

Social Media Advertising and Customer Retention in Suntrust Microfinance Bank in Lagos State, Nigeria

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Abstract

This study examines the effect of social media advertising on customer retention at SunTrust Microfinance Bank in Lagos State, Nigeria. Utilizing a descriptive research design, primary data were collected through a structured questionnaire distributed to 402 bank customers. The analysis was carried out using regression techniques, which revealed that social media advertising plays a significant role in influencing customer retention, explaining 87.1% ($R^2 = 0.871$) of the variation in retention rates. These findings highlighted the importance of social media advertising as a key driver of customer retention for microfinance banks. The study concludes that by prioritizing effective social media strategies, especially through the development of high-quality, targeted content, microfinance banks can markedly enhance their customer retention. Therefore, the study recommends that the management of the micro finance should embrace the use of data analytics to personalize social media advertising by tailoring advertisement content to reflect customers' preferences and behaviors to enhance its relevance and effect on retention. This study contributes to the understanding of digital marketing's role in the financial sector, emphasizing that well-executed social media campaigns are not just supplementary but essential for ensuring and maintaining customer retention in the competitive landscape of microfinance banking.

Keywords: Customer Retention, Microfinance Bank, Social Media Advertising, Strategic Marketing, Targeted Content

INTRODUCTION

Microfinance banks, often abbreviated as "MFBs," are financial institutions that provide banking services, including savings accounts, loans, and other financial products, to individuals and small businesses, particularly those who have limited access to traditional banking services (Adebayo, 2021). These banks primarily target low-income individuals, micro-entrepreneurs, and small-scale enterprises, aiming to promote financial inclusion and economic empowerment. Traditionally, microfinance banks have relied on conventional marketing channels such as print media, radio, and television to reach potential customers and promote their services (Eze & Nwosu, 2023). However, with the rapid proliferation of digital technologies and the increasing use of social media platforms, there has been a significant paradigm shift in marketing strategies. Traditional marketing methods, such as print media, television, and radio, once dominated the advertising landscape (Kaplan & Haenlein, 2010). However, the advent of social media has transformed how businesses engage with their customers (Nwachukwu & Ekwe, 2023). Social media platforms like Facebook, Instagram, and Twitter offer unique opportunities for businesses to interact directly with their audience, creating personalized and targeted advertising campaigns that were previously unattainable.

This shift has allowed for more precise audience segmentation, enabling businesses to tailor their messaging to specific demographic groups based on interests, behaviors, and online activities. The interactive nature of social media also fosters real-time engagement, allowing companies to respond to customer feedback quickly and adapt their strategies accordingly (Barker, Barker, Bormann & Neher, 2021). Moreover, the analytics provided by these platforms offer insights into customer preferences and behaviors, making it possible to refine campaigns for maximum effectiveness.

Furthermore, by leveraging targeted content and engaging with customers on these platforms, businesses like microfinance banks can build stronger relationships with their customers, foster loyalty, and enhance retention rates (Nwachukwu & Osunmakinde, 2018). The paradigm shift toward digital and social media marketing thus represents a strategic evolution that aligns with the changing preferences and behaviors of today's digitally connected consumers.

Social media advertising has become an integral part of modern marketing strategies, offering a direct and engaging way to communicate with customers (Tuten & Solomon, 2017). Its effect on customer retention is a critical area of study, as retaining existing customers is often more cost-effective than acquiring new ones. Social media platforms provide businesses with the tools to create personalized and targeted ads that can keep customers engaged, informed, and loyal to the brand (Kaplan & Haenlein, 2010). By determining the effect of these advertisements, companies can refine their approaches to maximize retention rates, ensuring long-term customer relationships and sustained business growth.

Lagos State, being one of the most populous and economically vibrant regions in Nigeria, presents a competitive market environment for microfinance banks (Folarin & Ojo, 2019). The digital divide in Lagos State, characterized by unequal access to the internet and digital devices, significantly impedes the effectiveness of social media advertising, especially among low-income or digitally marginalized populations. While social media campaigns can effectively

reach tech-savvy audiences, they often miss those without consistent internet access. To bridge this gap, complementary strategies like community-based marketing, radio, and SMS campaigns can be more effective. Traditional marketing methods, such as billboards and print media, also remain vital for reaching broader demographics. Compared to social media, these methods may offer more direct engagement with underserved populations, ensuring a more inclusive marketing approach.

