



THE EFFECT OF SOCIAL MEDIA MARKETING ON CUSTOMER RETENTION: A STUDY OF KONGA CUSTOMER IN SANGO-OTA, OGUN STATE.

By

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ABSTRACT

This study examined the effect of social media marketing on customer retention using a study of Konga Nigeria Plc. The specific objectives of this study were to determine the effect of customization, entertainment, customer engagement and informativeness on customer retention. The study adopted a survey research design and collected data from respondents using a structured questionnaire. The population of this study was Konga customers of its Sango-ota outlet, Ogun state, who are followers of their various social media platforms (Facebook, Instagram and Twitter specifically). This study used Godden (2004) sample size determination formula to ascertain the sample size of 132 while simple random sampling technique was adopted for the study. The data collected were analyzed using descriptive tables and percentile, while regression analysis was used to test the hypotheses with the aid of SPSSv20. The findings revealed that customization (coefficients, t-value and sig.) 0.064, 0.254 and 3.778 respectively, entertainment (coefficients, t-value and sig.) 0.91, -0.95 and -1.93 respectively, customer engagement (coefficients, t-value and sig.) 0.103, 0.125 and 1.498 respectively, informativeness (coefficients, t-value and sig.) 0.080, 0.557 and 7.045. Therefore, findings of this study showed that customization, customer engagement and informativeness have significant effect on customer retention with a (sig. level < 0.005) while entertainment was not significant with p-value of 0.235 which is > 0.005. The study recommended that Konga Nigeria should use customer segmentation to identify groups that respond most positively to customization. Digital tools, such as AI and machine learning should also be adopted in scaling customization efforts.

Keywords: Customization, Entertainment, Customer Engagement, Informativeness, Customer Retention

INTRODUCTION

Organizations are continuously exploring innovative ways to incorporate social media platforms into their marketing strategies to enhance customer relationships and drive growth. Companies utilize various online approaches to promote their products and services through social media marketing (Hanaysha, Sharma & Momani, 2021). With billions of users relying on these platforms to discover new brands, social media marketing enables businesses to engage with both existing and potential customers. This practice, defined as using social media to help organizations reach their goals, involves strategies such as customization, entertainment, customer engagement, and informativeness (Althuwaini, 2022; Hanaysha, Sharma & Momani, 2021). Customer retention describes a consumer's tendency to continue using a service provider, with the objective of reducing customer churn and fostering long-term loyalty (Artha, Zahara, Bahri & Sari, 2022; Hasan, 2013; Birkel et al., 2019).

A notable challenge is the insufficient interaction between companies and their customers, limiting consumers' ability to provide feedback on their preferred brands and hindering businesses from conducting effective post-purchase evaluations (Kang, Shin, & Ponto, 2020). Reliance solely on mass marketing can leave loyal customers feeling disconnected and undervalued. Moreover, it remains unclear how small businesses leverage their social media presence to achieve commercial objectives (Lim, Jeon-Su, Pham & Heinrichs, 2020). This uncertainty partly stems from small firms' limited capacity to conduct research assessing the impact of various marketing initiatives, including social media campaigns (Cheung, Pires, & Rosenberger, 2019). Additionally, inadequate dissemination of information reduces the effectiveness of advertising messages, preventing companies from reaching their intended audience, thus causing a lack of informativeness.

This study aims to address this gap by investigating the impact of social media marketing on customer relationships at Konga Nigeria Plc. The main objective of this study is to determine the effect of social media marketing on customer retention. Derived from the above main objective are the following specific objectives which are to:

- i. Determine the effect of customization on customer retention.
- ii. Find out the influence of entertainment on customer retention.
- iii. Ascertain the effect of customer engagement on customer retention.
- iv. Assess the effect of informativeness on customer retention

To achieve the above objectives, the study covers the customers who are followers of various social media platforms of Konga Nigeria PLC by examining the effect of customization, entertainment, customer engagement and informativeness on customer retention in sango-ota, Ogun state.

LITERATURE REVIEW

Social Media Marketing

Radwan (2021) emphasizes that social media marketing plays a vital role in advertising products and services. To promote brands, social media marketers produce various content forms such as text posts, videos, live streams, and stories. They also collect user feedback, showcase product features, share narratives, provide advice and recommendations, and highlight unique attributes. According to Althuwaini (2022), social media facilitates the sharing of information and strengthens connections not only among customers but also between customers and brands, products, and companies. Social media marketing is a strategic form of word-of-mouth (WOM) marketing, where consumer-to-consumer communication is intentionally influenced through expert marketing techniques. This approach is also known as buzz marketing, guerrilla marketing, or viral marketing (Bhargava & Ojha, 2019).

Constructs of Social Media Marketing

Customization: Customization is the tailoring of content, messages, and experiences to individual users or specific audience segments based on their unique needs, preferences, and behaviors (Bhargava & Ojha, 2019). Customizing some features of the product or service means that the consumer of the product enjoys more convenience or some other benefits, this is initiated by the consumer or the company, (Reiner & Totz, 2010).

