

Leveraging Facebook for Enhanced Customer Retention: A Case of New Vision Printing and Publishing Company Limited

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Abstract

This paper discusses the effect of social media usage on customer retention in print media organizations in Uganda, a case of New Vision Printing and Publishing Limited. Although there are various components of social media such as Twitter, Facebook, YouTube, and Instagram. The purpose of this study was to examine the effect of social media usage on customer retention specifically the effect of Facebook Usage on Customer retention in New Vision Printing and Publishing Company Limited. The study employed a cross-sectional survey research design. Self-administered questionnaires were used to collect data from a sample of 132 respondents. The data collected were analyzed using the statistical package for social scientists (SPSS). The study results show that there is a strong positive and significant correlation between Facebook usage and Customer retention ($r = 0.677$, $p = 0.000$ in New Vision Printing and Publishing Company Limited. In conclusion, the findings of the study indicated that Facebook is an influential factor of Customer retention at New Vision Printing and Publishing Company Limited. The study recommends that; New Vision Printing and Publishing Company Limited and other firms need to appreciate the potential of Facebook in influencing the purchase decisions of consumers about the product, brand, and dealer/store choice.

Keywords: Social media, Facebook, Twitter, YouTube and customer retention

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Introduction and background

Anyone with access to a smartphone or other mediated technology may now obtain, process, and share information with others thanks to the rise of social media (Kamp, 2016). Anyone with the necessary equipment can broadcast in the world of electronic media, performing the duties of traditional journalists (Bubuli, 2014). Bubuli (2014) also pointed out how social media platforms compete with more established media outlets like television and newspapers as news and information sources. According to Abdelhay (2012), the rise of citizen journalism made possible by new technology has resulted in a decline in the function of traditional journalists in recent years.

A report by the Reuters Institute Digital News Report 2021 indicates that 71% of consumers chose to access news through 'side door access', particularly by searching social media, and mobile alerts. With internet media usage at 16% higher than print at 4%, this disruption has further changed the dynamics of Uganda's print business. The report also showed that social media is still widely used for news, particularly by younger and less educated individuals.

In the Global South, messaging apps like WhatsApp and Twitter have been particularly popular, raising concerns about the transmission of false information regarding coronavirus (Newman, Fletcher, Schulz, Andi et., al., 2021).

The New vision annual report (2018) revealed that, New Vision Printing and Publishing Company Limited's two biggest newspapers; New Vision and Bukedde registered an 11% decline in total circulation compared to the same period a year before despite the emergence of social media. The decline in revenue of the company in 2017 despite the availability of various social media platforms such as Twitter, YouTube and Facebook can be attributed to low customer care and retention. Therefore, it was important to carry out an analysis on the effectiveness of social media usages such as Facebook, Twitter, and YouTube on Customer retention in New Vision Printing and Publishing Company Limited.

Theoretical Review

This study was guided by the theory of planned behavior and theory of Reasoned Action (TRA). The theory of planned behavior is an expansion of the theory of reasoned action and is influential in both explaining and predicting behavior. It provides a rigorous but economical psychological theory that finds a causal framework to explain a variety of human behaviors, including those of consumers (Morris et al., 2005). Behavior is recognized to have its roots in intentions (Hegner, Fenko, and Teravest, 2017). This theory explains how consumers perceive the different social media platforms to buy more of the companies' products.

A person's intention is a function of two basic determinants, one being personal whilst the other is reflecting on social influence. The personal factor is one's positive or negative evaluation of performing the behaviour. The other determinant is the perception of the social pressure put on the individual to perform or not to perform the behaviour in question seeing as it deals with perceived prescriptions (Lada, Harvey, Tanakinjal and Amin, 2009).

Ajzen and Fishbein (1980) developed the theory of the reasoned action model. It postulates that an individual's perception of what others consider relevant is affected by their intention and that attitude plays a major role in predicting behaviour. This theory was useful in this study in that it helped to understand what drives a consumer to make a particular purchase decision. Furthermore, it was useful in determining the extent to which social media influenced consumer purchasing decisions and retention. Ajzen (2020) contends that in order to conduct successful interventions intended to support behavioral adjustments required to meet the demands of a high-tech society, it is necessary to have a thorough understanding of how individuals react to evolving technologies. Social media usage is such a new technology, which requires deeper understanding, marketers therefore need to understand it effectively to change the actions of their consumers.