Therefore, to differentiate themselves and gain a competitive edge, microfinance banks in Lagos State have begun exploring social media advertisement as a means to enhance their visibility, attract potential customers, and ultimately increase customer patronage (Nwachukwu, & Osunmakinde, 2018). However, despite the growing adoption of social media advertisement by microfinance banks, there remains a gap in understanding the precise impact of social media advertisement activities on performance within the microfinance banking sector in Lagos State. Thus, this study seeks to address this gap by examining the significant effect of social media advertisement on customer retention, with particular reference to microfinance banks.

Customer retention is essential for the sustained growth and profitability of microfinance banks, especially in a competitive market like Lagos State. Therefore, understanding the effect of social media advertising on customer retention is crucial for microfinance banks to optimize their marketing strategies and raise long-term customer relationships. By examining this area of research, the study aims to provide valuable insights that can inform microfinance banks' marketing strategies, help them allocate resources effectively, and ultimately drive business growth. This highlights the importance of investigating the role of social media marketing in shaping performance of microfinance banks in Lagos State, with particular reference to SunTrust Microfinance bank, amidst the evolving digital marketing landscape. Thus, the specific objective is to determine the effect of social media advertising on customer retention in SunTrust Microfinance bank, Lagos State, Nigeria.

LITERATURE REVIEW

As social media platforms become increasingly integral to business operations, understanding their role in retaining customers has gained scholarly attention. This review examines existing studies on social media advertising's influence on customer behavior, retention strategies in the financial sector.

Social Media Advertising

Social media advertising refers to paid promotional activities on social media platforms. It involves using sponsored posts on social networking sites to advertise goods and services (Ogunleye & Salawu, 2021). In contrast to traditional advertising tactics, it enables firms to connect with a specific audience and interact more personally and interactively with potential clients. Through the use of social media platforms, social media advertising reaches specific audiences with product or service promotions. Through focused and affordable user outreach, this type of advertising helps businesses increase engagement, brand recognition, and conversions (Castronovo & Huang, 2012). Another model of marketing communication is social media (Chinedu & Eze, 2024).

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According to Barker, Barker, Bormann and Neher (2021), there are always new platforms, features, and targeting possibilities available for social media advertising. With new platforms, features, and targeting options constantly being added, social media advertising is becoming an increasingly important and dynamic part of contemporary marketing strategies. Companies may connect with their target audience more personally and powerfully by using social media advertising, which promotes brand success and growth (Barker, Barker, Bormann, & Neher, 2021; (Nwachukwu & Osunmakinde, 2018; Ogunleye & Salawu, 2021; Tuten & Solomon, 2017).

Social Media Advertising and its Effect on Customer Retention

Building strong relationships with customers, understanding their needs, providing ongoing value, and addressing any concerns they may have are all part of customer retention strategies and actions that businesses take to keep their current customers engaged and satisfied and consequently reduce customer defections or churn (Nwachukwu, & Ekwe, 2019). Businesses that are successful in customer retention can see increases in customer lifetime value and a more stable revenue stream.

Study by Tuten and Solomon (2017) highlights that social media advertising can increase brand visibility and customer acquisition by targeting specific demographics and interests. For microfinance banks, targeted advertising can improve the effectiveness of marketing campaigns by reaching potential customers who are most likely to benefit from their services (Kaplan & Haenlein, 2010).

According to Malthouse et al. (2013), engaging with customers on social media platforms helps maintain ongoing relationships and loyalty. Microfinance banks that effectively use social media engagement strategies can enhance customer satisfaction and reduce churn rates (Hollebeek, 2011). Social media advertising is a pivotal construct within social media marketing that significantly impacts various business performance metrics, including customer retention. It includes various formats such as display ads, video ads, sponsored posts, and carousel ads. The importance of social media advertising lies in its ability to reach large audiences, target specific demographics, and engage users with visually appealing and interactive content (Batra & Keller, 2016).

Social media advertising tends to help organizations to foster relationships with customers by consistently engaging customers with relevant content, personalized messages, and interactive experiences (Morgan & Hunt, 1994). Thus, social media advertising enhances customer engagement through interactive and visually appealing content. Engagement is a critical factor in customer retention as it fosters a sense of connection and loyalty to the brand (Hudson *et al.*, 2016). High engagement levels driven by social media advertising can lead to increased customer retention rates. Additionally, social media platforms offer sophisticated targeting options that allow advertisers to deliver personalized ads to specific segments of their audience (Lamb, Hair, & McDaniel, 2018). Personalized ads are more likely to resonate with customers, leading to a deeper connection with the brand and higher retention rates. Studies have shown that personalization in advertising can significantly enhance customer loyalty and retention (Tam & Ho, 2005).

Consistent exposure to social media ads increases brand awareness and recall, which are crucial for customer retention (Keller, 2009). When customers are repeatedly exposed to a brand's message, it reinforces their association with the brand, making them more likely to stay loyal over time. Social media advertising helps maintain this continuous presence in the minds of customers.

