

**EFFECT OF SOCIAL MEDIA ADVERTISING ON TAX  
ADMINISTRATION BY THE KENYA REVENUE AUTHORITY**

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AGRICULTURE AND TECHNOLOGY**

**2018**

## **DECLARATION**

This research project is my original work and has not been submitted for a post graduate course in any other college or university.

.....

Signature

Date

**IVY MUTULU KIOKO**

**HDB336-C016-2325/2016**

This research project has been submitted for examination with approval as the supervisor.

.....

Signature

Date

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## **DEDICATION**

I dedicate this work to my dearest parents, Eng. Simon Kioko Ndambuki and Serah Wangu Kioko, for being the biggest cheerleaders in this journey of education. Your never-ending financial, spiritual and emotional support is truly and undoubtedly appreciated. May you be richly rewarded

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I would like to take this opportunity to thank The Lord for guiding me throughout my academic life and letting me reach this point in time. My appreciation also goes out to my supervisor Naphtaly Oyugi, the research defence panellists and lecturers at large for their guidance during the entire study; your constructive criticism and contribution led to successful completion of this project.

To the KRA DTD Southern region team who created time to fill in the questionnaires, thank you for assisting in the achievement of this project.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

<b>Ad</b>	Advertisement
<b>App</b>	Application
<b>CRA</b>	Canada Revenue Agency
<b>FAQs</b>	Frequently Asked Questions
<b>IRAS_SG</b>	Inland Revenue Authority of Singapore
<b>KRA</b>	Kenya Revenue Authority
<b>NTA</b>	National Tax Agency (Japan)
<b>NZ</b>	New Zealand
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>PR</b>	Public Relations
<b>UK</b>	United Kingdom
<b>USA</b>	United States of America

## **DEFINITION OF TERMS**

<b>Advertising</b>	The act of persuading people to buy a product or use a service, or that gives information about a job that is available, an event that is going to happen. This can be in form of a picture, set of words, or a short film (Kotler & Keller, 2012)
<b>Facebook</b>	A social media site which allows persons to register, create their profiles, upload photos and videos, and send messages to keep in touch with one another (Rouse, 2013)
<b>Social Media</b>	Websites and applications that enable users to create and share content or to participate in social networking (Obar & Wildman, 2015)
<b>Tax Administration</b>	The assessment, collection, enforcement, litigation, publication, and statistical gathering functions under tax laws, statutes, or conventions (OECD, 2011)
<b>Taxpayer</b>	A person that pays taxes (OECD, 2011)
<b>Twitter</b>	A social media platform which it is a free micro blogging service that permits persons to register and broadcast short posts called 'tweets' and follow other users' tweets through several platforms and devices (Rouse, 2013)
<b>YouTube</b>	A social media website that allows the free video sharing by its registered users (Rouse, 2013)

## ABSTRACT

Digital advertising is constantly advancing with respect to the changes in technology. Social media is one type of digital advertising and organizations have embraced these social media technologies for external communications and interaction with general public. Governments and revenue bodies have not been left behind as reported by the OECD in 2011. There is, however, little information documented regarding the use of social media advertising by revenue bodies in tax administration in Kenya. This research therefore sought to fill this gap by studying the effect of social media advertising in tax administration by Kenya Revenue Authority. The study was guided by the following questions: Does Facebook advertising have an effect on tax administration by the Kenya Revenue Authority?, Does Twitter advertising have an effect on tax administration by the Kenya Revenue Authority? And does YouTube advertising have an effect on tax administration by the Kenya Revenue Authority? The population of this study was 127 officers including *itax* (customer service) and marketing team from the KRA southern region, Forodha House in Mombasa town, with a sample size of 39 individuals. The pilot sample for this study constituted four individuals calculated from the sample size. The data collection instruments included questionnaires. Data collected was analysed using descriptive statistics techniques, using the SPSS version 23 software. The data analysed was presented in the form of tables, bar charts and pie charts. The findings established that there existed a positive correlation between Facebook, Twitter and YouTube advertising and administration of tax, with the coefficient of correlation being 0.652, 0.431, and 0.538 respectively. The study therefore recommended that the management should capitalize on Facebook technology to communicate with its customers on matters related tax return filling; twitter advertising as a platform to send short text messages on matters related to tax returns; and encourage the taxpayers to use YouTube platform to learn how to file tax returns.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The advertising business is one industry that is consistently developing. Print media is the earliest form of advertising which includes, but not limited to, advertising in the newspapers, magazines, billboards, posters and brochures. Print media dates back to A.D. 105 when there was the invention of paper, accredited to Ts'ai Lun, a Chinese official. Pi Sheng, forty years later, invented the first movable type and in 1276, printing achieved Europe as a paper process in Italy. Two hundred years after the fact on his Gutenberg press, Johannes Gutenberg refined a strategy to effectively print books and flyers (Sophiewillborn, 2011).

Digital advertising followed in the 1990s where the term 'digital marketing' was first utilized amid the dispatch of Archie - the primary web crawler. This stage enabled clients to discover the data they required yet it did not enable them to share this data over the web. The year 1993 is set apart as the time of progress to the advanced period of advertising due to the first clickable web-ad banner going live, meaning companies could secure banner ads for their advertising (Monnappa, 2017).

Digital advertising is constantly advancing with respect to the changes in technology. Social media is one type of digital advertising and it is being used by organizations, businesses and individuals, both globally and locally, as channels of reaching their target audience.

Social media refer to computer-aided technologies that allow the conception and, idea and information sharing through simulated networks (Obar & Wildman, 2015). The Oxford word reference depicts web-based social networking as applications and sites that enable clients to make and offer substance or partake in long range informal communication. Social media is

also defined by dictionary.com as websites and other online ways of communication used.

Businesses and organizations are embracing the utilization of social media innovations for outer correspondences and interact with general public. Governments and revenue bodies have not been left behind. A survey was conducted in the year 2010 by the taxpayer services subgroup to evaluate the scope of which impose organizations are making utilization of online networking. This subgroup was tasked by the forum on tax administration bureau to assist in examining how revenues bodies are utilizing social media platforms in the service delivery context and the experiences encountered in relation to this.

In order to undertaken the study, the subgroup developed a questionnaire and issued it to all its members' revenue bodies. Twenty-six revenue bodies responded to the survey questionnaires and these responses formed the basis for the report dated October 2011 generated for the survey conducted. Out of the twenty-six revenue bodies that responded the survey, only sixteen reported that they had any essential hands-on practice in the usage of at least one social media advance. Out of the sixteen, just thirteen reported to had familiarity across a number of social media technologies (OECD, 2011).

The examination looked to find the sort of media technologies that in different countries used for tax administration. The options provided were Twitter, Facebook, YouTube, RSS and Webinars. From the data collected, only Australia appeared to be using all the technologies.

Details of the report further provide that the National Tax Agency (NTA)-Japan runs lots of video programmes in its website, which are also uploaded on YouTube, that provide details on tax procedures using videos and diagrams. An iPhone app for e-services, IRAS\_SG, was launched in Singapore and attracted over twenty thousand downloads within the first two months. The app allows users to compute individual income tax and property tax, and check the filing status for individual income tax return. LinkedIn is among other types of social media used in the UK (OECD, 2011).

Even though the knowledge to date is constrained, it is obvious from the discoveries of the overview that income bodies are beginning to exploit the prospects offered by social media for verbal showcasing, directed promoting and direct engagement with citizens and different partners. This is because social media platforms provide new methods of communication and interaction with the public (OECD, 2011).

Apart from the widely used social media technologies as illustrated above, namely; Facebook, Twitter and YouTube, the other common platforms include LinkedIn and Instagram. LinkedIn is a social networking site that has been designed precisely for the corporate community with its goal being to enable its enlisted individuals to create and track systems of persons they recognize and trust professionally. A study done by Dotsavvy (2016) provides that in Kenya, LinkedIn has around one million and three hundred thousand users, and brands are able to buy LinkedIn Ads for campaigns.

Instagram is another social media site that has most users. This platform is owned by Facebook and is best accessed using the Instagram App on the smartphone or tablet. In Kenya, there are close to three million Instagram users in Kenya (Dotsavvy, 2016). It was made possible of late to run Instagram Ads in Kenya using the Facebook Ads dashboard.

