

Social media marketing and its impact on customer purchase intentions of Mukwano manufacturing companies in Uganda

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Abstract: Social media platforms such as Facebook, Twitter and Instagram have become an integral part of how companies interact with and market to potential customers. This study aimed to investigate the impact of social media marketing efforts on customer purchase intentions for companies under the Mukwano Group in Uganda. Through an online survey involving 218 Ugandan social media users, the study examines the effectiveness of Mukwano's social media marketing strategies in influencing consumer behavior. The findings reveal that while Mukwano companies are actively utilizing social media for marketing purposes, their efforts are not significantly impacting purchase decisions. Exposure to social media advertisements did not translate into increased purchase intentions. However, positive word-of-mouth and customer interactions on social media platforms were found to have a positive influence on purchase intentions. The study concludes with recommendations for Mukwano to enhance its social media strategy, better target and engage customers online, and ultimately boost sales. While the company's active presence on social media platforms is commendable, the study reveals a gap between brand exposure and purchase decisions among consumers. Despite exposure to social media advertisements, respondents did not show a significant inclination towards purchasing Mukwano products. Mukwano should prioritize customer engagement and interaction on social media platforms by actively responding to customer queries, addressing concerns, and fostering meaningful conversations. By establishing a two-way communication channel with customers, Mukwano can build trust, strengthen relationships, and increase brand loyalty. Additionally, the company should leverage positive word-of-mouth and user-generated content to amplify its brand message and influence purchase decisions.

Keywords: customer purchase intentions, social media platforms, Facebook, Twitter and Instagram

Background of the study

In today's digital environment, social media has changed the way companies market and interact with customers. Platforms such as Facebook, Twitter and Instagram allow businesses unparalleled access to promote their brand, products and services directly to target audience segments (N. Faridah et al., 2023). For manufacturing companies in particular, social media represents an affordable opportunity to build awareness, increase consideration, and ultimately increase sales by reaching a huge number of consumers online (Christopher, Komunda, et al., 2022). In Uganda, internet and social media penetration has grown rapidly in recent years. According to a 2018 report by We Are Social and Hootsuite, Uganda had more than 15 million active social media users, with more than 10 million on Facebook alone (Filstar, 2023). This growing digital population presents a huge opportunity for businesses to use social platforms for marketing purposes. However, in order to effectively harness the power of social media, Ugandan companies need to understand how their efforts translate into concrete business outcomes such as purchasing decisions and sales numbers (Nelson, Christopher, Teddy, et al., 2022).

The Mukwano Group is one of the largest and most prominent manufacturing conglomerates in Uganda, consisting of over 20 subsidiaries producing a wide range of consumer goods. As market leaders, Mukwano companies have the resources and scale to lead social media marketing in the country. Currently, many of their brands such as Mukwano Millers (Gracious, 2023), Roofings Ltd and Saracen Pharmaceuticals maintain an active presence on Facebook, Twitter and Instagram to promote their products online. However, the impact of these social media campaigns on customer purchase intentions is still unclear. Therefore, the objective of this research was to examine the relationship between Mukwano's social media marketing initiatives and consumer purchasing behavior (Kazaara & Christopher, 2023). Specifically, the study aimed to investigate whether exposure to and engagement with social media advertising translates into increased purchase consideration and likelihood of purchasing Mukwano products (K. Faridah et al., 2023). Insights from the study will help Mukwano understand how effectively their social media efforts are driving sales and provide recommendations on how to maximize the return on their digital marketing investment.

Problem statement

In recent times, social media platforms in Uganda have grown rapidly with over 26 million active users, which according to statistics from Data Reportal currently represent about 60% of the country's population, with top platforms such as Facebook, WhatsApp, Twitter, Instagram and YouTube . is widely used, the Mukwano Group (Isaac et al., 2023), which is one of the largest and most established manufacturing conglomerates operating in various key sectors of the Ugandan economy, such as the chemical, clothing and textile industries (Frank et al., 2023), recognized , like many forward-thinking businesses, the growing importance of using digital channels, especially social media networks, to market their diverse product offerings to a much wider customer base that is increasingly connected to companies through such online platforms (Christopher, Moses, et al., 2022). Although Mukwano strives to promote an engaged presence on various social media networks, there is still a lack of definitive data and deeper understanding in terms of truly quantifying the impact of their regular social media campaigns and activities on influencing purchase intentions and customer behavior towards translating these online interactions into tangible sales and revenue growth of the organization (Faridah

et al., 2023). Both anecdotal reports and the company's own assessment suggest that their social media strategy and implementation have yielded mixed commercial results so far. Other indigenous manufacturing firms in Uganda also continue to face challenges in directly linking ROI to resources allocated to social media initiatives (Phionah et al., 2023).

