Whyte, 2017) because, beyond bounds, digital tools have made nonsense of geographical location as a key determinant for business operations worldwide (Ritter & Pedersen, 2020). Thus, African firms, like their counterparts around the globe, can leverage the opportunities afforded by digitisation to develop more viable and sustainable business models that not only follow new structural changes but also are resilient in meeting the ever-changing demands of customers. This is because Africa is among the five fastest-growing economies around the world since the continent houses more than 1.3 billion people, out of which over 40% are less than 16 years (The Africa Report, 2020). One of the digital tools that completely redefined business practices worldwide is social media. To date, the ubiquitous presence of social media has made customer engagement, a key aftermath of digitalisation.

Academics and practitioners alike agree that customer engagement leads to several positive outcomes, including, among others, customer loyalty (Vivek et al., 2012; Brodie et al., 2011; Bartee, 2017) and profitability (van Doorn et al., 2010; Fertik, 2019). However, while the importance of consumer-brand engagement is widely recognised, its empirically derived antecedents, dynamics, and outcomes are not completely understood (Kaur et al., 2020). Although a large-scale analysis of top 20 brands on Twitter reveals that firms succeed better when brand interactions with individual consumers far outweigh push communications (Barger et al., 2016); most Nigerian firms still rely heavily on the “push” content marketing strategy whilst consumer-generated queries are mostly ignored. The unending prevalence of digital tools, especially social media platforms such as Facebook, Instagram, and Pinterest, among others, has led to an explosion in the volume of contents that consumers are exposed to and must engage with. For instance, as of 2020, an average person is exposed to between 6000 and 10,000 adverts on daily basis as against the 500 and 1600 adverts they were exposed to in the 1970s (Carr, 2020). This has led to message clutter. In such a cluttered media landscape where an overwhelming volume of contents are competing for consumers’ attention, firms will successfully attract consumers’ interest and foster the

desired levels of engagement only when they send the right marketing signals to the consumers. The levels of engagement can be (i) consumptive engagement such as passively viewing Facebook posts or tweets or (ii) productive engagement such as liking, commenting, or sharing Facebook posts/retweets.

However, one key question that social media marketers are yet to address is: which content is the most effective for driving productive/active and consumptive/passive customer engagement behaviours (Weiger et al., 2019; Hollebeek & Macky, 2019)? Only 9% of the firms involved in content marketing are certain that their content marketing strategies yield the desired results (Patel, 2020). Yet, it is noteworthy that despite the global nature of the digital revolution, policy reactions and adaptations must take a regional or even national viewpoint (Mühleisen, 2018). Thus, it is important to chart unique structural, procedural, and modular changes for African firms, especially service providers. Against the foregoing background, this chapter seeks to answer two key research questions:

1. Will value-driven social media marketer-generated contents trigger consumptive and productive engagement behaviours in an increasingly digitalised world?
2. If yes, will such effect vary for search and experience products?

The global digital revolution redefined the media landscape and thrust the African continent in the spotlight for enhanced digital service delivery, business growth, and expansion (Rachinger et al., 2019; Myovella et al., 2020). Global digital advertising expenditure surpassed \$203 billion in 2018 (Skipta, 2020). This is because over half of the world's population use social media, with usage among Africans growing rapidly even though the continent has the least penetration (Chaffey, 2020). For instance, current statistical projections indicate that the number of social media users in Nigeria will increase to 24.3 million by 2023 (Izogo et al., 2020b). Thus, opportunities abound for firms to deploy digital tools, especially social media, to reach consumers. However, the current media landscape has intensified message overload and created unparalleled consumer stimulus; thus, challenging both recognised and new market entrants to seek unique ways of breaking the clutter and fostering

successful engagement (Falk, 2019) in today's digitalised business environment. When engaged, consumers of digital media contents can do both consumptive and productive behaviours that will consequently lead to sales and profits for firms. But unfortunately, majority of the marketers that engage in content marketing struggle to create valuable contents that drive consumer engagement (Bartee, 2017) even though fact-based contents that are valuable and relevant to consumers are effective for mitigating the ad-blocking and ad blindness issues associated with information overload and advertising clutter (Falk, 2019; Skipta, 2020). This chapter contributes to social media advertising as well as the mechanism through which consumer purchase decisions can be fostered by proposing and testing a research model that demonstrates the effect of value-driven social media marketer-generated contents and how productive engagement behaviours can be triggered in an ever-changing digital business world.

Value-driven social media content is defined in this chapter as contents that are compelling, timely, valuable, and relevant to consumers. Thus, it is a critical aspect of digital content marketing (DCM) which Holliman and Rowley (2014) defined as “creating, distributing and sharing relevant, compelling and timely content to engage customers at the appropriate point in their buying consideration processes, such that it encourages them to convert to a business building outcome” (p. 285). DCM succeeds better when firms design brand-related contents that match the informational and entertainment needs of consumers (Kaur et al., 2020) because contents that match these motivations trigger higher perceived value (Brodie et al., 2011). Given the contextual nature of digital contents (Rowley, 2008), it is possible that different products require different content strategies. Although DCM has been investigated (see, for instance, Hollebeek & Macky, 2019; Järvinen & Taiminen, 2016; Taiminen & Ranaweera, 2019), studies that simultaneously examined the content strategies that are most effective in fostering consumer engagement behaviours for both search and experience products from the value-based perspective is scarce. By investigating this phenomenon in a rapidly evolving digitalised African business context, this chapter contributes to the DCM literature and the content creation facet of the digital platformisation perspective by showing how product type moderates

the effect of value-driven social media contents on consumer engagement behaviours.

We address the research questions through an experimental research design. We selected Nigeria as the context for stimuli presentation and data collection. By drawing on the generic and rich literature on digitalisation of business operations, this chapter aims to show how value-driven social media contents generated by marketers influence consumer behavioural engagement and the contingent role of product type (search vs experience products) in the relationship. The remainder of this chapter is structured as follows. First, we describe the conceptual foundations and develop the research hypotheses. Second, we explain the method adopted to answer the research questions, analyse, and report the research findings. Finally, we conclude with a discussion of the findings, theoretical and managerial implications.

2 Conceptual Foundations and Research Hypotheses

Drawing on the uses-and-gratification theory (Ruggiero, 2000), which broadly posits the need for informativeness and entertainment as the motivations that govern consumers' content consumption, we propose the research model for this chapter (see Fig. 5.1). The research model postulates that value-driven social media marketer-generated contents are precursors of consumptive behavioural engagement (hereafter, CBE) and productive behavioural engagement (hereafter, PBE). The model also illustrates the possible moderating effect of product type. In what follows, the conceptual foundations of these relationships are discussed, and the research hypotheses are developed.

2.1 Customer Engagement in a Digitalised World Ruled by Social Media

One of the most interesting trends in businesses is the enthronement of the digitalisation era. The digitalisation era has ensured that words spread

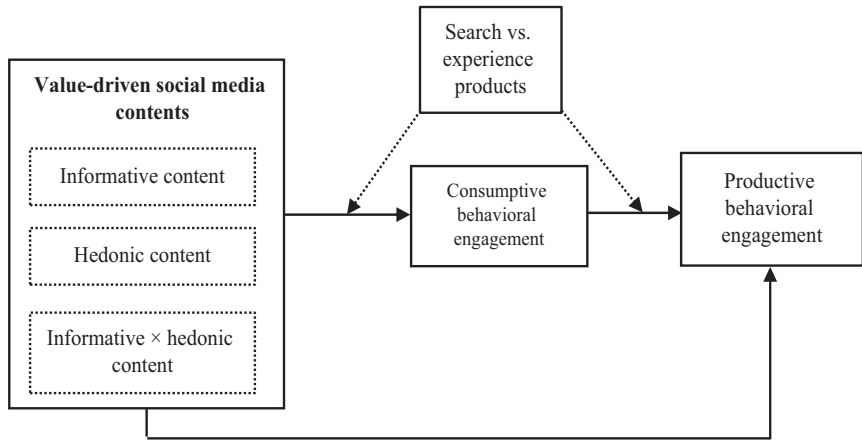


Fig. 5.1 Social media customer behavioural engagement model in a digitalised world

faster than were hitherto possible, whilst customers also want to engage with businesses, in the same manner, they do with friends and family (Hueffner, 2020). One of the digital tools that have redefined marketing practices, including customer engagement, is social media. With social media platforms, firms can easily connect with consumers, meaningfully engage them with contents of incredible quality, and resolve customers' complaints (Thompson, 2020). Sall and Lichtenfeld (2017) noted that while all average customers participate in a variety of online activities such as social media conversations, email, digital commerce, messaging, and video streaming, firms are creating digital infrastructures such as websites, social media pages/handles, chatrooms, and virtual channels that aid customer service and support as well as business transactions. According to Thompson (2020), 52% of firms are convinced that Facebook is an effective channel for engaging customers and offering customer service and support, 48% of customers admitted having communicated with firms via a social media platform, while 85% of small- and medium-scale firms deploy Twitter to offer customer service.

One thing is clear from the foregoing: digital transformation has led to more engaged customers (Lund, 2020). Firms are now compelled to have

a customer engagement strategy, make a choice of channels, especially social media, through which customer engagement can be fostered, and keep track of all customer interactions through digital tools (Hueffner, 2020). When properly engaged through digital platforms, customers exhibit more loyalty and contribute significantly to firms' profit (Lund, 2020). Digital transformations have meant that proper customer engagement can only happen if firms integrate the virtual and physical worlds by ensuring a seamless unification of digital tools with physical architectures (Sall & Lichtenfeld, 2017). While companies continue to go digital to stay relevant, 47% of them have not gone digital despite feeling that this stance will hurt the success of their businesses and customer engagement (Lund, 2020). Perhaps, they lack a good understanding of customer engagement processes and how digital tools can help them transform their customer engagement practices. In this section, we clarify the meaning of customer engagement in the context of digitalisation and enact specific hypotheses.

According to van Doorn et al. (2010, p. 254), customer engagement is the "behaviours [that] go beyond transactions, and may be specifically defined as a customer's behavioural manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers". But taking the online context into account, Eigenraam et al. (2018, p. 104) defined "digital customer engagement practices as consumers' online behavioural manifestations of brand engagement that go beyond purchase [...] *these practices are* manifestations of consumers' motivational states of brand engagement (i.e., the intrapersonal dynamics of brand engagement), namely cognitive (i.e., how much consumers think about a brand), emotional (i.e., what people feel about a brand), and behavioural brand engagement (i.e., how much energy, effort and time consumers spend on using a brand)". Though the consensus in the literature revolves around a tripartite framework of customer engagement comprising cognitive, emotional, and behavioural elements, this chapter focuses on behavioural engagement. The reason behind this lies in the fact that social media researchers focus on behavioural engagement (Weiger et al., 2018) because customers' interactive experiences occur in behaviour (van Doorn et al., 2010) and because social media create observable pointers for tracking customer engagement activities (Weiger et al., 2018). Essentially,

all these are made possible by the plethora of digital tools available to modern-day marketers. The behavioural component of engagement as a motivational state is the vigour, time, and effort that consumers exhibit when *using* a brand (Hollebeek et al., 2014). It differs from digital engagement practices, which reflect every form of consumer's brand behavioural manifestation transcending usage that transpires in online platforms (Eigenraam et al., 2018). In short, digital customer engagement reflects a totality of all the ways that customers interact with firms and how firms interact with their customers (Hueffner, 2020).

Scholars have distinguished several facets of digital behavioural engagement practices. According to Muntinga et al. (2011), consuming, contributing, and creating are the three levels of brand engagement behaviours exhibited by consumers. While consuming is passive/consumptive in nature, contributing and creating are active/participatory or PBE. In this light, a distinction has been made between PBE, which is active in nature and relates to the user's activities geared towards creating content (e.g. Facebook post) or sharing content (e.g. sharing a Facebook post) with other users—(Zhang et al., 2017) and CBE—which is passive in nature and reflects passive social media behaviours such as subscribing to social media newsfeed of a firm through following the firm's social media updates and consequently joining the firm's social media community (John et al., 2016). Both variants of customer behavioural engagement can coexist (Hartmann et al., 2015) and are important in driving brand awareness (John et al., 2016), consumer-brand connections (Hollebeek et al., 2014), and, ultimately, sales and firm value.

Given that customer behavioural engagement is a motivational state, we argue likewise that the concept has antecedents. One of such antecedents can be marketer-generated contents shared on social media platforms. According to Thompson (2020), the digital era has made social media a powerful platform through which valuable contents that engage customers at the emotional level can be shared whilst apps can transform unpremeditated interactions into quality relationships that trigger sales. Consumers undertake behavioural engagement when they consume marketer-generated communications for either functional or hedonic reasons (Hollebeek & Macky, 2019). Functional contents, which are usually utilitarian in nature and resonate with what we termed informative

content, satisfy consumers' information seeking needs while hedonic contents satisfy consumers' needs for entertainment. Thus, informative and hedonic contents resonate with what Izogo et al. (2020a) described as utilitarian and hedonic value, respectively. Irrespective of whether a content takes an informative or hedonic stance, consumers perceive it to be valuable when it truly tells a brand story (Hollebeek & Macky, 2019). It has been argued that users obtain informative contents because it helps them accumulate useful information that will enable them to make informed product purchase or simply make them feel good (Weiger et al., 2019). Entertaining contents can also be reflective of a joyful way to gain product knowledge, and rewarding experiences during content exploration activities, such as clicking on the "read more" link in a Facebook post (Weiger et al., 2019). A hybrid consumption situation where a consumer that sets out to search for specific information also ends up enjoying the search experience is also possible. These content mixes can trigger consumer behavioural engagement. For instance, Facebook brand posts that feature emotional contents such as funny videos can prompt the consumers to comment or share it with other people so they can view it and feel good too (Weiger et al., 2019). Lee et al. (2018) found that consumers are likely to disseminate emotional contents posted on social media more than any other type of content. Similarly, Stephen et al. (2015) noted that humorous contents garner more clicks. Sending the right marketing contents is an action-oriented endeavour from the perspective of firms. According to Sall and Lichtenfeld (2017), the digital era has made it possible for every action to attract an equal and delightful reaction in return. Thus, we propose the following hypotheses:

- H₁ Value-driven social media marketer-generated contents have a significant main effect on CBE.
- H₂ Value-driven social media marketer-generated contents have a significant main effect on PBE.

2.2 The Role of Product Type

There are several ways of classifying products but the most popular product classification that reflects the Internet as a marketing tool is in terms of those that possess search qualities (search products) and those that possess experience qualities (experience products) (Weathers et al., 2007). Given the contextual nature of digital contents (Rowley, 2008), the value that consumers place on such contents can be contingent upon the product under consideration. This is because while a wide array of digital tools exists, the way firms may go about deploying them is dependent on the product that the firm markets. The attributes of search products are objective since they can be obtained prior to purchase, while those of experience products are subjective because experience is required before quality can be ascertained. Likewise, informative contents are utilitarian or rational in nature and require objective evaluation, while hedonic contents appeal to consumers' emotions due to their subjective nature. Expectedly, therefore, informative contents are likely to be more effective in fostering behavioural engagement towards search (vs experience) products, while hedonic contents are likely to be more effective in fostering behavioural engagement towards experience (vs search) products. Additionally, most experience products, especially banking services, are an embodiment of both utilitarian and hedonic features. Expectedly, therefore, a combination of informative and hedonic contents will trigger behavioural engagement for experience (vs search) products. Thus, we propose the following hypotheses:

- H₃ Informative value-driven social media marketer-generated contents will interact with product type to influence behavioural engagement. Specifically, informative content will more effectively drive (i) CBE and (ii) PBE for search than experience products.
- H₄ Hedonic value-driven social media marketer-generated contents will interact with product type to influence behavioural engagement. Specifically, hedonic content will more effectively drive (i) CBE and (ii) PBE for experience than search products.

H₅ When combined, informative and hedonic value-driven social media marketer-generated contents will interact with product type to influence behavioural engagement. Specifically, a combination of informative and hedonic content will more effectively drive (i) CBE and (ii) PBE for experience than search products.

H₆ CBE will have a strong positive effect on PBE, but the effect will be moderated by product type.

2.3 Consumptive Behavioural Engagement as a Mediator

When exposed to value-driven social media marketer-generated contents, consumers will, first of all, read the content (i.e., consume it) before deciding whether to like, comment, or share it (i.e., productive behaviours) or not. Thus, even though consumptive and productive engagement behaviours can coexist (Hartmann et al., 2015) such that visitors of a social media brand page with the original aim of learning about a brand can engage in productive behaviours such as liking, commenting, or sharing contents generated in that page, one (i.e., consumptive behavioural engagement) is likely to lead to the other PBE. When social media contents are value-driven, consumers are more likely to consume it. Consumers that are exposed to valuable contents can also indicate their satisfaction with such contents by liking, commenting on, or sharing it. Thus, content consumption precedes productive behavioural dispositions towards the same content. Hollebeek and Macky (2019) argued that the way that digital contents trigger outcomes, including customer engagement, is a mediated process. Thus, the following hypothesis is proposed:

H₇ Consumptive behavioural engagement will mediate the effect of value-driven social media marketer-generated contents on PBE.

3 Research Methodology

3.1 Procedure

This chapter addressed the research questions through an experimental research design. Experimental research designs are popular amongst marketing researchers, especially those that investigate social media advertising (see, for instance, Pan & Chiou, 2011; Izogo et al., 2020b; Lo & Yao, 2019). Prior to the main experiment, we conducted two pre-studies. The first pre-study required 30 participants to rank 12 products based on whether they possess search or experience attributes, respectively. Based on the results, shoe and banking services were selected as search and experience products, respectively. The second pre-study steered a qualitative interview with 25 participants who were asked to enumerate the attributes of shoes and banking services that appeal to them the most when making purchase decisions. Hedonic attributes and utilitarian attributes or what we termed informative content in this chapter emerged as what inform consumers' evaluation of search and experience products. Based on these findings, we developed infographic contents addressing each of these attributes for the experiment.

We utilised a 2 (product type: search vs experience) $\times$ 3 (value-driven social media content: utilitarian vs hedonic vs utilitarian $\times$ hedonic) between-subject design. We used infographics because it is a type of content widely used by firms on social media (Harris, 2017; Viswanathan et al., 2017). Our choice of Facebook as the content stimulation platform derives from the reasoning that its users are representative of the entire population of social media users because it is the most used social media platform (Chaffey, 2020). Based on the findings generated from the qualitative pre-study, we manipulated social media marketer-generated content by developing three content conditions (informative content, hedonic content, and informative $\times$ hedonic content), each for both shoes and banking services (the stimulation materials are available on request). Thus, six experimental stimuli (i.e., response conditions) were generated (comprising informative content about shoes, hedonic content about shoes, informative $\times$ hedonic content about shoes, informative

content about banking services, hedonic content about banking services, informative $\times$ hedonic content about banking services). The experimental subjects (comprising both staff and students who were different from those that participated in the two pre-studies) recruited from Alex-Ekwueme Federal University located in the South East of Nigeria were randomly assigned to one of the six experimental stimuli. Therefore, the random sampling technique was utilised. Random assignment was realised by pre-mixing the stimulation materials beforehand. We stimulated participants to imagine that as they were going through their Facebook Newsfeed, they saw marketer-generated content. Thereafter, the stimulus was presented. The participants' task was to go through the materials, assume it happened to them, and fill out the accompanying survey. The collection of data continued until a minimum sample size of 25 subjects were reached for each experimental condition. Our sample sizes for the six experimental conditions are, therefore, well above the minimum acceptability threshold set by Hair et al. (1998). Drawing on a recent research (see Izogo et al., 2020b), we eliminated the influence that might have arisen from prior experiences by deploying fictitious brand names in all stimuli materials. After reading the stimulation material assigned, the subjects responded to the measures of (i) consumptive behavioural engagement (CBE) and productive behavioural engagement (PBE), (ii) manipulation checks, and (iii) age and gender.

3.2 Measures

We operationalised the two latent variables under scrutiny (i.e. CBE and PBE) by adapting measures from previous research (see Tsai & Men, 2013). CBE and PBE were measured with three and four scale items, respectively (see Table 5.1) structured in the 5-point Likert format. Given that social media marketer-generated contents are an aspect of advertising and in line with Izogo et al. (2020b), we assessed the ease of understanding and advertising effectiveness by asking participants to respond yes/no to the following questions respectively: (i) Is the message passed in the Facebook content easy to understand? (ii) Can you say that Facebook content is effective in communicating the intended message? Additionally,

the manipulation checks for the six experimental content conditions were examined by asking subjects to indicate the extent to which the stimulus they were exposed to is attractive and pleasurable on a 5-point scale with anchors of “very attractive” and “very unattractive”. Lastly, since the six experimental content conditions were contrived, we also used a 5-point scale with anchors of “very large extent” and “very little extent” to assess experimental and mundane realism with the following measures respectively: “To what extent do you think that the Facebook content is real?” and “To what extent do you think the Facebook content is similar to the Facebook content of existing firms?”.

4 Analyses and Results

4.1 Measurement Model

Table 5.1 reports the factor loadings and the reliability estimates of the latent variables. Consistent with the stipulation that Cronbach and composite reliability must be at least 0.60 and 0.70, respectively, the latent variables demonstrate internal consistency because the Cronbach alpha for CBE and PBE are 0.819 and 0.840, respectively, while the composite reliability is 0.892 and 0.889, respectively. Also, the scale items demonstrate convergent validity because all the factor loadings were well above 0.50, the minimum limit of acceptability. Thus, measures of the latent variables were averaged to form corresponding constructs for further analysis.

4.2 Manipulation Checks

Outputs from an ANOVA test indicate a successful manipulation of the social media value-driven contents. Specifically, the subjects exposed to hedonic content rated it to be more attractive than those exposed to informative $\times$ hedonic content which also rated the attractiveness of the stimulus more positively than the participants exposed to informative content [$M_{\text{hedonic content}} = 4.54$ vs $M_{\text{informative} + \text{hedonic content}} = 4.36$ vs $M_{\text{informative}}$

Table 5.1 Scales' factor loadings and reliabilities

Latent variables	Measurement indicators	Factor loadings	t-values	Cronbach alpha (composite reliability)
Consumptive behavioural engagement (CBE)				0.819(0.892)
CBE1	Based on the Facebook content, I'm likely to watch other video updates on the Facebook page of [firm]	0.905	38.54**	
CBE2	Based on the Facebook content, I'm likely to view other picture updates on the Facebook page of [firm]	0.803	17.64**	
CBE3	Based on the Facebook content, I'm likely to read other posts and comments on the Facebook page of [firm]	0.860	28.84**	
Productive behavioural engagement (PBE)				0.840(0.889)
PBE1	Based on the Facebook content, I'm likely to comment on or like other posts on the Facebook page of [firm]	0.793	25.19**	
PBE2	Based on the Facebook content, I'm likely to share the updates of [firm] on my Facebook page	0.871	39.78**	
PBE3	Based on the Facebook content, I'm likely to invite my Facebook contacts/friends to like [firm]'s Facebook page	0.917	24.99**	
PBE4	Based on the Facebook content, I'm likely to upload product-related video, audio, pictures or images about [firm] on my Facebook page	0.804	24.51**	

Notes: $n = 168$; ** $p < 0.01$

$content = 4.16$; $F(2, 165) = 3.855$, $p < 0.05$]. But taken together, it is noteworthy that the subjects exposed to all the stimulation materials rated the content they were exposed to very positively. Results also strongly indicate that the subjects understood the social media content they were assigned to and that the content was effective in passing on the envisioned message. Precisely, 92.3% of them noted that the content they were exposed to pass on an effective message and was easy to understand. The stimulus for both product categories was of equal effectiveness because a significant result was not obtained across shoes and banking services [$M_{shoes} = 4.40$ vs $M_{banking\ services} = 4.30$; $F(2, 165) = 1.19$, $p > 0.05$]. The foregoing shows that all the experimental manipulations were effective and of equal magnitude or demonstrate measurement equivalence across the two product categories tested.

4.3 Realism Checks

Following Roschk and Kaiser (2013), we tested the six value-driven social media content conditions/stimuli for both experimental and mundane realism. Although Hair et al. (1998) stipulated that a minimum of five subjects are required in each experimental condition for validity to be established, we recruited more than 25 subjects in each of the experimental stimuli to enhance external validity and reliability. Consistent with established guidelines (see Field, 2009), we used one-sample t -test (test value = 3; t -value ≥ 1.96 is significant at $p < 0.05$ level). Outputs from the analysis indicate that all the six value-driven social media content stimuli/conditions demonstrate both experimental and mundane realism [experimental realism- (mean: 3.53–4.26; t -values: 3.12–9.98); mundane realism- (mean: 3.63–4.45; t -values: 2.57–9.96)].

4.4 Test of Hypotheses

We used a 2 (search vs experience products) $\times$ (informative vs hedonic vs informative $\times$ hedonic contents) multivariate analysis of variance (MANOVA) to examine H1–H5 comprising the main and interaction

effects of value-driven social media marketer-generated contents and product type on consumptive and productive engagement behaviours. The results from the MANOVA test is shown in Table 5.2. The outputs indicate that the main effect of product type on CBE [$M_{shoes} = 4.01$ vs $M_{banking\ service} = 4.09$; $F(1, 162) = 0.35$, $p = 0.562$, $\eta^2 = 0.002$] and PBE [$M_{shoes} = 3.85$ vs $M_{banking\ service} = 3.80$; $F(1, 162) = 0.152$, $p = 0.697$, $\eta^2 = 0.001$] are not significant. In contrast, the main effect of value-driven social media marketer-generated contents on CBE [$M_{informative\ content} = 3.90$ vs $M_{hedonic} = 3.89$ vs $M_{informative \times hedonic\ content} = 4.36$; $F(2, 162) = 6.23$, $p = 0.002$, $\eta^2 = 0.071$] and PBE [$M_{informative\ content} = 3.53$ vs $M_{hedonic} = 3.67$ vs $M_{informative \times hedonic\ content} = 4.28$; $F(2, 162) = 12.63$, $p = 0.000$, $\eta^2 = 0.135$] were significant. Thus, regardless of product type, a combination of informative and hedonic contents was more effective in triggering both consumptive and productive engagement behaviours. Therefore, H1 and H2 are supported.

We also observed a significant two-way interaction between product type and value-driven social media marketer-generated content that the participant was exposed to, on both CBE, $F(2, 162) = 2.996$, $p = 0.053$ and $\eta^2 = 0.036$; and PBE, $F(2, 162) = 3.653$, $p = 0.028$ and $\eta^2 = 0.043$. Figure 5.2a and b which present a graphical illustration of these effects indicates that search (vs experience) products were affected differently by value-driven social media contents. Specifically, Fig. 5.2a and b shows that informative content was more effective in influencing both CBE ($M_{shoes} = 4.08$, $SD = 0.15$ vs $M_{banking\ services} = 3.72$, $SD = 0.16$) and PBE ($M_{shoes} = 3.79$, $SD = 0.15$ vs $M_{banking\ services} = 3.27$, $SD = 0.16$) for search (vs experience) products. Hence, H3 is supported. In contrast, Fig. 5.2a and b indicates that hedonic content influenced both CBE ($M_{shoes} = 3.75$, $SD = 0.15$ vs $M_{banking\ services} = 4.04$, $SD = 0.17$) and PBE more positively ($M_{shoes} = 3.64$, $SD = 0.16$ vs $M_{banking\ services} = 3.69$, $SD = 0.16$) for experience products compared to search products. Hence, H4 is supported. Similarly, it is also indicated in Fig. 5.2a and b that a combination of informative and hedonic content influenced both CBE ($M_{shoes} = 4.22$, $SD = 0.15$ vs $M_{banking\ services} = 4.51$, $SD = 0.16$) and PBE ($M_{shoes} = 4.12$, $SD = 0.16$ vs $M_{banking\ services} = 4.44$, $SD = 0.16$) more positively for experience products compared to search products. Hence, H5 is supported, implying that while a combination of both informative and hedonic value-driven social

Table 5.2 Test of between-subject effects on consumptive behavioural engagement (CBE) and productive behavioural engagement (PBE)

Source	Dependent variable	Type III sum of squares	Df	Mean square	F	Sig.	Partial η^2
Corrected model	CBE	11.995 ^a	5	2.399	3.674	0.004**	0.102
	PBE	22.125 ^b	5	4.425	6.308	0.000***	0.163
Intercept	CBE	2749.589	1	2749.589	4210.938	0.000***	0.963
	PBE	2451.485	1	2451.485	3494.651	0.000***	0.956
Product type	CBE	0.221	1	0.221	0.338	0.562 ^{ns}	0.002
	PBE	0.107	1	0.107	0.152	0.697 ^{ns}	0.001
Content type	CBE	8.138	2	4.069	6.232	0.002**	0.071
	PBE	17.718	2	8.859	12.629	0.000**	0.135
Product type × Content type	CBE	3.912	2	1.956	2.996	0.053 [†]	0.036
Error	PBE	5.125	2	2.563	3.653	0.028*	0.043
	CBE	105.780	162	0.653			
	PBE	113.642	162	0.701			
Total	CBE	2875.556	168				
	PBE	2598.688	168				
Corrected total	CBE	117.775	167				
	PBE	135.767	167				

Notes: ^{ns} p not significant at 0.10 level; [†] $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

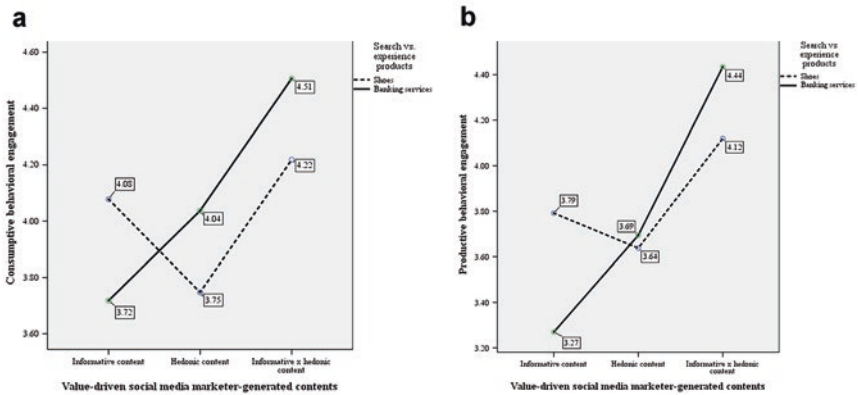


Fig. 5.2 Interaction of value-driven social media marketer-generated contents and product type on behavioural engagement

media marketer-generated contents are effective for both search and experience products, marketers of experience products will foster more CBE when they adopt that strategy.

We utilised the Preacher-Hayes SPSS process macro (model 1 and model 4; 5000 bootstrap samples) to examine H6 and H7, respectively. Results indicate that CBE has a strong positive effect on PBE ($\beta = 0.655$, $t = 3.710$, $p < 0.001$, 95% confidence interval (CI) = 0.306, 1.003) while the interaction effect of consumptive behavioural engagement and product type was positive but insignificant ($\beta = 0.091$, $t = 0.794$, $p = 0.429$, 95% CI = -0.135, 0.316). Thus, H6 is partially supported. Outputs relating to H7 is shown in Table 5.3. In line with Hayes and Preacher (2014), we derived the relative indirect effects of value-driven social media marketer-generated contents on PBE through CBE by multiplying a_1 , a_2 , a_3 , a_4 and a_5 by b . a_1 , a_2 , a_3 , a_4 and a_5 are the mean differences in CBE between the hedonic content about shoes, informative $\times$ hedonic content about shoes, informative content about banking services, hedonic content about banking services, informative $\times$ hedonic content about banking services and informative content about shoes experimental conditions, respectively. Hayes and Preacher (2014) further noted that mediation is established provided that at least one relative indirect effect is significant. Based on the outputs shown in Table 5.3, it can be observed that relative

Table 5.3 Multi-categorical mediation outputs

Outcome	M	Y	Coefficient (SE)	Coefficient (SE)	Relative indirect effects of X on Y $X \rightarrow M \rightarrow Y$ ($a_i \times b$) (95% CI)
Constant	i		4.078(0.148)*	3.792(0.153)*	–
D_1	a_1	c_1	-0.331(0.210) ^{ns}	-0.154(0.218) ^{ns}	-0.241(0.172) ^{ns} (-0.564, 0.118)
D_2	a_2	c_2	0.141(0.210) ^{ns}	0.329(0.218) ^{ns}	0.102(0.141) ^{ns} (-0.159, 0.398)
D_3	a_3	c_3	-0.360(0.217) [†]	-0.522(0.224)*	-0.262(0.180) ^{ns} (-0.606, 0.087)
D_4	a_4	c_4	-0.041(0.214) ^{ns}	-0.092(0.222) ^{ns}	-0.030(0.160) ^{ns} (-0.336, 0.295)
D_5	a_5	c_5	0.428(0.214)*	0.644(0.222)*	0.312(0.136)* (0.066, 0.597)
M		b		0.728(0.058)*	–

Notes: X, value-driven social media marketer-generated contents; M, consumptive behavioural engagement; Y, productive behavioural engagement; D, dummy code; a, mean differences; b, effect of M on Y; $\hat{c}$, direct effect of dummy code on Y when M is present; [†] $p < 0.10$; ^{ns} $p > 0.10$

to informative content about shoes, participants exposed to the informative $\times$ hedonic content about banking services had a PBE that was a_1b (0.428×0.728) = 0.312 units more favourable than the rating of those exposed to informative content about shoes. This effect is significant because the 95% confidence interval (CI: 0.066, 0.597) did not span zero. The remaining four relative indirect effects were insignificant because the 95% confidence intervals straddled zero. Therefore, H7 is supported, and we conclude that consumptive behavioural engagement mediates the effects of value-driven social media marketer-generated contents on PBE.