In Kenya, the body responsible for tax administration, collection and enforcement of laws relating to income for the benefit of the Government is the Kenya Revenue Authority. KRA was shaped by the Act of Parliament, Chapter 469 of the laws of Kenya, and ended up operational on the first of July 1995. The government agency has its vision and mission as 'to encourage Kenya's change through Innovative, Professional and Customer-Focused Tax Administration' and 'Building Trust through Facilitation in order to cultivate Compliance with Tax and Customs Legislation' respectively. In order to achieve these agency's core values include being Trustworthy, Ethical, Competent and Helpful.

KRA's operations are divided into six regions namely; Northern, Southern, Western, Central, North and South Rift valley regions. The agency is made up

of departments headed by Commissioners and they include Customs and Border Control departments, Investigations, Enforcement, Domestic taxes department (further divided into large taxpayers' office, medium and small taxpayers' office, as well as regions), legal offers, strategy, innovation and risk management, technical support, and corporate support services departments.

## **1.2 Statement of the Problem**

Social media advertising is known of being a major establishment area because of its cross-cutting in most sectors of the economy. An exploratory research was done by Bond, Ferraro, Luxton & Sands (2010) on shopper observations, demeanours and inclinations for being part in relation to social advertising. The study suggested that there would be a huge impact on brand loyalty and engagement if social media advertising was applied in a multichannel communications methodology.

Neti (2011) conducted a study that discusses the social media concepts and the social media marketing models. The study also considers different viewpoints like the pertinence and part of social media in showcasing, the growth and benefits and the social marketing strategies. The findings of the study were that organizations were diverting resources to the online platforms and rethinking their outreach strategies from the traditional approach. The conclusions deduced from this study were that whether it is a small or large corporation, a start-up or an individual, having an on-going conversation with the clients on online platforms is a standard requirement, of which it would take expertise and time to accomplish.

Considering the sampled studies above, it is evident that the studies done focus on how social media can influences the marketing of products and services and how the customers can be made aware of these products and services. However, there is little information documented regarding the use of social media advertising by revenue bodies in tax administration, especially in Kenya. The researcher consequently sought to fill this gap by determining the effect of social media advertising on tax administration by the Kenya Revenue Authority.

### **1.3 Objectives**

#### **1.3.1 General Objective**

The general goal of this research was to determine the effect of social media advertising on tax administration by the Kenya Revenue Authority.

#### **1.3.2 Specific Objectives**

This study planned to accomplish the accompanying particular goals;

- i) To find out the effect of Facebook advertising on tax administration by the Kenya Revenue Authority.
- ii) To evaluate the effect of Twitter advertising on tax administration by the Kenya Revenue Authority.
- iii) To analyse the effect of YouTube tax administration by the Kenya Revenue Authority.

### **1.4 Research Questions**

This examination was guided by the accompanying exploration questions;

- i) Does Facebook advertising have an effect on tax administration by the Kenya Revenue Authority?
- ii) Does Twitter advertising have an effect on tax administration by the Kenya Revenue Authority?
- iii) Does YouTube advertising have an effect on tax administration by the Kenya Revenue Authority?

### **1.5 Significance of the Study**

The discoveries of this investigation are to beneficial based on a number of parties namely the Government of Kenya, organizations, advertising agencies, researchers, and the general public. The Government of Kenya, in particular the Kenya Revenue Authority will benefit from this research as it may provide insight on ways of improving the administration of tax in Kenya.

Organizations and advertising agencies would benefit from this research as the study's intention was to bring out the usefulness of social media in the

promoting of products and services. Therefore, the marketing departments of organizations would benefit. As for the advertising agencies, this would provide additional knowledge on how to handle their clients in terms of advertising their products and services. The general public would also benefit from the research paper as the study intended to draw out the channels that the Kenya Revenue Authority uses to educate and create awareness on taxation to the public in Kenya.

The users of social media would also gain from this study as it would act as a reference point for those who want to start or have on-going businesses through the social media. This research, additionally, would be resourceful in the education system as it would add knowledge to the body of research. The study would therefore be helpful to other researchers who want to undertake studies in the advertising or taxation areas.

### **1.6 Scope of the Study**

The extent of this exploration was to study the effect of social media advertising in tax administration by the Kenya Revenue Authority. The study targeted the revenue officers and itax team of Kenya Revenue Authority Southern Region, former Coast province region. The offices are situated at the Customs House, Nyerere Street in Mombasa town. This was necessary as these officers are responsible for the administration of tax in one way or another at the Kenya Revenue Authority.

### **1.7 Limitations of the Study**

The research anticipated to be reduced by factors including disclosure of information, objectivity and availability of the respondents. Disclosure of information refers to a situation where the respondents fail to give information in some areas to prevent supplying corporate confidential. Objectivity of the respondents may have been a limiting factor in that the respondents may have given bias information in order to keep their respectable employment track record.

Availability of the respondents may have also been a limiting factor; therefore the researcher put an effort into ensuring that the data collection instruments, questionnaires, were valid and reliable thereby ensuring that data collection process was done once and upon the agreed time with the respondents.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This segment looked to give the hypothetical survey, empirical review, conceptual framework, evaluate of the current writing applicable to the examination, outline and the exploration gaps.

#### **2.2 Theoretical Review**

A theory is a set of concepts or construct and the interrelations that are assumed to exist among those concepts. It provides the areas of establishing the theories for examining in study (Mugenda & Mugenda, 2008). This study was anchored on three theories; social exchange theory, the media richness theory and McLuhan's Media theory.

##### **2.2.1 Social Exchange Theory**

An understanding of the intentions of why people take part in appears necessary because every single social medium are reliant on its clients giving and trading content. Therefore, social exchange theory contributes to this understanding. This theory has its origins from humanism ponders that investigate the trading of data between people or little gatherings (Emerson, 1976).

Social exchange theory states that people enter into relationships through self-disclosure. Altman, Vinsel & Brown (1981) elaborate this process of disclosure by making a comparison with the peeling layers in an onion, stating that it is a continuous process of a person exposing their personality and internal identity. It starts with obvious data like sexual orientation and tastes and preferences, and then slowly progresses to a person sharing their feelings. It then escalates to exposing their beliefs and ambitions of life (Altman et al., 1981).

Social exchange theory, according to Homans (1958), uses the cost and benefit structure in making clear how people communicate with one another, how they frame relations, and how bunches are shaped through correspondence trades. All social conduct is gotten from each individual's investigation of the money

saving advantage of participating in a social trade. In this manner, individuals will participate in those practices that appear to be helpful to them while maintaining a strategic distance from those that does not benefit.

Emerson (1976) contributes to this theory by stating that individuals communicate with each other based on the give-and-take actions from the other communicating parties. This mutual corroboration may be examined using a microeconomic structure despite the fact that the prizes may not be money related terms but rather a greater amount of social prizes. This may incorporate openings, acknowledgment and renown.

The social trade hypothesis is best compressed by Homans (1958, p. 606) by composing that: Social conduct is a trade of products, material merchandise yet additionally non-material ones, for example, the images of endorsement or renown. People that offer much to others endeavor to get much from them, and people that get much from others are experiencing strain to offer much to them. This procedure of impact tends to work out at balance to an adjust in the trades. For a man in a trade, what he gives might be a cost to him, similarly as what he gets might be a reward, and his conduct changes less as the distinction of the two, benefit, watches out for a most extreme.

### **2.2.2 The Media Richness Theory**

The media richness theory states that the different types of social media have different degrees of richness that they possess. This is based on the ability of the social media to convey numerous oral and nonverbal signals, allow the use of natural language, and their ability to allow immediate feedback. The theory is arguably based on the assumption that the aim of any communication is to reduce vagueness and resolve uncertainties (Martin, 2009).

Katz and Lazarsfeld (2010) contribute to the theory by providing a hierarchy of media richness with face-to-face communication being the richest followed by telephone conversation, e-mail, and print communications. Further to that, they state that ambivalent messages may not require rich media; instead lean media could be used to convey states that the distinctive kinds of social media have diverse degrees of abundance that they have. This depends on the capacity of the web-based social networking to pass on various oral and nonverbal signs,

permit the utilization of characteristic dialect, and their capacity to permit prompt input. The hypothesis is apparently in light of the suspicion that the point of any correspondence is to lessen ambiguity and resolve vulnerabilities (Martin, 2009).