Ajzen and Kruglanski (2019) argue that the motivation to carry out an action in the face of other possibilities and within the framework of the person's presently pursued goals determines the establishment of a behavioral intention. This implies that a consumer's desire to use a product depends on the alternative options available to them and their goals and current motivations. Similarly, Garay et al., (2019) argues in line with the theory that a person's behavioral intention, which is formed by both volitional and non-volitional processes, is a direct predictor of their actual conduct.

In essence, the model focuses on an individuals' motivations as determinants of the probability of engaging in a specific behaviour is driven by their intention to act, and the latter is influenced by their attitude toward this behaviour and the way their subjective norms affect their thought patterns (Netemeyer et al., 1993). This study expounded on the link between social media platforms and consumer purchase decisions, focusing on the elements that propelled consumers into buying a product or service. Customers have massive responsiveness to elements such as the product choice, the brand choice, the dealer choice, the purchasing timing, and the purchasing amount and therefore these elements can affect consumer purchase decisions. Social media platforms enable consumers to understand the products or services that are being offered and the consumer is in a position to make an informed decision based on the details provided. The study used this theory to explain how social media influenced the consumer purchasing decision of students.

The use of Theory of Reasoned Action is used to predict the customer intention to buy a given commodity in the market. The attitude towards a company's products and the subjective norms which emerge from social influence tend to affect an individual's beliefs.

Such that the belief about the result of behavior and the evaluation of the result shapes the attitude. In this case, this theory would enable one to understand the extent of use of social media platforms in the purchase of products and services by clients of New Vision Printing and Publishing Company Limited and consequently the retention of the clients.

The concept of social media, Facebook and Customer Retention

Social media are platforms for social interaction that transform communication into interactive discourse by leveraging the incredibly accessible and scalable web and mobile technologies. According to Tapscott and Williams (2008), it is a collection of web-based programs that facilitate the production and sharing of user-generated content. Social media platforms are essential for establishing one's online reputation, and many users are learning and improving their strategy as they go along by adjusting profile privacy settings, deciding who can view particular updates, and removing personal information that isn't needed online (Tapscott & Williams, 2008). Social media enables more participatory strategies that create tailored two-way client interactions rather than depending solely on one-way, mass media communications. Engaging in dialogue with customers is far more effective than simply providing information. According to Kotler and Armstrong (2012), consumers today desire co-creation - a voice and a part in their brand experiences.

In addition to providing a platform for direct consumer-marketer contact, Facebook is a model for building online brand communities. More than four million businesses have brand pages on social media, making Facebook online brand communities the most popular way for businesses to talk about their goods (Hutter et al., 2013). The goal of brand managers' social media efforts is to start and grow meaningful participation in Facebook brand groups. Even though social media has grown significantly, it is unclear what advantages it offers businesses. Understanding what motivates customers to like a brand's Facebook page and what affects their readiness to write about their behavior on the platform in order to co-create value is crucial.

For people who depend on social media platforms to fulfill their demands, Facebook becomes significant. Dessaert (2017) asserts that an individual's motivation to participate is influenced by the characteristics of their surroundings. According to Martins et al. (2019), Facebook offers a platform for users to engage in socializing, entertainment, and information seeking. This might result in consumers enjoying a brand and desiring to buy it because of discussions they have had with other users about it.

Facebook is the "King" of social media (SM) sites, with the largest figure of registered and active users (Ganis and Kohirkar, 2015). Facebook has become the biggest social network in Africa, with its highest growth in the past year, 2014 Facebook had 9.4 million active users in South Africa, significantly up from 6.8 million the previous year (World Wide Worx, 2015) and in 2015 there was a reported total of 11.8 million South African users, 22% of the total population of South Africa (World Wide Worx, 2015) additionally, Facebook has approximately 1.5 billion worldwide active users each posting approximately 90 pieces of content per month (Ganis and Kohirkar, 2015, p.10).

Founded in 2004 by Harvard University classmates Mark Zuckerberg, Dustin Moskovitz, Eduardo Saverin, and Chris Hughes. Facebook originated from the dorm rooms of Harvard and was initially called "The Facebook" but was renamed "Facebook" and quickly gained momentum beyond schools (Waters, 2010).