5 Discussion and Conclusion

In an era where successful firms are those that tap greatly into digital tools, especially social media, to drive consumer-brand interactions, engaging customers with the plethora of digital tools available to firms has proven to be the game-changer because customers that are highly engaged are more likely to become loyal, make more purchases, contribute to business growth, refer a firm to their social networks, and are less likely to defect even in the face of superior market offerings. In line with recent academic and practitioner evidence (see Thompson, 2020; Kaur et al., 2020; Patel, 2020; Hollebeek & Macky, 2019), we promote content marketing, especially those peddled via social media, as a strong digital tool for driving customer engagement across digital platforms which aid the attainment of competitive advantage in an increasingly digitalised business space. Thus, this chapter initially set out to disentangle the role played by marketer-triggered value-driven contents passed on through social media platforms in influencing consumer behavioural engagement. Among other findings, we showed the combined effects of value-driven social media marketer-generated content and product type on consumptive behavioural engagement and productive behavioural engagement. This chapter, therefore, makes important theoretical and practical contributions, as discussed in the subsections below.

5.1 Theoretical Implications

This study advances knowledge on social media marketing and customer behavioural engagement in four significant ways. Firstly, the study validates the importance of value-driven social media marketer-generated content in fostering consumer behavioural engagement. While Hollebeek and Macky (2019) posit that behavioural engagement emanates from the consumption of digital content marketing, empirical findings by Weiger et al. (2019) show that informative and entertaining content may have countervailing consequences for customer behavioural engagement. Contrary to Weiger et al. (2019), the findings in this study show that the value embedded in social media content, irrespective of type (informative, hedonic, informative x hedonic), significantly fosters both CBE and PBE. Moreover, this study extends knowledge on the role of value-driven social media content in driving customer behavioural engagement by demonstrating that its overall positive effects are notwithstanding product type i.e. whether it is search or experience products.

Secondly, this study is, to the authors' knowledge, the first to empirically uncover the effect of product type on the depth of customer behavioural engagement. With this research, the authors have responded to calls by Hollebeek and Macky (2019) as well as Barger et al. (2016) for studies that help uncover content techniques necessary for optimisation of consequences of digital content marketing. This study demonstrates that, although customer behavioural engagement is a function of value-driven social media content irrespective of product type, product type interacts significantly with content value to influence both CBE and PBE. The findings specifically show that with search products, brands are likely to optimise both CBE and PBE if they make use of informative value-driven marketer-generated social media content. Hedonic as well as combined informative and hedonic value-driven content is, on the other hand, more effective in optimising both CBE and PBE for experience products than for search products.

Thirdly, this study is, to the authors' knowledge, the first to shed light on how CBE and PBE relate to one another in digital content marketing contexts. As noted by Weiger et al. (2019) as well as Hartmann et al.

(2015), extant research on customer behavioural engagement has focused on PBE, such that the value of consumptive behavioural engagement is not well understood. This study provides evidence supporting the sequential occurrence of consumptive and productive behavioural engagement. Moreover, the study uncovered the significant mediating role that CBE plays in the relationship between value-driven social media content and PBE. Additionally, the study uncovered that the positive influence exerted by CBE on PBE is not moderated by product type.

Lastly, this study contributes to addressing the current great need for research frameworks that provide clarity on antecedents and consequences of consumer engagement (Barger et al., 2016). Overall, the proposed framework offers a granular understanding of the direct and indirect effects of marketer-generated value-driven social media content on customer behavioural engagement, including the role of product type in this process.

5.2 Managerial Implications

The findings in this study also have significant managerial implications, especially for African business firms. Although the use of social media by marketers is on the increase, researchers (see Mousavi et al., 2017) note that most brands fail to elicit any meaningful increase in customer behavioural brand engagement. The findings in this study point firstly to the need for managers to ensure that their social media marketing strategy is informative and/or hedonic value-driven if they are to succeed in facilitating customer behavioural engagement. Ensuring that content is informative value-driven will require managers to be conversant with the utilitarian needs of customers. The aim should be to provide content that is useful in facilitating customers' learning process. Addressing information needs of customers also demands that managers put measures to ensure that customers' requests for information, including questions posted on social media platforms, are addressed in a timely manner. Success in the provision of hedonic value-driven social media content requires managers to invest time into investigating customer emotional experiences associated with their product offering. The aim should be to

identify what arouses customers and brings them pleasure. It is also worthwhile to devise different ways of engineering social media content to elicit positive customer surprise.

Secondly, this study highlights the need for managers to give due consideration to product type when strategising on how best to stimulate customer behavioural engagement. The study shows that the use of informative value-driven content is ideal in cases involving search products. Hedonic and combined (informative and hedonic) value content is, on the other hand, best deployed in cases involving experience products. As pointed out by Lee et al. (2018), the current market environment is characterised by high levels of competition for consumer attention across different media outlets, including social media platforms. Managers should, thus, avoid pushing social media content that will not contribute optimally to desired consequences other than placing unnecessary cognitive demand on consumers. The great cognitive demand resulting from content saturation on social media platforms forces many to either ignore content or become highly selective in what they view and process (IBM, 2014).

Lastly, the present study makes a case for managers to take an interest in stimulating both CBE and PBE when developing their social media content strategies. Considerable attention among researchers and practitioners is often placed on how best to leverage social media content for PBE. This is most likely because PBE directly contributes to value co-creation, while passive consumers are often regarded as “free riders” (Kamboj & Rahman, 2016). However, managers should also realise that CBE is a significant precursor of PBE and that it significantly mediates the influence of value-driven social media content on PBE. This study provides measures that managers can use to monitor over time, levels of CBE and PBE that their social media content manages to stimulate. Moreover, the enhanced insights into customer behavioural engagement to be gained through the adoption of the measures can be used for strategising on content development for improved efficacy.

Specifically, African firms that deploy digital platforms to market their products/services are admonished to pay attention to the following specific recommendations:

1. Marketers of search products/services such as footwear, online tickets, books, and clothing who aim to stimulate consumer engagement in social media platforms must master the act of deploying infographic contents that enable consumers to learn more about the brand through social media. In addition to the occasional use of hedonic infographics, these contents must embed information that reflects product/service values, such as durability, appearance, responsiveness, reliability, and up-to-date information.
2. In contrast, marketers of experience products/services such as banking, hotel, restaurant, and travel services must learn how to craft hedonic infographics as well as infographic contents that are simultaneously informative and hedonic in nature and disseminate the same within social media platforms such as Facebook. Examples of themes around which such content materials can be framed include service convenience, appearance, responsiveness, empathy, value-for-money, and ambience.
3. Finally, African firms deploying digital platforms to market products/services to trigger PBE must note that this is not automatic. It is a process that begins with exposure to suitable contents. As we noted above, how to trigger this process is a function of product/service that the firm markets. Overall, to discern brand-focused values, firms must include as part of their digital content marketing strategy development plan, how to survey the value-orientation of their customers prior to content creation and dissemination.

6 Limitations and Suggestions for Further Research

While this study provides useful insights into the influence of value-driven social media marketer-generated contents and product type on CBE and PBE, it is not without limitations. The first limitation relates to the fact that the proposed model was tested on individual consumers in the business-to-consumer context. Use of social media content marketing is, however, also a growing phenomenon in the business-to-business

(B2B) context. It is, thus, recommended that future research investigates the generalisability of the findings among different types of businesses, including in B2B type of businesses. Another limitation of the study relates to it being cross-sectional in nature. This means that the insights gained relate to consumer engagement behaviour at a specific point in time. Considering that customer engagement is a result of an interactive process between brands and consumers that often takes place over a period of time, it is recommended that future studies take a longitudinal approach. Such an approach can help shed important light on the customer behavioural engagement journey. For example, given that both informative and hedonic value-driven social media contents influence CBE and PBE, a longitudinal study can be used to examine differences in engagement trends following varied patterns of exposure to different content types. Future research can also aim at deepening the understanding of the influence of value-driven social media content on customer behavioural engagement by incorporating additional moderating and/or mediating factors into the proposed model.

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6

A Self-Concept Interactionist Model of Social Media Reputation

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1 Introduction

There is a heightened interest in social media and its profound impact on corporate reputation (Becker & Lee, 2019; Horn et al., 2015; Fournier & Avery, 2011; Lariscy et al., 2009) across the disciplines of public relations, marketing, human resources, and business strategy (Pollák et al., 2019). However, the consensus is that works on corporate reputation arose from public relations, and have grown to become a driving force in practice (Pollák et al., 2019; Hutton et al., 2001). The rise in interest in the relationship between social media and corporate reputation has influenced many organisations to invest heavily in social media to purposefully manage their corporate reputation online to appeal to a new generation of customers who are found mostly online.

A number of factors can be adduced to this rising interest in the relationship between social media and corporate reputation. These include

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increased visibility, avoiding reputational damage, improving consumer loyalty and commitment, and remaining competitive across markets. In the past, managing an organisation's reputation was easier as the audience was defined (Pollák et al., 2019) and limited to offline channels. However, in the networked world of today's customers, it is becoming increasingly challenging to effectively maintain an organisation's reputation, especially within online channels. As more people join the social media ecosystem, its ability to significantly affect corporate reputation grows stronger (Carroll, 2015). This creates a set of opportunities and challenges for organisations that consciously manage their reputation. Many corporations now rely more on the instantaneous nature of social media to tell their stories than on the offline channels of corporate communications. This creates a brand personality (Vila-López & Rodríguez-Molina, 2013) which can be cognitively, emotionally, and symbolically evaluated by consumers, thus contributing to the development and management of corporate reputation (Cian & Cervai, 2014). Today, it is recognised and understood that developing a positive corporate reputation is heavily dependent on consumer experience (Shamma & Hassan, 2009), consumer loyalty and commitment (Dehghan et al., 2014), and customer satisfaction. This knowledge has encouraged business leaders to invest in social media.

In this study, the literature review focuses on theoretical underpinnings of diverse viewpoints within existing models of social media and corporate reputation. From a wider perspective, the dominant models in this area of study include the Dijkmans et al. (2015) model of the interconnectivity between organisation–consumer engagement and its impact on perceived corporate reputation. This model is silent on the process of interaction between organisations and customers over social media and how these interactions impact heavily on corporate reputation. Rokka et al.'s (2014) model underscores the role of employees in the social media–reputation equation. Unfortunately, the model is void of customer–organisation interactions. Jankauskaite and Urboniene (2016) model of input and output in media–reputation advances our understanding of this subject, but the authors are silent about how

customer–organisational interactions impact heavily on the social media–reputation equation. Horn et al. (2015) model of social media–reputational threats are silent on customer–organisation interactions. Likewise, Aula’s (2010) viewpoint on how the concept of ambient publicity, through social impact, affects reputation, is silent on customer–organisational interactions. ‘Customer engagement’ is a dominant concept running through these models.

However, the review of academic literature indicates that models on the relationship between social media and the development of corporate reputation are limited in the African context. A bulk of African literature on reputation management focus majorly on South Africa, and only a limited section discussed reputation management in relation to social media. Models are quite important in research because they set the foundation for investigating pertinent research questions (Miller & Salkind, 2002). Given the need for African businesses to adopt digital technologies and technological changes to create value, and make their businesses cutting-edge, it is, therefore, important that we create models which can be used to answer pertinent research questions.

Against this backdrop, it is safe to assume that limited academic work has been done in mainstream and African literature to explicate the role of the concept of ‘interaction’ in customer engagement within the social media–reputation equation. Therefore, the objective of this chapter is to examine how the self-concept of African managers affects social media communications and the reputation management of firms?

This chapter has been divided into eight principal sections, and this section serves as the first. The second section makes a review of existing social media–reputation models, including the points of commonalities in the models and the absence of the concept of customer engagement in these models. The third section examines the meaning of customer engagement, and section four presents a discussion on the theory of symbolic interactionism and self-concept. The fifth section introduces the self-concept led symbolic interactionism model of social media–reputation. The chapter ends with a discussion of the findings, recommendations, and conclusion, in sections 6 to 8.

2 Social Media: Reputation Models— Review and Analysis

Literature on social media–reputation models considered in this review are published between 2010 and 2020. The review of existing literature indicates that there is an intricate relationship between social media and reputation management. One such literature is the conceptual model by Dijkmans et al. (2015). The model offered an understanding of the correlation between consumers' engagement with an organisation's activities on social media and the perceived corporate reputation. The model sought to establish whether there is a positive relationship between consumer engagement and perception of corporate reputation, consumers' use of social media and engagement in company activities, and the moderating role in determining if engagement and corporate reputation are stronger for customers or non-customers.

Rokka et al.'s (2014) model conceptualises reputation management and social media and highlights the role of employees in this relationship. The researchers presented this framework to highlight the relationship between corporate reputation and branding in social media, the role employees play in this regard, and how these elements play out in various organisations. The model provided a basis for generating empirical insights that demonstrate how corporate reputation management as 'balancing acts' changes from sector to sector.

Jankauskaite and Urboniene's (2016) model underscored the concept of input-output to explicate how corporate reputation emerges through social media. The model focused on content creation, content sharing, and user-generated content as the input. The model also highlighted the roles of engagement and electronic word-of-mouth. It discussed how output, such as brand visibility, improved customer relationship, reduction in cost, and competitive advantage, is used to denote positive outcomes from reputation management.

Horn et al. (2015) opined that reputation threats on social media often manifest from three perspectives. These include the customer, the employee, and the corporate. The model outlines corporate response strategies to prevent the risks from occurring or counteract them in the event of a social media crisis.

Aula (2010) introduced the concept of ambient publicity, defined as interpretations of all manner of discourse about an organisation among stakeholders. It contended that business environments are not just economic in nature but communicative as well. These elements of communication, such as stories, images, and symbols, may pose a risk to an organisation's reputation. Aula's (2010) model highlights the key features of conventional publicity and ambient publicity as they relate to reputation, communication, and stakeholders.

2.1 Points of Commonalities Across the Models

Although there are multiple differences inherent in the models discussed in the previous paragraph, a number of commonalities were found to be running through them. A recurring point of commonality is that employees play a significant role in their employers' social media reputation. Substantiating this viewpoint, Horn et al. (2015) argued that employees pose a risk to an organisation's reputation management either intentionally or not. However, the ability of employees to express negative dissent anonymously on private social media accounts can be very damaging and often spread fast. Rokka et al. (2014) also observed that employees' role in social media is heightened regardless of whether the organisation has a presence on social media or not. As the lines between work and personal lives blur, the researchers explain that organisations need to manage employees fairly and treat them as reputation builders rather than just risks.

Another commonality is customer engagement. Dijkmans et al. (2015) conceptualised engagement on a basic level of cognition and behaviour. Where cognition has to do with the knowledge of a company on social media and behaviour has to do with following these activities online; when these preconditions are fulfilled, further behaviour towards the organisation's activities may develop. In addition, consumer engagement is deemed desirable. Jankauskaite and Urboniene (2016) also regard engagement as attracting, involving, and positively influencing users' emotions. It is a time-consuming but necessary activity.

2.2 Limitation Inherent in the Models: Absence of Customer Engagement

As seen in Table 6.1, the overarching challenge running across all the models discussed in the previous paragraphs has to do with the exact role of customer engagement in reputation management, which is yet to be fully articulated. Given the limited academic literature concerning this subject, our focus in this study looks at how customer engagement plays a critical role in the emergence of social media–reputation conversations. In order to fully explicate the role of customer engagement in this context, we shall briefly discuss the concept of customer engagement in the following section.

3 Customer Engagement in Social Media

In traditional marketing, customer engagement is mostly sales-focused and rooted in product marketing. It usually has to do with keeping customers interested in the product and purchasing it. This relationship is usually established through traditional media, like newspapers and billboards. However, this is not the case on social media. As channels of communication have continued to develop, the role of the customer has become even more significant (Rogers, 2011). Years ago, the power of communication resided predominantly with organisations with limited reactions from customers (Rogers, 2011). Today, with the emergence of the internet together with the interactive channels of social media (Rogers, 2011), the relationship is no longer one-sided with the consumers at the receiving end alone. Now, brands can get real-time feedback, either positive or negative. As customers interact with the brand online, it is important for the organisation to engage these customers. The process of interacting with customers is often called customer engagement.

Table 6.1 Summary of constructs and limitations in social media–reputation models

Models	Constructs/variables	Limitation
Dijkmans et al. (2015) model of the interconnectivity between organisation–consumer engagement and its impact on perceived corporate reputation.	Customer perception of corporate reputation, engagement in company's social media activities, customer's intensity of social media use	This model is silent on the process of interaction between organisations and customers over social media and how these interactions impact heavily on corporate reputation.
Rokka et al.'s (2014) model underscores the role of employees in the social media–reputation equation.	Social media, reputation, management	The model is void of customer–organisation interactions.
Jankauskaite and Urboniene (2016) model of input and output in media–reputation	Organisation's reputation management in social media was divided according to the traditional input–process–output scheme	The authors did not provide justified attention to social media engagement or how customer–organisation interactions impact heavily on the social media–reputation equation.
Horn et al. (2015) model of social media–reputational threats	The independent variables—social media awareness and knowledge levels, social media use, and social media monitoring; dependent variable—reputation management; intervening variable—communication policies.	Silent on customer–organisation interactions.
Aula's (2010) ambient publicity model	Reputation, stakeholders, communication, conventional, and ambient publicity	Viewpoint on how the concept of ambient publicity, through social impact, affects reputation, is silent on customer–organisation interactions. 'Customer engagement' is a dominant concept running through these models.

Source: Developed by authors

3.1 Meaning of Customer Engagement

Authors have defined the meaning of customer engagement as a phenomenon signifying a relationship between business organisations and customers who interpret and make meanings of all corporate communications cues. Essentially, the statements advanced by authors as definitions exemplify the concept of ‘interaction’ as a dominant phenomenon running through the meaning of customer engagement.

A striking point of interest in Table 6.2 is the presence of the concept of ‘interaction’ which runs through all the definitions of customer engagement. Given its presence in these definitions, one can safely assume that the concept of ‘interaction’ is critical to customer engagement.

Table 6.2 The unifying theme of ‘interaction’ in the definitions of customer engagement

Authors	Definition	Unifying theme
Hollebeek et al. (2019)	‘A customer’s motivationally driven, volitional investment of operant resources (including cognitive, emotional, behavioural, and social knowledge and skills), and operant resources (e.g., equipment) into brand <i>interactions</i> ’.	Interaction
Hollebeek (2011)	‘The level of a customer’s cognitive, emotional and behavioural investment in specific brand <i>interactions</i> ’.	Interaction
Pennington (2012)	‘An <i>interaction</i> between an external consumer/customer (either B2C or B2B) and an organisation (company or brand) through various online or offline channels’.	Interaction
Brodie et al. (2011)	‘A psychological state that occurs by virtue of <i>interactive</i> , co-creative customer experiences with a focal agent/object (e.g., a brand) in focal service relationships’.	Interaction
Gummerus et al. (2012)	‘A consumer-to-firm <i>interactions</i> and consumer-to-consumer communications about the brand’.	Interaction
O’Brien and Toms (2008)	‘A quality of user experiences with technology that is characterised by challenge, aesthetic and sensory appeal, feedback, novelty, <i>interactivity</i> , perceived control and time, awareness, motivation, interest, and affect’.	Interaction

Source: Developed by authors

When customers interact with the brand, they are essentially interacting with the branding team in the organisation, who come up with the messaging and manage the online content. Personality, experience, and skills of the brand manager can affect social media communications and the reputation management of firms.

These variables make up the self-concept which is a construct under the theory of symbolic interactionism. Originally, the concept of 'interaction' is not a marketing or relationship management phenomenon. It is rooted in sociological theories, such as the symbolic interactionist (SI) theory. In the following section, we will be examining the theory of SI and self-concept more closely.

4 The Theories of Symbolic Interactionism and Self-Concept

The foundation of Symbolic Interactionism (SI) is posited in Mead's (1934) seminal work. It states that the members of a society are active participants in the determination of their social world. They do not merely react to social situations but rather interpret them and shape them through responses stimulated by those interpretations.

The theory of SI has its origins in social psychology (Aakhus et al., 2014), and its key terms are symbol and action. *Symbols* are the learned stimulus to which the individual attaches meaning, while *actions* are the responses to symbols (Aakhus et al., 2014). The process through which this reaction takes place is called *enactment* (Gopal & Prasad, 2000). In this way, Symbolic interactionism establishes the entwined relationship between the meanings people attach to symbols such as social media and the way they perceive and use the media.

SI de-emphasises the comprehension of a general meaning across different situations over 'local meanings held in multiple contexts' (Prasad, 1993). This is due to the underlying assumption that an individual's particular social situation holds a certain degree of influence on the way they interpret symbols. Different societal contexts exist with the individuals who operate within them having different roles and thus different

expectations from their interaction with their social environment, which are dependent on those roles (Rajao & Marcolino, 2016).

West et al. (2010) distilled Mead's (1934) SI theory into three dominant assumptions. First, individuals construct meaning via the communication process. Second, the idea of self-concept is a motivation for behaviour. Third, a unique relationship exists between individuals and societies. Importantly, this study is interested in the idea of self-concept as a construct under the SI theory and how this concept drives the relationship between customer engagement and the development of corporate reputation.

As a component of SI, self-concept refers to a variety or a collection of beliefs held in one's mind about oneself (Flook et al., 2005; Leflot et al., 2010). It is about finding answers to the question 'Who am I' (Myers, 2009). Broadly, the dominant features of the self-concept theory include personality, skills and abilities, occupation and hobbies, physical characteristics, gender (Rogers, 1959), and experience. Three of these features, namely (1—skills and abilities; 2—occupation and hobbies; and 3—gender) will serve as some of the components for conceptualising a framework that explicates the relationship between customer engagement and the development of corporate reputation. The concepts of personality and character are isolated in this study given that previous academic research (Davies et al., 2001, 2004) on corporate personality and corporate reputation; corporate character and corporate reputation have been fully articulated.

Beyond these three features, we introduce the concept of experience, which is pivotal to customer engagement. It is believed that customer engagement improves customer experience over time (Healy & McDonagh, 2013; Vallaster & von Wallpach, 2013). The perceptions held by customers arising from their experience set the stage for their positive or negative dispositions in the discussions with the representatives of organisations that engage them.

Besides, customer experience is fundamental to defining the degree of relationship between a corporate brand and its customers (Jung & Soo, 2012). Customer experience can either strengthen or weaken customers' relationship with the corporate brand.

5 The Self-Concept Led Symbolic Interactionism Model of Social Media–Reputation

It was argued in the previous section that there is limited knowledge in the mainstream literature on the relationship that subsists between social media and corporate reputation. This section of the study introduces the ‘self-concept led symbolic interactionism model of social media reputation’ as a means of filling the gap in academic literature. The model—see Fig. 6.1—begins with the symbolic interactionist assumption that the society or the environment plays a critical role in defining customer skills and abilities; occupation and hobbies, gender roles and experience.

The components of self-concept impact heavily on managers within organisations. Consequently, one or a combination of these components of self-concept influences the formulation and the development of strategy, communications, and policies, which may reflect through actions and attitudes to customers. In the process, customers react positively or negatively to the cues arising from organisations through social media. When repeated over time, these communication activities pave the way for the development of positive or negative reputations of organisations through social media.

6 Discussion of Findings

Five important findings emerged from this study. First, the review of literature paved the way for the emergence of ‘customer engagement’ as a dominant concept ignored through social media-reputation models. Second, the study located the concept of ‘interaction’ as a dominant theme recurring through the meaning of customer engagement. The study expounds on the concept of interaction as a critical phenomenon for understanding the meaning of customer engagement. Third, the study expands the frontiers of academic literature by introducing the theories of self-concept and symbolic interactionism into the relationship between social media and reputation. Fourth, the study added the

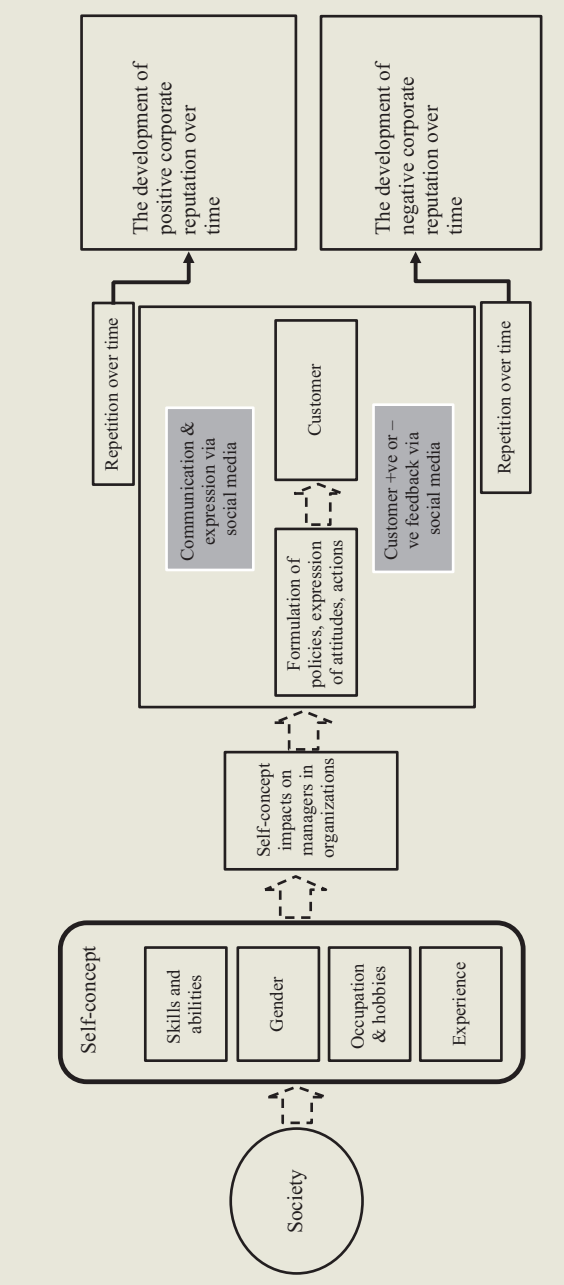


Fig. 6.1 A self-concept led symbolic interactionism model of social media-reputation. (Source: Developed by authors)

concept of experience to the existing components of self-concept and argues that the concept of experience is pivotal to customer engagement. The authors argue that customer engagement advances customer experience and perceptions held in the minds of customers; following their experience in the consumption of a brand offering sets the stage for perceptions which informs engagement or otherwise. Fifth, the authors introduce the self-concept led symbolic interactionism model of social media reputation. The model gives insight into how the concept of self composed of 'skills and abilities', 'occupation and hobbies', 'gender', and 'experience' heavily impacts managers who formulate strategies and policies communicated to customers through social media. The model highlights the channelling of feedback from customers to managers and how the repetition of this communication process, over time, paves the way for the development of positive or negative corporate reputation.

This study contributes to marketing and public relations research on reputation management by arguing theoretically that self-concept can impact brand reputation via social media communications. There is currently a dearth of data in African research relating to reputation management and social media; however, for future research, we recommend that the model can be tested using African organisations.

7 Recommendations for African Managers

Africa is taking a leap in social media usage due to the growing youth population and middle-income class. Between 2014 and 2016, the number of Facebook users across Africa increased from 100 million to 120 million (Parke, 2016); by December 2020, this number had increased to well over 230 million (Boakye, 2021). In order to take advantage of this growing population, organisations need to hire qualified managers whose skills, experience, beliefs, personality, and goals (elements of self-concept) align with the organisation's social media adoption intentions.

To improve customer engagement and reputation management, managers need to have in place a social media strategy. As Aula (2010) noted, social media–reputation management isn't just about putting out fires, but also finding ways to boost brand perception to followers and

customers. In order to do this, every brand needs its own social media strategy. This should align with the business aims and strategy and highlight how the organisation wishes to represent the brand on social media. Examples of effective social media strategies are good content creation, getting the right influencers, community creation, campaign planning, and storytelling, to mention a few (Adeola et al., 2020).

Another aspect to consider is monitoring and listening tools which help the brand stay abreast of discussions that customers are having about the brand. This is highly important to capitalise on positive engagement or respond swiftly to negative feedback. There should also be established guidelines for creating content or responding to customers, especially during crises, and these guidelines should coincide with the organisational values. An organisation whose value is 'timely response' should not be responding to customer messages hours later, for example.

As mentioned earlier, employees are vital corporate assets in formulating, enhancing, and sustaining a positive corporate reputation (Gotsi & Wilson, 2001), and senior managers have a great role to play in ensuring a favourable corporate image. In carrying out this responsibility, companies must take cognisance of self-concept components and how it impacts the senior managers, consequently influencing the development of public relations and communication strategy.

In Africa, societal norms and values play a part in stereotypes and biases (Ofoha, 2013). For instance, gender bias and stereotypes can have an impact on strategy, which would affect how the business communicates on social media, which can affect reputation positively or negatively. The implication is that companies must put in place service standards, integrated communications mechanisms, and social media–reputation management systems to facilitate customer engagement and enhance social media–reputation management. This would ensure coherence and harmony in communication, reduce biases arising from self-concepts, and promote shared identity. Messages on social media platforms must consistently aim at developing and promoting a positive corporate reputation over time. This must be a deliberate act and can be achieved through coaching of managers and other employees to promote positive attitudes and forgo negative attitudes arising from self-concept inherent in the society.

8 Conclusion

This study merges theory with practice by introducing a self-concept and symbolic interactionism theory of social media and corporate reputation. In addition to exploring the concept of ‘customer engagement’, the authors also expand the framework of self-concept by adding the notion of ‘experience’ to it. The knowledge generated through the introduction of the self-concept led symbolic interactionism model of social media reputation is limited given that it is conceptual and void of empirical evidence. Empirical based research in future will strengthen academic literature on this subject. This chapter adds to the literature on social media and corporate reputation management through the contributions highlighted in the previous paragraph. Specifically, the self-concept led symbolic interactionism model of social media reputation makes a significant contribution and gives a non-positivistic dimension to the study of social media and corporate reputation management.

We hope that business managers responsible for social media and corporate reputation in Africa will find the ideas generated from our model useful. It is hoped that our model will draw the attention of business managers to how ‘skills and abilities’, ‘occupation and hobbies’, ‘gender’, and ‘experience’ impact heavily on the formulation of policies which, if communicated through social media, repeatedly impacts on the management and development of corporate reputation.

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7

Africa's Digital Marketplace: The Role of Social Media in Customer Engagement

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1 Introduction

Online businesses, small and medium-sized enterprises (SMEs), and other digital merchants rely largely on social media to advertise their goods and services to consumers (Lyu & Kim, 2020; McClure & Seock, 2020). In Africa and across the globe, social media platforms are rapidly becoming a tool for achieving e-commerce development and global trade value chains (Albertyn-Burton & Scheepers, 2017; Lubua & Pretorius,

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2019). In 2020, over 3.6 billion people used social media globally, a number expected to grow to almost 4.41 billion in 2025 (Statista, 2021). In the African context, Facebook, Twitter, YouTube, Pinterest, Instagram, and LinkedIn are the most used social media platforms, as shown in Fig. 7.1. The data points represent the penetration of each platform according to the share of users, with Facebook, Twitter, and YouTube taking up the lion's share, while Pinterest (2.35%), Instagram (1.33%), Tumblr (0.49%), and LinkedIn (0.22%) follow. This is not surprising, as Facebook is Africa's most popular social media platform (Boakye, 2021; Essoungou, 2010), and this may be attributable to the interactive design of the platform, which supports friendship networks across international frontiers, professional class, and social status.

The second most popular platform in Africa is Twitter, which relies on followership to build brand names. Celebrities and so-called influencers often record high followership on Twitter. The performance of YouTube also shows that Africans place a high premium on audio-visual aids. Likely benchmarking YouTube, Instagram, which used to be primarily a

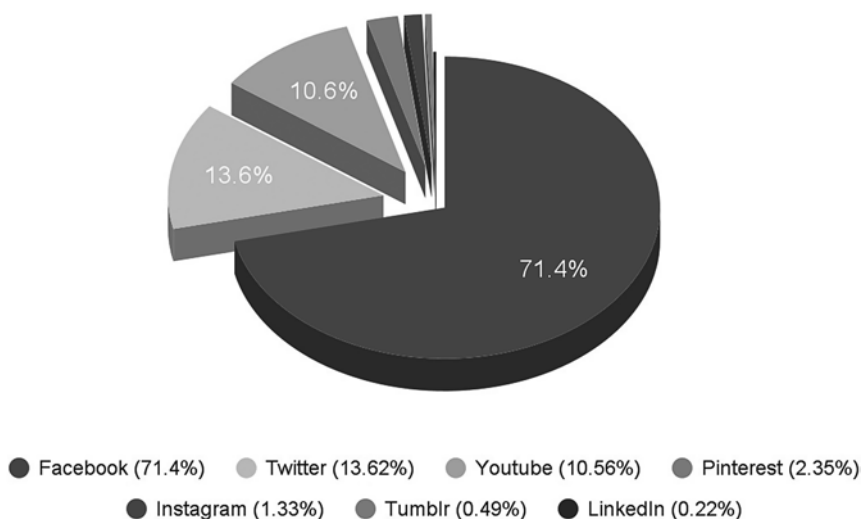


Fig. 7.1 Social media penetration in Africa by platforms (Derived from Statcounter Global Stats (2021))

photo app, has incorporated more video-focused content over the years from Instagram (IG) TV to Reels and Instagram Live. In other words, given the high usage, businesses in Africa know that advertising on these social media platforms is likely to appeal to many consumers.

In addition to these social networking sites, social messaging apps are also increasingly gaining popularity, especially for business advertising and sales. WhatsApp is a prime example. Primarily a messaging app, WhatsApp usage has evolved towards online selling. This comes as no surprise since more people increasingly use messaging apps not just to chat with friends but to connect with brands, browse merchandise, and check out website contents online (Business Insider, 2016). WhatsApp is the most used messaging app across Africa (Dahir, 2018). WhatsApp sales have most likely been occurring through one-on-one advertisements and broadcast messages. However, since the introduction of WhatsApp status stories, a feature that permits users to share photos and videos that disappear after 24 hours, small business owners have capitalised on their large contact base to market products daily, which led to the introduction of the WhatsApp Business app.