Katz and Lazarsfeld (2010) add to the hypothesis by furnishing a chain of importance of media wealth with up close and personal correspondence being the wealthiest taken after by phone discussion, email, and print interchanges. Further to that, they express that conflicted messages may not require rich media; rather lean media could be utilized to pass on these messages. This is on account of some social media are more viable than others in settling vagueness.

### **2.2.3 McLuhan's Media Theory**

A Canadian scholar by the name McLuhan developed this theory in 1995. He argues that the media itself is the message, rather than the actual details of the media. He further explains that the interactivity of new communication forever changes the behaviour, nevertheless the actual messages communicated remains the same even with the use of different media used.

As needs be the impacts of the media on the general public are more noteworthy than the substance of the media. McLuhan arranges media into two; cool and hot. Hot media is the sort that requires substantially more exertion in understanding the substance, for example, classes. Cool media on the hand requires less exertion and incorporate movies and photography.

### 2.3 Conceptual Framework

A conceptual framework is characterized as a visual portrayal of the factors of the investigation and how they are associated with each other (Regoniel, 2015). Figure 2.1 underneath speaks of the theoretical system of this examination.

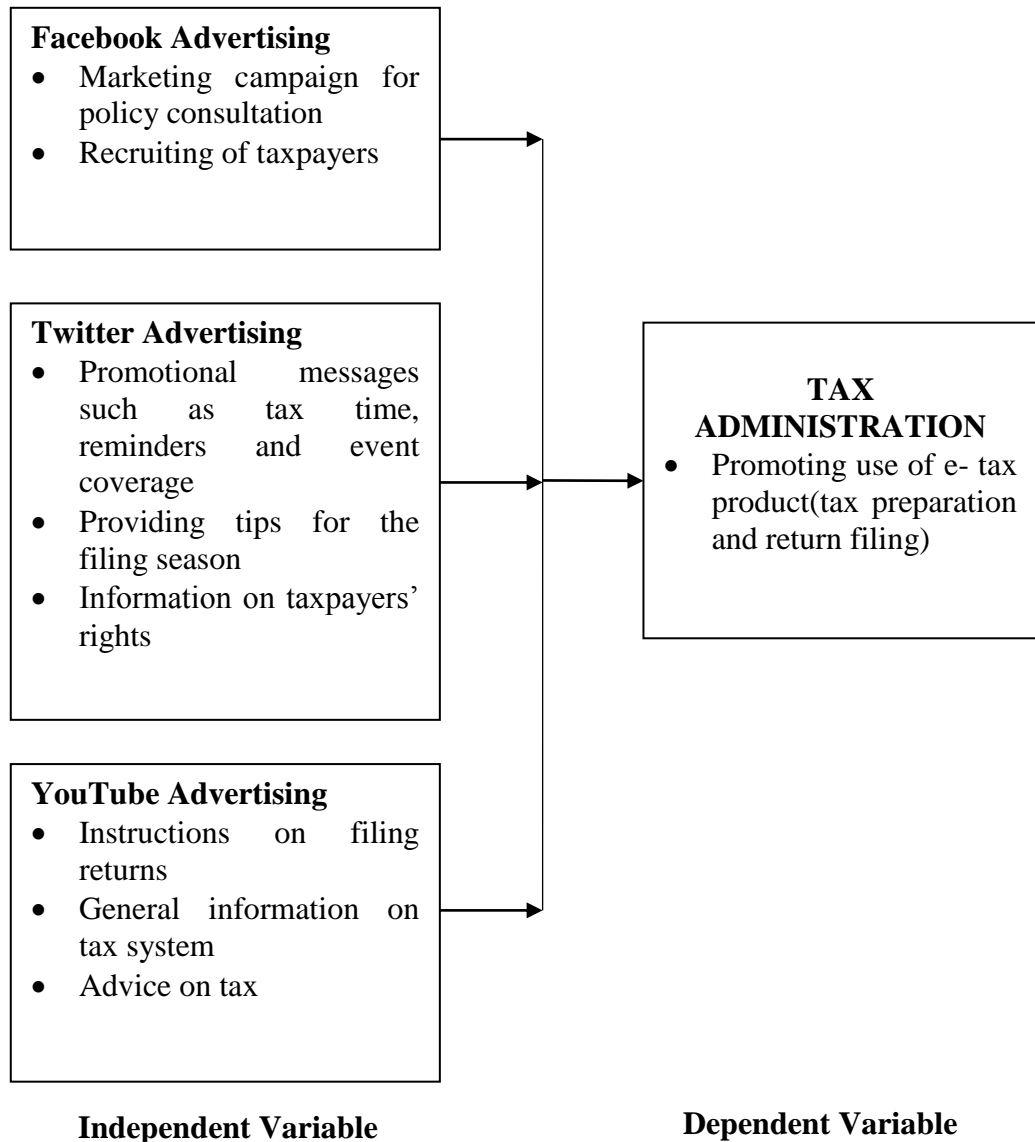


Figure 2. 1 Conceptual Framework

## **2.4 Review of Variables**

### **2.4.1 Facebook Advertising**

Facebook is a widely held free social interacting website. It is one of the common social media sites and it allows persons to register, create their profiles, upload photos and videos, and send messages to keep in touch with one another (Rouse, 2013). Facebook is the largest social media technology used in Kenya, having approximately five million active users (Dotsavvy, 2016). Due to its interest and range, Facebook has become exceptionally significant for brands to build their communities and also for running digital advertising campaigns.

A research study done Adoyo (2010) focused on finding out the effect that online network has on the advertising in state offices particularly KRA. The examination was guided by four research addresses that evoked reactions and were useful in overcoming any issues in the writing inside the Kenyan KRA idea. The discoveries were that the enterprise significantly utilizes three social media stages: email, Facebook and Twitter. The administration, staff and clients associated to the organization have embraced and valued the utilization of social media in improving open connection. Overall, the social media has contributed emphatically to the PR of KRA however one member deplored on the apathy it accompanies. Being client responsive and following of locales went to by KRA's staff are only a couple of ways in which social media can be harnessed in enhancing PR at KRA. As of May 2018, the Kenya Revenue Authority Facebook page has 226,152 likes and 226,406 followers.

### **2.4.2 Twitter Advertising**

Twitter is a social media platform and it is a free micro blogging service which permits persons to register and broadcast short posts called 'tweets' and follow other users' tweets through several platforms and devices (Rouse, 2013). In Kenya, it is estimated to have around one million and seven hundred thousand users and it is considered important when brands need to broadcast their messages on a regular basis for example Kenya Power broadcast messages in the event there is a blackout in certain areas of the country (Dotsavvy,2016).

The Twitter Ads have become popular with some brands for their digital campaigns as it was made possible to purchase them in the year 2014.

In 2014, Okinda conducted a descriptive survey with the intent to explore the relationship between elements of social media (social media site interactivity, discounts and social site frequency of updates), on KCB Bank Group's direct marketing strategy among Facebook and Twitter platform users. The study established that regular updates interactivity of the social media platform that social influences and the need for information were two significant factors that influenced users to access social media users. The study recommended on the utility of freebies, social influences and updating of the social media platforms towards enhancing the effectiveness of the bank's marketing strategy.

The Kenya Revenue Authority joined the platform on February 2014 with its tweeter handle as @KRACare. As of the 24<sup>th</sup> April 2018, its followers stand at 66,253 and following 4,812. The number of tweets stands at 46,211 with the handle receiving 3517 likes.

### **2.4.3 YouTube Advertising**

YouTube is a website that allows the free video sharing by its registered users. This social media technology was created in the year 2005 and is a subsidiary of Google. It allows persons to create and upload their own videos to share with other persons. According to GCF Global (2016), YouTube currently has visitors watching around six billion hours of video every month. KRA YouTube channel has 921 subscribers. The authority joined the platform on 7<sup>th</sup> February 2015 and the channels has had 554,180 views ever since.