Berthon et al., (2012) consider networks (e.g., Facebook) as services on which users can find and add friends as well as contacts, send messages to friends, and update personal profiles. Facebook is free and all that is required is an email address, and to be at least thirteen years old. It is also known as the cheapest solution for small businesses and firms who would like to promote their services or products without the risk of spending a lot of expenses on advertising (Dehghani et al., 2016). Facebook, apart from its main function as an online social network, has also become a significant marketing tool and outreach as well as an excellent networking channel for consumers (Tracy, 2022). Facebook's analytics department is called Facebook Insights, which includes an extensive set of insights for Facebook page owners and administrators (King, 2015). This tool is crucial as it provides the consumer with valuable data such as which posts are successful for the organization and which posts are ineffective

Dawkins and Reichheld (1990) were the first to disclose the real, observable benefits of client retention, such as increased profitability. While the benefits of customer retention varied by industry (Payne and Frow, 1999), the general concept was that obtaining new customers was more expensive than keeping existing ones (Gallo, 2014). Customer retention has been shown to yield greater long-term value for the company than the original acquisition, even when viewed from a value-derived perspective (Vandermerwe, 1996). This value could take the kind of marketing, bringing in new clients, encouraging advantageous alliances that could result in a larger market share, etc.

Customer retention is consequently becoming more and more crucial to the survival of firms in the publishing sector, since the primary income source is more similar to the subscription-based model rather than the transactional one (Ojala, 2013). According to Bloemer and Kasper's (2014) research, there is a direct correlation between customer satisfaction levels and whether or not customers defect or remain. Therefore, just as customer satisfaction promotes customer retention, customer dissatisfaction promotes customer attrition (Vera and Trujillo, 2017).

From the discussion above, different scholars have carried out research on the effectiveness of Facebook on customer care and retention in various organizations across the globe, however majority of such studies have been carried out outside Uganda and non has been carried out in the scope of the current study which create a study gap. Thus, in order to fulfill the existing study gap, the current study was undertaken to examine the relationship between Facebook and customer retention in print media in Uganda a case of New Vision Printing and Publishing Company Limited and the results of the study significantly revealed that there is a significant relationship between Facebook and customer retention in New Vision Publications Limited

Methodology

The study used the cross-sectional survey design adopting both quantitative and qualitative approaches to examine the effect of social media platforms on Customer retention in Uganda. The study mainly used primary sources of data. Primary data was collected using self-administered questionnaires comprising of both open and close ended questions from a sample of 132 respondents that comprised of Heads of Customer Related Departments, Staff in New Vision Customer Care Center, and the customers of New Vision Publications limited. The study used both probability and non-probability sampling designs. Under non-probability sampling, the study used a purposive sampling technique that helped to collect qualitative data, whereas, under probability, the study used a simple random sampling technique to select the sample, this was used to collect quantitative data. Both sampling designs were used because of the need for minimize bias by giving all the subjects in the population equal chances of being selected and targeting key informants with vital in-depth information for the study.

Primary data was obtained from employees and customers using questionnaires, and key informant interviews were conducted with selected heads of departments to provide additional detailed information. This is because the nature of research requires data collection using both questionnaires and interviews. The questionnaires was anchored onto a 5-point Likert scale of 5: Strongly agree; 4: agree; 3: not sure; 2: disagree; 1: strongly disagree; which allowed respondents to choose from a set of alternatives. The questionnaires were used because the respondents can fill them in at their convenience and are appropriate for this sample. They also provide the respondents with the privacy to freely express their feelings on the subject matter.

Quantitative data was analyzed using SPSS to generate frequencies, means, correlations and regressions. A content validity index was used to check for clarity, simplicity, ambiguity, and relevance and reliability of the instruments.

Findings and analysis

The aim was to determine the relationship between Facebook Usage and customer retention

Table A. on Descriptive Statistics on Facebook Usage.

Statements	Mean	Std. Dev.
The new vision Facebook page helps the company to receive feedback from the customers.	4.02	1.085
New Vision Facebook page enables customers to acquire more information about company services	3.54	1.121
The company timely response to customer inquiries through Facebook.	3.53	.952
Customer care services are provided on the company's Facebook page	3.82	1.206
The company provides product information through Facebook about the cost and the expected date of delivery	3.92	1.201
The company develops its relationship with customers through constant communication with them through Facebook.	3.68	1.118
Customers share experiences about products with other customers on the company's Facebook page.	3.53	1.162
The company's Facebook page allows customers to be in control of what they want to see.	3.92	1.193
The information I get online through Facebook regarding products and services offered by New Vision has influenced my perception	3.64	1.219
Customers visit New Vision Facebook Page because it matches their experience and expectations	3.56	1.285
Overall Mean/SD	3.72	1.154

Source: Primary data (2022)

Generally, respondents agreed to most of the statements relating to Facebook usage with an overall mean score of 3.72. This generally means that, there is a relationship between Facebook and customer retention.