The COVID-19 pandemic has also contributed to the popularity of social media as a digital marketplace and a platform to change consumer behaviours. The lockdown period of the pandemic may have spurred consumers to consume more content online and find alternate ways to shop. Mahmoud et al. (2021) found that fashion brand recommendations on Instagram increased during the pandemic, suggesting that the more people worried about exposure to the virus, the more likely they were to turn to social media. According to McKinsey (2020), consumers discovered new shopping options during the pandemic mainly through three main channels: online ads (33%), recommendations from family and friends (23%), and seeing someone talk about it on social media (18%).

The increased internet availability and capability of smartphones have given rise to electronic word-of-mouth (eWOM). According to the social contagion theory, eWOM marketing provides multiple benefits to businesses, including a broader spread of their messages than through other existing media (Trusov et al., 2009). Millennials are the largest eWOM consumers; their attention has shifted from traditional advertising methods to the new platforms on social media. Therefore, the challenge for

marketers is to build a social media fan base as a means to connect with consumers and enhance loyalty.

Despite the recognition that social media is indispensable for connecting with the rise in social media customers (Adeola et al., 2020; Chivandi et al., 2019), a considerable number of business entities in Africa are yet to utilise social media to its fullest potential in their marketing activities. To this end, this chapter explores customer engagement in social media marketing as a prospect for African businesses. This chapter argues that as social networking becomes more pervasive, social media platforms are attractive tools for fostering effective advertisements. To leverage social media outlets for marketing purposes in Africa, it is important to identify and understand the related theory, antecedents, challenges and implications of customer engagement in social media marketing in Africa.

The remainder of this chapter is structured as follows: Section 2 presents the Social Contagion Theory and Electronic Word-of-Mouth (eWOM). Section 3 discusses Customer Engagement in Social Media Marketing. In Sect. 4, the role of Social media platforms as marketing tools in Africa is discussed. Section 5 highlights the challenges facing Social Media as a marketplace in Africa. Section 6 discusses the antecedents of user responses to Social Media Advertisements. Section 7 concludes the discussions, and finally, Sect. 8 offers recommendations for Marketing Practitioners in Africa.

2 Social Contagion Theory and Electronic Word-of-Mouth (eWOM)

First developed by Gustave Le Bon in his 1885 book, *The Crowd: A Study of Popular Mind in France*, the social contagion theory (SCT) describes how a crowd can create a hypnotic effect on individuals (Christakis & Fowler, 2013; Nixon & Servitje, 2016; Sampson, 2012; Soares & Lopes, 2014). Social contagion essentially involves two groups: influentials and susceptibles (Aral & Walker, 2012). Influentials (or leaders) create information which is passed on to the susceptibles (or followers) for guidance (Smith, 2014). The emergence of the internet, which facilitates influentials and susceptibles to share and exchange information through social

media, reflects the tenets of SCT. This new form of word-of-mouth communication (i.e., eWOM) has recently received substantial managerial and academic attention (Ismagilova et al., 2019; Qahri-Saremi & Montazemi, 2019; Shankar et al., 2020).

SCT has contributed significantly to the advancement of digital and social media marketing (e.g., Aral, 2011; Iyengar et al., 2011; Miles, 2014; Plé & Demangeot, 2020). It has been used to explain why individuals share information and are involved in discussions amongst themselves to create eWOM (Hornik et al., 2015; Yang et al., 2018). Prior research used SCT to describe the types of contributors and the underlying motives for leveraging social capital using online media (Munzel & Kunz, 2014). For example, Cheung and Lee (2012) used the SCT framework to explain the factors driving consumers to spread eWOM on online platforms. These authors show that sense of belonging, reputation, and satisfaction derived from helping other consumers are significantly related to eWOM intention. Relatedly, customer satisfaction is another driver of eWOM as satisfied customers are more likely to make positive recommendations. Therefore, an understanding of eWOM will enhance the customer engagement in social media marketing, particularly amongst millennials who are tech-savvy and adopt and utilise different types of technologies in information sharing, communication and making buying decisions.

3 Customer Engagement in Social Media Marketing

In recent years, social media marketing has become increasingly popular for both practitioners and researchers (Shaltoni, 2016). Marketing has increasingly shifted from the traditional exchange of goods and services to online interactions and relationships (Agnihotri, 2020). Information and technology advancements and changing social media environments have fostered this shift, and contemporary companies are compelled to look for innovative ways to interact with their customers to influence their purchase behaviour (Chaffey & Smith, 2017; Kingsnorth, 2019; Micu et al., 2017). The interactivity and cost efficiency of digital

platforms are driving organisations, including those in Africa, to move towards social media as a digital marketplace.

Social media marketing is the strategic use of social media platforms to promote a product or service through campaigns that set the scope of marketing activities and create the desired social media “tone” (Alves et al. 2016; Felix et al., 2017; Li et al., 2020; Yadav & Rahman, 2017; Vinerean, 2017). Organisations use social media to interact with a range of stakeholders, including journalists, bloggers, current and potential employees, current and potential customers, and the public.

In addition to acting as public relations and direct marketing tools, social media serve as communication channels to grow an online community by targeting and engaging specific audiences, especially through social media influencers and social media personalities (Dhanesh & Duthler, 2019; Lee & Eastin, 2020; Wellman et al., 2020). Engagement, in terms of social media, implies that customers are active stakeholders rather than passive observers. The use of social media in a business context allows users to share their opinion of a company’s products, services, and business practices (Barger et al., 2016; Cabosky, 2016; Godey et al., 2016; Zheng et al., 2018).

This means that customers are not just seeing ads but are interacting with a company’s social media posts or posts about the company online. African marketers can now use social media platforms to interact with their customers at any time and with a greater level of personalisation, thus impacting purchase behaviours. Traditional media, such as TV and print advertisements, are limited as they do not fully reach and engage millions of consumers in Africa. To this end, companies that redesign their marketing strategies will reach digitally inclined consumers. Engaging customers and making them feel like part of a community will, in turn, boost consumer loyalty.

Every online participant via social media represents a challenge or opportunity to the marketing effort because other potential customers read their positive or negative reviews. Online customer engagement is indispensable to successful social media marketing (Vohra & Bhardwaj, 2019). With the advent of social media marketing, customer engagement can eventually lead to buying behaviour, loyalty, and brand reputation.

Previous studies have investigated the relationship between social media marketing efforts and customer engagement. For example, Chivandi et al. (2019) examined the influence of social media platforms on brand awareness, consumer decision-making, and purchasing behaviour patterns. These authors argued that social media platforms are increasingly and more effectively influencing brand awareness and consumers' purchase decision-making and, beyond that, repeat purchases and customer loyalty. In a highly dynamic, fast-paced, and global marketplace, social media serves as a useful source of market information. Liu et al. (2019) found that the entertainment, interaction, and trendiness dimensions of a brand's social media marketing efforts significantly foster customer engagement. Similarly, Kim and Lee (2019) show that interactivity has a positive effect on brand attitude, brand loyalty, and purchase intentions. In other words, the role of social media marketing in customer engagement is well-documented in the literature.

Social media platforms are originally meant to be virtual communities that allow users to express their needs and values online (Claffey & Brady, 2017; Liu et al., 2017; Lizzo & Liechty, 2020); however, the scope has been expanded. As a digital marketplace, these platforms enable individuals and businesses to interact, creating online relationships and communities (Du Plessis, 2017; Chung & Zeng, 2020). When organisations join these social channels, consumers and other businesses can interact with them directly. These interactions are in many ways more personal to users than traditional means of outbound marketing and advertising (Assaad & Gómez, 2011) and enable brand loyalty. Given eWOM's extensive voice and distant reach, social media platforms can swiftly influence buying patterns and products/services (Soboleva et al., 2017; Chu et al., 2019).

Engagement in social media involves regular posting of new online content, possibly via text, digital photos, digital videos, conversations, and web links relating to a brand which users can "retweet", "repost", or "comment" on. Because people spend more time on social media these days, video content has become the primary format in engaging users; however, users have a limited attention span and numerous distractions, so brand managers might need to repeat the message a few times to assure that the message is received. With social media giants like Instagram and

YouTube creating Reels and Shorts to compete with the rising TikTok platform, it is evident that with bite-size video content and message repetition, the brand's followers are able to interact with an innovative engagement medium that fosters engagement and extends reach and traffic. Participants can instantly share their views on brands. The interactions allow reactive conversations with social media users in response to comments or messages (Dhaoui & Webster, 2020; Gearhart et al., 2020; Go & Bortree, 2017).

In Africa, influencer marketing is an example of a common customer engagement tool on social media; it allows brands to connect with the target audience faster and more genuinely through selected influencers (Glucksman, 2017; Hudders et al., 2020; Lou et al., 2019). Many brands use celebrities to endorse their products. For example, a hip-hop star endorsing a food product to their fan base of millions of people on their social media accounts means millions of loyal fans will get to see the product and are likely to buy or recommend it. Popular social media influencers such as comedians are used to create humorous ads that showcase the product or campaign.

Hashtags are another tool that is prevalent in African social media marketing. According to a 2014 study by Tully and Ekdale, specific hashtags on Twitter can serve as spaces for users to express themselves and exchange viewpoints. One area where hashtags are particularly useful to marketers is during marketing campaigns, as they can encourage users' active participation in the campaign. Clicking on an easily searchable hashtag can take a user to the top of recent posts under that topic. Creating a creative and catchy hashtag during each marketing campaign is advised, and brands should invite their followers to use the hashtag.

How do we measure engagement in social media? Generally, social media platforms have incorporated data analytics tools that enable organisations to track the growth and level of engagement with ad campaigns. Metrics such as reach, impressions, hashtags, retweets, likes, comments, reshares, and link clicks are used to analyse the engagement level of the post or campaign. However, more attention should be paid to user-generated content and conversations about the brand on available platforms or forums, which should be well monitored and managed to encourage positive eWOM.

4 Social Media Platforms as Marketing Tools in Africa

Social media as a digital marketplace has become the modern and innovative way of doing business, especially for African marketers developing efficient strategies for promoting their brands (Adeola et al., 2020). Consequently, modern-day consumers, especially millennials, increasingly utilise online tools such as YouTube, Facebook, Instagram, Twitter, WhatsApp, and Snapchat to share their opinions on products and services.

Twitter: With a user base consisting of a global mix of users looking to discover new options, Twitter allows organisations to promote their products in tweets, short messages limited to 280 characters that appear on followers' timelines (the stream of tweets from users' accounts). Tweets can contain text, photos, videos, hashtags, Emoji, animated GIFs, links to products' websites, and other social media profiles. Twitter is recognised for its virality and capacity for content to reach millions of users, and as such, it can help a small business reach and engage with potential and existing customers (Aswani et al., 2018; Jin & Cheng, 2020). Many African companies use Twitter to provide customer service, thus fostering brand loyalty and appreciation. In addition, companies grow their followers, create a loyal community, and drive high brand performance by posting creative tweets or hopping on Twitter trends. However, marketers should remain aware that Twitter users share their opinions and keep up with news, and consumers are often brutally honest with their reviews.

Facebook: Facebook pages allow a company to provide photos, videos, longer descriptions, and testimonials where users and followers can comment on the product pages. For example, a company can link its product page to other social media platforms to increase its customer reach. There are various important tools that can be used on Facebook for marketing activities: Business Manager, as the name suggests, helps organise and manage businesses. Business Suite connects users with business accounts found on their Facebook and Instagram sites (Facebook, 2020). Business Suite includes tools like messaging, posting, insights, and advertising capabilities, thus improving the experience of managing a business across

the various existing apps. Facebook remains the top platform for businesses in Africa, and it is primarily used to create ads.

LinkedIn: A professional business and employment-oriented networking platform, LinkedIn allows companies to create professional profiles for their business network, build sales leads and business partners, and meet job seekers. Through the aid of widgets, users can promote their social networking activities such as blog entries or Twitter streams of their product pages. Company pages are useful for promoting products or services through interactions with customers. Recently, many African organisations have shown a strong preference for LinkedIn for recruitment compared to other job portals.

WhatsApp/WhatsApp Business: WhatsApp supports sending and receiving a plethora of media, including text, photos, videos, documents, voice calls, and location. With a customer base of more than 1 billion people, WhatsApp is useful for sending personalised promotional messages to users and tracking how message broadcasts perform. WhatsApp is also suitable for sending a series of bulk messages to targeted customers using the broadcast option. It is a cost-effective promotional option that spreads messages quickly. The WhatsApp Business app was created to enable business owners to better manage their customer communications. According to Adepoju (2018), African sellers had already experimented with reaching their customers on WhatsApp before WhatsApp Business was introduced. Kenya, South Africa, and Nigeria were the first countries in Africa to implement WhatsApp Business. WhatsApp Business allows users to separate their personal audience from the business audience. Virtual stores can display goods and their prices; automated quick reply messages can respond to customers when a business representative is not available; daily advertisements can be sent to all or selected contacts. More features such as WhatsApp Pay, a means to send and receive money, may also be rolled out in Africa in the future.

Instagram: Instagram allows users and businesses to communicate publicly and directly. It is an ideal platform for businesses to connect with their existing and potential customers. Instagram helps organisations reach their respective audiences via imagery in a virtual environment (Guidry et al., 2017). Recent studies have shown that the majority of prestige brands are active on Instagram and include it in their marketing

mix (Oliveira & Fernandes, 2020). As a tool for capturing a market segment of interest in a product offering, Instagram enables marketers to expand their brands' exposure, especially to the younger target group. Instagram is popular in Africa as a digital selling tool. This is likely because the app is business-friendly, with new features rolling out with every update. Businesses can create a business account or professional account, choose a category for their business, and link to their Facebook account. This enables sellers to create paid and targeted ads. Instagram Shop enables sellers to create virtual shops and catalogues directly on their Instagram page. However, this is only available in selected African countries such as South Africa and Ghana at the moment. For greater brand exposure, African businesses use influencers on the platform to drive social shopping and inspire their followers and other users to use their favourite products.

Snapchat: Snapchat is a messaging and picture exchanging platform that allows users to exchange messages and send pictures that are only available for 1–10 seconds. Snapchat was originally intended for sending photos, but it has become popular for its video content. Businesses are increasingly using Snapchat for content creation and brand promotion; it is an efficient tool for businesses to give their followers an inside look into the products and services and connect with them personally.

YouTube: YouTube is a comprehensive social media platform that allows nearly two billion users to upload, share, and comment on video content. As more people opt for non-traditional entertainment platforms that easily deliver video content whenever and wherever they want it, marketing campaigns are advised to use the service to share creative and informative advertising. African businesses can direct viewers to their products and services with YouTube ads that increase brand awareness, position their products, generate leads, and drive website traffic. YouTube influencers can also generate brand exposure by creating informative video content about the product, enabling companies to reach and engage with their target audience.

Yelp: Yelp offers an online index of business profiles and locations comparable to the Yellow Pages. Organisations create, edit, and post business profiles that include business location, pictures, and product or service information. Their customers can post reviews about businesses, as well

as rate them on a five-point scale. To guide thoughts and opinions, the messaging and talk features are available for users. Yelp usage is not very common across Africa.

5 Challenges Facing Social Media Marketplace in Africa

Social media as a marketplace is faced with challenges that must be ameliorated for the platforms to actualise their greatest potentials. Three challenges stand out:

False Advertising: This type of fraud happens when there is an obvious discrepancy between a seller's description of a product and service with the use of fake or overly edited pictures in an attempt to present that product in the best light possible. In most cases, the product doesn't live up to advertised quality or features. In sub-Saharan Africa, this is referred to as "What I ordered vs What I got". Social media buyers can minimise this risk by being cautious about surprisingly low prices or offers that are too good to be true, by buying from well-reviewed vendors, or by opting to pay cash on delivery after inspecting the goods. In Nigeria, payment on delivery is a very popular payment method amongst e-commerce platforms, including Jumia and Konga.

Fraud: Online fraud is a major concern for both buyers and sellers engaging in the digital marketplace. However, in many cases, buyers bear the brunt of it. According to Amelia (2016), there are several fraud mechanisms, especially on Instagram: delay in receiving the product; damage during delivery; consuming or altering the product; wrong order, size, or quantity due to false advertising; the seller claiming not to have received payment or blacklisting the buyer's account after payment; returning a wrong or faulty product and the seller refuses to pay the return fee; fake discounts; and so on. In some cases, perceived fraud mechanisms or false advertising are unintended; however, vendors can satisfy their buyers by remaining professional, offering a replacement or discount, and generally being courteous. However, because many small business owners are not

trained in the art of customer service, arguments and insults often ensue, leading to bad reviews and a negative image of the brand.

Distrust: According to Ponte et al. (2015), online purchase intention depends heavily on trust. Given the notoriety related to online scams and fraud, there is already a high level of distrust among potential buyers. Because one of the major predictors of mistrust is consumers' perceived insecurity, vendors can reassure customers when they build a strong reputation, maintain a reliable website, and secure third-party assurance seals (Ponte et al., 2015). Rafinda et al. (2018) identified four key indicators of trustworthiness in online selling, especially on Instagram: follower count, price rationality, image quality, and sellers' responsiveness.

As scams are usually associated with new accounts, vendors can gain trust from buyers when they focus on first growing their brand and following; second, placing rational price tags under each post, which is especially appreciated by buyers; third, taking product photo themselves or get professional product photos rather than downloading fake photos over the internet; and, finally, assuring quick and professional seller response to consumer questions or complaints. Posting good testimonials from clients is also a great way to attract more customers and positively influence eWOM.

6 Antecedents of User Responses to Social Media Advertisements

Measuring the effectiveness of social media campaigns is a challenge for many marketing professionals because it is hard to track outcomes. However, studies such as Lee and Hong (2016) have posited that the interactions between users' responses and social media advertisements gauge the extent to which social media ads produce the intended benefits (e.g., the number of "shares" or "likes") among social media users. According to the authors, ads that induce positive perceptions and responses among social network users would likely create the word-of-mouth (WOM) effect and yield a high return on investment in ad campaigns. Lee and Hong (2016) found that informativeness and creativity

are the major drivers of favourable responses to a social media advertisement. Further, they revealed that the intention of users' favourable responses is positively related to purchase intention.

The literature on advertisement effectiveness highlights advertising creativity (Reinartz & Saffert, 2013), situational empathy (Rosen, 2012), informativeness and entertainment (Haghirian et al., 2005), and value perception (Dix et al., 2012) as antecedents of consumer attitudes to advertisements.

Some of the major constructs believed to play key roles in the behavioural responses to social media ads are emotional appeal, informativeness, and advertising creativity, as shown in Fig. 7.2. Situational empathy plays an intervening role in the effects of emotional appeal, informativeness, and advertising creativity on purchase intention.

Situational empathy refers to the emotional experiences of users after exposure to an advertisement. When Facebook users click on the "Like" button, they show that they share in the emotional context of the user who posted the advertisement (Rosen, 2012). This also contributes to the virality of social media posts. Research has shown that emotional,

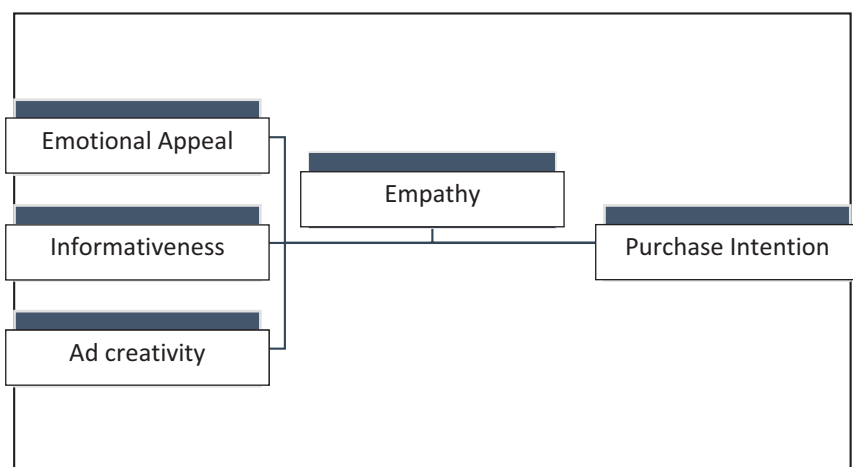


Fig. 7.2 Antecedents of user responses to social media ad. (Adapted from Lee & Hong, 2016)

moving, and wholesome contents that customers can relate to perform better than others (Chiu et al., 2007; Eckler & Bolls, 2011).

A stream of the literature has shown that information posted by celebrities and social media influencers and their friends and fans has an effect on consumers' purchasing decisions. Cooley and Parks-Yancy (2019) investigated how celebrities, influencers, and acquaintances impact the use of social media for information gathering about consumer products. Using data from millennial college students, their study showed that Instagram is most utilised for apparel information and YouTube for cosmetic and hair products. Nonetheless, information from family and friends is deemed more trustworthy than from other sources.

Emotional appeal refers to feelings and perceptions more than logic or reason to provoke purchase. The consumers' attention can be captured by advertisements that evoke strong emotions or feelings (passion, joy, etc.). Informativeness refers to the ability to fully describe product or service benefits and features in a way that enables consumers to make optimal choices. Informative advertisement messages on a social media platform will draw users' attention and inspire a positive response to the advertisements' contents.

Advertising creativity refers to the extent to which an advertisement is innovative and unanticipated. Creative messages grab attention and lead to positive vibes about a product (Reinartz & Saffert, 2013) and are strongly associated with the effectiveness of advertisements. Advertising creativity is linked to the basic human need for novelty—to acquire something original and innovative. A creative social media advertisement can capture the consumers' attention and consequently drive them to act on their desire to purchase the product or service.

7 Implications and Conclusion

The increased internet accessibility and capability of smartphones have given rise to eWOM. In line with the social contagion theory, eWOM in social media marketing provides multiple benefits to African businesses, including broader exposure of their messages than through traditional media. Social media represents an inexpensive alternative to traditional

media and a facility to attract potential customers for cash-strapped African businesses. African marketers can adopt social media strategies to maintain immediate engagement with current and potential customers and with a higher level of personalisation to impact buying behaviours.

Traditional media, such as TV and print advertisements, cannot fully reach potential customers as effectively as social media platforms. African businesses that redesign their marketing strategies to engage with digitally inclined targets will find that social media opens communication channels to engage specific audiences, especially those attracted to the connection with influencers and media personalities. Social media platforms enable companies' creation of virtual communities that connect users who share similar values to their business as well as keep in touch with specific followers.

Through social media, customers have become active stakeholders rather than passive observers. Users can share their opinion about a company's products and business practices.

African businesses can use social media platforms to enhance brand awareness, inform consumers' purchase decision-making, and encourage repeat purchases. Social media can empower businesses to create online relationships and communities online. When organisations join these social channels, consumers and other businesses can interact with them directly. Given the eWOM's extensive reach, African businesses can use social media platforms to swiftly change traffic and purchasing patterns.

8 Recommendation for Marketing Practitioners in Africa

Social media is a cost-efficient source of market intelligence. African marketers can, therefore, use social media to track, tap into, and analyse customer voices and detect market opportunities. Unlike traditional costly and time-consuming market research, such as surveys and data mining, social media obtains "live" or "real-time" information regarding consumer perspectives of a company's products. Marketers and businesses in

Africa should take advantage of these opportunities to build their customer base.

There are myriads of small local businesses in Africa that could use social media platforms as a promotional tool to connect with users in local or niche markets. Such businesses can encourage a target audience to follow the business online, learn more about sponsored products and services, and obtain promotional discounts. Digital tools such as Google AdSense allow vendors to direct their advertisements to specific demographics, such as fans of video games, social entrepreneurship, or a particular political party.

Small businesses in Africa can also use social media platforms to cultivate their market research about new products and services. The literature has shown that positive customer peer reviews influence new prospects to buy goods and services far more than company advertisements. For example, review sites such as Yelp help small businesses to build their reputation and foster brand visibility. Encouraging customers on social networking platforms to provide feedback on new product ideas can garner invaluable insights into the likelihood of that product being successful in the marketplace. Besides, customers will feel engaged in the company and the process of co-creation.

As highlighted above, social media as a digital marketplace connects users to businesses that share similar needs and values with the added value of keeping in touch with specific followers. Because social media platforms collect a wealth of information about needed products and services through content shared by consumers' questions and comments, marketers can use semantic analysis technologies to detect buying signals, customer purchase behaviour, and future trends. This is valuable to the brands in marketing planning and sales projections.

As mentioned earlier, research has shown that the pandemic has had a direct effect on the behavioural intentions of buyers, and employing hedonic stimuli in social media content could be instrumental in driving engagement, especially among Millennial and Gen Z populations (Mahmoud et al., 2021). Marketing practitioners can take cognisance of this to encourage positive eWOM to enhance brand equity. Mahmoud et al. (2021) suggest that marketers supplement social media content with a blend of entertaining elements, such as music, games, and riddles.

Short video content can also be used to communicate better with users, as they are easily re-creatable, which translates to more user-generated content. Marketers can incorporate such ideas into their marketing strategies by collaborating with popular TikTok, Reels, and Shorts influencers so their brands can relate to topical issues.

Understanding the antecedents of user responses to social media advertisements will give practitioners in Africa invaluable insights into creating messages that generate positive attitudes. The more informative and creative users perceive a social media advertisement, the more positive their attitude towards the message. Thus, users will probably develop a positive attitude to social media advertising when the company provides information that satisfies their needs, such as information that creatively enhances the hedonic values. In other words, to ensure that users react favourably to advertisements, advertisers and marketers should endeavour to make their social media messages more informative and more creative.

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Part III

Related Technologies



8

Digital Financial Inclusion: M-PESA in Kenya

Benjamin Mwanzia Mulili

1 Introduction

Poverty alleviation has been a major concern for governments all over the world, given that even the most developed countries have some elements of poverty (United Nations, 2018; Mhlanga et al., 2020). Definitions and perceptions of poverty, as well as how to deal with it, vary from country to country, making it difficult to arrive at a consensus (El-Zoghbi, 2019). In Africa, particularly the sub-Saharan region, poverty alleviation is an important issue considering that most of the countries are classified as low-income economies (Serajuddin & Hamadeh, 2020). The goal of poverty eradication and stimulation of economic development can be partially achieved by a country taking steps to improve the economic welfare of its citizens, including those at the bottom of the pyramid who may not be commercially profitable for commercial banks (Iheanachor et al., 2021). Several strategies have been put forward on how this can be

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realized, and they include top-down and bottom-up approaches (United Nations, 2018). The top-down or state-led approach, on the one hand, involves a government's top leadership taking initiatives to improve the economic welfare of its citizens (Dafe, 2020). This happens when a government starts corporations that create employment for some people, albeit very few, compared to the population of each country. On the other hand, the bottom-up or market-led approach involves creating an environment for entrepreneurs and private firms to extend financial services to the poor (Burns, 2018). The mobile money revolution is an example of the market-led approach to achieving financial inclusion (Ahmad et al., 2020).

Mobile money, which is slowly replacing the traditional way of banking, enables people with cell phones to send and receive money, pay bills, deposit or withdraw money from their bank accounts, save money, and get credit without having to physically visit any bank or non-bank financial institution (Jack & Suri, 2016). In essence, mobile money is like having a bank in one's pocket, and it is considered one of the greatest contributors to financial inclusion (Demirguc-Kunt et al., 2018). The same authors report that by 2017, the sub-Saharan part of Africa had only 38% adult males and 27% adult females having accounts in formal banking and non-banking financial institutions. A major objective of financial inclusion is to close the social and income gaps that are often prevalent, especially in developing countries. These gaps separate the citizens into the haves and have-nots, leading to different social classes based on income inequalities (Nkuna et al., 2018). Huge gaps can create discontent among the citizens of a country. Digital financial inclusion may not be the only strategy to close this gap, given that low-income earners do not necessarily increase their fortunes by using M-PESA. Moreover, achieving financial inclusion requires the inputs of local and international stakeholders, like the developed countries, and international organizations, such as the World Bank and the International Monetary Fund (IMF) (IMF Annual Report, 2017). Such concerted efforts culminate into multiple ideas and funding of projects that seek to include more people in the formal financial system.

In Kenya, M-PESA is one way of achieving financial inclusion, a key contributor to economic growth and development (Aron, 2018; Burns, 2018). Financial inclusion occurs when all or a large portion of a

country's population has access to quality, affordable, convenient, and appropriate formal banking or financial services, like savings and deposit accounts, loans, and insurance (Klapper & Singer, 2017). This enables the people to save some of their incomes and use the savings later or acquire loans for a wide range of purposes that include starting businesses. Financial inclusion is thus associated with better management of incomes and expenditures and resilience to economic shocks (Schaner, 2016). It also contributes to the achievement of some of the United Nations' Sustainable Development Goals (SDGs) like SDG 5, which aims to enhance gender equality and empowerment by using Information and Communication Technologies (ICTs) (United Nations, 2018). Similarly, financial inclusion seeks to reduce poverty and promote shared prosperity, which aligns with SDG 1 that proposes the eradication of poverty by 2030 (Klapper et al., 2016).

Initially, the idea of financial inclusion involved people opening and operating bank accounts. While this was feasible and is still used by numerous people worldwide, digital technologies have made it possible for clients to interact with their banks electronically, or even to achieve financial inclusion without having to use banking services. For instance, mobile money eliminates the need to physically visit any bank and removes all the inconveniences that accompany such visits. This translates into great savings of travelling and waiting time and the related transaction costs that oftentimes have to be borne by the customer (Tiwari et al., 2019). The idea of financial inclusion is also applicable to firms, especially the small and medium-sized enterprises (SMEs) that have limited financial capabilities (Kim & De Moor, 2017). Such institutions need to access credit and insurance to enhance their activities. Moreover, the disturbances brought about by COVID-19, such as the need for social distancing and restrictions on movements, increased the demand for digital services. As a result of these challenges, many customers adopted online transactions while banks recommended their clients to use online banking.

2 Origin of M-PESA

The idea of mobile money transfer in Kenya was initiated by Vodafone Group Plc, working in conjunction with its partial Kenyan subsidiary, Safaricom Plc (Vodafone, 2006). Vodafone had a corporate social responsibility programme that sought to transform lives and contribute to the achievement of the SDGs, especially for developing countries (United Nations, 2018). The firm hired a consultant who identified financial exclusion as a major challenge faced by developing countries. As a result of the consultant's recommendations, and with the support of the United Kingdom's (UK) Government through the Department for International Development (DFID) Financial Deepening Challenge Fund in 2003, Vodafone and Safaricom experimented with the idea of mobile money transfers between 2005 and 2006 (Hughes & Lonie, 2007). This involved collecting information from various stakeholders, like banks, technology firms, industry regulators, telecom firms, microfinance institutions, and non-governmental organizations. Specifically, the Commercial Bank of Africa and Faulu Kenya microfinance institution were selected to work with Sagentia, a UK-based software development company, to facilitate the transfer of funds among informal groups ("chamas" in Swahili) so that group members could receive and pay for loans through their mobile phones (Muthiora, 2015). Following successful pilot studies conducted in Nairobi's Central Business District (CBD), Mathare slum, and Thika town in 2005, the idea of M-PESA was launched in March 2007; the marketing slogan "send money home" implied that the service targeted people who wanted to transfer small sums of money to their rural homes (Hughes & Lonie, 2007).

3 Adoption of M-PESA

While the concept of mobile money transfer was considered new in Kenya, it had worked for some of the Philippines' telecommunications firms like Smart, which offered Smart Money in 2004 and Globe with its G-Cash in 2001 (Aron, 2018; Davidson & McCarty, 2012). Nevertheless,

the M-PESA idea was quickly adopted by individuals and businesses, and it became a success story in Kenya (Jack & Suri, 2011). Initially, it was fronted as a cheap way of buying airtime, paying bills, and remitting money across individuals. However, owing to its low transaction costs, ease of access, and safety vis-à-vis other money transfer options like using the local post offices, an increased number of individuals and businesses adopted it (Morawczynski & Pickens, 2009). By 2011, M-PESA had more domestic transactions than Western Union's global transactions, and by 2016, about 95% of Kenyan households used M-PESA services (Jack & Suri, 2016). As of June 2020, M-PESA had 30.2 million subscribers in Kenya (Ndungu, 2021).

Several socio-economic, politico-legal and technological factors contributed to this success. Burns (2018) identifies three such factors. Firstly, a large number of Kenyan families are split between some people working in the densely populated urban areas like Nairobi and Mombasa supporting those in the rural areas, hence the need for domestic remittances (Jack & Suri, 2014). Agricultural-related activities are a major source of income, especially for people in the rural areas of Kenya since they contribute nearly 80% of their incomes, but they are prone to changing weather patterns, meaning that the related incomes can be low and erratic (Food and Agricultural Organization (FAO), 2021). This partially explains why some family members often shift to urban areas in search of better incomes through, perhaps, paid employment. Specifically, a pattern of males in urban areas remitting money to female recipients in the rural areas was noted by Morawczynski and Pickens (2009). However, M-PESA transactions are not limited to spouses, as anyone can send or receive money from any other person or institution. Although social networks involve more than money, the ability to send or receive money is associated with expanded social networks that may be useful during times of need like when one is faced with medical bills, sicknesses, unemployment, natural disasters, death of family members, and other bills that may be beyond the individual's ability to pay. For instance, during the post-election violence experienced in Kenya in 2007, many activities were disrupted, and some family members supported the others by sending money to them through M-PESA.

Secondly, Safaricom had a dominant market share in the telecommunications industry and facilitated these transactions. In 2007, Safaricom controlled about 80% of the Kenyan telecom industry with over 25 million customers (Hughes & Lonie, 2007). As a result, its investment in marketing, creation of a network of agents, and technology upgrades to facilitate mobile money transactions were justifiable (Ndungu, 2021). Thirdly, due to the country's relatively fair economic and financial development compared to some of its counterparts in the sub-Saharan part, money agents could easily access liquidity from the banks. Kenya also had a fairly stable political system, and its legal and financial systems were better compared to those of most of its neighbours (IMF, 2013). For instance, financial deregulation by the Central Bank of Kenya, in conjunction with the Communications Authority of Kenya, enabled non-banking financial institutions to compete with commercial banks in the provision of financial services (Muthiora, 2015; Ndungu, 2021).