### **2.4.4 Tax Administration**

## **2.5 Empirical Review**

There have been studies conducted over the years with regards to social media advertising. This subsection aims at reviewing such studies with particular interest in research done in Kenya.

Odhiambo (2012) conducted a research to explore whether using social media to create brand awareness is more effective than the traditional media. The study also sought to find out the implementation challenges that make social and traditional media a two face phenomenon. Findings of the study were that social media cannot be used single-handedly as a tool of marketing to create brand awareness nor be used to develop a business. The conclusions were that social media cannot be implementation in isolation without incorporating the traditional channels of advertising, even though web-based social networking is more compelling than the customary media.

Barasa' (2014) study on Social media as an effective advertising tool in Kenya sought to explore how Kenyans can utilize social media effectively for communications and marketing activities with an aim of getting maximum results. The reason of establishment was to give an analysis of existing commercial usage of social media by critically evaluating the most effective ways to utilize these social media platforms as advertising tools here in Kenya. The study employed both qualitative and agencies and full-service agencies. The study revealed the critically needed knowledge on how to engage with their target market, when to engage with them and the tone to use with them in order to attain maximum advertising results.

Kioko (2013) conducted a study with the aim of evaluating the utilization of social media by the versatile system specialist organization organizations, basing the research on Safaricom Limited. The study used questionnaires as the data collection instruments and from the findings, it was established that the organizations used social media to educate their clients, notify them of new service and assist in solving problems related to their organization's products and services.

## **2.6 Critique of Existing Literature Relevant to the Study**

The studies reviewed about revolved around social media and its various use as an advertising tool and a platform to promote brand awareness and public relations. The studies reported that the social media as a powerful instrument for advertising. Notwithstanding, there is requirement for aspects into to

consolidate other information gathering instruments, for example, meetings and centre gatherings to get inside and out data from the respondents.

## **2.7 Summary**

The studies captured above provide for the other researches done on social media advertising and tax administration in Kenya. There was also review of theories that the study was based on, study of existing writing significant to this examination and the survey of the variables of this study.

## **2.8 Research Gap**

While considering the review done, it was evident that the studies done focus on how social media can influence the marketing of products and services and how the customers can be made aware of these products and services. However, there was little information documented regarding the utilization of social media by revenue bodies in tax administration, especially in Kenya. Adoyo (2010) study focused on the effect of social networks on KRA focusing on the impact of these networks on the public image of the organization. Odhiambo (2012), Okinda (2014) and Barasa (2014) focused on the marketing of products and services by other organizations which are not revenue collection bodies. The researcher therefore sought to fill this gap by studying the effect of social media advertising in tax administration by the Kenya Revenue Authority.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This segment involves the examination outline of the investigation, population of the study, sampling frame, sample size and sampling technique, information accumulation instruments, data collection procedures, pilot testing and the techniques for data analysis.

#### **3.2 Research Design**

This sub-topic refers to the blueprint or general strategy chosen for the study and it specifies the methods and procedures to be undertaken in a logical way (De Vaus, 2006). For this particular study, descriptive research design was applied. This refers to a type of research that describes the characteristics of people, events and situations with an aim of giving a detailed report of the current status of the given group (Zikmund, Babin, Carr, Adhikari & Griffin, 2013).

#### **3.3 Population**

Mugenda and Mugenda (2008) characterize populace as a gathering of people or occasions that offer normal arrangements of qualities. The number of inhabitants in this investigation was 127 officers including the itax (client benefit) and the promoting group from the KRA southern district workplaces, Forodha House, Mombasa. Table 3.1 expresses to the objective populace of this examination:

**Table 3. 1 Target Population of the Study**

Departments	Target Population		
	DTD North Station	DTD South Station	Total
Compliance	15	19	<b>34</b>
Debt	7	7	<b>14</b>
Taxpayer Services	7		
Taxpayer Recruitment and Registration	8	9	<b>24</b>
Audit		14	<b>14</b>
Marketing		15	<b>15</b>
iTax(Customer Service)		26	<b>26</b>
<b>TOTAL</b>			<b>127</b>

**Source: Office of Station Managers, Mombasa Southern Region (2017)**

### **3.4 Sampling Frame**

A sampling frame is characterized as a rundown of components from which a sample might be chosen (Mugenda & Mugenda, 2008). The sampling frame of this study was a rundown of representatives in the Mombasa southern region at Forodha House in Mombasa town.

### **3.5 Sample Size and Sampling Technique**

The researcher applied a percentage of 30% (Mugenda & Mugenda 2008) in determining the sample size. This resulted in the study's sample to be thirty nine (39) officers and the marketing and itax (customer service) team. The study subsequently applied the simple random sampling technique to obtain the sample. This is a testing system that accepts that the every component of the populace stands an equivalent possibility of being incorporated into the example (Zikmund et.al, 2013).

The sampling fraction was derived using the formula:  $n/N$  where  $n$  is test and  $N$  is the populace (Bryman & Bell, 2015). Hence, the inspecting division was: 39/127 that is 1 in each three people.

The researcher picked this sample as it gave important data in regards to the examination, which is to study Social Media Advertising in Tax Administration by the Kenya Revenue Authority. Table 3.2 speaks to the sample size of the study.

**Table 3. 2 Sample Size of the Study**

Department	Target Population			Sample Percentage	Sample Size		
	DTD North	DTD South	Total		DTD North	DTD South	Total
Compliance	15	19	<b>34</b>	30%	5	6	<b>11</b>
Debt	7	7	<b>14</b>	30%	2	2	<b>4</b>
Taxpayer Services	7				2		
Taxpayer Recruitment and Registration	8	9	<b>24</b>	30%	2	3	<b>7</b>
Audit		14	<b>14</b>	30%		4	<b>4</b>
Marketing		15	<b>15</b>	30%		5	<b>5</b>
iTax (Customer Service)		26	<b>26</b>	30%		8	<b>8</b>
<b>TOTAL</b>			<b>127</b>		<b>TOTAL</b>		<b>39</b>

### 3.6 Data Collection Instruments

The researcher utilized questionnaires as the information accumulation instruments which contained closed ended questions. This was to ensure that the responses are gathered in an objective and standard method.

### 3.7 Data Collection Procedure

The researcher acquired a letter of introduction from the school, KESRA Mombasa campus; tax studies department. This letter was used to introduce the researcher to the sample selected. The researcher then distributed the questionnaires to the sample population for the respondents to fill. The data collected were then stored for data analysis.

### 3.8 Pilot Testing

A pilot test is a small preparatory investigation used to test a proposed research before a full scale execution and normally takes after precisely the same and methodology as its full-scale partner. Leon, Davis and Kraemer (2011) clarified the expectation of playing out a pilot test is to check whether the very motivation behind directing a pilot test is to analyse the practicability of a strategy for inquire about that will be utilized as a part of a bigger scale study.

According to Connelly (2008), a pilot sample constitutes 10% of the sample population of the study to be undertaken. The pilot sample for this study therefore constituted four (4) individuals calculated from the sample size. This assisted in testing the validity of the research instruments. The reliability of the instruments was tested using the Cronbach's coefficient alpha test.

### 3.9 Data Analysis

The information gathered was broke down by descriptive statistics techniques and these incorporate frequencies, rates, mean, mode and connection utilizing the Statistical Package for the Social Sciences Software Version 23. The information was then exhibited as tables, bar diagrams and pie outlines. The SPSS measurements were utilized to investigate the connection between the independent and dependent factors, considering the formula:

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + \epsilon$$

Where;  $Y$  = Tax Administration

$B_0$  = Constant

$\epsilon$  = error

$B_1$  = Coefficient of variable 1

$X_1$  = Facebook Advertising

$B_2$  = Coefficient of variable 2       $X_2$  = Twitter Advertising

$B_3$  = Coefficient of variable 3       $X_3$  = YouTube Advertising

$B_0, Y$  – intercepts the constant the levels of social media when  $X_1X_2X_3 = 0$

$B_1B_2B_3$  - Coefficients determining the levels of  $X_1X_2X_3$  on how they affect  $Y$

$\epsilon$  - Other factors not considered in this model but can affect the  $Y$  (tax administration)

## CHAPTER FOUR

### RESULTS FINDINGS AND ANALYSIS

#### 4.1 Introduction

This section introduces the investigation of crude data from the findings. Correlation analysis and multiple regression models were utilized to test the connection between factors, significance level and dependability. The examination additionally utilized Cronbach's alpha test, graphic insights test, Pearson Bivariate correlation and Multiple Regression, to decide the effect of; Facebook, Twitter and YouTube advertising in the administration of tax by the Kenya Revenue Authority.