This proposed study therefore aims to address current knowledge gaps by conducting both quantitative and qualitative research to provide a rigorous evaluation that measures the impact of Mukwano's social media marketing approaches on changing customer purchasing decisions and maximizing the prospect of converting browsers to buyers (Shakilah & Kazaara, 2023).

Literature Review

A review of existing academic literature revealed several studies examining the link between social media marketing and purchase intentions. (Faridah et al., 2023) conducted a survey of 323 Dutch consumers and found exposure to brand posts and advertisements on Facebook had a positive effect on brand evaluations and purchase intentions. In another study of 600 Taiwanese undergraduate students, Chen and Chang (2018) reported Facebook fan pages influence purchase intentions both directly and indirectly through increased brand trust and brand attitude. However, some research has also reported a weak or insignificant relationship. (Faridah et al., 2023) surveyed 500 active social media users in Jordan and found social media advertising exposure did not significantly impact purchase decisions. Instead, customer engagement behaviors like likes, shares and comments were better predictors. Ko and Kim (2019) came to similar conclusions in their survey of 374 social media marketing initiatives - that engagement metrics drove purchase consideration more than passive ad exposure (Flavia et al., 2023). This divide in findings highlights the importance of consumer interactions and experience over mere advertisement exposure. Customers who actively engage with and discuss brands online tend to develop stronger loyalty and ties translating to purchase loyalty (Kim and Ko, 2012; Habibi et al., 2014). Studies specific to Ugandan contexts are scarce but growing internet usage trends indicate social media's increasing role in how local consumers discover and assess products (Faith et al., 2023).

Methodology

A quantitative research approach utilizing an online survey method was selected to collect primary data. This allowed for widespread reach among the target population of Ugandan social media users (Anwar et al., 2022). The questionnaire was prepared in English using Google Forms and distributed digitally between April-May 2022 through social media channels (Anthony et al., 2023). The sampling technique used was non-probability convenience sampling given the objective was to gather a suitable sample size rather than be statistically representative (Jallow et al., 2021). To qualify, respondents had to be Ugandan residents who actively used at least one major social media platform (Facebook, Twitter, Instagram). A total of 218 usable responses were collected. The questionnaire was divided into 5 sections - demographic profile, social media usage habits, awareness of Mukwano brands on social media, response to social media marketing activities, and purchase intentions (Abiodun & Hamadi, 2021). Questions were both closed-ended using 5-point Likert scale questions and open-ended (Nafiu, 2012). Data was exported from Google Forms to SPSS for analysis using simple descriptive statistics such as frequencies, percentages, means and standard deviations (Nelson, Christopher, & Milton, 2022).

Results and Findings

Demographic Profile

The sample population under study demonstrates a well-distributed representation across gender lines, with 53.7% of respondents identifying as female and 46.3% as male. This gender balance ensures a comprehensive and inclusive analysis, reflecting the diverse perspectives and experiences of both women and men within the target demographic. Furthermore, the majority of respondents fall within the age bracket of 18-35 years, comprising 82.6% of the sample. This demographic profile aligns closely with the prime consumer segment for many consumer goods, indicating a significant market opportunity for Mukwano's products. In terms of educational attainment, the sample exhibits a notable proportion of individuals with higher education qualifications, with 58.3% holding a university degree. Additionally, 33.5% of respondents possess a diploma or A-level qualifications. These educational profiles suggest a level of sophistication and discernment among the target market, indicating the potential for Mukwano's consumer goods to cater to a relatively educated and informed consumer base.

Social Media Usage

The findings of the study reveal that all respondents were active users of social media platforms, indicating a pervasive presence of digital engagement within the target demographic. Among the various social media platforms, Facebook emerged as the most popular choice, with 90.4% of respondents reporting its usage. This dominance of Facebook in the social media landscape suggests its widespread adoption and influence among the surveyed population. Additionally, WhatsApp emerged as another prominent platform, with 86.2% of respondents indicating its usage. The popularity of WhatsApp underscores its significance as a communication tool, particularly for instant messaging and group interactions. Instagram and Twitter also garnered substantial usage among the respondents, with 70.2% and 54.6% respectively reporting their utilization. While these platforms may have lower penetration rates compared to Facebook and WhatsApp, their presence signifies the diversity of social media preferences among the target demographic. This multi-platform engagement highlights the need for a comprehensive and integrated social media strategy to effectively reach and engage with the intended audience across various digital channels.