The idea of mobile money services was adopted by other developing countries that were heavy users of cash like South Africa, Lesotho, Egypt, Ghana, Democratic Republic of Congo, Mozambique, Tanzania, Afghanistan, Albania, Fiji, India, and Romania (Aron, 2018; Burns, 2018), but the adoption rate differed across the countries. Evans and Pirchio (2014) point out four factors that determine the rate at which mobile money services are adopted. These include a conducive regulatory environment, the poor state of infrastructure, an agent network that grows as the network coverage increases, and a growth that occurs either quickly or not at all. On their part, Amoah et al. (2020) argue that the adoption rate is also influenced by the age, education levels, digital literacy, and incomes of the potential adopters, all of which vary from country to country. Similarly, Porteous (2007) contends that low levels of education and lack of digital skills inhibit the adoption of mobile money services. Myeni et al. (2020) add entrepreneurship, gender, and whether people live in urban or rural settings as other factors influencing the adoption rate. M-PESA's fast rate of adoption could be explained by all these factors. However, the widespread possession of mobile phones by numerous people in Africa also played a key role. By 2016, the World Bank estimated that more households in developing countries owned mobile phones compared to those who accessed electricity, clean water, or

proper sanitation (World Bank, 2016). Aker and Mbiti (2010) explain that, from around 1997, many sub-Saharan countries liberalized their telecom markets, which initially operated as state monopolies. This exposed them to domestic and foreign competition, forcing them to be more competitive in order to survive. Besides, owing to increased imports, particularly from China, the prices of mobile phones became highly affordable to nearly all categories of people, hence Africa became a big market for mobile phones. In particular, Mothobi and Grzybowski (2017) also argued that the private mobile network operators in sub-Saharan Africa kept increasing their infrastructural networks so as to reach people located in remote rural areas. A wide network coverage used by many people benefits the network provider and the users, but it also facilitates the financial inclusion of such people.

4 How M-PESA Works

To use M-PESA services, a subscriber needs to have a mobile phone with an active subscriber identification module (SIM) number that is registered under Safaricom or other mobile phone network providers like Airtel or Telekom (Ahmad et al., 2020). While it is not compulsory to be a registered M-PESA customer, the transaction costs for dealing with unregistered clients is higher. Registering as an M-PESA customer and getting money deposited into an M-PESA account is free as long as one has identification documents and an active phone number. Depositing and withdrawing money from M-PESA accounts require the services of M-PESA agents who earn a commission from Safaricom based on the volume of their transactions. The agents perform many other functions, such as registering new M-PESA clients, and are located in nearly every corner of the country. There are three categories of agents (Jack & Suri, 2011). The first category consists of the agency head office and several agents that deal directly with the head office, and which are considered subsidiaries of the head office. This category interacts with the head office to manage cash and e-float balances. The second category, referred to as the aggregator model, consists of the head office dealing directly with Safaricom and managing the cash and e-float of other agents. The agents

are individuals who have signed contracts with Safaricom. By June 2020, there were 237,637 agents serving 30.5 million subscribers, processing 4.8 million daily transactions valued at about US\$117,858,749 (Ndungu, 2021). The third category comprises partner banks that act as super-agents to trade cash and e-float to the agents, but not to the M-PESA customers. The banks act as agents to the agents.

To deposit money, the customer is required to go to an agent with his or her identification documents, like the national identification card or passport. The agent takes the cash, confirms the telephone number and identification documents of the customer, and converts the cash into electronic money (e-money) which is credited into the customer's account. For registered users, the telephone number and the identification documents of the customer must match for the transaction to succeed. With the electronic money deposited into the customer's phone, the customer can use it to make all types of transactions, including sending it to any person of their choice. Similarly, electronic money deposits can be converted into cash by an agent, again with the customer having to identify himself or herself. While depositing is free and there is no minimum balance, sending the money to other recipients and withdrawing it attracts a transaction fee, except where the amounts involved are less than US\$0.5. A customer can deposit and transact up to the equivalent of around US\$3000 daily with a maximum of US\$1500 per transaction (Ndungu, 2021). Each agent is required to keep a record of all his or her transactions, including the identification details of the customers, the deposit or withdrawal confirmation codes, amounts involved, and the signatures of the customers. M-PESA customers can also deposit or withdraw money from ATMs of designated banks.

5 M-PESA Services

There are several services associated with M-PESA. The first is the "Send Money" service that enables clients to send money to other people. To mitigate against sending money to the wrong recipient, the service ensures the sender confirms the name of the recipient before the money is transmitted. If the sender makes a mistake of entering the wrong number of

the recipient before transmitting the money, the sender has the option of cancelling the transaction. Money sent to the wrong recipient can also be reversed by sending the M-PESA message to a number provided by Safaricom, or calling the customer care section of Safaricom, which reimburses the money after some time, assuming that the recipient does not use the money immediately. By partnering with a number of money transfer service operators like Western Union, WorldRemit, MoneyGram, and Dahabshiil among many others, Safaricom has ensured that its clients can send and receive money globally (Alushula, 2021; Safaricom, n.d.). This facilitates diaspora remittances.

The second is the “Withdraw Cash” service that facilitates the withdrawal of cash from either agents or ATMs. M-Wallet is a service that enables clients to withdraw or deposit money into their bank accounts using M-PESA. The service has transformed banking by eliminating the need to physically visit any bank or its related branches since all transactions are done on the mobile phone. The third service is the “Buy Airtime” service that enables clients to buy airtime either for themselves or for other people. The fourth service is “Loans and Savings” which is for clients who want to either save or get loans out of their savings. Specifically, M-Shwari is the paperless banking service that enables clients to open and operate M-Shwari bank accounts on their mobile phones, move money from their M-Shwari accounts to their M-PESA accounts at no cost, save even small sums of money and earn interest on the balances saved, and access loans instantly through their M-PESA accounts (Suri et al., 2021). This service enables small-scale traders to borrow money to buy stocks which they sell and repay their loans even on the same day. Such traders benefit immensely as their trades are facilitated; otherwise, they would have to be out of business or operate on a very limited scale. M-Shwari empowers women and minority groups to save some of their incomes, access loans, develop economically, and increase their levels of digital financial inclusion. “Lipa na M-Pesa” is the fifth service through which clients can pay for utility bills like water and electricity or buy goods and services locally or globally. For instance, goods and services purchased through online shopping sites like eBay, Amazon, and Jumia can be paid through M-PESA. The service also facilitates trade in

financial securities and the Kenyan government has adopted it as a mode of trade (US Department of State, 2020).

6 Contribution of M-PESA

Hughes and Lonie (2007), among others, note that prior to the introduction of M-PESA, financial inclusion was challenging to achieve given that few people in Kenya had or wanted to have bank accounts and the banking infrastructure was poor. Beck and Cull (2013) agree that the penetration of banks in the low-income and sparsely populated areas of Africa is low. Demircuc-Kunt et al. (2018) as well as Nkuna et al. (2018), among others, explain that lack of money, documents, banks being too far away, low literacy levels, and bank fees and charges are some of the reasons limiting certain people from operating bank accounts. In such circumstances, moving cash was slow, inefficient, inconvenient, risky, and expensive as it was either moved physically by local post office, Western Union, or put in disguised parcels and ferried mainly by public means especially when the recipients were in the rural areas. Unfortunately, there were instances where the money failed to reach its intended destinations.

Since its inception, M-PESA has affected the lives of numerous people in each of the countries it is associated with. A few of these effects are captured in this section. According to Jack and Suri (2011), M-PESA transfers are immediate and less costly, although the charges vary with the amount of money involved. Even small amounts like the equivalent of about US\$0.5 can be sent, received, stored, or withdrawn as cash. Consequently, M-PESA facilitates inflows and outflows of money that can be used for a wide range of activities, including taking care of emergencies, thereby reducing the financial vulnerability of the receivers. Mbiti and Weil (2016) point out other specific uses of M-PESA as buying airtime, saving money, paying expenses related to all forms of transportation, making donations, receiving payments, making withdrawals from Automatic Teller Machines (ATMs), buying goods and services, paying bills, and receiving or paying salaries and wages. In the same vein of argument, Muthiora (2015) explains that M-PESA is also used by institutions. For instance, non-governmental organizations use it to

disburse aid to their intended recipients, microfinance institutions (MFIs) to advance loans and collect repayments, educational institutions to collect payments from their students, health institutions to bill their clients, and retail stores to pay their suppliers. Payment of school fees using M-PESA has enabled Kenyan parents and guardians from all corners of the country to save on the costs and time associated with making the payments through the physical banking systems while also benefiting from the conveniences that accompany mobile money transactions. The Kenyan government uses it to collect taxes and receive money for licences, and other charges, particularly from Kenyans registered as eCitizens; it also disburses some of the payments for pensions, salaries, and subsidies using M-PESA. The agriculture sector uses M-PESA to remit subsidies to farmers and receive loan repayments. As of 2006, only 26.7% of the Kenyan population was financially included, and this changed to 82.9% by 2019 (Ndungu, 2021).

Mobile money transfers are fast, low in cost, safe, and private; hence they facilitate the financial inclusion of the underserved segments which may have been ignored by the commercial banks. Digital transactions, therefore, reduce the risks associated with carrying cash, which is considered less efficient to store and more dangerous to transport mainly for individuals (Prahalad, 2006). Ultimately, it stimulates economic growth, especially for people living in rural areas (Aron & Muellbauer, 2019). In addition, local and international mobile money transactions can be traced, thereby creating a financial history for each individual or business. One can prove that they paid for certain goods and services by providing the related M-PESA messages. Although each transaction is not dependent on previous transactions, historical records kept by firms can help them get loans or lines of credit from financial institutions (Sapovadia, 2018). Even non-transparent cash movements like money laundering, or illicit cash, can be monitored to ensure that money is not channelled to illegal activities like financing terrorism (Rogoff, 2016; Ndungu, 2021). However, this is challenging considering that the service provider may not easily distinguish between terrorists and non-terrorists, and neither can the provider control how individuals spend their money. Moreover, sometimes criminals force people to withdraw funds for them or even physically steal the money from agents and M-PESA customers.

Nevertheless, improved transparency, maintenance, and protection of customer records build trust among the clients of M-PESA and has led to an increased customer base. This applies to both formal and informal sector users and enables all categories of people to be integrated into the formal financial system (Aron & Muellbauer, 2019).

M-PESA enables people to keep their money electronically, thereby replacing some of the approaches used by the unbanked people, such as hiding money under their mattresses, saving it through informal groups, keeping it in storage boxes, and purchasing jewellery or livestock, among many others. These strategies are viable, but they are prone to the risks of fire, family disputes, and theft, unlike M-PESA savings, which are safer and cheaper as they do not attract any costs for saving the money. M-PESA savings can be easily translated into cash, unlike properties like land or livestock that can be difficult to sell quickly, especially during emergencies. As more poor and unbanked people save some of their incomes, they get financially included, meaning that they can use their savings to access loans or pay for different goods and services (Peric, 2015). Nevertheless, Alameda (2020) cautions that digital services targeting the financially excluded and underserved populations should be tailored to meet their specific needs so that these segments are served in cost-effective and sustainable ways. It is in line with this reasoning that Safaricom, in partnership with Commercial Bank of Africa, introduced M-Shwari, a savings and loan scheme operated on mobile phones. This product allows clients to save their money and access loans payable within a month (Aron, 2018). Ultimately, the level of poverty for such people is envisaged to reduce, particularly when the savings are invested in business or used to acquire education that leads to better income opportunities (Jack & Suri, 2016). Their standards of living and overall quality of life also improve.

In addition, women and minority groups have also been included in the financial system since they can also use M-PESA to save and make other transactions. This digital financial inclusion has contributed to the achievement of gender equality through the empowerment of women and minority groups, and this helped to reduce the gender imbalance which is prevalent in many African societies (United Nations, 2018). Since the transactions are private, women can save money secretly, thereby

gaining some form of financial independence without conflicting with their spouses or extended family members (Ahmad et al., 2020). Digital financial inclusion also facilitates risk-sharing (Jack & Suri, 2014). For instance, where formal insurance is absent, informal social groups can be formed to deal with contingencies, like huge medical bills. Members of the group can be asked to contribute towards the issue using M-PESA. People affected by natural disasters like earthquakes and droughts can also be assisted by sending money to them. Members of informal social groups can also share information about income-generating opportunities that arise in different places. For instance, Batista and Vicente (2020) demonstrated that reduced money transaction costs in Mozambique encouraged more people to migrate from the rural areas to the urban centres, since they could support those in the rural areas by remitting money to them. Nevertheless, rural to urban migration can be counterproductive when the cities become overpopulated, thereby straining social amenities like water and sanitation.

Governments also use mobile money to pay for different goods and services or even to transmit money to their citizens. In Niger, for instance, the negative impacts of a severe drought that was experienced in 2016 were mitigated by the government transmitting cash digitally to the affected households (Aker et al., 2016). Similarly, some households affected by rainfall shortages in Tanzania in 2016 received government assistance through mobile money (Riley, 2018). Besides being safer and more efficient, these government transfers reduce the chances for corruption and improve targeting. Citizens can also use M-PESA to transact with the government. For instance, in Kenya, the Kenya Revenue Authority and local county governments allow citizens and corporations to pay their taxes through M-PESA (Aron, 2018). M-PESA has also created employment opportunities for numerous people. As an illustration, the service relies on numerous agents who facilitate the transactions of individuals and businesses in exchange for a commission. Employment of more people and faster circulation of money partially contributes to economic development. Globally, the World Bank (2020) reports that more than 80 countries have adopted digital financial services, thereby incorporating millions of underserved poor people into a formal financial

system that enables these people to access credit, insurance, and other related services.

7 Challenges Encountered by M-PESA

The benefits associated with digital financial services have been emphasized by a number of scholars (The World Bank, 2020; Ahmad et al., 2020; Demirguc-Kunt et al., 2018). However, several challenges are also associated with such services, particularly in their ability to enhance financial inclusion. Firstly, money credited into M-PESA accounts does not accrue interest since mobile money is designed for making payments. This means that the money does not increase in any way, even when it is exposed to inflation. However, some countries, like Tanzania and Ghana, allow mobile money to earn interest (McKay, 2016). Where there are no interests to be accrued, some people opt to invest their money elsewhere, like purchasing livestock or investing in business, where there are chances of making profits. Besides, moving the funds to other individuals or paying bills with the money incurs transaction costs that diminish the values initially deposited (Suri, 2017). Similarly, there are costs associated with translating electronic money into paper money, and these depend on the amount involved. Therefore, the excise duty associated with mobile money transactions can deter low-income households from using M-PESA services, perhaps reverting to informal ways like moving their money physically (Maina, 2018).

In addition, M-PESA can be a source of family conflicts when, for instance, spouses in urban areas only send money to their counterparts in the rural areas and fail to visit them as frequently as they would like to be visited. Such spouses would be neglecting other non-monetary responsibilities, like mentoring their children. Family members can also question why money was sent to particular individuals, and this can lead to family feuds. Moreover, social systems are intricate and often require more than money since the physical presence of people also matters a lot. Therefore, sending money to spouses does not necessarily solve all family issues. M-PESA has partially contributed to poverty alleviation. For instance, Jack and Suri (2016) assert that the use of mobile money has lifted an

estimated 2% of Kenyan households out of extreme poverty, since the mobile money users can save some of their incomes and get loans to invest in income-generating activities. However, the relationship between financial inclusion and poverty reduction seems to be weak and indirect (Ogden, 2019), and Jack and Suri's (2016) study has been criticized on many fronts (Bateman et al., 2019).

8 Recommendations for Africa

The African Union recognizes the need for financial and monetary institutions as a key tool for achieving Agenda 2063 (DeGhetto et al., 2016). To this end, a number of lessons can be learnt from the M-PESA example. The success of digital financial services requires a stable government with proactive leaders who recognize the need for collaboration between the public and private sectors. Such leaders encourage and support private-sector innovations, like M-PESA, since collaboration benefits all the parties involved. Muthiora (2015) also advises regulators to understand emerging innovations, the risks associated with them, and the regulations to impose on them. Mobile money transactions are an example of a transformative innovation that has positively impacted the lives of millions of people. To encourage entrepreneurship, the regulators can be agents of change if financial inclusion is to be achieved. For instance, by allowing non-bank financial service providers to deliver low-cost financial services to the financially excluded segments of the Kenyan society, the Central Bank of Kenya indicated its support for innovation and commitment to an inclusive financial system. The move was initially resisted by the commercial banks, but they later agreed to partner with Safaricom for mutual benefit (Ndungu, 2021). Nevertheless, it is important to mitigate against any potential legal, operational, and liquidity risks. Therefore, public sector institutions can consider prudently relaxing some of their regulatory frameworks to enhance the socio-economic developments associated with financial inclusion (Aron, 2018; Lashitew et al., 2019). And as much as the mobile money idea did not succeed in all the countries it was introduced in, partially because of different regulatory frameworks (Ndungu, 2021), governments can learn something from each case

that either succeeded or failed in order to avoid failure and improve the chances of success.

Mobile money platforms like M-PESA and also commercial banks can be targeted by cybercriminals. Although the risks associated with mobile money transactions are low, there are instances where criminals have swindled the clients by pretending to be agents of the respective firm, resulting in major losses (Serianu, 2017). When customers lose their money, they lose confidence in the bank or Safaricom, hence the need to control cybercrime. To minimize the risks, the mobile money providers should continually formulate and implement policies to protect customers' interests and money. Moreover, firms interested in providing mobile money services should engage the regulators as early as possible so that the regulators can understand their business models and what ought to be done to facilitate the success of such businesses. In addition, operators of mobile money services should adapt to the regulatory frameworks, otherwise it will be impossible for them to run their businesses. Commercial banks and microfinance institutions can continue to partner with mobile money service providers to enhance their services. For instance, loan disbursements and repayments for individuals and businesses can be made using mobile money. The whole process benefits all the parties involved and creates a digital ecosystem that avails numerous opportunities locally and internationally (Muthiora, 2015).

Finally, governments should facilitate the financial inclusion of all types of households. Allen et al. (2016) recommend the need for an enabling environment where financial products are availed at affordable rates, with the government using them to interact with its citizens. A government can also provide incentives for those using such services, like minimizing the taxes levied on the services. Each government should have a strategic plan, like Kenya's Vision 2030, which clarifies the overall goals sought by the country and the role of digital financial inclusion in achieving those goals. Stakeholders seeking to achieve digital financial inclusion need to understand the dynamics of the poor people, such as how they get and use their money, to develop suitable products for them.

9 Conclusion

This chapter has proposed financial inclusion as one way of alleviating poverty and stimulating economic development. Using M-PESA as an illustration, the chapter has identified the conditions that favour the adoption of mobile money and elaborated on the benefits, opportunities, and challenges of mobile money as a way of achieving financial inclusion. In addition, several recommendations suitable for African countries have been formulated. Policy-makers can, at their discretion, use the information contained in the chapter to formulate policies that relate to the underserved and neglected segments of their societies in order to include them in their financial systems.

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9

Fintech, Cryptocurrency and Blockchain Technology: Towards Promoting a Digital Africa

Olaniyi Evans and Oluwasola Oni

1 Introduction

Technological innovations abound and continue to emanate from the internet and related technologies. One of such innovations is Fintech—a term that broadly describes technologically enabled financial services. Fintech is currently disrupting financial institutions through promises of lesser costs, higher efficiency and greater customer convenience. Moreover, the phenomenon helps to foster greater financial development in poorer countries (Hinson, Lensink & Mueller, 2019; Appiah-Otoo & Song, 2021). As a result, it is safe to say that Fintech could potentially stimulate financial development and inclusion in Africa.

Other similar disruptive technologies closely linked to Fintech are blockchain technology and cryptocurrency. As a platform that serves as the underlying technology for cryptocurrency development, blockchain

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technology is a relatively new phenomenon that has generated a lot of interest as a result of its potentials. Various stakeholders in different countries around the world have developed interests in blockchain and cryptocurrencies. In Africa, Nigeria, Kenya and South Africa appear to be taking the lead in the usage. Also, the financial sector appears to be leading this sector in Africa (Oxford Analytica, 2018; Ferguson et al., 2019). Accordingly, many policymakers and experts have advocated the adoption of blockchain technologies and cryptocurrencies transaction to foster the digital business landscape. As a result, the continent is embracing mobile cash and currency technologies due to the many advantages that they offer in promoting the ease of doing business across the continent.

However, there is still a great deal of scepticism amongst some governments in general and in particular, some African governments have shown reluctance towards fully adopting these technologies because of their decentralised nature, which makes them difficult to regulate (Agbo & Nwadiolor, 2020). Particularly, cryptocurrencies and blockchain technology have generated mixed reactions from private players, governments and policy makers. On the one hand, critics have labelled them as 'evil', 'scam', 'fraudulent', 'criminal' and 'unsustainable' (Brookes, 2018). In addition, they are said to encourage terrorism and money laundering, among other nefarious activities (Fletcher et al., 2021). There are concerns about the vulnerabilities which these technologies could foster. For example, they could be creating new types of risks which are not well understood or covered by existing regulations. On the other hand, proponents of the technology have argued that they are secure and are the key to ensuring financial inclusion, as they will be beneficial to the lower income earners who do not have access to modern financial services (Ukwueze, 2021).

As a result of the ongoing debate, the arguments for and against led to a growing list of questions that require answers, for example, what are the enablers of these technologies in Africa? What is the nature of the startup landscape in developing regions like Africa? What is the regulatory and supervisory framework for these technologies in the continent? Are there significant threats to African economies and security challenges that will arise from the adoption of these technologies? The answers to the questions lie in understanding these technologies, their challenges as well as

their prospects. Therefore, this chapter offers a discussion on the development of fintech, blockchain and cryptocurrency in Africa.

The chapter is structured as follows. Section 1 provides an introduction; Section 2 is a primer on fintech, cryptocurrency and blockchain. Section 3 explores key enablers of these technologies whilst Sect. 4 delves into the startup landscape in the continent. Section 5 covers supervision and regulation. Section 6 delves into the various risks associated with the adoption of the technologies ranging from cybersecurity to other forms of security breaches. Section 7 examines all other policy considerations for Fintech and blockchain in Africa. Section 8 presents the conclusion of the paper as well as some suggestions for further studies.

2 FinTech, Cryptocurrency and Blockchain

Fintech can be expressed as a combination of financial and technological innovations where technology-focused startups create new platforms, services and products which go beyond those currently provided by traditional finance (Wójcik, 2021). The Fintech landscape is changing how businesses and customers make payments, borrow, lend, and invest, as well as engage in other financial practices (Skan et al., 2016). Although the application of technology in the finance sector is not entirely novel, Fintech is a paradigm shift from existing technology (Gupta & Xia, 2018; Lukonga, 2018; Goyal, 2020). This is because technologies are introduced into finance at a fast pace and most of these innovations are springing up from relatively unknown firms outside the established financial industry (Mention, 2019).

According to Lai and Samers (2021), Fintech is significant for four key reasons. First, it rapidly grew in the 2010s; Accenture (2019) records that venture capital investment in Fintech globally increased from US\$1.8 Billion to US\$56 billion between 2010 and 2018. Second, FinTech is acknowledged by governments and the private sector in International Financial Centers (IFCs) globally as the key to capturing new markets and developing new capacities (Fenwick & Vermeulen, 2020; Lai, 2020). Third, Fintech appears to be disrupting the current financial structures through promises of lesser costs, higher efficiency and greater customer

convenience. Lastly, FinTech has significant implications in shaping global production, manufacturing and financial networks as well as fostering greater financial development in poorer countries (Hinson et al., 2019; Appiah-Otoo & Song, 2021).

Blockchain is a revolutionary technology that permits parties to transact directly with themselves without the need for a third party or intermediaries (Kizza, 2017). The blockchain—or more generally, the technology of distributed ledgers (DLT) has garnered attention in recent years as the key technology underlying cryptocurrency. A cryptocurrency is a virtual currency that utilises cryptography as a means of creating an agency and securing transactions (Kumar & Banik, 2018). Berkeley (2015) refers to blockchain technology as ‘the trust machine’ because it allows parties who have no connection or confidence in each other to cooperate without having to pass through a central intermediary. The key advantage of blockchain compared to centralised systems is its immutability. While the centralised systems can be easily tampered with or compromised, the blockchain technology is unerasable and cannot be easily tampered with (Kshetri, 2020).

As a disruptive innovation, blockchain is claimed to have the potential to change the economic, legal, political and cultural landscape (Frizzo-Barker et al., 2020) and has the ability to eliminate manual record-keeping and disrupt the financial sector like never before (Mearian, n.d.). In spite of the many possible applications of the phenomenon, it is generally assumed that financial services are the key users of blockchain technology given its application to different cryptocurrencies such as the Bitcoin. However, its applications extend far beyond the financial sector. Its usage extends to sectors ranging from health, industrial, mining, energy, environment to information technology (UNECA, 2017).

The first form of cryptocurrency was created in 2009 by an anonymous person or group under the name Satoshi Nakamoto. However, today various cryptocurrencies have emerged in the market, such as Litecoin, Peercoin and BitShares which are alternatives for bitcoin (Luther & White, 2014). The number of listed cryptocurrencies globally continues to grow, and Light (2019) estimates that their market capitalisation is heading towards \$700 billion. Cryptocurrency is created through a system called mining which involves solving a mathematical problem where

different computers are connected to a peer-to-peer network and have access to all transactions in a blockchain (Martins, 2013). The key feature of this algorithm is decentralised control which implies that no central authority, financial intermediary, or legal authority can have control over the payment flow in the transaction. This system is the opposite of conventional financial systems, where an intermediary or a third party usually 'a central bank' oversees a transaction between two parties (Wilhelm, 2020).

3 Enablers of Fintech and Blockchain in Africa

Africa is a continent that has a wide array of opportunities for investments given its distinct economic environment considering its abundant natural resources, a fast-growing population and market. The growth of Fintech and blockchain technology in the continent has been shaped by a unique combination of population growth, mobile phone adoption, technological inventions and innovations, as well as investors' interests in financial technologies (FSD Africa, 2021). For example, Africa has one of the highest population growth rates in the world; it is growing at almost 3.0% compared to the global rate of about 1.2%. The population in Africa is said to be largely composed of young people who are below 35, many of whom are tech-savvy (FT Partners, 2019). Furthermore, there is increasing urbanisation in the continent, and it has been projected that the urban population in Africa will be doubled in the next 25 years. The implication of this is a corresponding increase in the demand for basic services including financial services.

However, the continent is still characterised by less developed financial systems and a large unbanked population of about 60% (Natrajan & Orji, 2021). Bank penetration in Africa remains very low compared to other developing countries. Some reasons for this include poor infrastructure and transportation facilities and limited access to bank branches. Also, with a large size of the population situated in rural areas, there is an urgent need to create more ways to ensure financial inclusion, especially

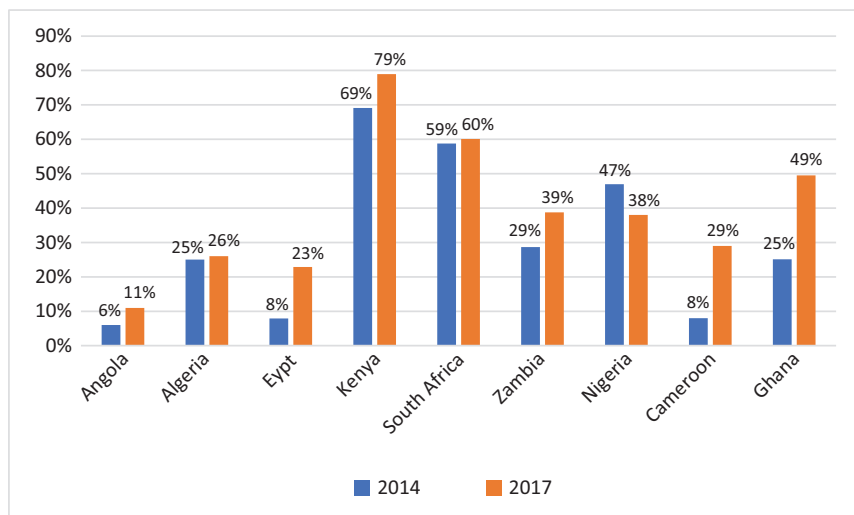
for the rural dwellers. Access to credit remains a key challenge, especially given that Africa has a large unbanked population with limited credit histories (FT Partners, 2019). This constitutes an opportunity for Fintech companies. Fintech, therefore, presents a good opportunity to promote financial inclusion in Africa. Fintech companies are addressing this problem by creating online networks that facilitate borrowing and lending between individuals and businesses, peer-to-peer personal loans and models for lending to small and medium enterprises (PWC, 2016).

Although the use of technology to provide financial services has been increasing in Africa for a long time, the origin of the recent Fintech movement in Africa can be tracked back to Kenya—the largest economy in East Africa. Since 2007, there have been rapid technological innovations in Nairobi, which has transformed the country into an Africa tech hub. One of such innovations was M-Pesa, a platform that enabled Kenyans to receive and send money easily using their mobile phones. M-Pesa grew quickly and gathered millions of customers within just a few years. The success of M-Pesa serves as a touchstone for the potential of FinTech to foster financial inclusion and increase living standards in Africa (Yermack, 2018).

The continent has already demonstrated a great interest in the adoption of Fintech; it has one of the highest mobile phone penetrations in the world and is witnessing a boom in financial services and payments technologies. Africa leads the global economy in the adoption of mobile money. Mobile phone penetration is already relatively high in many African economies, while broadband internet penetration is also rising as the continent's telecommuting infrastructure continues to improve (FSD Africa, 2021). It is expected that the fast spread of mobile money has transformed the nature of financial services in Africa.

A study conducted by the European Investment Bank (2015) found that 11% of Sub-Saharan Africa's population had mobile bank accounts, making it the highest in the world at the time. Mobile technology has changed the conventional life of people in the African continent (Yoon, 2020). As shown in Fig. 9.1, financial inclusion has also been improving in the region due to the technological developments and increasing mobile phone adoption in the region (Evans, 2018). The development of these technologies has fostered more accessibility to financial services that

a. Selected African Countries



b. World regions

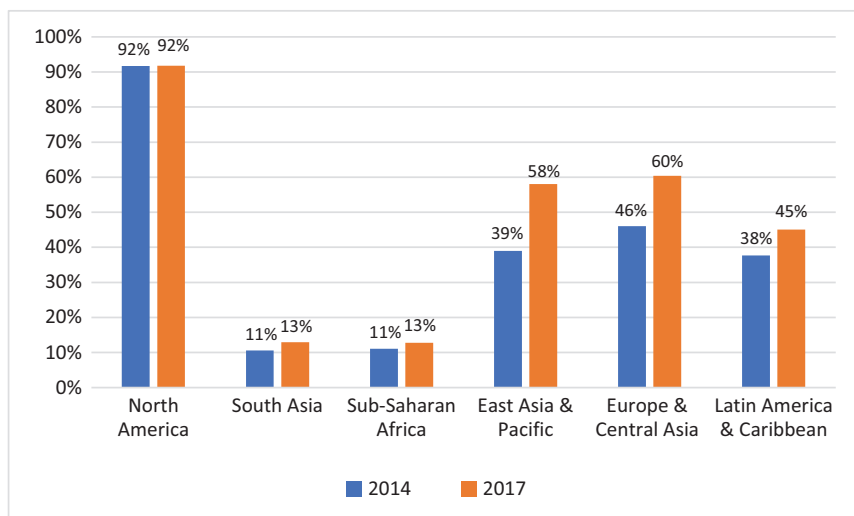


Fig. 9.1 Made or received digital payments in the past year (% age 15+). (a) Selected African Countries. (b) World regions. (Data Source: Demirgüç-Kunt et al., 2018)

were previously inaccessible (Evans, 2018; Vincent & Evans, 2019). Generally, the Fintech ecosystem in Africa is exhibiting ample opportunities for growth (Yermack, 2018). Across many economies in Africa, Fintech has boosted innovation and productivity (Lukonga, 2021).

4 Startup Landscape of Fintech, Cryptocurrency and Blockchain Technology in Africa

FinTech startups are growing tremendously in Africa. The Africa Fintech network is booming both in terms of the number of Tech startups and in terms of the amount of investment in the sector. It continues to remain the most populated space in the Africa tech system (Finnovating for Africa, 2021). Figure 9.2 shows the data on the number of Fintech startups between 2017 and 2021. The graph below indicates that the number of Fintech startups in Africa grew by an astonishing 89.4%, from 301 in 2017 to 576 in 2021. This represents an upward trend in the number of

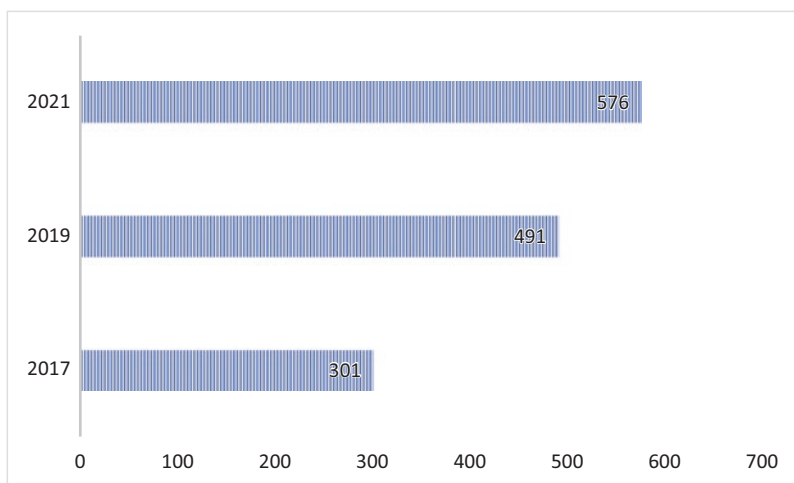


Fig. 9.2 Number of Fintech startups (Data Source: Disrupt Africa, 2021)

FinTech startups over the last four years, as more companies are becoming interested in the Fintech space in Africa.