#### 4.2 Response Rate

**Table 4. 1 Questionnaire Response Rate**

Category	Frequency	Percentage
Respondent	34	87.2%
Non-Respondent	5	12.8%
<b>Total</b>	<b>39</b>	<b>100%</b>

Referring to the Table 4.1 above, an aggregate of 39 questionnaires was administered to the respondents and 34 were filled and recovered amounting to 87.2%, while 5 questionnaires were not returned, speaking to 12.8%. As indicated by (Mugenda & Mugenda, 2008), a reaction rate of half is satisfactory for examination and detailing; a 60% is great and a reaction rate of 70% and over is magnificent, along these lines the reaction rate sufficient for investigation and reporting.

##### 4.2.1 Reliability and Validity of Pilot results

According to Tavakol and Dennick (2011) reliability and validity are important concepts used to enhance accuracy and evaluation of research work. In study work, capacity to deliver reliable and stable estimations is

extremely essential. In this study, unwavering quality was tried utilizing Cronbach's coefficient alpha ( $\alpha$ ); coefficient alpha is connected in scale improvement with things that have a few reaction choices (i.e. 1= Strongly Disagree to 5= Strongly Agree). To set up the Cronbach's coefficient alpha ( $\alpha$ ), dependability examination, SPSS was utilized and came about arranged as appeared in table 4.2 below.

**Table 4. 2 Reliability Results**

<b>Scale</b>	<b>Cronbach's Alpha</b>	<b>Comments</b>	<b>No. of Items</b>
Facebook Advertising	0.745	Accepted	4
Twitter Advertising	0.710	Accepted	5
YouTube Advertising	0.767	Accepted	5
Tax Administration	0.749	Accepted	3

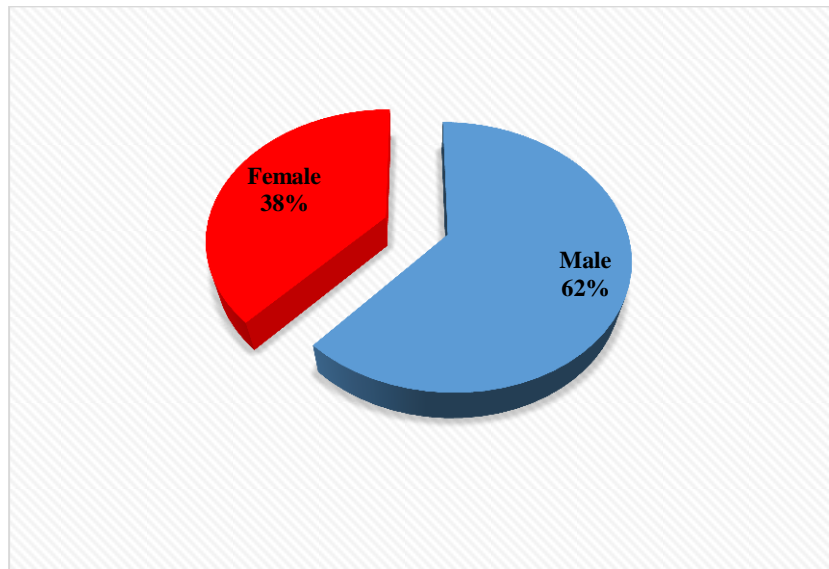
For the instrument to be viewed as solid, the normal list should be 0.70 or above Amin (2005). This was valid for every one of the factors tried as prove in Table 4.2 above. The Cronbach's alpha for every one of the recognized variables is well over the lower furthest reaches of agreeableness of 0.70. The discoveries as appeared in the Table 4.2, demonstrates that Facebook advertising had a coefficient of 0.745, twitter advertising had a coefficient of 0.710, YouTube advertising had a coefficient of 0.767 and tax administration had a coefficient of 0.749. The outcomes demonstrates that the questionnaire utilized as a part of this investigation had a high state of unwavering quality and each items correlates to the identified factor.

### **4.3 Demographic Analysis**

The researcher intended to investigate demographic characteristics of the respondents at Kenya Revenue Authority. The findings of the investigations were tabulated and listed in figures below.

### 4.3.1 Gender

The analyst looked to set up the sex of the respondents in order to help in sexual orientation adjust inferential. The outcomes discoveries were acquired and classified as appeared in figure 4.1 below.



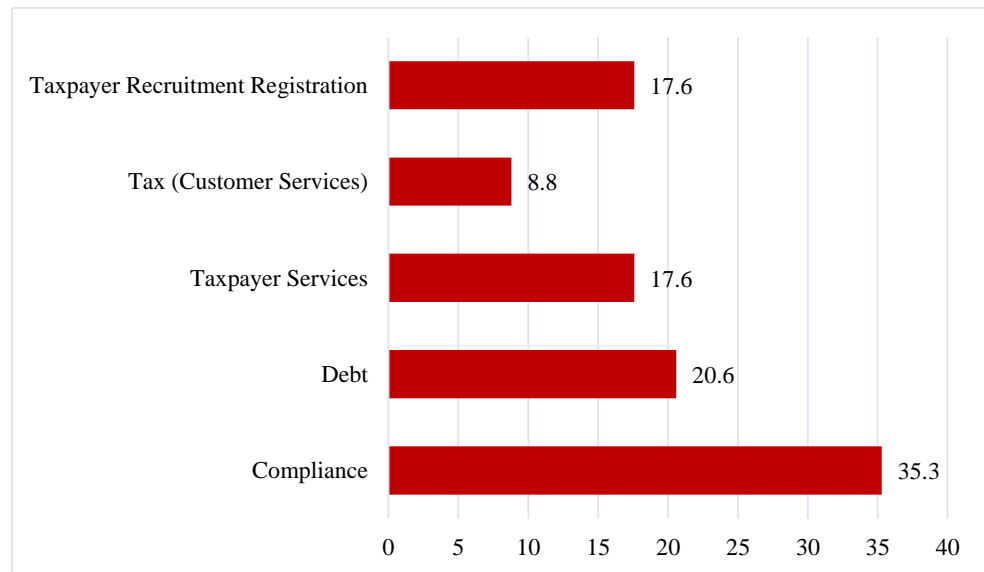
**Figure 4. 1 Gender of the Respondents**

From the analysis, revealed that dominant parts of respondents were male representing 62%, while female were 38% as illustrated above.

### 4.3.2 Departments

Alluding to figure 4.2 below, respondents were requested to show the divisions they work in. The outcomes uncovered that 17.6% work in Taxpayer enrolment enlistment division, 8.8%, iTax (client benefit), 17.6% work in Taxpayer administrations office, 20.6% work in Debt office and 35% work in Compliance office. The finding demonstrated that lion's share of respondents work in consistence office in taking care of clients' asks and to cases identified with assess compliances. This recommends consistence division gets and takes care of numerous clients. This underlines the motivation behind why Kenya Revenue Authority is setting up Complaints and Information Centre (CIC) where individuals from people in general are urged to answer to CIC all instances of defilement and different disadvantages including inability to

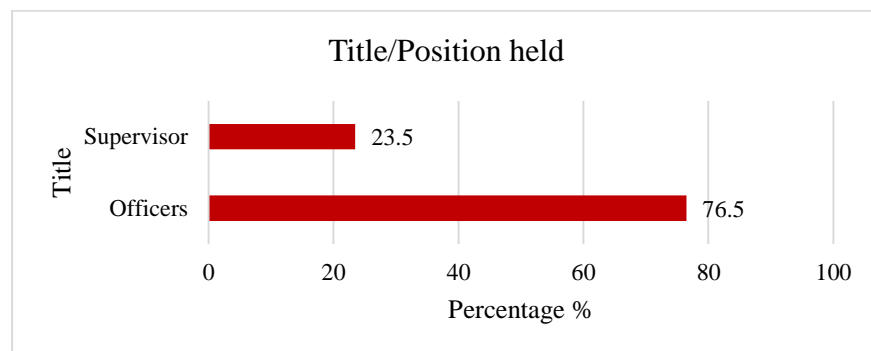
record returns, inability to pay redress charges, tax avoidance exercises, and non-installment of obligation on imported merchandise.