Several studies provide empirical evidence of the positive impact of social media advertising on customer retention. Goh, Heng and Lin (2013) found that social media advertising significantly improves customer engagement, which in turn positively affects customer retention. Hudson *et al.* (2016) showed that social media engagement, driven by advertising, leads to stronger customer-brand relationships and higher retention rates. Tam and Ho (2005) findings indicate that personalized social media advertising enhances customer loyalty and retention by creating a more relevant and engaging customer experience.

Organizations, including microfinance banks, can leverage social media advertising to optimize customer retention strategies. By developing targeted and engaging social media ads, organizations can create interactive and visually appealing ads to foster higher levels of customer engagement and connection with the brand; utilize advanced targeting options to deliver personalized ads that resonate with specific customer segments; maintain a consistent presence through regular and strategic ad placements to reinforce brand awareness and recall. Given the foregoing, we proposed the following hypothesis:

H₁: Social media advertising has significant effect on customer retention.

Theoretical Review

Businesses, especially microfinance banks, are finding that social media marketing is crucial to connecting with and engaging with their target market. Using social media for marketing can assist microfinance banks in Lagos, Nigeria, raise their profile, draw in new clients, and keep hold of their current clientele. The relationship between social media marketing and the performance of microfinance banks in Lagos, Nigeria, can be understood from a number of theoretical angles.

Diffusion of Innovation Theory (DOI)

According to Rogers, the diffusion process involves how an innovation, such as social media advertising, is communicated through various channels over time among the members of a social system. The adoption and effectiveness of this innovation are largely determined by how potential adopters perceive its relative advantage compared to existing practices (Rogers, 1995; Shih, 2013).

In the context of SunTrust Microfinance Bank, social media advertising represents the innovation. The communication channels are the various social media platforms through which advertising messages are disseminated to current and potential customers. Over time, as these messages reach more members of the bank's target audience, which is part of the broader social system, customers begin to perceive the relative advantages of engaging with the bank through these platforms. These advantages might include easier access to information, quicker

communication, and personalized content, all of which can contribute to higher customer retention.

Therefore, the rate at which customers adopt the innovation (i.e., their engagement with the bank through social media) will depend on their perception of these benefits. The DOI theory suggests that if the bank's social media advertising is perceived as offering significant relative advantages, such as convenience, improved service, or better communication, it is more likely to be widely adopted by customers, leading to increased retention rates. Thus, the DOI theory provides a framework for understanding why social media advertising has become an effective tool for customer retention at SunTrust Microfinance Bank. It underscores the importance of how the innovation is perceived by the target audience and highlights the critical role of communication channels in shaping these perceptions. By focusing on the elements of innovation, communication channels, time, and the social system, the bank can enhance its social media strategies to further increase customer retention.

Resource-Based View (RBV)

To further comprehend how social media marketing might improve the performance of microfinance institutions, the Resource-Based View (RBV) of the company can be utilized. By making use of their special resources and skills, businesses can gain a sustained competitive edge, according to RBV. In the realm of social media marketing, microfinance institutions may leverage their local market expertise and consumer requirements awareness to craft focused and successful campaigns that boost customer loyalty and propel business expansion. The effectiveness of microfinance banks in Lagos, Nigeria, is greatly influenced by social media marketing. Microfinance banks may create efficient social media marketing strategies that improve brand recognition, customer engagement, and revenue by utilizing theoretical vantage points including DOI, and RBV. However, this study adapts the diffusion theory of innovation because it predicts that the earlier microfinance banks in Nigeria accept and use social media in their respective business operations, the earlier it improve their business activities.

METHODOLOGY

A survey design was adopted for the study as it was considered as appropriate in the measurement of respondents' opinions and attitudes towards dimensions of social media advertisement and its relative effect on customer retention. The population for the study is restricted to customers of SunTrust Microfinance bank in Lagos state, Nigeria. The actual figure of the population of the study could not be ascertained because it is considered a moving population thus it is infinite (Hair *et al.*, 2016). This made the study to adopt a hypothetical sample in line with the views of Attwell and Rule (1991) which postulates that theoretical samples may be used for an unknown or indefinite population. Therefore, in the determination of the sample size of customers for this study, the researchers adopt statistical formula of Cochran (1977). Babalola (1998) corroborated the usefulness of this formula in asserting that the formula can be used to calculate the minimum sample size when the population is infinite. The formula is given as follows:

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where:

Z= the selected critical value of desired confidence level (1.96)

p= the estimated proportion of an attribute that is present in the population (0.5)

q= 1- p and e is the desired level of precision (0.5)

e= Degree of accuracy desired (0.5)