The amount of Fintech funding in Africa has also increased substantially over the years. According to a Fintech report by Disrupt Africa, 277 Fintech companies have banked a total of US\$874 billion between 2015 and 2021. They also disclosed that the significant growth witnessed in the Fintech ecosystem is driven by the ‘big three’ economies—Kenya, South Africa, and Nigeria. The number of fintech ventures in Africa ranges from 1 in some countries like Libya and Botswana to about 154 in more

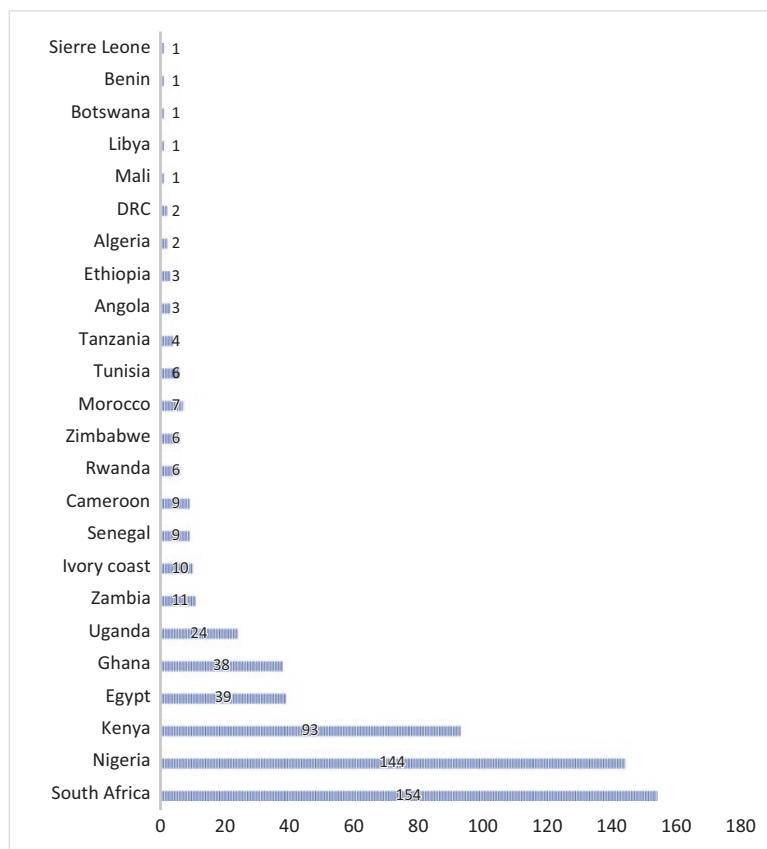


Fig. 9.3 Fintech startups by country (Data Source: Disrupt Africa, [2021](#))

congested markets like South Africa (Disrupt Africa, 2021). Figure 9.3 shows the distribution of fintech companies across countries in Africa. Obviously, South Africa is the most populated Fintech market in the continent, as it houses 154 out of the 571 Fintech startups in Africa. Next on the list is Nigeria—it has a total of 144 Fintech ventures in Africa. Kenya emerged as the country with the third highest number of FinTech startups in Africa. It recorded a total of 93 Fintech ventures in the continent.

Fintech in Africa has been largely dominated by payments solution providers and remittances. This reflects the fact that payments structures in Africa were generally less developed and Fintech is providing a solution to this gap in the financial sector. According to Disrupt Africa, digital payments are the most active and developed segment of the Fintech market accounting for more than 40% of the Fintech products. The number of startups active in the payments and remittance markets has grown from 125 in 2017 to 206 startups in 2021.

The most important promise for Fintech in Africa lies in its capacity to bank the unbanked population. Cryptocurrency in Africa could potentially save these people from the high cost of intermediary services while also providing them with credit facilities, as some companies have started offering bitcoin loans (Wilhelm, 2020). In addition, many currencies in the continent are largely unstable, volatile and are often faced with foreign exchange shortages. In comparison, cryptocurrencies, for example, Bitcoin, is claimed to be an inflation-proof “store of value” (Tully, 2021).

The high cost of sending remittances to Africa serves as a major opportunity for virtual currencies in the continent. Africa’s growing diaspora community has shifted towards the cryptocurrency system to send remittances across the continent in a cheaper and easier way. For many Africans in the diaspora, sending funds back home could be a very daunting task especially given the high cost of tariffs incurred in the process of sending such funds. The introduction of cryptocurrency has lightened the burden for many. There are some cryptocurrencies which now permit people to send money to Africa freely. One of such services is a remittance company in Kenya called Bit Pesa.

Permitting the use of bitcoin as a means to send money solves the problem of high transaction costs and currency conversion. *Chainalysis*, a

blockchain data platform, in its 2020 report, explained that Africa is ahead of other regions in the world on-retail sized transfer of below \$10,000. The increase in remittances is a key explanation for this trend. According to a Quart Africa report, Africa's cryptocurrency retail share accounted for 29% compared to other developing regions in the world (20%) (Onyango, 2021).

Africa is well-positioned to take advantage of the cryptocurrency boom. It has a large swathe of young professionals and young entrepreneurs. Also, rising unemployment in many African economies means more people are moving away from traditional sectors to exploring digital sectors in the economy (Graham et al., 2017). This digital system affords the young people a chance to make a living for themselves.

5 Supervision and Regulation

The growing popularity of Fintech, cryptocurrency and blockchain technology have posed a serious question to what policy and regulatory measures should be adopted. Many African governments and policy makers have been grappling with how best to regulate these new technologies. The legal status and regulatory framework of these technologies differ from country to country in the region. While some African economies have willingly adopted them, others have completely banned them, and some countries have remained silent.

The risks associated with cryptocurrency and blockchain technology make their regulation a little more challenging. Some major challenges posed by the regulation of cryptocurrencies include the anonymity of users, issues of consumer protection and market inefficiencies, as well as jurisdictional issues given that online transactions can cut across several economies (Ukwueze, 2021). With respect to taxation, there has been no consensus on whether cryptocurrencies are classified as assets or currencies. Classifications are important in order to formulate an appropriate tax structure for them.

Creating an appropriate framework that strikes a balance between protecting consumer interests as well as fostering an enabling environment for businesses to thrive is another key factor hindering the regulation of

cryptocurrencies in the region. While protecting the consumers is desirable, excessive restriction could affect the efficiency of the market and drive away investors (Wójcik, 2021). Therefore, there is an urgent need for governments to protect key investors in this ecosystem while at the same time ensuring that the right business climate is being fostered.

Another challenge associated with regulating cryptocurrency is the fact it is not necessarily restricted to a particular geographical location. Rather, it entails transactions that are cross-border. Thus, there is need for more cooperation among African governments in its regulation. The African continent has varying levels of regulations that pertain to Fintech, cryptocurrencies and blockchain technologies. The speed of policy responses differs widely across countries depending on the size of their financial sector and the flexibility of existing legal frameworks.

Further, regulation and supervision are still in their infancy or even lacking in some of the economies. However, some African countries are making huge advancements in various aspects of regulations and promoting this sector. There is no united response or regulation of these technologies in the continent, therefore we examine the regulatory frameworks in the five biggest fintech countries from different Africa zones, namely, Nigeria (West), South Africa (Southern), Kenya (East), Ghana (West) and Tanzania (East).

5.1 Nigeria

Nigerians seem to have a high degree of interest in digital currencies as they are classified among the top users of cryptocurrency in the world (Stears Business, 2017). Luno, a cryptocurrency platform, conducted a survey which revealed that nearly three out of five Nigerians are willing to adopt a global virtual currency (Oluwole, 2020). Despite the popularity of cryptocurrency in Nigeria, the initial response of the regulating bodies such as the Central Bank of Nigeria (CBN), as well as the Securities and Exchange Commission (SEC), was that of scepticism and doubt. Thus, they issued warnings to financial institutions and banks about dealing with cryptocurrencies. The Central Bank more specifically stated that banks who decide to trade in virtual currencies will do so at their own

risks. The Nigerian Deposit Insurance Corporation (NDIC) also warned the public that those who wish to transact in virtual currencies would not be afforded insurance protection from the NDIC, as they have not been issued by the Central Bank.

However, in recent times, the disposition of the SEC is moving towards acceptance. The CBN, however, has moved towards prohibiting financial institutions from facilitating transactions in cryptocurrency.

5.2 South Africa

Cryptocurrencies and blockchain technology are also popular in South Africa. The initial reaction of the regulatory authorities in South Africa was not very dissimilar from their Nigerian counterparts. For example, in 2014, The National Treasury (NT) and the Financial Services Board (FSB) issued a statement to financial institutions and the public warning about the risks and the concerns of dealing in virtual currencies. That same year in another statement, they highlighted further the risks which are associated with virtual currencies.

However, as cryptocurrencies and blockchain technology became more rampant, the regulatory authorities began to recognise the need to adopt a better regulation of virtual currencies. For example, in 2016, the South African Reserve Bank (SARB) established an intergovernmental Fintech working group. They did this in order to formulate an approach and policy stance towards Fintech's cryptocurrency and blockchain technology in the country.

5.3 Kenya

Kenya is one of the leading economies in financial technology in the continent, as they have continually developed various digital solutions to promote financial inclusion. Globally, it is also one of the leading economies with respect to cryptocurrency and blockchain related technologies (Didenko, 2017). However, despite the laudable reception of cryptocurrency in Kenya, the regulators of the financial sector have taken a rather

conservative approach to its regulation. In 2015, for example, the Central Bank of Kenya (CBK) issued statements to the public warning them about transacting in cryptocurrencies and other blockchain products due to their perceived volatility. The CBK further highlighted engaging in such transactions could expose the economy to significant threats like money laundering and terrorism. In February 2018, the Capital Markets Authority (CMA) also issued a warning notice to investors to desist from engaging in the purchase of initial coin offerings (ICOs). In spite of the warnings of the CBK, there is no law completely banning their use in the economy.

However, Kenya has become receptive towards blockchain technology in the other sectors of the economy. For example, Kenya's Land Commission embraced the use of blockchain technology (Mckenzie, 2018). This, they believe, will improve the transparency of land ownership and reduce fraud. The health sector is also intent on the use of blockchain technology to improve the sector.

5.4 Ghana

The Bank of Ghana has announced that the use and trading of cryptocurrency is not legal. The rationale is that it is not considered a legitimate form of currency. The Governor of the apex institution further stated that the laws to regulate the use of cryptocurrencies were not currently in place in the country (McKenzie, 2018). However, the Government in Ghana has passed a Payment Systems and Services Bill which they believe will guide the regulation of cryptocurrency and blockchain in the future.

5.5 Tanzania

Taking a similar approach to other African banks, the Bank of Tanzania in 2017 warned that cryptocurrencies were not officially recognised in the country, and they noted that individuals who trade in those currencies do so at their own risk (Freeman Law, 2021). Despite the warnings of the Bank of Tanzania, the country currently has one of the largest cryptocurrency mining sectors in the world.

6 Security Issues and Cyber Risk

As startups and companies within the Fintech and blockchain technology space continue to disrupt the financial ecosystem, a huge advantage is that they operate within a seemingly loose regulatory framework. They are more active and more open to making risky choices. However, this revolution in the financial sector has brought with it unprecedented risks, as their complete reliance on technology constitutes a fundamental challenge to these companies. Some of the risks which this sector is exposed to include cyberattacks, data privacy, money laundering and security breaches.

6.1 Cybersecurity Risks

Cybercrime constitutes all forms of illegal activity targeted at disrupting the integrity of computer systems and manipulating electronic data (Nwabuike et al., 2020). In other words, it involves the intentional manipulation of computer systems to enhance criminal activities. Recently, cybercrime issues have been on the increase especially now with the advent of various digital technologies ranging from artificial intelligence, cloud data and blockchain technology. With the shift of the global economy towards a more digital economy, there is likely to be a continuous increase in cybercrime (Aelix Partners, 2019).

While cyber risks are not particularly unique to Fintech and blockchain technology, increased reliance on digital technology exacerbates the potentials for cyberattacks (Lukonga, 2018). Reoccurring cyberattacks could pose another risk which involves the loss of consumer trust and confidence in the digital financial sector. This will of course slow down the growth of the Fintech industry.

Also, the strong anonymity associated with blockchain technology poses another challenge to regulators who might find it challenging to monitor virtual money laundering (Kesa & Mahoro, 2019). The anonymity enables these technologies to be used for criminal activities like money laundering, terrorism and purchase of illegal drugs (Chikelue et al., 2020).

Also, measures against cybercrimes in African economies continue to remain weak in terms of regulation and awareness. The negligent attitude of the staff of some Fintech companies to security configuration due to inadequate training poses serious risks. Meanwhile, Africa lags the rest of the world in enforcing processes to ensure cybersecurity, like identity management and threat assessments (Lukonga, 2018).

6.2 Other Security Risks

Cryptocurrencies and blockchain technologies could be easily misused for illicit activities such as terrorist activities, since transactions can remain anonymous. Africa is a region that is characterised by political unrest and terrorism. Thus, this exposes the continent to increased terrorism financing stemming from the adoption of virtual currencies and digital banking.

Some Fintech companies in Africa generally lack the resources that traditional banks have to invest in infrastructure (Aelix Partners, 2019). This is a potential risk to them, as it could mean that requisite privacy and security measures are not in place. While banks are generally more inclined to invest in structures that could reduce their vulnerability to attacks and cybercrimes, the same cannot be said of Fintech startups especially since they are not bound by any regulatory requirements.

Other operational risks in Africa include erratic power supply. The shift towards a more digitalised economy requires more electricity infrastructure and internet connection. However, in many African countries, electricity generation remains a significant problem.

7 Policy Recommendations

Given the very nature of financial technology, firms that are not fully finance-related are entering the Fintech space. This, of course, will necessitate policy adjustments in the continent. With more non-banks entering the Fintech space, there might be a need to consider collaborations between banks and non-bank regulators. This step is crucial to develop

appropriate policies that will guide and nurture the growth of these businesses.

Also, now more than ever in this digital era, data protection and privacy will need to be accorded serious importance. African countries generally lack a coordinated means of identification. There is an urgent need to consider policies in this area that will enable data protection and privacy for customers. Another policy challenge is that data privacy requirements are not strict for Fintech firms. When this happens, there might be a tendency for Fintech firms to misuse customer data.

Another key policy consideration that needs to be deliberated upon is the brewing tension between the objectives of financial stability and financial inclusion in developing economies. Many African countries have a consumer protection system for banking services (World Bank, 2017). However, the rise in mobile payments and mobile money has resulted in new consumer risks different from those of traditional financial services. For example, digital bank services render consumers liable to all forms of cybercrimes. Therefore, the gap in policy response to consumer protection in mobile banking needs to be addressed.

Another key consideration that must be brought to the table is the discussion about corruption. According to available statistics, African countries rank high on the Corruption Perception Index (Transparency International Index, 2019). It is important that regulators seek ways to reduce these indices for the fact that the very nature of the blockchain technology, for example, anonymity, makes them susceptible to crime and other nefarious activities. This could, of course, endanger consumer confidence in the system.

Another key area for policy consideration is education. Fintech and blockchain technology innovations are fast changing and rapidly evolving. Thus, there is a need for discussions towards enlightening the members of the public.

8 Conclusion and Future Research

This chapter, so far, has explored the landscape of fintech, cryptocurrency and blockchain technology in the African continent. There is no doubt that Africa has increasingly benefited from these innovations. Fintech in

the continent has witnessed an increase in investment as well as funding. It has provided a vast range of solutions, especially in the payments and remittance sector. This, of course, is creating more solid opportunities for financial inclusion in the region. Cryptocurrency and blockchain technology are also making waves in many African economies, although not as developed.

Also, as discussed above, the rise in fintech and related technologies has constituted a serious challenge for policy makers in Africa. With the rapid evolution of blockchain technology and other fintech, many regulators in the region have responded differently. While some have adopted a conservative approach towards these technologies, others are still grappling with how best to incorporate such technologies into their economy.

Therefore, in line with the above, there is a need to conduct more research on these technologies. Fintech, cryptocurrency and blockchain are growing very fast in the region and some key questions pertaining to how they can be suitably incorporated into the African context remain. Some further questions to analyse are:

- Has cryptocurrency and blockchain technology come to stay in Africa and how exactly can the prospects be maximised?
- What is the best means to formulate regulations and policies to encourage innovative thinking and creativity in internet technologies while also reducing/mitigating associated risks?
- How best can African governments leverage the benefits of blockchain technology in other sectors of the economy beyond the financial sector?
- In what ways can the governments minimise the emerging risks from the use and exchange of cryptocurrencies in these economies?

These and many other questions are possible areas to which future researchers can channel their focus. It is expected that more research into this area will better illuminate the best ways to incorporate digital technologies into African economies.

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10

Role, Characteristics and Critical Success Factors of Big Data (BD): Implications for Marketing in Africa

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and Nana Arko-Cole

1 Introduction

Increased digitalisation of processes has pervaded businesses in the twenty-first century, and companies who do not follow this trend typically lose competitive advantages (Nambisan et al., 2017). Technology and its rapid growth is one of the key innovations and influencing factors that are expected to usher in a new era of companies (Yeoman, 2018; Yeoman & McMahon-Beattie, 2018) through changes in the way firms and service providers interact with customers, resulting in changes in consumer behaviour (Urquhart, 2019) and, as a result, significant opportunities for businesses to use technology (Yeoman, 2018; Yeoman &

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McMahon-Beattie, 2018; Yallop & Seraphin, 2020). Big data (BD) is emerging as a phenomenon with enormous ramifications across many industries, leading to company transformations towards data-driven enterprises (Lee, 2017). According to the International Data Corporation (2018), global BD and business analytics revenues would likely reach more than \$260 billion by the end of 2022. Data generation has exploded in recent years (Bello-Orgaz et al., 2016), and there are no indication that this trend will slow down. According to Bello-Orgaz et al. (2016), 2.5 exabytes of fresh data are generated every day globally, while the Government Accountability Office (2017) estimates that there will be between 25 and 50 billion devices connected to the Internet and creating data by 2025.

Big data can generate actionable ideas for delivering long-term value by providing smart data and establishing competitive advantages (De Mauro et al., 2015; Wamba et al., 2015), as it allows for the improvement of data-driven decision-making and organisational, learning, and innovating processes at various levels (Wamba et al., 2015; Wamba et al., 2017). Despite the growing interest in digital technologies and Internet of Things (IoT) systems in a variety of fields ranging from engineering and informatics to general management (Santoro et al., 2019), a clear picture of the dynamics of application and benefits of Big Data deployment is lacking in the literature. Second, the application of learning and strategic brainpower in resolving industrial marketing challenges is critical but has received inadequate academic and practical attention (Jahromi et al., 2014; Paschen et al., 2019). There are not many book chapters on this subject in particular. A crucial challenge of Big Data in marketing and other fields, is a lack of understanding of data governance standards for big data analysis. The specific marketing Big Data (business-IT) issue is that certain data scientists lack an understanding of the critical success factors that provide a holistic view of such data in order to make marketing-IT oriented decisions. Therefore, the purpose of this chapter is to explore Big Data themes that impact business and management strategies to facilitate business performance and management decision making.

Effective utilisation of Big Data will provide marketing firms with a plethora of solutions in surveillance, research and data management. This chapter effectively adds to the body of knowledge in the field of study.

Although most prior studies have focused on the success or resistance aspects of big data elements in different contexts, such as businesses, government, or academic institutions (Ziora, 2015), there is a paucity of research on Big Data critical success factors. Because of its complexity and necessity for large efforts, big data has not been generally accepted in many organisations (Jee & Kim, 2013).

The themes that come out of this chapter are helpful to many stakeholders and firm. The chapter can affect social change by generating additional jobs in firms to complement government effort of job creation across emerging markets. The study will enable large number of these organisations understand the significance of data they collect and use to make strategic and tactical business decisions and choices on a daily basis that would result in job creation. Better and more focused information could cause an increased profitability for these mid-market businesses, which could result in more jobs in these regions.

The following sections make up the framework of the chapter: the next section gives a theoretical background on the key characteristics of big data deployment and the critical success factors for Big Data in marketing management. The conclusion part of the paper explores the research's implications, conclusion, recommendations, and future research areas.

2 Background of Big Data

The phrase “Big Data” was used in the computer sector by Roger Magoulas of O'Reilly Media in 2005 to describe a large amount of data that typical data management approaches are unable to manage and handle owing to its complexity and scale. Data that is too vast, too quick, or too difficult for present tools to process. The key to grasping Big Data is to realise that it must be used in such a way that it supports real-world profitable or good outcomes. The majority have only just began to make use of Big Data. Many businesses have been experimenting with strategies that allow them to collect large volumes of data in order to see whether there are any hidden patterns in the data that could indicate a significant change. Data may reveal, for example, that client purchasing patterns are shifting or that new business aspects must be considered. The late 1990s

saw an exponential increase in the volume of data generated globally (Balachandran & Prasad, 2017). As a result of globalisation of the world's economy, the emergence and ubiquity of the Internet, social media networks, and new product introductions of portable apps, the volume of data has expanded fast (Johnson et al., 2017b). During the introduction of a new technology shift from an analog to a digital service, the telecommunications sector experienced and contributed to an increase in the amount of data growth (Johnson et al., 2017b). From 281 petabytes in 1986 to 471 petabytes in 1993, 2.2 exabytes in 2000, 65 exabytes in 2007, and 667 exabytes in 2010, data growth has been exponential (Harvey, 2017) and to 77 exabytes by 2022 (Cisco, 2019).

3 Literature

3.1 Definition and Concept of Big Data (BD)

Big data is described as data that is continuously generated from various sources and in a variety of organised and unstructured data forms (Grover et al., 2018). Big data, according to Wamba et al. (2015), is a holistic strategy to managing, processing, and analysing the five Vs (volume, variety, velocity, veracity, and value) in order to provide actionable insights for long-term value delivery, performance measurement, and competitive edge. Big data refers to large amounts of behavioural data that are characterised by volume, velocity, and variety, leading in business intelligence, decision-making, and tactics being transformed (Erevelles et al., 2016). Big data is a term that refers to the availability of a wide range of data at a faster rate, with varying implications for different sorts of businesses (Einav & Levin, 2014) and or marketing activities. The term “*Big Data*” is frequently used to refer to massive amounts of structured and unstructured data that are available in real-time (Sheng et al., 2017; Ferraris et al., 2019). Big data is a broad phrase for a vast volume of digital data produced from a number of sources that is too huge and lacks the structure to be processed using traditional relational database approaches (e.g. 2.5 quintillion bytes of data created each day) (Kharat & Singhal, 2017).

BD is an analytic method (Tonidandel et al., 2018), a technology, a set of skills and talents, and a business strategy that combines many disciplines such as data science and statistics, business intelligence, and quantitative modelling (Comm & Mathaisel, 2018; Davenport & Kim, 2013). The scale of BD is relentlessly on the rise, with single data sets ranging from a few dozen terabytes to many petabytes; zetta-bytes; yottabytes (Hormann & Campbell, 2014).

The concept of data lifecycle management (DLM) is directly linked to the concept of big data management. Policy-based data storage and deletion decisions are made in accordance with this method, which takes into account the needs of an organisation's IT infrastructure (Harvey, 2017). As a broad notion, "big data management" comprises all the rules, processes, and technologies that are used to manage enormous data warehouses. There are several steps involved in data preparation and purification for reporting and analytics (see Fig. 10.1). It can comprise data cleansing, migration, integration, and preparation for usage in reporting and analytics applications, among other activities (Harvey, 2017).

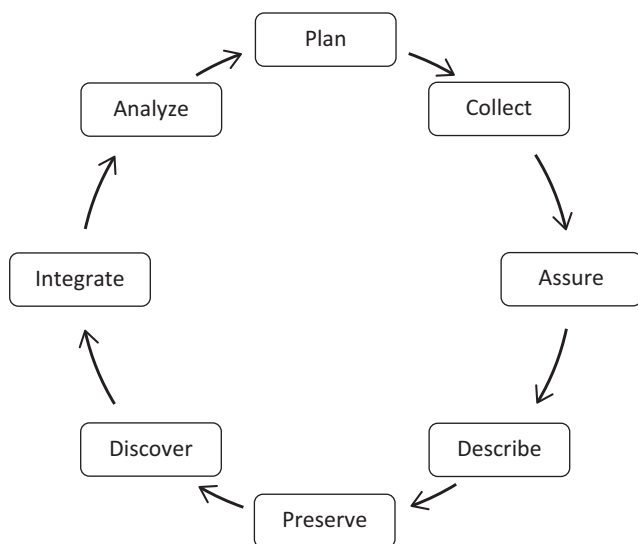


Fig. 10.1 Data lifecycle management. (Source: Harvey 2017)

Big Data in Africa

According to African Business (2020), the growing power of data science is providing insights for businesses large and small, creating opportunities that African companies cannot afford to miss. When it comes to adopting technologies, Africa frequently falls behind the rest of the world. Nonetheless, big data is receiving considerable attention as a solution to the continent's poverty problem. The private sector has been the first to get out of the starting blocks. In fact, firms and governments across Africa continue to gather data. However, the resources (tools and skills) needed to process, store and utilise this valuable asset have become increasingly paramount for users (firms, government, NGOs, donors, global institutions-IMF). Firms and individuals across the globe should be careful not to think that Africa's big data issues will be left in the hands of Africans to harness and manage. Data is important and its usage cuts across individuals, donor organisations, corporate institutions, multinational firms and multilateral organisations.

Despite the fact that big data programs have the potential to enhance both the public and private sectors, their true influence is hampered by numerous issues. One of the most serious challenges is the continent's lack of in-house data science talent. Young Africans who wish to pursue a profession in data find it difficult to obtain high-quality education and practical experience. Many of the world's digital corporations have invested billions of dollars in research and development. Africa may benefit from innovation and focus on targeted execution in the region if collaborations are organised properly and successfully secure our data. Big data users in Africa will include more than just giant foreign firms who expect to gain from big data projects. Small businesses, municipal governments, and non-profit organisations are all using data to alter their operations. Mobile data collection and analysis can help to develop a full picture of consumer preferences, perceptions, and needs in countries like Ghana, where informal traders dominate the retail industry.

Even though application of big data in Africa is still in its early stages, recent reports have shown that success has been achieved through the use of digital surveillance to track epidemics (Nsoesie et al., 2015; Liu et al.,

2016). Many big data projects require the correct mix of physical infrastructure, competent people, and a well-defined plan. According to Ben Roberts, group chief technology and innovation officer at Liquid Telecom, an African broadband infrastructure operator, building data centres in African countries rather than keeping data abroad will enable cutting-edge business applications to be deployed.

Big data collection and analysis can have a wide range of commercial applications. Analysing reams of consumer data can result in in-depth customisation and precise customer segmentation. Vodacom in South Africa collects data from customers by asking which digital lifestyle they identify with, then tailoring bundles depending on their usage and unique profile. Mobile data collection and analysis can aid in the creation of a comprehensive picture of consumer preferences, attitudes, and needs in nations where informal traders dominate the retail industry. In practice, due to a patchwork of data storage and privacy rules that restrict the transfer of personal data across national boundaries, monetising data can be difficult. International social media behemoths like Facebook are increasingly being scrutinised on how they collect and use client data. Currently, many African countries only have rudimentary regulations covering the collection and use of citizen and customer data.

Furthermore, data-driven start-ups are gaining traction in the continent's burgeoning tech clusters. Banks and financial institutions are also vying for the right to exploit the data created by their clients. According to PricewaterhouseCoopers, 85 per cent of African banks are utilising big data to improve security, while 77 per cent are using it to improve customer service (Price Water House Coopers-PwC, 2016). According to International Data Corporation, revenue from big data and analytics would climb by 11 per cent this year in Africa and the Middle East, reaching USD\$ 2 billion (IDC-2019). It also predicts that growth will remain stable for the next few years at around the same rate. While increases in Internet connectivity are recognised as a key driver for Big Data in Africa, the fact that Africa's connectivity still lags behind that of emerging and more developed markets works as a barrier to fully realising the benefits of Big Data (IDC-2019). Finally, while there are examples of big data projects all over Africa, a tipping point when these technologies are mainstream has yet to be reached (Arthur, 2013). Despite the

obstacles that come with big data, almost every organisation may profit from the insights acquired by analysing data, especially as the amount of data provided by individuals continues to expand (Arthur, 2013).

3.2 Seven-V Characteristics of Big Data (BD)

Johnson, Friend, and Lee (2017) proposed the three V dimensions of Big Data which includes volume (the amount of data gathered and generated), velocity (the pace at which data is generated and processed), and variety (the number of data types) data (Johnson et al., 2017a). According to Wamba et al. (2015), BD is a holistic strategy to managing, processing, and analysing the five Vs (volume, variety, velocity, veracity, and value) in order to provide actionable insights for long-term value delivery, performance measurement, and competitive advantage (see Fig. 10.2). Other V-characteristics have also been added, such as Valence and variability (Erevelles et al., 2016).

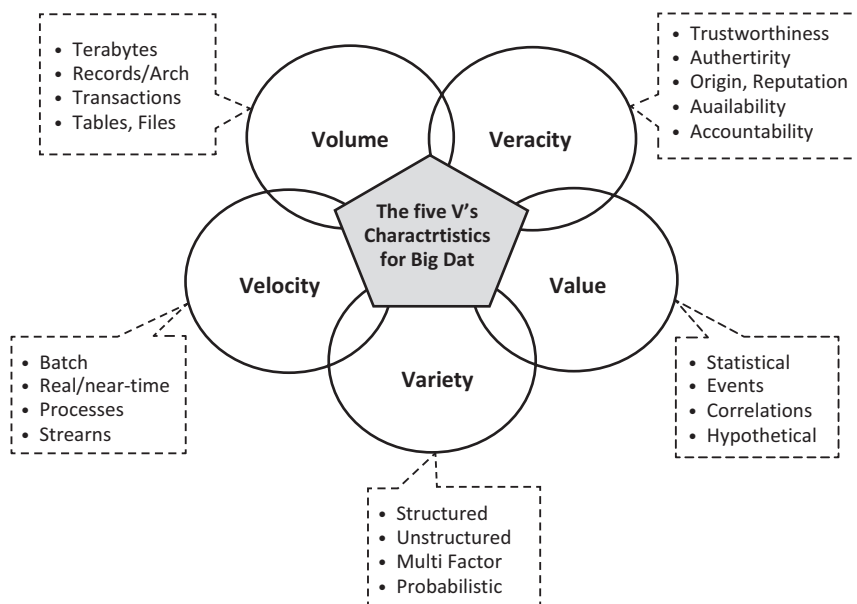


Fig. 10.2 5V BD framework. (Source: Chen et al., 2014)

Big Data generators must produce configurable data (Volume) of diverse/different types (Variety) at controllable generation rates (Velocity), while preserving the raw data's essential characteristics (Veracity), which the collected data can bring to the intended process, activity, or predictive analysis. The V5—volume, velocity, variety (Johnson et al., 2017), value (Lee, 2017), veracity (Gandomi & Haider, 2015; Gupta & George, 2016)—is increasingly widely used to describe big data and differentiate it from traditional data (Sun & Liu, 2020). The Five V's of Big Data definition is expanded to add Valence and Variability, resulting in the Seven V's characteristics (Erevelles et al., 2016; Günther et al., 2017; Braganza et al., 2017; Janssen et al., 2016).

Volume. Volume refers to the quantity of data that is produced by Big Data. The term “volume” refers to the ever-increasing amount of data available (Wamba et al., 2015). The quantity of data collected by a corporation is referred to as volume. This information must be applied in order to get useful knowledge (Johnson et al., 2017). The term “volume” defines the size of data, which includes all forms of data gathered from various sources (Berman, 2013). For example, the entire amount of data in 2016 was expected to be 6.2 exabytes, Global Internet Protocol (IP) traffic is expected to more than double by 2021, reaching 400 Exabytes per month (1 Exabyte equals 1 billion GB) in 2022, according to Cisco (2018). Global data centre network traffic is expected to more than double as well, reaching more than 20 Zettabytes in 2021 (1 ZB equals 1 trillion GB) (Organisation for Economic Co-operation and Development-OECD, 2020). As a result, big data volume refers to the amount of data generated. Enterprises are inundated in ever-growing data of all kinds, readily acquiring terabytes or petabytes of data (e.g. transforming 12 terabytes of Tweets per day into improved product sentiment analysis; or converting 350 billion annual metre readings to better estimate power use) (Gandomi & Haider, 2015).

From terabytes to petabytes (1024 terabytes), it is growing at a quicker rate (Zikopoulos et al., 2012). What can't be collected and stored now will be possible in the future as storage capacities rise. The volume classification of big data is relative to the type of data generated and the time it was generated. Furthermore, “big” data is defined by the type of data, which is commonly referred to as Variety. Text and video of the same

volume, for example, may require distinct data management technologies (Gandomi & Haider, 2015).

Variety. The categories of data that Big Data can contain is considered as variety. The information could be structured or unstructured (Johnson et al., 2017). Any categories of data, including structured, semi-structured and unstructured data, such as text, sensor data, audio, video, click streams, log files, and so on, is classified as big data. Monitoring hundreds of live video feeds from surveillance cameras to target locations of interest, utilising the 80 per cent data growth in photos, video, and documents to improve customer satisfaction are just a few examples of how combining data kinds can lead to new challenges, scenarios, and so on. The various forms of data formats, which include structured, semi-structured, and unstructured data, provide variety (Grover et al., 2018). The various sorts of data collected by sensors, social networks, and portable devices such as cell phones are referred to as variety. Images, video, text, audio, and data logs are examples of this type of data, the majority of which are in an unstructured format (O’leary, 2013). They go beyond structured data and fall into the semi-structured and unstructured data categories (Zikopoulos et al., 2012; Gandomi & Haider, 2015). Structured data is any data that can be arranged using a pre-defined data model. Structured data includes tabular data found in relational databases like Excel, yet it only accounts for 5 per cent of all data (Cukier, 2010). Unstructured data, such as video, text, and audio, cannot be organised using these pre-defined models. Semi-structured data is data that falls between structured and unstructured data. This is where the Extensible Markup Language (XML) comes in.