**Figure 4. 2 Departments**

#### 4.3.3 Title/Position held

The researcher tried to discover the position held by respondents. The discoveries demonstrated that 23.5% were supervisors and 76.5% were officers.

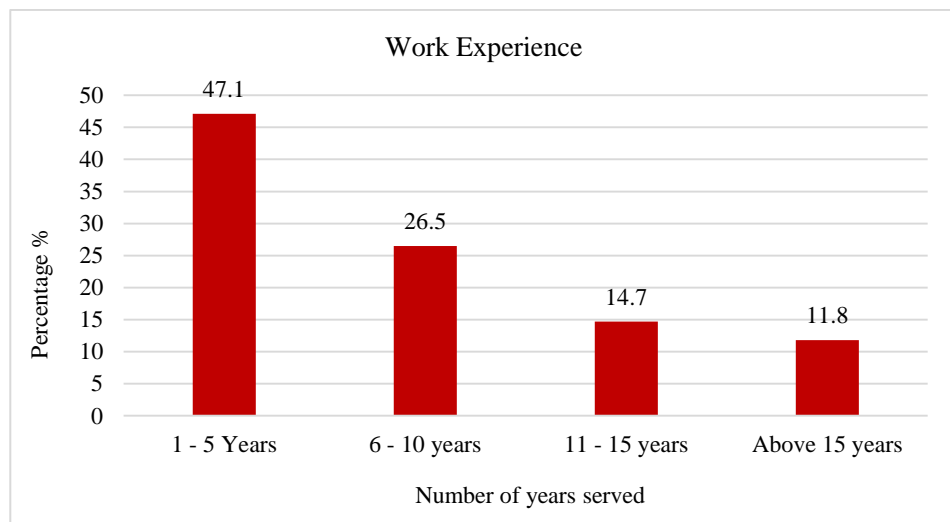


**Figure 4. 3 Title/Position Held**

#### 4.3.4 Work Experience

The respondents were solicited to show the number from years they have been working. Figure 4.4 below, demonstrates a bar outline of the respondents' reactions. The outcomes uncovered that 47.1% of the respondents had worked

between 1 and 5 years, 26.5% between 6 and 10 years, 14.7% between 11 and 15 year and 11.8% above 15 years.



**Figure 4. 4 Work Experience**

This demonstrates the lion's share of respondents that took an interest in this examination have had working background between 0 and 5 years as indicated in figure 4.4 above.

#### **4.4 Descriptive Statistics**

Descriptive statistics is the term given to the investigation of information that portrays, appear or outline information in a meaningful way. The study sought to find out the utilization of Facebook Twitter and YouTube advertising in administration of tax by the Kenya Revenue Authority.

##### **4.4.1 Facebook Advertising in Tax administration**

The Table 4.3 underneath demonstrates the examination of the respondent's responses on the use of Facebook in tax administration.

**Table 4. 3 Facebook Advertising in Tax Administration**

	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
KRA uses Facebook advertising for tax administration in Kenya	34	3.59	1.104
Facebook advertising is exploited by KRA for recruiting Taxpayers	34	2.68	1.199
Facebook advertising is utilized in marketing campaign for Policy consultation by KRA	34	3.24	1.017
Facebook advertising is put into other uses by KRA for the Administration of tax	34	3.21	1.038
Valid N (list wise)	34		
<b>Total averages mean</b>		<b>3.18</b>	

Referring to Table 4.3 above, the majority of the respondents concurred that, KRA utilizes Facebook advertising for tax administration in Kenya as demonstrated with a mean of 3.59 and standard deviation of 1.104. With mean of 2.68 and standard deviation of 1.199, respondents disagreed that Facebook advertising is being exploited by KRA for recruiting taxpayers. However, they in agreement that Facebook advertising is being utilized in marketing campaign as indicated by mean 3.24 and standard deviation of 1.017. Respondents were neutral with a mean of 3.21 and deviation of 1.038 that Facebook advertising is put into other uses by KRA for the administration of tax. The KRA perceives and acknowledges the value of social media and the significance of informal communication to the majority of its stakeholders.

#### 4.4.2 Twitter Advertising in Tax administration

The Table 4.4 below shows the analysis of the respondent's responses on use of twitter in administration of tax in Kenya.

**Table 4. 4 Twitter Advertising in Tax Administration**

	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
KRA uses Twitter advertising for tax Administration in Kenya	34	3.71	1.001
Twitter advertising is utilized in giving tips to The recording season and guiding clients to the KRA Site for more data; promote programs and educate Taxpayers	34	3.76	1.182
KRA uses Twitter Advertising to provide key Messages on activities and updates such as tax, Time reminders and event coverage	34	3.74	.898
KRA uses Twitter Advertising to provide Information on taxpayer's rights	34	3.21	1.149
Twitter advertising is put into other uses by KRA for the administration of tax	34	3.50	1.022
Valid N (list wise)	34		
<b>Total Averages Mean</b>		<b>3.58</b>	

The study sought to determine the use of twitter advertising in tax administration. From analysis, results showed that KRA uses twitter advertising for tax administration in Kenya. This is demonstrated by mean of

3.71 and standard deviation of 1.001. Respondents were also in agreement that KRA uses twitter advertising for tax administration in Kenya for providing tips for the filling season, directing users to the KRA website for more information, promoting programs and educating taxpayers; as indicated with a mean of 3.76 and standard deviation of 1.182. The statement on whether KRA uses twitter advertising to provide key messages on activities and updates such as tax time, reminders and event coverage, had a mean of 3.74 and standard deviation of 0.898.

On whether KRA uses twitter advertising to provide information on taxpayer's rights, a majority of respondents were undecided on this as shown by a mean of 3.21 and standard deviation of 1.149. However, they agreed that the investigation tried to decide the utilization of twitter publicizing in charge organization. From investigation, comes about demonstrated that KRA utilizes twitter publicizing for charge organization in Kenya. This is exhibited by mean of 3.71 and standard deviation of 1.001.

Respondents were additionally in assertion that KRA utilizes twitter publicizing for impose organization in Kenya for giving tips to the filling season, guiding clients to the KRA site for more data, advancing projects and instructing citizens; as demonstrated with a mean of 3.76 and standard deviation of 1.182. The announcement on whether KRA utilizes twitter advertising to give key messages on activities and updates, for example, tax time, updates and event coverage had a mean of 3.74 and standard deviation of 0.898. On whether KRA utilizes twitter advertising to give data on taxpayer's rights, larger part of respondents were undecided on this as appeared by a mean of 3.21 and standard deviation of 1.149. In any case, they concurred that KRA utilizes twitter advertising for other different uses in the administration of tax other than those mentioned above.

#### **4.4.3 YouTube Advertising in Tax administration**

The Table 4.5 below shows the analysis of the respondent's responses on utilization of YouTube in administration of tax in Kenya.

**Table 4. 5 YouTube Advertising in Tax Administration**

	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
KRA uses YouTube advertising for tax administration in Kenya	34	3.71	1.001
KRA uses YouTube to provide instructions on filing returns	34	3.94	1.153
KRA uses YouTube to provide general information on the tax system and advice on Tax	34	3.85	.958
KRA uses YouTube to provide key updates, how-to guides and answers to FAQs and promotional messages Administration of tax	34	3.62	1.129
YouTube advertising is put into other uses by KRA for the administration of tax	34	3.62	.922
Valid N (list wise)	34		
<b>Total averages mean</b>		<b>3.75</b>	

The study additionally tried to decide the utilization of YouTube in tax administration in Kenya. From the analysis, the discoveries demonstrated a mean of 3.71 and standard deviation of 1.001, respondents concurred that KRA do utilize YouTube advertising for tax administration in Kenya. Furthermore, on whether KRA utilizes YouTube to give guidelines on recording returns, respondents were in concurrence with this announcement as demonstrated by a mean of 3.94 and standard deviation of 1.153.