Therefore,

$$n_0 = \frac{Z^2 pq}{e^2} = \frac{(1.96)^2 (0.5)(1-0.5)}{0.05^2}$$

n₀ = 384 Respondents

The study employed a convenience sampling technique. This approach allowed the researcher to choose sample elements based on specific characteristics of the population that were essential for obtaining the required data. The study focused on customers of SunTrust Microfinance Bank in Lagos State, Nigeria. Given the accessibility of respondents among the bank's customers, the researcher was able to obtain willing participants from those present in the bank hall. However, in the determination of the sample size, the calculated sample size of 384 was increased by 5% (19) making a total of 403 respondents for replacement of likely non-response or missing responses as well as to increase the adequacy of the sample as submitted by Aliyu (2014). Therefore, four hundred and three (403) samples were considered as the total number of customers that were to be selected.

The collection of primary data for this study involved the administration of a structured questionnaire, divided into two main parts. The first part gathered demographic information from the respondents, including items such as gender, age group, marital status, and educational qualifications. The second part contained questions adapted from existing literatures (Nwachukwu & Ekwe, 2023; Ogunleye & Salawu, 2021), which are related to the dimensions of social media marketing and their relative effects on the performance metrics of microfinance banks, aimed at addressing the research objectives.

A five-point Likert rating scale was employed for sampling, measuring, and recording respondents' opinions.

Cronbach's alpha was used to measure the reliability of the instrument, as it is the most commonly employed test for assessing internal reliability (Bryman & Bell, 2007). Cronbach's alpha examines how well individual item scores are consistent with the composite scores from all other items. A coefficient of 0.70 or above indicates a high level of reliability, which is considered an appropriate threshold for the study.

For this study, Cronbach’s alpha was calculated for each construct. A reliability index of 0.801 was obtained, indicating a high degree of consistency and reliability for all constructs used. This demonstrates that the research instrument is reliable and capable of effectively measuring the intended variables.

Table 1: Cronbach's Alpha Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items	N
.813	.799	10	30

Source: Author’s Computation, 2024

Research instrument validity refers to the extent to which a research instrument actually measures what it is design to measure (Mugenda & Mugenda, 2008). Thus, the instrument was further subjected to both face and content validity to be done through the help of three experts in the field of management. Their observations, corrections and suggestions were incorporated into the final draft of the instrument.

Descriptive and inferential statistical analyses were employed to present and analyze the data collected from the field study, utilizing IBM Statistical Package for Social Sciences (IBM SPSS version 27.0). Descriptive statistics, such as pie chart was used to provide a comprehensive overview of the respondents' demographic characteristics and their responses to the questionnaire items. To determine the relationship between the dependent and independent variables under study, hypothesis was analyzed and tested using regression analysis.

Model Specifications for the Hypothesis

$$CuRet = f(SoMAd)$$

$$CuRet = \beta_0 + \beta_1 SoMAd + E$$

Where:

CuRet= Customer Retention (Dependent variable)

β_0 = Intercept of the model.

β_1 = Estimate of the parameter of the independent variable in the model of the slope.

E= Error term.

SoMAd = Social Media Advertising (Independent variable)

RESULTS AND DISCUSSION

Analysis of Response Rate of Administered Questionnaire

The responses to the questionnaires administered as depicted in appendix 1 (table 4.1) revealed that a total of four hundred and three (403) copies of questionnaire were administered, three hundred and seventy-nine (379) copies of the questionnaire representing 94.04% were returned and considered suitable for the study. This implies that majority of the respondents positively responded to the questionnaire, making it relevant for the study.

Analysis of Respondents Demographic Data

This section summarises the frequency distribution of respondents on different demographic items as shown in tables and bar graphs below. Scholars had averred that customers' demographic characteristics influence their purchasing behavior, particularly in respect to product satisfaction (DeVane & Sandy, 2003). Therefore, the analysis of respondents' demographic characteristics were presented below:

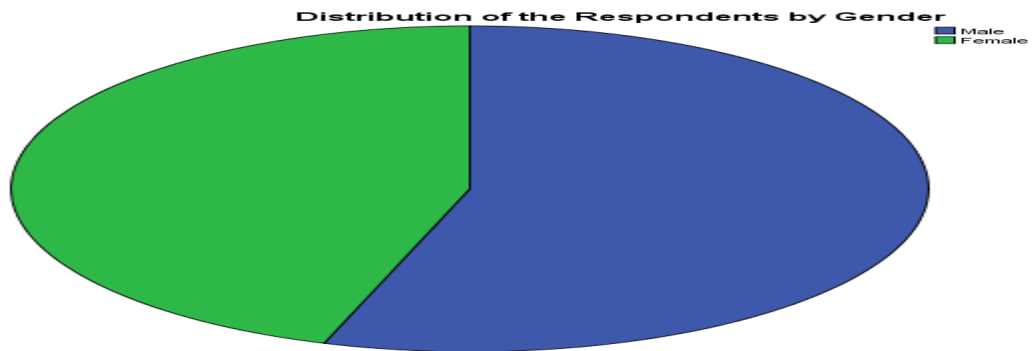


Figure 1: Distribution of the Respondent by Gender

Source: Field Survey, 2024

Figure1 revealed the distribution of respondents by gender which indicates that majority were females with 55.1% (209) of the total percentage while males constitute 44.9% (156) of the total respondents. This connotes that the microfinance bank have more female customers than females and they should therefore focus more of their customer satisfaction programs on female so as to ensure that most of their customers are satisfied.

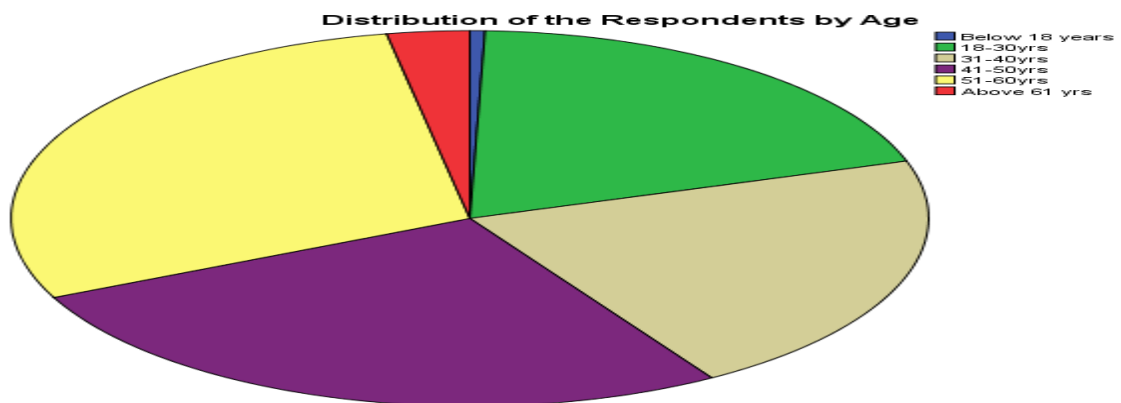


Figure 2: Distribution of the Respondent by Age

Source: Field Survey, 2024

The age distribution of the respondents in figure 2 indicate that 0.5% (2) were below 18 years; 19.5% (74) were within the age range of 18-30 years of age; 21.1% (80) were 31 to 40 years; 26.9% (102) were 41-50 years; 29.0% (110) of the respondents were 41-50 years; 2.9% (11) of the respondents were 60 and above years of age. This implies that majority of the respondents were young and mature adults and they were economically active, which implies that the customers would actually understand and appreciate the value of social media marketing as a core variable affecting microfinance bank performance.