Value. It is the utility of the information gathered. The added-value that the obtained data can offer to the intended process, activity, or predictive analysis/hypothesis is characterised as value. The term “value” refers to the extent to which big data analysis produces useful insights and advantages (Wamba et al., 2015). Value indicates how profit-making methods can be established, modified, and used to define a company’s ability to compete. The value of data will be determined by the events or processes it represents, such as stochastic, probabilistic, regular, or random occurrences or processes. Depending on this, obligations may be enforced to gather all data, store for a longer length of time (for some potentially interesting occurrence), and so on. Data volume and diversity are closely

related to data value in this regard. The significance of hidden insights in data is referred to as value, whereas the biases, noise, trustworthiness, and messiness in data are referred to as veracity (Yaqoob et al., 2016).

Velocity. The period/duration in which Big Data can be processed is referred to as BD velocity (Hadi et al., 2015). The rate at which data is generated is referred to as velocity (Johnson et al., 2017). It's the never-ending creation of data at an unrivalled rate (Wamba et al., 2015). It's all about how quickly data is gathered, processed, and analysed for usage. In today's environment, the flow of data is huge and constant, and the speed with which data can be retrieved has a direct impact on decision-making. Fast processing maximises efficiency since some activities are extremely vital and require instant responses. Big Data flows must be examined and exploited as they flow into businesses for time-sensitive activities like fraud detection in order to optimise the value of the information (e.g. scrutinise 5 million trade events created each day to identify potential fraud; analyse 500 million daily call detail records in real-time to predict customer churn faster). The importance of time is crucial in this case (Gandomi & Haider, 2015). High-frequency data is generated in a few domains, including retail, telecommunications, and finance. Data collected through mobile apps, including demographics, geographic location, and transaction history, can be used in real-time to provide clients with customised services. This would assist to retain clients while also improving service quality.

Veracity. The extent to which a leader believes quality information is needed to make a judgement is referred to as veracity. Veracity refers to the unreliability of some data sources, which necessitates examination in order to make accurate predictions (Gandomi & Haider, 2015). The assurance of the quality or credibility of the obtained data is referred to as big data veracity. As a result, establishing the proper Big Data correlations is critical for the company's future success. For example, sentiment analysis based on social media data (Instagram, Twitter, Facebook, etc.) is risky. It is necessary to distinguish reliable information from questionable and imprecise data, as well as to manage the data's uncertainty. However, with one-third of corporate leaders distrusting the information used to make choices, establishing trust in Big Data is becoming increasingly difficult as the quantity and variety of sources expands (Bello-Ortiz et al., 2016). The messiness or quality of the data is referred to as veracity (Gandomi & Haider, 2015; Gupta & George, 2016).

Extended 2Vs

Valence. The seven Vs of BD are explored by Saggi and Jain (2018), where valence refers to the connection of the data collected and By revolutionising decision-making and perhaps leading to new strategic tactics (Erevelles et al., 2016; Günther et al., 2017; Saggi & Jain, 2018), big data has become a source of innovation and competitive advantage.

Variability. Saggi and Jain (2018) incorporated the variability variable as a new dimension of BD. Variability refers to the constant and quick change of data meaning. Inconsistency in big data velocity frequently leads to variability in data flow rate, which is referred to as variability (Gandomi & Haider, 2015; Saggi & Jain, 2018) and it breeds complexity. Data is generated from a variety of sources, and data management is becoming increasingly sophisticated, ranging from transactional data to big data. Various geographical places generate data with different semantics (Forsyth, 2012).

The most significant parts of BD are value and veracity, which refer to the data's truthfulness and the process of uncovering hidden values from it using mathematical symbols and statistical models (Chen et al., 2014; Ozkose et al., 2015). The rise of interconnected organisations on social media platforms like Facebook and Instagram has significantly boosted the amount, diversity, velocity, value, and validity of structured, semi-structured, and unstructured data (Yaqoob et al., 2016).

3.3 Types of Data (BD)

In numerically driven areas like banking or insurance, where firms have been early and enthusiastic users of Big Data, the potential impact and utility of analysing multiple types of data is fairly evident and clear (Silva et al., 2020).

Structured Data. Structured data is information that is based on a data model and is stored in a specific field inside a record. Structured data is the sort of information contained in traditional database systems such as structured query language (Guha et al., 2016). Structured data has a high degree of order and use by organisational leaders, so it can be effortlessly stored in a relational database, easily analysed, and searched using search engines (Adnan & Akbar, 2019). Examples of structured data

include numeric values, combination of letters, and dates stored in a relational database (Adnan & Akbar, 2019).

Semi-Structured Data. The formal structure related with relational databases doesn't really apply to semi-structured data (Clark & Watson, 2019). Extensible Markup Language (XML), which is used to move data from one location to another, is an example of semi-structured data. XML is a data interchange and representation language (Nassiri et al., 2018). Semi-structured data is information that does not live in a standard database system, such as structured query language, but does have some structure or organisation (Yan et al., 2017).

Unstructured Data. Data that is difficult to fit into a data model because the information is context-specific and/or changes over time (Ang, Seng, Ngharamike & Ijamaru, 2022). Unstructured data has no noticeable structure and cannot be stored in rows and columns in a relational database (Wu & Lin, 2018). Stored documents in a file cabinet, e-mail communications, photos, videos, and graphics are all examples of unstructured data (Adnan & Akbar, 2019).

3.4 Critical Success Factors of BD

IT Environment. BD can be used to achieve green marketing goal of protecting the environment. The rise and evolution of digital technology has created an environment that is continually changing and uncertain (George et al., 2014). IT environment can be used by marketers to achieve marketing success via a greater reliance on digital advancements and the use of new solutions and applications for decision-making (Elgendy & Elragal, 2016). Hence, firms can use computers, smart-phones, tablets, sensors, social media, audio, video, spatial and geolocation data, machines, the internet of things, clickstream data, user-created content, commercial transactions, and other new technologies generate a tremendous amount of data. As a result, data becomes challenging to handle with present tools, necessitating the need to store and analyse data in novel ways in order to capture value (George et al., 2014). This is known as big data, and it is a worldwide phenomenon (Elgendy & Elragal, 2016; Braganza et al., 2017). In today's world, everyone including firms is surrounded by technology, data is ubiquitous, and big data

has become a house hold term (Sheng et al., 2017). According to Akter et al. (2016), the various new technologies that create and capture data are responsible for the exponential realisation of the relevance of big data.

Digitalisation. This is used to support the achievement digital marketing and e-commerce goal. The first is that database technology has advanced in tandem with digitisation, allowing data to be better stored and accessible. Second, the internet's growth has resulted in cultural shifts and new modes of innovation and improved business intelligence. Connectivity, compatibility, and modularity are significant technology capabilities, while technical expertise, technology management expertise, business knowledge, and relationship knowledge are four significant persons competencies. Firms need to use these competencies complementarily and synergistically so that big data projects can result in the desired organisational performance (Akter et al., 2016; Braganza et al., 2017; Wamba et al., 2017).

Alignment to Strategy. Big data insights are being used to generate new company ideas, which are configured in the marketing strategy for big drive. This should ensure that actionable insights are gained from the data, allowing for the necessary actions to be done at the appropriate time to meet the organisation's goal (Davenport & Dyché, 2013; George et al., 2014; Sheng et al., 2017; Sheng et al., 2017). Braganza et al. (2017) emphasise the importance of effective implementation of big data in ensuring that big data efforts deliver on their promises. This helps to achieve marketing mix strategy (e-service, communication, cost leadership, and distribution).

Management. Management is critical for organisational decision-making, technology is essential to store, analyse, and manage data, and people management is critical for effectively analysing data and achieving actionable insights (Wamba et al., 2017). BD opens up a lot of possibilities for developing green products that meet the needs of global customers. Green product performance may be predicted using predictive analytics in the field. Accurate forecasting can help determine the best marketing and operations plans, as well as keep costs in the supply chain under control. Organisations that use Big Data Analytical can take a proactive approach to the market and make the proper move ahead of their competitors. Failures and uncertainty in new green products can be avoided (Zhan et al., 2018). Kiron et al. (2014) also emphasise on an

organisational, technology, and people element, with the capabilities being the employees' analytical skills, analytics platforms, and organisational culture, rather than management. Four management qualities are required: planning, investment, coordination, and control (Walls & Barnard, 2020).

Business intelligence (BI). As Ohlhorst (2013) mentions, BI is a broad category of applications and technology for gathering, storing, analysing, and distributing data. Firms use BI to enable them to provide actionable data that in turn enables enterprise users to make better business decisions with the help of fact-based support systems. It enables detailed business data from databases, application data, and other tangible data sources to be analysed in depth. BI solutions can help to improve decision-making by speeding up the process at all levels of management and increasing its efficiency and efficacy (Ziora, 2015).

Customer Oriented Application Software. End-user (customer) computing is an IT approach for small businesses (Ilias & Razak, 2011). End-user-oriented application software products, such as small-scale Customer Relationship Management/Enterprise Resource Planning systems and a variety of off-the-shelf software packages, can now assist firms in gathering data at low costs. These customer-based applications may not have advanced big data analytics tools, but they can do basic data analysis.

Knowledge Management. Combining existing with new knowledge and distributing information are two common ways for new knowledge to emerge, both of which require social capital. The collection of existing and potential resources contained in a given social unit's relational networks is referred to as social capital (Gold et al., 2001). Acquisition, conversion, and application are the three processes that make up knowledge management (Gasik, 2011; Ferraris et al., 2019). The method of extrapolating new knowledge from current data and information is known as acquisition. Conversion is the process of turning acquired knowledge into useful information for the firm. The use of this knowledge (both implicit and explicit) to complete a task is known as knowledge application. In order to properly use this knowledge, marketing practitioners capture structured and unstructured information about consumers' daily behaviour (O'Connor & Kelly, 2017). As a result, in knowledge management, an organisation's methods for acquiring and turning knowledge into a format that is easily accessible and usable are appropriate to the organisation. When information is not delivered through the appropriate

knowledge channels within the organisation, it is unlikely to reach the relevant employees who can use it.

Investments. Building technical and human capability necessitates a financial and time investment in the development of programming, project management, data and network administration, maintenance, and analytics capabilities (Akter et al., 2016). From years to generations, leaders have been one of the most important necessities of organisations. With the impending changes brought on by increased internet investments, technological skills are required not only for developing current employees, but also for training leaders who will play a key role in adopting big data architecture in the business. According to Marshall et al. (2015), leaders use BD in a structured method to focus on innovation and encourage teamwork.

Social media. The meteoric rise of social media is the third influencer that could promote increased collaboration and creativity. Firms are increasingly using social media technologies to connect with their customers, partners, and vendors (Peltier & Naidu, 2012). Social media can be used to acquire a variety of data. The utilisation of social media data presents a number of obstacles, including highly unstructured data, noise, and unknown data sources, among others. Here, firms use Twitter, Facebook, Instagram, Telegram, WhatsApp, and Google+ amongst others as strong marketing channels to search for, analyse, and deliver information.

Statistical Applications. Statistical applications generate sample observations that can be used to analyse populated data sets for estimating, testing, and predictive analysis. They analyse data using algorithms based on statistical principles, and they usually focus on polling, census, and other static data sets (Ohlhorst, 2013). The principal sources of analysable data are empirical data such as surveys and experimental reporting (Ziora, 2015).

Cloud Computing. Cloud computing enables organisations to store and utilise huge data, which would normally necessitate a considerable processing capacity, on a variety of platforms and networks (Mladenow et al., 2012; Tewari & Sharma, 2012). A firm can have comprehensive business applications in the cloud thanks to software as a service. Platform as a service can give small businesses the tools they need to create custom apps and deal with massive data in the cloud. Infrastructure as a service enables a small business to create a big data system that includes hardware, servers, data storage, and networking components.

Internet of Things (IoT). The Internet of Things (IoT) enables for network connectivity without the need for human intervention and automatically provides a set of activities (e.g. detecting, recording, and responding) (Caesarius & Hohenthal, 2018). The importance of the internet of things, as mentioned by Erevelles et al. (2016) and Sheng et al. (2017), in strengthening the value of big data is also mentioned, with 32 billion objects predicted to be connected online by 2020. Between 2014 and 2019, the use of big data for business is predicted to expand by 23.1 per cent yearly, with an annual cost of 48.6 billion dollars (Lee, 2017).

Data mining. According to Ohlhorst (2013) Data mining is a method of analysing data from many perspectives and then converting it into usable summary data. Data mining is most commonly performed by firms with unstructured data or archive data. In Data mining techniques, firms concentrate on modelling and knowledge discovery for predictive rather than just descriptive goals, such as finding new patterns in huge datasets. Big data can also be used in hybrid systems, resulting in faster decision-making and more efficient enterprise management support when the correct data mining tools and procedures are used (Ziora, 2015).

3.5 Challenges of BD

Leadership/Management: Poor leadership, according to Akter et al. (2016) and LaValle et al. (2011), is a major factor for big data efforts failing to deliver on their promises. This is especially true at the executive level, where there was no clear aim defined, no early buy-in, and no ongoing support to complete the project. According to Gupta and George (2016), one factor leading to the failure of big data projects to achieve their promised benefits is a lack of managerial support. They further state that finding people with the necessary big data abilities is difficult because these abilities are not taught in universities.

Culture: Integration across departments and levels in an organisation is necessary for successful big data project execution, but a siloed culture will impede this (Comuzzi & Patel, 2016). Lack of understanding of how to use the insights, lack of management focus, badly aligned business processes, immovable organisational culture, and organisations' lack of

understanding of their BD maturity were all cited by LaValle et al. (2011) as reasons for failure to convert insights into organisational performance. Shah et al. (2017) point to a lack of organisational culture as a barrier to realising the full benefits of a big data program. A misalignment between culture and capabilities, as well as the strategy to act on discoveries, is a major barrier for big data applications, according to Akter et al. (2016).

3.6 Big Data in Marketing

The introduction of disruptive digital technologies has resulted in corporate settings that are more complicated and networked than ever before, with smarter marketplaces (Baesens et al., 2016). The Big Data (BD) phenomenon is one fundamental technical shift that has had a significant impact on marketing (Cao et al., 2019). Marketers and researchers in the field of industrial marketing have been increasingly focused on the need to maximise the benefits of BD and its use in business-to-business (B2B) situations (Lilien, 2016). BD is a marketing phrase that explains how businesses are responding to data collection, storage, and uses. Despite BD obstacles, business leaders are looking for enhanced capabilities to generate data insights, strategies, and decisions (Vriens & Kidd, 2014). Marketers are also battling to turn Big Data into meaningful and meaningful customer data that results in positive consequences for the company and the market (Moorthy et al., 2015). The use of big data in marketing can be coordinated with the use of business intelligence tools to give intelligent support for organisational activities. To become heterogeneous, a large volume of data must be acquired, filtered, stored, and analysed (Santoro et al., 2019). Because the procedures of filtering and analysing data are so complex, business intelligence techniques and technologies are required. The BD category of consumer data from many sources and its application for gaining customers and sales is critical to company marketing success (Vaughan, 2017). Current disruption, adoption, and usage of BD inside enterprises have been investigated by researchers. To increase customer connections and sales, marketing directors employ BD technologies to gain customer knowledge, make choices, and establish plans throughout the marketing mix (Erevelles et al., 2016).

In current information age, BD marketing is critical for controlling business development, developing marketing strategies, and increasing sales income.

Data-driven marketing is the practice of leveraging business intelligence (BI) to develop and implement actionable strategies throughout the marketing mix in order to better understand customers, meet their demands, and maximise an organisation's return on investment (ROI) (Lam et al., 2017). Marketing is the link between a company and its customers, and generating better judgements from the avalanche of data is critical to a company's competitive advantage (Suoniemi et al., 2020). Kumar (2015) emphasised not only the importance of marketing's involvement in decision-making, but also the need for marketing's activities and functions to be fully integrated with all other company areas, such as data, finance, strategy, and leadership. Collaboration and connections with IT, marketing, management, and core business operations were critical to all organisations' success in using BD for profit.

Transformative Marketing is also a factor. For those with advanced data mining skills, Kumar (2015) pointed to the power data mining gives marketers in keeping customers and developing competitive advantage. Kumar et al. (2016) provided a conceptual framework to help marketers implement intelligent agent technologies leveraging BD and gain better insight into consumer attitudes and behaviours. For optimal business intelligence (BI) solutions and increased sales, both marketing and business intelligence (BI) divisions are required (Stone & Woodcock, 2014). Unfortunately, some marketers are not taking advantage of BD when it comes to digital and online marketing operations, preferring to stick to traditional marketing mix techniques instead (Stone & Woodcock, 2014).

3.7 Benefits of Big Data to Firms

Almost half of business leaders are investing in big data projects (Grover et al., 2018). Leaders that do not invest in big data projects may miss opportunities to recognise and use this data to achieve a competitive edge (Chrimes et al., 2017). Big data technologies like Hadoop, MongoDB, and Apache Cassandra can save you a lot of money (Balachandran & Prasad, 2017). Companies who use BD to benefit their strategy of differentiation

are twice as likely to be top performers as companies that do not use big data in their industry, according to LaValle et al. (2011). Organisations may use BD knowledge to cut expenses, save time, make better business decisions, and prepare better product offers (Bumblauskas et al., 2017). Big data tools and approaches can help business executives save money by processing and storing large amounts of data at a lower cost than a traditional database (Mohan, 2016). The benefit, according to Braganza et al. (2017), is the possibility for economic rewards due to a better understanding and insights from the massive volume of data. BD has the power to increase strategic innovation, marketing, and operations (Kabir & Carayannis 2013). BD, according to LaValle et al. (2011), can be a source of innovation while Kabir and Carayannis (2013), LaValle et al. (2011), and Sheng et al. (2017) assert that it can be used as a knowledge tool for better decision-making. Sheng et al. (2017) who mention big data's impact on improved customer relationships, lower management risk, and improved operational efficiency corroborates Kabir and Carayannis' (2013) sentiment of more effective marketing and operational strategies as a result of BD and how it can be used to gain a competitive advantage. Sheng et al. (2017) also emphasise the importance of being able to quickly access and act on this data. According to Saggi and Jain (2018), BD is beneficial for providing insights and value, monitoring performance, and gaining a competitive edge. Wamba et al. (2017) emphasise the importance of BD in improving corporate efficiency and effectiveness, as well as operational and strategic potential. The capacity to manage an organisation better via a better strategic lens is a significant gain, and so, BD considerably helps enhance decision-making within organisations.

On the other hand, Kabir and Carayannis (2013) explain the birth of big data as a result of the value creation potential enabled by improved data gathering, storage, processing, and transportation technologies. Another method Big Data helps marketers engage customers is through product design, such as clothes design. Instead of having to follow the conventional high-cost in-house design process, fashion designs can now be readily outsourced to designers all over the world, with Big Data assisting brands in managing the feedback and iteration process (Greene, 2018). Better customer insights are possible thanks to BD's insights, and hence improved customer interactions are conceivable (Wamba et al., 2017). Customer retention and acquisition may improve as a result of this.

Corporate intelligence systems have an impact on business processes, rebalance the strength of relationships in decision-making, and change the breadth and complexity of optimisation problems (Baensens et al., 2016; Engelseh & Wang, 2018). Managers in a variety of industries see business development as a tool for innovation and operational efficiency, as well as a predictor of future success (Wedel & Kannan, 2016). Companies employ BD marketing analytics to get innovative insights, according to a McKinsey research and a 2017 CMO survey, and regard it as a mechanism that improves the formulation of new strategies and supports desired action-taking (Cao et al., 2019; Comm & Mathaisel, 2018). Furthermore, in the marketing arena, prediction is critical, and BD may help businesses become more focused and flexible in their strategy selection.

There is evidence that Big Data is being used to change the typical consumer experience when it comes to fashion runways. To this purpose, Tory Burch created an entirely new consumer experience by turning the runway show into a real-time retail store (Silva et al., 2020). Other Big Data-related technologies that can help improve the consumer experience include radio-frequency identification, Wi-Fi analytics, and beacon analysis. Euclid Analytics monitors consumer traffic in stores using location analytics via Wi-Fi signals on cell phones, allowing for more personalised service the instant a customer enters the store (Murray, 2016). One of the most important benefits of using big data analytics is that it provides a competitive edge that leads to cost savings (Mohan, 2016). The ability of a company to outperform its competitors or others is referred to as competitive advantage. Leaders of organisations leverage their competitive edge to create greater economic value than their competitors do (Manzoor et al., 2019).

Big data analytics helps leaders gain organisational knowledge to help them achieve their corporate objectives, such as more efficient operations, delighted consumers, and high profits (Alsghaier et al., 2017). Given the ease with which information is readily available, product pricing has a tremendous impact on both online and offline consumer experiences. H&M, for example, uses Big Data analytics to ensure that their products are priced correctly based on currency movements and raw material costs (Chaudhuri, 2018). Big data analytics was introduced as a method to aid leaders in resolving the problem of gathering, processing, and analysing massive volumes of data. Big data analytics adds strategic value to businesses by providing insights into trends and algorithms that

forecast outcomes. Big data analytics has the ability to provide businesses with commercial value, but determining how and what that value will be is still a work in progress. Big data analytics began with the introduction of a slew of new tools and approaches to replace old ones, allowing executives to achieve similar or better business results.

3.8 Big Data in Africa

Especially in the context of Africa, the importance of big data cannot be overstated. When managed properly, it has the ability to yield actionable insights that may be used to improve customer experience, guide the creation of innovative products and services, and generate actionable information. As a result, revenue will be maximised, and overall efficiency will be improved (Ridge et al., 2015). Studies on BD in Sub-Saharan Africa are sparse, and most literature is related to the use of information and communication technologies (Shereni & Chambwe, 2019). Another issue is that organisations, particularly those in Africa, have been hesitant to integrate big data platforms into their decision-making frameworks (Mazzei & Noble, 2017; Gunasekaran et al., 2017). Structured and unstructured information (variety) BD is collected by African businesses, with structured transactional data accounting for the vast majority of the information collected (customer sales). South African firms therefore have a limited selection of information to choose from. Furthermore, merchants appear to be more concerned with deriving value from their structured BD, where they can see concrete economic benefit, as opposed to obtaining value from their unstructured data (Ridge et al., 2015). Big data analytic platforms are being used by African businesses to increase the speed with which vast amounts of structured data are processed and to deliver information more cost efficiently. African firms are finding it challenging to create a use case that will justify the expenditure required to implement BD analytics in their organisations (Ridge et al., 2015). Firms in Africa appear to be more concerned with extracting value from their structured BD, from which they can derive concrete benefit, rather than extracting value from their unstructured BD, for which they appear to be struggling to find a use case (Ridge et al., 2015).

Case 1: First National Bank (FNB), South Africa

Financial institutions and corporations will be looking to Big Data analytics as one of the strategies of overcoming the current difficult economic conditions, as reported by the Wall Street Journal. As Yudhvir Seetharam, the Director of Business Analytics at FNB Business, points out, the use of Big Data in South Africa has increased dramatically over the past two years. It has aided firms in their efforts to lower expenses, become more innovative, and obtain a competitive advantage over their competitors. Using artificial intelligence (AI), South Africa's First National Bank is working to eliminate financial and regulatory risks, ranging from insider trading and fraud to tax evasion and money laundering. The artificial intelligence tool, dubbed "Manila," is intended to make it easier to comply with regulatory standards while also flagging threats more quickly and correctly (Carew, May 28, 2020). Even if there are a variety of technical definitions for Big Data, the term simply refers to the process of applying scientific principles to data in order to get meaningful insights at FNB. FNB is capable of developing customer-centric solutions through the use of statistical models and information gathering approaches. For FNB, data scientists go through massive amounts of data to uncover useful insights that can be used to steer and sometimes even drive company strategy forward. The use of Big Data, according to Yudhvir (December 2014), enables FNB to create performance management systems that drive productivity and service delivery at operating centres. Also, the ability to comprehend the client enables better credit risk management, which can range from the granting of credit to the prevention of fraudulent activities.

As a leading example of a firm that successfully mines and analyses consumer data to enhance the customer experience by offering better products, FNB stands out. Customers' debit and credit transactions, transfer preferences, channel and communication choices, rewards usage, and loyalty behaviour have all been combined by FNB in order to provide a more customised approach to selling products in the highly competitive world of financial services. This assists in ensuring that the appropriate customer is supplied the appropriate goods at the appropriate time. As an added bonus, they have made use of data to provide clients with rewards that are relevant to them through their eBucks program.

Customers' website logs, internet clickstreams, social media activity, and mobile-phone call records are all used by Discovery, another large South African company, to better understand their needs and cross-sell more items to them. Discovery Life, in collaboration with its sister firm, Discovery Health, has recently been able to connect data trends in order to gain greater insights into cancer-related cases in the United States. With the increase in cancer cases, Discovery Life has been able to estimate treatment expenses and alter their rates accordingly, allowing them to serve their customers better while also increasing their bottom lines.

Source: [Big data and its big business potential in Africa | CM.com](#)

Case 2: United Parcel Service (UPS), Ghana

Antrak Express Ltd is an Authorised Service Contractor for United Parcel Service (UPS) in Ghana and they are located in Tema, Accra-Kia/Osu, Takoradi, and Kumasi. The company leverages the data capabilities of UPS for effective delivery and logistics management. Since the 1980s, UPS has been using Big Data to capture and track a variety of package movements and transactions. The majority of the company's freshly acquired Big Data capabilities, on the other hand, comes from telemetric sensors in more than 46,000 cars. For example, UPS trucks' speed, direction, braking, and drive train performance are all recorded in the data collected from them. The data is not just used to assess daily performance, but it is also being utilised to drive a substantial rethink of the route architecture used by UPS drivers. More than 8.8 million consumers use the service, which currently tracks data on 16.3 million parcels per day. The company also receives an average of 39.5 million tracking queries from clients per day. UPS has a data storage capacity of more than 16 petabytes. UPS commenced the ORION (On-Road Integration Optimisation and Navigation) project which is widely regarded as one of the largest operations research project in the history of the globe. The system makes extensive use of internet map data, to monitor and track a driver's pickup and drop-off locations in real-time. The ORION project resulted in savings of more than 8.4 million gallons of gasoline in 2011 as a result of the removal of 85 million kilometres from daily routes. In addition, UPS Airlines strives to optimise the efficiency of its cargo aircraft flight operations by utilising data and analytics tools.

Source: Thomas and Dyche (2013)

4 Implication and Recommendation for Managing Big Data in Africa

To effectively maximise BD prospects, managers in Africa must align the existing organisational culture and skills across the organisation. Second, for maximum performance results, managers must hire, train, and retain data scientists while teaching them business language and skills. Finally, managers must train all employees to embrace a business intelligence and analytics culture in order to capture corporate value by simplifying and engaging employees in these processes. The chapter offers new insights into how businesses and marketers may use big data to better satisfy customers' wants and needs in real-time. The chapter

shows how BD can be used to quickly gather and analyse large data sets in order to forecast customer demand in an online environment. Because online promotional strategies and online reviews are predictors of online electronic sales, marketing managers are advised to pay attention to them.

It can be a full-time job to develop and implement BD-based marketing strategies that go beyond traditional marketing activities. Firms without the resources to dedicate a marketing team to data analytics and strategy decisions may want to consider outsourcing their difficult analytical tasks or activities. Across all departments, companies should use development programs and curricula to teach and improve current managerial and analytical skills. BD ushers in a new era of data analysis, with a focus on management implementing BD across multiple functions to stay competitive, agile, and improve business results (Lee, 2017). Ghasemaghaei et al. (2018) found that improving analytical data competency within a firm had a positive impact on decision-making performance across several dimensions. Marketing and business leaders can use BD to reach out to more customers, develop better strategies to improve a company's financial performance, and improve decision-making that affects both customers and organisations.

Developing an analytical organisational culture that embraces digital and mobile channels, social media platforms, and customer-centric engagements and experiences fosters a collaborative environment in which businesses can implement BD innovations. Organisations that want to fully realise the value of BD in terms of increased sales and profitability will need to make a cultural shift from the status quo to data-driven decisions, across the board. Though many companies are still struggling to link increased sales and profits to digital transformations and BD innovations, larger companies that are aggressively adopting, implementing, and making real-time data decisions using BD are experiencing increased sales, profitability, and market shares. Organisational leaders can use big data technology to access, diagnose, and integrate data from multiple sources. As a result, organisational leaders must be skilled in data collection and management techniques. Leaders must also gain experience with and knowledge of analytical

methods and tools in order to put their plans into action. Leaders with experience and knowledge of these strategies are required for the success of implementing big data analytics.

5 Conclusion

The purpose of this chapter was to explore the relationship between BD and marketing. It was observed that BD has evolved from been identified with V^3 to V^5 to V^7 (volume, velocity, variety, veracity, visualisation, variability and value) to include critical factors such as IoT, statistical applications and business intelligence, which distinguishes it from traditional data management. Firms in Africa have started to adopt BD in the operations so as to leverage the benefits of the new IT transformational tool. However, limited research has been conducted in this area as well as few adoption of BD by firms. The chapter concludes that firms that are ready to create an analytical culture in which marketing and IT closely collaborate will have significant advantages in improving consumer experiences. As a result, successful use of BD for profitability in all organisations required collaboration and partnerships with IT, marketing, management, and core business operations. Using BD to drive marketing activities and strategies to improve the customer experience were frequent themes in this chapter. It will be reasonable to infer that firms should use BD to improve operational processes and decision-making options in order to gain a long-term competitive edge. Throughout the literature, there was research on how organisations are innovating and leveraging BD to transform into data-driven organisations. Big data is becoming increasingly significant for businesses because they can turn a company's massive information into business insight, enhance organisational performance, and result in long-term competitive advantage.

5.1 Future Research Direction

Future research of marketing's role in leading innovation, disseminating research findings, and using emerging BD-based practices to innovate and inform towards sustainability and profitability are recommendations.

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11

Driving Business Performance through Customer Value Management Practice: A Case of Digital Tag Channel in an Emerging Mobile Market

Adeolu Dairo and Adetunji Beyioku

1 Introduction

Recent developments and advancement in technology have enabled firms with a large customer base to link all digital touchpoints to enterprise databases. This availability of data across the enterprise has accelerated the development of Customer Value Management (CVM) practice in large consumer firms. CVM is the art and science by which brands optimize customer lifetime value and elongate customer lifecycle using advanced data analytics and robust channel management toward a one-to-one marketing approach (Rigby, Reichheld & Schefter, 2002; Rigby

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In the management and marketing practice in the last decade, the growth of CVM practice has been regarded as one of the key developments (Verhoef & Lemon, 2013; Santonino, 2020). CVM can be described as a practice of data analytics and marketing to improve customer life cycle and value. Brands' engagement channels are rapidly converging toward digital as a result of digital transformation and innovations. Hence, it has become vital for brands to understand how to optimize the opportunities in the digital space to drive effective and profitable one-to-one marketing (Gallino & Moreno, 2014).

However, many consumer firms are still struggling to leverage CVM in maximizing business revenue. Telecommunication firms such as MTN, Dutch Mobile, Vodafone, Telefonica, and others have invested and developed their digital CVM capability (Kim & Mukhopadhyay, 2011). However, while some mobile service providers have expanded their CVM capabilities across all its pillars, such as people, analytics, and systems, CVM channel development which is vital in driving the below the line activities and programs remains a challenge.

Also, the SMS channel, which is the most affordable and cheapest means of the outbound campaign for mobile service providers, is becoming a problematic channel for CVM activities. This is because the regulators of the telecommunication industry across different markets in Africa are clamping down on unsolicited SMS from mobile service providers. In some markets, it can no longer be used as a marketing channel. While some markets still allow it, the service providers must communicate the "do not disturb" code to their customers.

Regulators are also championing the advertisement of the "do not disturb" opt-out option across the media due to unsolicited campaign communication from brands. Therefore, mobile service providers cannot cross-sell and up-sell a considerable number of their customer base through the SMS outbound channel. Hence, the need for the development of other ways of cross-selling and up-selling the customer base by leveraging all customer touchpoints and interactions with customers for one-to-one targeting and communication.

The customer base management of mobile service providers by marketers is becoming more challenging due to increasingly fierce competition (Teklehaimanot et al., 2017). In the African mobile market, it is difficult for mobile operators to lock customers on their networks for guaranteed revenue over a period due to the prepaid nature of the markets. Also, the increase in dual-sim handsets has not helped marketers responsible for the management of the customer base in driving the base revenue in these markets (Yeboah-Asiamah et al., 2018). Mobile operators' revenues are being eroded due to increasing multi-simming behavior. Customers now shop for incentives and bonuses across networks due to multiple sim cards in their possession as a result of the dual-sim capability of many of the handsets in these markets (Global System for Mobile Communications (GSMA), 2019).

Tag notification is a customer-invoked SMS communication from the mobile service provider. Because the customer invokes it, it is a must that the service provider sends the SMS because the customer is expecting it. Therefore, the readability of tag notification is almost 100%. Customer-invoked notifications are messages the customer expects almost in real-time to confirm the events or tasks performed by the customer. The event can be a purchase, subscription, or the usage of a service. In the CVM practice, these notifications can be leveraged as a communication channel to drive the marketing campaigns and programs below the line for the mobile customer base. This can also be used in a segmented and analytical approach to drive business revenue.

Considerable work has been done within the literature on customer and channel management in consumer firms (Verhoef & Lemon, 2013, 2015; Santonino, 2020). However, research on customer base management through the CVM approach in the mobile service providers' space in Africa is still in its infancy (Verhoef & Lemon, 2013). In particular, studies investigating how CVM practice and its channels can be used to drive consumer business revenue of firms are limited (Kordupleski, 2003; Verhoef & Lemon, 2015).

Therefore, the first contribution of this study is the proposed framework for the Customer Value Management (CVM) function within the marketing practice of firms with a large customer base. Further, the limited body of research into this area occurs in developed mobile markets

(Verhoef & Lemon, 2015). This means we have little understanding of how CVM practice can drive performance in emerging economies. Specific calls for this research can be seen in Verhoef & Lemon (2015). For this reason, this study is based in Nigeria, an emerging mobile market and a developing economy poised for economic growth and global expansion (PricewaterhouseCoopers (PwC), 2017).