Entertainment: Entertainment occurs when marketers use social media platforms to create enjoyable experiences for customers by using games, photos, videos, contests, and other content (Cheung, Pires, & Rosenberger, 2019). In order to increase brand exposure and loyalty, entertaining advertising content is typically used extensively in the development of social media marketing strategies (Hanaysha, Sharma & Momani, 2021). Consumer attitudes about a brand are positively impacted by entertaining advertising content that they find exciting, thrilling, and cool. It also enhances the likelihood that they will visit the brand's website again in the future (Hanaysha, Sharma & Momani, 2021).

Customer Engagement: Customer engagement is the association among consumers and organizations by means of various communication endeavors, incorporated by the organization (Bansal & Chaudhary, 2016). Customer engagement comprises of immense conduct of behaviours comprising word-of-mouth (WOM) activity, recommendations, helping different clients, blogging, composing reviews, and even captivating in legal programs.

Informativeness: The ability of marketers to provide consumers with information on goods and services they may choose from and use to make judgments about what to buy is known as informativeness. According to Kang, Shin, and Ponto (2020), informativeness may also be described as a brand's capacity to give target consumers enough information via various media channels to help them make purchasing decisions.

Customer Retention

Customer retention is the propensity of the customer to continue using their service provider (Artha, Zahara, Bahri & Sari, 2022). Kotler (2008) defines customer retention as an organization's or company's ability to keep its current clientele by building positive relationships with each and every person who purchases the product. The purpose of customer retention is to alter customer defections or diversify consumer behavior in order to encourage long-term loyalty and a solid relationship with the business (Hasan, 2013). Beyond simply meeting the needs of the consumer, customer retention aims to surpass their expectations and turn them into devoted brand ambassadors. Customer retention are also the strategies and tactics used to keep existing customers engaged and loyal to a brand or business, by monitor and respond to customer feedback and concerns, offer timely and effective customer support and also encourages customer to create and share related to your brand (Freberg, Graham & McGaughey, 2011).

Theoretical Framework

Institutional Theory

This study draws on institutional theory to explore how the adoption of social media marketing supports businesses in enhancing customer retention. Institutional theory, originally proposed by Meyer and Rowan (1977), posits that organizations often respond to external pressures that can affect their performance and legitimacy. Scott (2005) later expanded the framework, identifying three key mechanisms—coercive, mimetic, and normative pressures—through which institutional influence occurs.

In the context of this study, coercive pressures refer to the demands from customers who expect businesses to engage through digital channels and may reward or penalize companies based on their online presence and responsiveness. Social media has emerged as a primary platform where customers spend a significant amount of time, making it essential for businesses to adapt accordingly.

Additionally, mimetic pressures—the tendency to imitate the successful practices of competitors—drive firms to adopt social media marketing to remain competitive with more digitally adept rivals. Social media platforms offer businesses cost-effective opportunities to engage large audiences, foster interaction, and enhance brand visibility (Fauser et al., 2011).

Furthermore, connectivity, as emphasized by Mayfield (2011), represents a central benefit of social media adaptation. It allows firms to initiate relationships, build networks, and connect with both existing and potential customers in dynamic ways that traditional marketing does not offer.

Institutional theory is thus relevant to this study as it helps explain how businesses respond to evolving environmental expectations—particularly the widespread shift toward social media marketing—and how such adaptation can lead to improved customer retention.

METHODOLOGY

The study utilized a survey research design, which was chosen to gather direct and relevant information from respondents that could significantly impact the research. The target population consisted of customers of Konga located in Sango, Ogun State, Nigeria, who follow the company on various social media platforms. A sample size of 132 respondents was determined using Godden's (2004) formula. Data collection was carried out through the administration of questionnaires. The analysis of the collected data involved both descriptive statistics—such as frequency distributions and percentages—and inferential statistics, specifically regression analysis, using the Statistical Package for Social Sciences (SPSS) version 20.

RESULTS AND DISCUSSION

Hypotheses

H₀₁: There is no effect of customization on customer retention.

H₀₂: There is no effect of entertainment on customer retention.

H₀₃: There is no effect of customer loyalty on customer retention

H₀₄: There is no effect of informativeness on customer retention

Model Summary

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.733 ^a	.538	.523	.662	1.835
a. Predictors: (Constant), Informativeness, Customization, Entertainment, Customer Engagement					
b. Dependent Variable: Customer retention					

Source: *Field Survey, 2025*

ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	64.666	4	16.167	36.928	.000 ^b

	Residual	55.599	127	.438		
	Total	120.265	131			
a. Dependent Variable: Customer retention						
b. Predictors: (Constant), Informativeness, Customization, Entertainment, Customer Engagement						

Source: *Field Survey, 2025*

Coefficients

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.771	.389		1.981	.050
	Customization	.243	.064	.254	3.778	.000
	Entertainment	-.109	.091	-.095	-1.193	.235
	Customer Engagement	.154	.103	.125	1.498	.137
	Informativeness	.561	.080	.557	7.045	.000
a. Dependent Variable: Customer retention						

Source: *Field Survey, 2025*

The Model Summary from the first table of the regression analysis provides valuable insights into the factors affecting customer retention. Among the variables examined, Customization and Informativeness stood out as significant predictors, both showing statistically meaningful associations with customer retention. Customization, with a standardized beta coefficient of 0.254, indicates that personalized experiences contribute positively to a customer's decision to remain loyal. Even more influential was Informativeness, which recorded the highest standardized beta value of 0.557, highlighting the critical role of delivering relevant and valuable information in retaining customers.