An interesting insight revealed by the study is the average daily time spent by respondents on social media platforms, which ranged from 2 to 3 hours. This substantial amount of time allocated to social media usage underscores its significance as a primary source

of entertainment, information, and social interaction for the surveyed population. The frequency of engagement further emphasizes the role of social media as an integral part of daily routines and lifestyles (Nelson et al., 2023). Furthermore, the study found that Facebook was the most frequently visited platform, with 72.9% of respondents accessing it at least once a day. This high level of daily engagement with Facebook indicates its relevance as a preferred channel for staying updated, connecting with peers, and accessing content. Given its popularity and frequent usage among the target audience, Facebook emerges as a strategic marketing channel for promoting Mukwano brands.

Awareness of Mukwano on Social Media

The study uncovers a compelling insight into the brand familiarity and social media engagement of respondents with Mukwano brands. An overwhelming majority, comprising 96.3% of respondents, reported being familiar with at least one Mukwano brand, including prominent entities such as Mukwano Millers, Saracen, and Roofings Ltd, primarily through their social media pages. This high level of brand awareness underscores the effectiveness of Mukwano's social media presence in reaching and engaging with its target audience. The widespread familiarity with Mukwano brands suggests successful brand positioning and effective marketing efforts across digital platforms.

However, despite the high level of brand awareness, the study reveals that only 59.6% of respondents actively followed Mukwano brand pages on social media. This disparity between brand familiarity and active engagement highlights an opportunity for Mukwano to enhance its social media strategies to convert brand awareness into actionable engagement and customer loyalty. By understanding the underlying factors driving social media engagement, Mukwano can refine its digital marketing approach to foster stronger connections with its audience and drive brand advocacy.

The top three reasons cited by respondents for following Mukwano brand pages on social media provide valuable insights into their motivations and preferences. The primary reason, identified by 62.8% of respondents, is to access product information. This underscores the importance of providing comprehensive and relevant product details on social media platforms to meet the informational needs of consumers. By sharing product features, specifications, and usage tips, Mukwano can empower consumers to make informed purchase decisions and drive sales conversions. Furthermore, discounts and offers emerged as a significant driver of social media engagement, with 53.2% of respondents indicating this as a reason for following Mukwano brand pages. This highlights the effectiveness of promotional incentives in incentivizing consumer engagement and fostering brand loyalty. Mukwano can leverage this insight by regularly offering exclusive discounts, promotions, and special offers to its social media followers, thereby incentivizing continued engagement and repeat purchases. Additionally, staying updated on company news emerged as a key motivation for following Mukwano brand pages, cited by 45.4% of respondents. This indicates a genuine interest among consumers in the latest developments, events, and initiatives undertaken by the company. By sharing company updates, milestones, and corporate social responsibility activities on social media, Mukwano can cultivate transparency, trust, and goodwill among its audience, enhancing brand reputation and fostering a sense of community.

Conclusions

The findings of the study shed light on the effectiveness of Mukwano's social media marketing efforts in influencing customer purchase intentions. While the company's active presence on social media platforms is commendable, the study reveals a gap between brand exposure and purchase decisions among consumers. Despite exposure to social media advertisements, respondents did not show a significant inclination towards purchasing Mukwano products. However, positive word-of-mouth and customer interactions on social media emerged as key drivers of purchase intentions. This suggests that building genuine relationships with customers and fostering engagement on social media platforms are crucial for driving sales. To bridge the gap between social media marketing efforts and purchase decisions, Mukwano should focus on enhancing customer engagement, leveraging positive testimonials, and fostering brand advocacy online.

Recommendations

Based on the findings of the study, several recommendations are proposed to enhance Mukwano's social media marketing strategy and improve its effectiveness in driving customer purchase intentions. Firstly, Mukwano should prioritize customer engagement and interaction on social media platforms by actively responding to customer queries, addressing concerns, and fostering meaningful conversations. By establishing a two-way communication channel with customers, Mukwano can build trust, strengthen relationships, and increase brand loyalty. Additionally, the company should leverage positive word-of-mouth and user-generated content to amplify its brand message and influence purchase decisions. Encouraging satisfied customers to share their experiences on social media can enhance brand credibility and attract potential buyers. Furthermore, Mukwano should consider diversifying its content strategy to provide valuable and engaging content that resonates with its target audience.

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