Using this country as a proxy for emerging economies, the second contribution is to answer these calls and provide a missing link in the evolution of CVM practice in consumer firms with a large customer base. The third contribution is to build a framework for CVM function and digital CVM by expanding the CVM channels along the tag notification channel. Through the campaign experiment in this study for the contextual tag notification channel, the effectiveness and power of the tag notification channel are demonstrated. Thus, using the findings from this study, a platform for continuing work in CVM and its associated channels is offered.

This chapter is organized around these contributions. First is the review of the existing work on CVM evolution and its related theories. Next is the development of an approach for a CVM function along the CVM channel in a large customer base setting. With the emphasis on the effectiveness of the tag notification channel, how this channel can be leveraged to drive the consumer revenue of mobile service providers and other campaign programs on the cellular networks is demonstrated through experimental campaigns. Finally, future research directions to continue the dialogue on CVM practice and its channels in driving commercial performance are discussed.

2 Theoretical Framework

Customer Value Management (CVM), as described in this study, is the overall and end to end customer base management of firms along with the new customer attraction, retention of existing customers, development of current customers, and value optimization of services to different segments across the customer base to drive the business performance. This function is

achieved through the development of people, processes, analytics, systems, and technology capabilities (Kordupleski, 2003; Verhoef & Lemon, 2015).

The theoretical framework of this study is grounded in Bolton et al. (2004) theoretical underpinnings of customer asset management and in Verhoef and Lemon's (2013) successful customer value management: key lessons and emerging trends. While the first perspective offers a foundation and integrated approach and framework on how marketing instruments can be used to influence customer value, the second harnesses the key lessons for successful CVM practice by integrating historical research knowledge and best practices. Verhoef and Lemon's (2013) view on how service organizations should manage their customers through value assessment along the influence of marketing instruments have formed the framework and propositions for customer base management (Blattberg et al., 2008; Kim & Mukho-Padhyay, 2011).

From this perspective, CVM in the service industry is defined along with customer lifetime value, the length, depth, and breadth of the customer-firm relationship (Kordupleski, 2003). While several pieces of literature have described CVM along with customer lifetime value (Kumar et al., 2006), Verhoef and Lemon's (2013) article explores the subject with an approach that has a stronger managerial focus with a theoretical discussion, insights, and views from marketing science.

To this end, this chapter aims to establish an approach for CVM practice within the marketing functions. Understanding CVM function and settings within a service organization with a large customer base raise possibility of removing barriers to CVM practice adoption and capabilities investment in organizations. The chapter further identifies the need for CVM segmented channel expansion for mobile service providers with a focus on emerging economies.

3 Evolution of CVM Practice

Marketing function and practice have tremendously evolved in the last decade, such that several functions and roles with new nomenclature had come up under the portfolio of a Chief Marketing Officer (CMO) (Verhoef & Lemon, 2015; Eggert et al., 2018). CVM functions emerged

within the marketing practice in the last decade (Verhoef & Lemon, 2013). Several roles within marketing, IT, customer service, and other related functions had metamorphosed into CVM related roles. Positions like retention specialist, usage specialist, and churn specialist have changed to titles such as CVM specialist, CVM operations, and CVM analytics within the telecommunication sector.

As consumer firms increasingly adopt CVM principles and their associated pillars (Kiang, 2016) in driving their customer base performance, research studies in CVM have recently gained momentum within academics as an important research domain. Researchers within the research streams such as marketing strategy, database marketing, marketing analytics, and models have published research topics on CVM in top marketing journals (Verhoef et al., 2010).

In a consumer firm environment where the customer base is vast, the traditional marketing approach can no longer be applied for driving the business performance in a segmented approach (Payne et al., 2017). Marketers drive the business in a consumer firm setting. They create the need for consumers' demand for products and services. In a service environment with millions of customer base, it is the responsibility of the CMO to drive the business performance through robust and compelling value propositions addressing different segments of the customer base.

CVM practice provides a sustainable and competitive advantage for consumer firms (Becker et al., 2009). Through CVM adoption, consumer firms with a large customer base can leverage the rich customer data across the enterprise to improve business performance through marketing analytics and automation (Petrescu & Krishen, 2017). Also, research suggests that a firm's integrated systems for identifying customer behavior with a campaign management solution for targeting the customers lead to higher business performance (Jayachandran et al., 2005; Reinartz et al., 2004; Verhoef & Lemon, 2013). A recent body of research reveals that a well-coordinated CVM approach in a large consumer firm provides more accountable marketing as well as a customer-centric approach toward improving business performance (Verhoef & Lemon, 2013; Kiang, 2016; Dadzie et al., 2019).

In the mobile telecommunication sector, the customer base inactivity and dormancy of customers are some of the significant challenges faced

by a CMO, especially in a primarily prepaid dominated market. Dormancy or inactivity is the partial stoppage or reduction of the usage of mobile services, which will eventually lead to a total stoppage (Yeboah-Asiamah et al., 2018). It is a significant source of revenue erosion in the telecommunication industry. Also, for such a mobile service provider to grow its base and increase the revenue from new customers and existing customers, there must be a balance between dormancy management and the acquisition of new customers.

For the business revenue to grow, the customer base must grow, and the newly acquired customers must come with an acceptable level of value. Also, the usage of the existing base must keep growing through the development of the customer base. This, in a nutshell, is one of the most critical of the responsibilities of a CMO in a mobile network setting, which should be primarily carried out by a team of CVM experts (Asongu & Boateng, 2018; Yeboah-Asiamah et al., 2018).

CVM practice and principles among firms with a large customer base have grown in recent times. Also, researchers within academics have shown a great interest in the CVM domain of marketing science. Many researchers across several research streams have also embraced research topics in CVM (Verhoef et al., 2010). A successful customer value management approach starts with understanding the customer base. The existing customer relationship and transactional data would then be leveraged to strategically deploy marketing intervention activities to grow customer satisfaction and, ultimately, customer revenue through digital channels. For a consumer firm to fully benefit from CVM practice adoption, the function must be well set up within the marketing functions. Expertise and know-how must cut across individuals that are saddled with the development and implementation of CVM activities. The management of the customer base is complex, and CVM implementation toward effective management of the customer base requires both investments and management commitment within the firms with a large customer base (Payne et al., 2017).

3.1 CVM Practice: A Conceptual Framework

The concept of Customer Value Management practice and a blend with innovations across digital space is still relatively new. Only a few brands have been able to successfully implement this productive customer base management approach to drive their proposition development and revenue optimization strategy (Verhoef & Lemon, 2015). The mobile telecommunication industry is one sector that understands this concept exceptionally well and has used it to increase revenue and, at the same time, improve customer satisfaction. With a view of managerial focus, CVM practice has been theoretically discussed along with key lessons and insights (Verhoef & Lemon, 2013) from the practice of marketing science as follows:

1. CVM must be deployed and used to drive business performance.
2. It must be deployed as customer-driven than IT-driven;
3. Customer lifetime value (CLV) approach must be adopted as a core metric;
4. Investment in analytical capabilities and systems must be solid;
5. Key drivers of the customer, along acquisition, retention, and development, must be well understood;
6. Channels must be strategically developed and managed to create value.

The last point above motivates this study with the aim of developing an alternate, robust, and segmented communication channel that can easily be used to take CVM campaigns and programs to the market within the large customer base of mobile service providers in emerging markets.

In general, Customer Value Management (CVM) comprises three major core branches such that all functions and activities that are embedded in these functions are critical for effective customer base management. These branches, as shown in Fig. 11.1 are commercial, analytics, and operations.

The commercial function is responsible for the end to end campaign and program design process with the appropriate definition of key KPIs success for every campaign. This branch is also saddled with the



Fig. 11.1 Customer Value Management (CVM) Practice Core Functions. (Source: Authors)

responsibility of the strategy, along with the planning and content creation. It is the responsibility of this function to track how the campaigns are doing and align the performance with all the stakeholders within and outside the marketing function. Stakeholders can include advertisers, content creators, campaign vendors, and the finance department.

The analytics core function deals with the preparation of data and the generation of insights from the available data sources across the enterprise to leverage the data for campaign purposes to correct a trend and address an issue to improve customer behavior toward products and services. It is also responsible for analytical models' development and their daily operationalization on the customer base. For firms to maximize the opportunity of CVM functions, the analytics function of CVM should be majorly responsible for developing models, mining data, and generating embedded insights from data. The data management should be left for the technology or information technology department of the firm. With this, CVM analytics will be able to leverage the information across the enterprise to facilitate the effective management of the customer base along with digital touchpoints for business performance optimization and customer experience enhancement. With this approach in mind, technology specifications focus will center more on the best approach that will support customer management rather than the technology (Branda et al., 2018; Verhoef & Lemon, 2013). The reporting of campaigns across

systems and campaign lifecycle are also part of the activities of this function.

Operations functions are responsible for the execution of the campaigns. It is a function that works directly with the campaign solutions, which comprise of systems within the enterprise and third-party systems. They are responsible for the campaign and offer configuration, testing across digital channels, and assuring quality before the launch of the campaign (Liu et al., 2014; Anderson & Simester, 2011). The responsibility of the smooth running of CVM projects, such as integration with other network elements and measurement of the campaign success, lies within this function (Kietzman, Paschen & Treen, 2018).

3.2 Digital Customer Value Management

A dramatic change in customer engagement due to digital enhancement across touchpoints has been seen in the last few years (Friedrich et al., 2015). The customer journey across touchpoints has been altered as a result of digital innovations. At the same time, front-end optimization leverages all potential interactions and engagement with customers across all digital points. A scalable network that is elastic allows telecommunication services to provide industry-specific networks along with the latest technology for data, which is the growing segment of the telecommunication revenue line due to digital innovation and evolution (Valdez-de-Leon, 2016).

In this article, the success of digital CVM implementation across a consumer firm with a large customer base, such as mobile telecommunication, has been classified into four pillars as follows:

1. Creation of unified identity across the digital footprint;
2. Individualized creation and prediction of customers' needs;
3. Automation of intelligent and real-time contextual customer engagement;
4. Incremental revenue measurement and optimization.

The first pillar of digital CVM has proven to be critical for the digital world. Brands need to uncover the anonymity associated with the

customer across the digital channel to serve the customer well. An integrated platform for identity management in the digital marketing space is essential for brands (Neslin et al., 2014). Once as a brand has developed the capability to uncover the identity of a customer across all digital touchpoints, linking this with other internal data is the next step. This capability will enable an understanding and a deeper level of the use of customer emotion, motivation, the behavioral and environmental context in deriving value, and servicing the customer will be possible.

Still, in the second pillar, brands need to move a step forward in predicting propensity for behavior to enable them to address customer issues proactively. The third pillar of digital CVM will help to transform the personalization capability of brands to manage their customers' expectations. Capabilities like text analytics, artificial intelligence, and machine learning will contextually help in real-time targeting and improve customer engagement and customer response to call to action (Letheren, 2019). Finally, while digital CVM is assisting in the real-time and contextual engagement of the digital customers of the brands, measurement methodologies must be incorporated into the entire campaign process for proper tracking of initiatives. Along with customer engagement, the fourth pillar, which is the measurement, and its associated methodologies, must also be put in place to track incremental revenue. Once brands have enough visibility into how services are performing and what digital strategy is working, brands will be able to monetize and optimize their digital channels.

4 CVM Channels of Mobile Service Providers

There are so many channels available to the mobile service providers, which are used for communicating offers and campaigns to their customers below the line (BTL). While the above line (ATL) channels such as radio, TV, prints, and on-ground marketing are still very relevant channels for brand building, awareness, and top of mind, they cannot be used for one-to-one marketing. As digital channel expansion continues to change the way the brands engage with their customers, brands need to keep

identifying customer segments based on their behavior, needs, and preferences of each segment along different channels to drive profitable business (Ghnemat & Jaser, 2014). A wide range of communication channels is available for CVM experts when executing targeted campaigns such as Telephone Call, IVR, USSD, Email, Online/Social Media Platforms, SMS, and Flash Mode. Some of these channels are highlighted below.

1. USSD (Unstructured Supplementary Service) is a technology that allows users to access various services through the use of short codes. It usually consists of a number that starts with (*) and ends with (#). It is very popular and can be used instead of an SMS. It can be a push (pushed to a device) or pull (reactive—ask the customer to dial a USSD number).
2. Email is a powerful tool for CVM. They need to be data-driven, personalized, consistent with other channels, and they need to be based on customer events or behavior.
3. Outbound marketing: outbound call marketing (OBC) can be a voicemail drop, automatic dialer, or an agent outbound call. OBCs are an effective medium to increase take-up rates due to the ability to close the sale.

Other channels are used to take products to the markets, including experience centers, the web, sales forces, and third-party agencies. For mobile operators, the number of available channels keeps increasing. New channels, such as mobile applications, social media, and networking sites (e.g., Facebook, LinkedIn) have created new challenges and opportunities. Empirical research consistently shows that such multichannel customers are more profitable (Infosys, 2018). However, CVM experts need to consider how they can optimally allocate appropriate resources across customer segments and channels. With many of these channels that connect with customers in various ways, a strategy that will ensure that communication is relevant without spamming and overlap must be put in place.

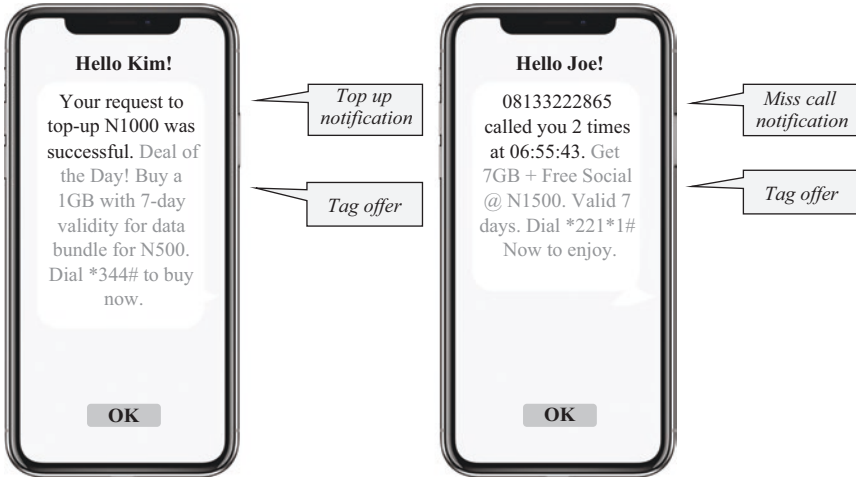


Fig. 11.2 Tag Notifications: A Top-up notification, missed call notification, and tag offers. Many notifications such as balance inquiry, subscription notification, end of call notifications, and many more can be tagged and leveraged for driving CVM activities. (Source: Authors)

4.1 TAG Notifications Channels for Mobile Service Providers

Tag notification is a message in the form of SMS notification that is invoked by a customer event on the mobile network. It is a message that the customer is expecting to receive in real-time as a result of the event the customer has performed. For example, when a customer purchases a service such as a data bundle from the mobile network, a notification will be delivered to the customer (as shown in Fig. 11.2) detailing the success of the transaction, the value of the bundle purchase, along with the validity of the bundle. This message is the tag notification. Until a customer receives this message, the transaction will not be considered successful. CVM practice leverages messages like these to drive campaigns and offers, which can significantly impact business performance.

Unlike other SMS that is delivered on the customer's mobile phone, tag notifications are a powerful campaign channel. They are powerful because they are seen and checked in real-time by the customers. After

all, it is crucial for them, and they do not consider it a marketing message. While the tag notification carries the message detailing the response of the event performed by the customer, in CVM practice, the last two to three lines of the message are used to promote a relevant offer to the customer.

4.2 Contextual Nature of Tag Notifications

For the CVM operations team to execute campaigns effectively, they must have a robust campaign management solution. A campaign management system must integrate all customer data sources and network elements for multiple and variable channel fulfillment. When an integrated campaign system like this exists within the enterprise of the marketing function of a mobile service provider, a contextual capability and strategy can be deployed across all available tag notifications that are driven by customer events (Dadzie et al., 2019).

Contextual marketing is an automated targeting approach that recommends the right offer at the right time to the right customer on the right channel (Yu, 2019). Empirical publications have shown that adoption and response to offers are tremendously higher in a situation where marketers propose contextual offers (Kannan & Li, 2017). When a targeted offer is presented to the customer in the context of the event that the customer performs, there is a high likelihood that the customer would positively respond to the offers.

There are many contextual events that mobile customers perform on the cellular network through their mobile phones. Some of these events invoke a response from the network elements, such as the billing system. CVM can leverage all these systems generated messages that customers are waiting to receive upon their performed event to target the customers and the context of their performed activities. Balance inquiry is an event that the customers regularly perform. In a prepaid-dominated market, customers check their prepaid balance about 11 times on average per day (GSMA, 2019). While the high-value customers may not border about their balances, low-value customers check their balances after every call.

CVM has the opportunity of tagging all the balance inquiry responses with targeted communication.

Top-up or recharge notification is another strategic message that can be tagged. CVM marketers can determine what they want the customer to purchase with the top-up through the top-up tag notification. As the customer is getting the successful top-up notification, the campaign system accompanies the notification with a tailored and stretched offer that can be purchased with the customer top-up (see Fig. 11.2). End of call tag notification, new device notification, and so many customer-triggered events that the system can detect can all be tagged in the CVM practice.

The tag notification channel is a powerful CVM channel for a one-to-one targeting campaign. It is cheap and contextual. If proper integration and development are performed across the billing systems and other relevant systems within the enterprise, the configuration of tag notification can be made seamless for the CVM operations. When a network gives the power of tags configuration to the CVM operations rather than waiting for IT to configure tags for all developed campaigns, such a marketing team will benefit maximally from the power of tags in driving business revenue.

The following section describes the campaign methodology and approach that this study used to evaluate the effectiveness of tag notification as a robust channel in CVM practice.

4.3 Methodology

The effectiveness of tag notification as an expanded channel for CVM operations in the mobile industry is tested through multiple sets of campaigns. These campaigns are developed and implemented on the campaign management solution of a mobile service provider in the emerging mobile market (Carrasco et al., 2019). The campaign management system is a robust solution, integrated with the operator's network elements such as the billing systems and all customer data sources across the enterprise (Payne et al., 2017).

The tag notification channel is evaluated along with the SMS channel. Both channels are cheap, easy to implement, and can be launched from

the same campaign management solution. The experiment compares the target customers' response through the offer's adoption rate that is exposed to the same profile of customers across the tag notification and the SMS channel.

Three different tag notification channels are tested along with push SMS. They are top-up (recharge) tag notification, balance inquiry tag notification, and end call notification. A total of 60,000 customers of the same profile within the mobile operator's customer base were targeted in the campaign. The profiles of the sample customers for the experiment are the same across the following parameters:

- Handset type: only smartphone users are considered within the target group. The offer presented to all the groups in the experiment was a data bundle offer that smartphone users can only use. Developing mobile markets has about 50% smartphone penetration (GSMA, 2019).
- Out of pocket (OOP): The average out of the pocket of the target group in the experiment is between N550 and N600. Out of pocket is the average amount of purchase a customer makes at a go on the network. This metric is crucial because it shows how much a customer can afford to pay for a service at a point in time. This value must be less than the value of the proposed offer for an individual customer at any point in time.
- Dormancy: This variable shows how actively and often a mobile customer performs revenue-generating events on the network. In the case of the experiment sample in this study, all customers in the target group performed a revenue-generating activity a day before the campaign was launched. This is important so that customers that are not available on the network are not included in the sample.
- Value/spend: The average revenue per user (ASPU) of all the target groups, specifically on data purchase in a month, is between N2000 and N2500. The data comes from the mobile operator's business intelligence (BI) database in an emerging market with millions of customers on its base. For each tag notification, the target sample of 20,000 smartphone users with a minimum balance higher than the value of the proposed offer is randomly selected from the database following the experiment business rules.

For each campaign experiment, 10,000 customers were targeted through a tag notification channel, while another 10,000 customers were targeted through the ordinary push SMS channel. The campaigns were configured on the campaign management solution and were executed immediately after the tag notification was triggered through an event from the customer.

- A data bundle offer was proposed and tagged across all the three tag notification channels, as shown in Fig. 11.2. First, this experiment evaluates the performance of all different tag notifications with respect to an offer. Second, it compares the effectiveness and performance of each of the tag notifications with an SMS push channel. In the context of the bundle offer that was proposed to the target customers, the top-up (recharge) tag would be more appropriate as a channel since the customer just recharged. However, the target group across the three channels was of the same profile of customers with a minimum balance that was higher than the value of the proposed offer. The campaigns were configured in such a way that the target customers could only adopt the offer within the first three days of the launch of the campaign. It was launched and evaluated across the channels after the third day.

4.4 Results: Tag Notifications Versus SMS Channel

Tag notification and push SMS channels are tested on the customer base of a mobile operator in an emerging mobile market. While the top-up (recharge) tag notifications may have a different contextual propensity toward the proposed offer, the aim of the experiment was to test the adoption rate of tag notification against the ordinary push SMS (Anderson & Simester, 2011) (Table 11.1).

The result shows a wide gap between the adoption rate of tag notification channels as compared to the push SMS across the three experimental campaigns. The contextual nature of the tag notification with respect to the call to action of the proposed offers shows in the disparity of the adoption rates across the tag notifications. While the maximum adoption rate

Table 11.1 Campaign experiment—tag notification vs. ordinary SMS push. Adoption rate is tested for offers across three tag notifications and ordinary SMS for customers with the same profile

Communication channel					
	Offer classification	Offer type	Target size	Tag notification adoption rate	SMS adoption rate
Top-up (recharge) tag notification vs. SMS	Data bundle	Deal of the Day! Buy a 1GB with 7-day validity for data bundle for N500 now. Dial *344# to buy now	20,000	20.1%	3.1%
Balance enquiry tag notification vs. SMS	Data bundle	Deal of the Day! Buy a 1GB with 7-day validity for data bundle for N500 now. Dial *344# to buy now	20,000	11.2%	3.5%
End of call notification vs. SMS	Data bundle	Deal of the Day! Buy a 1GB with 7-day validity for data bundle for N500 now. Dial *344# to buy now	20,000	10.5%	3.2%

across the push SMS campaigns is 3.5% of the target sample, the end of call tag notification with the lowest adoption rate is 10.5%. The top-up (recharge) tag notification has the highest adoption rate of 20.1%. Many factors are responsible for the performance of the tag notification channel over the traditional push SMS. The tag notification readability rate is very high compared to SMS. Customers also see tag SMS if contextually used as a personalized communication coming to them with a unique offer. Another reason is that customers do not see tag notifications as unsolicited messages. Instead, they view it as a confirmation of their events on the network since the notification is triggered by their actions.

With the result of the adoption rate of tag notifications, operators can develop, pilot, and go to market strictly with this channel below the line. Usually, a 3% adoption below the line when targeting thousands of customers is a substantial incremental revenue for a mobile service provider

on a single below the line campaign. Tag notification is proving the CVM practice with a dynamic and effective channel for the effective management of the customer base. Tag notification is a powerful channel and tool for the management of the customer base of mobile service providers. The power of this channel lies in its contextual capability and the assurance that the CVM communication would be seen and read in real-time for immediate action by the customer.

5 Discussion

5.1 Theoretical Implications

The contributions of this study may be summarized as (a) a thorough review of literature on the evolution of CVM practice in the context of customer base management and (b) an identification of a missing link in the evolution of CVM practice in consumer firms with a large customer base. The most significant implication for theory is the proposed framework for CVM function and digital CVM with the expansion of CVM channel capability with tag notifications. This study expands the theory of customer asset management services (CUSAMS) grounded in the work of Bolton et al. (2004), by proving a framework for CVM function in a large consumer firm setting. The paper also leverages Verhoef and Lemon's (2013) key lessons trends across successful CVM implementations in large consumer firms. In the 2004 paper by Bolton et al., a framework for customer asset management (CUSAMS) showing that service organizations invest in a dynamic and array of marketing instruments and activities designed to stimulate customer behavior toward a firm's profitability was developed. This study adds to the theoretical basis of CUSAMS by expanding the framework along with CVM function and channel expansion. One of the key findings in this study is the key structure of a CVM function in which a service organization such as a mobile telecommunication firm must invest, according to Bolton et al. (2004), and Verhoef and Lemon (2013). Also, a successful deployment of integrated digital marketing and analytics platforms and processes for driving

a firm's business performance starts from fully understanding the customer base (Gallino & Moreno, 2014). As shown in this study, firms can achieve this by leveraging existing customer relationships and transactional data and end with strategic deployment of marketing intervention activities to grow customer satisfaction and, ultimately, customer revenue through digital channels. (Verhoef et al., 2010).

Findings in this study reveal that BTL and segmented engagement require the availability of robust capability and tools that are integrated with all data sources across the enterprise for the seamless delivery of such targeted campaigns. For consumer firms to optimize revenue potential from the large customer base, campaign management tools that are integrated with all digital channels must be in place.

Service organizations must invest in marketing people on specific skills that cut across commercial, analytics, and operations for successful CVM implementation. Robust investments must be made on systems and integration across all systems within the enterprise for full automation of marketing activities through the CVM function.

The concept of customer base management through CVM with a blend of innovations across the digital channels is still relatively new, and only a few brands have been able to successfully implement this rich customer base management approach to drive their proposition development and revenue optimization strategy (Eggert et al., 2018). The mobile telecommunication industry is one sector that understands this concept exceptionally well and has used it to increase revenue and, at the same time, improve customer satisfaction (Dadzie et al., 2019).

This study's findings have established that as digital channel expansion continues to change the way the brands engage with their customers, brands need to continue to identify customer segments based on their behavior, the needs and preferences of each segment along different channels to drive a profitable business (Branda et al., 2018).

5.2 Implications for Practice

Getting the appropriate channel for a campaign proposition and aligning the channel with the right target segment of the customer base is one of the significant challenges within the marketing functions. While the

SMS channel is no longer popular due to regulatory policy across several mobile markets and a high rate of an opt-out from the SMS marketing by customers, the tag notification channel provides a robust opportunity for CVM marketers.

Tag notification is a cheap and very effective BTL channel, and it is also a powerful contextual tool for marketers. A marketer can do so much with tag notification channels. While the use of tag notification will be used mainly by the mobile operators to drive their below the line activities, it can also be used by other third parties to promote their services in collaboration with mobile service providers. It can be segmented if the CVM marketers of mobile service providers are very sophisticated. For example, the top-up (recharge) notification can be segmented by location, value, product, and device type. This means that when customers in a geographical area or region top up their mobile phones, the tag offers they receive will be different from the tag offer the customers in another specific location receive. This can be implemented across value and segments—what a powerful analytical marketing channel?

For marketers to fully leverage the power of tag notifications for productive BTL activities in driving business performance, the commercial, analytics, and operations team of the CVM function within the enterprise of the mobile service provider must be equipped with an integrated and robust campaign management solution. The solution must be integrated in a way that will enable automation across CVM operational activities and eliminate manual iterations as much as possible.

5.3 Limitations and Directions of Future Work

One limitation of this study is that, while campaigns for tag notifications channels were fully automated on the campaign management solution during the experiment, the SMS channel was not fully automated. Customer events invoked the campaign communication for the tag notification while the SMS campaign was launched across the target at once. An exciting area that will provoke further investigation is comparing the tag notification channels with the other digital channels available for CVM practice. The quantification of the impact of CVM activities on the entire revenue of a large consumer firm is another area that is open for future research.

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12

Fostering a Digital Learning Ecosystem in Nigeria

Nubi Achebo

1 Introduction

The twenty-first century has witnessed enormous transformations and adaptations in the field of education worldwide due to learning technologies. Information technology improvements and platforms are the centrepieces of digital service delivery in all areas of human endeavour—instructional platforms. Learning Management Systems (LMS) have been pivotal in managing, creating, and delivering learning content in corporate and educational institutions. Many educational systems and corporate organisations' have gradually evolved from a traditional classroom model of learning to a digital system, thus competing with classroom learning.

There is speculation that digital learning will surpass traditional learning in the future because of the ubiquity of learning technologies and the pace at which information and knowledge are encoded for easy retrieval.

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Classrooms are no longer the core centre of learning; learning happens in and out of the classroom, and technologies mediate these interactions with content and facilitators to create knowledge. Educational systems have harnessed technologies to ensure that learning takes place. One such mediation platform for digital learning is the Learning Management Systems (LMS).

Digital learning has been defined as the use of information technology to encode learning content, facilitate interactions with facilitators and content using systematic instructional strategies while at the same time facilitating the assessment of learning outcomes in ways that the traditional system of education has not been able to achieve. This is achieved through several subsystems interacting in well-choreographed interrelationships where there are reliance and dependencies.

The Digital learning ecosystem has been defined in different ways by professionals in the field (Frielick, 2004). However, in this chapter, it is defined as a learning environment with different subsystems or components interacting consciously and systematically to achieve a common goal—promoting and fostering learning. An ecosystem is a biological metaphor that has been deployed to conceptualise the desired learning environment, where there are interactive biotic and abiotic components designed to accomplish learning outcomes. The ecosystem is composed of interrelated components that are symbiotic and geared towards achieving learning outcomes. The different components of the digital learning ecosystem, when effectively harnessed, could potentially transform the educational system of countries even though there is an acknowledgement now that some systemic challenges are impeding this rapid move towards the adoption of digital platforms.

Digital learning has been gaining ground in the past decades around the world because of several technological developments. More technologies are being applied in the teaching and learning process today than they have ever been. Many African countries such as Nigeria (Yakubu & Dasuki, 2018; Nicholas-Omoregbe et al., 2017, Nwokolo et al., 2017), Ghana (Bervell & Umar, 2018), Tanzania (Mwalumbwe & Mtebe, 2017), Kenya (Tarus et al., 2015), South Africa (Ssekakubo et al., 2011), and Mozambique (Muianga et al., 2018) are not left out in this drive to adopt new learning technologies. The advent of internet technologies and

miniaturisation technology tools has also led to the proliferation of technologies in homes, corporate environments, and institutions. Initially, many of these technology tools for learning existed in isolation, but gradually they have been aggregated and centralised in Learning Management Systems and platforms, thus easing a disorientation factor in students' learning experience.

Nigeria has a vast, teeming population in primary (33,597,851), secondary (27,795,284), and tertiary (15,867,251) educational systems (UNESCO, 2021), and the system has always struggled with some inherent systemic problems such as passive learning techniques, access to quality education and technological tools, and efficient delivery systems. School systems can be found in urban and rural areas, but schools in urban areas are more connected to technologies that facilitate digital learning. The Nigerian education system is based mainly on rote learning; this does not foster critical thinking, which is a massive problem because it affects the educational system's input and output quality. Educational systems are supposed to impart knowledge, skills, and the application of such knowledge and skills in solving societal problems, but this is proving to be a challenge in Nigeria. In the past few decades, the nation has embraced digital technology tools applied to teaching and learning, and these tools are making it easier to incorporate effective instructional design, delivery, and building communities of learners.

2 Digital Learning Landscape

Digital learning has been growing steadily worldwide, and developing nations are not left behind in the adoption drive. Decades ago, disparate learning tools such as email, chatbots, and grade books were being used in silos which necessitated students logging into different environments in the learning process. This also highlighted the fragmented nature of the learning ecosystem in the past decades. The digital learning environment has changed in the past few decades.

The advent of Learning Management Systems (LMS) helped integrate learning tools and components, thus ensuring interrelationships of the learning components in a single platform. The adoption of LMS is more

prevalent in institutions of higher learning than in primary and secondary schools in Nigeria. This disparity is most likely because of more teaching innovation activities in the higher education learning space. There is, however, still a shortfall in the level of technology use institutions. Meseret et al. (2006) emphasised the need for more information technology in Nigerian institutions. Despite this gap, the West Africa region, which Nigeria is located, is deemed the fastest-growing region for self-paced learning (Sawahel, 2013).

You are most likely to find a Learning Management System in private primary and secondary schools with a larger infrastructure to support the use and maintenance of the LMS tool. The premise behind adopting the Learning Management System in Nigeria is based on the idea that it would help enforce student-centric teaching and learning rather than the traditional learning structure that emphasises teacher-centred learning. Student-centred learning focuses on sound instructional design for active and deep learning, which takes cognisance of student characteristics, objectives, learning strategies to make learning resonate while using authentic assessments to measure learning outcomes (Brown et al., 2015).

Despite the great promise of learning technologies and Learning Management Systems, there have been some quiet misgivings that have not met expectations of improving learning in students. While LMSs have been very useful in learning through its components, there is disagreement on whether it has impacted learning itself (Limaj & Bilali, 2018; Ssekakubo et al., 2011). Despite this criticism, there is an acknowledgement that learning technologies have provided a highly interactive learning environment and scenarios that moved control of learning from teachers in classrooms to learners being in charge of their learning (Miniawi & Brenjekjy, 2015). The Constructivist approach to learning emphasises the need for learners to interact with content, peers, and facilitators while subsequently constructing meaning from the derived experiences (Olojo et al., 2012). The Constructivist approach to learning is firmly behind the Learning Management System architecture, development, and deployment (Wang, 2009).

3 Market Forces Driving Digital Learning Demand

There has been a rapid pace in adopting distributed digital learning technologies in Nigeria, even though the adoption rate is below what is obtainable in developed countries. Several market forces are propelling organisations, academia, and corporate, towards adoption. Information Communication Technology (ICT) is very influential in the operational strategy of organisations today. It is, therefore, not surprising that digital learning has taken off on the coattails of these developments.

The Global System for Mobile (GSM) technology was introduced to Nigeria in 2001 (Garba et al., 2017). This democratised telecommunication access. The initial focus was on voice, but the focus has shifted to data access and utilisation in the past decades. The telecommunication space has also witnessed the miniaturisation of computers and the advent of smartphones with computer functionalities. The availability of smartphones has boosted access to digital content, including learning platforms and Learning Management Systems. The advent of GSM telecommunication has helped immensely in enabling internet access in rural areas of Nigeria, thereby increasing the number of rural dwellers who can tap into digital learning offerings. Today, almost all platforms and Learning Management Systems have mobile interfaces that enable users to access content mounted on the system.