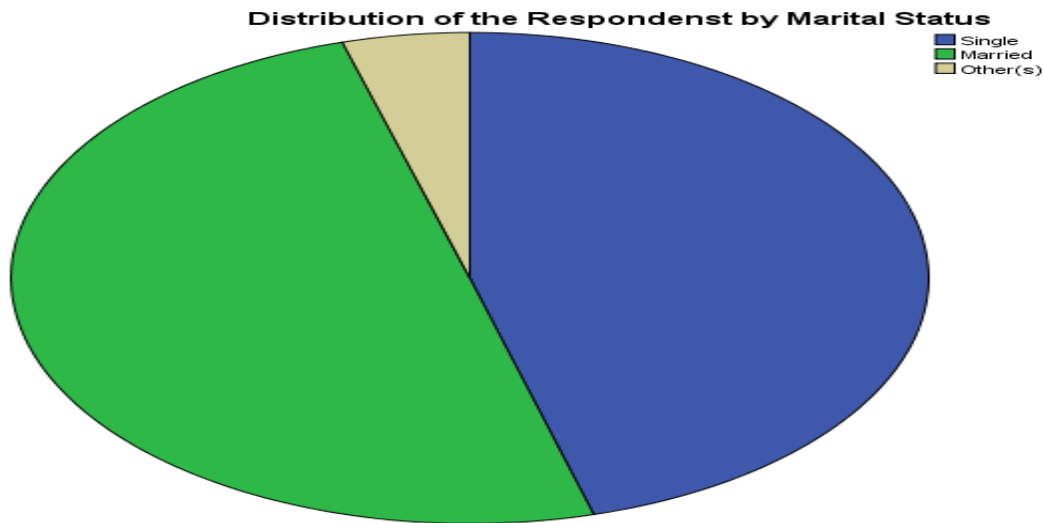
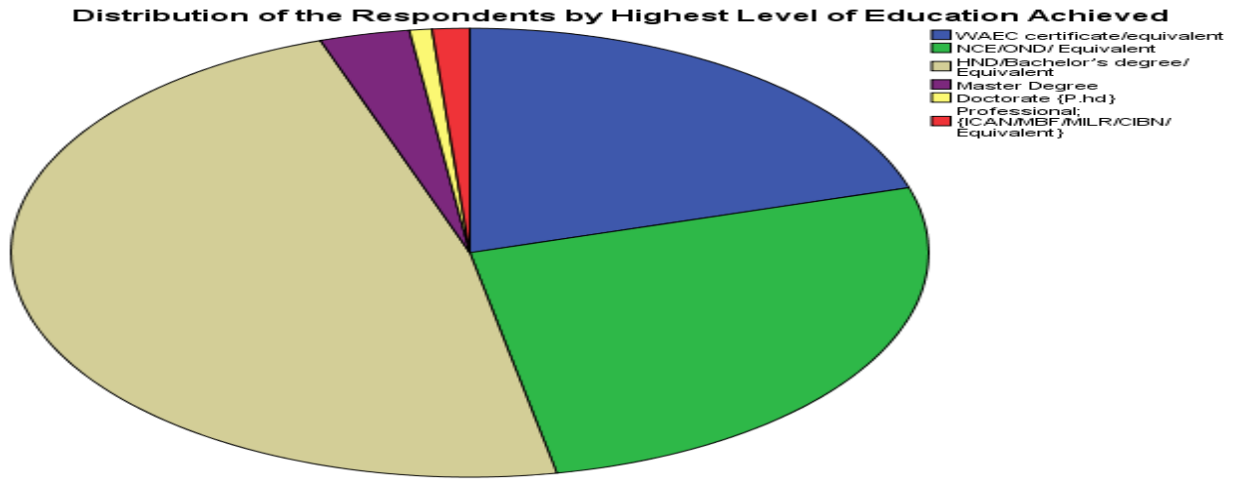


Figure 3: Distribution of the Respondents by Marital Status

Source: Field Survey, 2024

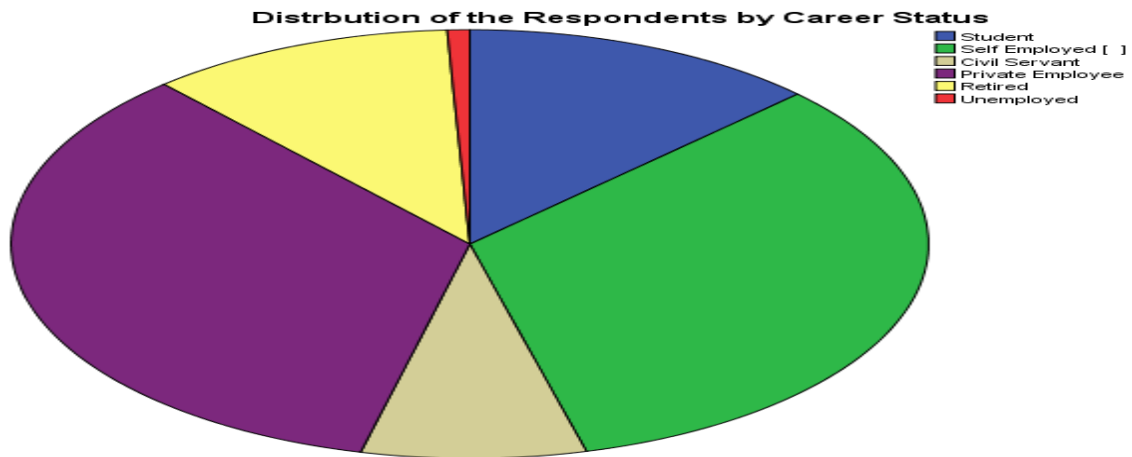
Distribution by marital status as shown in figure 3 revealed that 45.6% (173) were singles; 49.9% (189) which made up the majority were married; 4.5% (17) of the respondents belong to other categories not specified. This implies that majority of the microfinance customers were married and they would react more proportional to level of satisfaction derived in their transactions.