Respondents likewise concurred with a mean of 3.85 and standard deviation of 0.958 that KRA do give general data on tax system and advice on tax. On the statement that KRA utilizes YouTube to give key updates, how-to aides and answers to FAQs and promotional messages administration of tax.

Respondents concurred with a mean of 3.62 and standard deviation of 1.129. At long last, concurred with a mean of 3.62 and standard deviation of 0.922 YouTube is utilized for other work, other than those specified in alternate articulations.

#### 4.5.4 Tax Administration

The Table 4.6 below shows the analysis of the respondent's responses on effect of Facebook, Twitter and YouTube advertising in the administration of tax by the Kenya Revenue Authority.

**Table 4. 6 Tax Administration**

	N	Mean	Std. Dev
The use of Facebook advertising by KRA to promote e-tax product (tax preparation and return filing software) to youth and the general public has an effect on tax administration	34	3.56	1.050
The use of Twitter advertising by KRA to promote e-tax product (tax preparation and return filing software) to youth and the general public has an effect on tax administration	34	3.62	1.045
The use of YouTube advertising by KRA to promote e-tax product (tax preparation and return filing software) to youth and the general public has an effect on tax administration	34	3.53	1.107
Valid N (list wise)	34		
<b>Total averages mean</b>		<b>3.57</b>	

As outlined in Table 4.6 above, the outcomes shows that dominant part of the respondents agreed with articulation that KRA do utilization of Facebook publicizing to advance e-tax product (tax preparation and return filing

software) to youth and the overall population. This is proving by a mean of 3.56 and standard deviation of 1.050. The respondents were additionally in agreement as demonstrated by a mean of 3.62 and standard deviation of 1.045 that the utilization of twitter publicizing by KRA to advance e-tax product (tax preparation and return filing software) to youth and the overall population affects tax administration. On the utilization of YouTube publicizing by KRA to e-tax product (tax preparation and return filing software) to youth and the overall population, the discoveries demonstrated that it has some impact on tax administration as most youth and overall population visit YouTube as demonstrated by a mean of 3.53 and standard deviation of 1.107. This is in help of GCF Global (2016) discoveries that guests on YouTube alone spend more than six billion hours extremely month. This underlines the centrality of this social media platform to the young and overall population as entirety.

#### **4.5 Correlation Analysis**

With a specific end goal to set up the connection between the independent variables and the dependent variable, the study led relationship investigation which included coefficient of correlation and coefficient of determination..

##### **4.5.1 Coefficient of Correlation**

In endeavoring to build up the connection between the investigations factors, the examination utilized the Karl Pearson's coefficient of correlation ( $r$ ) as appeared in Table 4.7 below. The discoveries demonstrated that there was a positive relationship between the autonomous factors, Facebook promoting, Twitter publicizing, YouTube promoting and dependent variable Tax Administration. From investigation, coefficient of correlation, ' $r$ ' equivalent to 0.652, 0.431, and 0.538 for Facebook publicizing, Twitter promoting and YouTube publicizing separately. This shows there is a positive straight connection between autonomous factors and the dependent variable on administration of tax through social media.

**Table 4. 7 Coefficient of Correlation**

	Tax_Admin	Facebook_Advert	Twitter_Advert	Youtube_Advert
Tax_Admin	1			
	Sig. (2-tailed)			
Facebook_Advert	.652**	1		
	Sig. (2-tailed)	.000		
Twitter_Advert	.431*	.451**	1	
	Sig. (2-tailed)	.011	.007	.014
Youtube_Advert	.538**	.335	.419*	1
	Sig. (2-tailed)	.001	.052	.014

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

\* Correlation is significant at the 0.05 level (2-tailed).

#### **4.5.2 Coefficient of Determination**

With a specific end goal to evaluate the utilization of web-based social networking publicizing in tax administration, multiple regression analysis was performed. The statistical package for social sciences (SPSS) was utilized to compute the data. The Table 4.8 beneath demonstrates the coefficient of Determination ( $R^2$ ) to be 0.542. The  $R^2$  clarifies the goodness of fit of the study data. This implies 54.2% of inconstancy in dependent variable can be clarified by change in the autonomous factors. The residual 45.8% of fluctuation can be clarified by different elements which were excluded in the model.

**Table 4. 8 Coefficient of Determination (R<sup>2</sup>) - Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F Change	Sig.
1	.736 <sup>a</sup>	.542	.497	1.634	11.849	.000

a Predictors: (Constant), Facebook\_Advert, Twitter\_Advert, Youtube\_Advert

b Dependent Variable: Tax\_Admin

## 4.6 Regression Analysis

### 4.6.1 Analysis of Variance (ANOVA)

The investigation utilized ANOVA F-Test as appeared in Table 4.9 to set up the noteworthiness of the relapse show. The model is viewed as huge if p-esteem is less or equivalent to 0.05. The general ANOVA comes about demonstrates that the model was noteworthy at F=11.849 and p-esteem = 0.000, this demonstrates the general model was huge and that autonomous factors; Facebook promoting, Twitter publicizing, YouTube publicizing and dependent variable tax administration utilizes online networking, and basing on certainty level at 95% the examination appears there is high unwavering quality of the outcomes acquired.

**Table 4. 9 Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	94.4938	3	31.646	11.849	.000b
	Residual	80.121	30	2.671		
	Total	175.059	33			

a Dependent Variable: Tax administration

b Predictors: (Constant), Facebook\_Advert, Twitter\_Advert, Youtube\_Advert

#### 4.6.2 Multiple Regression Analysis

The researcher additionally led a multiple regression analysis as expressed in Table 4.10 to set up the connection between tax administration and the three factors explored in this investigation.

**Table 4. 10 Multiple Regression Analysis**

Model	Unstandardized		Standardized		
	Coefficients		Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	2.141	1.555		1.376	.000
Facebook	.358	.099	.512	3.636	.001
Twitter	.031	.79	0.057	0.393	.000
YouTube	.185	.75	.342	2.473	.019

a. Dependent Variable: Tax administration

From the Table 4.10 above, the general regression Model equation can be derived as follows;

$$Y = 2.141 + 0.358X_1 + 0.031X_2 + 0.185X_3 + \varepsilon$$

**Where,**

Y = Tax Administration

X<sub>1</sub> = Facebook Advertising

X<sub>2</sub> = Twitter Advertising

X<sub>3</sub> = YouTube Advertising

ε = Error term of the regression

**Hence;**

Tax administration (Y) = 2.141 + 0.358X<sub>1</sub> (Facebook Advertising) + 0.031X<sub>2</sub> (Twitter Advertising) + 0.185X<sub>3</sub> (YouTube Advertising)

Results findings as indicated in Table 4.10 shows;

Facebook advertising had coefficient of 0.358 with p-value of 0.01. This indicates Facebook advertising had a positive effect on tax administration. This implies that tax administration would increase by 35.8% for a unit increase in Facebook advertising and, since its p-value is less than 0.05, Facebook advertising has highest significant effect on tax administration compared to the rest of the variables. This is in support of (Dotsavvy, 2016) findings that Facebook has become exceptionally significant for digital advertising campaigns with over 5 million active users.

Twitter advertising, as indicated in Table 4.10; Twitter advertising had a coefficient of 0.031 with p-value 0.000. It shows that Twitter advertising had a positive effect on tax administration. This implies that tax administration would increase by 3.1% for a unit increase in twitter advertising and, since its p-value is less than 0.05, it can be concluded that twitter advertising has significant effect on administration of tax by Kenya Revenue Authority.

YouTube advertising, regression analysis result in Table 4.10, shows that it had a coefficient of 0.185 with p-value of 0.019. This shows that the YouTube advertising had also a positive effect on tax administration. With a coefficient of 0.185, it implies that tax administration would increase by 18.5% for a unit increase in YouTube advertising, and since its p-value is less than 0.05, YouTube advertising has significant effect on administration of tax by Kenya Revenue Authority.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter summarizes the topic of research on the effect of social media advertising in tax administration by the Kenya Revenue Authority. It summarizes the results of the findings on topic of research in line with stated objectives, draws conclusion and finally, makes recommendations for further study to establish other social media platforms that could be used for advertising in administration of tax by the Kenya Revenue Authority.