The second wave of communications development is the growth of broadband internet access. First, it was through satellite dishes and then microwave radios, but today, fibre cables were laid across Nigeria in last-mile infrastructure development. Broadband internet access provides a better pipeline for content. The prevalence of such high-speed internet is encouraging content providers to push multimedia content as a means of effectively engaging learners.

Affordability is an important driver for educational institutions in the adoption of learning technologies. The cost of acquiring technologies is most times astronomical for institutions and organisations in Nigeria because most have to be sourced from foreign countries. The current currency exchange rate ratio has drastically reduced the purchasing power of

the local currency, thus putting many products out of reach. Fortunately, the OpenSource software market provides viable substitutes for some of these technology tools. OpenSource tools also help to create the community ambience required for developing a good ecosystem for learning. An instance of the Learning Management System OpenSource that is very popular with organisations and institutions today is Moodle. Millions of institutions worldwide have adopted moodle LMS because of its flexibility and ease of deployment. The non-proprietary nature of Moodle makes it possible for it to connect and exchange information with other applications. There is also a large community behind the development of Moodle software to complement the local tweaking of the tool. Organisations can take the source code and improve on it to be shared with the user community. Moodle has evolved rapidly because of this concerted effort by multiple developers to improve the system's functionalities. Despite all these advantages, there are some downsides. Moodle requires setup and maintenance with professional staff, and some institutions do not have professional resources.

Unlike in the traditional mode of learning where learners rely solely on the teacher for knowledge, learning takes place anyplace and anytime using Learning Management Systems and other learning technologies. Learners are also taking responsibility and directing their learning (Stark et al., 2018). The availability of free and paid learning content on the internet and the Learning Management Systems spurs learners in charge of what they should or must learn. This type of autonomy in learning spurs learners to seek content to achieve specific developmental objectives. This is, in turn, creating demand for online content, which content providers and institutions are striving to fulfil. Providers are relying on learning platforms and Learning Management Systems for the demand.

While Nigerian institutions have developed expertise in several disciplines, there is still a need to tap into external faculty and experts in some knowledge areas. In the past, foreign experts would have to travel down to Nigeria to interact and collaborate with their counterparts in the country. Standalone or video conferencing tools embedded in Learning Management Systems are bridging the expertise gap in Nigerian institutions. Institutions are leveraging international experts to beef up or increase institutional programme offerings at a reduced cost. This kind of

collaboration with external partners promotes a boom in instructional technologies to complement traditional delivery modes.

4 Players in the Digital Learning Ecosystem

The Nigerian larger digital learning ecosystem comprises platform providers, organisations, and institutions (primary, secondary, and tertiary) providing curriculum content to students and course participants using home-grown and proprietary learning management systems. Many organisations' learning and development units have since migrated their internal training activities to Learning Management Systems and similar learning technology tools.

It is an effective way of providing and monitoring productivity training. Training programmes are tied to employee assessment and reward systems, making it easy for managers to supervise their subordinates effectively. Organisations enhance their competency framework to take advantage of digital learning technology. Corporate universities also employ digital technologies as a mission-critical tool for achieving organisational learning objectives.

While proprietary and OpenSource LMS are options, many corporate organisations with large budgets typically opt for proprietary LMS technology because they can afford it and believe it provides a secure environment for company data. Learning Management Systems have been strategically deployed to drive the enhancement of performance and productivity. The tools provide a more effective way of learning and development units to manage employee development. The management of learning assets is also easier now since LMS is a practical repository of learning materials that can be easily retrieved by content, course developers, performance managers, and employees. The interoperability of the tools ensures that data can be shared with other systems in organisations.

Educational institutions in Nigeria have also embraced Learning Management Systems. While adoption is generally slow, the adoption rate increased astronomically during the Covid-19 shut down when institutions with systems in place already and those who quickly acquired

digital learning platforms did so for resiliency. Before the Covid-19 pandemic, institutions adopted LMS for a variety of reasons. First is the desire to move learning into the digital space, improve access to content, and improve students' learning. Second, institutions are trying to move students away from reliance on teachers for information and turn them into knowledge seekers and lifelong learners.

Institutions have built a community of learners around LMS technology. Institutions invest much effort in the selection and deployment of Learning Management Systems. This involves typically consulting with stakeholders within the learning ecosystem to choose a system that meets the requirements of the learning community. The ecosystem components consist of teachers, students, instructional developers, LMS developers, multimedia producers, and vendors, who interact in ways that ensure learning outcomes.

Also occupying the digital learning space market are platforms offering digital learning services to different segments of the student population. There are different global players in the digital learning platform catering to a diverse audience—academic institutions, corporations, and the OpenSource community. The following are some of the global players: Canvas, Blackboard, Google Class, Schoology, Docebo, Edmodo, Moodle, Sakai, Tovuti LMS, Brightspace, WizIQ, and adobe Captivate LMS. Nigerian platform players have tapped into the available Nigerian school curriculum to offer content that is complementary to what regular schools offer. Others offer examination preparation services because of the weak teaching regimen in most public schools in Nigeria. Some digital players in Nigeria and Africa are profiled below.

1. 9IJA KIDS

This is a mobile platform for elementary school students. Its primary instructional strategy is the use of interactive games to gain and maintain pupils' attention. <https://9ijakids.com/>

2. ClassNotes

ClassNotes.ng is geared towards providing curriculum content for Junior and Secondary school (JSS1 to SS3) students. The content is

drawn from the curriculum prescribed by the Federal government.
<https://classnotes.ng/>

3. ULesson

The uLesson app is a subject-based platform focusing on Mathematics, Physics, Chemistry, and Biology for students taking competency and entrance exams such as WAEC, GCSE, IGCSE, KCSE, SAT, and more.
<https://ulesson.com/>

4. Easyprep

This platform is a virtual teaching assistant serving primary and secondary school students preparing for examinations. It also helps in organising study groups. <https://www.easyprep.com/>

5. StudyLab360

This is a practice lab for the school curriculum for West Africa. Subscribed students are subjected to subject related battery of examination questions in preparation for several types of examinations. Student's progress is monitored through performance analytics to help guide students to better performance. <https://www.studylab360.com/#/>

6. Roducate

Roducate offers a complementary school curriculum directly to schools. Schools subscribe and provide the content to their students. It has a robust mobile platform that is appealing to students because of the prevalence of smartphones. <https://cms.roducate.com/>

7. Ubongo

Ubongo leads as foremost Africa leading Edutainment Company. As a child-focused company, it creates fun content localised on its educational media platform. The content is mainly geared towards readiness for

elementary school. The programming gives pupils a headstart in school. <https://www.ubongo.org/>

8. Macaranta

Macaranta is an elearning platform that provides knowledge to a large segment of the population. The content served is vast and covers the academic curriculum as well as personal development and professional courses. <https://macaranta.com/>

9. M-Shule

is a Kenyan based mobile learning platform aiming to improve the performance of elementary school pupils in Kenya and Sub-Saharan Africa. The platform is said to be adaptive in the learning progression of students. <https://m-shule.com/>

5 Technological and Operational Challenges in Digital Service Delivery

While platform and Learning Management Systems are seen as a viable solution to some of the systemic challenges in developing countries like Nigeria, adoption and implementation has lagged in the race to leapfrog the traditional educational environment. One of the biggest changes is the lack of the appropriate infrastructure necessary for university application of digital learning in institutions (Nwabueze et al., 2013). While there are urban areas with moderate access to digital learning infrastructure, vast swathes of the school population are still found in rural areas of the country, lacking basic access to electricity or the internet. While institutions and teachers might be enthusiastic about new technologies, the absence of the necessary infrastructure impeded the rate of adoption.

The internet is the main conduit of digital learning today. There is inequality in access to the internet on several levels—availability due to geographical location, cost, and skills. Schools in urban areas are more likely to have broadband access to the internet than institutions in rural areas. The power supply in Nigeria is generally epileptic when available,

and there is a paucity of power supply in rural areas. Access to the internet costs money because institutions and individuals require data to operate in the digital learning space. The increasing reliance on video clips has increased the need for data to access digital learning. For learners in rural communities, this is a cost they can ill afford. Consequently, many are shut out because they cannot afford the cost of frequent data purchases.

Digital learning requires good content and interaction among the various components of the ecosystem. Content development requires the combined effort of content developers and relevant organisations. Most content deployed through platforms and Learning Management systems are not developed by the organisations deploying them. These are usually off the shelf materials that do not necessarily meet the learning needs of students. Schools and organisations are quick to default to off the shelf content because of a dearth of professionals in the field, especially instructional designers and developers. For digital learning to be instructionally sound and meet learning outcomes, you need the assistance of instructional designers and developers.

Digital learning through platforms and Learning Management Systems is relatively new in Nigeria. Teachers and students are also just getting used to smartphone and computer use. The newness of platforms and Learning Management Systems makes it imperative to build capacity to enable successful adoption and use of students and teachers. The level of capacity can determine the success or otherwise of a digital learning initiative. This single factor is also identified as to why the adoption of digital learning is slow in some environments.

Traditional modes of teaching in Nigeria impede moving to digital learning. The teacher's superiority is emphasised in the traditional model, while digital learning focuses more on student-centred learning. Active and deep learning involving well-crafted learning objectives, instructional strategies, and authentic assessments ensure active engagement with content. Students are required to think critically rather than learn by rote and regurgitating information to pass examinations. Digital learning mode is seen as more complex and tasking hence challenging to implement in corporate environments and academia.

Technology and Information literacy are critical for digital learning. As learners rely less on teachers' expertise, they aggressively seek information

online and curated information in Learning Management Systems. Technology and information literacy have been handled by information technology, libraries, and information units in institutions. The focus of information technology is to engage students to develop or enhance their skills in using technology that will aid access and retrieval of information. Heinrich and Attebury (2012) identified the role of libraries and librarians in fostering information literacy in institutions. Librarians are embedded in course environments to help students and faculty to identify information sources, retrieval and utilisation strategies. The involvement of librarians in the deployment of LMS for teaching and learning is an effective way of building and fostering relationships with other members of the digital learning ecosystem.

6 The Future of Digital Learning Platforms

The twenty-first century digital learning ecosystem platform should be several notches above the Learning Management System available today because of the new dynamics of the learning environment and different expectations from learners. The era has witnessed a rapid move away from traditional learning systems to digital learning systems buoyed by new technological developments. There are also emerging complex interactions between biotic and abiotic elements of the ecosystem necessary to achieve educational outcomes. The new digital learning ecosystem is an all-encompassing environment that should include learners, facilitators, vendors, content providers, administrators, infrastructure, content, communities, instructional strategies, technology tools.

Stakeholders have to ask pertinent questions relevant to learning in the twenty-first century as a starting point for a credible response for engineering the digital learning ecosystem that should be created for lifelong learners whose learning culture is global, social, and multimodal (Curwood, 2013). Any consideration would have to take cognisance of information communications and technology and the use of digital means in running businesses today.

Digital delivery service is the order of the day in all business endeavours today. This has been extended to educational endeavours where

information communications technology is now embedded in virtually all processes in institutions. The business of teaching and learning is also affected by the move towards using information technology for effectively and efficiently delivering learning content. Several service platforms are setting the standard for delivering values, effectiveness, efficiency, and satisfaction—Facebook, Instagram, Twitter, YouTube, Google, LinkedIn, Amazon, WhatsApp, and so on.

Affinity spaces are digital environments designed for the exchange of information and interactions in a typical teaching and learning situation (Gee, 2017, Trilling & Fidel, 2009). Digital learning platforms by nature are considered affinity spaces because they are inherently built on bringing several biotic and abiotic entities together for actualising learning outcomes. Gee (2017) considers platforms the prime spaces for teaching and learning in the twenty-first century. While we have different components in the digital ecosystem, the boundaries between the physical and virtual components are fluid and ever-evolving.

The Learning Management Systems have held sway since the 1990s, but new developments in the information technology landscape make LMS architecture old and clunky, judging from users' perspectives. This is the era of Facebook, Instagram, Twitter, Google, Apple that have ushered in an era of smooth and sleek platforms with great user experience and integration of many components they wish traditional Learning Management Systems should have. But the question should be asked: what should be the core characteristics and elements of a twenty-first-century digital learning?

To develop and foster a robust digital ecosystem, stakeholders need to be deliberate and strategic in planning and deploying digital learning technologies. For organisations with existing structures, the focus would be on innovating to revitalise the learning space. As with a typical ecosystem where new systems are introduced continually, this changes the dynamics of the ecosystem leading to new interactions and the evolution of new dynamics. The first in the process is to articulate what challenges a digital learning ecosystem is designed to address. The challenges for organisations will be different, so one size does not fit all. Teasing out this information requires extensive consultation to arrive at the core requirements of the system. This background task will ensure that major issues

concerning structure and relationships within the ecosystem are adequately addressed.

Leadership: In any institutional setting, a primary driver for technology adoption is critical for technology diffusion and maintenance to achieve success (Abrahams, 2010; Dawson et al., 2018). The driver should preferably be in a leadership position with enough clout to influence the rank and file of the organisation. Technology adoption advocates have enormous leverage in organisations that can help to overcome resistance and resolve bottlenecks that might otherwise affect the realisation of new technologies for learning.

Personalisation: Learners take responsibility for their learning; hence, learning is mostly self-directed even when this is complemented with face-to-face instruction. In a digital learning environment, it becomes imperative to help and direct learners through available content and interactions that will foster and enhance learning. Adaptive Elearning System (AES) help in making the learning experience in a digital environment personal. According to Herman Dwi (2014), the Adaptive Elearning System (AES) utilises and recommends a learning path based on the individual's characteristics to solve the generalised information, knowledge, and skills delivery mechanism inherent in today's Learning Management System. The digital learning ecosystem of the future should leverage this feature of elearning environments (Fig. 12.1).

Intuitive Design: Intuitive design using user experience (UX) research is an important aspect of learning environment design (Koohang & Paliszkievicz, 2015). Learners expect an intuitive navigational experience of any learning environment. The intended user experience must match the actual design of a digital learning ecosystem. Studies have shown that if users are not happy with their experience with a technology product like a digital learning environment, it impedes the tool's ease of use and utility. Therefore, it is important to have good background information, such as goals, expectations, and motivations, for an intuitive design that will satisfy the user experience.

Resources Centrality: An attractive feature of digital learning platforms is the centrality of resources. Some decades ago, users would have to log into different resources to accomplish learning tasks. The emergence of platforms simplified access to learning resources, enabling an

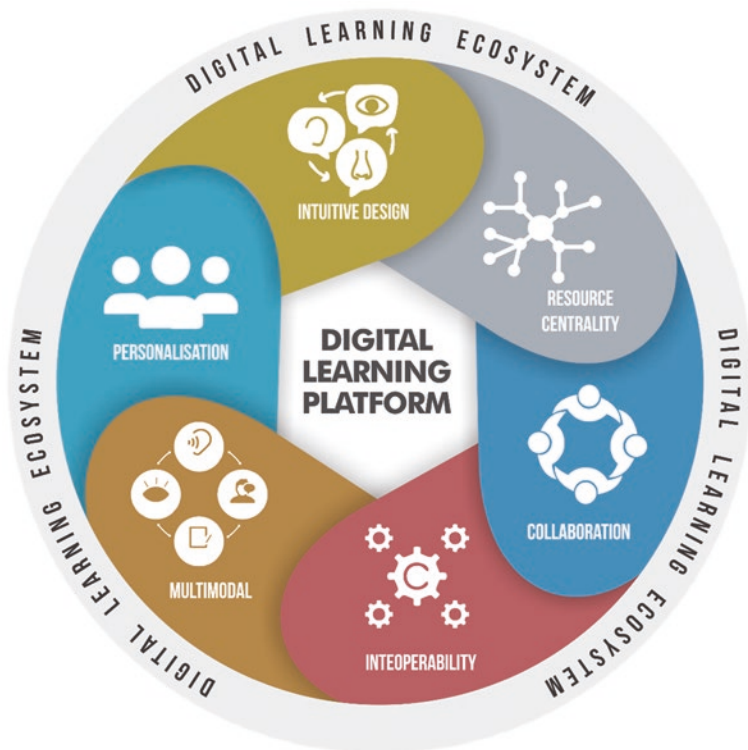


Fig. 12.1 Digital Learning Ecosystem (Source: Author)

enhanced focus on content and learning for students. One of the critical features of a digital learning environment is building a community of learners through inter and intra-relationships with components of the ecosystem. Learning communities inspire and enable learners to accomplish tasks they might not complete on their own.

Collaborative: Social learning implies collaborative learning. Rather than working in silos, digital learning platforms create opportunities for students to collaborate on learning tasks. Collaborative skill is a crucial skill sought after in the workplace today, so building an affinity space that reinforces those skills will be an advantage. An essential design requirement for enhancing digital collaborative learning focuses on creating opportunities for learners and facilitators to interact with each other and

content. Facilitating such interactions enables sense-making and construction of knowledge (Giannakos & Darra, 2019; Järvelä et al., 2013).

Interoperability: Interoperability is a critical component of a good digital learning platform. The term implies the ability of information communications and technology systems to work together to share and exchange data for individuals and organisations. Digital learning involves the extensive generation and distribution of information. For a learning environment, obtaining learning data analytics is for decision making, while the ability to repurpose learning objects facilitates sound course design for facilitators.

Multimodal Learning: Multimodal learning is defined as bringing together multiple instructional technology tools addressing how students learn in a learning experience designed to maximise the chances of attaining learning outcomes (Kress & Selander, 2012). The Learning Management System for the future will be a fusion of several tools to encourage and foster the complexity of the multimodal learner of today because student learning today is mainly self-directed, multi-faceted, and dynamic. The learning management system in the learning ecosystem should reflect the new ways learners interact and learn content because it helps curate, share, and regenerate new multimodal content (Haniya et al., 2019). Multimodality is a premium design consideration and requirement for the new learning ecosystem.

7 Conclusion

We are in the era of digital service delivery as many facets of our life currently rely on information technologies at service delivery points. The learning business space is not insulated from these societal changes; hence, efforts are being made to incorporate learning technologies in the delivery of services in institutions and organisations because of the changing nature of how students learn. Students depend on several sources for knowledge, and they are not necessarily doing this in isolation because of natural social networks and, as a result, social learning.

Creating and fostering a robust digital learning ecosystem is a difficult proposition anywhere in the world and even more so in sub-Saharan

Africa because of the myriad challenges in the environment that can impede such an endeavour. Learning, in the twenty-first century, demands that complexity has to be accounted for in the kind of digital learning ecosystem and is designed to meet the needs of lifelong learners. Organisations need to understand the complexities of a digital learning ecosystem as they plan to create or revitalise systems. The obstacles in the way of success have to be eliminated or minimised to make progress especially attitudes towards technologies and information technology literacy challenges have to be addressed.

The learning ecosystem needs as many components as possible that will help build the kinds of interactions necessary for all players in the ecosystem. Assembling the components has to be a deliberate effort taking into cognisance the purpose of the ecosystem and those who are designed to benefit. This will ensure that a robust digital learning ecosystem is created to address the learning challenges in Nigeria and sub-Saharan Africa.

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Part IV

Conclusion



13

Digital Tools and Platforms as the New Marketplace: Driving Digital Business in Africa

Ogechi Adeola, Robert E. Hinson, Jude N. Edeh,
and Isaiah Adisa

1 Introduction

Innovations and technological advancements are forcing Africa's emerging economies to replace the traditional brick-and-mortar model with digitalised operating systems. Technological tools and platforms are the new marketplace for buyers and sellers to become aware of the advantages

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and opportunities of these systems that will drive their business activities (Chursin et al., 2021; Peter & Dalla Vecchia, 2021). The argument for digital tools and platforms as the new marketplace has gained traction in recent years with the proliferation of social media platforms that can be used to conduct business (Dolega et al., 2021; Rejeb et al., 2020). Social media platforms such as Facebook, WhatsApp, Twitter, Instagram, Telegram, YouTube, and LinkedIn, are used for different functional, hedonic, and economic gains; the most popular in Africa being Facebook (Omotosho, 2021).

The increased importance of social media can be found in the accelerated growth of Africa's internet-based economy, which is estimated to contribute US\$115 billion (45%) to Africa's Gross Domestic Product (GDP) in 2020, with an expected progression of US\$180 billion by 2025 and US\$712 billion by 2050 (Omotosho, 2021). Given the opportunities for optimising business performance and the availability of a digitally skilled youth population, the continent has the resources to rule the internet economy for many decades to come. This book has further emphasised and promoted African businesses' usage and adoption of digital tools and platforms through theoretical and empirical rigours of the authors' contributions. This chapter aligns with the documented reality of the digital marketplace findings in the book, emphasising the future role of digital platforms to drive business in Africa. Recommendations are also made for businesses in Africa.

2 Digital Tools and Platforms as the New Marketplace

Digital tools and platforms are becoming the foundation of social and economic development, propelling economic growth and reorganising social and economic structures by drawing on new skills, patterns of operations, and personnel (Ablyazov & Rapgof, 2019). One such reorganisation is found in the twenty-first-century market and marketing structures. Traditional stores are being replaced with digital platforms, and conventional media (e.g., newspapers, television, and radio) are

losing ground to social media (Ighobor & Adewumi, 2021). New business models are adapting technological advancements that are changing the nature of relationships between businesses and consumers (Rossotto et al., 2018). Consumers can now contribute to the value of products and services through their feedback; businesses are gaining a better understanding of their markets through constant interaction with consumers.

The digital space is driving the fourth Industrial Revolution (Schwab, 2016), and Africa's businesses cannot afford to be left behind. Despite disruptive challenges in the short-term, research shows that the long-term values are underestimated (Sturgeon, 2021). Digital innovations embedded in the internet, social media, mobile apps, and other forms of digital communications are part of billions of people's everyday lives (Dwivedi et al., 2021). It influences their choices of product engagement, purchase behaviour, brand loyalty, and other marketing-related outcomes. Tools such as artificial intelligence, chatbots, augmented reality marketing, electronic word of mouth, and digital content marketing are also being utilised to promote an organisation's product and service offerings (Adamopoulou & Moussiades, 2020; Dwivedi et al., 2021).

The current African business climate is dominated by small and medium-sized enterprises and is a hotbed for growth in the digital service delivery landscape. The convergence of information and technology, including virtual reality, augmented reality, and digital and social media platforms are rapidly creating a new market (Aliu et al., 2019; Fuchs & Horak, 2008). Consumer preferences are changing, highlighting the need for a shift in the ways firms perceive and serve their customers (Eigenraam et al., 2018). Thus, with the rise in Africa's consumer segments characterised by different tastes, values, and shopping patterns, enterprises utilising digital tools can effectively deliver services, and in turn, offer greater value to their customers (Gielens & Steenkamp, 2019; Moe & Ratchford, 2018; Plessis & Boon, 2004).

With a digitally-inclined youthful population in Africa, businesses on the continent are encouraged to adopt models that will appeal to their target market. However, it is quite worrying that fewer than half of the population in Africa use the internet and only 24% of her population shop online (Kolade, 2021). One of the biggest challenges to digital businesses in Africa is that the populace believes more in cash transactions,

with about 95% of all transactions done in cash. Cash payments are peculiar to the brick-and-mortar business paradigm. Some online stores also encourage cash transactions by introducing the pay on delivery services—all in a bid to offer innovations that meet consumers' needs.

Africa's businesses must continue to adopt digital service delivery despite the current low percentage of people who shop online. It is the responsibility of an organisation to develop strategies that will attract consumers, stimulate online purchases, and grow the economy. With appropriate strategies, businesses in Africa can drive digital service delivery on the continent. Contributions in this book offer actionable recommendations for the adoption of digital tools and platforms in Africa.

3 Driving Digital Business in Africa

Digital tools have been adopted in different social and economic spheres for different purposes. In Africa, micro, small, and medium-sized enterprises (MSMEs) constitute more than 90% of the continent's businesses and about 50% of GDP (Muriithi, 2017). Many of these businesses do not have an online presence and are dominant in offline marketplaces (Kolade, 2021). For example, Alaba International Market in Nigeria is the largest electronic market in the country and has about 10,000 merchants who still operate brick-and-mortar businesses (Kolade, 2021). Despite this traditional approach, Alaba continues to generate about \$4 billion in turnover yearly (Kolade, 2021). Markets such as Alaba are predominant in Africa, but they serve only non-digital consumers. A more strategic plan to serve consumers who prefer a digital platform would increase profitability.

The offline market is saturated in Africa, and business owners and managers must become aware of the opportunities in the digital space. Business managers and owners must understand that digital platforms and tools unlock innovative pathways leading to business growth and expansion, and remove limitations associated with traditional brick-and-mortar stores (World Bank, n.d.).

With digitalisation, business is everywhere, unlimited by geographical space. To achieve this broader scope of operation, businesses must

identify the resources they need to drive digital business delivery in an African market. First, small, medium, or large-scale enterprises must understand that the younger generations—Generation Y (born between 1982–1999) and Generation Z (born between 2000 and 2012)—have a stronger digital presence (Adeola et al., 2021; Mahmoud et al., 2021). The business that offers products and services that can be purchased online must focus on that population. Traditional physical stores need not completely give way to digital markets. There are generations of consumers who still prefer brick-and-mortar model business establishments.

The market opportunities in Africa are enormous: Africa's ratio of 66,000 people to 1 formal retail store in Africa (compared to the United States' ratio of 400 people to 1 store) shows that the continent's consumers are still underserved (Leke & Sibanda, 2019). Digitalising businesses can close this gap and promote the incubation of more retail stores such as Jumia, Takealot, and Konga, which are the top three digital retail stores in Africa (Johnson et al., 2020). Currently, there is an increase in the number of small and medium-sized businesses in Africa taking advantage of social media platforms such as WhatsApp, YouTube, and Facebook—valuable catalysts for their growth potential (Musinguzi, 2021). The reality of the economic growth via digital business rests in the availability of digital skills. The lack of digital development skills and user competencies in an organisation is a formidable barrier to the adoption and smooth delivery of online services; hence, upskilling of human resource capacity is crucial. Reducing the level of digital illiteracy across the board is also an essential step in the right direction towards ensuring that digital opportunities are fully harnessed in Africa.

Governments in African nations should partner with corporate organisations to empower and equip older populations with basic technologies such as mobile phones, an effort that would increase digital inclusion and promote the usefulness of digital resources for their daily activities. With the increased availability of products and services ordered online, the challenges experienced by consumers in remote areas can be ameliorated with last-mile delivery (Kolade, 2021). The availability of digital skills, education, and a focus on the target market will stimulate the successful

adoption of digital tools and platforms for business operations. Businesses must choose technological tools and platforms that most appeal to their business, customers, and resources. A gap between the availability of skills, financial resources, the choice of technology, and the platforms or tools that appeal to the target market will not yield a positive digital adoption.

Several start-ups in Nigeria are taking advantage of opportunities in the digital space to position their business to their consumers and are enjoying the profitability and associated growth outcomes. An example is Mitchell Elegbe, CEO of the Nigerian start-up Interswitch, who responded to the challenge of carrying a huge amount of cash for various transactions. Now, individuals can pay for services using Interswitch enabled platforms (Leke & Sibanda, 2019). It is interesting to note that the digital space for businesses in Africa is still enormous, with online sales covering less than 1% of total retail sales (Leke & Sibanda, 2019). Hence, the opportunity is there for businesses to go digital while still serving their brick-and-mortar consumers. Though infrastructural challenges might exist, the availability of digitally skilled personnel, a targeted consumer base, an educated population, and sufficient financial resources would give businesses and entrepreneurs the platform to succeed.

To contribute to the preceding discussion, Table 13.1 presents the findings from the contributors in the book on digital tools and platforms for comprehensive digital service delivery in Africa.

4 Recommendations for Businesses in Africa

Businesses in Africa, irrespective of size, should not ignore the digital revolution in the world. The Covid-19 pandemic shined a spotlight on the reality that there will always be hindrances to the availability of brick-and-mortar stores. It is strategic to have both physical and online stores to meet the needs of a diverse population, such as is found in Africa. Consumers in Africa are underserved in the retail sector, and the ratio of a consumer to a retail outlet is worrying. Businesses that position their brands beyond geographical limitations can expect to enjoy a border-free expansion. Africa is open for business, and digital tools and platforms offer the markets that entrepreneurs must consider.

Table 13.1 Driving digital businesses in Africa

	Themes/title	Findings
Chapter 2	Ethical Social Media Marketing in Africa	• Ethical social media practices must be adopted to ensure the effective performance of digital businesses. • Legal requirements and ethical standards to act as a guide to African marketing organisations using social media platforms
Chapter 3	Opportunities and challenges of social media marketing for small and rural-based entrepreneurs: experience from Vhembe district in the Limpopo province of South Africa	• Wider audience, access to the target audience, low-cost and effective marketing, deeper customer interaction are the opportunities for social media marketing for small and rural-based entrepreneurs in Africa • Poor internet connections, lack of access to adequate resources and lack of sender-receiver relationship was identified as a major challenge • Government subsidies of internet costs and aggressive efforts to upgrade the internet network coverage in rural areas will ease the challenges
Chapter 4	Influence of Facebook usage on organisational performance in Ghana: the pivotal role of social capital and salesperson extra-role behaviour	• Facebook usage significantly influences the financial and non-financial performance • The utilisation of Facebook for customer service and marketing activities is critical to improving both financial and non-financial performance • Performance of organisations that encourage salespersons' social media service behaviour differs significantly from organisations that do not

(continued)

Table 13.1 (continued)

	Themes/title	Findings
Chapter 5	Examining the impact of value-driven social media content strategies and product type on social media behavioural engagement: <i>Evidence from Nigeria</i>	• Different value-driven social media marketer-generated content strategies are required to drive consumer engagement behaviours for search (vs. experience) products • Managers must ensure that their social media marketing strategy is informative and/or hedonic value-driven if they are to succeed in facilitating customer behavioural engagement
Chapter 6	A self-concept interactionist model of social media-reputation	• Customer engagement advances customer experience and perceptions held in the minds of customers • 'Skills and abilities'; 'occupation and hobbies'; 'gender'; and 'experience' impact heavily on the formulation of policies that, if well managed and communicated through social media, have implications for the management and development of corporate reputations.
Chapter 7	Africa's digital marketplace: the role of customer engagement in Africa	• Customer engagement can lead to a positive shift in buying behaviour, loyalty, and brand reputation for African businesses • Creative advertisement, informative and emotional appeals are critical antecedents to positive user responses in social media advertisements

(continued)

Table 13.1 (continued)

	Themes/title	Findings
Chapter 8	Digital financial inclusion— M-PESA in Kenya	• Mobile money services offered by telecom firms have been instrumental not only in achieving digital financial inclusion but also in stimulating economic growth • Financial inclusion as one way of alleviating poverty and stimulating economic development
Chapter 9	Fintech, Cryptocurrency and Blockchain Technology: <i>Towards Promoting A Digital Africa</i>	• The rise of Fintech and related technologies has constituted a serious challenge for policymakers in Africa • With more non-banks entering the Fintech space, collaboration between banks and non-bank regulators is crucial to developing appropriate policies to guide and nurture the growth of Fintech. • This would include policies on data protection.
Chapter 10	Role, characteristics and critical success factors of big data (BD)— implications for marketing in Africa	• Big Data is playing a significant role in marketing, and companies can have a competitive advantage through big data exploration and utilisation • The characteristics of Big Data include value, variety, volume, variability, veracity, velocity, and valence • The critical success factors of Big Data are IoT, statistical application, business intelligence, data mining, cloud computing, IT environment, digitalisation, e.t.c

(continued)

Table 13.1 (continued)

	Themes/title	Findings
Chapter 11	Driving business performance through customer value management practice: <i>a case of digital tag channel in an emerging mobile market</i>	• For consumer firms to optimise revenue potential from the large customer base, campaign management tools that are integrated with all digital channels must be in place. • As digital channel expansion continues to change the way the brands engage with their customers, brands need to continuously identify customer segments based on their behaviour, the needs and preferences of each segment along different channels to drive a profitable business
Chapter 12	Fostering a Digital Learning Ecosystem in Nigeria	• Successfully implementing digital learning ecosystems is hinged on strategically thinking through creating, adopting, and implementing new digital learning ecosystem solutions • The ecosystem, made up of different biotic and abiotic components, is geared to effectively and efficiently deliver on learning outcome expectations

To have a successful digitalisation process and outcome, entrepreneurs and businesses in Africa must identify a problem just as Interswitch has done and ensure solutions that are offered in the form of internet-accessible services. When a service rendered electronically solves a major problem of the targeted demographic, that technological innovation has a greater chance of success; hence, technological adoption for delivery of services should be based on the need of the market and the target consumers. Businesses must first understand the target market the digital service will serve, and then put in place necessary plans to ensure a positive outcome.

Also, businesses must invest in the digital skills of their employees to leverage the growth and profitability on the strength of digital platforms. When the needed digital skills are fully in place, businesses can harness

the opportunities in the digital space to communicate new service offerings, engage consumers, develop new products, and influence consumers' purchase behaviours towards their brands. When recruiting new employees in contemporary organisations in Africa, digital skills and competencies should be part of an employer's job description. As a way of developing the employability of the populace, governments that invest in educational opportunities that focus on digital skills and competencies can utilise this skill base to empower the young and the old.

Aside from investment in education in digital skills and competencies, digital infrastructure is also needed for businesses to thrive. The type of infrastructure will depend on the nature of businesses and their products or services. Technology firms, therefore, must develop user-friendly tools that meet the needs of the market. Market in this context is focused on the B2B dimension. Technological tools that will drive the digitalisation of Africa's businesses must consider all the varied forms of social and cultural barriers that can be found on the continent.

5 Conclusion

There are great opportunities for more digital businesses in an underserved African market. Digital tools and platforms are available to enhance the digitisation of businesses in Africa; however, digitisation should not be about jumping on the bandwagon. Businesses must understand the needs of their market, exploit digital opportunities, and evaluate the costs and human resources before adopting digital tools and platforms in their businesses. A core message that cuts across all the chapters in this book is that Africa is open for business and digital tools and platforms are the new marketplace.

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