Source: Field Survey, 2024

Figure 4: Distribution of the Respondents by Highest Level of Education Achieved

The distribution by level of educational qualification shows that 20.3% (77) had secondary school certificate or its equivalent; 26.6% (101) had National Diploma/NCE or its equivalent; 47.8% (181) which constitutes majority of the respondents had HND/Bachelor's degree or its equivalent; 3.2% (12) had Masters certificate or its equivalent; 0.8% (3) had Ph.D certificates; and 1.3% (5) had other qualifications not specified in the instrument. This implies that majority of the respondents were educated and appropriately qualified to respond to the questions related to issues relating to under discourse.



Source: Field Survey, 2024

Figure 5: Distribution of the Respondents by Occupation

Career status distribution posits that 12.7% (48) of the respondents were students; 33.2% (126) were self-employed or having their personal business; 7.9% (30) were civil servants; 34.6% (131) of the respondents were private employees; 10.8% (41) were retirees, while 0.8% (3) were unemployed. This implies that the respondents cut across various social status of the country, which would help the study gain heterogeneous opinions on issues relating to effect of social media marketing on performance of Micro Finance Banks in Lagos State, Nigeria.

The inference from the demographic characteristics of the respondents is that they cut across various age bracket, gender, marital and social status of the country, which helped the study gain heterogeneous perspectives on issues bordering on effect of social media marketing on performance of Micro Finance Banks in Lagos State, Nigeria. The Micro Finance Banks in Lagos State must therefore clearly perceive and understand the unique needs of these diverse customers and must tailor their marketing programs so as to ensure customer loyalty. This is because their level of educational awareness could lead them to shift their demand to other service providers if they are not well satisfied.

Descriptive Statistics

The study’s constructs include customer retention (CuRet) and social media advertising (SoMAd) were subjected to descriptive statistical measurements. The computed values include mean (M), standard deviation (SD), skewness, and kurtosis. These measurements assess the normality distribution and degree of asymmetry for each construct. The results are presented in Table 2 below:

Table 2: Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
SoMAd	379	4.25	.829	-1.679	.125	4.053	.250
CuRet	379	3.93	1.257	-1.031	.125	-.088	.250
Valid N (listwise)	379						

Field Study, 2024

Table 2 depicts the summary of descriptive statistics in respect to customer retention (CuRet) and social media advertising (SoMAd) as independent and dependent variables. The table depict that the Mean and Standard Deviation values for the two items (SoMAd & CuRet) representing social media advertising and customer retention criterion were within the statistical acceptable range. The mean and standard deviation for the items social media advertising (SoMAd) and customer retention (CuRet) 4.25 & 0.829 and 3.93 & 1.257 respectively. This posits that the means for all items were greater than the standard deviation thereby they were within the statistically acceptable benchmark (Hair, *et al.* 2016).

Moreover, the reported Skewness and Kurtosis for social media advertising (SoMAd) and customer retention (CuRet) -1.679 & 4.053 and -1.031 & -0.088 respectively. These posit that Skewness and Kurtosis for the values were not outside the range of normality, so the distribution of the values was considered to be statistically appropriate for the study.

Test of Hypothesis

H₁: Social media advertising has significant effect on customer retention.

Table 3: Regression Model Summary of Effect of Social Media Advertising on Customer Retention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.871 ^a	.758	.757	.619

a. Predictors: (Constant), SoMAd

Source: Author’s Computation, SPSS 27.0, 2024

The model summary as shown in table 4.2 posits that social media advertising as a construct of social media marketing is a positive and significant predictor of customer acquisition cost in microfinance banks in Nigeria. The correlation coefficient (R) value of 0.871 (87.1%) signifies that there is positive significant relationship between social media advertising (SoMAd) as a construct of social media marketing and customer retention (CuRet). The R-square value of 0.758 (75.8%) implies that social media advertising (SoMAd) as a construct of social media marketing accounted for 75.9% when determining customer retention (CuRet), while the remaining 24.1% was accounted for by exogenous variables not included in the model. It also depicts that 75.9% variability change in customer retention (CuRet) is explained by a unit change in social media advertising (SoMAd) as a construct of social media, while other factors which accounted for the remaining 24.1% were not captured in the model specification of the study.

Furthermore, the adjusted R² value of 0.757 (75.7%) established that social media advertising (SoMAd) as a construct of social media marketing actually contribute to variation in the level of customer retention (CuRet). This is good enough in determining the goodness of fit for the model and for making predictions.