On the other hand, the findings reveal that Entertainment and Customer Engagement do not significantly influence customer retention, as reflected in their relatively high p-values (0.235 and 0.137, respectively). This implies that initiatives centered around entertainment and engagement may not be as effective in retaining customers, suggesting the need to reassess how these strategies are executed.

In summary, the analysis emphasizes the need for businesses to prioritize customization and informativeness in their customer retention efforts, while also reconsidering the effectiveness of entertainment and engagement strategies.

Discussion of Findings

The regression analysis was conducted to examine the influence of four major factors—Informativeness, Customization, Entertainment, and Customer Engagement—on customer retention. The results revealed a strong positive correlation among these variables, as indicated by an R value of 0.733, suggesting that improvements in these factors are associated with higher levels of customer retention.

The model accounts for approximately 53.8% of the variation in customer retention, reflected in an R^2 value of 0.538. This implies that while the model explains a significant portion of the factors influencing retention, other unexamined variables may also contribute to customer loyalty.

Further validation is provided by the ANOVA results (Table 4.2.2), which show a significant F value of 36.928 and a p-value of 0.000. These figures confirm that the overall regression model is statistically significant, meaning that at least one of the independent variables has a meaningful impact on customer retention. This reinforces the model's practical relevance in understanding what drives customer loyalty.

An analysis of the individual coefficients highlights Informativeness as the most impactful predictor, with an unstandardized coefficient of 0.561 and a p-value of 0.000. This suggests that a one-unit increase in informativeness leads to a 0.561-unit rise in customer retention, underscoring the importance of delivering clear and relevant information to customers.

Customization also emerged as a significant factor, with a coefficient of 0.243 and a p-value of 0.000. This indicates that personalized customer experiences contribute meaningfully to improving retention, emphasizing the value of tailoring services to individual preferences.

In contrast, Entertainment was found to have a negative coefficient of -0.109 and a p-value of 0.235, indicating a weak and statistically insignificant relationship with customer retention. This suggests that increased entertainment may not necessarily lead to higher retention, and investment in this area may need to be reevaluated.

Similarly, Customer Engagement showed a positive coefficient of 0.154, but with a p-value of 0.137, its effect is not statistically significant. While there may be some positive association, further research is necessary to determine its true impact on customer loyalty.

In summary, the findings highlight Customization and Informativeness as key drivers of customer retention, recommending that businesses concentrate their strategies on these areas. On the other hand, the roles of Entertainment and Customer Engagement appear less influential in their current implementation, suggesting a need for reassessment and potential reconfiguration in future customer retention efforts.

Conclusion and Recommendations

Conclusion

Based on the findings, it is concluded that social media marketing significantly influences customer retention. The study revealed that customization plays a crucial role in this relationship. When advertisements are personalized to align with individual customer interests and needs, customers feel recognized and valued by the company. This perception fosters stronger emotional connections, ultimately enhancing loyalty and long-term retention.

Furthermore, the study found that entertainment does not have a statistically significant effect on customer retention and even showed a negative association. This suggests that, while entertainment alone may not drive loyalty, firms could still benefit from designing more engaging and memorable social media experiences that customers perceive as enjoyable and playful. Such experiences can improve customer perceptions and indirectly support retention efforts.

Customer engagement also showed a positive but statistically insignificant effect on retention, indicating the need for further investigation. This highlights the importance of enhancing engagement strategies, such as crafting personalized advertising messages and fostering two-way communication with customers to make them feel acknowledged and appreciated.

Finally, informativeness emerged as a strong and significant predictor of customer retention. Providing relevant, timely, and detailed information plays a key role in building customer trust and maintaining long-term relationships.

Recommendations

Konga Nigeria should use customer segmentation to identify groups that respond most positively to customization. Digital tools, such as AI and machine learning should also be adopted in scaling customization efforts.

Nigerian companies must understand customer perceptions of entertaining content and its role in enhancing brand affinity by investigating the types of entertainment strategies (e.g., videos, live events, mobile apps) that are most effective for specific target audiences.

Konga Nigeria should adopt engagement strategies such as loyalty programs, interactive social media campaigns, and customer feedback systems in order to enhance effect customer retention.

Lastly Konga Nigeria PLC should provide accurate, timely, and detailed information about products or services to impacts customer trust and loyalty.

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