#### **5.2 Summary of Findings**

##### **5.2.1 Facebook Advertising and Tax Administration**

The study sought to determine the effect of Facebook advertising in tax administration by the Kenya Revenue Authority. From the analysis, the findings showed a Pearson Correlation (r-value) of 0.652, which represented a strong positive linear relationship between Facebook advertising and tax administration. The findings of the analysis further indicates that KRA do use of Facebook advertising to promote e-tax product (tax preparation and return filing software) to youth and general public as evidenced with a mean of 3.56. The findings of the study also revealed that majority of the respondent with a mean response rate of 3.59 agreed that KRA uses Facebook advertising for tax administration in Kenya. These findings answer the question that the use of Facebook advertising does assist in tax administration in Kenya.

##### **5.2.2 Twitter Advertising and Tax Administration**

The study sought to establish the extent to which the effect of twitter advertising in the administration of tax by Kenya Revenue Authority. From the analysis, the results indicated a Pearson Correlation (r-value) of 0.431, which represented a positive linear relationship between twitter advertising and tax administration. The results findings from analysis revealed a regression coefficient of 0.031 in relation to administration tax by the Kenya Revenue

Authority. Majority of the respondents as indicated in Table 4.4 with a total average mean of 3.58 agreed that use of twitter has a significant effect on administration of tax by Kenya Revenue Authority. As highlighted by (OECD, 2011), use of twitter advertising has become a new method of communication and interaction with the public. And, use of twitter as an advertising tool in the administration of tax in Kenya has ascertained to be significant. This answers the question as to whether the use of twitter as an advertising tool assists in the administration of tax in Kenya.

### **5.2.3 YouTube Advertising and Tax Administration**

The study sought to establish the effect of YouTube advertising in the administration of tax by Kenya Revenue Authority. From the analysis, the result indicated that a Pearson Correlation (r-value) of 0.538, which represented a strong positive linear relationship between YouTube advertising and tax administration. Further, results findings from analysis of regression revealed a coefficient of 0.185 in relation to administration tax by the Kenya Revenue Authority. Majority of the respondents as indicated in Table 4.5 with a total mean average of 3.75 agreed that use of YouTube has a significant effect on administration of tax by Kenya Revenue Authority.

The results findings supports GCF Global (2016), report that YouTube visitors spend around six billion hours on video every month. This underlines how popular YouTube advertising platform is in running digital advertising campaign. From correlation and regression analysis and as evidenced by high response rate from respondents, the question as to whether the use of YouTube as an advertising tool assist in the administration of tax in Kenya has been answered in affirmative.

### **5.3 Conclusion**

The objective of this study was to study effect of social media advertising in administration of tax at the Kenya Revenue Authority with specific objective; To find out the effect of Facebook advertising on tax administration by the Kenya Revenue Authority; to evaluate the effect of Twitter advertising on tax

administration by the Kenya Revenue Authority, and to analyse the effect of YouTube tax administration by the Kenya Revenue Authority.

### **5.3.1 Facebook Advertising**

Several studies have shown that Facebook is one of the largest social media platform used for communication. According to (OECD, 2011), use of Facebook has become effective in running digital advertising campaigns i.e. promoting use of e-tax product in Australia, advertising targeting student loan borrowers in Australia & UK (NZ). According to Dotsavvy (2016), in his survey findings on the use of social media in Kenya, Facebook was reported to be largest social media technology used in Kenya with approximately five million active users. Kenya Revenue Authority can tap into this technology to reach its customers far and wide for information sharing and advice on how to file tax returns.

### **5.3.2 Twitter Advertising**

The findings established that there existed a positive correlation between twitter advertising and administration of tax. And, given the fact that many people in Kenya own smart phones, organization can use this social media platform to reach its customer as it has been the case in Singapore and Japan for promotion of tax news, new service initiatives, tax reminders and tax return time to the customers (OECD, 2011).

### **5.3.3 YouTube Advertising**

The findings also established that there existed a positive correlation between YouTube advertising and tax administration. This implies that YouTube advertising as a social media platform, plays a significant role in administration of tax in the organization and organization can utilize this technology to advice its customers on how to file tax returns effectively.

## **5.4 Recommendations**

The study recommends the following;

That the management should capitalize on Facebook technology to communicate with its customers on matters related tax return filling. This will

reduce on advertising cost; that the organization should encourage its customers to use of twitter advertising as a platform to send short text messages on matters related to tax returns, and that organization should encourage the taxpayers to use YouTube platform to learn how to file tax returns. This will save on time and avoid making mistakes in filing returns especially those customers who find hard on how to file tax returns.

### **5.5 Areas of Further Research**

This study focused on use of social media advertising in administration of tax in Kenya, and since 54.2% of results findings were explained by independent variables in this study, it is recommended that a further study be carried out on other factors such as use of e-mails and other social media platforms such as WhatsApp in administration of tax by the Kenya Revenue Authority.

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## APPENDIX II: QUESTIONNAIRE

Dear Respondent,

The questionnaire below seeks to assist in gathering information in relation to the Effect of Social Media Advertising in Tax Administration by the Kenya Revenue Authority. I am inviting you to participate in a research study. Involvement in the study is voluntarily, so you may choose to participate or not. Your answers will be treated with utmost confidentiality. Please feel free to ask any questions that you may have about the research.

### Participant

All of my questions and concern about this study have been addressed, I choose, voluntarily, to participate in this research project

\_\_\_\_\_  
Signature of participant

\_\_\_\_\_  
Date

### Section A: Basic Information

**Gender:** Male  Female

#### Kindly indicate your department:

Compliance  Audit   
Debt  Marketing   
Taxpayer Services  iTax (Customer Service)   
Taxpayer Recruitment Registration

**Job Title:** .....

**Years in Service:** 1-5 years  6- 10 years   
11 -15 years  above 15 years

### Section B: Facebook Advertising & Tax Administration

Kindly tick where applicable [SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; SA = Strongly Agree]

		SD	D	N	A	SA
1.	KRA uses Facebook advertising for tax administration in Kenya					
2.	Facebook advertising is exploited by KRA for recruiting taxpayers					
3.	Facebook advertising is utilized in marketing campaign for policy consultation by KRA					
4.	Facebook advertising is put into other uses by KRA for the administration of tax					

### Section C: Twitter Advertising & Tax Administration

Kindly tick where applicable [SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; SA = Strongly Agree]

		SD	D	N	A	SA
1.	KRA uses Twitter advertising for tax administration in Kenya					
2.	Twitter advertising is utilized in providing tips for the filing season and directing users to the KRA website for more information; promote programs and educate taxpayers					
3.	KRA uses Twitter Advertising to provide key messages on activities and updates such as tax time, reminders and event coverage					
4.	KRA uses Twitter Advertising to provide information on taxpayer's rights					
5.	Twitter advertising is put into other uses by KRA for the administration of tax					

### Section D: YouTube Advertising & Tax Administration

Kindly tick where applicable [SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; SA = Strongly Agree]

		SD	D	N	A	SA
1.	KRA uses YouTube advertising for tax administration in Kenya?					
2.	KRA uses YouTube to provide instructions on filing returns					
3.	KRA uses YouTube to provide general information on the tax system and advice on Tax					

4.	KRA uses YouTube to provide key updates, how-to guides and answers to FAQs and promotional messages					
5.	YouTube advertising is put into other uses by KRA for the administration of tax					

**Section E: Tax Administration**

Kindly tick where applicable [SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; SA = Strongly Agree]

		<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1.	The use of Facebook advertising by KRA to promote e-tax product(tax preparation and return filing software) to youth and the general public has an effect on tax administration					
2.	The use of Twitter advertising by KRA to promote e-tax product(tax preparation and return filing software) to youth and the general public has an effect on tax administration					
3.	The use of YouTube advertising by KRA to promote e-tax product(tax preparation and return filing software) to youth and the general public has an effect on tax administration					

*Thank you for your participation*