Table 4: Regression Coefficients of Beta and t-test statistics

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.095	.116		.821	.412
	SoMAd	.871	.025	.871	34.363	.000

a. Dependent Variable: CuRet

Source: Author’s Computation, SPSS 27.0, 2024

Table 4 reveals that the coefficient value for social media advertising (SoMAd) as a construct of social media marketing actually positively and significantly influences customer retention (CuRet) in microfinance banks in Nigeria. As shown in the table, customer retention (CuRet) in microfinance banks in Nigeria would be equal to 0.095 when all other variables were constant. It would increase by 0.871 when there is a unit increase in social media advertising (SoMAd) as a construct of social media marketing. Furthermore, the table depicts that the beta coefficient in respect to social media advertising (SoMAd) as a construct of social media marketing was 0.871 with t-test value of 34.363 and $p < 0.005$ at 5% level of significance. This posits that social media advertising (SoMAd) as a construct of social media marketing is a positive and significant predictor of customer retention (CuRet) in microfinance banks in Nigeria. Thus, it therefore becomes obvious that social media advertising (SoMAd) as a construct of social media marketing actually contributes to customer retention (CuRet) in microfinance banks in Nigeria. This is because the coefficient of trend analysis were $\beta_1 = 0.871$ and t-test 34.363 was significant at 5%. This portrays that social media advertising (SoMAd) as a construct of social media marketing actually contributes to customer retention (CuRet) in microfinance banks in Nigeria with $p\text{-values} = 0.00 < 0.05$. Therefore, the study rejected the null hypothesis and accepted the alternative hypothesis which established that social media advertising (SoMAd) as a construct of social media marketing actually contributes to customer retention (CuRet) in microfinance banks in Nigeria, at 95% level of confidence.

Discussion of the Findings

This study examines the effect of social media advertisement on customer retention of SunTrust micro finance bank in Lagos State, Nigeria. The findings reveal that social media advertising (SoMAd) has a beta coefficient (β) of 0.871, a t-test value of 34.363, and a significance level of $p < 0.005$. This indicates that social media advertising (SoMAd), as a dimension of social media marketing is a positive predictor of customer retention (CuRet) for microfinance banks. This result confirms the hypothesis that social media advertising significantly impacts customer retention, contrary to the initial hypothesis that it has no significant effect. The positive beta coefficient ($\beta = 0.871$) signifies a moderate positive relationship between social media advertising and customer retention. This suggests that effective social media advertising strategies are associated with improved customer retention rates. Social media advertising encompasses targeted promotional activities on platforms such as Facebook, Twitter, and LinkedIn, aimed at engaging customers and maintaining their interest (Kaplan & Haenlein, 2010). By reaching customers through these channels with relevant and engaging ads, microfinance banks can enhance their brand visibility and foster customer loyalty, leading to higher retention rates.

The t-test value of 34.363 and the significance level ($p < 0.005$) confirm that the relationship between social media advertising and customer retention is statistically significant. This robust evidence suggests that the impact of social media advertising on customer retention is reliable and not due to chance. For microfinance banks, this result implies that investing in targeted and strategic social media advertising can effectively improve customer retention. Social media platforms provide opportunities for continuous engagement with customers, which can reinforce brand loyalty and encourage long-term relationships.

The acceptance of the hypothesis indicates the importance of integrating social media advertising into marketing strategies. Microfinance banks should focus on creating compelling and relevant advertisements tailored to their target audience. Effective social media advertising campaigns can help in maintaining customer interest, addressing their needs, and encouraging ongoing engagement with the brand. According to Kaplan and Haenlein (2010), social media advertising plays a crucial role in building and maintaining customer relationships by providing relevant content and interactive experiences. Empirical studies also support this view, demonstrating that social media advertising can positively affect customer retention by increasing brand awareness and fostering customer engagement (Lemon & Verhoef, 2016).

CONCLUSION AND RECOMMENDATIONS

Given the findings reported in the study, it is concluded that social media advertisement have significant effect on the performance of Suntrust micro finance bank in Lagos State, Nigeria. Specifically, the study established that social media advertising as a dimension of social media marketing is a significant and positive predictor of customer retention. The statistical evidence supports the hypothesis that effective social media advertising contributes to improved customer retention, validating its role as a key driver of microfinance banks' performance.

Based on the findings, the following practical recommendations are proposed:

- The management of Suntrust should develop and implement highly targeted content that resonates with specific customer segments. This can be done by using data analytics to identify customer preferences, behaviors, and needs, tailoring social media campaigns to address these insights effectively.
- They should further foster active customer engagement through interactive social media features such as polls, Q&A sessions, and live chats. This can enhance customer loyalty by making clients feel more connected to the bank.
- Establish mechanisms for gathering and responding to customer feedback through social media. Actively addressing customer concerns and suggestions can improve satisfaction and retention.

By implementing these recommendations, SunTrust Microfinance Bank can effectively leverage social media advertising to enhance customer retention and strengthen its market position.

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