To establish the effect of Facebook usage on Customer retention in New Vision Printing and Publishing Company Limited, the study carried out a correlation and linear regression test.

Table B Showing correlation between Facebook Usage and Customer retention

		Facebook	Customer retention
Facebook	Pearson Correlation	1	.677**
	Sig. (2-tailed)		.000
	N	108	108
Customer retention	Pearson Correlation	.677**	1
	Sig. (2-tailed)	.000	
	N	108	108

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data (2022)

Table above shows the relationship between Facebook usage (independent variable) and customer retention (dependent variable). It shows a correlation of $r = 0.677$, $\text{sig.} = 0.0000$. This implies that there is a significant strong positive relationship between the two variables. The positive value of (r) means that increased proper use of Facebook leads to a corresponding increase in customer retention and vice versa.

Table C: Showing Linear regression analysis of Facebook usage & Customer retention

Model		Unstandardized Coefficients		Standardized Coefficients		T	Sig.
		B	Std. Error	Beta			
1	(Constant)	1.512	.250			6.044	.000
	Facebook	.637	.067	.677		9.475	.000
R		.677 ^a					
R Square		.459					
Adjusted R ²		.453					
F Statistic		89.769					
Sig.		.000 ^b					

a. Dependent Variable: Customer retention

Source: Primary data (2022)

Table above shows R, R-Square, and Adjusted R-Square values. R represents Pearson's correlation coefficient which is 0.677, indicating a strong correlation. R-Square is the coefficient of determination that shows the proportion of the variance in the dependent variable that is predictable from the independent variable. Adjusted R-Square is the modified version of R-square that measures how much of the variation in customer retention is explained by the variations in Facebook Usage. In this case, the sample reflects 45.3% of the phenomenon in the population, the remaining 54.7% being accountable to other factors.

The Table further shows that the value of the calculated F is 89.769 for the variance generated by the regression. By comparing the values of F, it results that Facebook Usage does influence customer retention at New Vision Printing and Publishing Company Limited.

shows that the t-value for Facebook usage is 9.475, which is greater than 1.96. This implies that, Facebook usage is a significant factor ($P=0.000$) in influencing customer retention at New Vision Printing and Publishing company.

Discussions

From the study findings, it's clear that Facebook activities have positive significant effects on customer retention. The respondents considered the activities that New Vision does on Facebook to be important however noted that, "Facebook and other social medial platforms influence people's perception about how fast New Vision get and disseminate breaking news, authenticity, and accuracy" and that Facebook plays a positive role because, with time, the audience has learned to rely on information from New Vision Facebook page because it is always authentic. However, they get disappointed by the fact that New Vision is not fast enough compared to other media houses and bloggers. So, for fast news, they seek out other media houses and only come to us to verify with New Vision". Therefore, Facebook should be considered as a tool when building customer relationships since what New Vision does on their Facebook page is important for the respondents.

Another reason why the respondents like New Vision on Facebook is because they want to be a part of New Vision's community. This shows that New Vision's Facebook page can be used to build customer relationships since the willingness to be part of a community indicates a desire to have some sort of relationship with that community.

Basing on the findings above, the study recommends that New Vision Printing and Publishing Company Limited and firms need to appreciate the potential of Facebook in influencing the purchase decisions of consumers about the product, brand, and dealer/store choice.

Therefore, businesses must ensure that they exploit the potential of Facebook social media platform to entice or impress their target markets to achieve greater success in marketing their products/ services, brands, and also their stores as this in turn enhances customer repeated purchase and loyalty.

The study further revealed that Facebook influences customer retention more compared to other social media platforms in New Vision Printing and Publishing Company Limited. Therefore, management of businesses or firms can apply the insights from this study for decision making purposes regarding the most suitable and efficient social media platform to use in marketing and reaching out to their targeted customers. Furthermore, the recommends that firms use the information provided to guide the type and number of resources and efforts towards various social media platforms in reaching out to the customers.

Conclusion and Recommendation

The study concludes that; Facebook usage positively influence customer retention in New vision Printing and Publishing Company Limited and business organizations can strengthen their usage of Facebook for marketing products and services than ensures customer retention.

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